



Research



EMPLOYMENT TRACKER

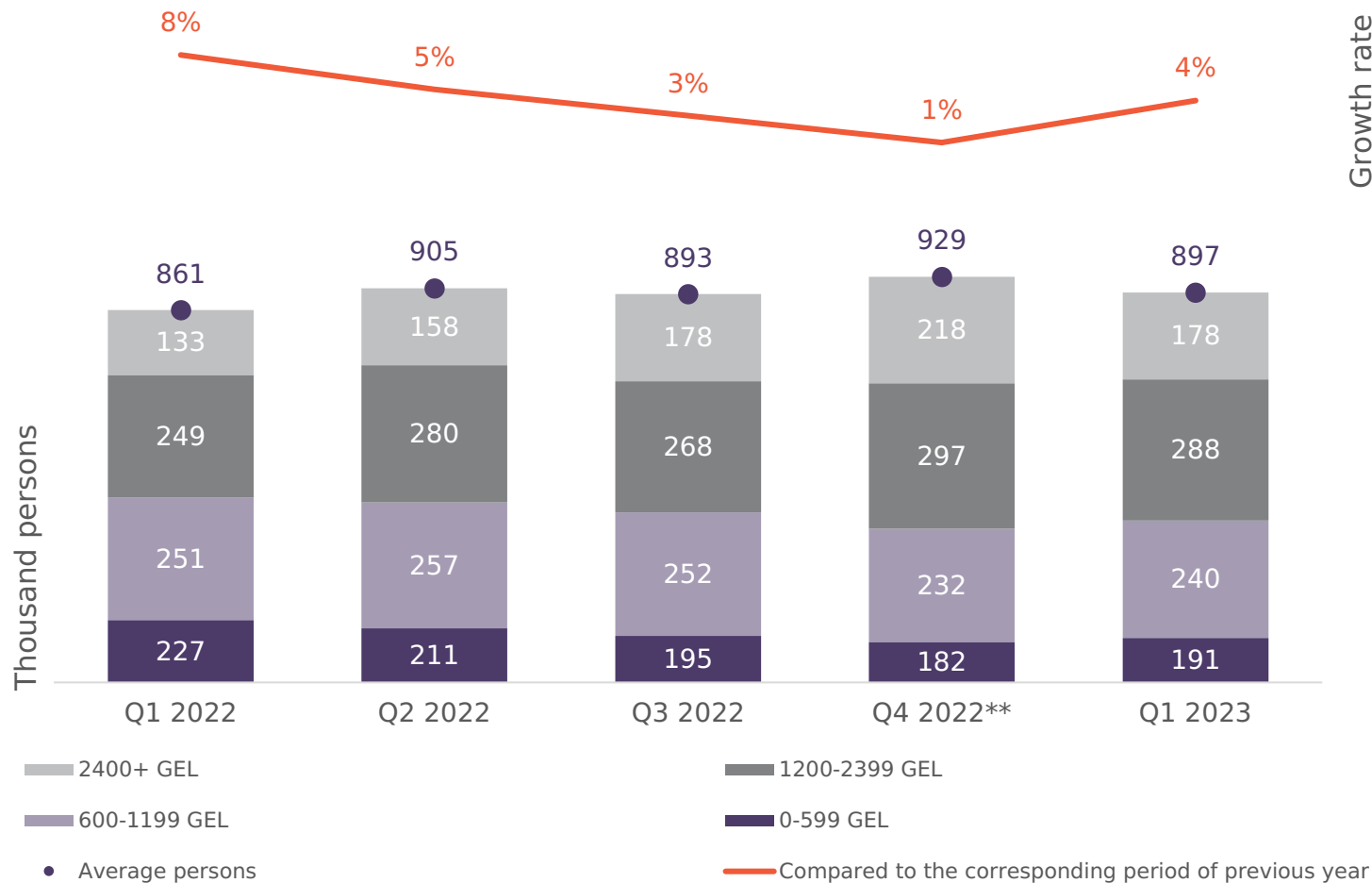


June 2023

www.pmcresearch.org



AVERAGE NUMBER OF PERSONS RECEIVING SALARY



Growth rate

- 👤 In May 2023, the number of persons receiving a monthly salary increased by 7.0% compared to the corresponding period of 2022 and by 11.5% compared to the corresponding period of 2021.
- 👤 In May 2023, the share of persons receiving a monthly salary up to 599 GEL amounted to 18.4%, which was 5.9 percentage points less than the corresponding period of 2022, and 11.9 percentage points lower than the corresponding period of 2021.
- 👤 In May 2023, the share of persons receiving a monthly salary of 2,400 GEL and more amounted to 21.3%, which was 4.7 percentage points more compared to the corresponding period of 2022, and 9.1 percentage points higher than the corresponding period of 2021.
- 👤 In May 2023, the number of persons receiving a monthly salary of 9,600 GEL and more, increased by 35.3% compared to 2022 and 91.7% compared to 2021. The share of persons receiving a monthly salary of 9 600 GEL and more amounted to 1.8% In May 2023.

Source: Revenue Service*

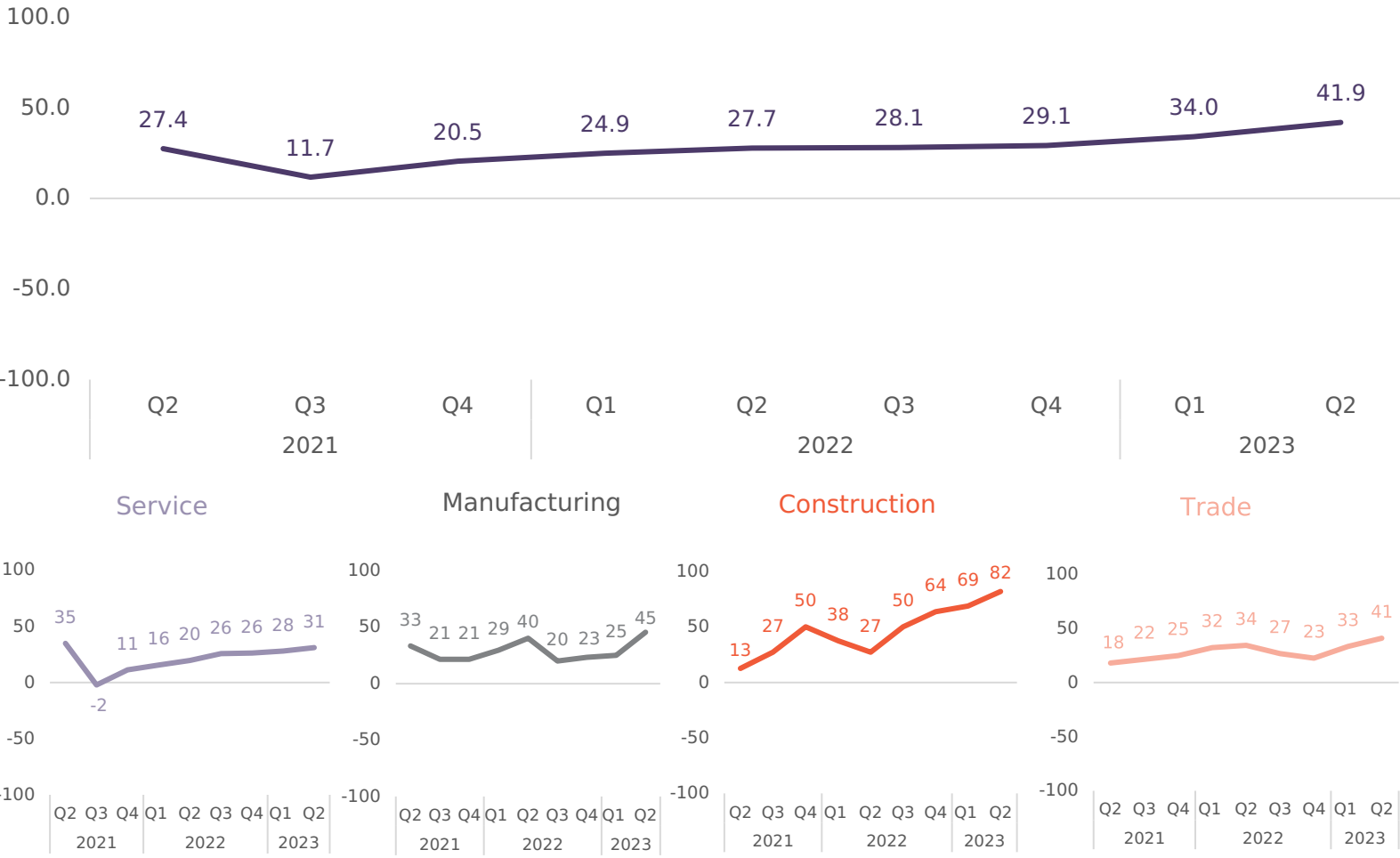
* The data provided by Revenue Service is not final and might slightly increase. (Last viewed on 20.06.2023). The data represents gross salaries.

** The decrease of the share of 0-599 GEL and 600-1199 GEL categories in the Q4 of 2021 and Q4 of 2022 was largely due to a notable number of people receiving the 13th salary in December.



EMPLOYMENT BAROMETER BAG INDEX SURVEY

BAG Employment Barometer¹



- In Q2 of 2023, the surveyed businesses generally had a positive outlook regarding employment for the next three months.
- Overall, in Q2 of 2023, the BAG Employment Barometer amounted to 41.9 points, which is 7.9 points more than in Q1 of 2023.
- In Q2 of 2023, the BAG Employment Barometer was positive for all sectors. In Q2 of 2023, the construction sector had the highest employment barometer indicator with 82 points, and the service sector had the lowest with 31 points.

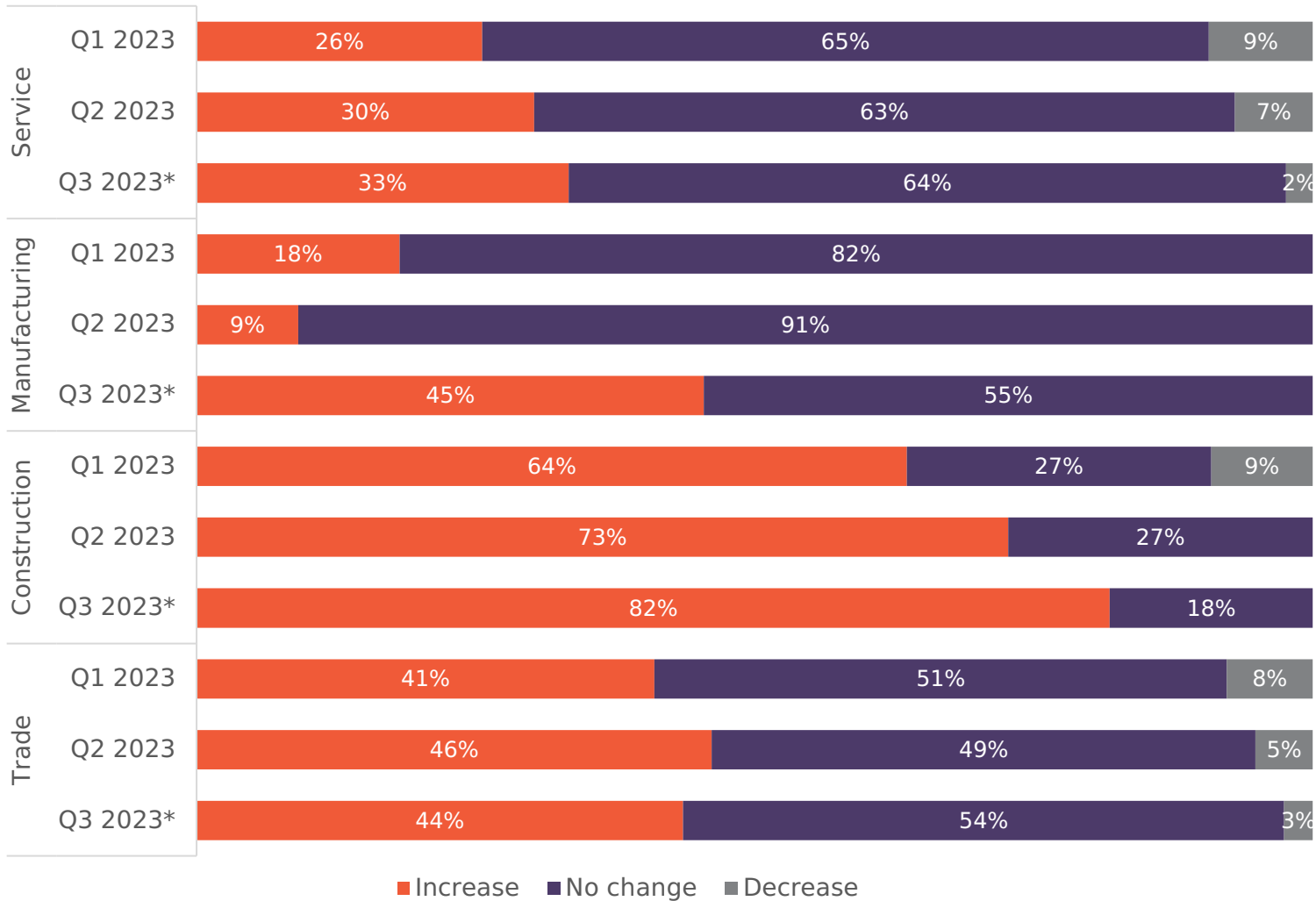
Source: PMC Research, BAG

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



CHANGES IN THE NUMBER OF EMPLOYEES

BAG INDEX SURVEY



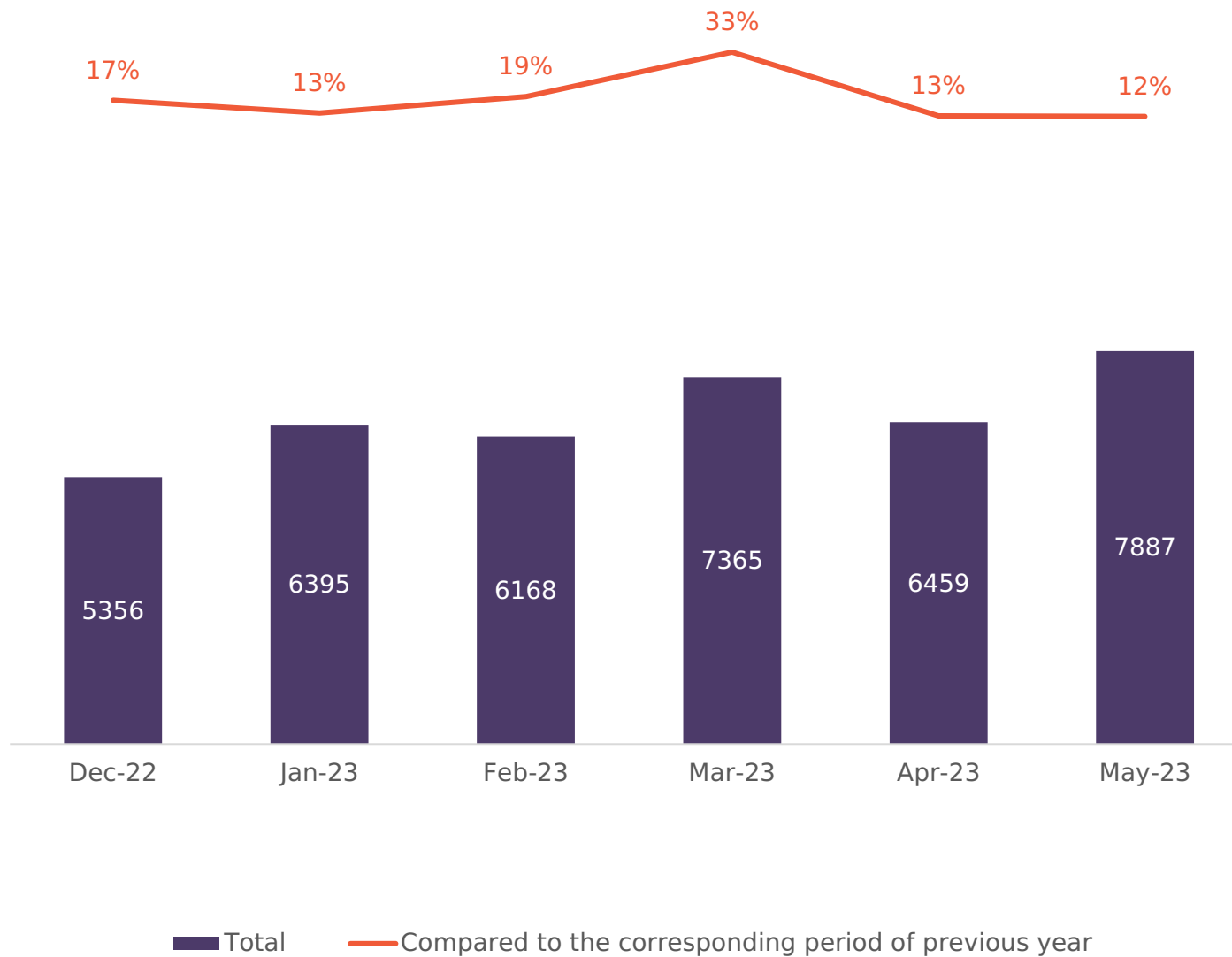
- Overall, in Q2 of 2023, 38% of surveyed companies increased their number of employees, 5% recorded a decrease, and 57% reported no change.
- Overall, 51% of surveyed companies were expecting to increase their number of employees in Q3 of 2023, 2% anticipated a decrease, and 47% were not expecting any changes.
- The most optimistic expectations for employment in Q3 of 2023 are recorded in the construction sector, wherein in Q3 of 2023, 82% of companies plan to increase the number of employees.

Source: PMC Research, BAG

* Expectation



TOTAL VACANCIES PUBLISHED ON **Jobs.ge**



Growth rate

- From December 2022 to May 2023, the total number of vacancies published on jobs.ge amounted to 39,630, which was 17.6% higher compared to the corresponding period of 2021-2022.
- In May 2023, compared to April 2023, the total number of vacancies published on jobs.ge increased by 22.1%.

Source: Jobs.ge

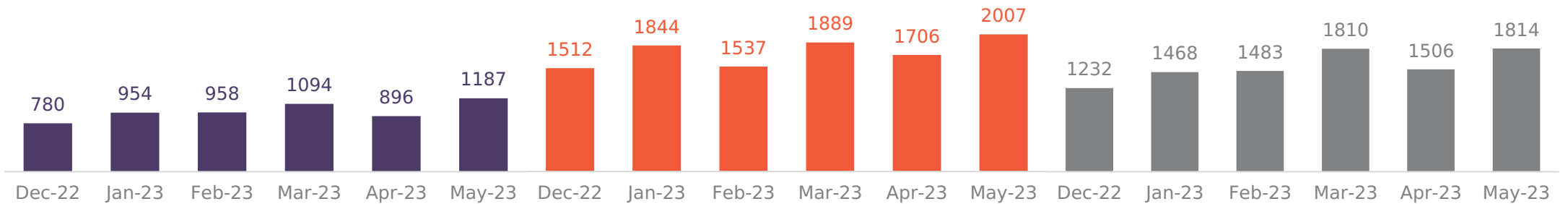


VACANCIES PUBLISHED ON **Jobs.ge** BY CATEGORIES

Logistics, Transport, Distribution

Sales, Procurement

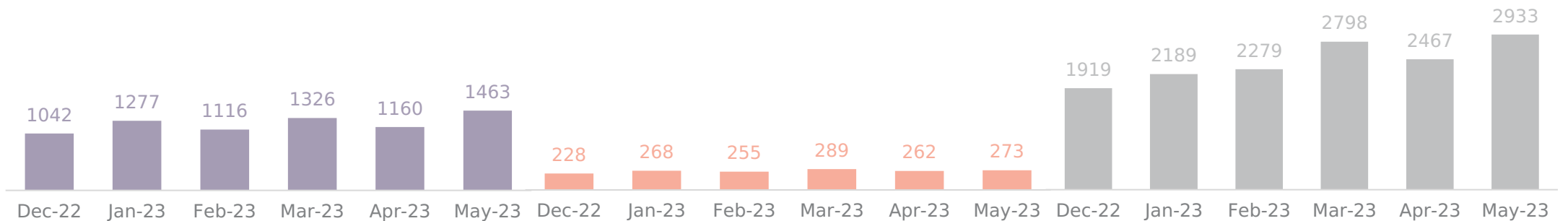
Administration, Management



Finance, Statistics

IT, Programming

Other



Source: Jobs.ge

From December 2022 to May 2023, a total of 7,384 vacancies were published in the field of finance, statistics, which was 48.3% higher than the corresponding period of 2021-2022 and 149.2% higher compared to the corresponding period of 2020-2021.

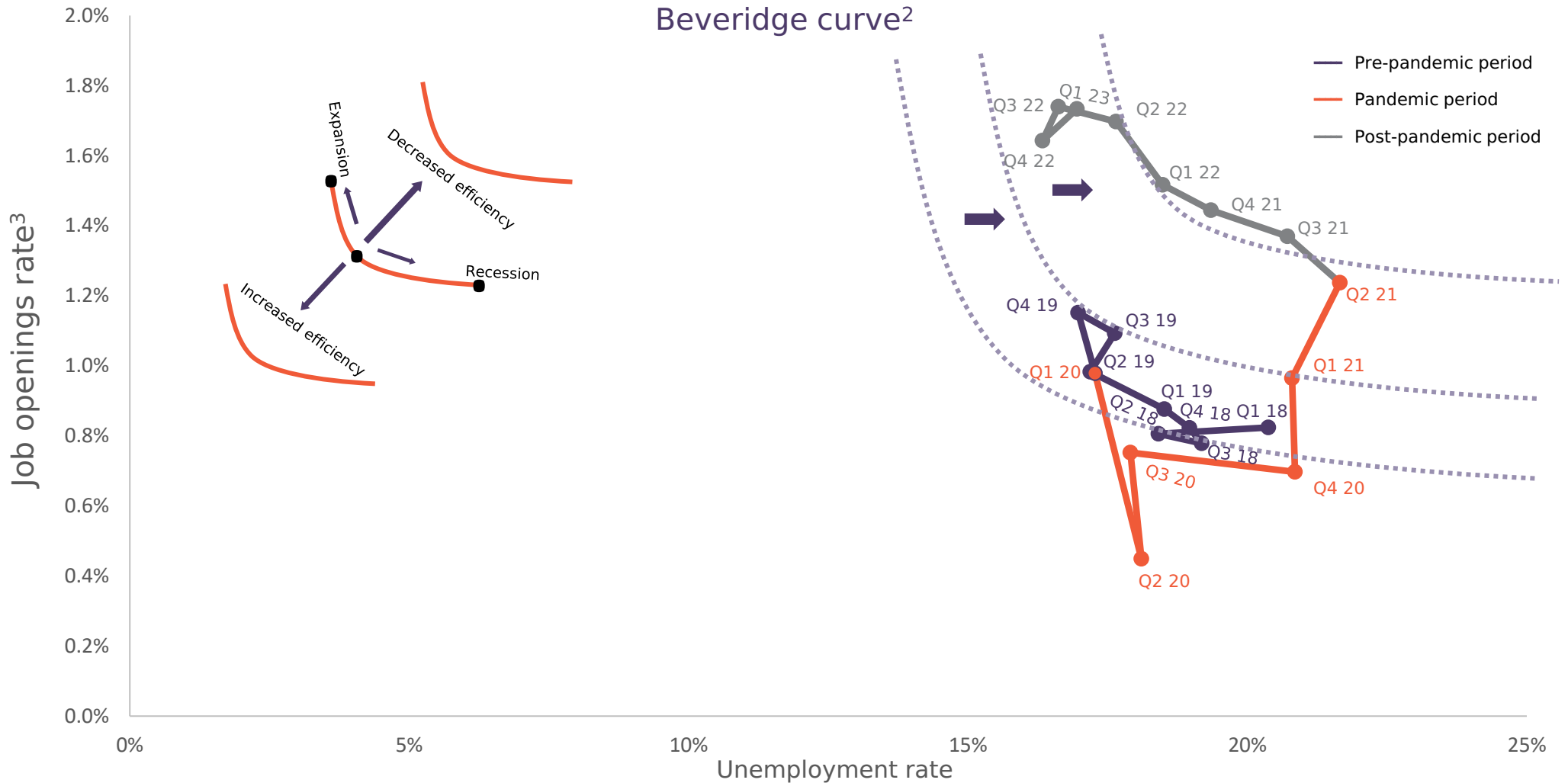
From December 2022 to May 2023, a total of 10,495 vacancies were published in sales, procurement, which was 11.2% higher compared to the corresponding period of 2021-2022 and 114.2% higher compared to the corresponding period of 2020-2021.

From December 2022 to May 2023, a total of 9,313 vacancies were published under administration, management, which was 31.8% higher compared to the corresponding period of 2021-2022, and 120.7% higher compared to the corresponding period of 2020-2021.



LABOR MARKET ANALYSIS

BEVERIDGE CURVE



PMC Research Center has developed the Beveridge Curve with the support of the National Bank of Georgia.

Source: Jobs.ge, Hr.gov.ge, Geostat

2. The Beveridge curve captures the relationship between the unemployment rate (X-Axis) and the job openings rate (Y-Axis). The Beveridge curve provides important information about the functioning of the labor market and the sustainability of the economy. In particular: A. The inward shift of the Beveridge curve (towards the origin) indicates an increase in the efficiency of the labor market; B. The outward shift of the Beveridge curve (away from the origin) indicates a decrease in the efficiency of the labor market; C. The vertical shift to the left indicates that the economy goes into an expansionary phase, and the vertical shift to the right indicates that the economy goes into recession. The job openings rate and Unemployment rate have been seasonally adjusted.

3. The job openings rate is computed by dividing the number of job openings by the sum of employment and job openings and multiplying that quotient by 100.



LABOR MARKET ANALYSIS

BEVERIDGE CURVE

- According to the Beveridge curve, the Georgian economy was undergoing a phase of expansion in the pre-pandemic period (Q1 2018 to Q4 2019), with a decreasing unemployment rate and an increasing job openings rate, i.e., with rising tightness on the labor market.
- According to the Beveridge curve, the Georgian economy went into a recession phase in the pandemic period (Q1 2020 - Q4 2020) with an increasing unemployment rate and decreasing job openings rate.
- The Beveridge curve shifted outwards from its origin as the COVID-19 restrictions were gradually lifted in Q1 2021. In this period, employers' expectations increased, which resulted in a higher job openings rate, though unemployment remained nearly the same. This shift points to a decrease in efficiency in the labor market. It is worth mentioning that the Beveridge curve shifted outwards again in Q2 2021 indicating a further decline in the labor market efficiency.
- In the period of Q3 2021 - Q2 2022, the Georgian economy returned to a phase of expansion while the labor market tightness started to mount with the decreasing unemployment rate and the increasing job openings rate but at a lower efficiency level compared to its pre-pandemic state.
- Going by estimates, the Beveridge curve might have shifted once again in Q3 2022 - this time towards the origin since the unemployment rate decreased sharply and the job openings rate increased slightly, perhaps indicating a move of the labor market efficiency towards its pre-pandemic level but not there yet. However, to draw final conclusions, it is necessary to observe further changes in the labor market.
- According to the Beveridge curve, in Q4 2022, the efficiency of the labor market increased, compared to Q3 2022, as the unemployment rate decreased, and the job openings rate fell, indicating further movement towards the pre-pandemic efficiency level.
- According to the Beveridge curve, in Q1 2023, compared to Q4 2022, the efficiency of the labor market decreased - the unemployment rate and the job openings rate increased, bringing the labor market back to the previous efficiency level observed in Q3 2022.
- To sum up, the labor market efficiency is still lagging behind its pre-pandemic level, which could be attributed to different factors, including the flow of personnel to adjacent sectors due to changes in the country's economic structure, labor force migration, and increased wage expectations of job-seekers.



LABOR MARKET INDICATORS

	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Number of people in the labor force (thousands)	1528.9	1505.7	1447.2	1559.1	1592	1536.1	1490.7	1551.5	1609.4	1554.7	1551.1
Number of employed people (thousands)	1269.1	1197.9	1129.7	1214.6	1281.2	1244.2	1201.1	1269.9	1358.6	1305.2	1271.9
Number of hired employed people (thousands)	845.3	805.1	782.8	831.7	861.9	841.1	817.7	867.9	913.8	884.1	863.5
Number of self-employed employed people (thousands)	423.1	391.9	345.7	381.8	418.6	402.4	382.3	401.2	444.3	420.4	407.7
Number of unemployed people (thousands)	259.8	307.8	317.5	344.6	310.8	291.9	289.6	281.6	250.7	249.5	279.2
Labor force participation rate (%)	50.3	50.0	48.3	51.4	52.8	51.2	49.9	51.5	53.5	52.7	52.0
Employment rate (%)	41.8	39.8	37.7	40.1	42.5	41.5	40.2	42.2	45.2	44.2	42.6
Unemployment rate (%)	17.0	20.4	21.9	22.1	19.5	19.0	19.4	18.1	15.6	16.1	18.0
Average nominal monthly salary (GEL)	1239.5	1314.7	1256.2	1328.0	1368.5	1463.8	1446.5	1541.3	1595.0	1773.7	1716.6

Source: National Statistics Office of Georgia



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