

BAG INDEX

EMPLOYMENT
BAROMETER



საქართველოს ბიზნეს ასოციაცია
BUSINESS ASSOCIATION OF GEORGIA

ifo INSTITUTE

Leibniz Institute for Economic Research
at the University of Munich



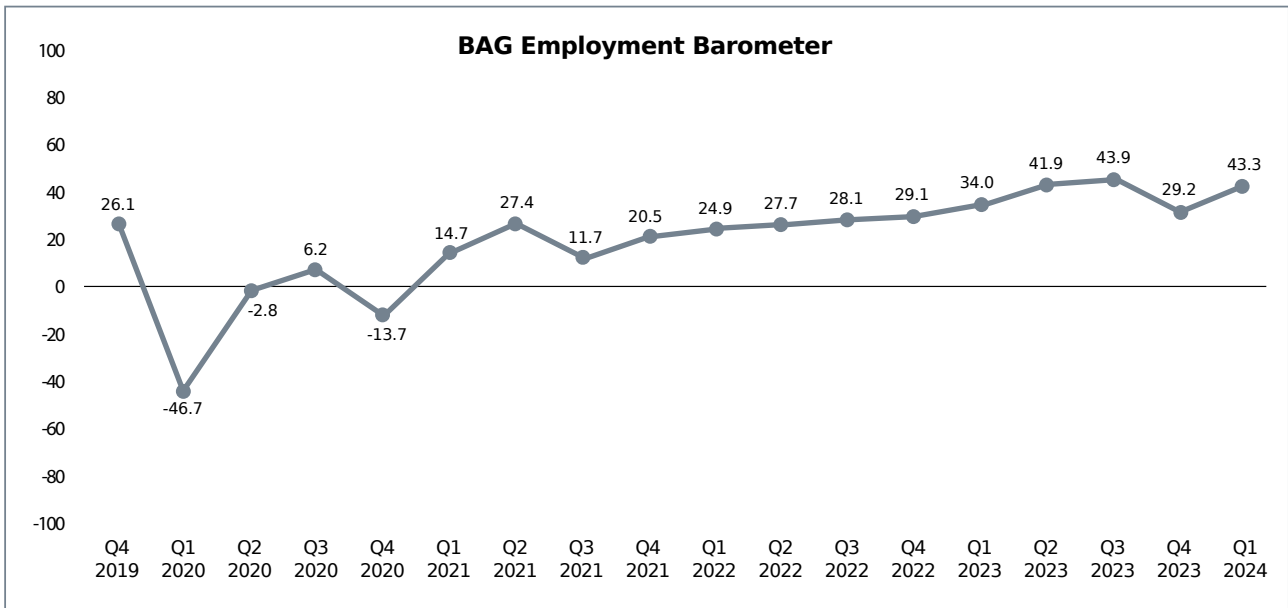
Research

I QUARTER 2024

BAG EMPLOYMENT BAROMETER

The BAG Employment Barometer reflects companies' expectations regarding changes in employment in the next three months.¹

IN Q1 OF 2024, THE SURVEYED BUSINESSES GENERALLY HAD A POSITIVE OUTLOOK REGARDING EMPLOYMENT FOR THE NEXT THREE MONTHS. THE BAG EMPLOYMENT BAROMETER AMOUNTED TO 43.3 POINTS, MARKING IMPROVEMENT, COMPARED TO THE Q1 OF 2023 (BY 9.3 POINTS) AND COMPARED TO Q4 OF 2023 (BY 14.1 POINTS).



Graph 1: BAG Employment Barometer

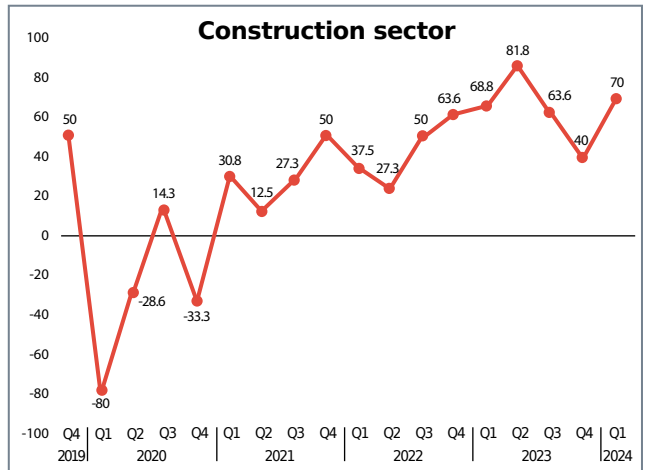
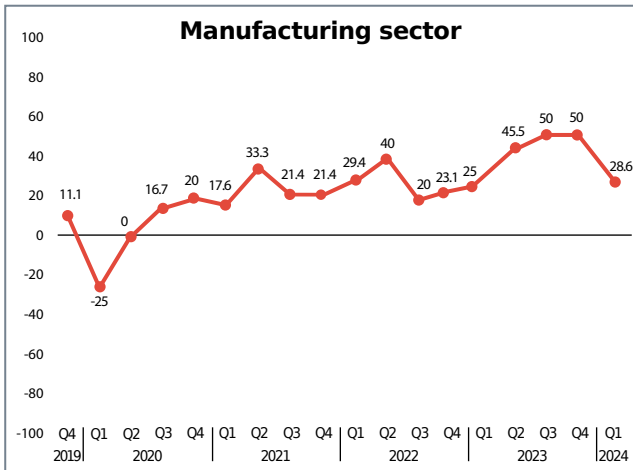
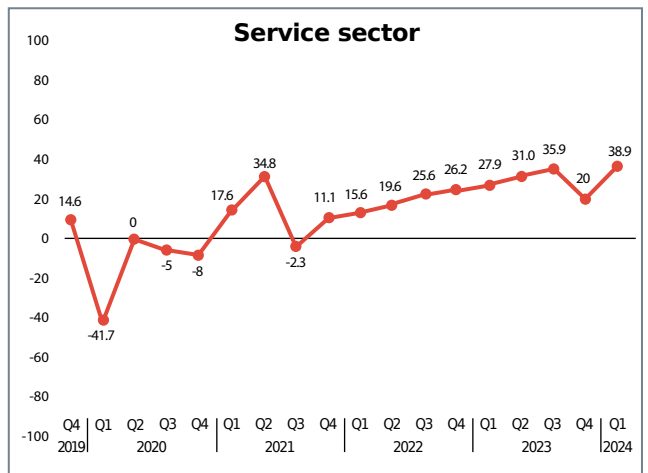
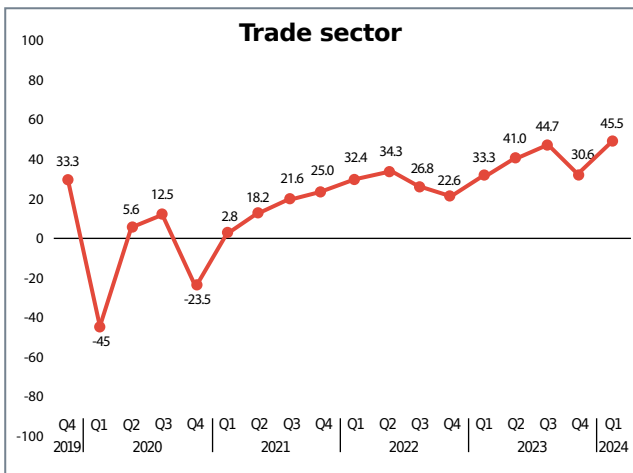
In Q1 of 2024, the BAG Employment Barometer was positive for all sectors. In Q1 of 2024, compared to Q4 of 2023, the employment barometer indicator increased in the construction (by 30.0 points), service (by 18.9 points), and trade (by 14.9 points) sectors. Meanwhile, the employment barometer indicator worsened in the manufacturing sector (by 21.4 points) (see graph 2).

In Q1 of 2024, compared to Q4 of 2023, the improvement of the employment barometer indicator in the construction, service and trade sectors can be associated with improved business expectations in these sectors.

¹ Respondents could describe their plans regarding the number of employees for the next three months as “increasing,” “stable,” or “decreasing”. The balance value of these plans is the difference in the percentage shares of the “increasing” and “decreasing” responses. The BAG Employment Barometer is a weighted mean of the balances in different sectors. The BAG Employment Barometer can be between -100 and +100. -100 means all surveyed businesses expect employment to decrease in the next three months, while +100 means all surveyed businesses expect employment to increase in the next three months.

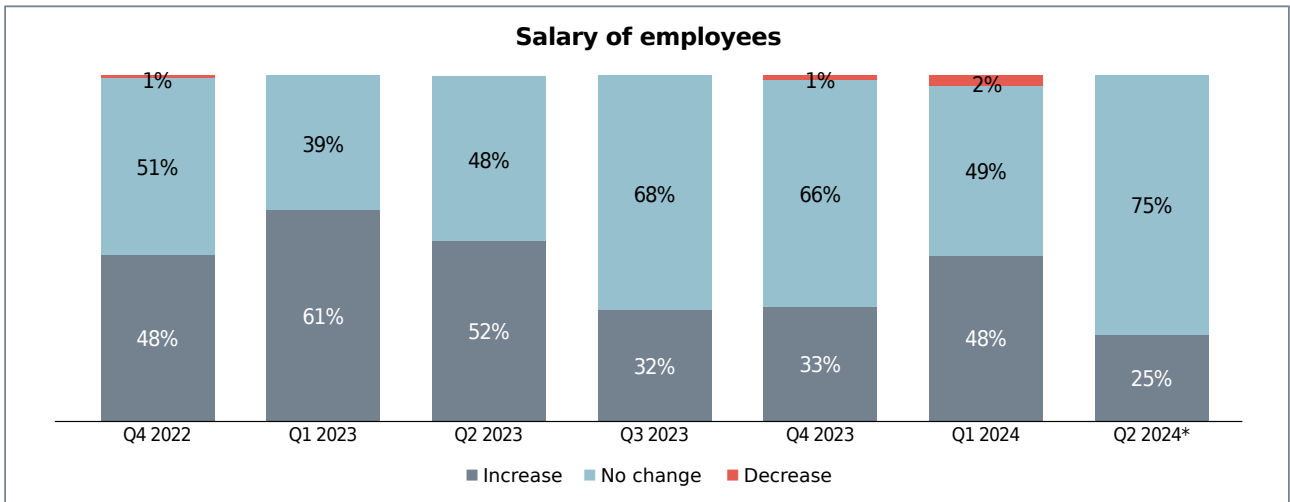
Table 2: Employment Barometer. Balance values by sector

Sector	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Trade	33.3	-45.0	5.6	12.5	-23.5	2.8	18.2	21.6	25.0	32.4	34.3	26.8	22.6	33.3	41.0	44.7	30.6	45.5
Service	14.6	-41.7	0.0	-5.0	-8.0	17.6	34.8	-2.3	11.1	15.6	19.6	25.6	26.2	27.9	31.0	35.9	20.0	38.9
Manufacturing	11.1	-25.0	0.0	16.7	20.0	17.6	33.3	21.4	21.4	29.4	40.0	20.0	23.1	25.0	45.5	50.0	50.0	28.6
Construction	50.0	-80.0	-28.6	14.3	-33.3	30.8	12.5	27.3	50.0	37.5	27.3	50.0	63.6	68.8	81.8	63.6	40.0	70.0
BAG	26.1	-46.7	-2.8	6.2	-13.7	14.7	27.4	11.7	20.5	24.9	27.7	28.1	29.1	34.0	41.9	43.9	29.2	43.3



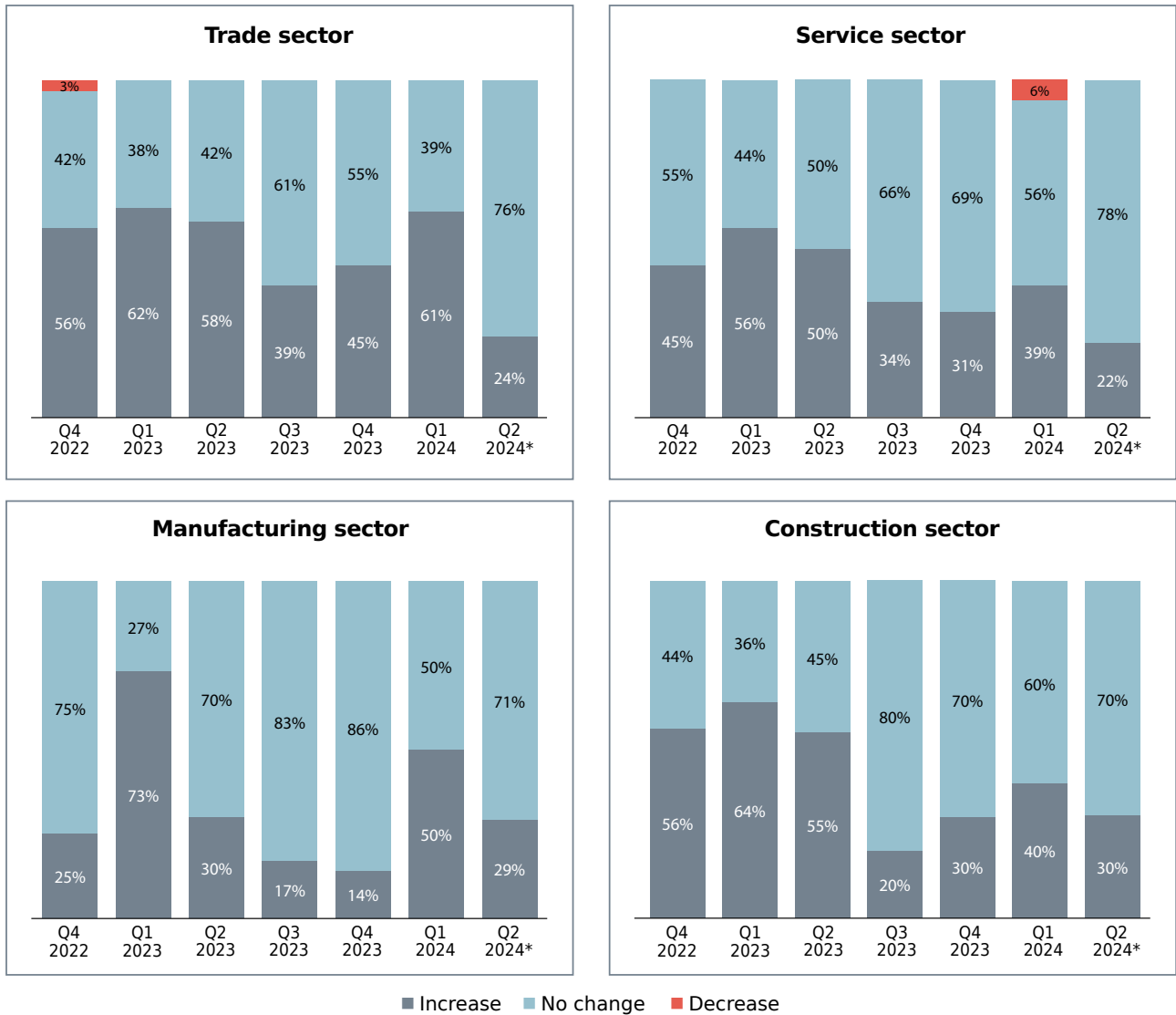
Graph 2: BAG Employment Barometer by sector

When examining employment, it is imperative to analyze the employee compensation dynamics in the process. The survey results revealed that 48% of companies raised their employees' salaries in the process. The survey results revealed that 48% of companies raised their employees' salaries in Q1 of 2024, which can be potentially attributable to re-evaluation of salaries in the first quarter of the year. Notably, 61% of the surveyed companies increased salaries of their employees in Q1 of 2023.



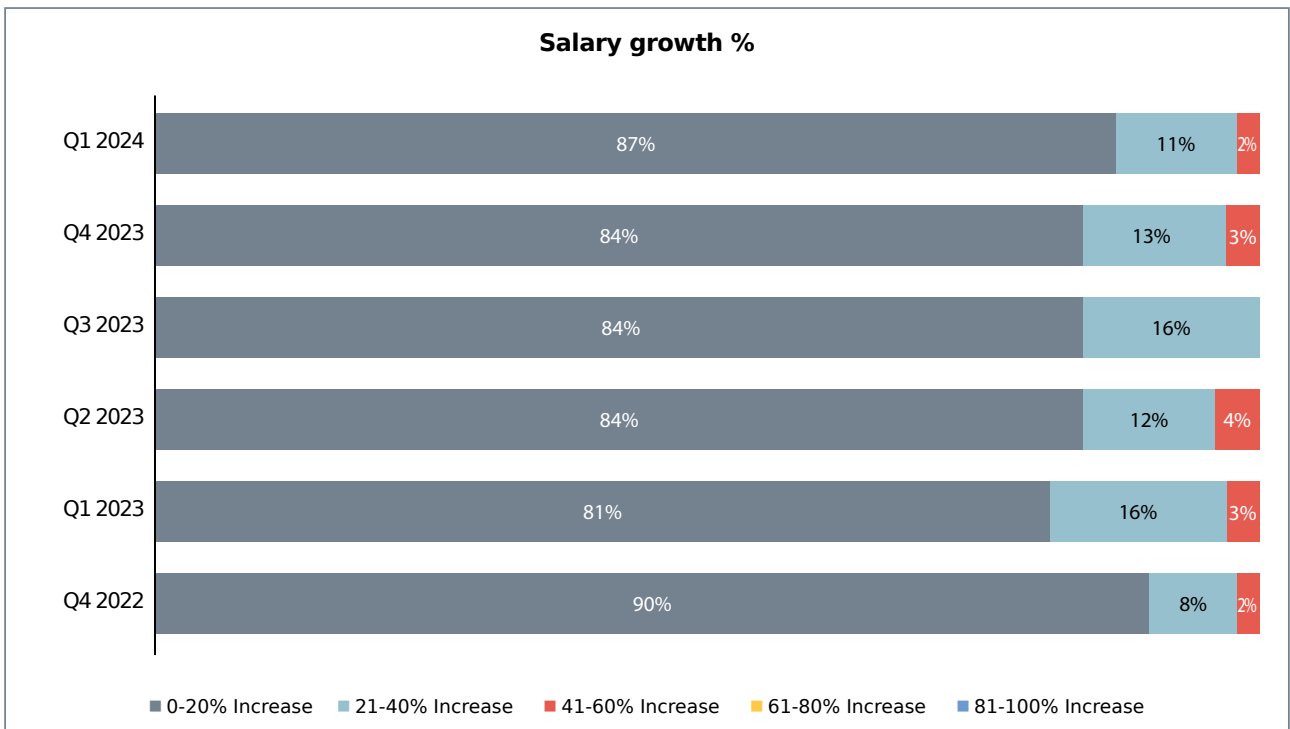
Graph 3: Salary of employees

By sector, in Q1 of 2024, the largest share of companies in the trade sector recorded an increase in the salaries of employees. In Q2 of 2024, the largest share of companies planning to increase the wages of employees was recorded in the construction sector 30% (See Graph 4).

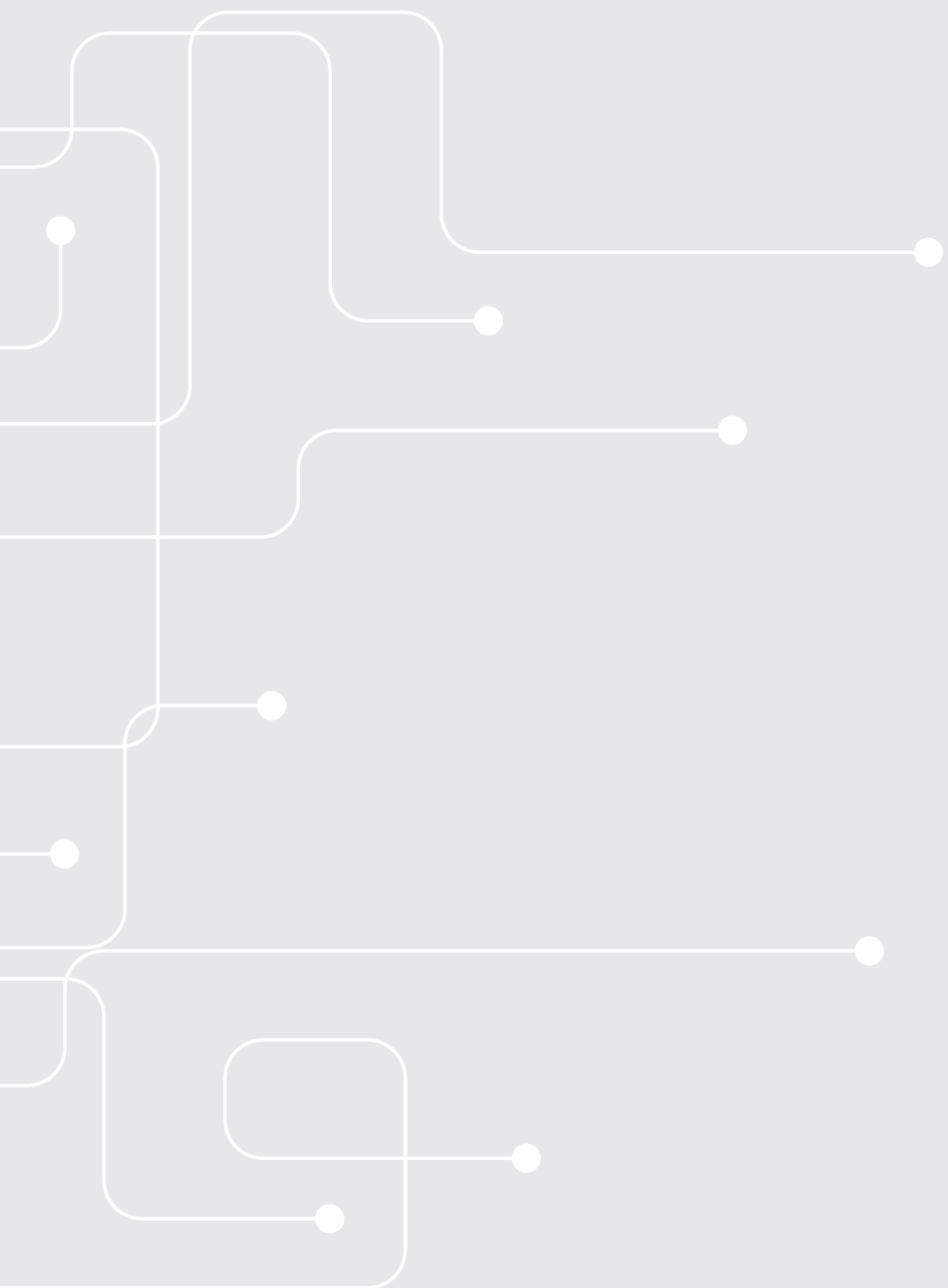


Graph 4: Salary of employees in trade, service, manufacturing, and construction sectors

In Q1 of 2024 most surveyed companies (87%), who increased the salaries of their employees, increased the salaries of their employees by 0-20%. Meanwhile, 2% of the surveyed companies increased the salaries of their employees by more than 40% (See Graph 5).



Graph 5: Growth (%) of salary of employees



CONTACT:

2 Leonidze Street, Tbilisi, Georgia

☎ +995 32 2 202-215

✉ info@bag.ge

f Business Association of Georgia

www.bag.ge