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EMPLOYMENT
TRACKER

December 2022

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AVERAGE NUMBER OF PERSONS RECEIVING SALARY

Growth rate

5%   **5%**   **7%**   **5%**   **3%**

Thousand persons

	Q3 2021	Q4 2021**	Q1 2022	Q2 2022	Q3 2022
Total (Average persons)	867	916	857	905	893
2400+ GEL	137	173	132	158	178
1200-2399 GEL	230	266	247	280	268
600-1199 GEL	262	249	247	257	252
0-599 GEL	238	228	231	211	195

Legend:
- 0-599 GEL
- 600-1199 GEL
- 1200-2399 GEL
- 2400+ GEL
- Average persons
- Compared to the corresponding period of previous year
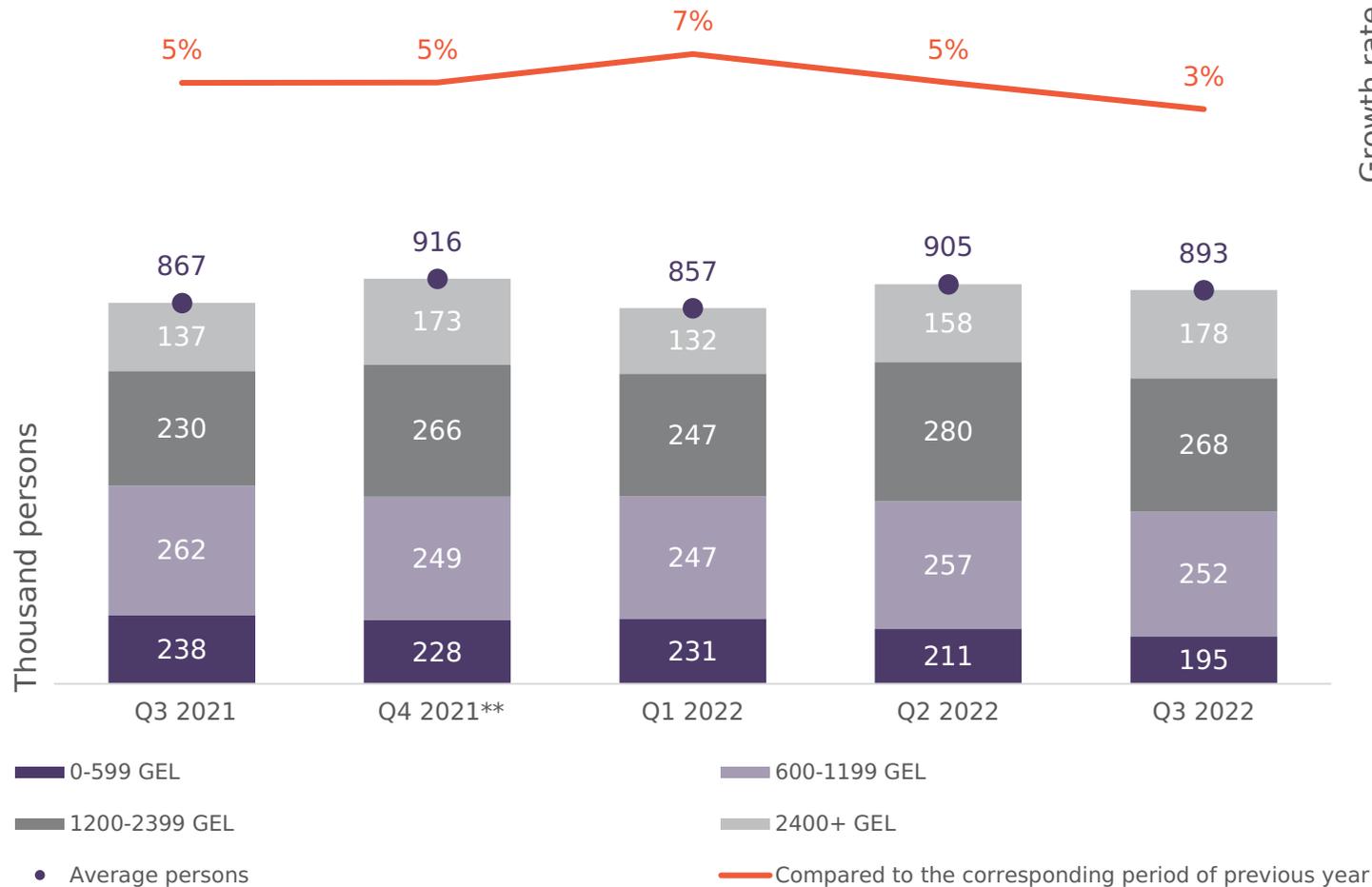
Source: Revenue Service*

- In November 2022, the number of persons receiving a monthly salary increased by 1.4% compared to the corresponding period of 2021 and by 5.4% compared to the corresponding period of 2020.

- In November 2022, the share of persons receiving a monthly salary up to 599 GEL amounted to 21.3%, which was 5.9 percentage points less than the corresponding period of 2021, and 9.4 percentage points lower than the corresponding period of 2020.

- In November 2022, the share of persons receiving a monthly salary of 2,400 GEL and more amounted to 18.5%, which was 3.3 percentage points more compared to the corresponding period of 2021, and 5.6 percentage points higher than the corresponding period of 2020.

- In November 2022, the number of persons receiving a monthly salary of 9,600 GEL and more, increased by 28.5% compared to 2021 and 63% compared to 2020. The share of persons receiving a monthly salary of 9,600 GEL and more amounted to 1.6% in November 2022.
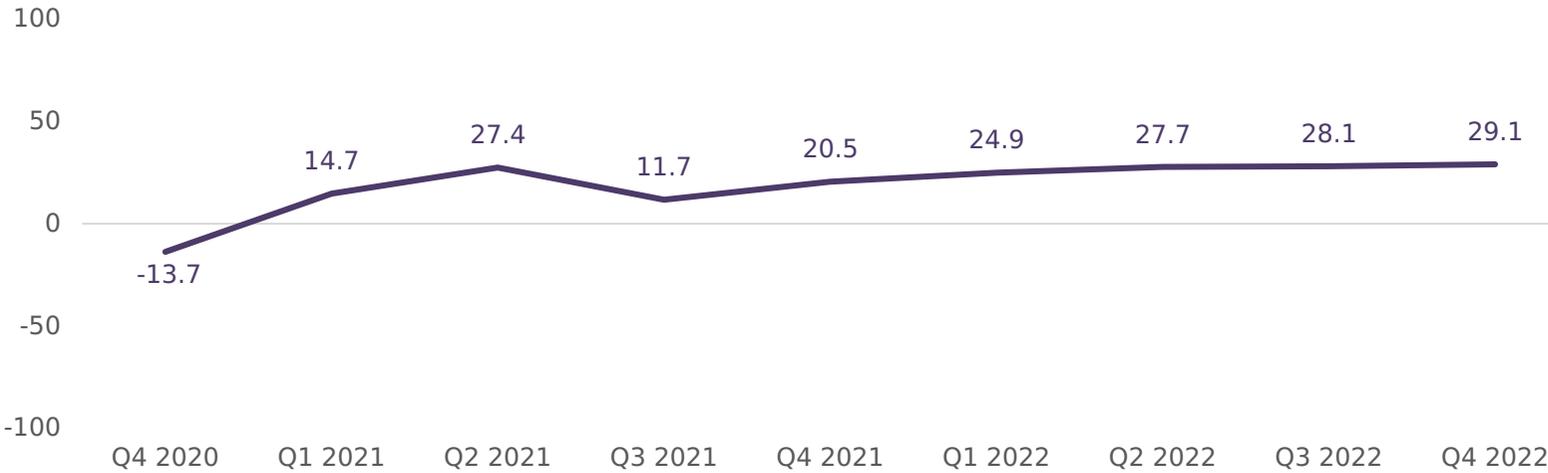
* The data provided by Revenue Service is not final and might slightly increase. (Last viewed on 20.12.2022).
** The decrease of the share of 0-600 Gel and 601-1200 GEL categories in the Q4 of 2021 was largely due to a notable number of people receiving the 13th salary in December.
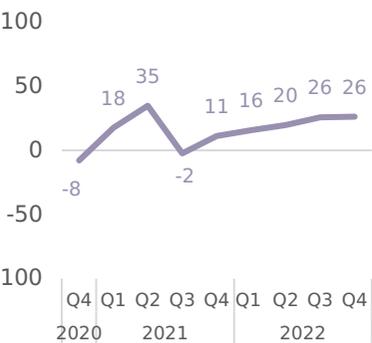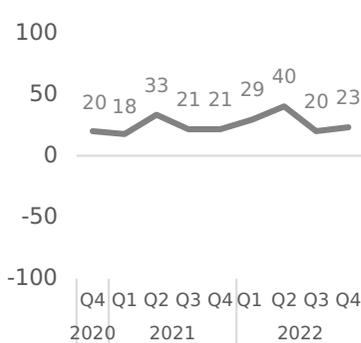
BAG Employment Barometer
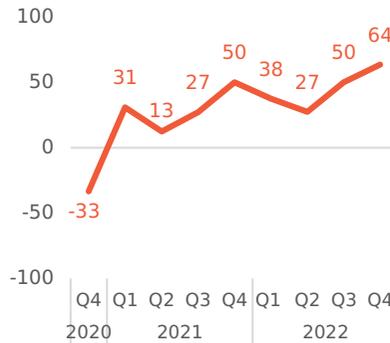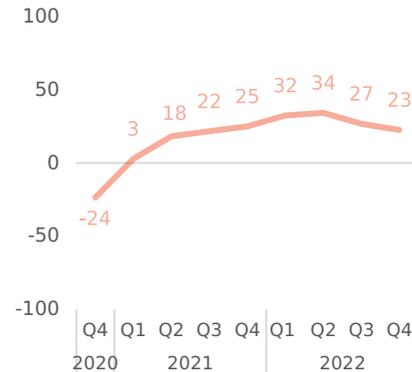

- Overall, in Q3 of 2022, the BAG Employment Barometer[1] amounted to 28.1 points, which is 0.4 points more than in Q2. In Q3 of the 2022 year, the Employment Barometer was positive for all sectors.

- In Q3 of 2022, the construction sector had the highest employment barometer indicator with 50 points and the manufacturing sector had the lowest with 20 points.

- Overall, in Q4 of 2022, the BAG Employment Barometer amounted to 29.1 points, which is 1 point more than in Q3. In Q4 of the 2022 year, the Employment Barometer was positive for all sectors.

- In Q4 of 2022, the construction sector had the highest employment barometer indicator with 64 points, and the manufacturing and trade sectors had the lowest with 23-23 points.
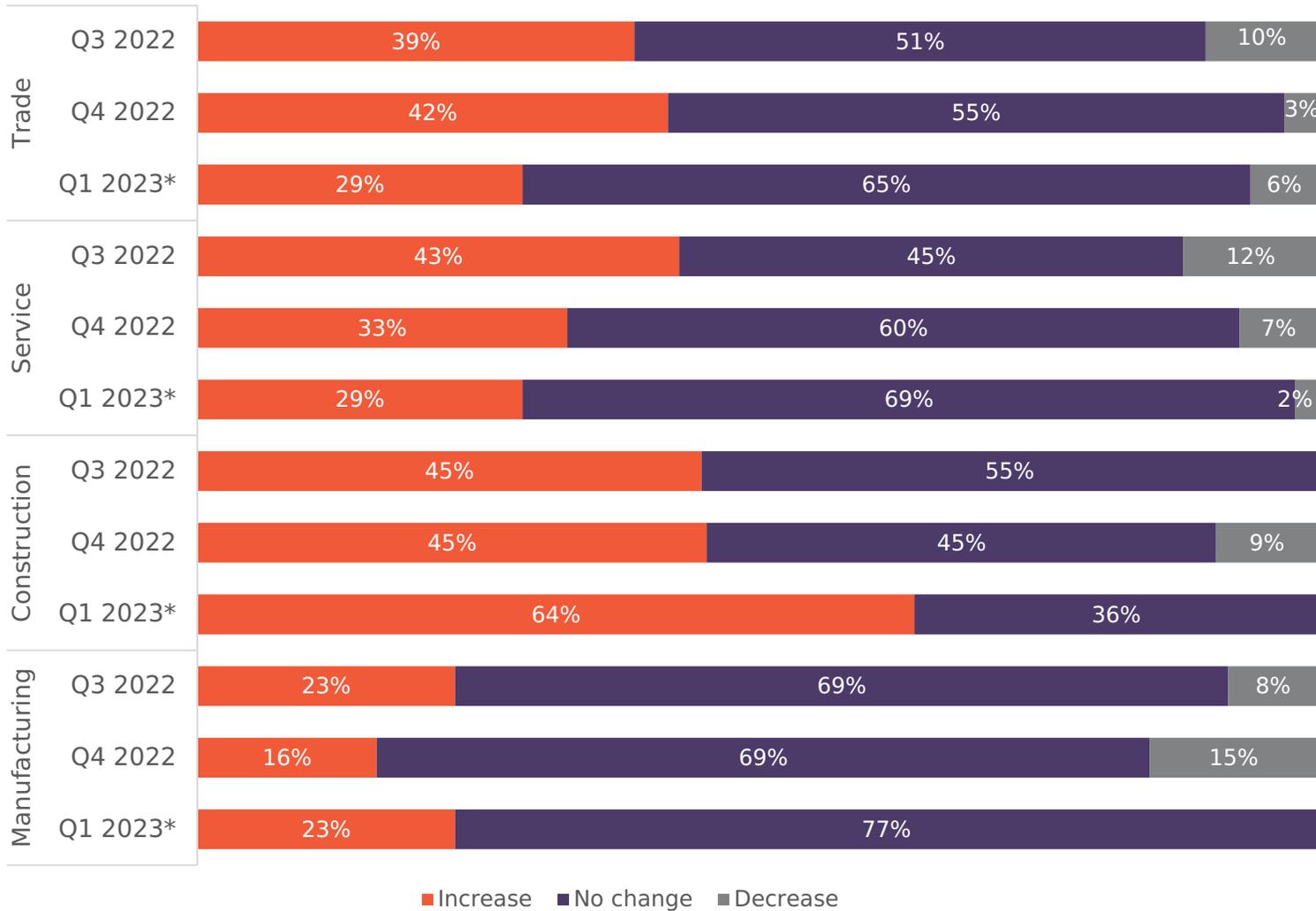
Source: PMC Research, BAG

[1]The 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

Trade

Period	Increase	No change	Decrease
Q3 2022	39%	51%	10%
Q4 2022	42%	55%	3%
Q1 2023*	29%	65%	6%

Service

Period	Increase	No change	Decrease
Q3 2022	43%	45%	12%
Q4 2022	33%	60%	7%
Q1 2023*	29%	69%	2%

Construction

Period	Increase	No change	Decrease
Q3 2022	45%	55%	
Q4 2022	45%	45%	9%
Q1 2023*	64%	36%	

Manufacturing

Period	Increase	No change	Decrease
Q3 2022	23%	69%	8%
Q4 2022	16%	69%	15%
Q1 2023*	23%	77%	

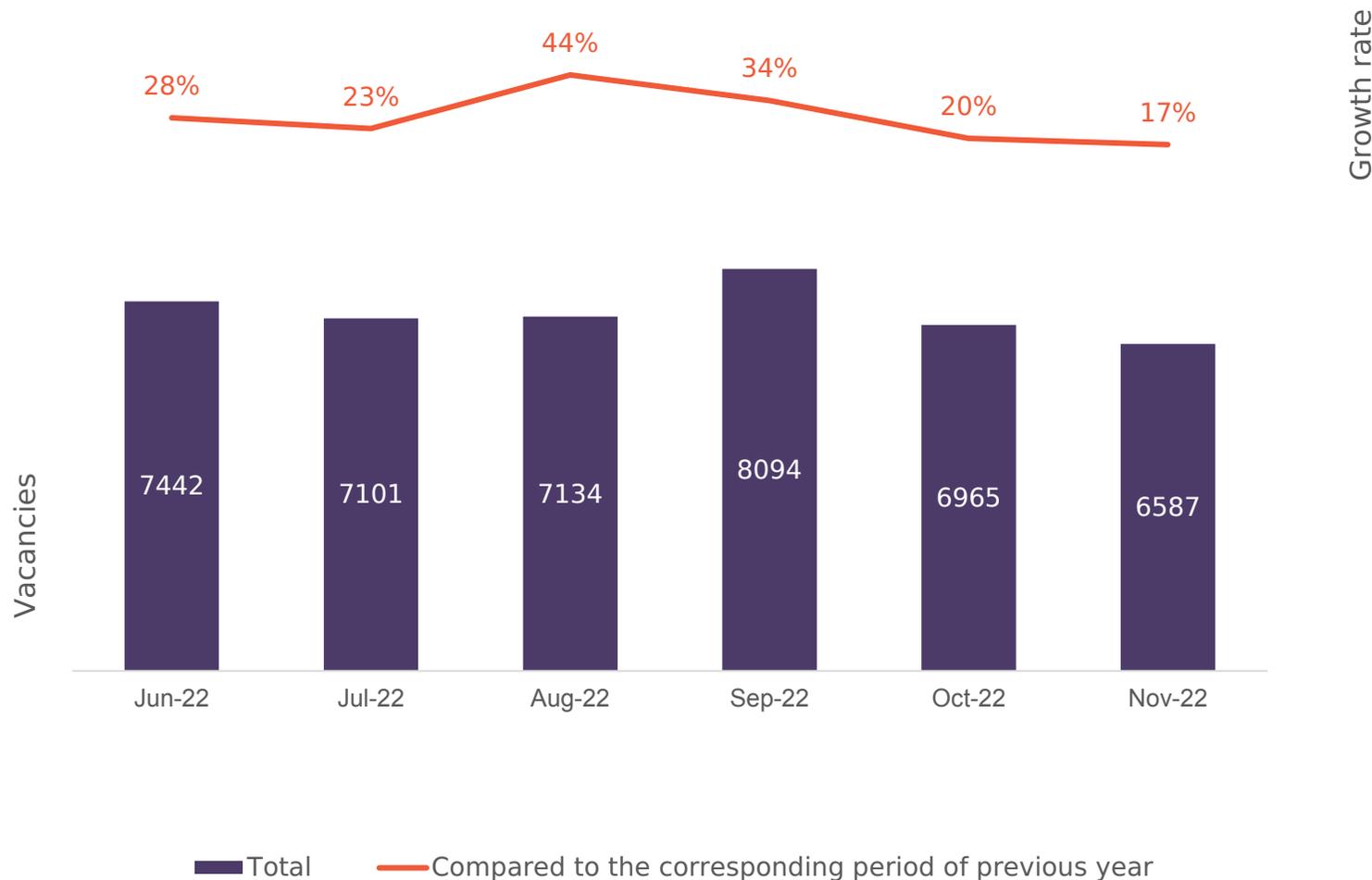■ Increase ■ No change ■ Decrease

- Overall, in Q3 of 2022, 39% of surveyed companies increased their number of employees, 9% recorded a decrease, and 52% reported no change.

- Overall, in Q4 of 2022, 35% of surveyed companies increased their number of employees, 7% recorded a decrease, and 58% reported no change.

- Overall, 32% of surveyed companies were expecting to increase their number of employees in Q1 of 2023, 3% anticipated a decrease, and 65% were not expecting any changes.

- The most optimistic expectations for employment in Q1 of 2023 are recorded in the construction sector, wherein in Q1 of 2023, 64% of companies plan to increase the number of employees.

Source: PMC Research, BAG

* Expectation

TOTAL VACANCIES PUBLISHED ON Jobs.ge

Growth rate

28%   23%   44%   34%   20%   17%

Vacancies

Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
7442	7101	7134	8094	6965	6587

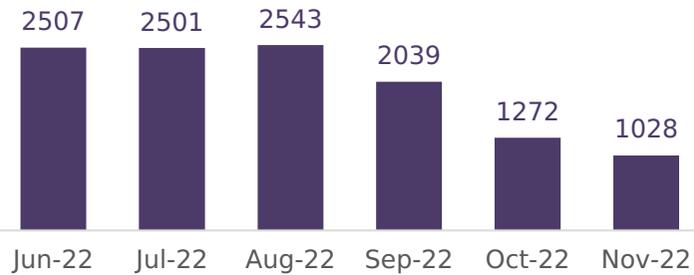■ Total ▬ Compared to the corresponding period of previous year

In 2022, from June to November, the total number of vacancies published on jobs.ge amounted to 43,323, which was 27.7% higher compared to the corresponding period of 2021 and 154.3% higher compared to the corresponding period of 2020.

In 2022, from June to November, the average MoM growth rate for the total number of vacancies published on jobs.ge amounted to -1%.

Source: Jobs.ge

VACANCIES PUBLISHED ON Jobs.ge BY CATEGORIES
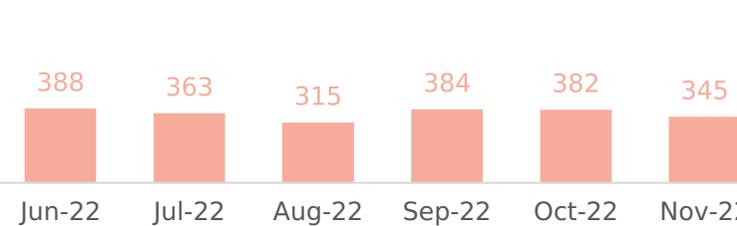
Logistics/Transport/Distribution

Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
2507	2501	2543	2039	1272	1028

Sales/Procurement

Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
2286	2083	2074	2383	2020	1856

Administration/Management

Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
1451	1495	1542	1777	1532	1483

Finance, Statistics

Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
1054	1063	1151	1344	1132	1154

IT/Programming

Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
388	363	315	384	382	345

Other

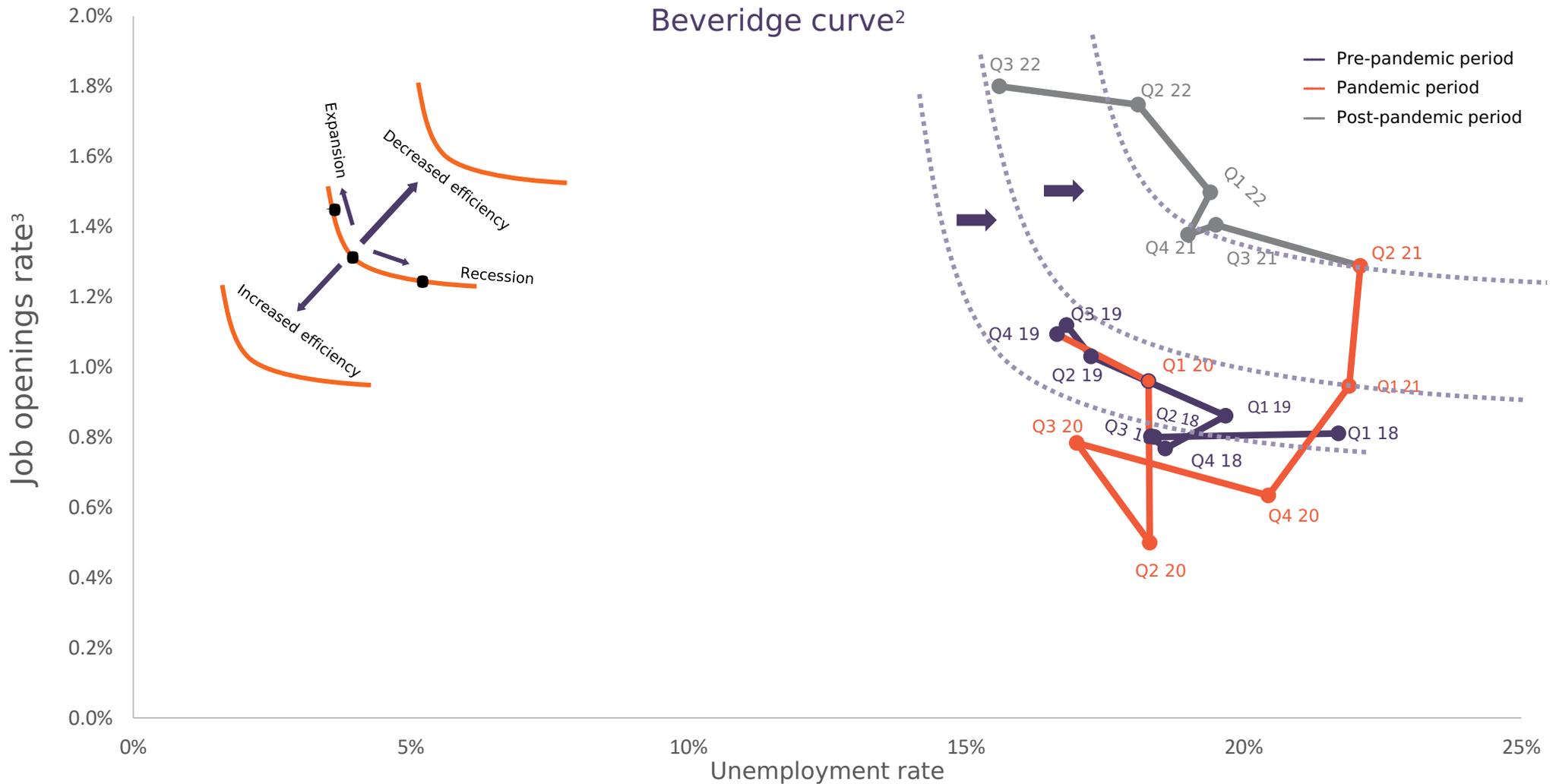| Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
1889	1601	1577	2220	2148	2348
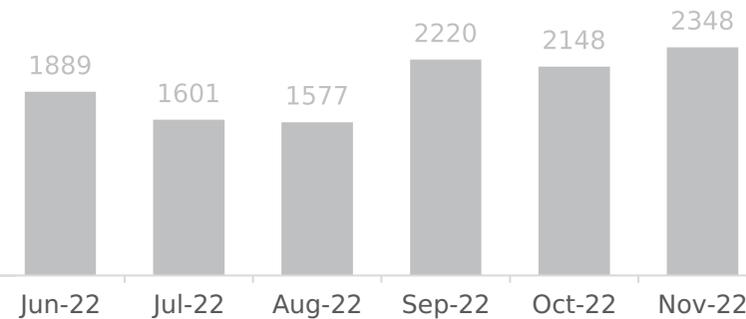
In 2022, from June to November, a total of 12,702 vacancies were published in the field of sales/procurement, which was 48% higher than the corresponding period of 2021 and 162% higher compared to the corresponding period of 2020.

In 2022, from June to November, a total of 9,280 vacancies were published in administration/management, which was 23% higher compared to the corresponding period of 2021 and 182% higher compared to the corresponding period of 2020.

In 2022, from June to November, a total of 11,890 vacancies were published under the logistics/transport/distribution, which was 20% higher compared to the corresponding period of 2021, and 142% higher compared to the corresponding period of 2020.

Beveridge curve[2]

Job openings rate[3] (Y-Axis), **Unemployment rate** (X-Axis)

Legend:
- Pre-pandemic period
- Pandemic period
- Post-pandemic period

Labeled points: Q3 22, Q2 22, Q1 22, Q4 21, Q3 21, Q2 21, Q1 21, Q3 19, Q4 19, Q2 19, Q1 20, Q1 19, Q2 18, Q1 18, Q3 1., Q4 18, Q3 20, Q4 20, Q2 20

Small diagram labels: Expansion, Decreased efficiency, Increased efficiency, Recession

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

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.

- 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.

- 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 generated an increased job openings rate, though unemployment remained nearly the same. The shift of the Beveridge curve indicates decreased efficiency in the labor market. It is worth mentioning that the Beveridge curve shifted outwards again after Q1 2021, specifically in the period of Q2 2021 – Q2 2022, which indicates that the efficiency of the labor market decreased further.

- According to the Beveridge curve, the Georgian economy went returned to a phase of expansion in the period of Q3 2021 - Q2 2022, with a decreasing unemployment rate and an increasing job openings rate.

- 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, indicating increased labor market efficiency. However, to draw final conclusions, it is necessary to observe further changes in the labor market.

- To sum up, labor market efficiency decreased in the post-pandemic period (Q3 2022), compared to the pre-pandemic period (Q4 2019). By comparing these periods, it can be perceived that unemployment is nearly at the same rate, while the job openings rate has increased markedly, which indicates that finding new employees became harder for employers in Q3 2022 compared to Q4 2019. The latter trend could be attributed to different factors, including labor force migration, the flow of personnel to adjacent sectors, and increased wage expectations of job-seekers (i.e., the minimum wage that candidates are prepared to work for).

LABOR MARKET INDICATORS

	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Number of people in the labor force (thousands)	1545.2	1515.0	1528.9	1505.7	1447.2	1559.1	1592	1536.1	1490.7	1551.5	1609.4
Number of employed people (thousands)	1262.7	1237.6	1269.1	1197.9	1129.7	1214.6	1281.2	1244.2	1201.1	1269.9	1358.6
Number of hired employed people (thousands)	891.2	839.5	845.3	805.1	782.8	831.7	861.9	841.1	817.7	867.9	913.8
Number of self-employed employed people (thousands)	370.8	397.6	423.1	391.9	345.7	381.8	418.6	402.4	382.3	401.2	444.3
Number of unemployed people (thousands)	282.6	277.4	259.8	307.8	317.5	344.6	310.8	291.9	289.6	281.6	250.7
Labor force participation rate (%)	51.3	50.3	50.3	50.0	48.3	51.4	52.8	51.2	49.9	51.5	53.5
Employment rate (%)	41.9	41.1	41.8	39.8	37.7	40.1	42.5	41.5	40.2	42.2	45,2
Unemployment rate (%)	18.3	18.3	17.0	20.4	21.9	22.1	19.5	19.0	19.4	18.1	15.6
Average nominal monthly salary (GEL)	1202.7	1150.1	1239.5	1314.7	1256.2	1328.0	1368.5	1463.8	1446.5	1541.3	1595.0

Source: National Statistics Office of Georgia

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