



TBC CAPITAL

HIGHER EDUCATION IN GEORGIA

NOVEMBER 2022

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Executive Summary

Georgia's higher education industry consists of total 63 Higher Education Institutions (HEIs), including Universities, Teaching Universities, and Colleges. Tbilisi dominates the market supply, representing 70% of all HEIs in the country.

Demand for higher education has been steadily increasing as the most of Georgian 18-year-olds choose to pursue higher education. While the share of foreign students remains low, their number has been steadily rising in the past years.

Demand and supply of education are affected by a number of economic and social factors, including demography, individual salaries, household income, price of education, cost of living and government spending.

Demography analysis exhibits, that HEIs are likely to see a more sizeable growth in demand from year 2025 due to the natural increase of the number of Georgian 18-year-olds against the 2022 indicator.

The price of education has been almost unchanged for public universities and the price continues to center around the grant amount offered by the government to successful applicants - GEL2,250. Private universities on the other hand - are increasing the fees and the annual growth of average price of the bachelor's program amounted to 3% in 2022.

Apart from the price of education, decrease in affordability of higher education can be caused by the cost of living. As inflation rates continue to be in double digits and rental price index shows record high rent prices, this can drive the demand on the higher education down.

These negative drivers of the demand, however, are offset by a larger increase in the population salaries. This indicates that rise of the cost of living is unlikely to result in the decrease of the demand on higher education. Household income and spending analysis indicates that share of education in total spending has reduced in Georgia with the growth of households' wealth.

The estimated value of the higher education market in 2021 exceeds GEL 760 million and it is

expected to continue growing in the upcoming years, with an annual growth rate of 9-10%. Market shares of private and public HEI sectors are not likely to shift significantly as their growth rates do not materially differ.

HEIs offer 638 distinct accredited programs for Bachelor-level education. The majority of programs are offered by public universities and Management and Administration is the most popular field offered by universities in 2022.

Analysis of bachelor level education shows that public universities are in higher demand due to the lower fees, availability of fully funded programs and larger selection of areas of study. Management and Administration field has also the largest share in terms of priority choices made by the applicants. However, the top 100 applicant data exhibits that the highest scoring applicants choose Software Applications and Development as their field of study.

Bachelor-level enrollments data shows that during the last eight years on average about 15,000 places were left vacant. Such gaps can be explained by the wrong expectations of the market dynamics, ineffective marketing campaign, external and internal factors affecting reputation of universities. On the other hand, field of study largely determines the number of vacant places.

Master-level education offered 431 accredited programs in 2022, with public universities offering the 70% of the master's programs. Management and administration was the leader in the number of programs in this level of study as well, with a 15% share in total programs. Most of the foreign programs were also offered within the management and administration field.

Ph.D. level education data shows that 74% of Ph.D. students enrolled in public universities. A large number of active Ph.D. students study social sciences, journalism, business administration, and law.



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HIGHER EDUCATION INDUSTRY OVERVIEW

Higher Education Supply

Major participants of Georgia's higher education industry are Universities, Teaching Universities, and Colleges.

In 2022, there are 63 Higher Education Institutions (HEIs) in Georgia in total. Their breakdown is as follows: Universities – 34, teaching universities – 23 and colleges – 6.

Private universities outnumber public entities and held 70% share of the HEIs. Since 2018, the number of private universities has stabilized.

Tbilisi dominates the HEI supply and accounts for 70% of the total market with 44 institutions. The number of HEIs in the region are significantly less, amounting to 19 entities.

Adjara is the regional leader with 7 institutions, followed by Imereti with 4 HEIs. Most of the universities are concentrated in regional centers like Kutaisi, Batumi, Telavi, Zugdidi, Gori, and Akhaltsikhe.

High concentration of universities in Tbilisi results in large number of students migrating to the capital from other regions every year. Uneven distribution of universities affects access and affordability of higher education, with ability to relocate, rent prices, living costs in Tbilisi and other factors influencing education sector.

Figure 01. Distribution of Higher Education Institutions by form of ownership

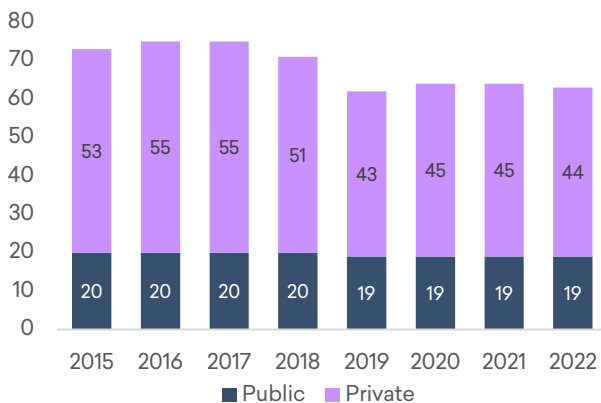


Figure 02. Distribution of Higher Education Institutions by Type

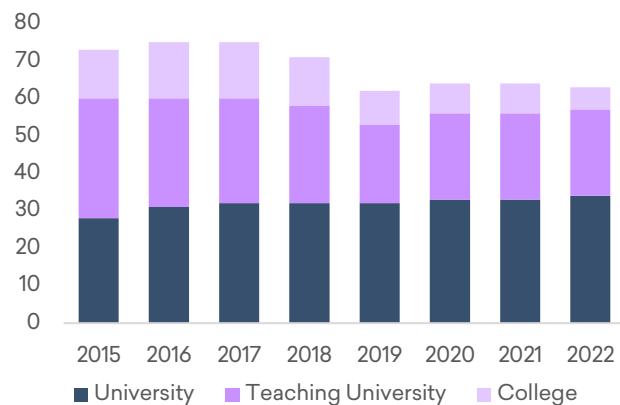
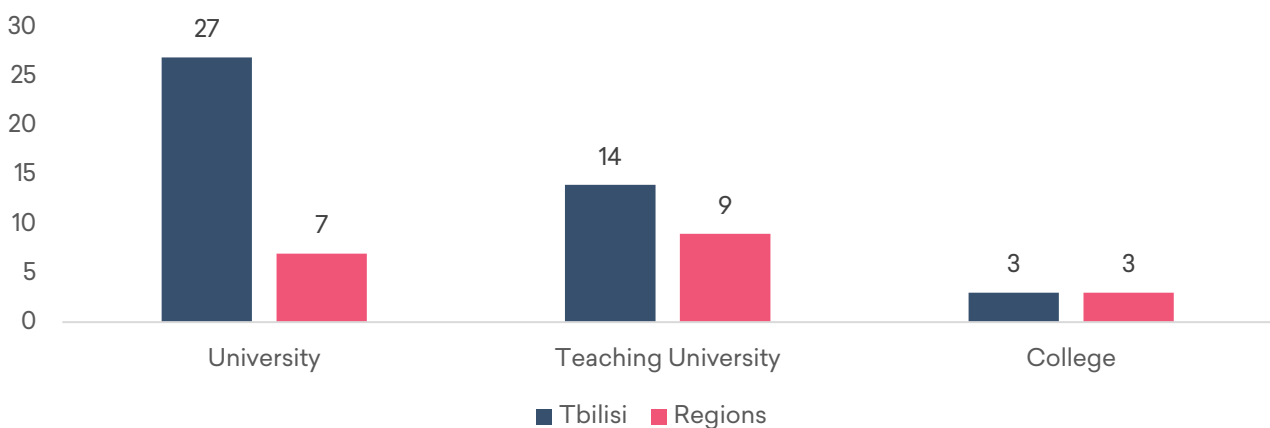


Figure 03. Distribution of Higher Education Institutions between Tbilisi and regions, 2022



Source: EMIS

Higher Education Demand

Education market analysis showed that majority of 18 year old Georgians choose to apply to higher educational institutions (HEIs). The number of students in Georgian Higher Education system remains stable with small increments throughout the years. According to 2021-2022 statistics, 163,721 students had an active status in higher education institutions. Out of this number, 104,918 (64%) students were studying in public universities, while 58,803 (36%) in private entities. Bachelor program is traditionally a leader with 116,055 (71%) students, followed by Master's program – 39,223 (24%), VET at Universities – 4,564 (3%), and PhD – 3,879 (2%).

In 2021-2022 academic year, 46,368 students got enrolled in HEIs. 31,546 applicants got enrolled in BA programs (68%), followed by Master's -

11,329 (24%), VET at universities - 2514 (5%), and PhD - 979 (2%).

The statistics of student graduation of the same period shows the similar picture. Total of 17,688 students graduated from BA level (67%), 6,821 (26%) - from MA level, and 1,376 (5%) - from VET at universities. The PhD has the lowest number in graduation, amounting to 434 (2%).

57% of all HEI students fall in 18–21 age category, followed by 22–24 age, together amounting to 83% of the students in 2021-2022 academic year. Usually, at 18-24 age range, students study on the BA and MA level, after which, at the age of 25+, they continue to study on PhD programs or enter the job market.

Figure 04. Number of Students at Higher Education Level (BA, MA, Vet at Unis, PhD) by Private and Public Institutions ('000)

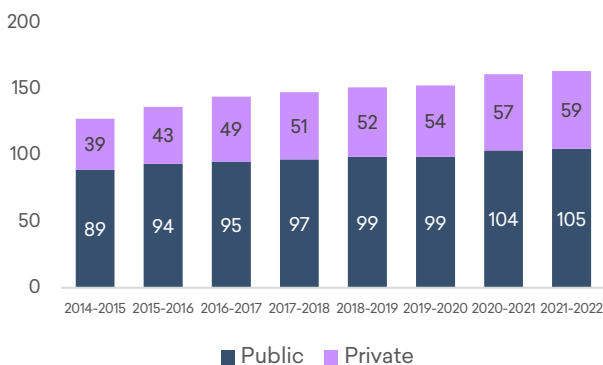


Figure 05. Number of Students by Higher Education Level ('000)

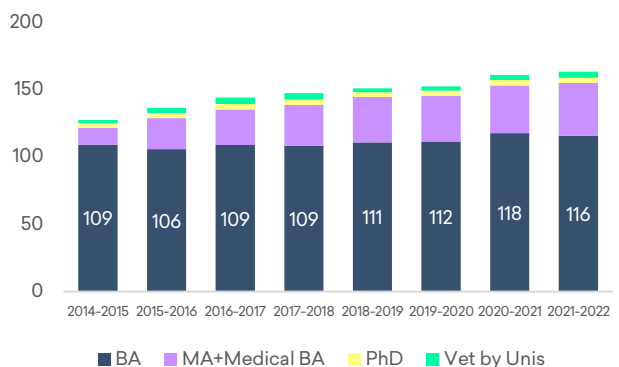


Figure 06. Distribution of Enrollment in HEIs and VET by Level of Education ('000)

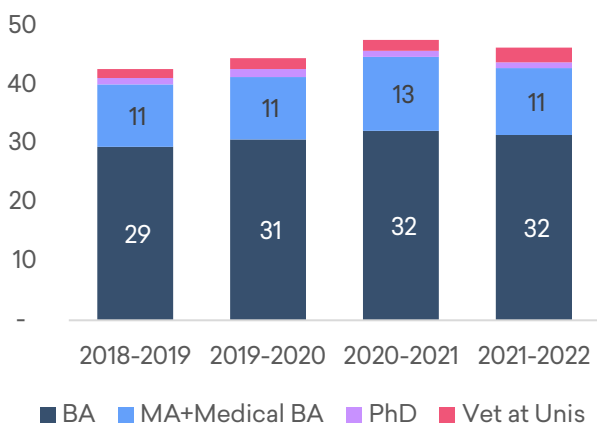
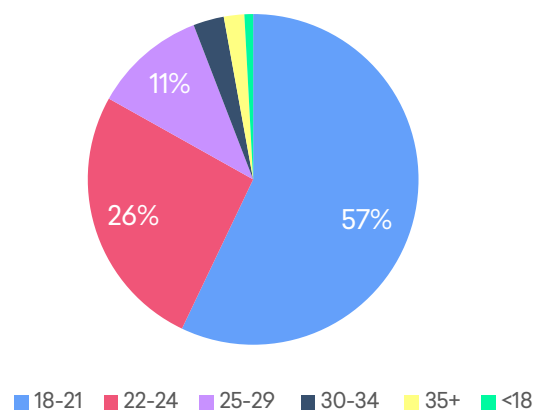


Figure 07. Distribution of HEIs Students by Age (2021)



Source: Geostat

Higher Education International Demand

The number of foreign students in Georgian Education system has an upward trend. In 2021, it recorded the highest number in recent years totaling over 17K and growth amounted to 20% relative to 2020.

2021 numbers showed that foreign students on BA program decreased by 11% annually, while number of students on MA and Residency increased by 40%. Foreign students choose Georgian programs primarily for Master's and Medical Residence Studies and 70% of international students are allocated in private universities.

The age distribution of foreigners in Georgian HEI is the following: 45% is in the 18–21 age range, 35% - in the 22–24 age range, and 13% - in the 25–29 age range, the rest comes on students older than 29.

India is the residence country of the majority - 60% of foreign students, followed by Nigeria with 6%, Israel 6%, and Azerbaijan 6%.

67% of Indian students stay in private universities. This share is much larger in case of the other two countries, 93% of Nigerian and 97% of Israeli students prefer private universities.

Figure 08. Number of Foreign Students by Education Level ('000)

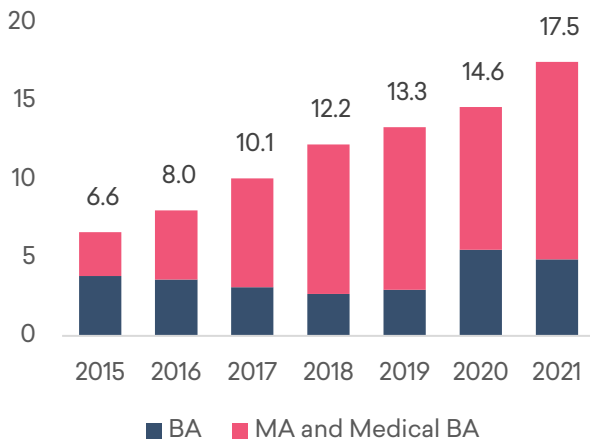


Figure 09. Number of Foreign Students by University Type ('000)

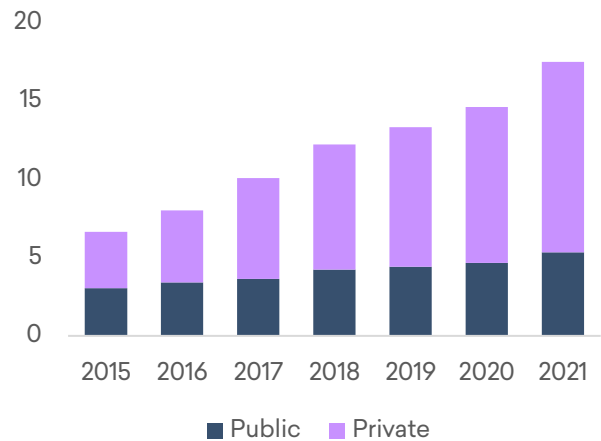


Figure 10. Share Foreign Students by Their Origin Countries, 2021

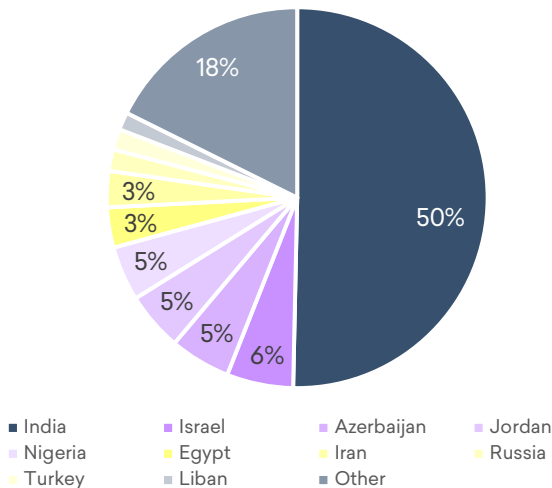
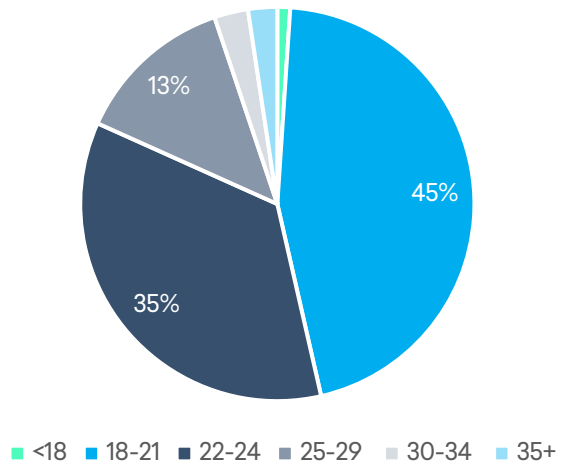


Figure 11. Age Distribution of Foreign Students in Georgian Universities, 2021



Source: Geostat.

Market Drivers

Demography

Demand on the education is directly linked to the demographic factors in the country such as birth rates and migration levels. Georgian data of the number of live births shows that births have been increasing from the year 2004, with is the birth year for the majority of applicants of the Bachelor's Degree programs in the year 2022.

Analyzing the birth growth since 2004 can help higher educational institutes predict the demand on their degree programs in the future years. According to the data, the growth in the upcoming 3 years is moderate, with growth rates ranging between 1%-6%. However, from year 2025 universities may see a significant rise in the

demand as birth rates start to surpass the 2004 figure as much as 15% and 24%. Migration is unlikely to play as a significant factor in the education demand with low and mostly positive indicators of net migration for younger population in Georgia.

Birth rates are not directly translated into tertiary education participants as not everyone chooses to pursue higher education. According the data published by [The World Bank](#), enrollment rate has been steadily increasing from year 2012. In 2020, enrollment rate in Georgia increased to 67% (from 32% in 2012), which, is the highest indicator ever recorded for the country.

Figure 12. Number of Live Births in Georgia (Per Thousand Person)

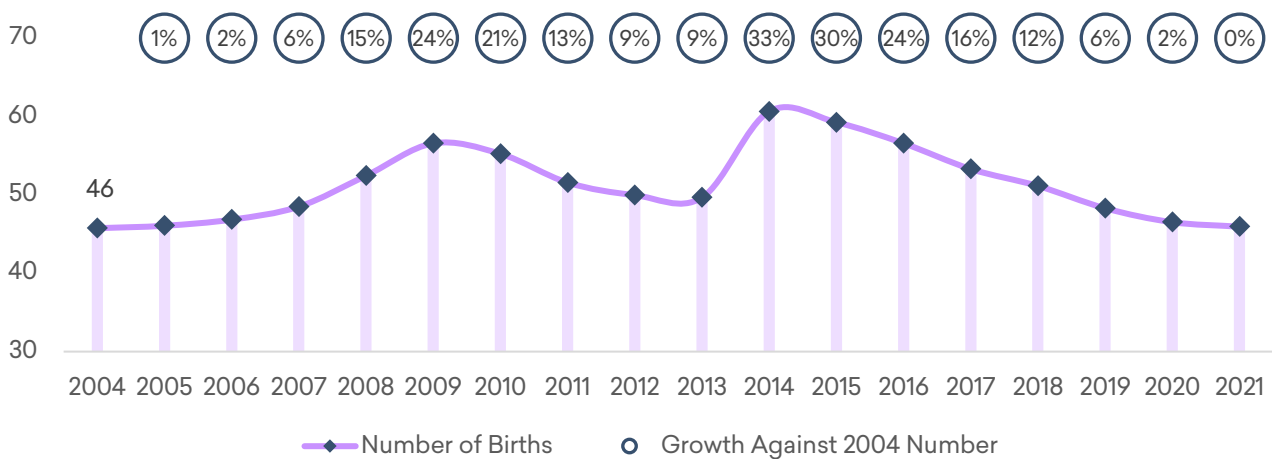


Figure 13. Migration of the Population Aged 15-19 (Per Person)

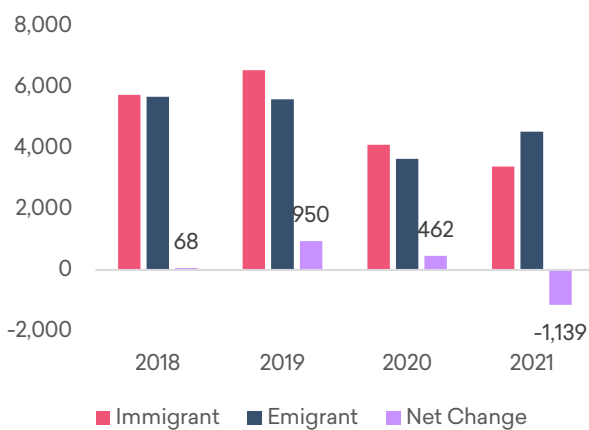
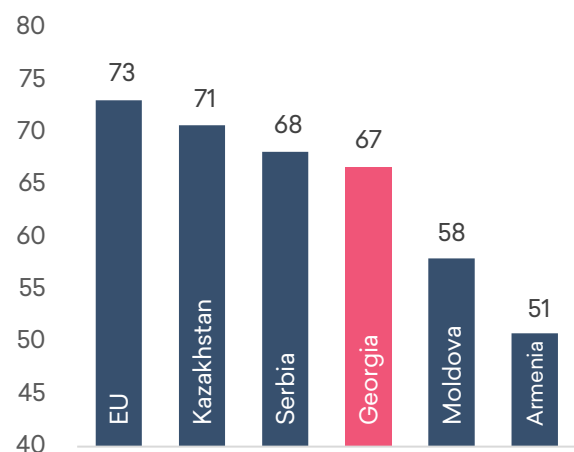


Figure 14. Tertiary Education Enrollment Rates (%), 2020



Source: Geostat, World Bank.

Market Drivers

Population Salaries

Change in the cost of education should be assessed alongside the change of population salaries to determine whether the increases in the cost of education can impact the demand. While average population salary is not a direct reflection of compensation received by households financing higher education, it exhibits the overall trend and can be used to determine if salary increases outweigh the increase of the costs.

The average nominal monthly salary data shows that the rate of salary growth fluctuates but it is always positive, with CAGR from 2012 to 2021 totaling 7%, reaching an average of GEL1,305.

Weights of income groups are also an important factor when analyzing salary changes to see how income growth is distributed among the total population.

Quarterly income groups data shows that almost 90% of the population was receiving a monthly salary of less than GEL2,400 in the first quarter of 2020, with 34% receiving less than GEL600. However, in the second quarter of 2022, income distribution seems to have improved as the share of individuals receiving less than GEL600 a month has reduced to 23%.

Figure 15. Georgian Average Nominal Monthly Salary (GEL)

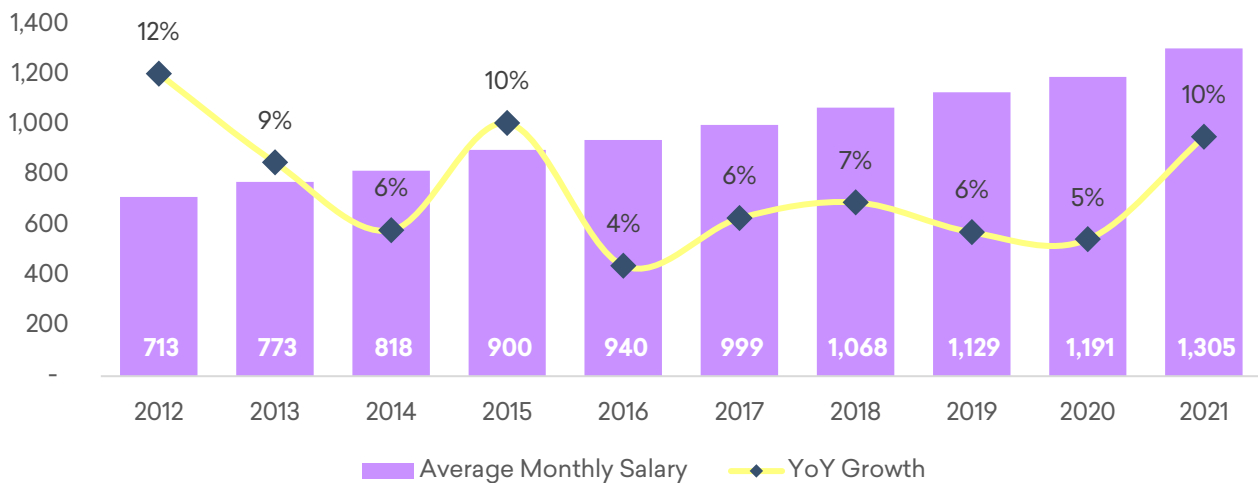
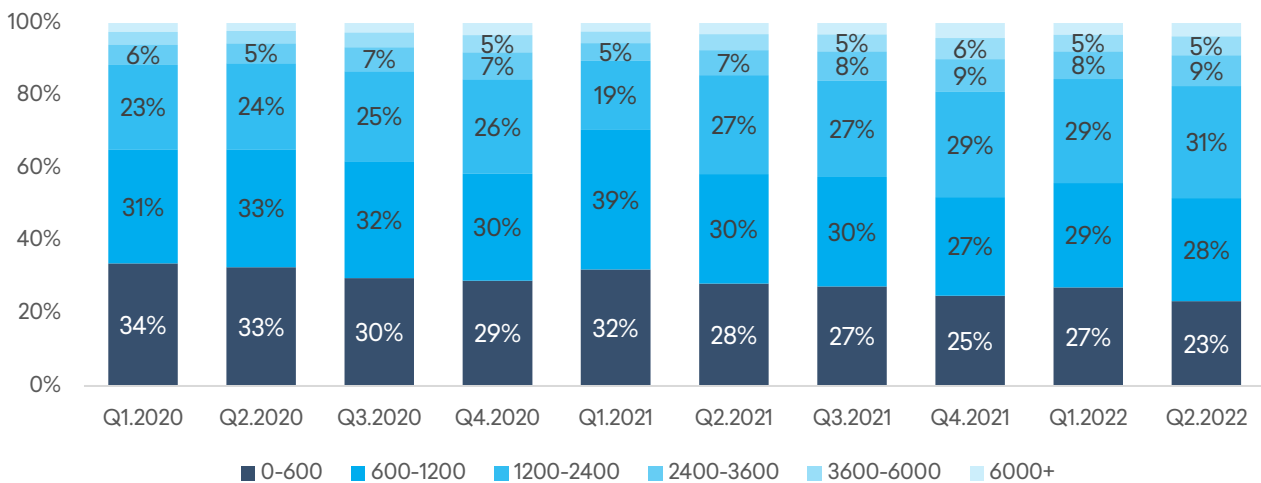


Figure 16. Weights of Income Groups in the Total Income Recipient Population (GEL)



Source: Geostat, Revenue Service (RS), TBC Capital.

Market Drivers

Price of Education

Demand on the tertiary education is elastic when it comes to the cost of education. Significant increases in the programs can notably decrease school graduates willingness to apply for the higher education. Public university program prices show almost zero variance in the past years and are centered around the grant amount offered by the government to successful university applicants - GEL2,250.

However, cost analysis timeline for private universities shows that the price is exhibiting an upward trend. The average price for a Bachelor's Degree Program in private universities has risen

from GEL3,083 in year 2015 to GEL3,973 in 2022, and CAGR for 2015-2021 years equals 4%.

Average price of Master's Degree Programs for public universities are almost constant across the years and equal the governmental grant amount. For private universities, price growth is more volatile when compared to the Bachelor's program price changes, but still shows overall increasing trend, with YoY average price growth totaling 4% in 2022, highest for the recent years. Increasing prices may pressure demand in the longer term.

Figure 17. Average Yearly Cost of a Bachelor's Degree Program in Georgia (GEL)

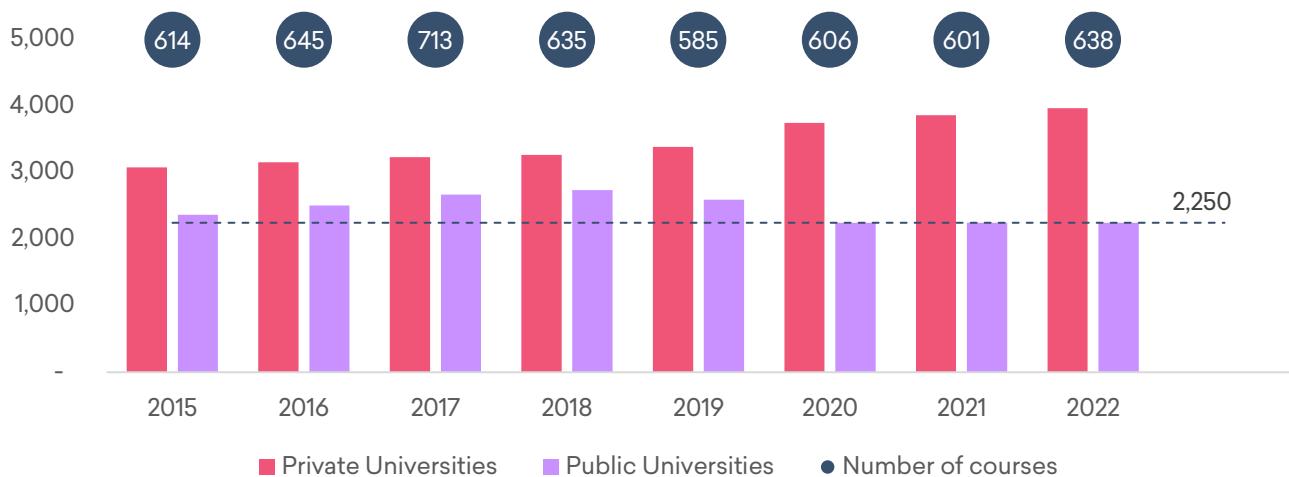


Figure 18. Average Yearly Cost of a Master's Degree Program in Georgia (GEL)

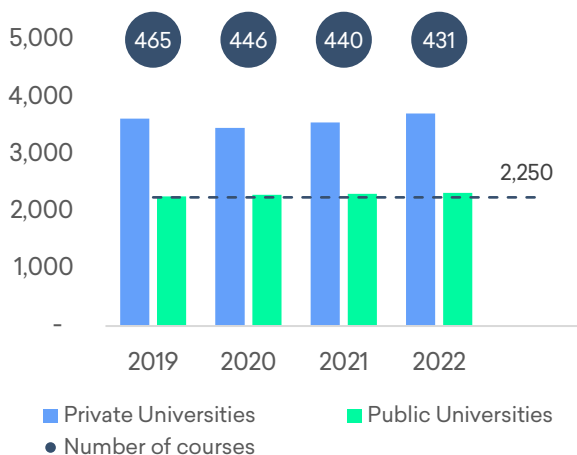
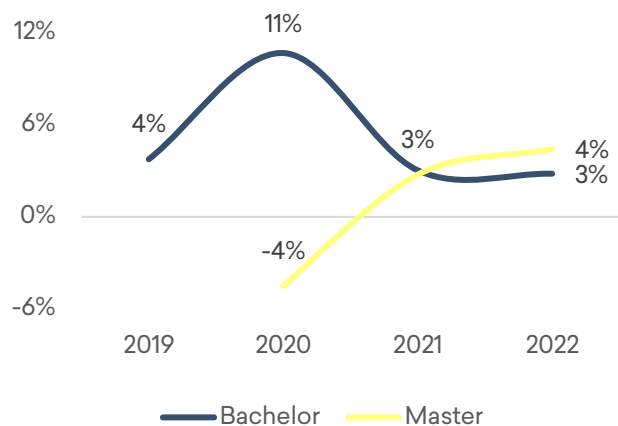


Figure 19. Average YoY Price Change for Higher Education Programs in Private Universities



Source: NAEC.
Note: Prices include courses offered in English language

Market Drivers

Household Income and Spending

Average household income and expense analysis determines what a typical family can afford for a given country. Consequently, to assess the affordability of higher education in Georgia, household income is another important indicator. In terms of revenues received by the entire population, data shows that the overall figure is improving, with total revenues growing up to GEL1,258 million in 2021. Expenditures of households on the other hand, indicate that while the revenues are growing, spending on education is declining. Share of spending on education in the total household expenditures reduced from 3.4% in 2016 to 1.8% in 2021.

Despite the reduction, this indicator is still above the EU 5-year average spending share on education, indicating that the share may drop further in Georgia as the population salaries gradually increase.

More precise assessment of education affordability is comparison of average revenue per household against average monthly cost of a degree program in Georgian universities. This analysis shows that a typical Georgian household has been spending around 20% of their income on higher education and this indicator has not notably improved across the years.

Figure 20. Georgian Population Average Monthly Income (MLN, GEL)

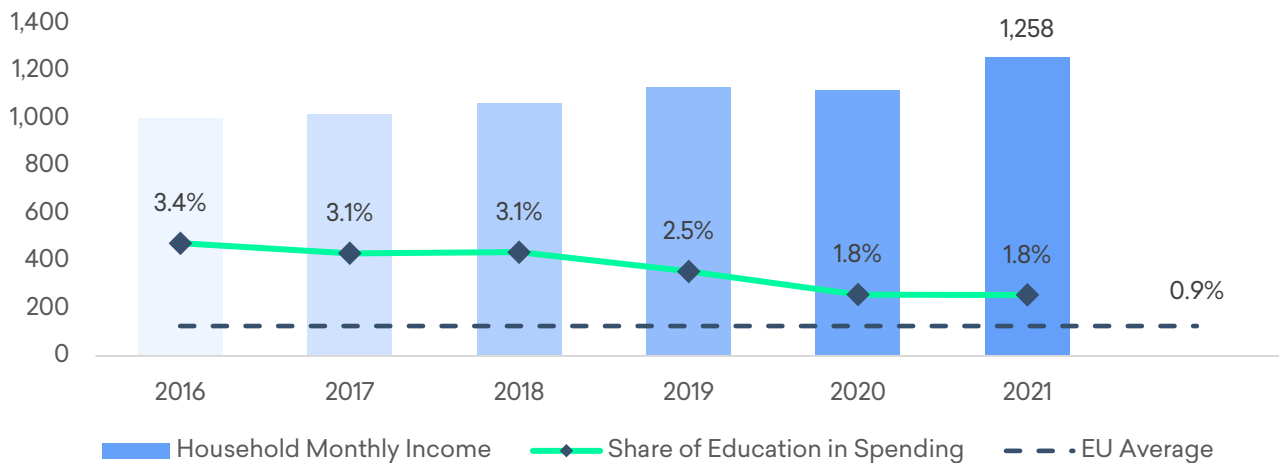
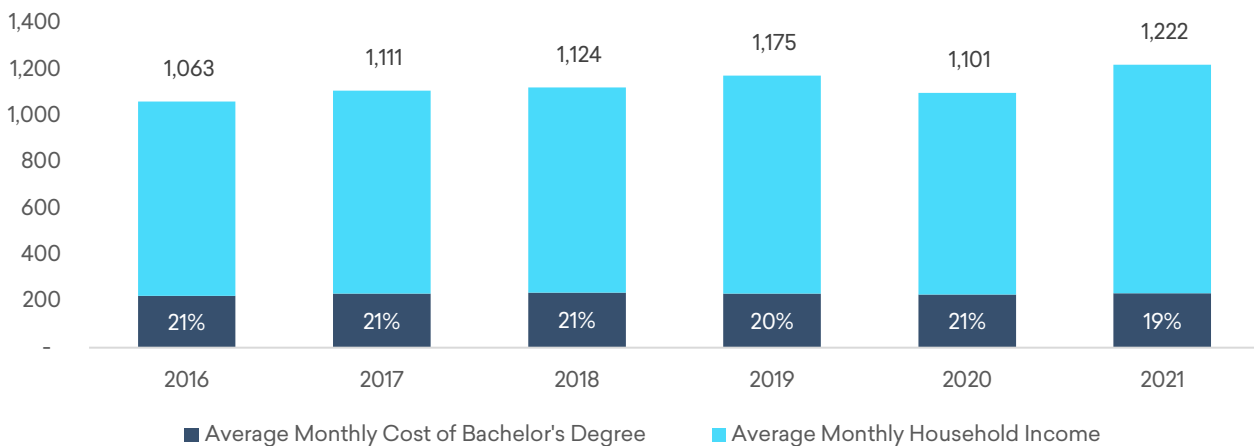


Figure 21. Average Monthly Household Income Against Monthly Cost of Bachelor's Degree (GEL)



Source: Geostat, Eurostat, TBC Capital.

Market Drivers

Government Spending

Supply and demand on higher education can be heavily influenced by the governmental regulation and its spending. Government can use numerous incentives to boost the enrollment and completion of the tertiary education, including education grants, scholarships, minimizing interest rates for student loans, introducing free programs for the priority fields, or creating awareness programs.

Currently, the Ministry of Education of Georgia mainly distributes the budget for the higher education on student grants and support, however the structure of tertiary education funding has been changing for the past years. Significant alterations in the structure include the separation of Scientific Research Aid from the

higher education expenses as it was classified as a separate expense category from 2016. This can be seen as the main influencing factor of negative, -28% YoY spending in the year of the change.

In 2017, International Education Aid category was introduced in the budget with the establishment of the International Education Center (IEC). Due to the discussed changes, the government spending on the higher education has been volatile. In 2022, government has budgeted to reduce spending on higher education, however 9 months performance report shows that actual spending exceeds the budgeted amount. Overspending is mainly related to the Higher Institution Aid category.

Figure 22. Government Spending on Higher Education in Georgia (MLN, GEL)

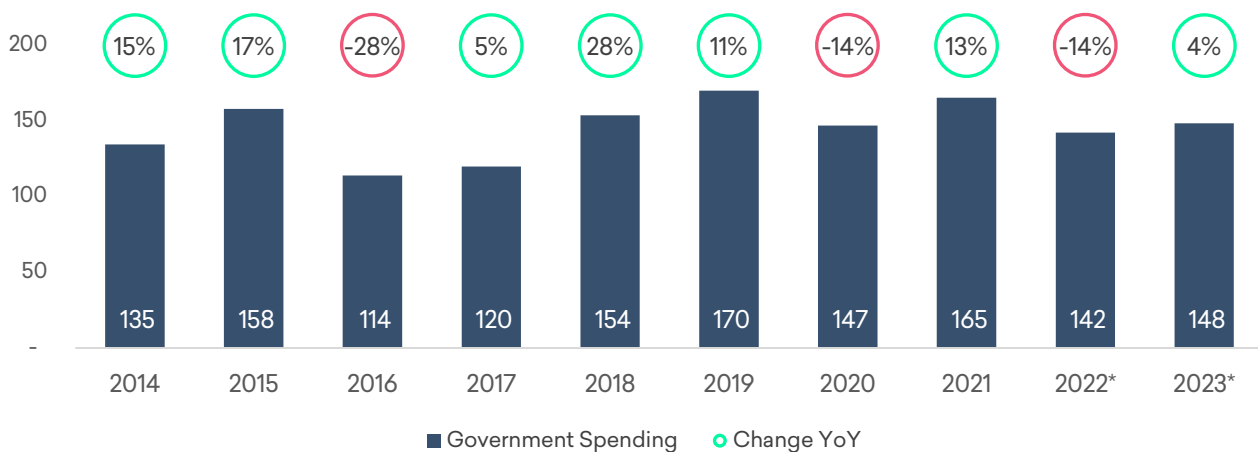
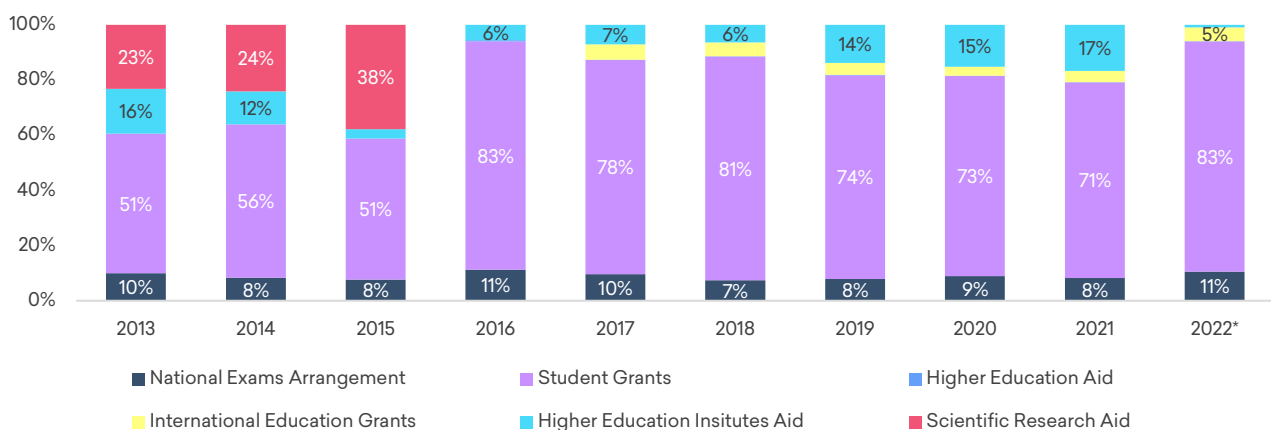


Figure 23. Government Spending Distribution among the Main Expense Categories



Source: Ministry of Finance of Georgia, *Budgeted spending.

Market Drivers

Cost of Living

Cost of living in a country is an important determinant for the demand on the higher education as it can outweigh the direct cost of education. The biggest contributor in the price of living is the price of rent in the area where the higher education institute is located. If the real estate rent prices are going up, it can ultimately lead to reduced demand on higher education, given that household income is not increasing proportionally. This correlation is especially relevant for the case of Georgia, as most of the universities are concentrated in the capital with supply of potential students more diversified across the regions.

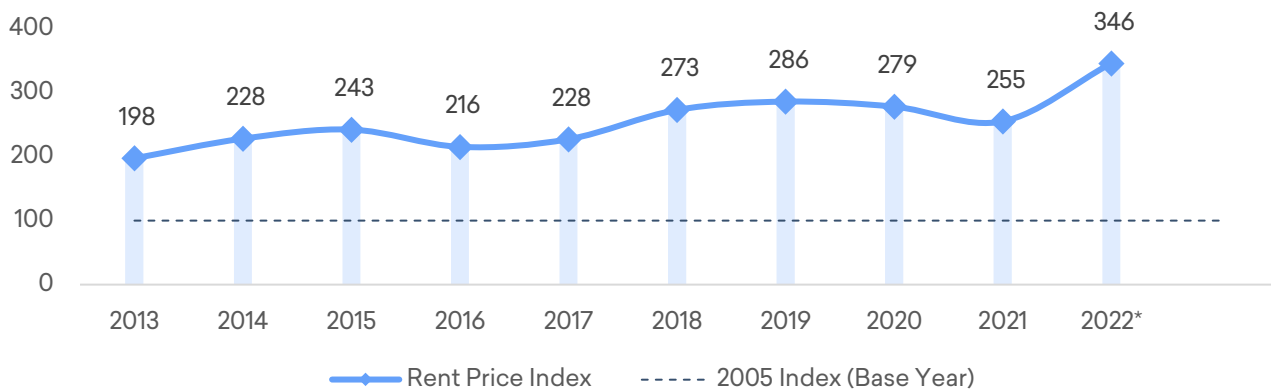
The cost of rent has been fluctuating for the past several years, but the prices have been going up more than they have been going down. After price decreases in the years of the Covid-19 pandemic, 2020 and 2021, the rental price index rose to the record high number in 2022.

The timeline analysis of the prices shows that from 2013 to 2022, rental price index went up by 75%. A more comprehensive analysis of rental prices is presented in [sectoral research reports](#).

Cost of consumer goods is another impactful indicator when it comes to assessing the supply and demand of higher education. Effect on the demand is quite direct, with reduction of resources available for education if other essential goods are recording price increases.

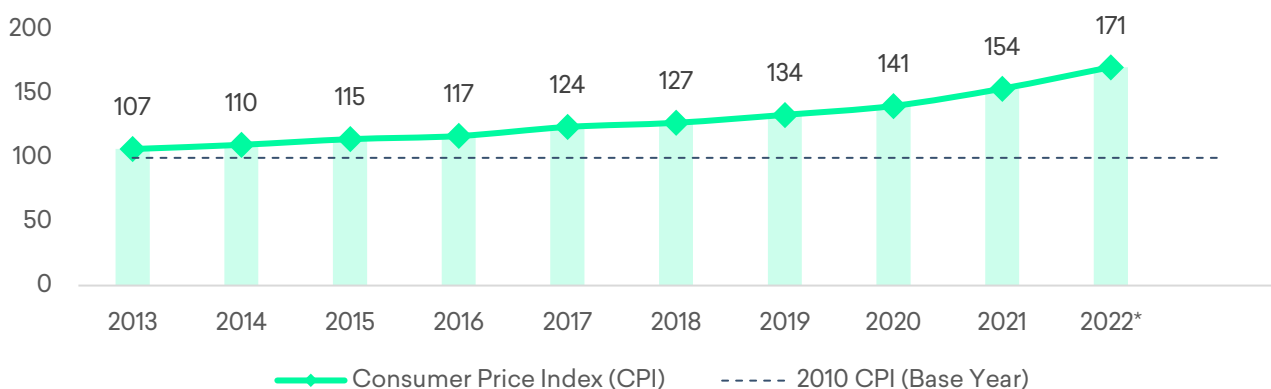
Consumer Price Index (CPI) affects the supply of the education in a more indirect way. The price rises are, as a rule, accompanied with the higher salary demands from the personnel, leading to reduced resources for universities to hire additional staff with given budgets, ultimately leading to reduced supply.

Figure 24. Georgian Yearly Average Rent Price Index Denominated in GEL



Source: National Bank of Georgia (NBG), * Jan-Sep Period.

Figure 25. Georgian Yearly Average Consumer Price Index



Source: Geostat, * Jan-Sep Period.

Financial Performance

Private Universities

Georgian private universities have been increasing their annual income according to the financial statements published on the Reporting Portal. Total revenue earned by private universities exceeds GEL274 million for the year ended December 2020.

The improved revenues from GEL154 million to GEL274 million in 2020, are partially due to the increasing prices for the educational programs, however the average revenue growth rates in the past years, exceed the recorded price growth. This indicates that Georgian private universities are experiencing real income growth and their performance has improved during the analyzed years.

Profitability ratios for the Georgian private universities also show better operational results. EBITDA margin has increased from 34% in 2017 to 37% in 2020, while the Net Profit margin grew from 22% in 2017 to 29% in 2020. The profitability margins are not volatile and do not show signs of any significant deviations from the average indicators. This means that the universities are not making large operational changes and they are focusing on achieving stable real growth.

Figure 26. Total Revenues Earned by Georgian Private Universities (MLN, GEL)

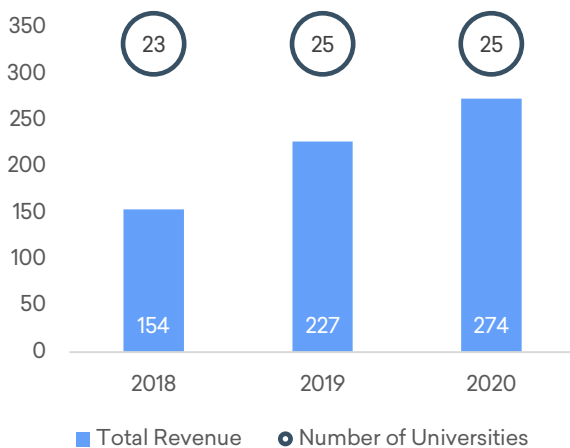


Figure 27. Average Revenues Growth Rate of Georgian Private Universities

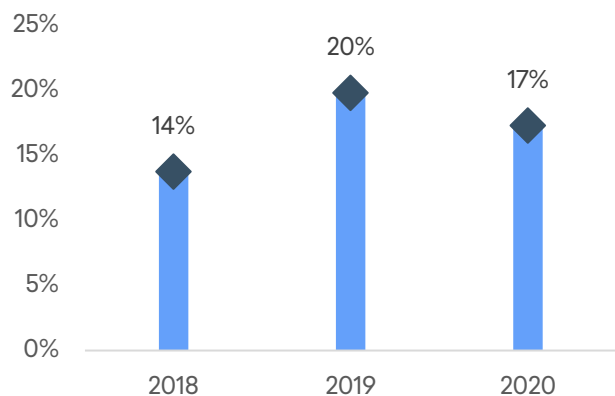
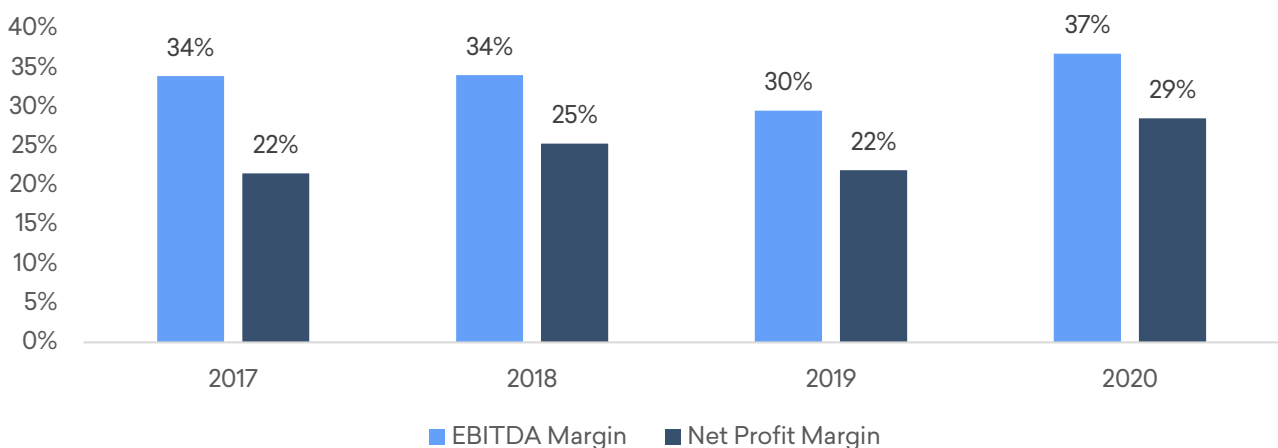


Figure 28. EBITDA and Net Profit Margin of Georgian Private Universities



Source: Reportal, TBC Capital.

Financial Performance

Private Universities

Georgian private universities' Return on Assets (ROA) shows that return has marginally declined over past three years from 13% in 2018 to 11% in 2020. The revenue analysis showed that overall income increased from 2018 to 2019, but reduced ROA indicates that universities increased their long-term assets more than they earned revenues. This was possibly due to the positive expectations in 2019 about the market opportunities. With the uncertainties brought by the pandemic in 2020, rate of long-term asset acquisition slowed down in universities, resulting in the improved ROA for that year.

Return on Equity (ROE) assessment for Georgian private universities also shows similar trend to ROA with a reduction from 38% in 2018 to 23% in 2020..

Profitability for universities can also be assessed with the revenues against total places offered. Average revenue for private universities offering Bachelor's and Master's program places shows that the mean income per place is steadily increasing and growth margins totaled 2.3% and 6.0% in 2019 and in 2020 respectively.

Figure 29. Average Return on Assets (ROA) of Georgian Private Universities

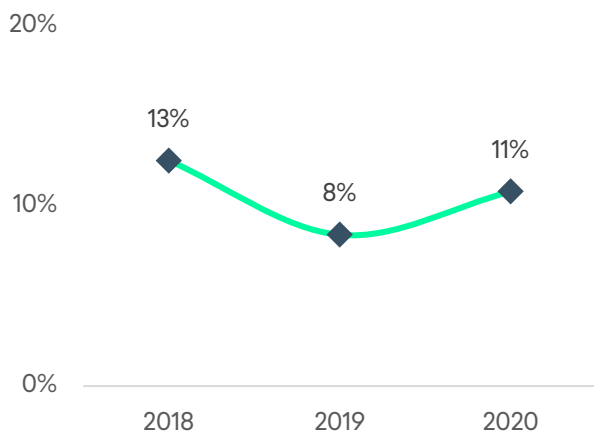


Figure 30. Average Return on Equity (ROE) of Georgian Private Universities

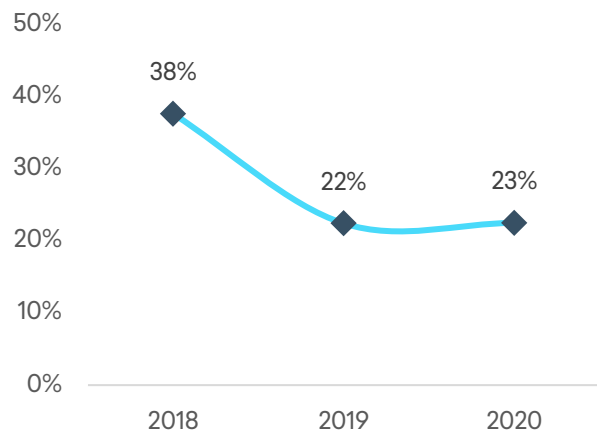
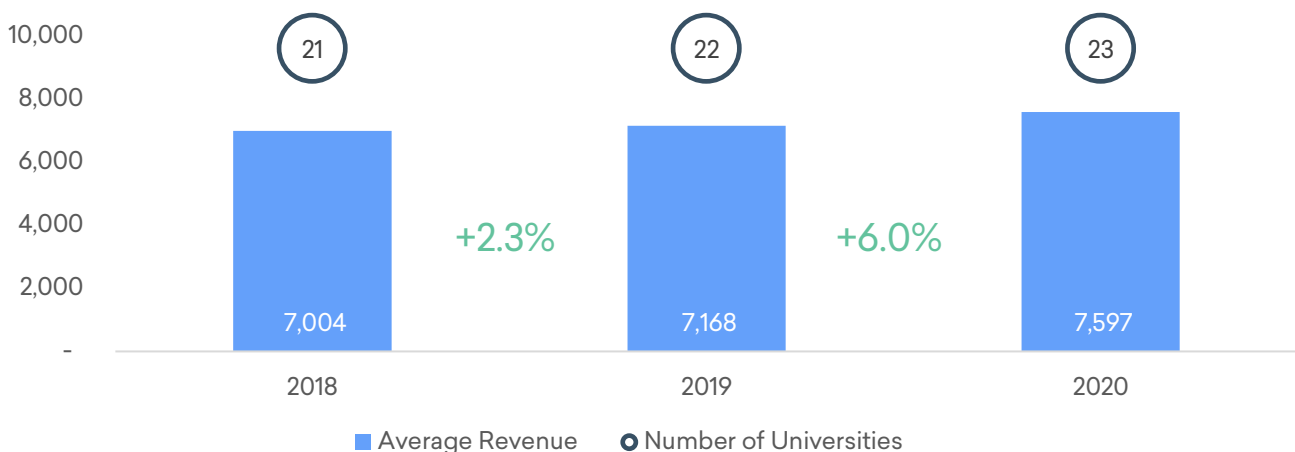


Figure 31. Estimated Average Revenue per Place Offered for Bachelor's and Master's Programs for Georgian Private Universities



Source: Reportal, TBC Capital.

Higher Education Market Size

Total Georgian educational market has been on the rise for the past years. The figures indicate that growth was only halted for a single year, in 2020 due to the reduced governmental spending, but in 2021, a significant growth of 18% was recorded. From 2015 to 2021 total growth of the education sector amounted to 81%, with public and private sector size improving at almost equal pace, 79% and 82% growth for private and public sectors, respectively. Nominal figures grew from GEL1,299 million in 2015 to GEL2,355 million in 2021.

Higher education institutes have held almost constant share in total education market for the past years, ranging between 17%-19%. Similar to the total education market, year 2021 recorded the largest market size for higher education market and totaled GEL421 million.

Total market analysis shows that public spending plays a significant role in the market, while higher education market exhibits that there is a more even contribution from private and public sectors.

Figure 32. Public Spending and Total Private Sector Revenues for Total Education Market (MLN,GEL)

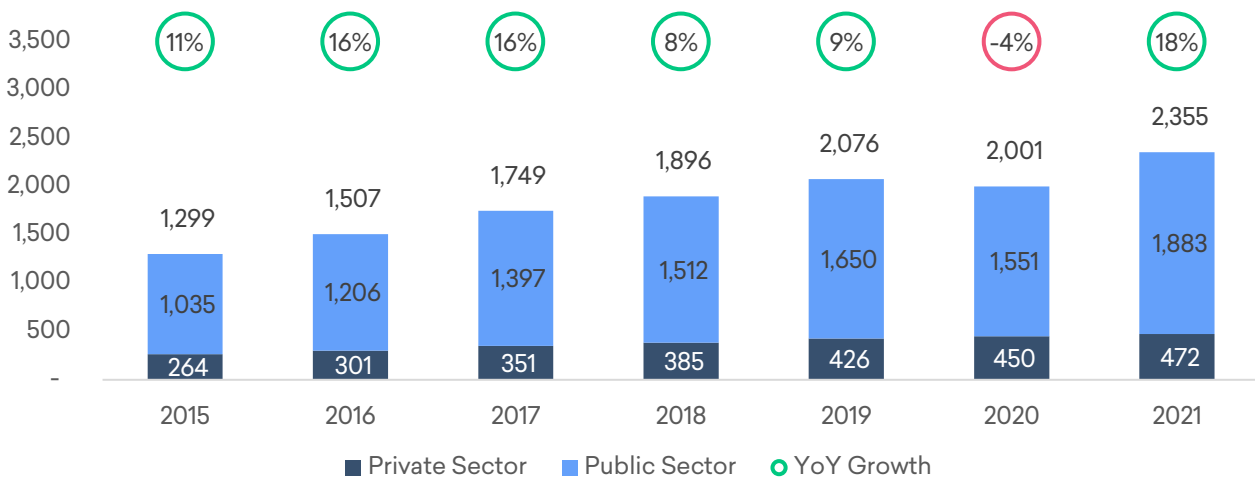
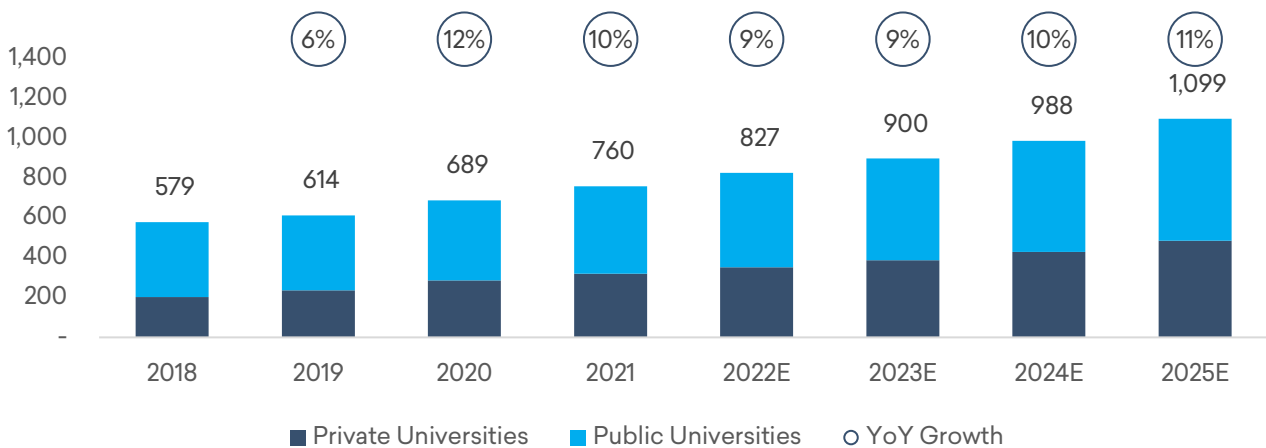


Figure 33. Forecast of the Market Size for Higher Education Market (MLN,GEL)*



Source: Ministry of Finance (MoF), Geostat, TBC Capital.

*Forecast will be revised after financial information of 2021 becomes available for all private universities



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**CLOSER LOOK: BACHELOR
LEVEL EDUCATION**

Accredited Programs

Higher Education Institutions try to adapt to the labor market requirements by supplying diverse selection of the programs. In 2022, HEIs offered 638 accredited study programs. The majority, 59% of the programs were supplied by the public universities. One of the objectives of public universities is to provide education in relatively unpopular and developing subjects. Consequently, they offer larger selection of programs, to include relatively unpopular and developing areas.

9.6% of all accredited programs is provided by the public university, GTU, while largest share for private universities is only 4.4%.

In 2022, almost the half of all the programs offered to students were concentrated in ten fields of study.

Management and Administration had the highest share in total number of programs, private universities providing majority, 63% of this programs. History and Archeology and Economics were offered mainly by public sector, while Music and Performing arts was taught entirely by public universities.

Figure 34. Share of Public Universities in Total Accredited Programs offered at Bachelor Level, 2022

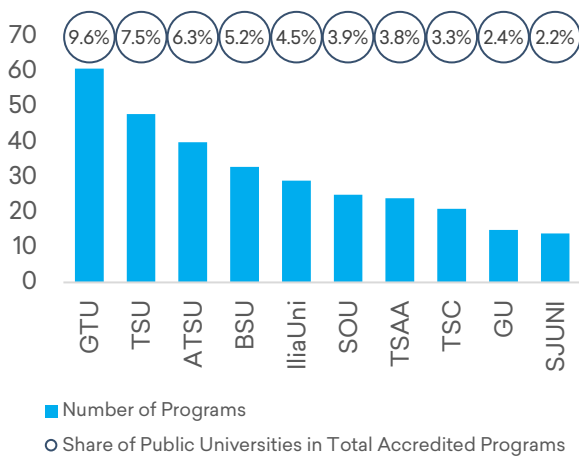


Figure 35. Share of Private Universities in Total Accredited Programs offered at Bachelor Level, 2022

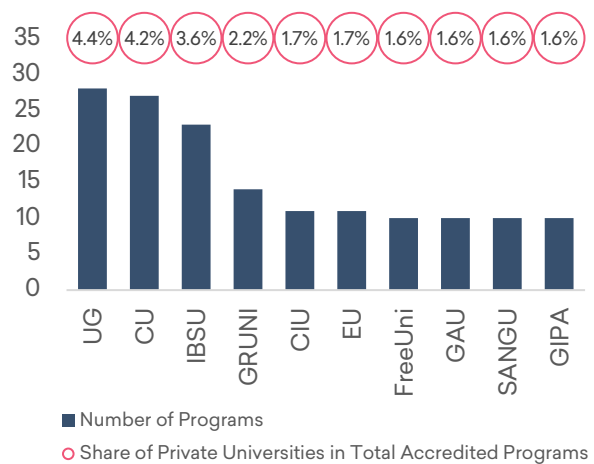
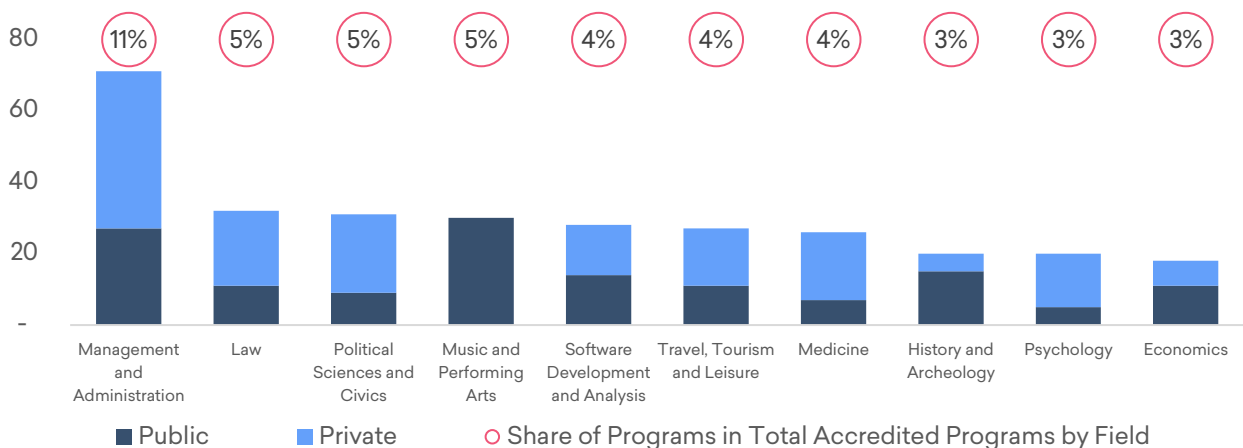


Figure 36. Top 10 areas of study by number of Programs, 2022



Source: NAEC.
 Note: The analysis excludes the Georgian Language acquisition courses.
 Program fields are defined based on UNESCO detailed [fields of education and training](#)

Student Preferences

HEIs

Georgian education system allows applicants to rank the numerous programs they wish to enroll in according to their preferences. Rankings are made based on the distinct programs offered by universities, number of which is changing yearly.

However, yearly data for number of chosen programs display a clear downward trend from 2018 for both public and private universities. This indicates that applicants list less programs in the ranking system and thus display less willingness to accept low priority programs.

Public universities are in higher demand due to the lower fees, availability of fully funded programs and larger selection of areas of study. This is reflected in the rankings as well. In 2022, public universities: TSU, Iliani, GTU and ATSU have the largest number of first five choices made by the applicants in the ranking system.

Figure 37. Total Number of Chosen Programs by Types ('000)

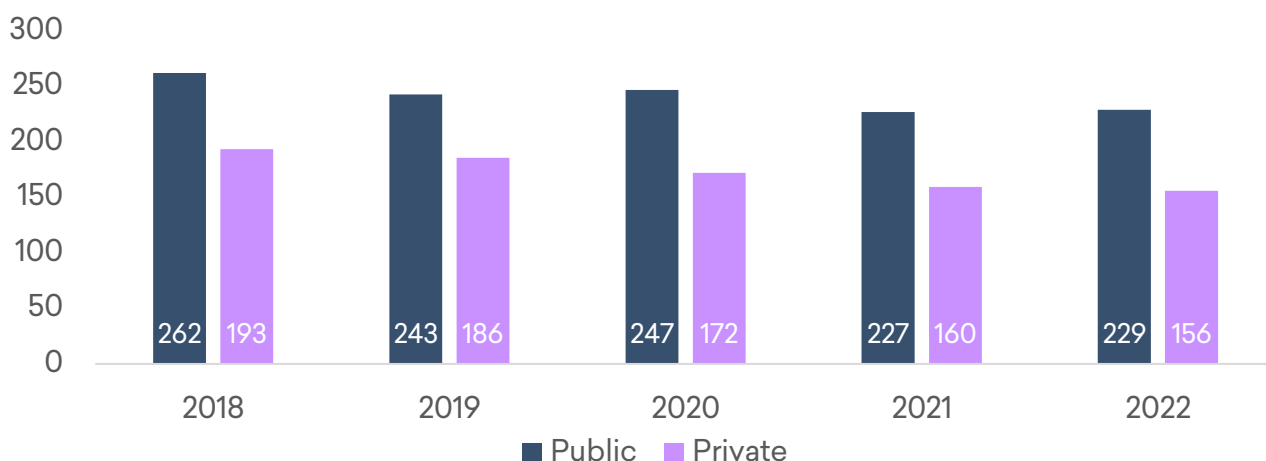
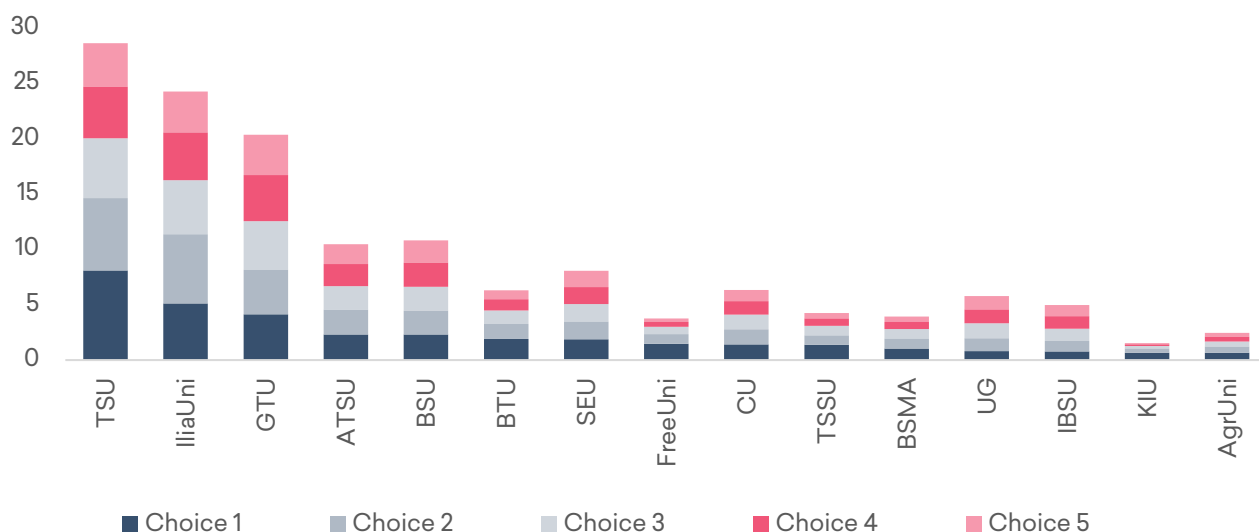


Figure 38. Total Number of Choices 1-5 of Programs at HEIs, 2022 ('000)



Source: NAEC.
Note : Priority Choice represents the 1-5 choice of the faculties by applicant.

Student Preferences

HEIs

The demand from students on offered places varies across universities. The number of the first choices relative to the offered places can be a good estimate of the competition among university entrants. The ratio of the two indicators can be interpreted as a number of candidates per offered place.

The overall analysis of HEIs shows much higher demand for places offered by public universities with the ratio of 1.1 on average, in comparison to 0.6 from private universities. The overall ratio is 0.9, which is the indication of the discrepancy between the supplied places and demand.

Among the public universities, KIU had the largest ratio of first choices to offered places – 1.7. This can be explained by the relatively less competition from other universities faced by TSAA, with concentration on Art education. TSAA is followed by the BSMA, in Adjara with concentration on maritime education.

FreeUni has higher ratio among all type of universities, followed by - AgriUni and BTU. The ratio in other universities is less than 1, indicating the excess supply compared to demand.

Figure 39. Public Universities: First Choices over Offered Places, 2022

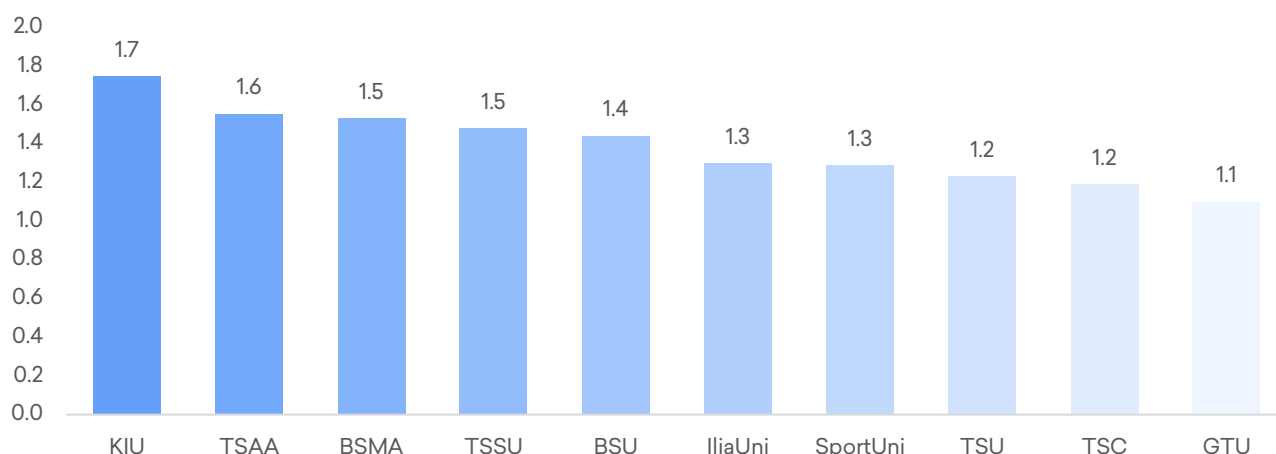
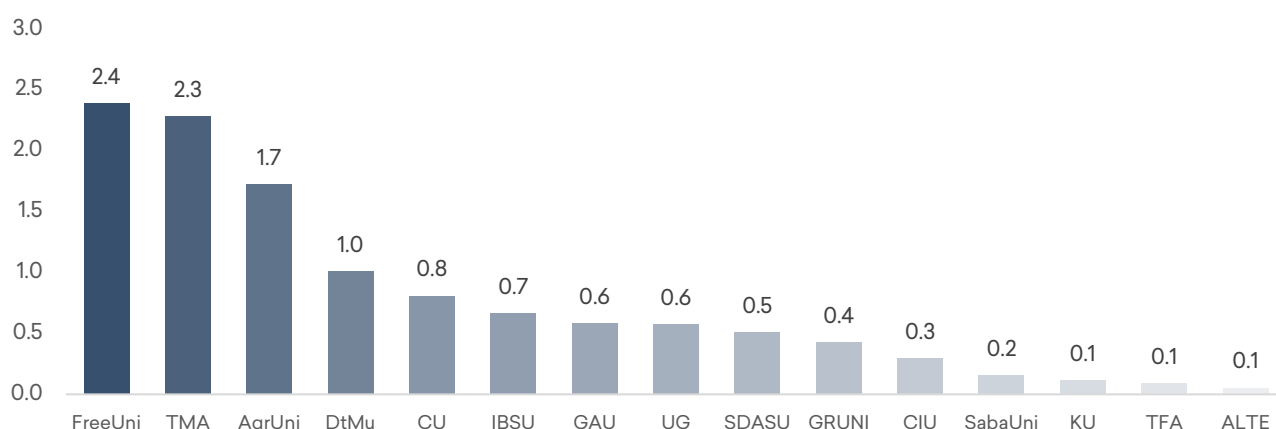


Figure 40. Private Universities: First Choice over Offered Places, 2022



Source: NAEC.

Student Preferences

Areas of Study

Students try to maximize their chances to be enrolled at the university by diversifying their choice list. The data shows that on average, students do not tend to focus only on one field, and they include programs from different fields.

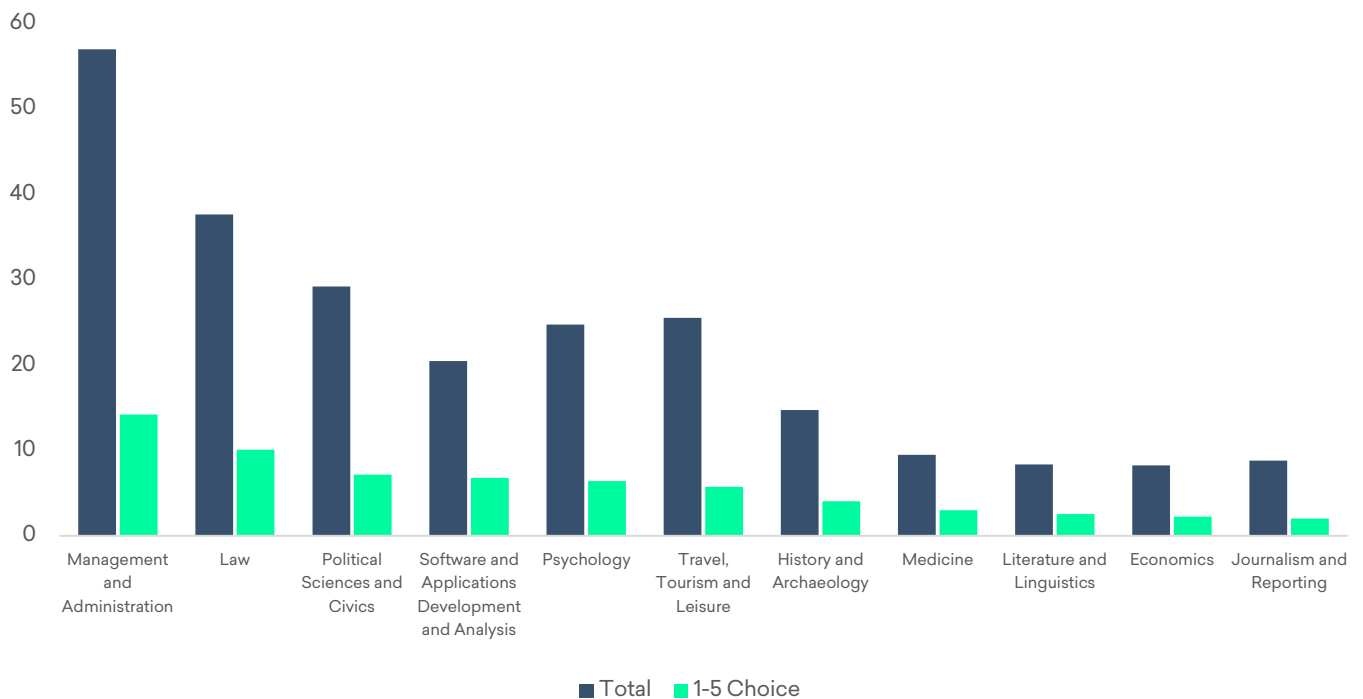
Management and Administration was the most frequently chosen field among the students in 2022. It also had the largest number of priority choices. Law was the second by both indicators.

Out of total number of first choices, 16% was made in favor of Management Administration, followed by Law 11%.

The data also displays that, while Psychology and Travel, Tourism and Leisure fields have larger amount in total choices, Software and Applications development is still ahead of these programs in terms of priority choices.

The students' choices are closely linked to their enrollments, as there exists causal relationship between the two. The correct strategy of students on the stage of program selection, along with their academic performance on national examinations, results in the successful enrollments in their chosen programs.

Figure 41. Total vs (1-5) Choice of Fields, 2022



Source: NAEC.

Note: Priority Choice represents the 1-5 choice of the faculties by applicant.

Program fields are defined based on UNESCO detailed [fields of education and training](#)

Student Preferences

Areas of Study and HEIs

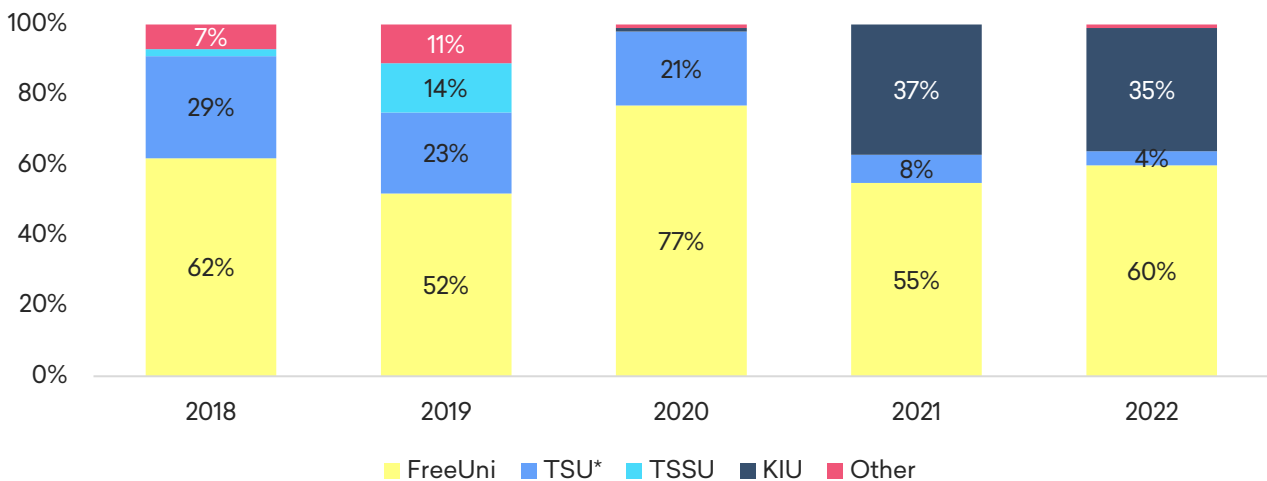
Preferences of top applicants are important factor when assessing competition between universities as well as the most desirable areas of study for the applicants.

The data shows that for the past years, Free University is the top choice for the highest ranking students, with its share rising up to 77% in 2020. However, after the opening of the Kutaisi International University (KIU) in 2020, the KIU has taken a large share of top 100 applicants, with shares being as high as 37% and 35% in 2021 and 2022, respectively.

Preference towards the private university indicates that price is not the main deciding factor for top applicants and they place heavier weight on the perceived quality of education and the institution itself.

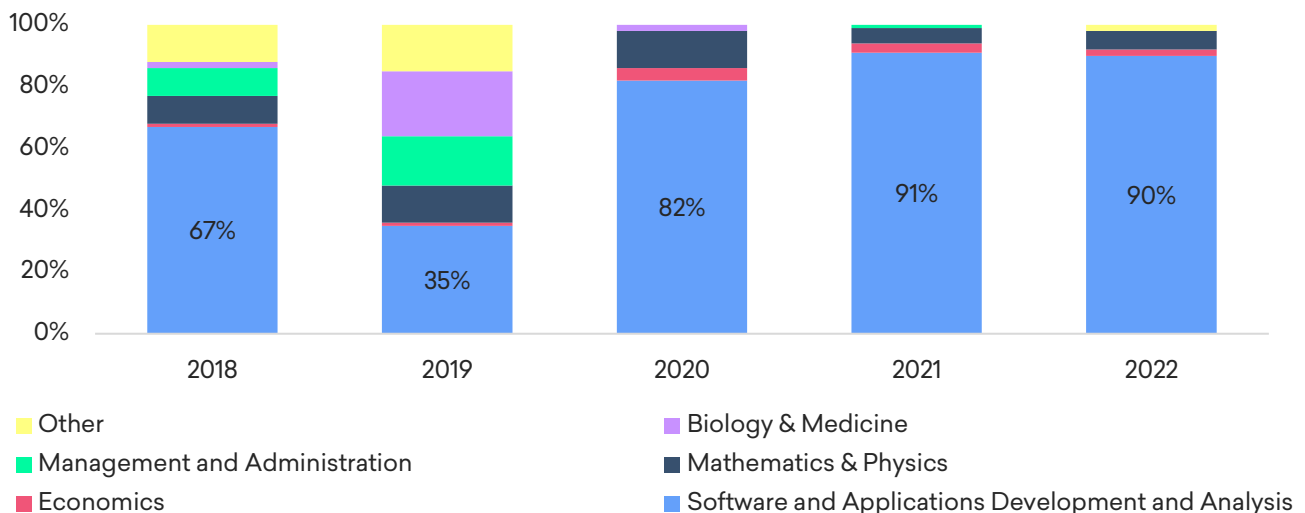
Analysis of areas of study chosen by top 100 applicants, shows clear preference toward the software applications and development field. This trend has become especially evident in the past two years, with 90% of top applicants choosing to pursue computer science in 2022.

Figure 42. Top 100 Students Enrollment Distribution Between Universities



*ISET is included in TSU

Figure 43. Top 100 Students Enrollment Distribution Between Areas of Study



Source: NAEC.

Note: Program fields are defined based on UNESCO detailed [fields of education and training](#)

Enrollments

Applicant Results

Analyzing scores received by applicants is important when evaluating the competition between different study fields. This illustrates which fields are the recipients of the larger pool of talents and if there is a shift in the preferences of higher scoring applicants.

Average scores received by accepted applicants show that in 2022, software and applications development field received the highest-scoring applicants, with the average score of 1,939. This field has recorded a steadily increasing average scores, indicating that demand from higher scoring applicants remains high.

Medicine field dominated in terms of average scores in the years 2018-2021, however it was overtaken by Software and applications development in 2022. This can be partly explained by the increased supply of Medicine courses, as well as the change in applicants' preferences.

To assess whether the applicant preferences are in line with enrollments, choice analysis can be used. The data exhibits that most of the applicants get accepted in their first preferred choice and first choice enrollment constituted 66% in 2022.

Figure 44. Enrolled Applicant' Average Scaled Scores by Fields

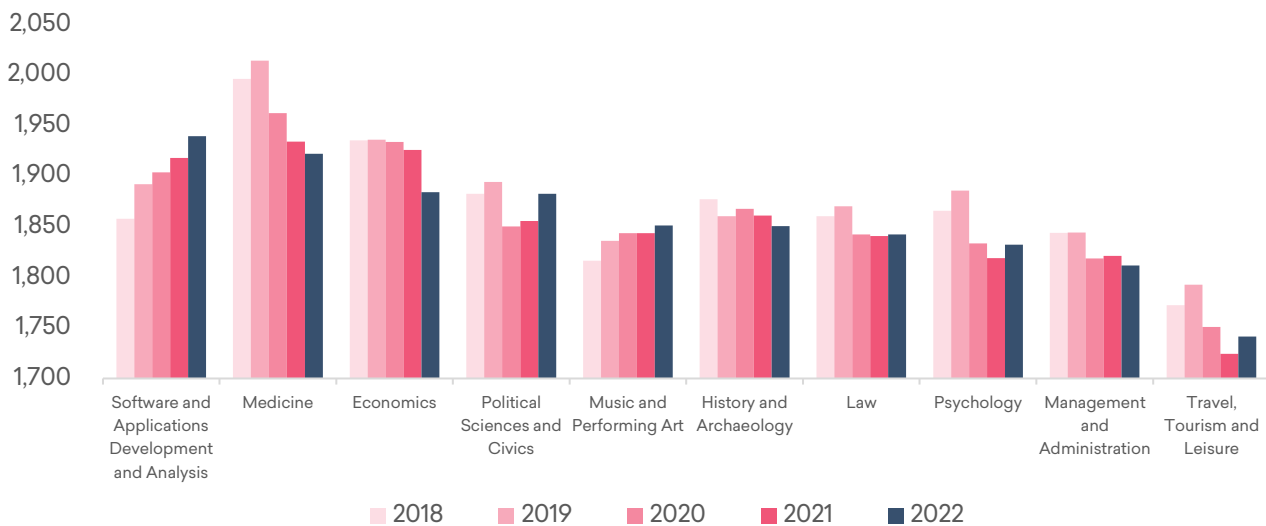
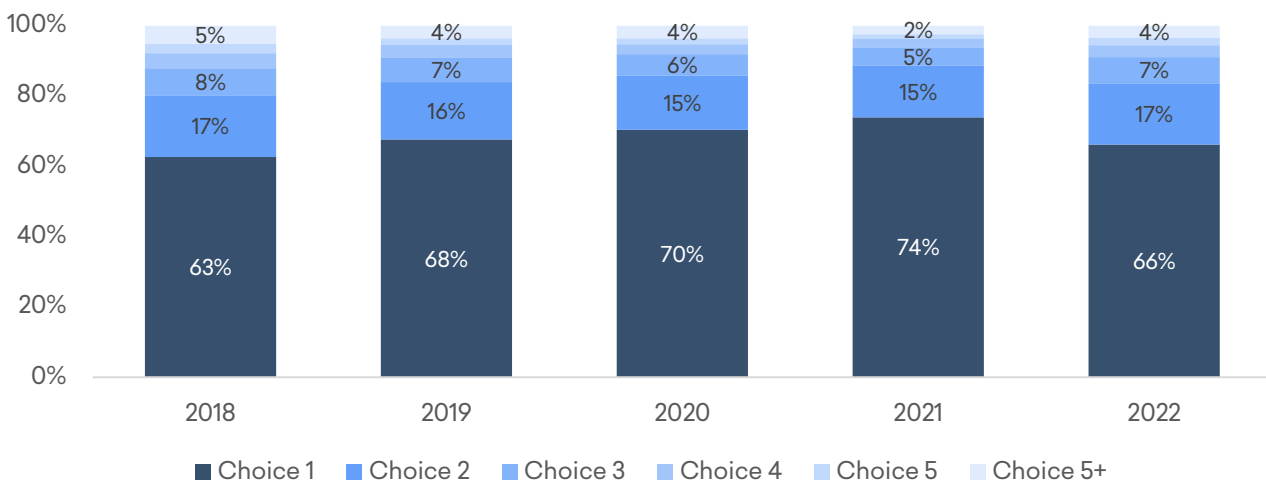


Figure 45. Applicant Enrollment by Their Priority Choices



Source: NAEC.

Note: Program fields are defined based on UNESCO detailed [fields of education and training](#)

Enrollments

HEIs

Higher Education Institutions offer number of places based on historical and expected demand on the market for each academic year. One of the main objectives of HEIs is to minimize the gap between the enrollments and offered places, as too many vacant places lead to the inefficiency.

The data shows, that during the last eight years on average about 15,000 places were left vacant. The gap between the two indicators, enrollments and offered places, was exceptionally large in 2017, when HEIs significantly increased supplied places. Such gaps can be explained by the wrong expectations of the market dynamics, ineffective marketing campaign, external and internal factors affecting reputation of universities.

The decision of students to enroll at HEIs depends on combination of many factors, including quality and variety of the programs, marketing, brand, location of the university and the price of the programs.

Among the public universities, TSU managed to attract the largest number of students, followed by IliiaUni and GTU.

Private universities fell behind the public universities in terms of both indicators, enrollments and offered places.

Figure 46. Number of Places and Enrollments in Universities 2015-2022 ('000)

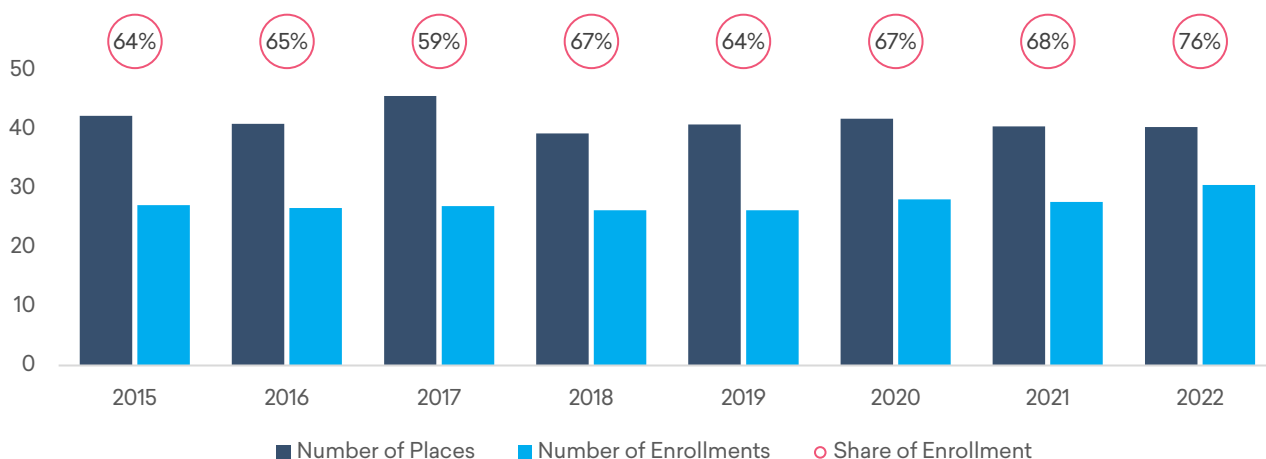


Figure 47. Number of Places and Enrollments of Programs at TOP 10 Public Universities in 2022

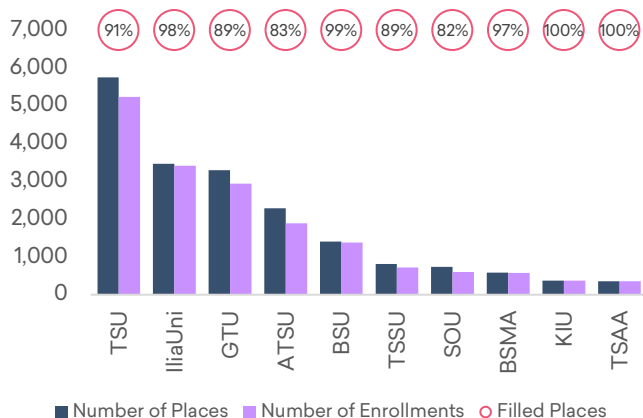
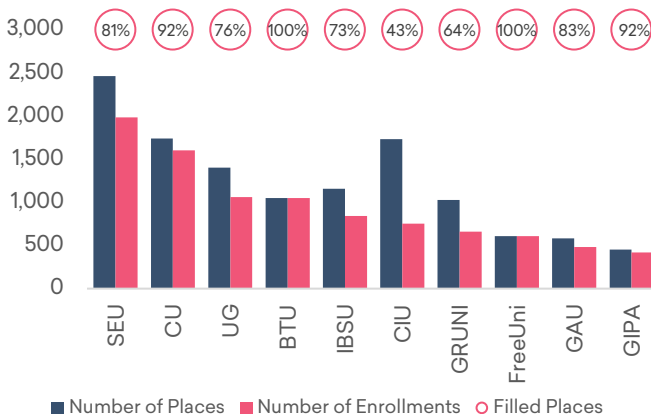


Figure 48. Number of Places and Enrollments of Programs at TOP 10 Private Universities in 2022



Source: NAEC.

Enrollments

Area of Study

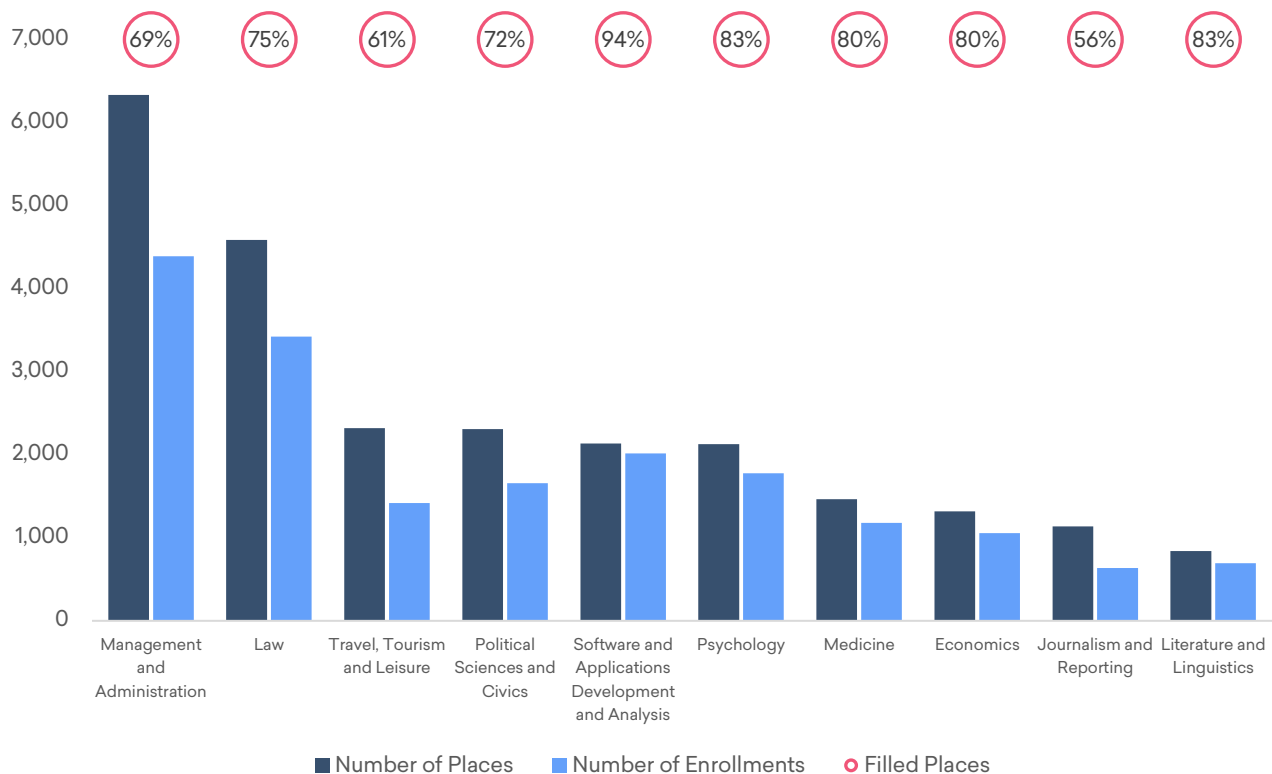
The students' decision to enroll in the field of their choice defines the future structure of labor supply. Other than personal interests, decision to pursue specific field of study is influenced by various factors, such as expected salary, ease of career development, structure of economy, among others. Fields of study with positive expectations on above mention factors attract largest number of students.

The analysis from the perspective of detailed field shows the field - Management and Administration, and the field - Law as most

popular fields among students. Travel industry, one of the major contributors to Georgian economy, stands third.

In terms of filled places Software and Applications Development and Analysis ranks first, followed by medicine. The cost of conducting programs in these fields are relatively large, leading to limited number of offered places.

Figure 49. Announced Places VS Enrollments by Fields 2022



Source: NAEC.
 Note: Program fields are defined based on UNESCO detailed [fields of education and training](#)

Prices

HEIs

The price of a degree program, along with other relevant costs, has a major importance in the decision process. It is affected by various variables, including the salary of the professors, inventory costs, expected number of students, infrastructure, brand value of the program, prices of similar programs and larger compensation of invited lecturers from abroad. As a result, changes in these variables lead to the correspondent changes in price. Since 2015, the average price of private university programs has increased significantly from 3083 to 3973.

For private universities' analysis, program prices are grouped in three categories: category 1 – price range from GEL2000 to GEL2999, category 2 - price range from GEL3000 to GEL3999 and category 3 - from GEL4000+.

The price categories of different university programs depend on the structure of their portfolios, brand, target segment, collaboration level with foreign universities, and competition level in the field from private and public universities.

The annual price for public institutions' programs is fixed at GEL2250.

Figure 50. The Price Categories of programs in Private Universities (GEL)

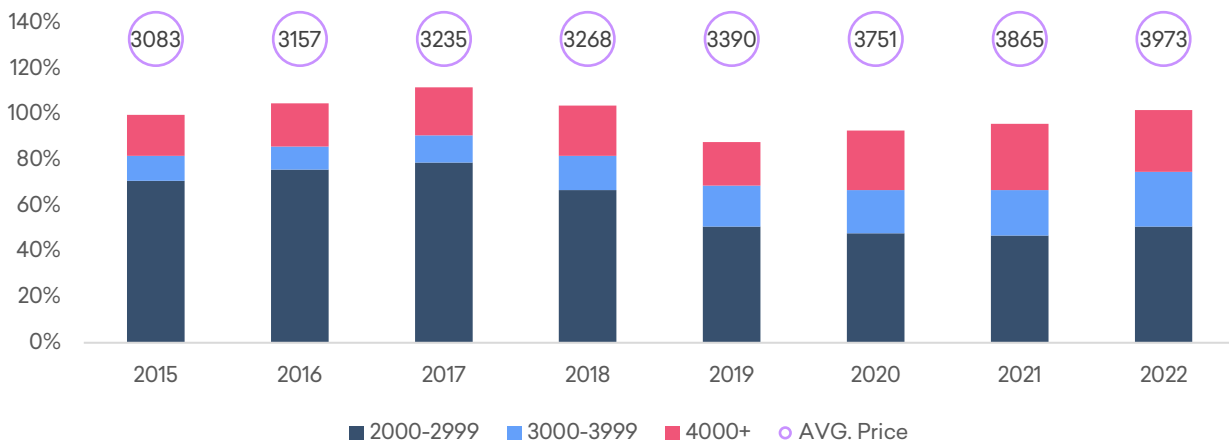
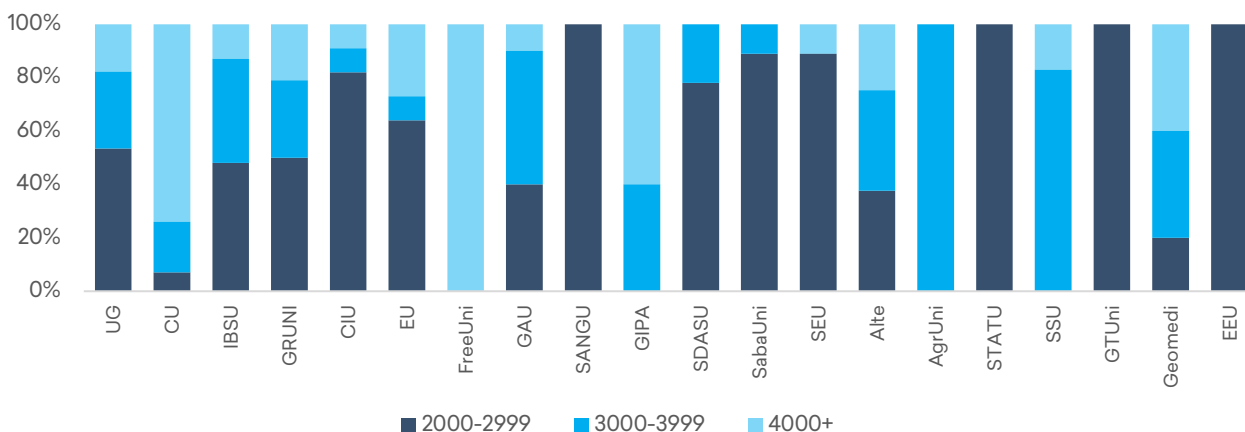


Figure 51. Price categories of Programs by Selected Private Universities 2022 (GEL)



Source: NAEC.

Note: Order of universities is based on the number of programs offered
Prices include courses offered in English language

Prices

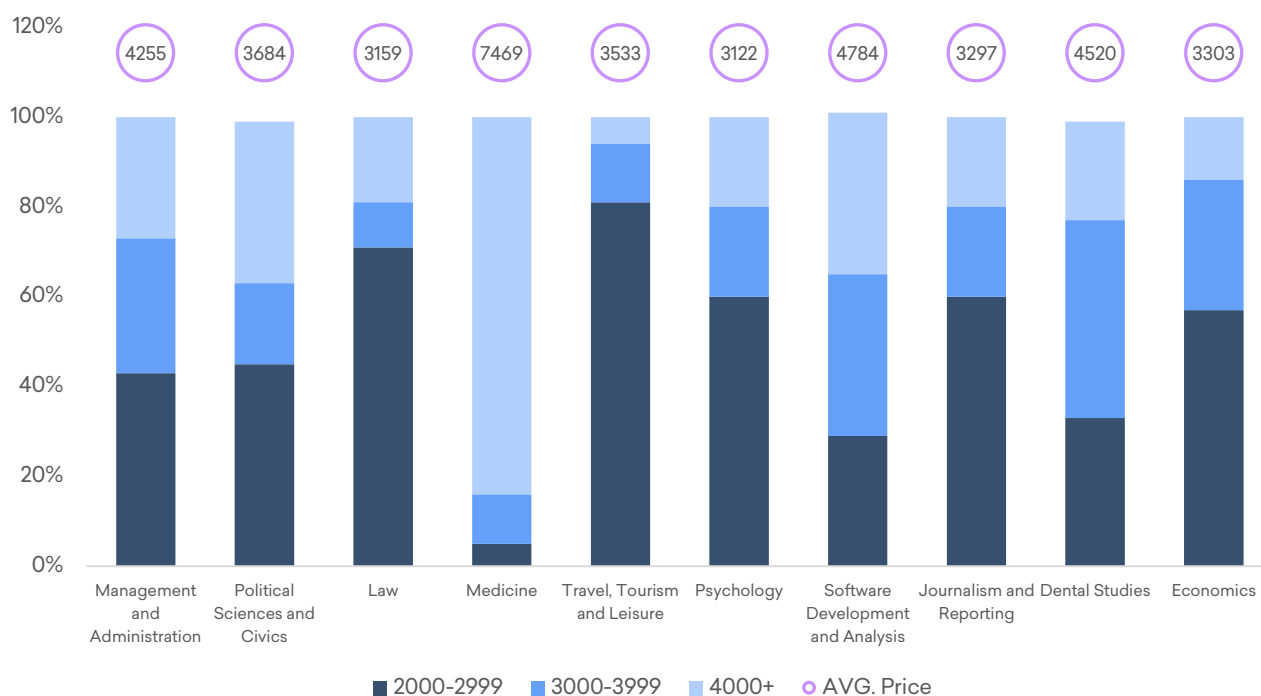
Area of Study

The analysis on the level of the study fields shows that the field - Travel, Tourism and Leisure offers the largest share, 80% of low-priced programs. On the other end of the spectrum, Medicine concentrates on high-priced programs with 84% share. One of the reasons behind is the high supply of programs delivered in foreign language.

The next high-priced programs were Software Development and Political sciences with 36% share.

In 20202, the Software Development and Dental Studies fields have the next highest average prices after Medicine.

Figure 52. Average Prices and Price Categories of Private UNIs by Fields in 2022 (GEL)



Source: NAEC.

Note: Program fields are defined based on UNESCO detailed [fields of education and training](#)
Prices include courses offered in English language



TBC CAPITAL

**CLOSER LOOK: MASTER
AND PHD LEVEL EDUCATION**

Master

The number of accredited programs for the master level of study was 431 in 2022. The public universities offered the 70% of the masters programs.

Management and administration was the leader in the number of programs with a 15% share. Most of the foreign programs were offered within the management and administration field.

The private sector exceeded the public sector in the following programs: law, management, psychology, political sciences, and journalism. In the five fields - language acquisition, sociology, and cultural studies, fine arts, and crop and livestock production, public institutions possessed a larger share.

Analyzing the private universities' price ranges showed that finance, banking, and insurance had the highest average annual price, GEL4756, followed by management and administration with an average price of GEL4116. The lowest-priced programs on average among the listed below were literature and linguistics, amounting to GEL 2438.

Marketing, advertising, and political sciences are the fields that offer the largest number of highly priced masters programs.

Figure 53. Top 10 Fields by Number of Programs in 2022

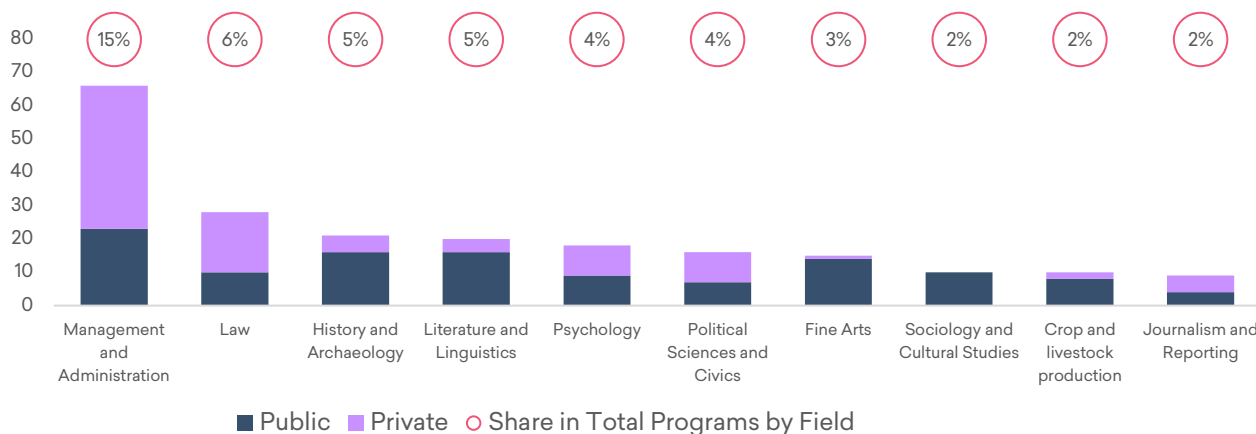
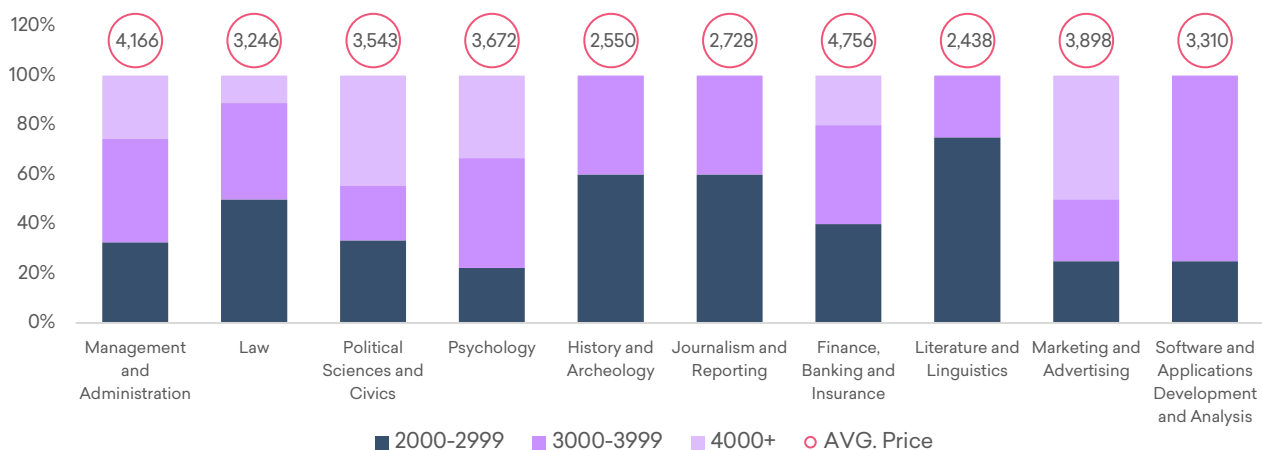


Figure 54. Annual Prices in Private UNIs by Top 10 Detailed Field, 2022



Source: NAEC.

Note: Program fields are defined based on UNESCO detailed [fields of education and training](#)
Prices include courses offered in English language

Master

At the master level, in 2021, TSU is the leader in the number of programs amounting to 80 programs with 19% share. GTU is the second with 46 (11%) programs, followed by IliaUni 41 (10%). The three universities are the leaders in the number of programs, places, and enrolments.

GTUNI had a huge gap between the announced places and enrolments, while BTU almost filled with 99%, followed by UG at 95%, and GTU at 94%.

The average fee of programs at Freeuni was GEL 8,542, the highest average price among the institutions offering master-level courses. GTUNI and STATU offered the least expensive programs, with an average fee of 2250.

In 2022, FreeUni and CU offered master programs in the highest price category, while all programs in CIU, STATU, SABAUNI, GTUNI, BTU, EEU, and UNIK were among the low price category. Fees for GRUNI and IBSU programs were in GEL 3000-3999.

Figure 55. Number of Places and Enrollments of Programs at Universities in 2021

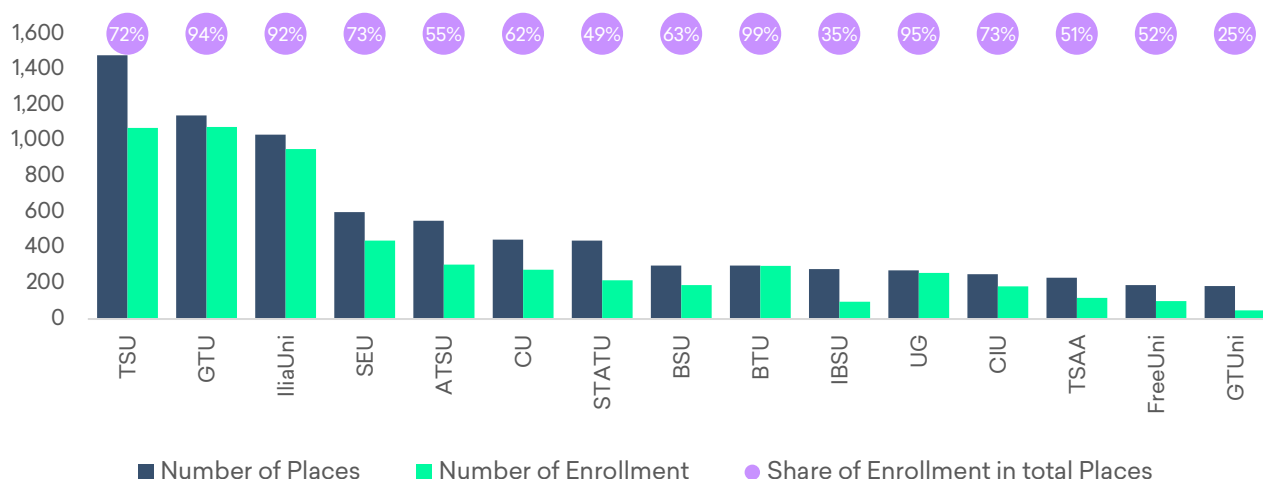
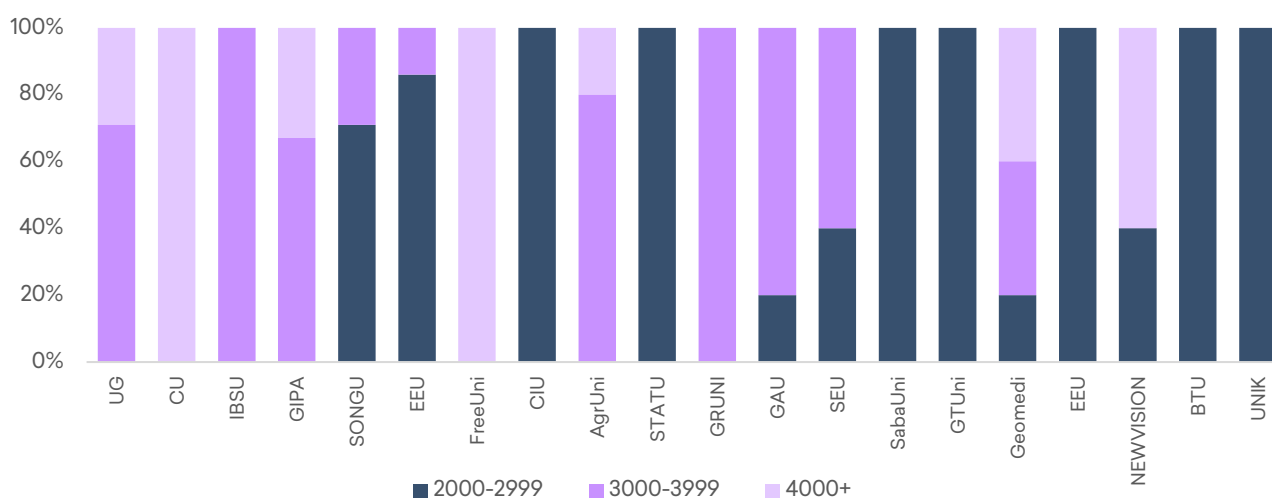


Figure 56. Price Segments of Programs by Private Universities 2022



Source: NAEC.

Note: Order of universities is based on the number of programs offered
Prices include courses offered in English language

PhD

In 2021, 904 students enrolled in the Ph.D. program. According to the statistics, 74% of Ph.D. students enrolled in public universities. TSU and GTU were the leaders partially due to the significant variety of the offered programs.

A large number of active Ph.D. students studied social sciences, journalism, business administration, and law. In the arts and humanities, females possessed the largest share, while male students were the leaders in natural sciences and engineering.

Through the years, females always had the larger share in the distribution of Ph.D. students. In 2021, 55% of the active Ph.D. students were females.

41% of the Ph.D. students in 2021 were above 35, which follows the idea that people participate in Ph.D. programs after gaining work experience.

Figure 57. Number of Enrollments by UNIs, 2021

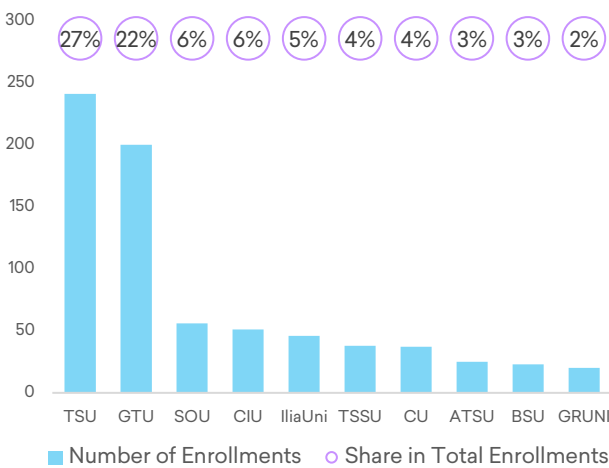


Figure 58. Number of Active Students by Programs

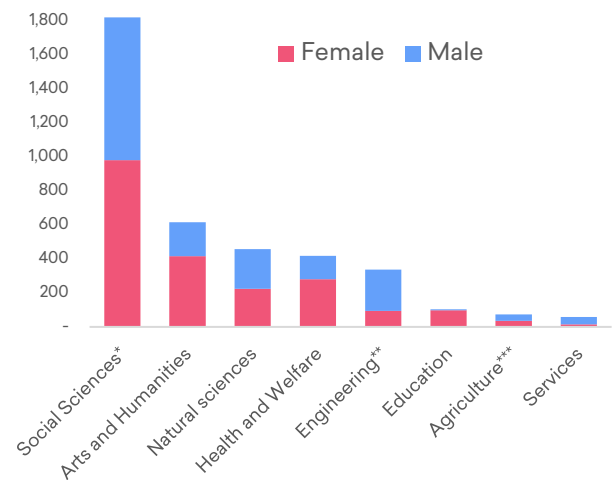


Figure 59. Distribution of Doctors by Gender

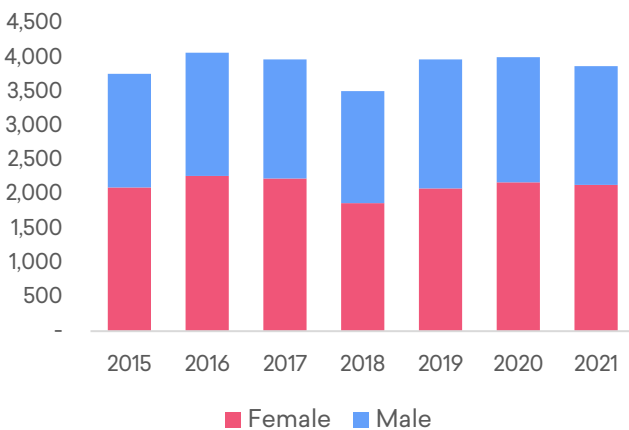
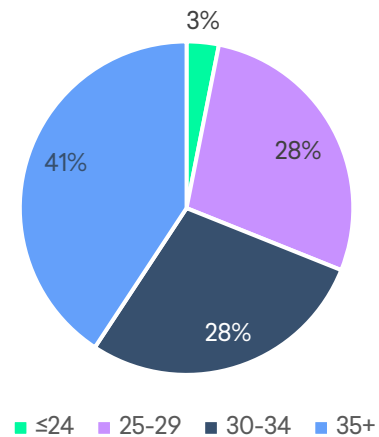


Figure 60. Distribution of Doctors by Age, 2021



Source: EMIS, Geostat.

* Social Sciences, Journalism, Business, Law

** Engineering, Manufacturing and Construction

*** Agriculture, Forestry, Fisheries and Veterinary

Abbreviations

Abbreviations	Description
NAEC	National Assessment and Examinations Center
EMIS	Education management information system
AgriUni	NNLE Georgian Agrarian University
Newvision	NNLE New Vision University
GIPA	NNLE Georgian Institute of Public Affairs
Webster	LTD Webster University Georgia
ATSU	LEPL Akaki Tsereteli State University
BSU	LEPL Batumi Shota Rustaveli State University
BATU	LEPL Batumi Art State Teaching University
GU	LEPL Gori State Teaching University
ETA	LEPL David Aghmashenebeli National Defence Academy of Georgia
TSAA	LEPL Tbilisi State Academy of Arts
TSSU	LEPL Tbilisi State Medical University
TESAU	LEPL Iakob Gogebashvili Telavi State University
IliaUni	LEPL Ilia State University
SJUNI	LEPL Samtskhe - Javakheti State University
BSMA	LEPL Batumi State Maritime Academy
TAFU	LEPL Shota Rustaveli Theater and Film Georgia State University
SOU	LEPL Sokhumi State University
KIU	LEPL Kutaisi International Univeristy
ZSSU	LEPL Shota Meskhia State Teaching University of Zugdidi
TSC	LEPL V. Sarajishvili Tbilisi State Conservatoire
TSU	LEPL Ivane Javakhishvili Tbilisi State University
GTU	LEPL Georgian Technical University
SportUni	LEPL State University of Sport
Alte	LTD Alte University
EEU	LTD East European University
BNTU	LTD Batumi Navigation Teaching University
BTU	LTD Business and Technologies University
GRUNI	LTD Grigol Robakidze University
FreeUni	LTD Tbilisi Free University
CIU	LTD Caucasus International University
CU	LTD Caucasus University
Geomedi	LTD University of Geomedi
SSU	LTD Georgian Aviation University
UG	LTD The University of Georgia (UG)
SabaUni	LTD Sul Khan-Saba Orbeliani University
GAU	LTD Georgian American University
UNIK	LTD UNIK - Kutaisi University
IBSU	LTD International Black Sea University
GTUni	LTD Guram Tavartkiladze Tbilisi Teaching University
Eastwest Uni	LTD East West Teaching University
TDASU	LTD David Aghmashenebeli University Of Georgia
Alterbridge	LTD Alterbridge - International University of Management & Communication
SDASU	LTD David Aghmashenebeli University Of Georgia
SEU	LTD Georgian National University SEU
EU	LTD European University
TFA	LTD Tbilisi Free Academy
DTMU	LTD Davit Tvildiani Medicine University
Tma	LTD Petre Shotadze Tbilisi Medical Academy
BAU	LTD BAU International University Batumi
NewUni	LTD New Higher Education Institute
Millennium	LTD Millennium

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