



MACROECONOMICS

Tracking The Recovery

10.09.2021

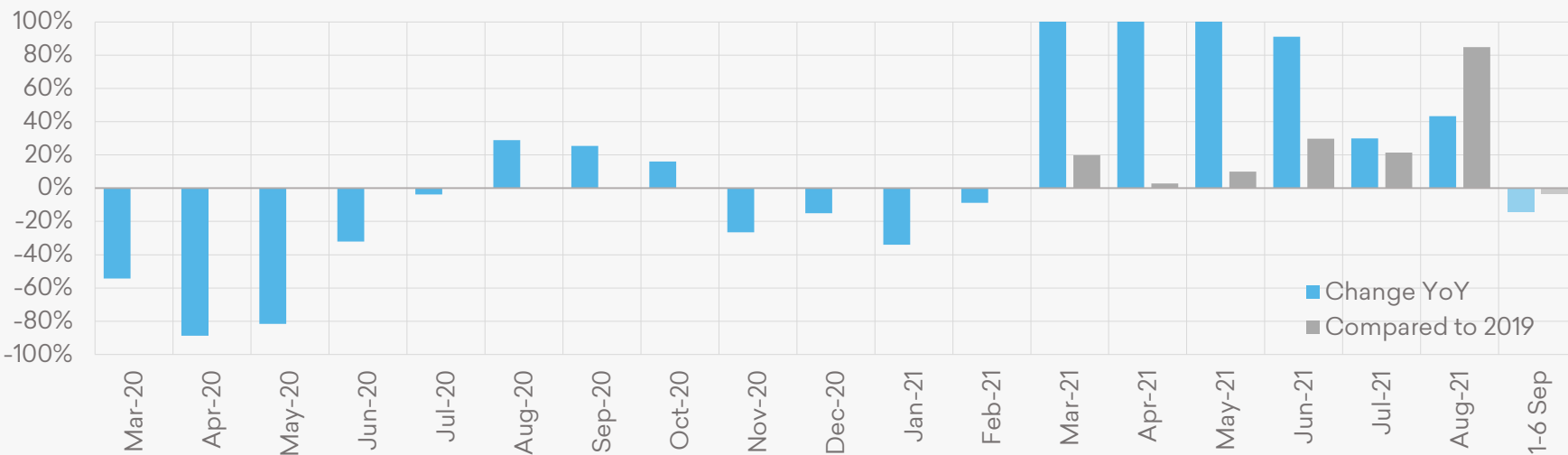
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KEY DEVELOPMENTS

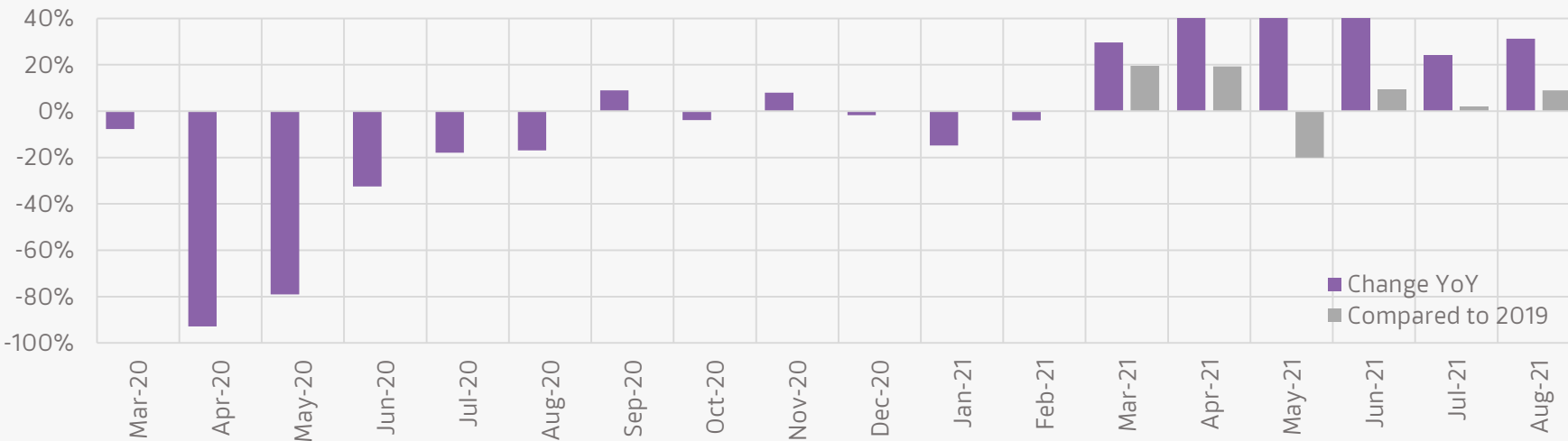
- **In August, growth of Tbilisi's residential property transactions significantly increased, relative to 2019; New mortgage issuance moved to the negative growth territory during 1-6 September**
- **Growth of total non-cash spending by residents on grocery and pharmacy showed a marginal decrease, while on categories excluding grocery and pharmacy remains stable**
- **In August, growth of non-cash spending on hotels and restaurants, through TBC Bank's channels, posted significant decline; The reduction tendency remains during the 1-6 September period**
- **Growth of non-cash spending on apparel showed significant reduction, in August; Non-cash spending on entertainment moved to the negative growth territory**
- **Non-cash spending on construction materials, furniture, and electronics is significantly decreased in August, however, positive growth tendency was observed during 1-6 September**
- **In August, non-cash spending on doctor visits and medical equipment posted significant decline; Furthermore, decline in dynamics remains on medical equipment during 1-6 September**

IN AUGUST, GROWTH OF TBILISI'S RESIDENTIAL PROPERTY TRANSACTIONS SIGNIFICANTLY INCREASED, RELATIVE TO 2019; NEW MORTGAGE ISSUANCE MOVED TO THE NEGATIVE GROWTH TERRITORY DURING 1-6 SEPTEMBER

Dynamics of new mortgages issued by TBC Bank (% change, FX-adjusted)



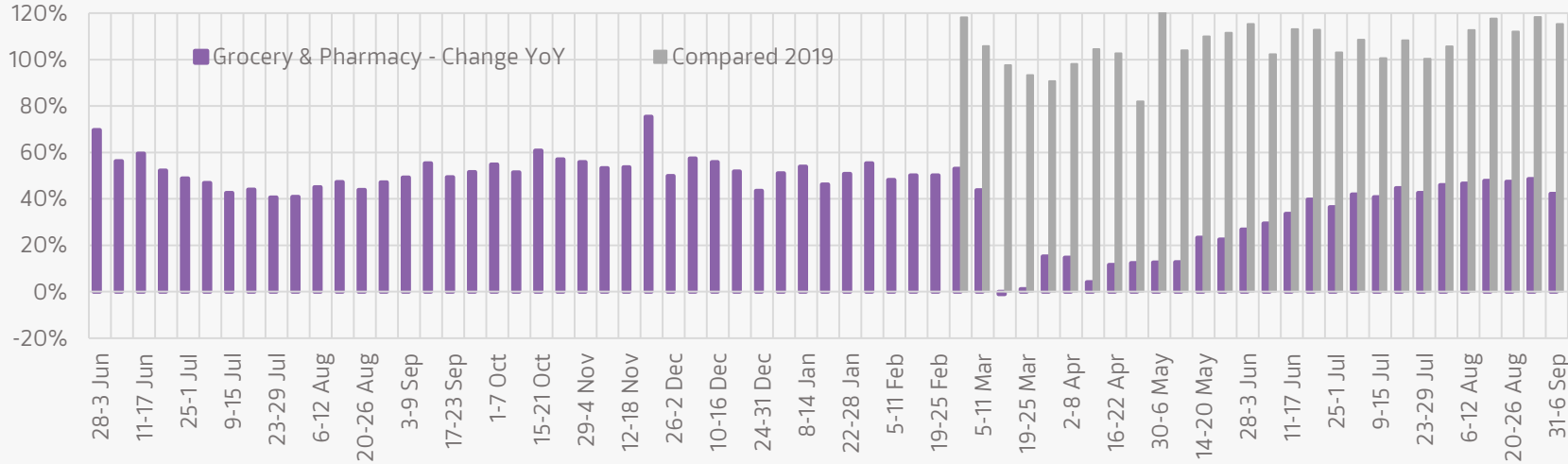
Number of residential properties sold in Tbilisi (% change)



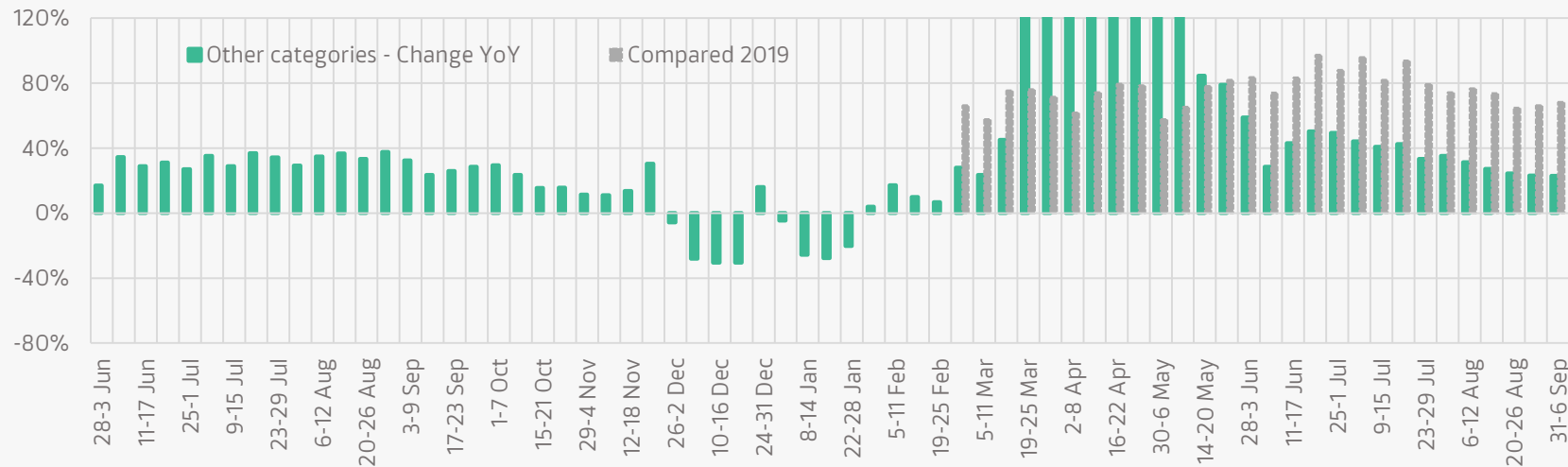
- Relative to 2019, growth of new mortgage issuances totaled 85%, in August. However, it moved to the negative growth territory during 1-6 September (-3.5%).
- In August, Tbilisi's residential property transactions' growth posted crucially higher percentage compared to the previous month (9%), relative to 2019.

GROWTH OF TOTAL NON-CASH SPENDING BY RESIDENTS ON GROCERY AND PHARMACY SHOWED A MARGINAL DECREASE, WHILE ON CATEGORIES EXCLUDING GROCERY AND PHARMACY REMAINS STABLE

Grocery & Pharmacy: Resident non-cash spending (% Change)



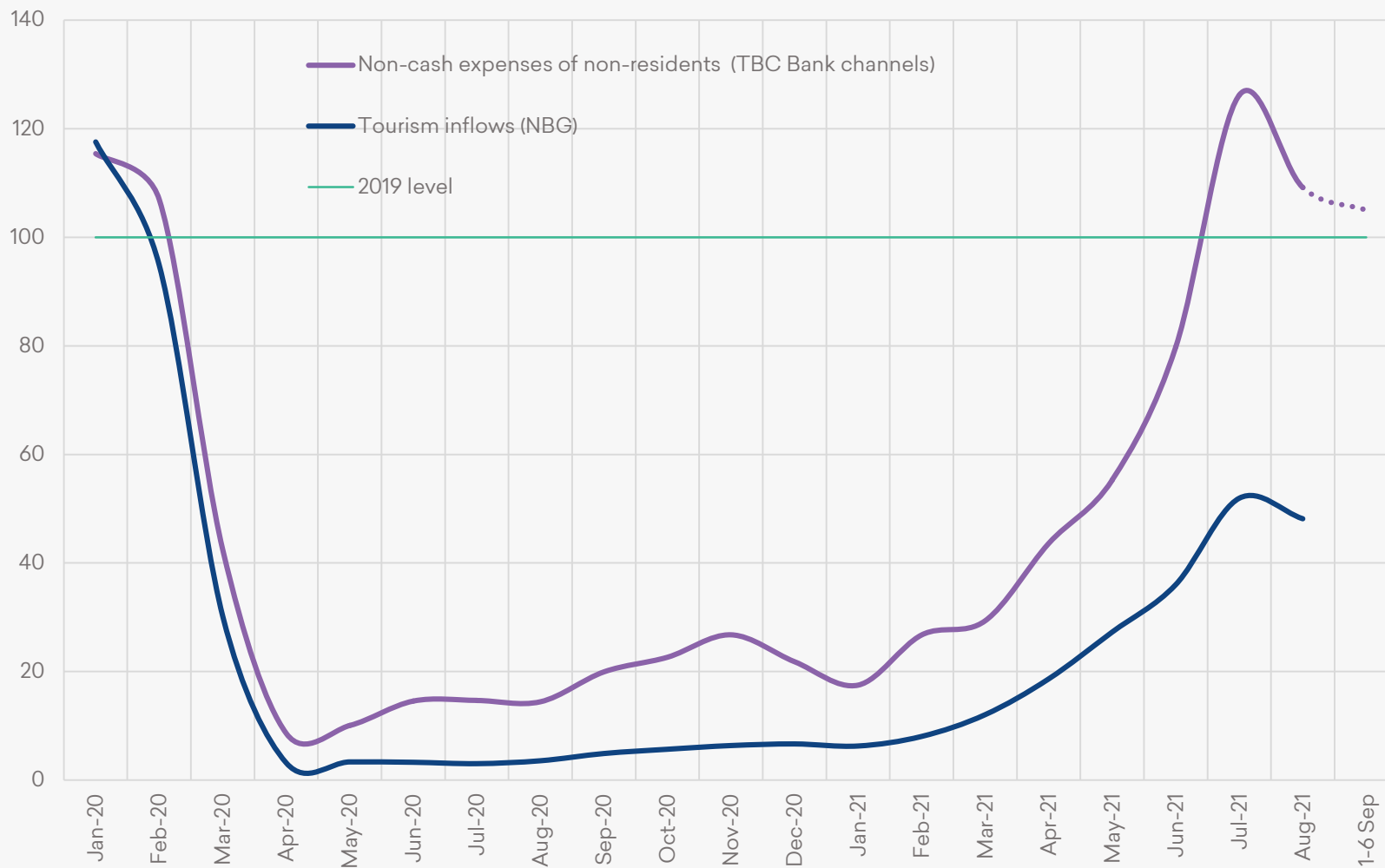
Categories excluding Grocery & Pharmacy: Resident non-cash spending (% Change)



- Non-cash spending by residents on grocery & pharmacy decreased, totaling 115%, relative to 2019 (+42% YoY).
- Growth of non-cash spending on categories excluding grocery and pharmacy stays relatively stable(68%), compared to 2019 (+23% YoY).

IN AUGUST, GROWTH OF NON-CASH SPENDING BY NON-RESIDENTS, THROUGH TBC BANK'S CHANNELS, POSTED SIGNIFICANT REDUCTION

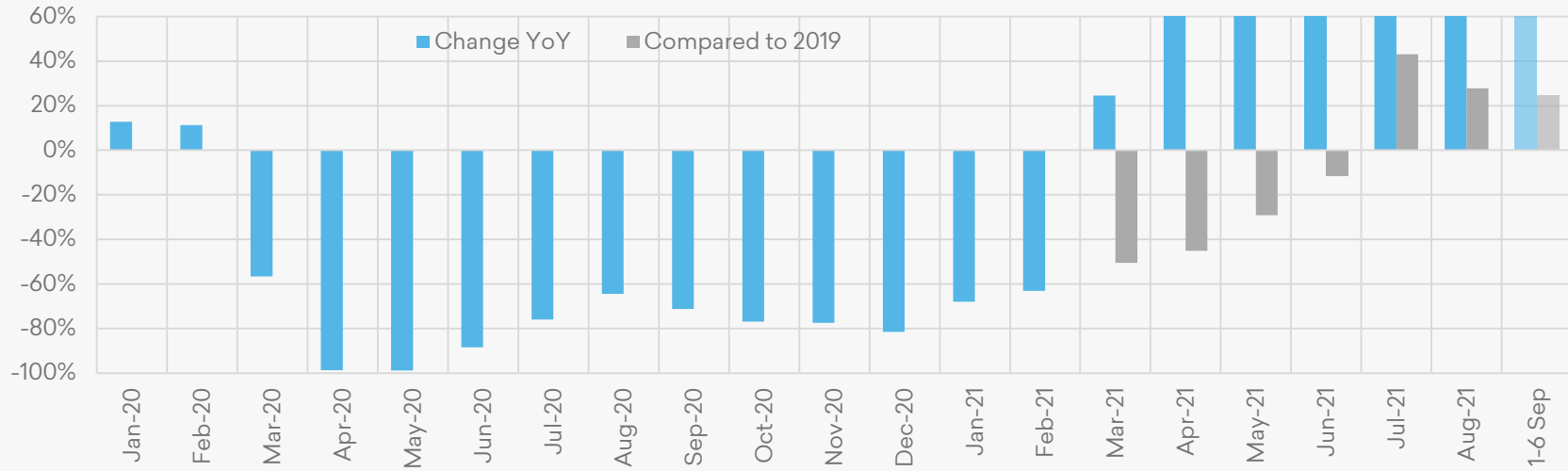
Non-cash expenses of non-residents and tourism inflows (Same period of 2019=100, in USD)



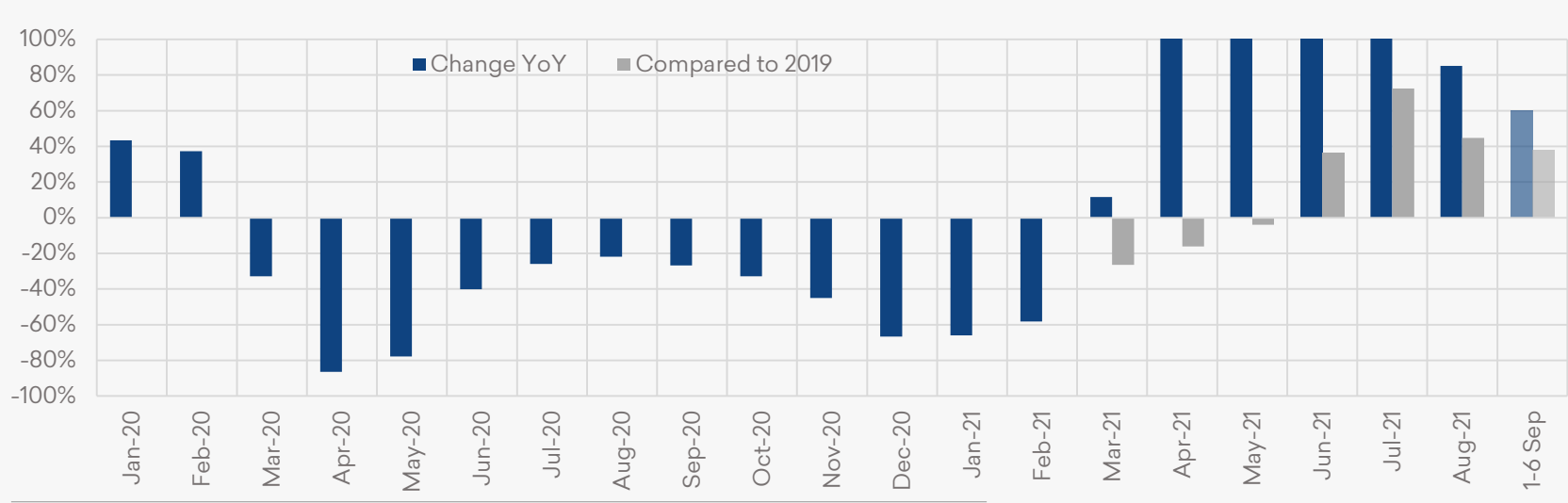
- In August, non-cash spending's growth by non-residents, through TBC Bank's channels, is crucially decreased compared to the previous month(26%), totaled 9%, relative to 2019. Furthermore, tendency of reduction is visible in the first week of September (5%).
- Tourism inflows marginally reduced in August compared to the previous month (48.2%).

IN AUGUST, GROWTH OF NON-CASH SPENDING ON HOTELS AND RESTAURANTS, THROUGH TBC BANK'S CHANNELS, POSTED SIGNIFICANT DECLINE; THE REDUCTION TENDENCY REMAINS DURING THE 1-6 SEPTEMBER PERIOD

Hotels: Non-cash spending



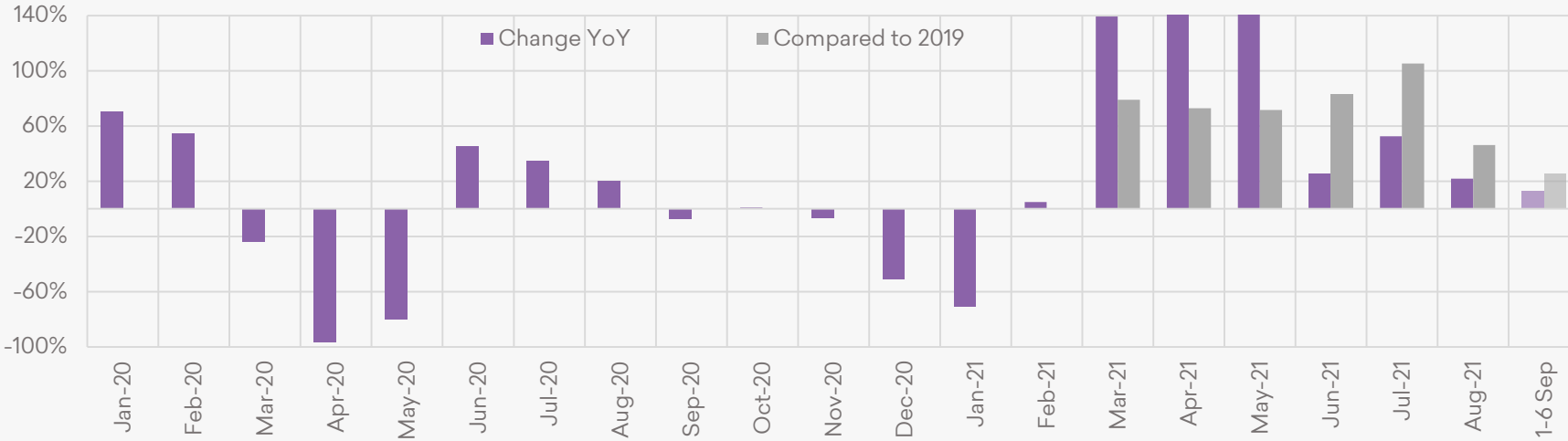
Restaurants & Cafes: Non-cash spending



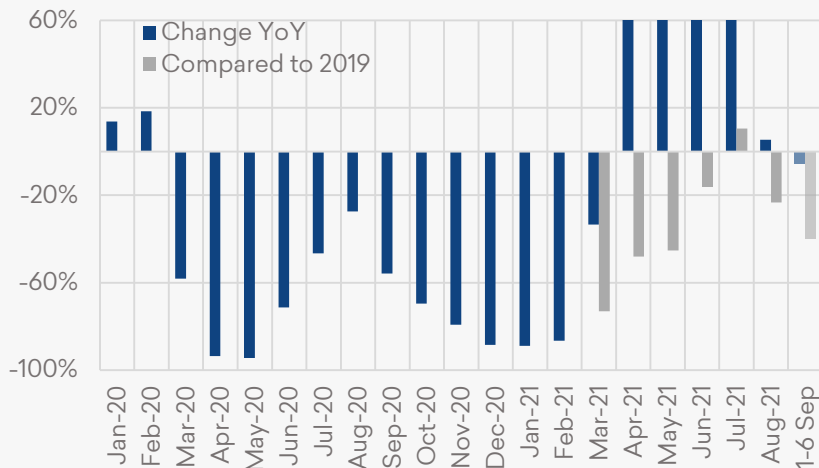
- In August, compared to 2019, growth of non-cash spending on hotels, through TBC Bank's channels, posted noticeable decline relative to the previous month, standing at 28%. In the 1-6 September period it continued decreasing(25%)
- Growth of non-cash spending on restaurants & cafes, through TBC Bank's channels, is significantly decreased, relative to 2019 (45%). The reduction tendency stays during the first week of September(38%).

GROWTH OF NON-CASH SPENDING ON APPAREL SHOWED SIGNIFICANT REDUCTION IN AUGUST; NON-CASH SPENDING ON ENTERTAINMENT MOVED TO THE NEGATIVE GROWTH TERRITORY

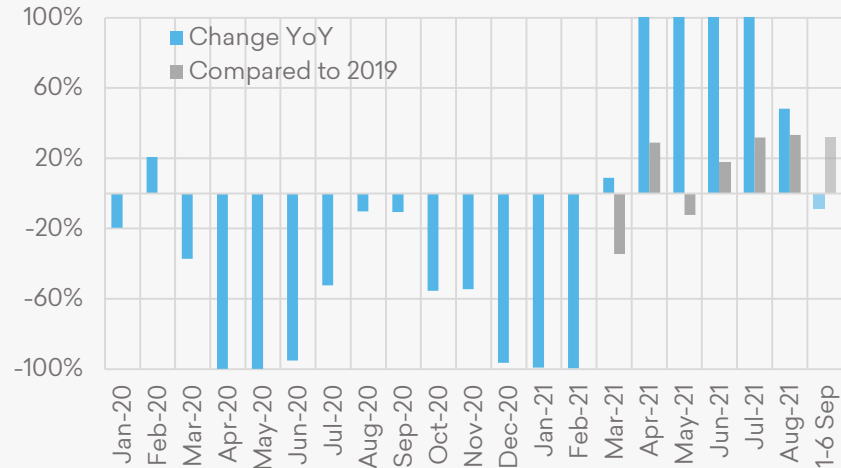
Apparel & accessories: Non-cash spending



Entertainment: Non-cash spending



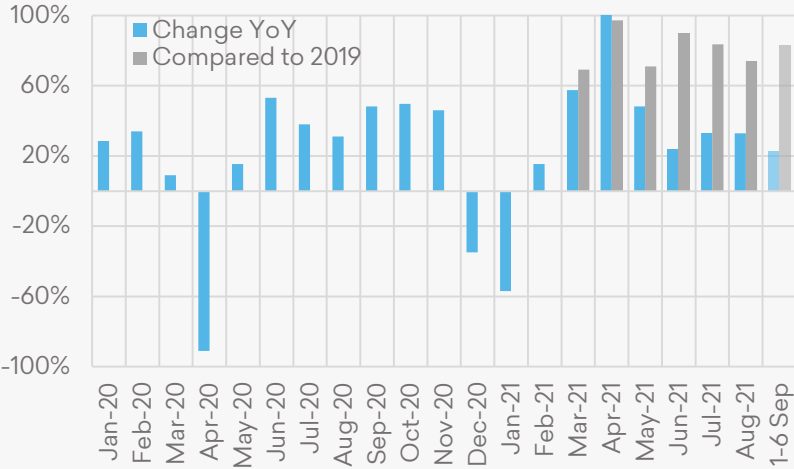
Fitness: Non-cash spending



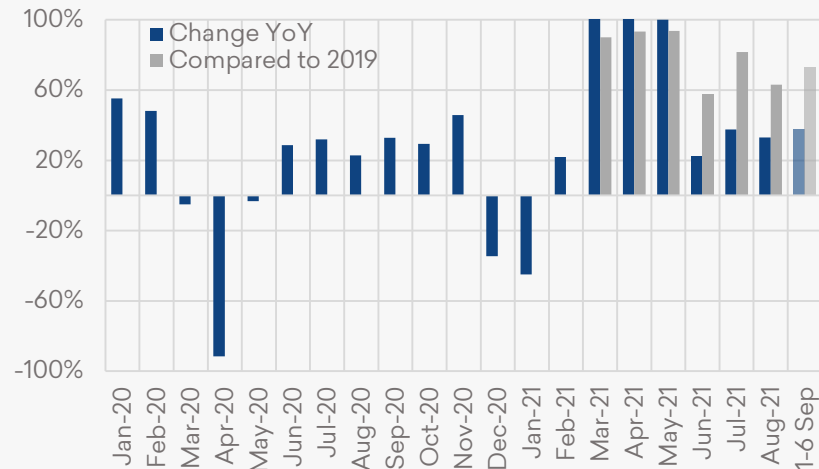
- In August, relative to 2019, growth of non-cash spending on apparel is crucially decreased compared to the previous month, totaling 46%. It is even lower in 1-6 September period (25%).
- In August, compared to 2019 growth of non-cash spending on entertainment moved to the negative growth territory, totaling -23%. In 1-6 September negative dynamic continues, amounting -40%.
- Growth of non-cash spending on fitness stays stable, in August, amounting 33%, relative to 2019. During the first week of September broadly unchanged(32%).

NON-CASH SPENDING ON CONSTRUCTION MATERIALS, FURNITURE, AND ELECTRONICS IS SIGNIFICANTLY DECREASED IN AUGUST, HOWEVER, POSITIVE GROWTH TENDENCY WAS OBSERVED DURING 1-6 SEPTEMBER

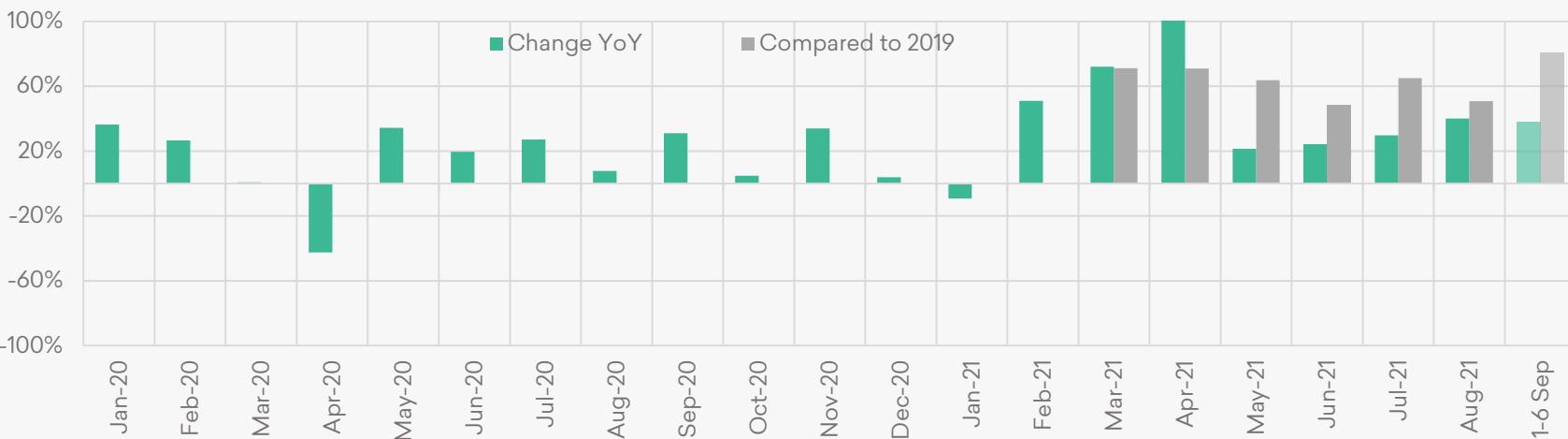
Construction materials: Non-cash spending



Furniture & appliances: Non-cash spending



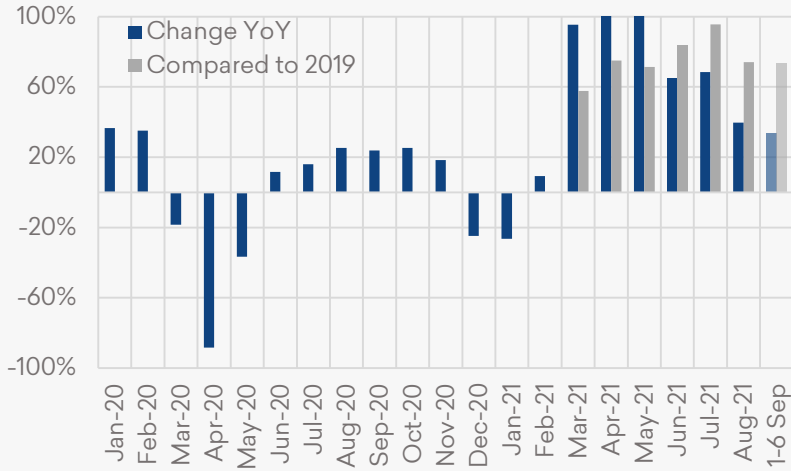
Electronics: Non-cash spending



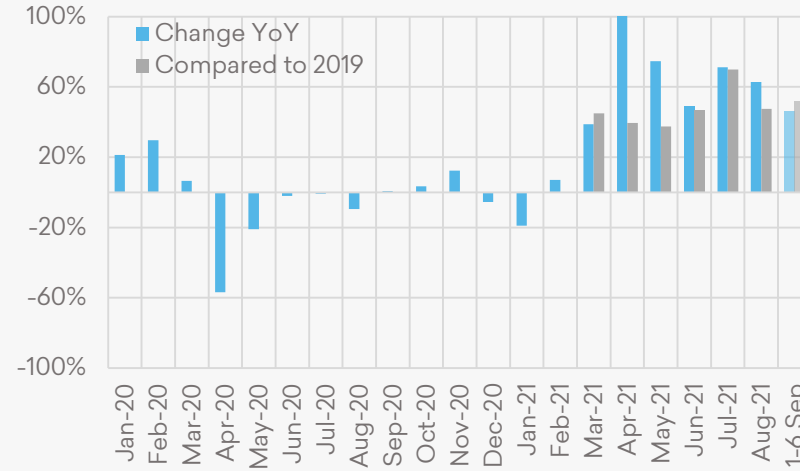
- In August, growth of non-cash spending on construction materials reduced to 74%, compared to 2019. However, during 1-6 September period marginal increment is posted(83%).
- Relative to 2019, non-cash spending on furniture & appliances is decreased compared to the previous month(63%). The minor increase is shown during the first week of September(73%).
- Non-cash spending on electronics is reduced and amounted 51%, in August, relative to 2019, however, in September relatively positive tendency is visible(81%).

GROWTH OF NON-CASH SPENDING ON PERSONAL CARE AND CAR REPAIR SHOWED MAJOR DECLINE, MOREOVER, FUEL & TRANSPORT ALSO DECREASED; HOWEVER, MINOR INCREMENT IS VISIBLE DURING 1-6 SEPTEMBER PERIOD

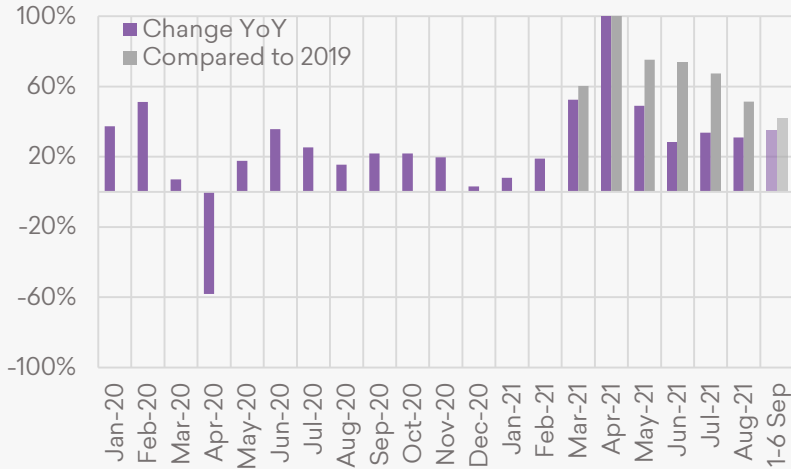
Personal care: Non-cash spending



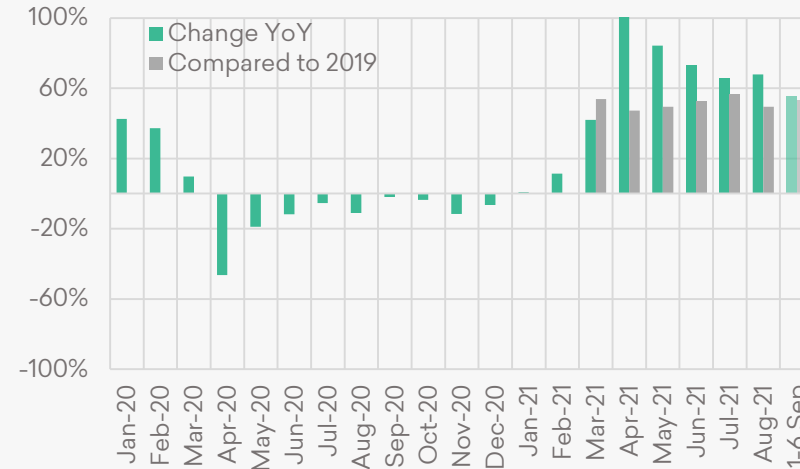
Other consumer goods: Non-cash spending



Car repair: Non-cash spending



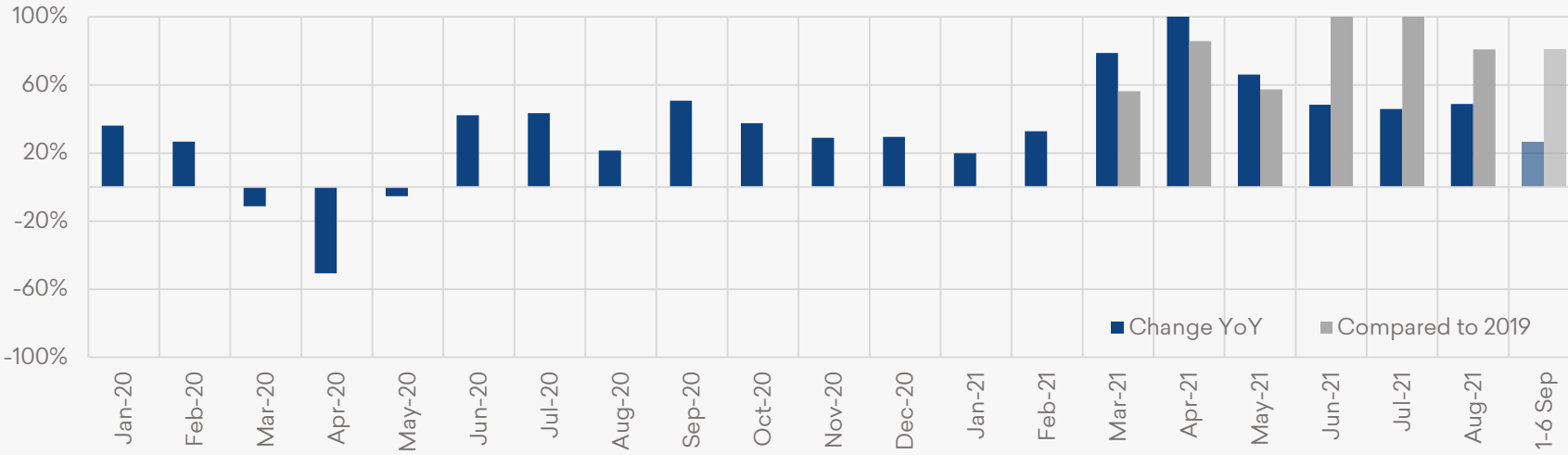
Fuel & Transport: Non-cash spending



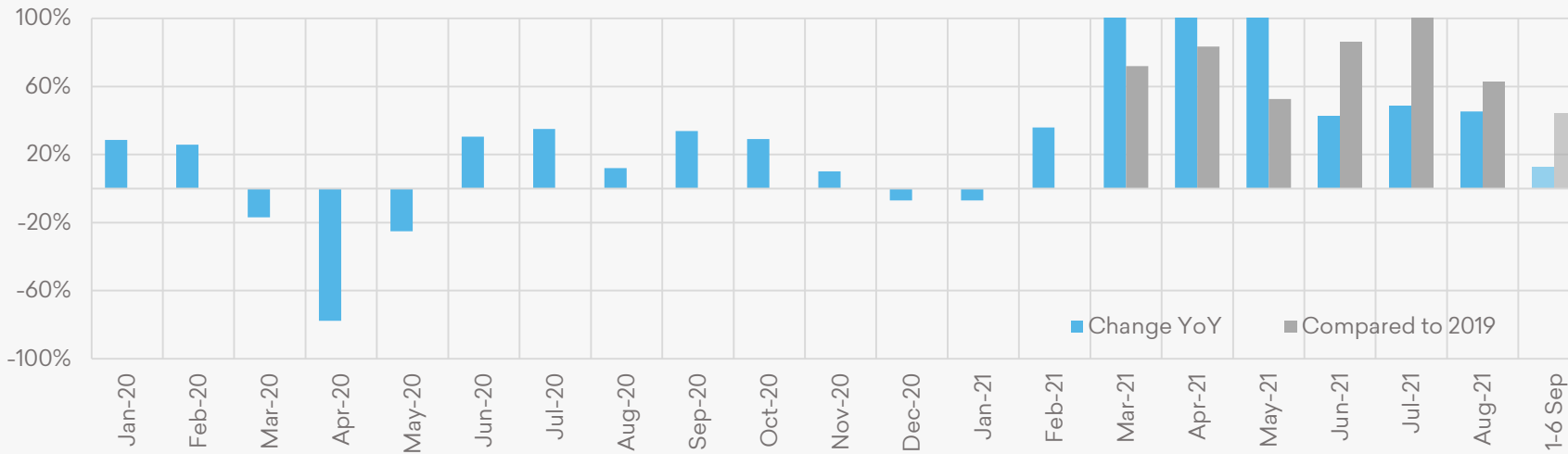
- In August, growth of non-cash spending on categories of personal care and other consumer goods significantly reduced, totaled 74% and 48%, respectively, relative to 2019. During 1-6 September stayed broadly unchanged.
- Compared to 2019, non-cash expenditures on car repair decreased relative to previous month, in August, amounted 51%. Negative dynamic continued in 1-6 September period(42%).
- Growth of non-cash spending on fuel and transport posted marginal decline in August, relative to 2019 (49%). Minor increment is visible during the first week of September(53%).

IN AUGUST, NON-CASH SPENDING ON DOCTOR VISITS AND MEDICAL EQUIPMENT POSTED SIGNIFICANT DECLINE; FURTHERMORE, DECLINE IN DYNAMICS REMAINS ON MEDICAL EQUIPMENT DURING 1-6 SEPTEMBER

Doctor visits: Non-cash spending



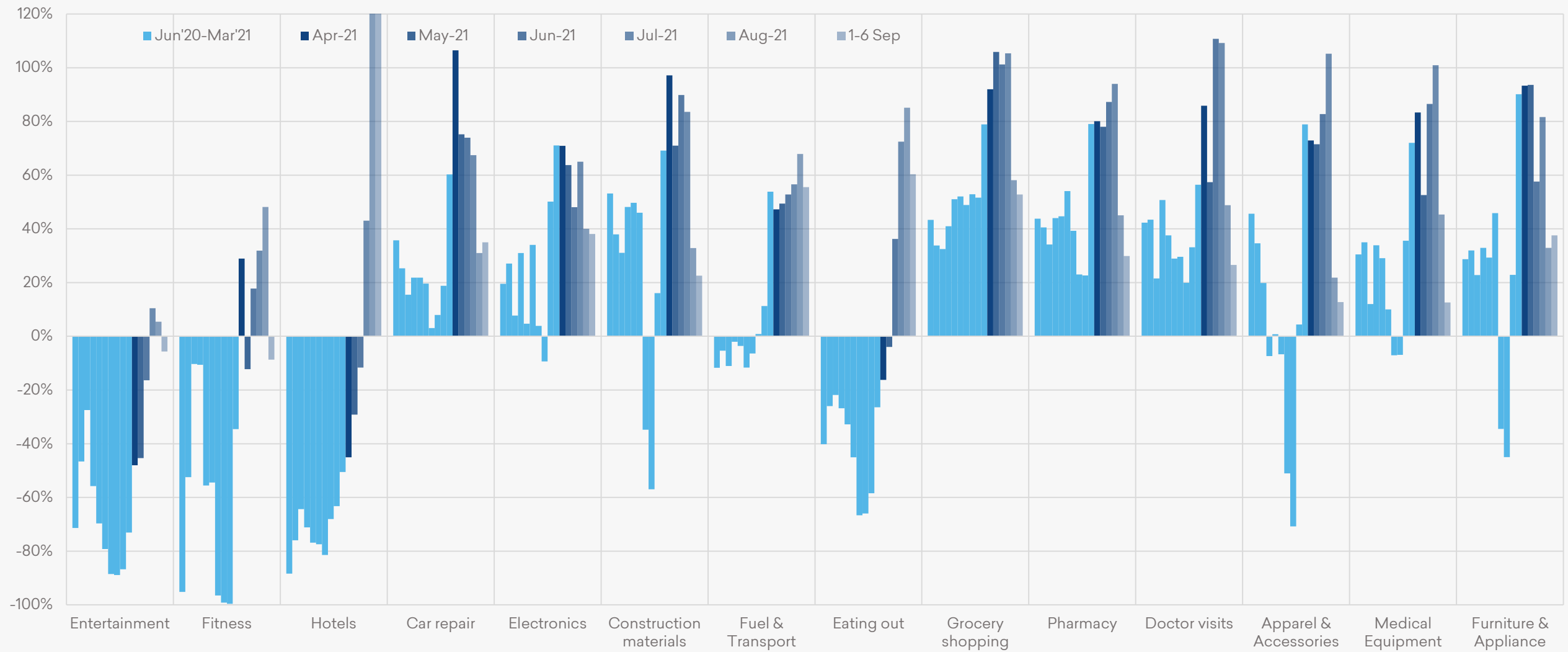
Medical equipment: Non-cash spending



- Non-cash spending on doctor visits is significantly reduced in August, a solid decrease compared to the previous month(81%). During 1-6 September period remains stable.
- In August, non-cash spending on medical equipment is crucially decreased and totaled 63%, relative to 2019. Negative tendency continues during first week of September(45%).

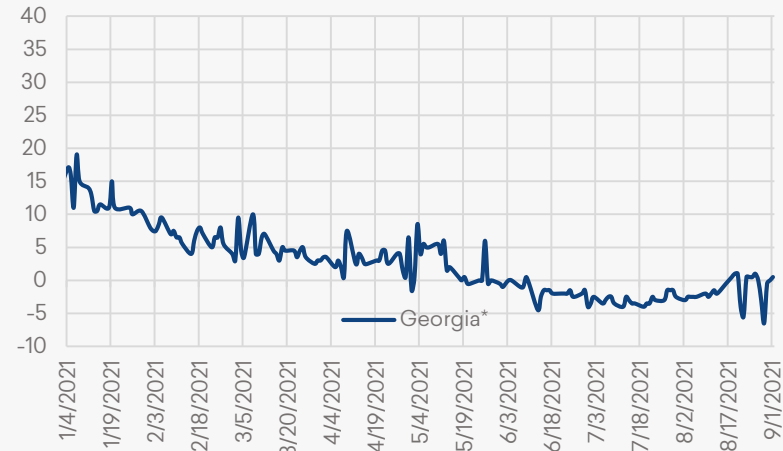
SUMMARY OF NON-CASH SPENDING DYNAMICS BY SECTORS

Dynamics of non-cash spending (YoY change, Growth compared to 2019 starting from March)

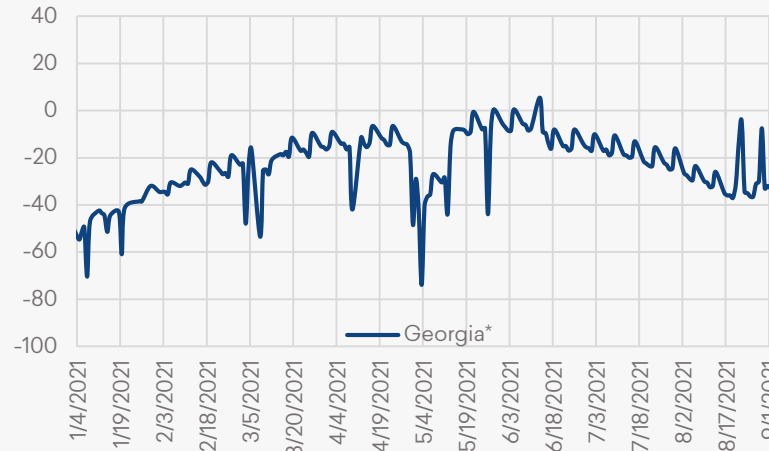


Source: TBC Bank

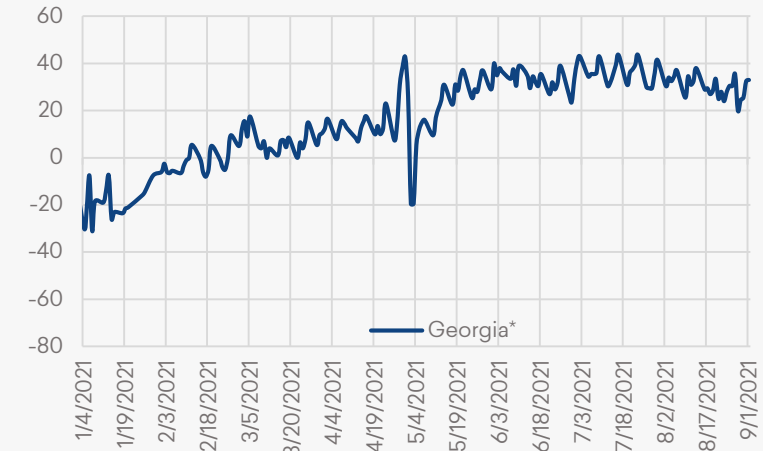
Mobility in residential area (Change %)



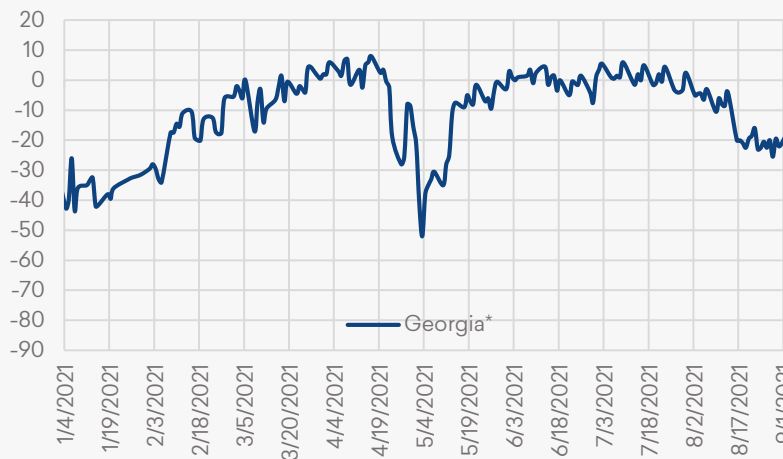
Mobility in working places (Change %)



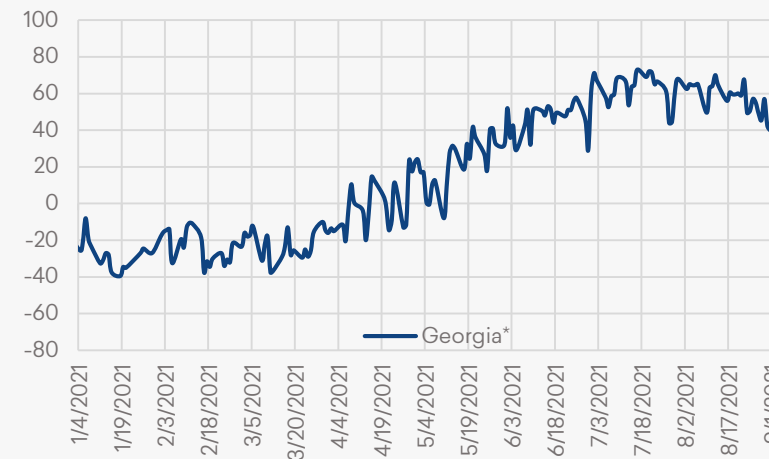
Mobility in grocery and pharmacy (Change %)



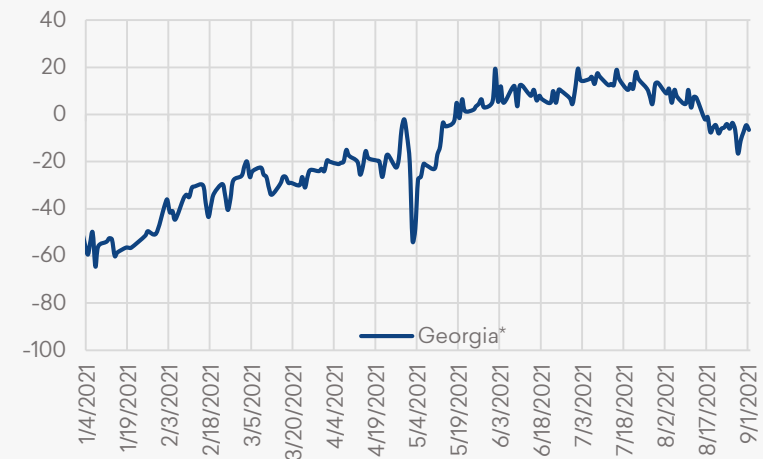
Mobility in transit stations (Change %)



Mobility in parks and recreational area (Change %)



Mobility in retail & recreation (Change %)



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