- *Economic activity grew 6.4 percent (yoy) in September, driven by manufacturing, transport, and ICT.*
- *Inflation rose to 5.2 percent in October, driven by rising food prices.*
- *Export growth accelerated to 14.2 percent (yoy) and import growth moderated in September.*
- *Bank credit expanded 13.3 percent (yoy) and deposits rose 12 percent (yoy).*
- *Fiscal outcomes improved in September, with revenues rising 12.8 percent (yoy).*

In September, economic activity remained strong. Real GDP grew 6.4 percent (yoy) in September, with the Q1–Q3 average reaching 7.7 percent. Growth was driven by manufacturing, transport and storage, ICT, and professional services, whereas construction and energy contracted. VAT-payer turnover increased 9.2 percent (yoy) and business registrations fell slightly (down 1.1 percent, yoy).

In September, according to the Revenue Service, wage distribution shifted toward higher-earning brackets. The number of formally employed workers reached 986,000, up 2.6 percent (yoy). The share of low-wage earners (below GEL 600) fell 12.5 percent, down 3 percentage points (yoy). At the same time, the share of workers earning GEL 2,400 or more increased to 33.6 percent, 5.6 pp higher than in September 2024. These shifts may indicate a gradual improvement in job quality, although unemployment remains elevated, suggesting that labor-market gains are uneven across sectors.

In October, headline inflation accelerated. Consumer prices increased 0.6 percent (mom) in October. The increase was mostly driven by clothing and footwear (up 8.2 percent, adding 0.4 pp), and food and non-alcoholic beverages (up 0.3 percent, adding 0.15 pp). On an annual basis, inflation was driven mainly by food prices (up 11.7 percent, adding 3.9 pp). Several categories posted a decline in prices on an annual basis, including communication and transport. Core inflation remained at 2.7 percent (yoy) and Georgia's Central Bank (NBG) held the policy rate unchanged at 8 percent.

In September, external performance strengthened. Goods exports increased 14.2 percent (yoy) in September, led by sharp rises in metal ores (up 63 percent), mostly to Bulgaria; beverages (up 27 percent); and fruit (up 18 percent); however, motor vehicle exports declined slightly. Imports edged down 0.3 percent (yoy), with higher inflows of mineral fuels (up 12 percent) and electrical machinery (up 11 percent), offset by a sharp contraction in motor vehicles (down 21 percent). As a result, the trade deficit narrowed in September. Meanwhile, remittance inflows strengthened, rising 12.1 percent (yoy). Remittances from Russia increased 10.2 percent (yoy); inflows from the European Union (EU) rose 12 percent and those from the United States (US) 21.7 percent. The increase helped cushion the external position, along with stable tourism inflows, which rose 6.6 percent (yoy) in Q3. Arrivals from Israel, Azerbaijan, and the EU drove this trend, whereas proceeds from tourist arrivals from Russia fell.

In September, the banking sector remained sound, supported by steady credit expansion and strong profitability. Credit growth (FX-adjusted) stood at 13.3 percent (yoy) in September, driven by both household and corporate lending, while deposit balances continued to expand, rising by an estimated 3.9 percent (mom) and around 12 percent (yoy), with GEL deposits growing faster than FX deposits. The non-performing loans (NPL) ratio remained unchanged at 2.6 percent. Profitability indicators remained robust, with return on assets (ROA) at 3.8 percent and return on equity (ROE) at 22.6 percent, similar levels as in August.

In October, the GEL remained broadly stable. The exchange rate appreciated slightly against the USD (up 0.2 percent, mom) but remained marginally weaker in annual terms (down 1.2 percent, yoy). The GEL strengthened marginally against the euro, compared with September (up 0.2 percent, mom), but depreciated 5.9 percent (yoy). In September, due to higher domestic inflation relative to trading partners, the nominal effective exchange rate (NEER) eased down 0.3 percent (mom) and down 0.2 percent (yoy), and the real effective exchange rate (REER) was down 0.8 percent (mom) and down 3.4 percent (yoy). International reserves increased 4.3 percent (mom) and 15.2 percent (yoy), reaching 3.7 months of import cover.

In September, Georgia's fiscal performance strengthened. Revenue increased 12.8 percent (yoy) in September, driven by strong collection overall. Current expenditure grew 15.4 percent (yoy), due to higher social benefits and employee compensation (each up 16 percent yoy), and subsidies (up 44 percent, yoy). Capital expenditure contracted 3.4 percent (yoy), due to slower project implementation. Q1–Q3 revenue growth remained robust, up 10.1 percent (yoy), and expenditure increased 6 percent (yoy). The cumulative fiscal balance was broadly neutral. Public debt remained at 34 percent of GDP.

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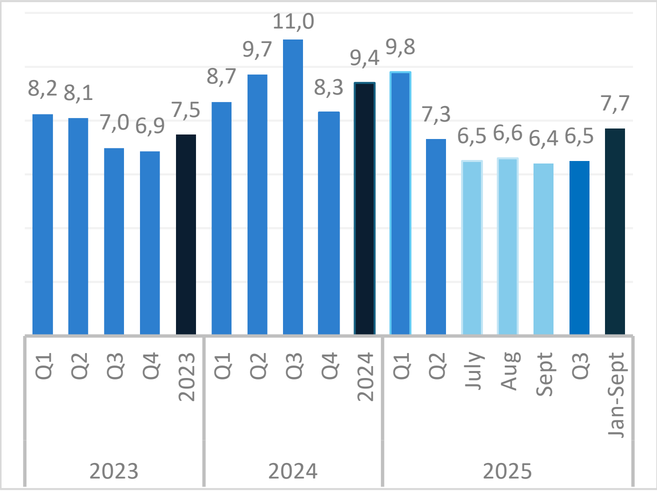
Figure 1. Economic activity grew 6.4 percent (yoy) in September 2025

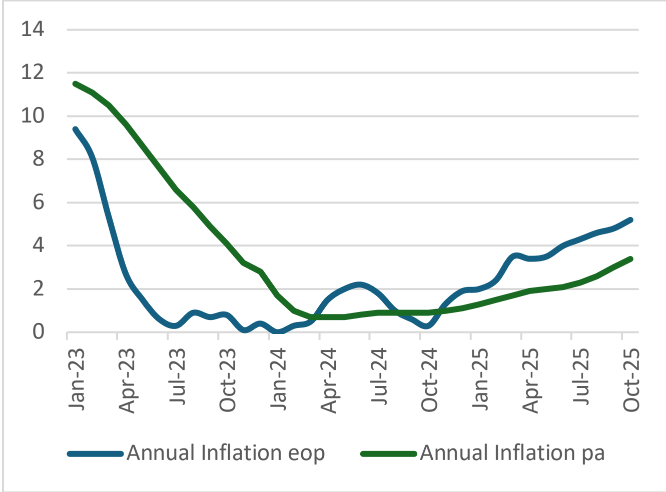
(%, yoy)



Source: Geostat

Figure 2. Annual inflation increased to 5.2 percent (yoy) in October 2025

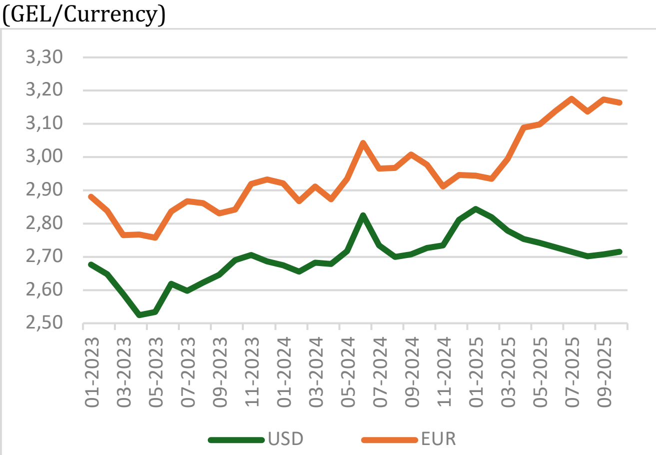
(%, yoy)



Source: Geostat

Figure 3. The GEL/USD exchange rate remained stable in October 2025

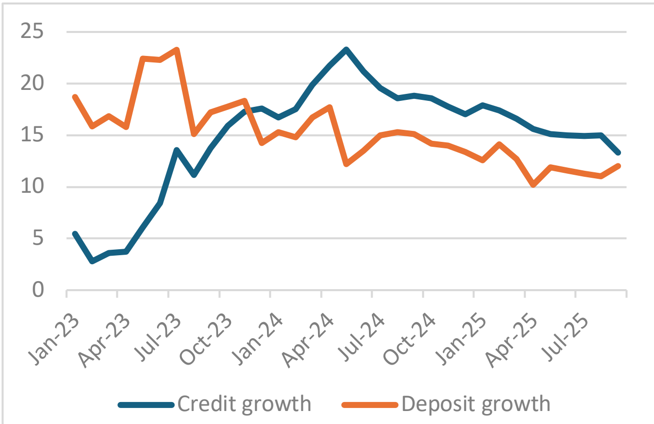
(GEL/Currency)



Source: NBG

Figure 4. Credit and deposits continued double-digit growth

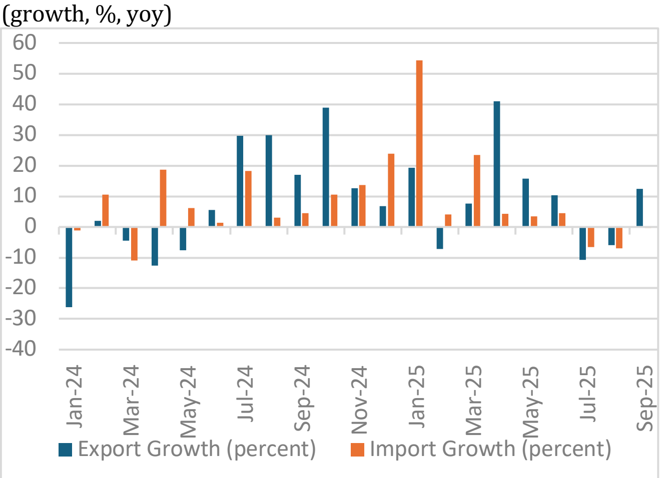
(growth, %, yoy)



Source: NBG

Figure 5. the trade balance improved in September 2025

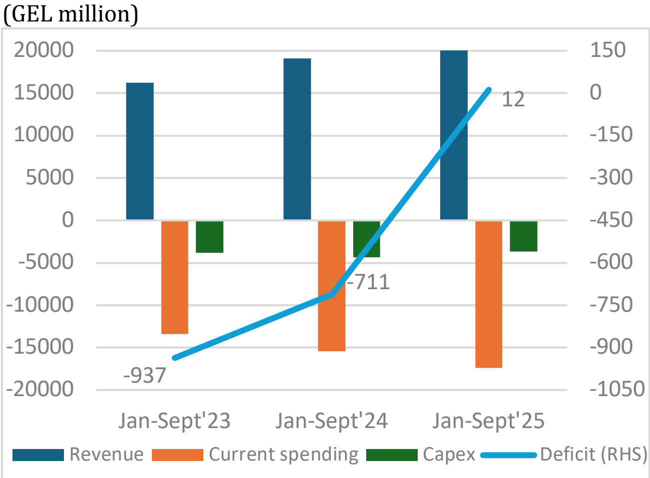
(growth, %, yoy)



Source: Geostat

Figure 6. An almost neutral balance was recorded over the January-September 2025 period

(GEL million)



Source: Ministry of Finance

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