

# BUSINESS CONFIDENCE INDEX

9.0

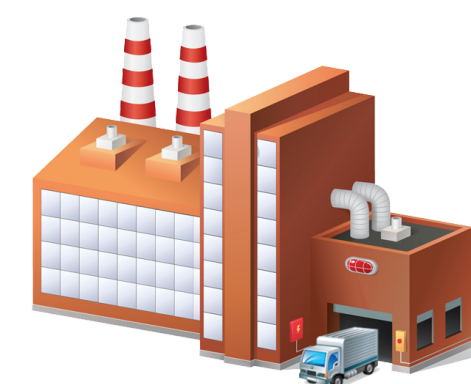
INCREASE

Business confidence  
rebounds at the end of  
the year

Q4 2025

Participating Companies

Large



22

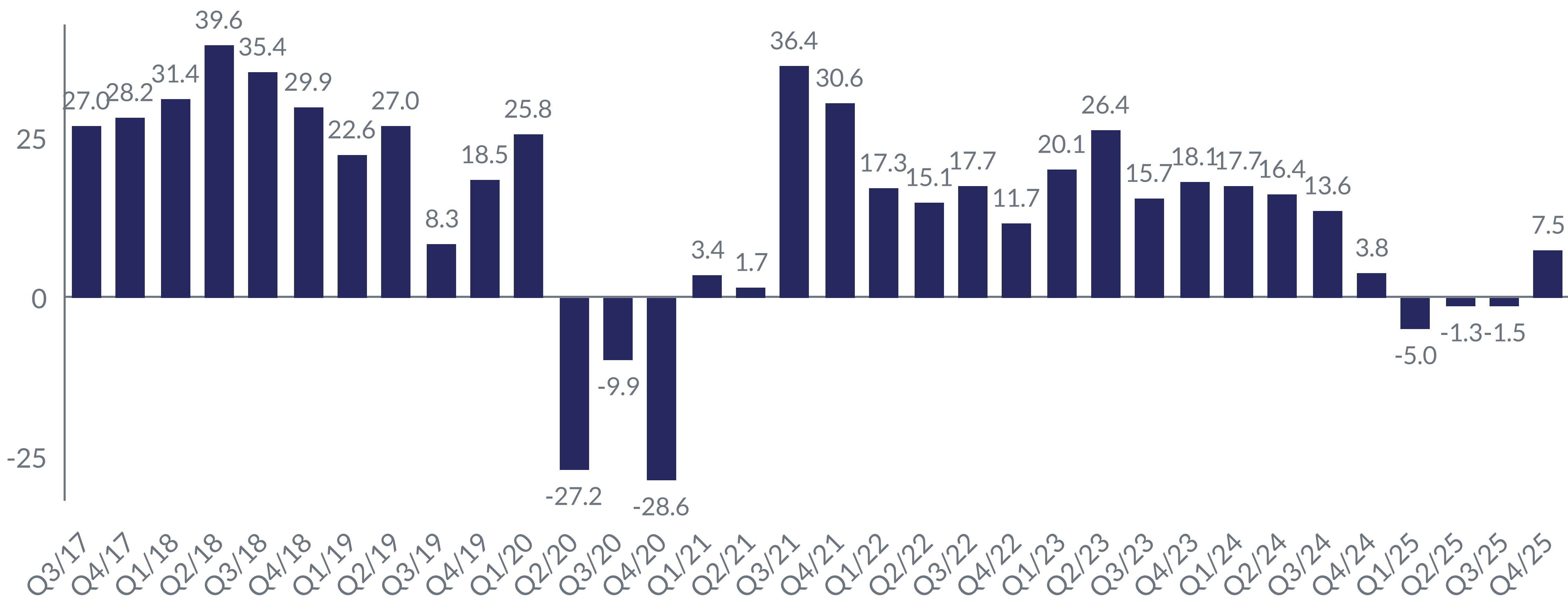
SMEs



84

## SURVEY HIGHLIGHTS

### Business Confidence Index (BCI)



- For the fourth quarter of 2025, business confidence in Georgia increased (by 9.0 index points) and reached 7.5. The highest increase in business confidence is observed in the agriculture (21.1) and construction (18.5) sectors. The positive change in BCI for Q4 2025 was driven by optimistic expectations as well as increased past performance.
- The Past Performance Index, which considers the business sector's assessment of their own economic performance in the previous quarter, increased by 19.5 points compared to Q3 2025 and reached 2.8 for Q4 2025, with the construction (57.5) and agriculture (45.7) sectors showing the biggest improvement.
- Expectations Index, which reflects business optimism, increased and reached 14.8 index points. Expectations for Q4 2025 increased significantly for financial (50.0) and construction (22.5) sectors.
- The Sales Price Expectations Index decreased by 3.1 index points and reached 19.0, indicating a slight decrease in the share of businesses that anticipate charging higher prices on their products over the next three months.
- For Q4 2025, qualified labor force, lack of demand and access to finance are the most significant limiting factors for large companies. As for SMEs, access to finance and lack of demand are the most important challenges.

\* The Business Confidence Index is measured on a scale of [-100; 100] points. The size of the index indicates a weighted balance between the respondents giving positive and negative replies. A confidence index of 100 would indicate that all firms in the sample reported a positive outlook. An index of zero would indicate that the weighted balance of positive and negative views reported by firms is about equal or, alternatively, that all firms reported no change in the current business situation (for more details, see the methodological notes).

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After negative figures in the previous three quarters, BCI increased by 9.0 compared to Q3 2025, and reached 7.5 index points for Q4 2025. Expectations in the Georgian private sector increased by 12.8 index points, reaching 14.8. Business performance over the past three months increased by 19.5 index points (reaching 2.8), indicating an upturn in production, turnover, and sales. Compared to the previous quarter, the Sales Price Expectation Index decreased by 3.1 index points.

Compared to Q3 2025, for Q4 2025 business confidence increased in agriculture (+21.1), construction (+18.5), financial (+14.5), trade (+13.2), and service (+3.4) sectors, and decreased in the manufacturing (-5.9) sector.

## BCI by sectors

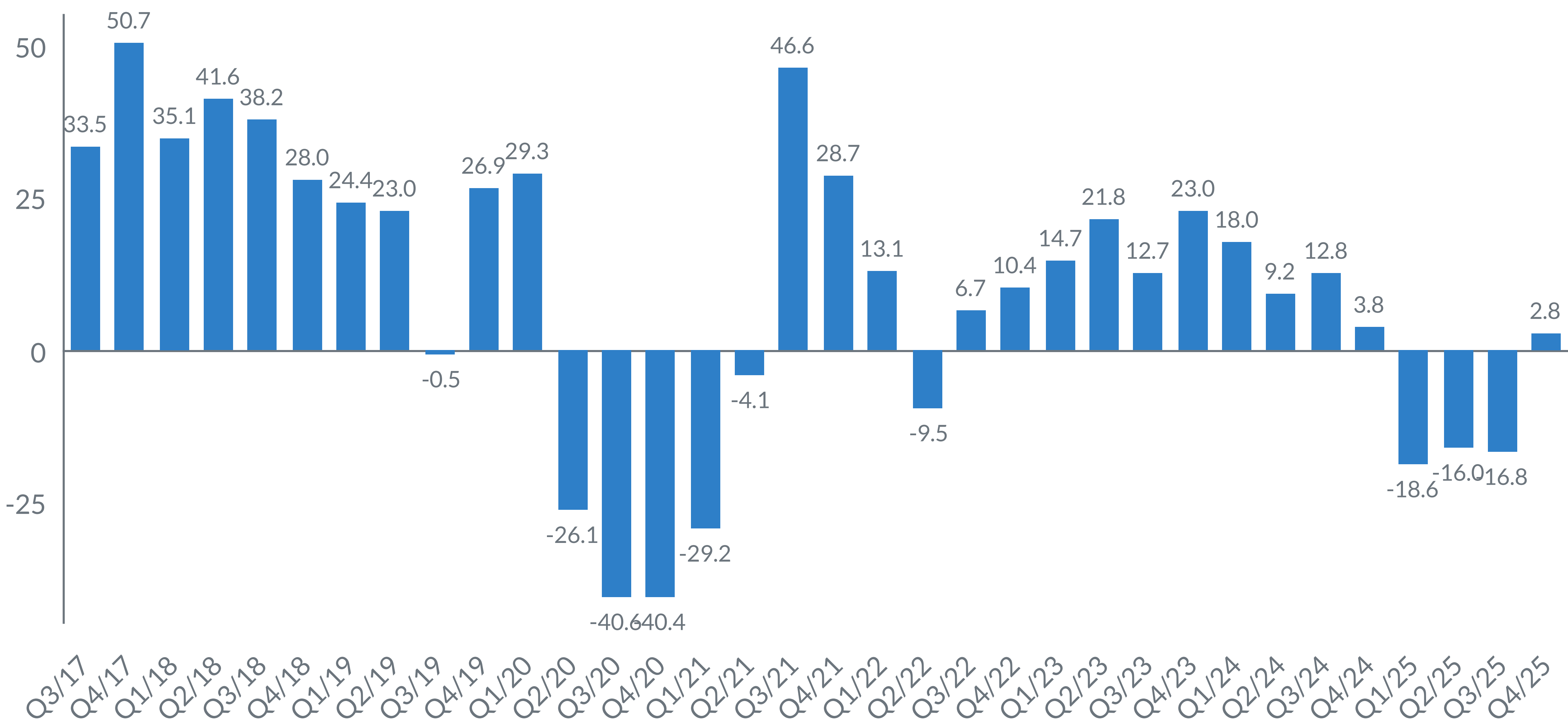
Sectors	Q4/25		Change
Manufacturing	19.5	▼	-5.9
Construction	6.0	▲	18.5
Trade	14.7	▲	13.2
Service	1.2	▲	3.4
Agriculture	-2.9	▲	21.1
Financial	20.0	▲	14.5
Other	0.0	▲	14.0

Business confidence for the fourth quarter of 2025 has decreased by 7.9 index points for large companies and increased by 14.7 points for SMEs.



It should be noted that the BCI results presented here may be overestimated, as the survey only covers businesses currently operating and not those that have already exited the market. Firms, which exited the market are, to some extent, more likely to demonstrate a negative outlook.

Past Performance Index



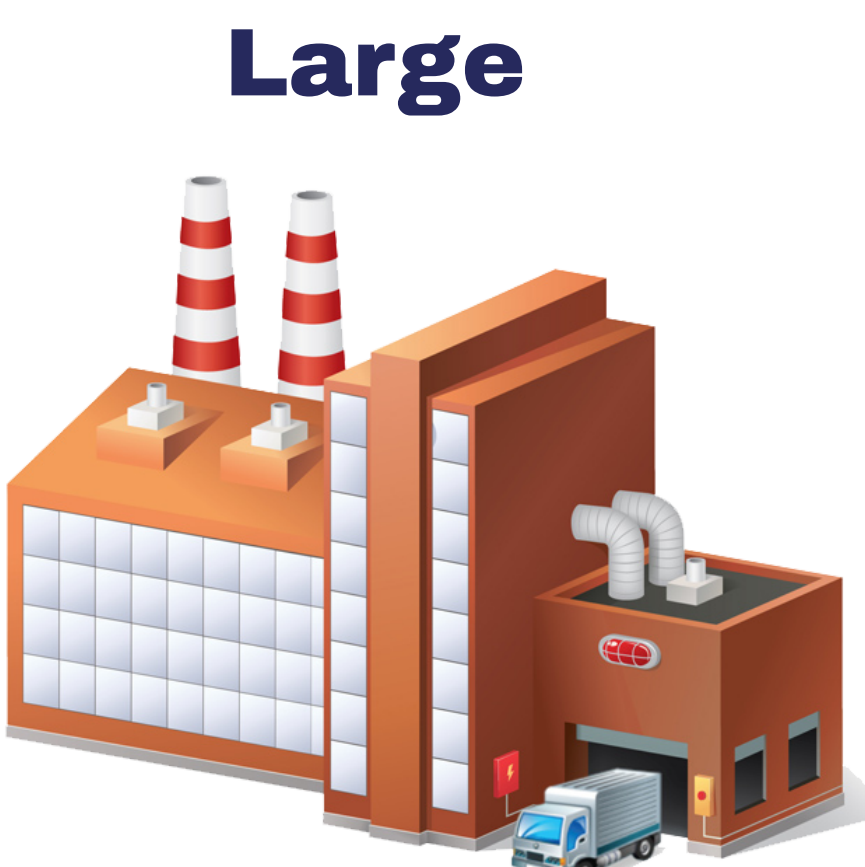
Past Performance by sectors

Businesses’ Past Performance Index, which shows the development of businesses' production, turnover, and sales in the past 3 months, increased for Q4 2025 compared to the previous quarter. The highest increase was observed in construction (+57.5), followed by agriculture (+45.7), trade (+43.8), and financial (+6.7), sectors. The Index decreased in the manufacturing (-4.0) and service (-0.6) sectors.

Sectors	Q4/25	Change
Manufacturing	18.2	▼ -4.0
Construction	20.0	▲ 57.5
Trade	12.0	▲ 43.8
Service	-8.3	▼ -0.6
Agriculture	-14.3	▲ 45.7
Financial	0.0	▲ 6.7
Other	0.0	▲ 10.0



Q4/25    Change  
0.2    ▲ 26.2

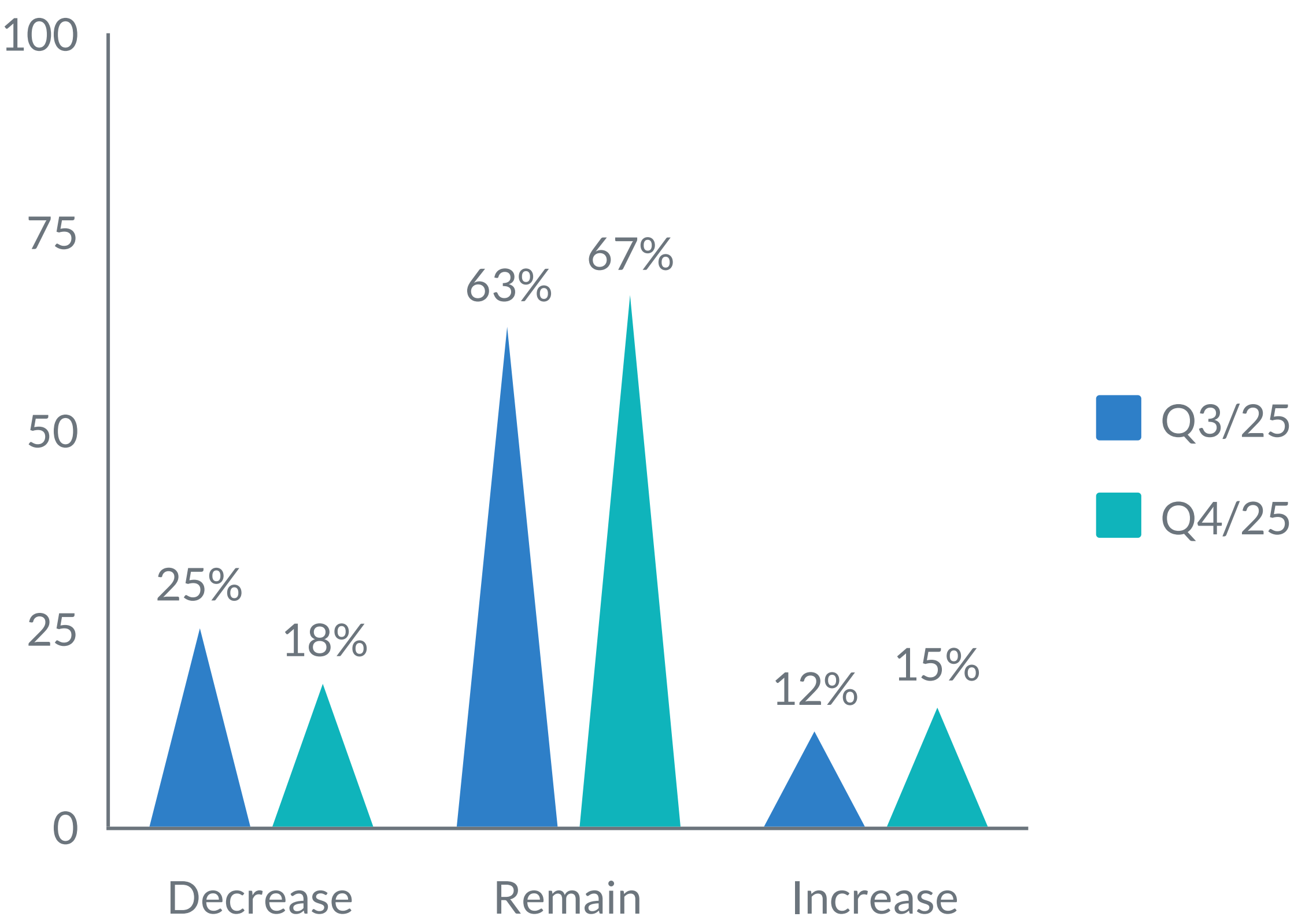


Q4/25    Change  
18.4    ▲ 0.4

Business activities in the past 3 months have increased by 0.4 points for large companies and by 26.2 points for SMEs.

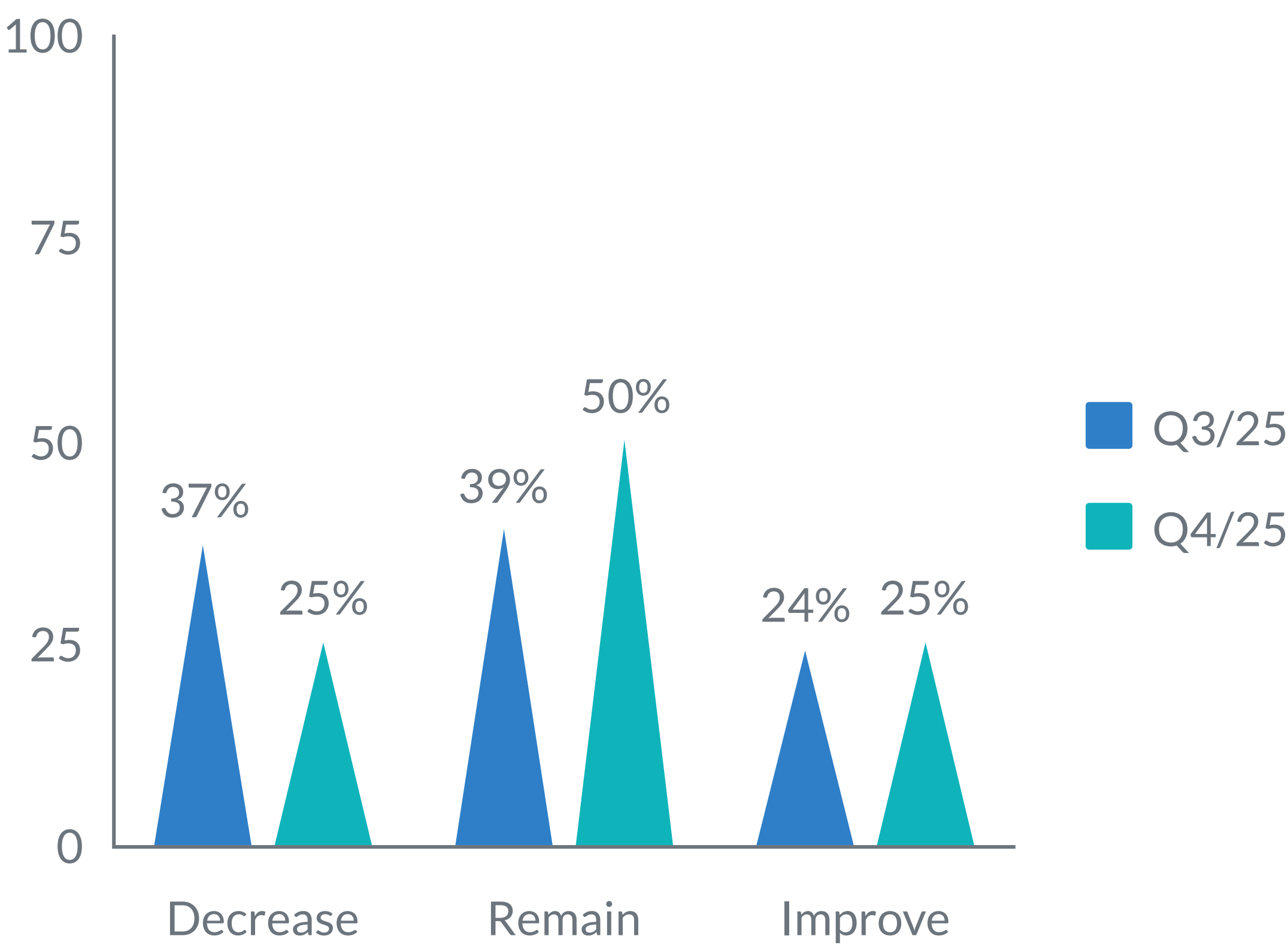


## How has your firm's total employment changed over the past 3 months?



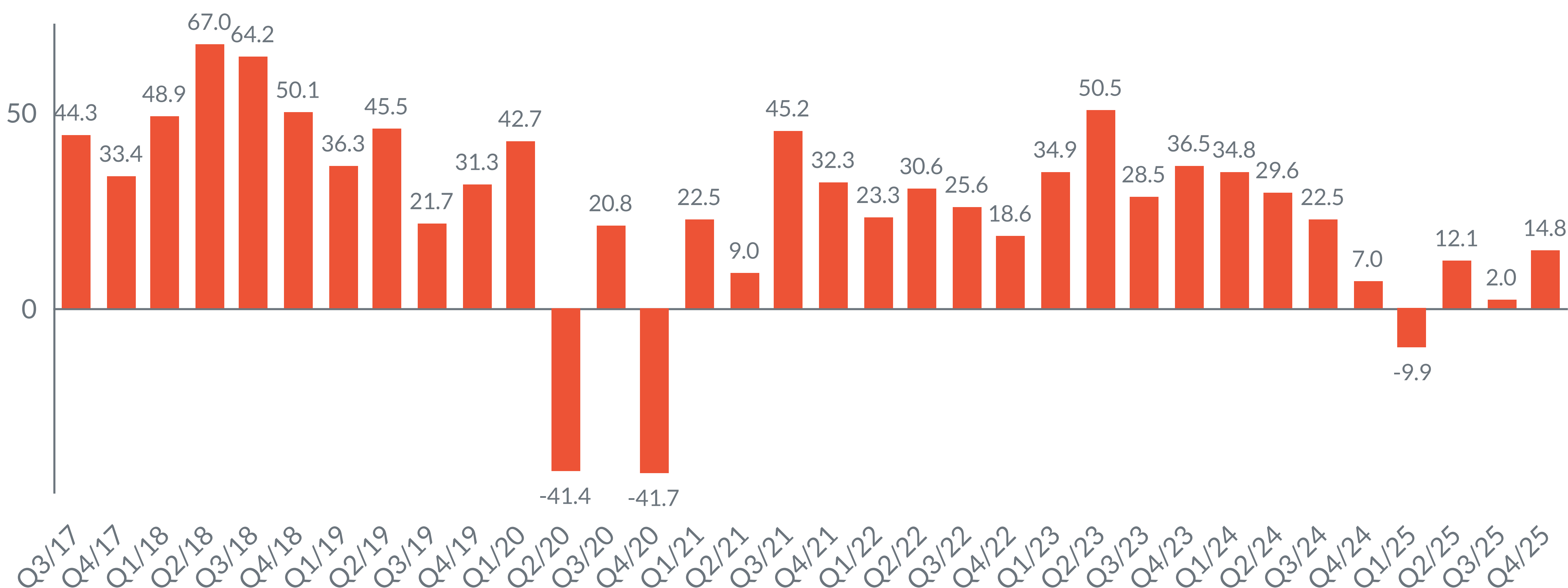
For Q4 2025, 18% of surveyed firms stated that employment had decreased over the past three months; 15% reported an increase, and 67% reported no changes in employment.

## How has your business activity developed over the past 3 months?



For Q4 2025, 25% of the companies reported a deterioration in their business activities over the past three months, 25% reported improvement and 50% of firms stated that their business activities remained unchanged.

# Expectations Index



The Expectations Index increased for Q4 2025 compared to the previous quarter and settled at 14.8. The highest increase was observed in the financial sector (+50.0), followed by construction (+22.5), trade (+21.5), and service (+10.5) sectors. The Index decreased in manufacturing (-14.1) and agriculture (-8.6) sectors.

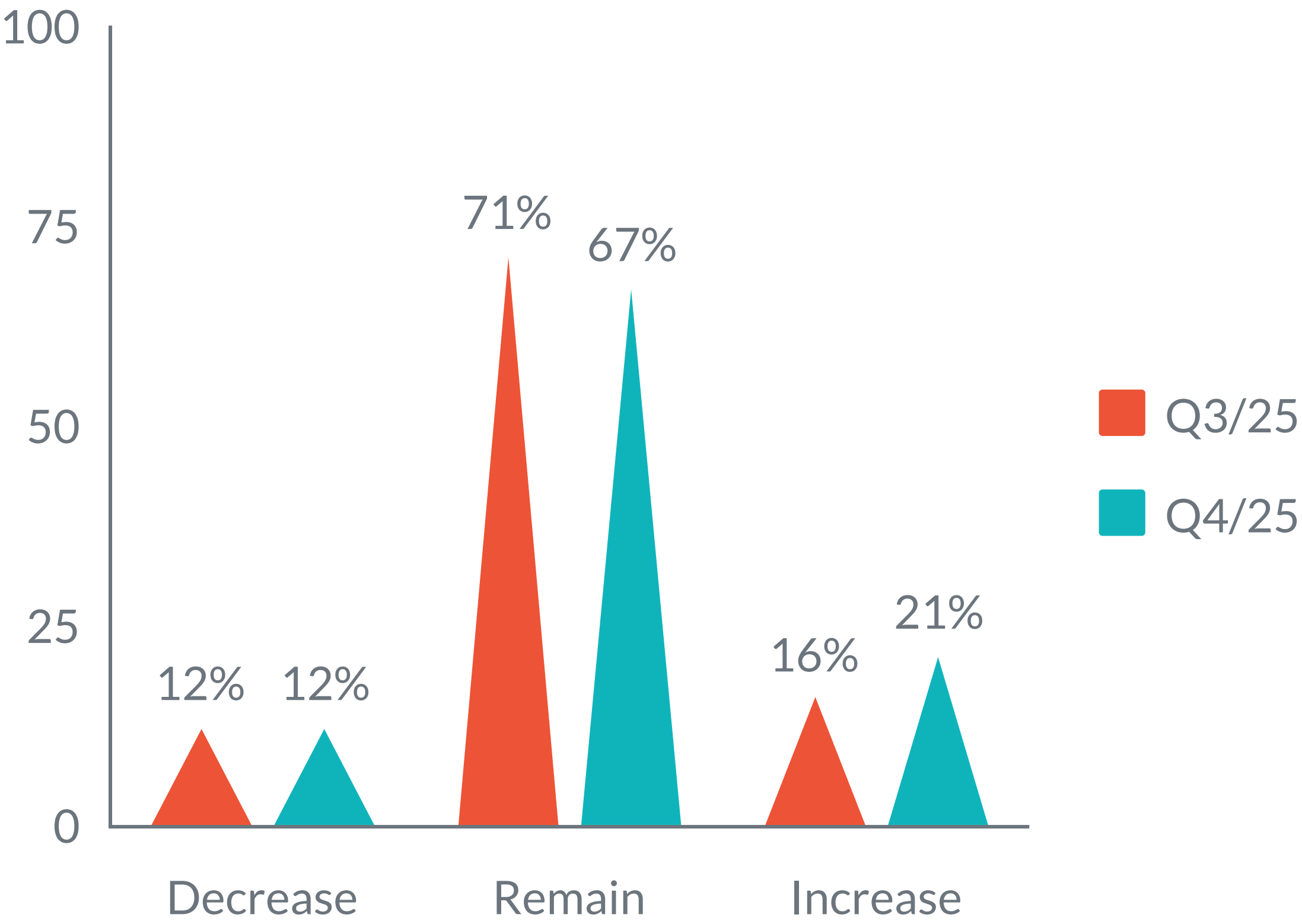
## Expectations by sectors

Sectors	Q4/25	Change
Manufacturing	63.6	▼ -14.1
Construction	10.0	▲ 22.5
Trade	26.0	▲ 21.5
Service	2.8	▲ 10.5
Agriculture	-28.6	▼ -8.6
Financial	40.0	▲ 50.0
Other	-8.3	▲ 1.7



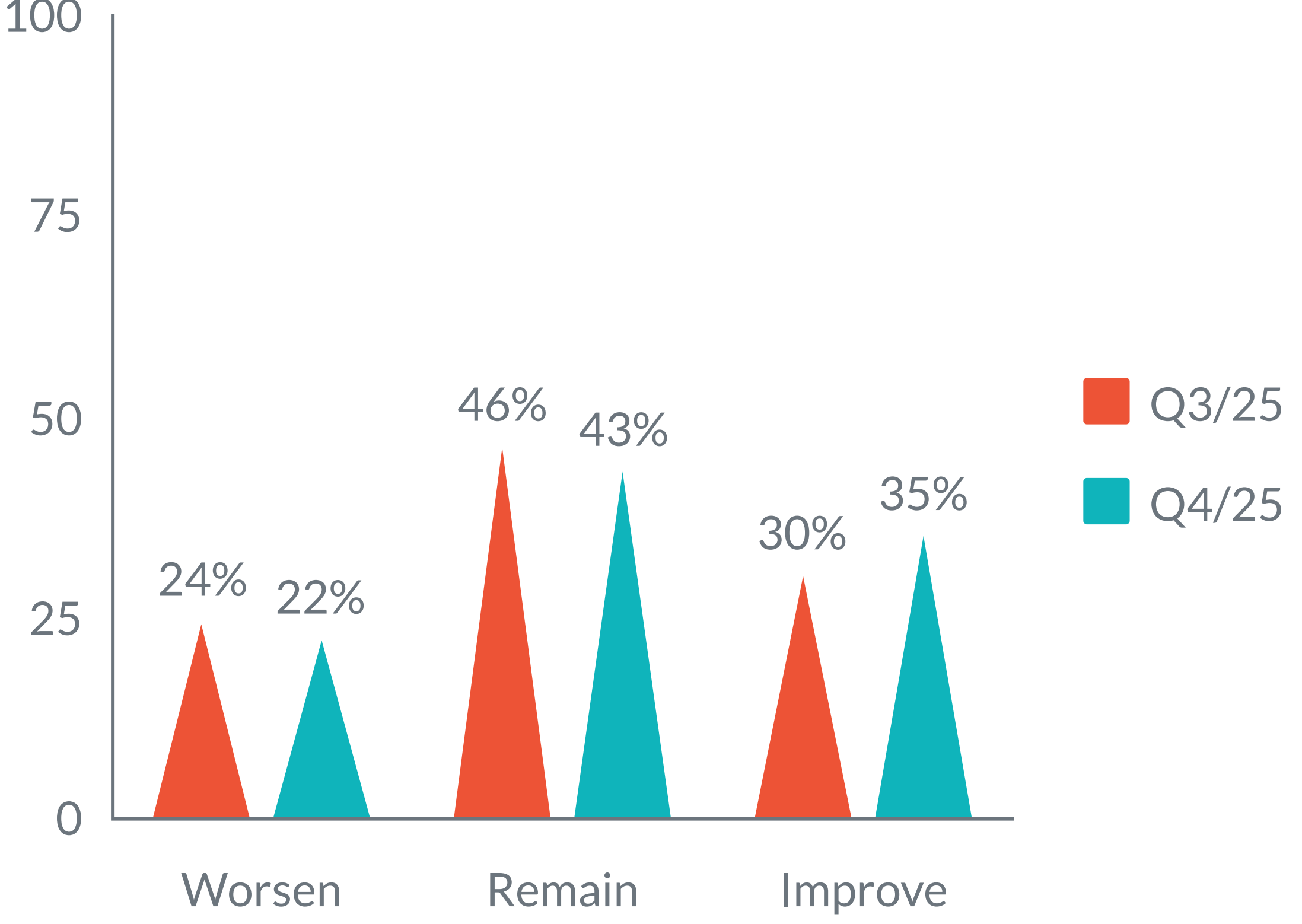
The expectations index has decreased by 0.3 points for large companies and increased by 17.7 points for SMEs.

How do you expect your firm's total employment to change over the next 3 months?



For Q4 2025, 12% of firms stated that they would hire fewer employees in the future, 21% think that they would hire more and 67% of the surveyed businesses do not expect any changes in employment over the next three months.

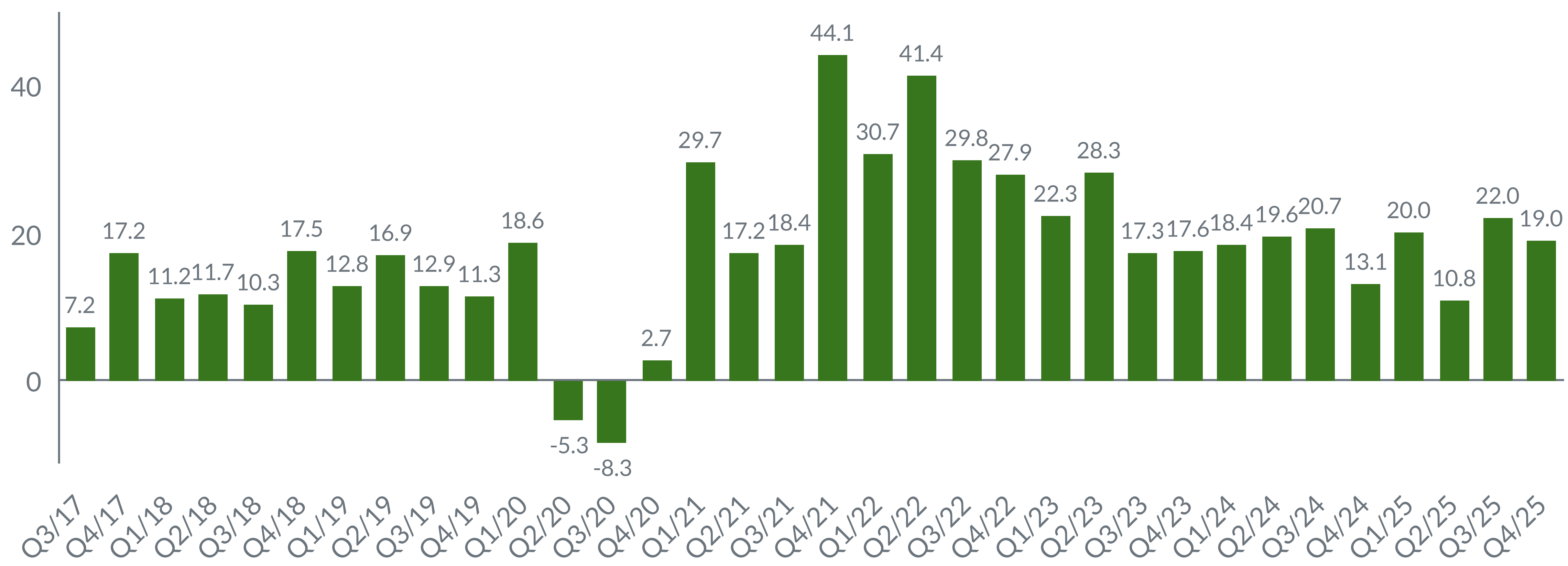
How do you expect your business condition to change over the next 3 months?



As for the business condition, 22% of the firms surveyed expect the economic condition of their businesses to worsen over the next three months, 35% of businesses believe their business conditions will improve and 43% do not predict any changes.



Sales Price Expectations Index



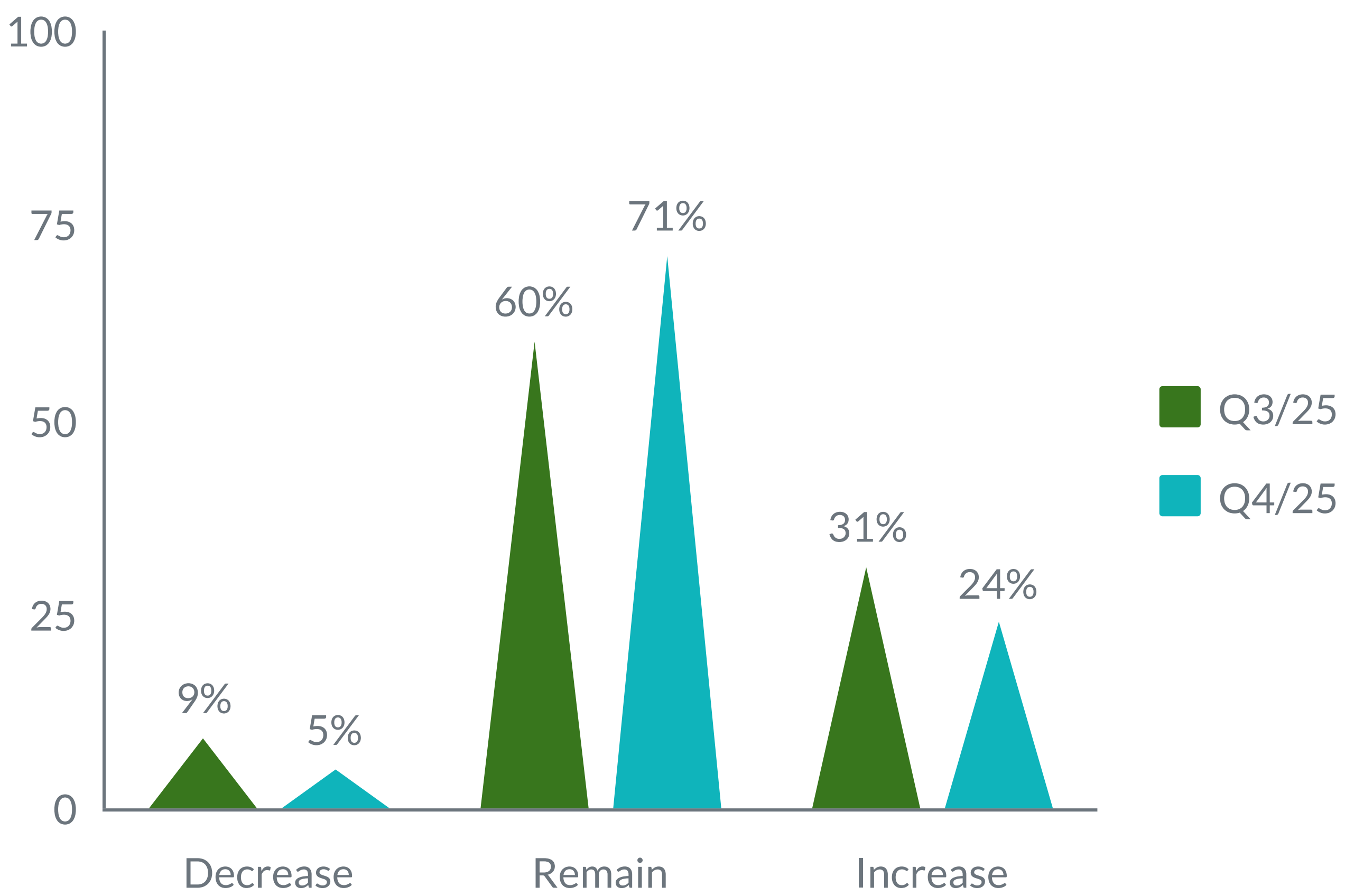
For Q4 2025, the Sales Price Expectations Index decreased slightly and reached 19.0 index points. The highest decrease is observed in manufacturing (-26.3), followed by trade (-15.3) and construction (-5.0) sectors. Index increased in agriculture (+22.9) and service (+4.5) sectors.

For Q4 2025, index decreased by 15.3 points for large companies and increased by 2.9 points for SMEs.

Sales Price Expectations by sectors

Sectors	Q4/25	Change
Manufacturing	18.2	-26.3
Construction	20.0	-5.0
Trade	12.0	-15.3
Service	25.0	4.5
Agriculture	42.9	22.9
other	0.0	0.0

How do you expect the prices you charge to change over the next 3 months?



SME

Q4/25

17.9

Change

2.9

Large

Q4/25

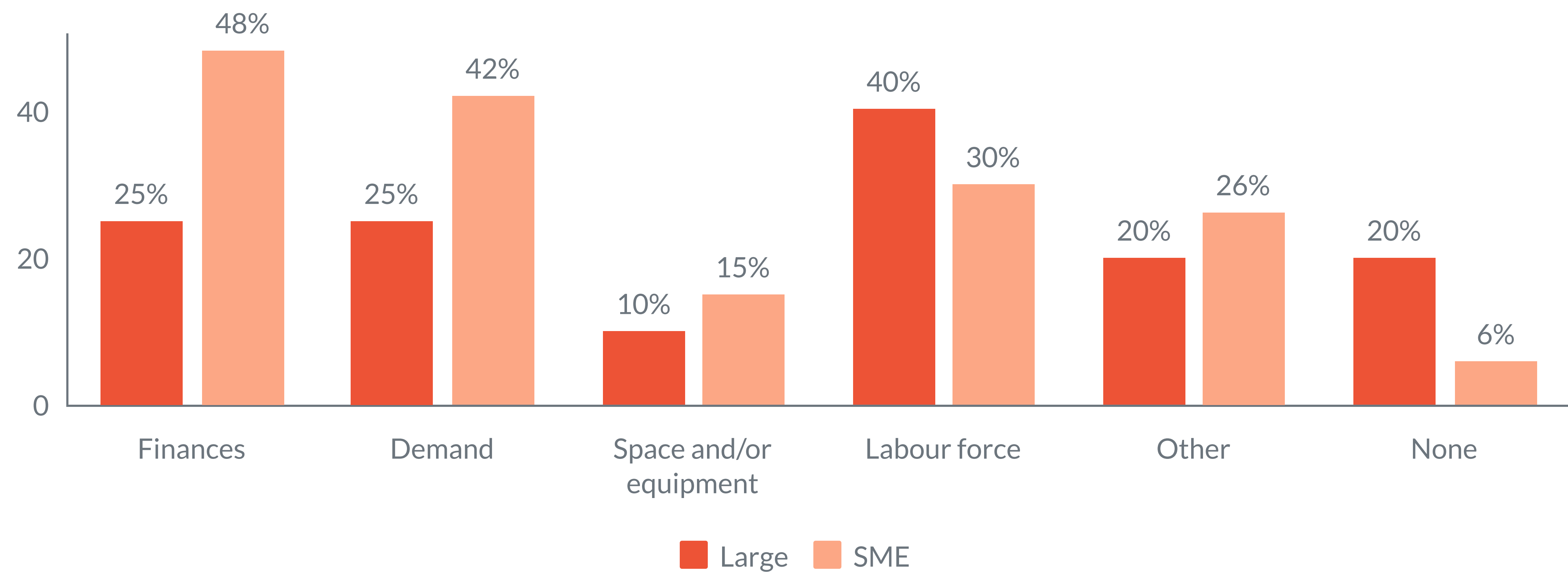
25.8

Change

-15.3

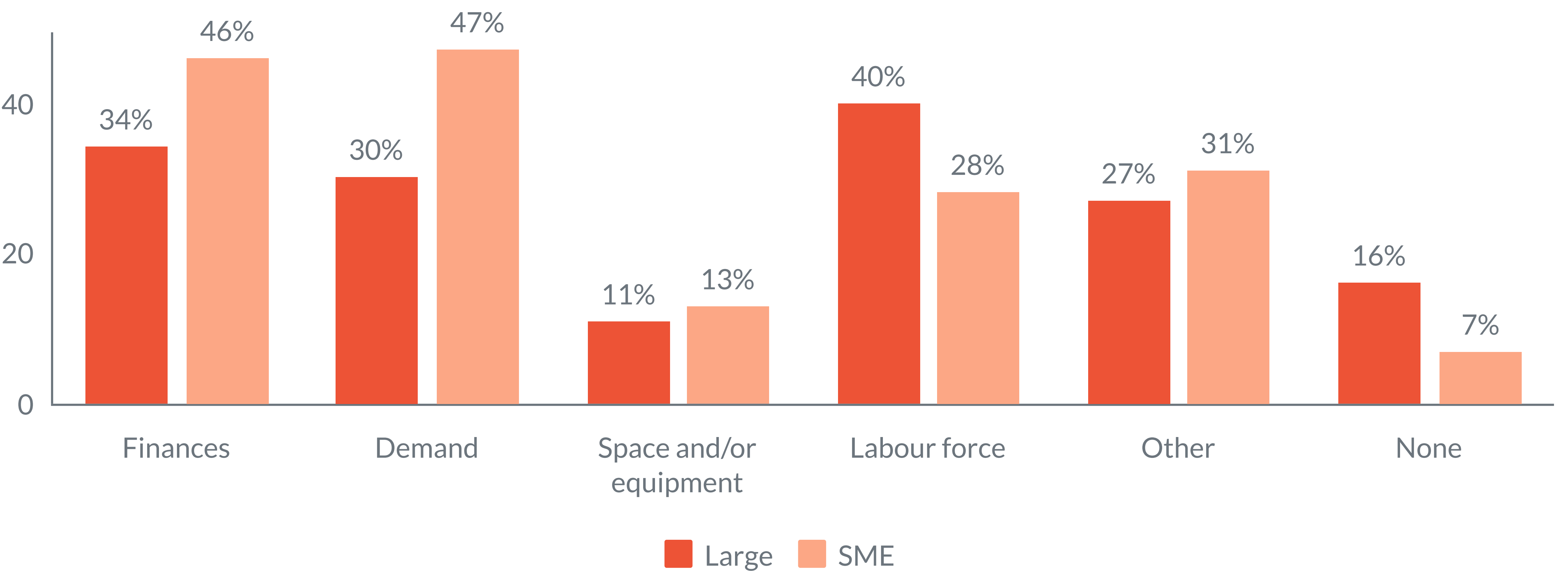
Around 5% of all firms surveyed intend to decrease their prices over the next three months, 24% predict an increase in their prices and the remaining 71% are not planning to change their prices in the near future.

# WHAT ARE THE MAIN FACTORS CURRENTLY LIMITING YOUR BUSINESS? Q4, 2025



For Q4 2025, qualified labor force, lack of demand and access to finance are the most significant limiting factors for large companies. As for SMEs, access to finance and lack of demand are the most important challenges.

# WHAT ARE THE MAIN FACTORS CURRENTLY LIMITING YOUR BUSINESS? (FOUR QUARTER AVERAGE Q1 2025 - Q4 2025)





# Methodology

The ISET Policy Institute, working in partnership with the BIA (Business Information Agency) and the International Chamber of Commerce in Georgia (ICC), implemented the Business Confidence Survey beginning in December 2013 and publishes the Business Confidence Index (BCI) on a quarterly basis. Business confidence for Georgia is measured by seven sector-specific indices focusing on 1) services, 2) trade, 3) agriculture, 4) manufacturing industry, 5) financial services 6) construction and 7) other sectors. For each sector, confidence is measured through a simple survey instrument targeted at top business executives.

Answers obtained from the surveys are aggregated in the form of “balances.” Balances are constructed as the difference between the percentage of respondents giving positive and negative replies.

Using this method, a confidence index of +100 would indicate that all survey respondents were much more confident about future prospects, while -100 would indicate that all survey respondents were much less confident about future prospects.

Variable	Value
Positive	+1
Neutral	0
Negative	-1

The methodology for compiling the indices is based on the Joint Harmonised EU Programme of Business and Consumer Surveys.

## DEFINITIONS

- The Business Confidence Index is calculated as a weighted average of the balances deduced from all answers about production/sales/turnover, competition, order books, volume of stock, demand evaluation, operation costs, profit, employment, and sales price setting.
  - The Expectations Index is calculated based on two questions: production/sales/turnover for the next three months, and employment plans for the next three months.
  - All firms with an average of fewer than 50 people employed for over a year and an annual average turnover of less than 12 million GEL are considered as SMEs
  - Rest of the firms are considered as large firms.
- For the BCI Methodology, click [here](#)

\*\*\* The size of the company is defined according to the Main Indicators’ Calculation Methodology of Business Statistics ([http://geostat.ge/cms/site\\_images/\\_files/georgian/methodology/business/BS\\_metodologia.pdf](http://geostat.ge/cms/site_images/_files/georgian/methodology/business/BS_metodologia.pdf)).

# Distribution of Participating Firms by Sector and Size

Table 1 - Distribution of firms participating in the BCI survey			Table 2 - Distribution of industries by value added	
Sectors - Number of firms	25/Q4	25/Q4	Sectors	% in Value Added
Manufacturing	11	10%	Manufacturing	11%
Construction	10	9%	Construction	13%
Trade	25	24%	Trade	19%
Service	36	34%	Service	36%
Agriculture	7	7%	Agriculture	7%
Financial	5	5%	Financial	8%
Other	12	11%	Other	6%
Source: BCI Survey Data	106	% share	Source: GeoStat	

Sectors - Number of firms by size	25/Q4	
	Large	SME
Manufacturing	3	8
Construction	2	8
Trade	4	21
Service	5	31
Agriculture	1	6
Financial	2	3
Other	5	7
Source: BCI Survey Data	22	84

Maximum number of firms participating in the survey	
2016	Q2
Large	SME
104	266

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Business Confidence Index

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