



Macroeconomics Review

April 2025

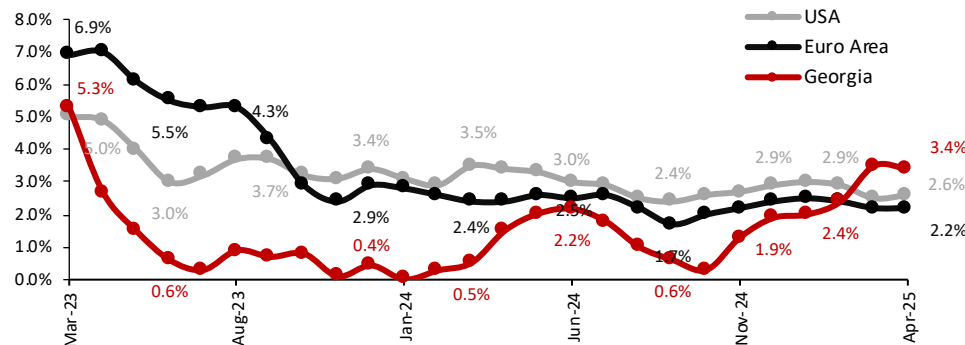
Monetary Policy	<u>Inflation Rates</u>	Annual inflation was 3.4% in April, down 0.1pp from the previous month.
	<u>Refinance Rates</u>	The ECB lowered its monetary policy rate by 25 BP at its last meeting.
	<u>International Reserves</u>	International reserves rose by \$207 million in April, reaching \$4.52 billion.
Macroeconomic Outlooks	<u>Real GDP</u>	Real GDP witnessed a 9.0% annual growth in March.
	<u>Tourism Sector</u>	Tourism revenues reached \$826 million in Q1 2025.
	<u>Residential Real Estate</u>	Tbilisi's real estate market size amounted to \$243 mln in March (+16.1% y/y).
External Trade	<u>Exports Dynamics</u>	Exports experienced an 8.2% increase from the previous year in March.
	<u>Imports Dynamics</u>	Annually, March Imports have shown a 14.3% increase.
	<u>Other Observations</u>	Motor car exports increased by 19% compared to the previous year.
Additional Observations	<u>Remittance Inflows</u>	Remittance inflows in March increased by 3.9% y/y, amounting to \$292 mln.
	<u>Exchange Rates</u>	GEL appreciated by 0.48% against the USD in April.
	<u>Market Watch</u>	S&P 500 rose 9% to \$5,844, Bitcoin up by 22% to \$102,644.

Report was created by Macroeconomics & Research Unit

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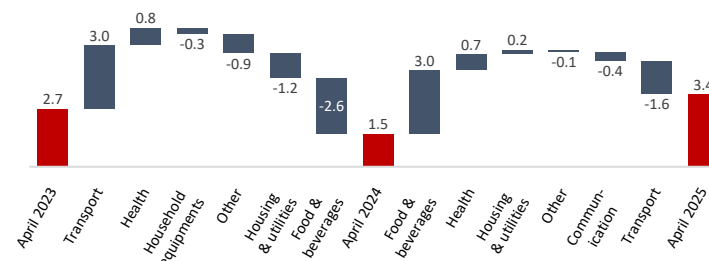
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Y/Y Inflation Dynamics



Note: Apr-25 figure of USA & Euro are estimations

Contributors to Y/Y Change of Annual Inflation Changes in Georgia

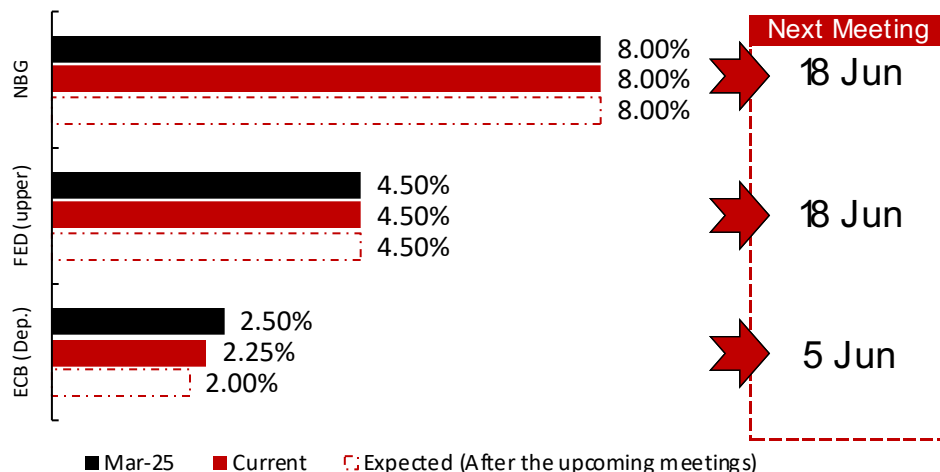


- In April, Georgia's annual inflation rose to 3.4%, driven mainly by higher prices in food and non-alcoholic beverages (+2.43pp contribution) and healthcare (+0.77pp).
- Domestic inflation amounted to 4.7% (2.2PP contribution in total) in April, mixed* 5.0% (1.5PP) and imported -1.0% (-0.2PP).
- Monthly inflation amounted to 0.2%, mainly influenced by price changes for the Food and non-alcoholic beverages (0.18PP).

*Including products that are imported as well as those produced domestically.

Sources: Geostat, Eurostat, US Bureau of Labor Statistics

Reference Rate Trends and Expectations



Next Meeting

18 Jun

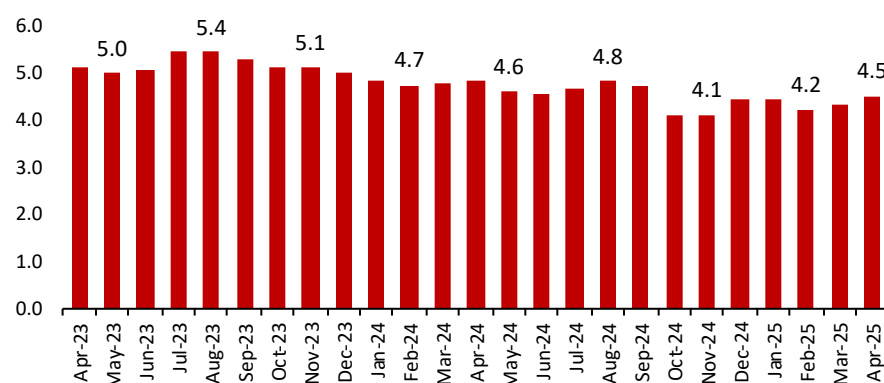
18 Jun

5 Jun

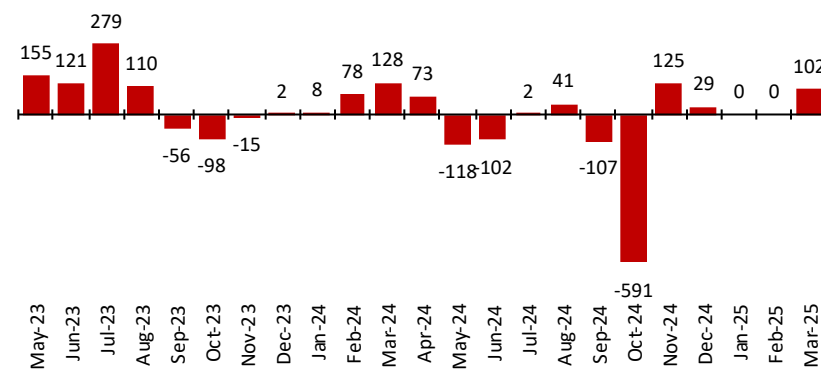
- Over the past month, inflation in Georgia slightly declined from 3.5% to 3.4%. Despite the decrease, inflation remains above the NBS's target level of 3%, making a rate cut unlikely.
- The Fed kept its benchmark rate at 4.50%, citing solid economic activity and a strong labor market, despite lingering inflation pressures. Elevated uncertainty and balanced risks to inflation and employment supported the decision to hold.
- ECB lowered its deposit facility rate by 25 basis points to 2.25%, continuing its monetary easing cycle. Policymakers remain cautious, signaling that future rate adjustments will depend on inflation trends and external risks.

Sources: NBS, Bloomberg, ECB

NBS Reserves Dynamics (US\$ bln)



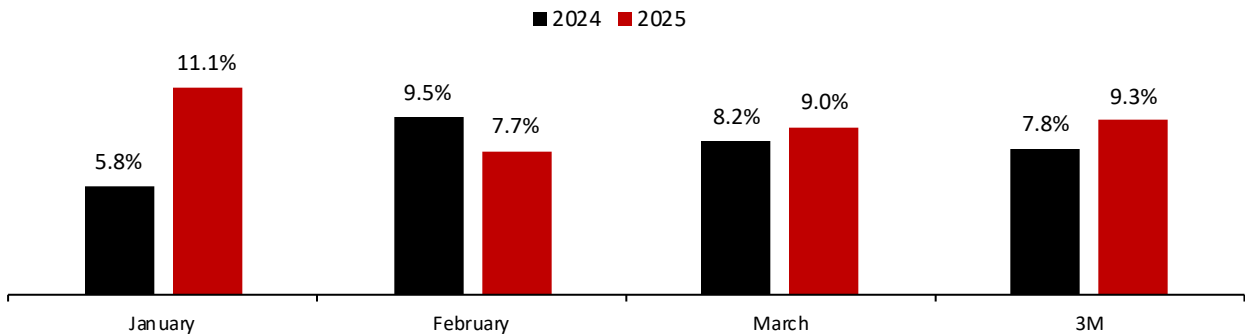
NBS Net Purchases (US\$ mln)



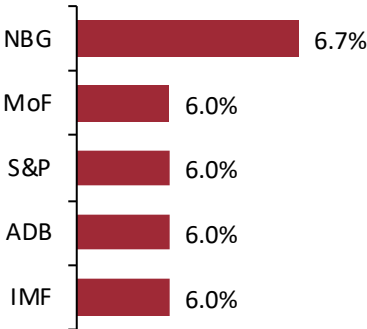
- As of April, national reserves amounted to \$4.52 billion, reflecting an increase of \$208 million from the previous month.
- In March, the NBS conducted its first foreign exchange operations of the year, purchasing \$102 million via the Bmatch platform.
- Year-over-Year national reserves decreased by \$296 mln.

Source: NBS

Y/Y Real GDP Estimated Growth



Forecasts for 2025:

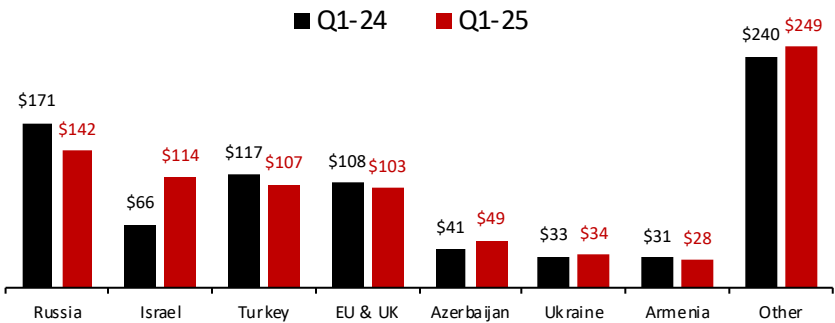


Real GDP Growth Dynamics

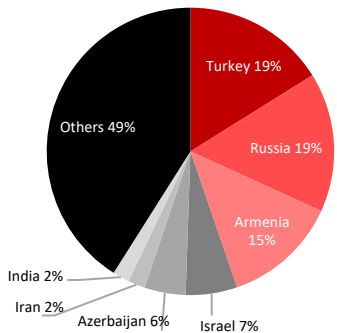
- Yearly real GDP experienced 9.0% growth in March. The highest growth was registered in following ICT and Professional, scientific and technical activities.
- Due to strong economic growth in the first quarter of 2025, both the National Bank of Georgia and the Ministry of Finance revised their annual GDP forecasts upward, with NBG increasing its projection from 5.0% to 6.7% and the MoF raising its estimate from 5.5% to 6.0%.

Sources: Geostat , MoF, S&P, IMF

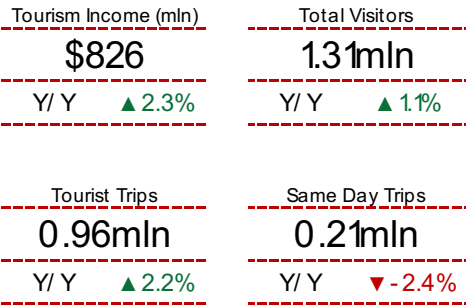
Tourism Income by Countries (US\$ mln)



Tourists by Countries (Q1-25)



Main Figures of Tourism (Q1-25)

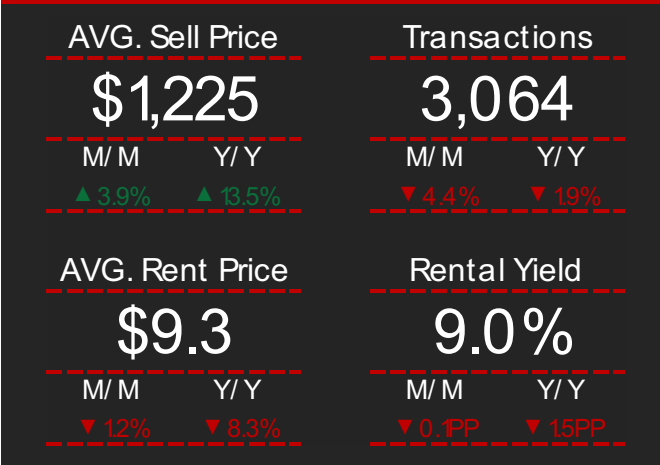


Tourism Sector

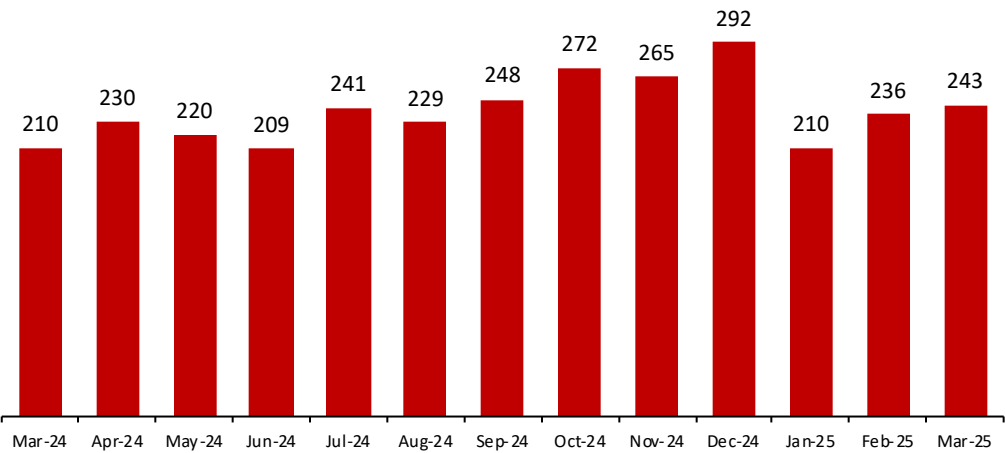
- In the first quarter of 2025, tourism income reached \$826 million, marking a 2.3% increase compared to the same period last year.

Source: Geostat

Tbilisi Residential Estate Market (Mar-25)



Dynamics of Tbilisi's Housing Market Size (US\$ mln)



Tbilisi Residential Real Estate Market

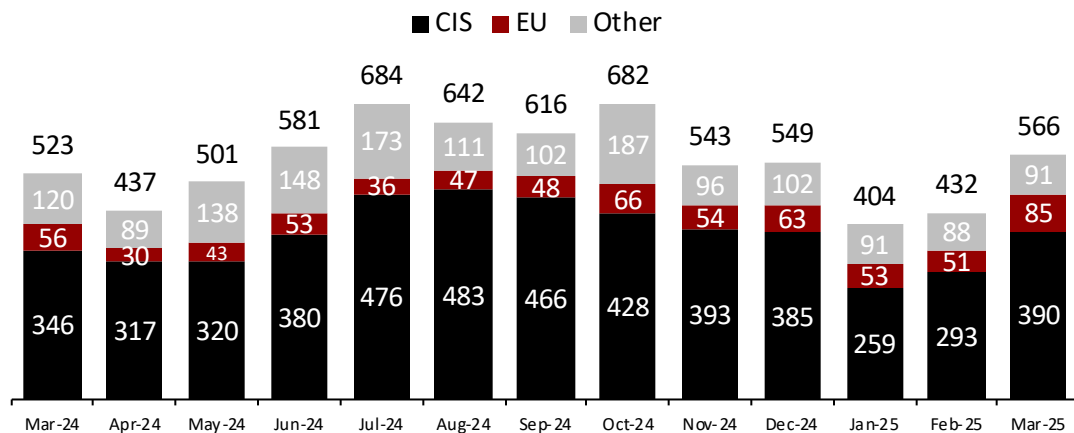
- In Mar-25, the market size in Tbilisi amounted to 243 mln and saw 3.2% m/m and 16.1% y/y increase.
- In Tbilisi, during the fourth quarter of 2024, the number of residential building permits issued declined by 2% to 1,168, while the permitted area, in terms of square meters, increased by 11.5% to 1,568 thousand.

Note: Changes in rent prices are derived from NBG data, while absolute values are sourced from SS.ge.

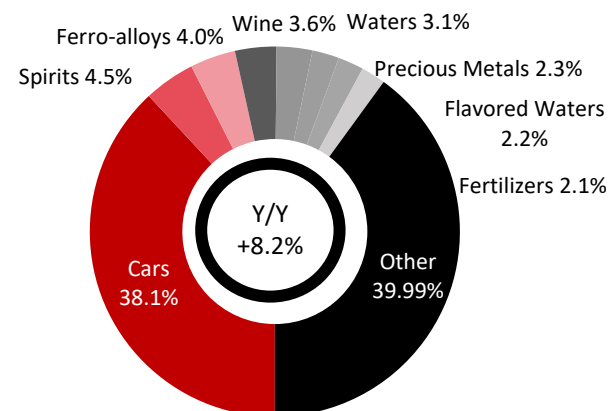
Sources: NBG, Recov, SS.ge, Geostat

Export Dynamics

Export Dynamics (US\$ mln)



Exports by Products

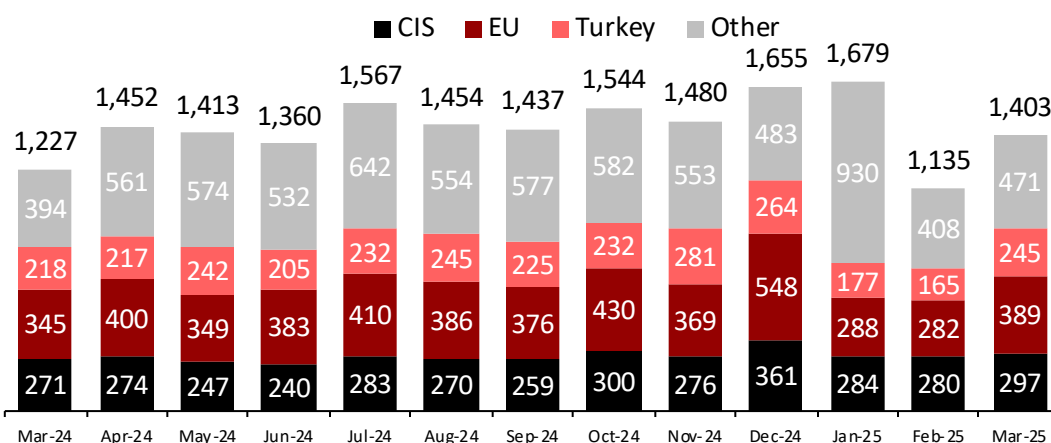


- In March, exports totaled \$566 million, marking a 8.2% increase compared to the same period last year. Exports to the EU rose by 51%, while exports to CIS countries increased by 13%.
- Key contributors to this increase were Motor Cars (+6.6 PP effect in total) and Precious metals (+1.4PP), while Wines (-3.0PP), had the biggest negative impact.

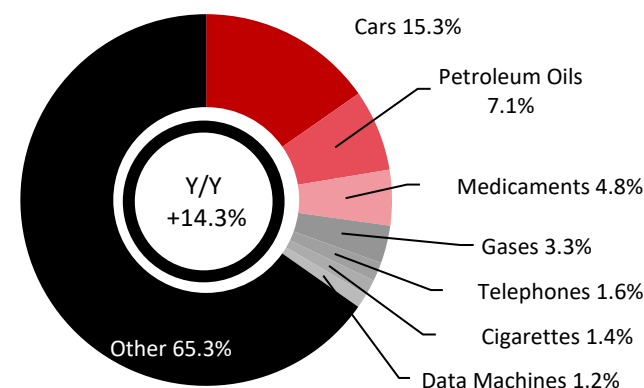
Source: Geostat

Import Dynamics

Import Dynamics (US\$ mln)



Imports by Products

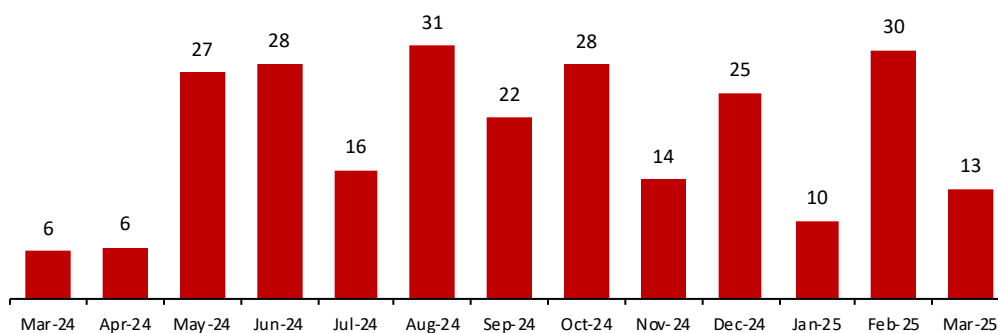


- Imports to Georgia amounted to \$1.4 bln In March illustrating a 14.3% increase from March 2024.
- Key contributors to this increase were Medicaments (+1.5PP effect in total growth) and Cigarettes (+0.7PP).

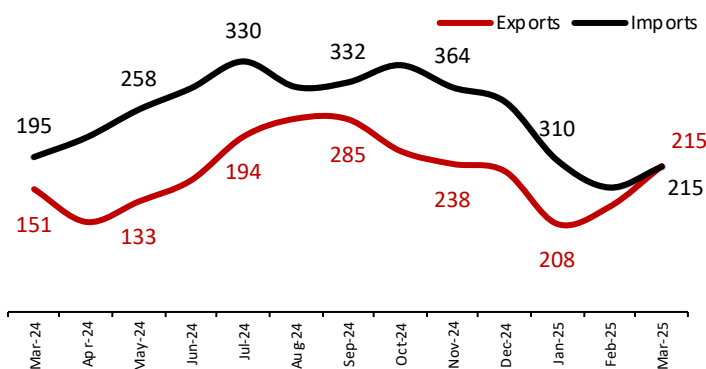
Source: Geostat

Other Observations

Precious Metals Export Over the Last Months (US\$ mln)



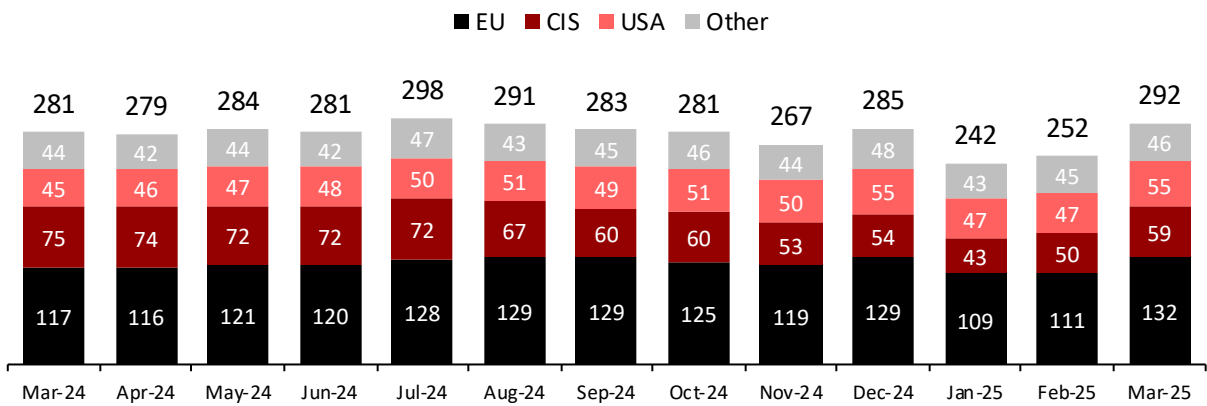
Car Trade Dynamics Over the Last Months (US\$ mln)



- Compared to March 2024, exports of Precious Metals Increased by 132%.
- Motor car exports increased by 19% compared to the previous year, while imports decreased by 6.2%; however, import figures are subject to revision and are likely to increase.

Source: Geostat

Remittances Inflow Dynamics (US\$ mln)



Top 10 Countries and Y/Y Change (Mar-25)

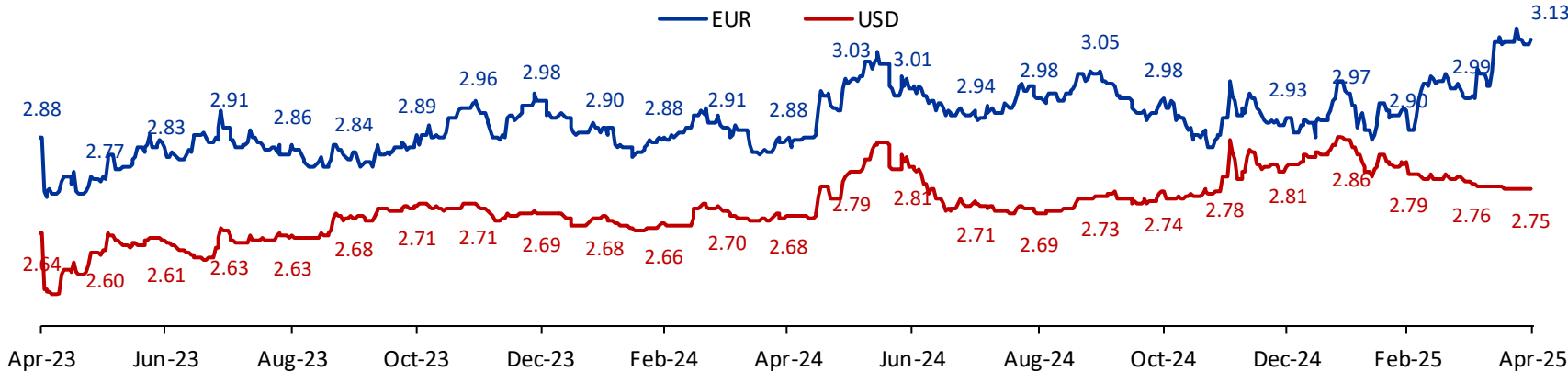
1	USA	\$55 mln	21.7%
2	Italy	\$50 mln	7.1%
3	Russia	\$38 mln	-29.1%
4	Greece	\$24 mln	14.8%
5	Germany	\$24 mln	19.2%
6	Israel	\$21 mln	1.8%
7	Turkey	\$9 mln	3.5%
8	Kyrgyzstan	\$7 mln	154.8%
9	Spain	\$7 mln	22.3%
10	Kazakhstan	\$7 mln	-44.3%

Remittance Inflows

- Yearly remittance inflows in Georgia increased by 3.9% and amounted to \$292 mln in March.
- Highest decrease in inflows was from Russia (-15 mln) while inflows from Kyrgyzstan (4.2 mln), Germany (3.9 mln) and Greece (3.1 mln) had highest growths.

Source: NBG

GEL Exchange Rate Dynamics



Exchange Rates

- In April, GEL appreciated by 0.48% against the USD and depreciated by 4.52% against the Euro.

Sources: NBG

Market Watch (Last Prices as of May 13, 2025)

S&P 500		Gold		WTI Crude Oil		Bitcoin	
\$5,844		\$3,259		\$62.06		\$102,664	
M/ M	MA100	M/ M	MA100	M/ M	MA100	M/ M	MA100
▲ 9%	\$5,586	▲ 1%	\$3,317	▲ 1%	\$60.42	▲ 22%	\$103,469
TBC		BOG		G Capital			
£45.4		£66.5		£19.1			
MoM	MA100	MoM	MA100	MoM	MA100		
▲ 7%	\$46.2	▲ 25%	\$612	▲ 43%	\$17.16		

MA100 is the moving average price over the last 100 days

- S&P 500 rose by 9% m/m to \$5,844, driven by easing inflation, solid earnings, and market relief following the U.S.-China agreement to roll back tariffs over the next 90 days.
- Gold edged up 1% m/m to \$3,259, as improving trade sentiment and a stronger dollar limited safe-haven demand despite ongoing geopolitical risks.
- Bitcoin surged 22% m/m to \$102,664, supported by institutional inflows and rising confidence in crypto amid broad market gains and easing global trade tensions.
- WTI Crude Oil rose 1% m/m to \$62.06, as trade optimism offset pressure from rising U.S. inventories and OPEC+'s decision to gradually increase output starting May.

Market Watch

Sources: Bloomberg, LSE.

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