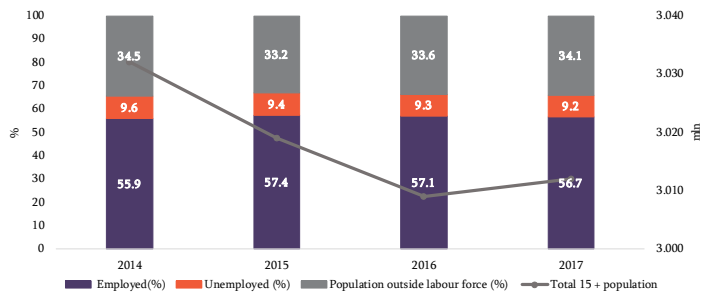


Increasing the employment rate represents one of the most significant challenges and priorities of the Georgian economy. This bulletin appraises trends related to employment for the period of 2014-2017.

Share of Employed Population, Unemployed Population and Population Outside the Labor Force in the Population Aged 15+ in 2017



Source: National Statistics Office of Georgia

In 2017, compared to 2016, the number of people aged 15 or above increased by 0.1% (2,864) and amounted to 3,012,300.

In 2017, compared to 2016, the share of employees¹ in the total population aged 15 or above (employment rate) decreased by 0.4 percentage points to 56.7%. In 2017, a total of 1,706,640 people were employed and 276,415 people were unemployed².

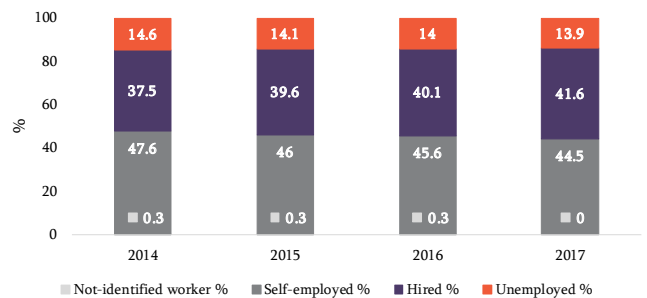
In 2017, compared to 2016, the share of economically inactive people in the total population aged 15 or above increased by 0.5 percentage points to 34.1%. Additionally, compared with 2016, in 2017, the total number of economically inactive people increased by 1.6% (16,027) and amounted to 1,029,200.

In 2017, compared to 2016, the unemployment rate³ in Georgia decreased by 0.1 percentage point to 13.9%.

In 2014-2017, the percentage share of hired employees in the labor force⁴ increased and, in 2017, the total number of hired employees amounted to 41.6% of the labor force.

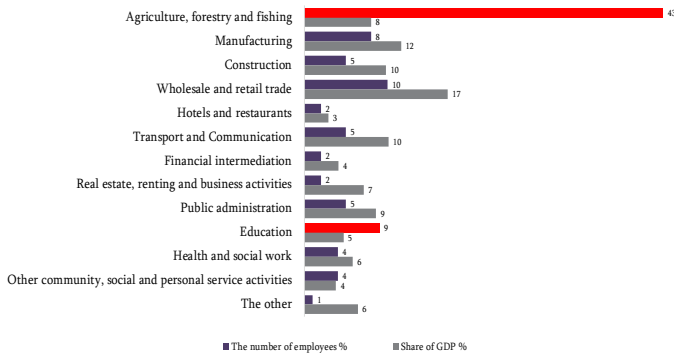
Over the four-year period under review, the percentage share of self-employed⁵ people decreased and, in 2017, the total number of self-employed people amounted to 44.5% of the labor force.

Labour Force in 2014-2017



Source: National Statistics Office of Georgia

The Percentage Share of Employees in Different Economic Sectors and the Percentage Share of these Sectors in GDP in 2017



Source: National Statistics Office of Georgia

In 2017, the percentage share of employees working in the agricultural and education sectors was higher than the percentage share of Gross Domestic Product (GDP)⁶ generated by these respective sectors.

Overall, 43% of all employees worked in agriculture and 9% worked in education while the contributions (%) of the agricultural and education sectors to GDP were 8% and 5% respectively.

In 2017, in terms of high labor productivity, we can highlight the construction and transport-communication sectors. Both sectors held 5% each of total employees, while both sectors also made 10% contributions to the GDP.

In 2014-2017, both average monthly nominal and real⁷ salaries of hired employees grew annually.

In 2017, compared to 2016, the average monthly nominal salary increased by 6% and amounted to 999 GEL. However, compared with last year, in 2017, the real wage increased by 2 GEL (0.2%) and reached 803 GEL.

In 2017, compared to 2014, the average monthly nominal salary increased by 22.1% (181 GEL), while the real wage increased by 8.4% (63 GEL).

The Average Monthly Nominal and Real Incomes of Hired Workers in 2014-2017



Source: National Statistics Office of Georgia

¹Employed (hired or self-employed) refers to a person aged 15 or above who worked 7 days prior to the interview process (for at least one hour) to generate income (salary, profit or other compensation in kind), or helped other household members for free, or was formally considered employed but for some reason did not attend work.

²Unemployed – a person at the age of 15 or above, who was not employed (even for one hour) 7 days prior to the interview process, was looking for a job for the last 4 weeks time and was ready to start working within the next 2 weeks time.

³Unemployment Rate – the ratio of the unemployed population against the total economically active population, expressed as a percentage.

⁴The sum of employed and unemployed people.

⁵Self-employed – an owner of a personal enterprise during the accounting period, to generate a profit or family income (cash or in-kind) or a person working for free in a family enterprise/holding.

⁶GDP at current prices.

⁷Average year = 2010

Average Monthly Income Ranges for Individuals in 2017

Average monthly income	Number of Individuals	Share %
Income ≤400€	565 950	46%
400€ < Income ≤800€	257 771	21%
800€ < Income ≤1000€	90 506	7%
1000€ < Income ≤1667€	166 100	14%
1667€ < Income ≤8333€	132 000	11%
8333€ < Income	9 826	1%
Total	1 222 153	100%

Source: "Revenue Service of Georgia"

In 2017, despite the increase in the average monthly nominal salary, there was a sharp difference in wages across various kinds of economic activities.

In 2017, the three best-paid economic sectors (average monthly income in brackets) were: financial and insurance activities (2008 GEL); professional, scientific and technical activities (1595 GEL) and construction (1466 GEL). The lowest monthly salaries were found in the following sectors: trade (844 GEL); agriculture (643 GEL); and education (577 GEL).

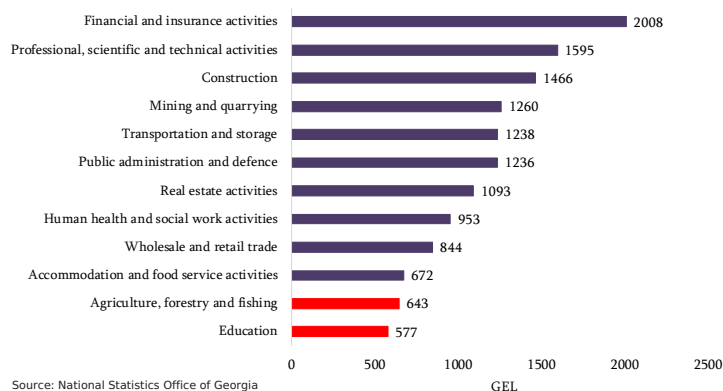
It is worth noting that 2% of employed people worked in the highest-paying sector, while 52% of employed people were working in the two lowest-paying sectors.

According to the electronic information system of the Revenue Service of Georgia, in 2017, the incomes of 1,222,153 people were declared.

Overall, 46% of individuals (565,950) to declare their incomes received incomes received less than 400 GEL and 1% (9,826) received more than 8.333 GEL in monthly income.

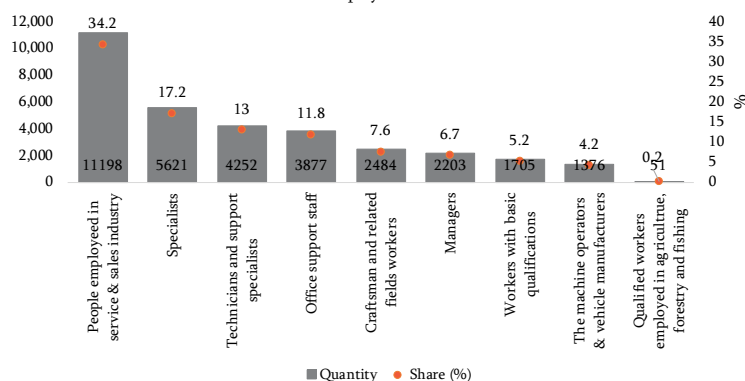
In 2017, 74% of individuals (916,227) declaring) declaring their incomes received less than 1000 GEL, and 26% (307,926) received more than 1000 GEL in average monthly income.

Average Monthly Nominal Earnings of Employees by Economic Activity in 2017



Source: National Statistics Office of Georgia

The Vacancies Announced on HR.GE in 2017 Divided into Primary Spheres of Employment in 2017



Source: „Labour Market Analysis in Georgia“. 2018.

According to the "Caucasus Barometer," in 2017, a significant portion (41%) of the unemployed population had attained primary or secondary education and 42% of employed people had attained at least higher education.

29% of the employed population and 25% of the unemployed population had attained vocational education.

In 2017, 34% of unemployed people had attained higher education.

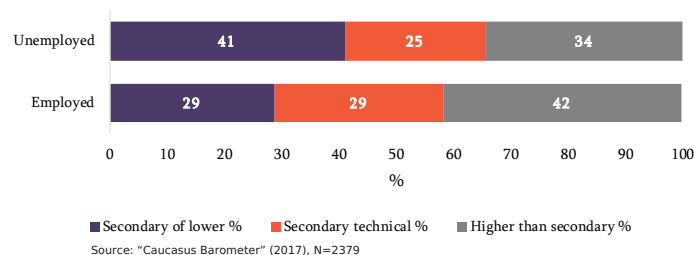
In 2017, a total of 32,767 vacancies were announced on the website of a private employment agency entitled HR.GE. The services and sales sphere had the highest percentage of vacancies, totaling 34.2% (11,198). In this sphere, 59% (6,615) of the announced vacancies were for the position of cashier/seller/consultant.

17.2% (5,621) of the announced vacancies stemmed from an employer looking for specialists in different fields. The highest demand (50%, 2,801) was for business and administration specialists.

In 2017, the percentage shares of the total announced vacancies were 13% (4,252) and 11.8% (2,484), for technicians and office support staff, respectively. The lowest number of announced vacancies was 51 (0.2%) in the agricultural industry.

It is worth noting that most of the announced vacancies (53.7%) required secondary or vocational education, while 36.9% required higher education, and 9.4% required primary education.⁸

Employment by Education Level in 2017



Source: "Caucasus Barometer" (2017), N=2379

Basic Economic Indicators	2014	2015	2016	2017	2018 I	2018 II	2018 III
Nominal GDP (mln USD)	16507.8	13988.1	14377.9	15086.5	3651.6*	4155.8*	4185.3*
GDP Per Capita (USD)	4438.3	3754.9	3857.3	4046.8	979.1*	1114.3*	1122.2*
GDP real growth (%)	4.6%	2.9%	2.8%	4.8%	5.2%	5.6%	3.7%
Consumer Price Index (annual average)	3.1%	4.0%	2.1%	6%			
Foreign Direct Investment (mln USD)	1817.7	1665.6	1565.8	1894.5	287*	389.1*	322.6*
Unemployment Rate	14.6%	14.1%	14%	13.9%			
External Public Debt (mln USD)	3997	4315	4515	5177	5298	5186	5140
Poverty Rate (relative)	21.4%	20.2%	21%	22.3%			

*Source: „Labour Market Analysis in Georgia“. 2018. Ministry of Economy and Sustainable Development Georgia.