



GEORGIAN AUTOMOTIVE INDUSTRY

DECEMBER 2024

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- Domestic Market Tendencies
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- Formal Market Turnover

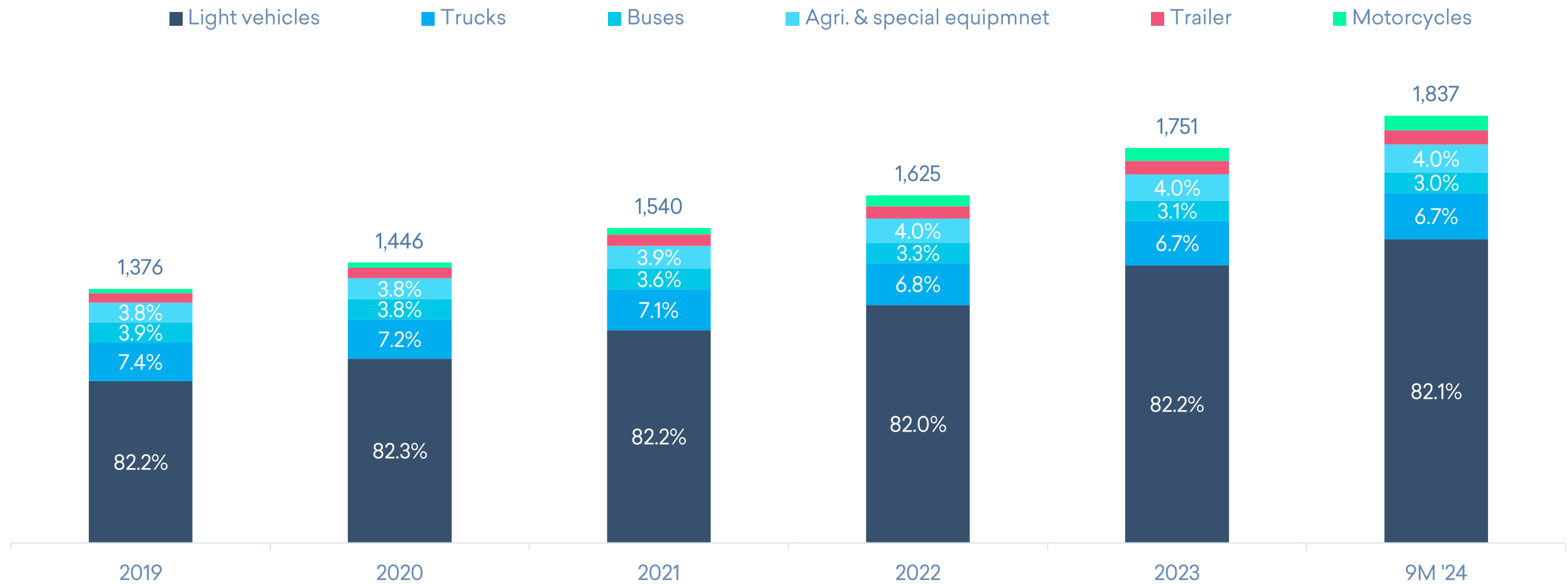


Domestic Market Tendencies

The Georgian automotive fleet has grown by 4.9% in 9M 2024, with light vehicles remaining as the key driver for the growth

Georgian Automotive Fleet by Type

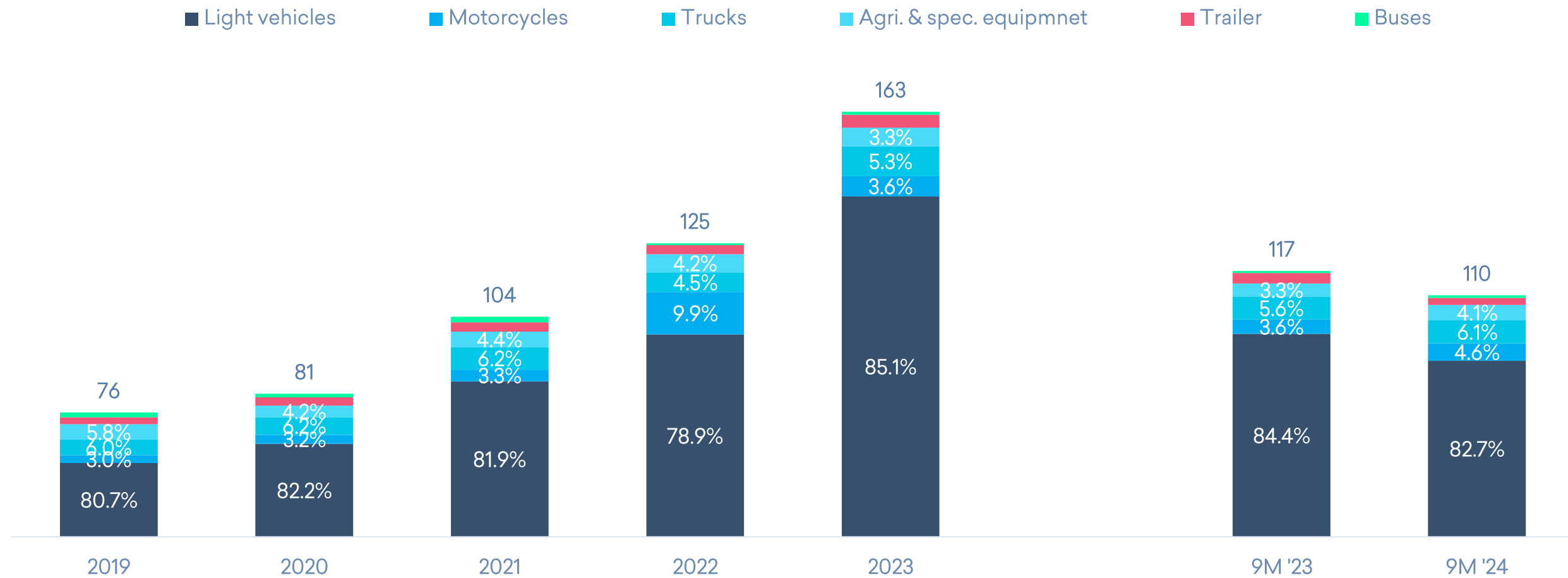
'000 Units



Growth in the automotive fleet has slowed down in 9M 2024 with a 6% drop in first registrations, however, considering the high base effect of 2023, the decline is not concerning

First Registrations in Georgia by Type

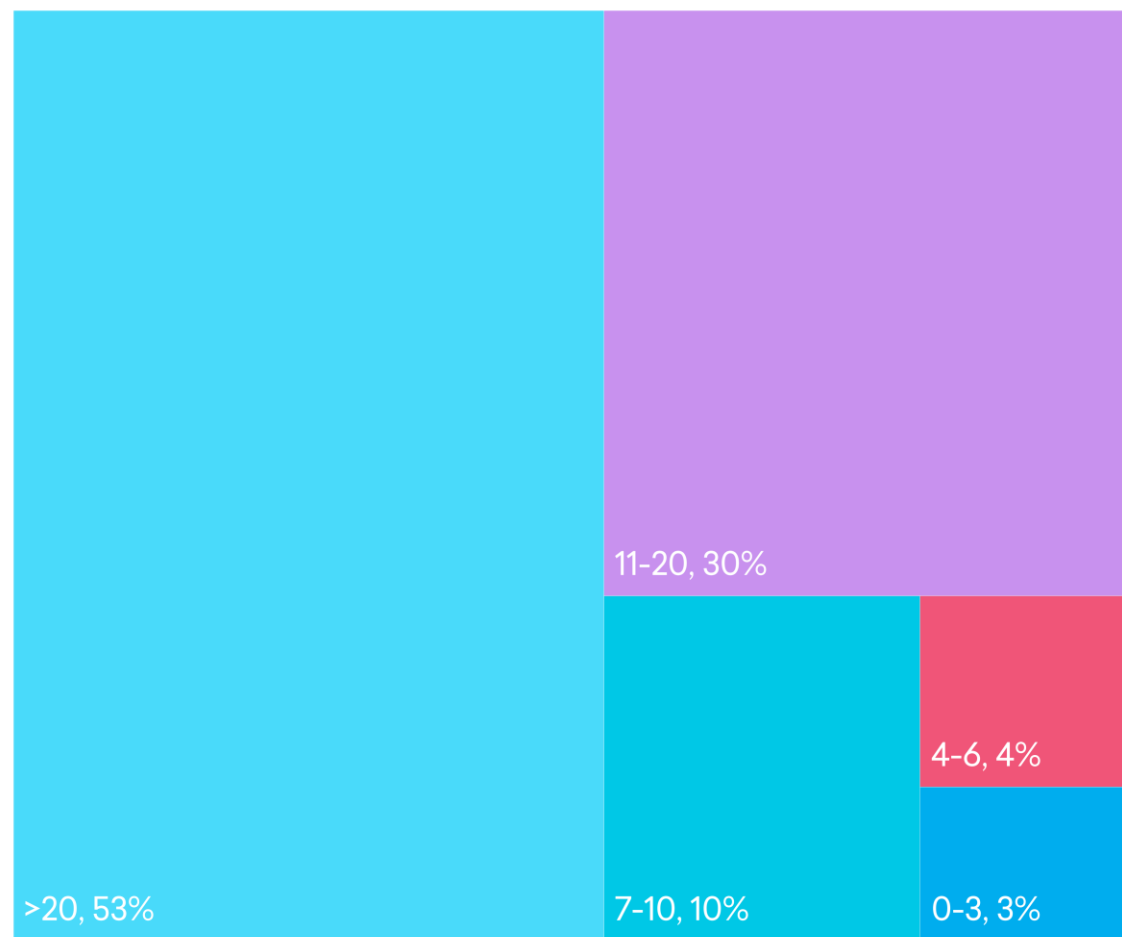
'000 Units



While more than half of the Georgian fleet remains 20 years or older, the average age of newly registered cars provides implication of fleet renewal

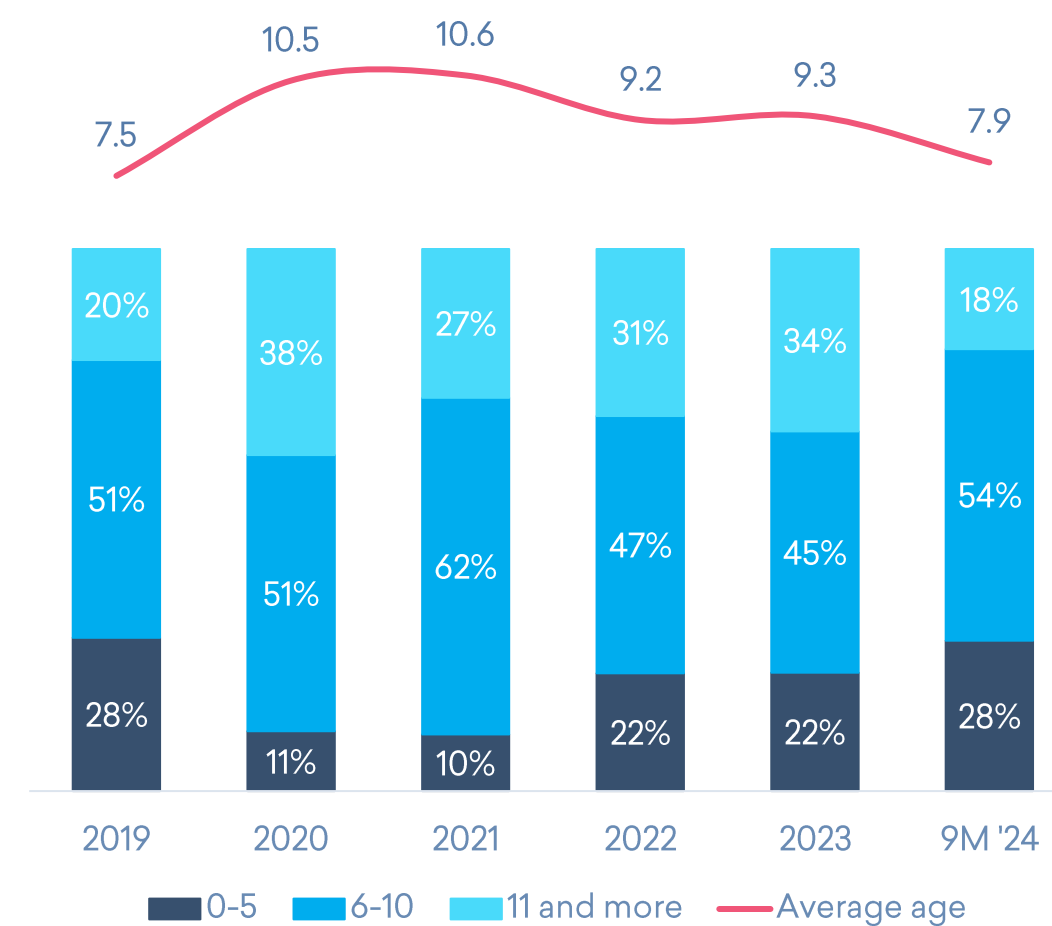
Automotive Fleet by Age, Sep-2024

% Share in Total



First Registered Light Vehicles by Age

Years, % Share in Total



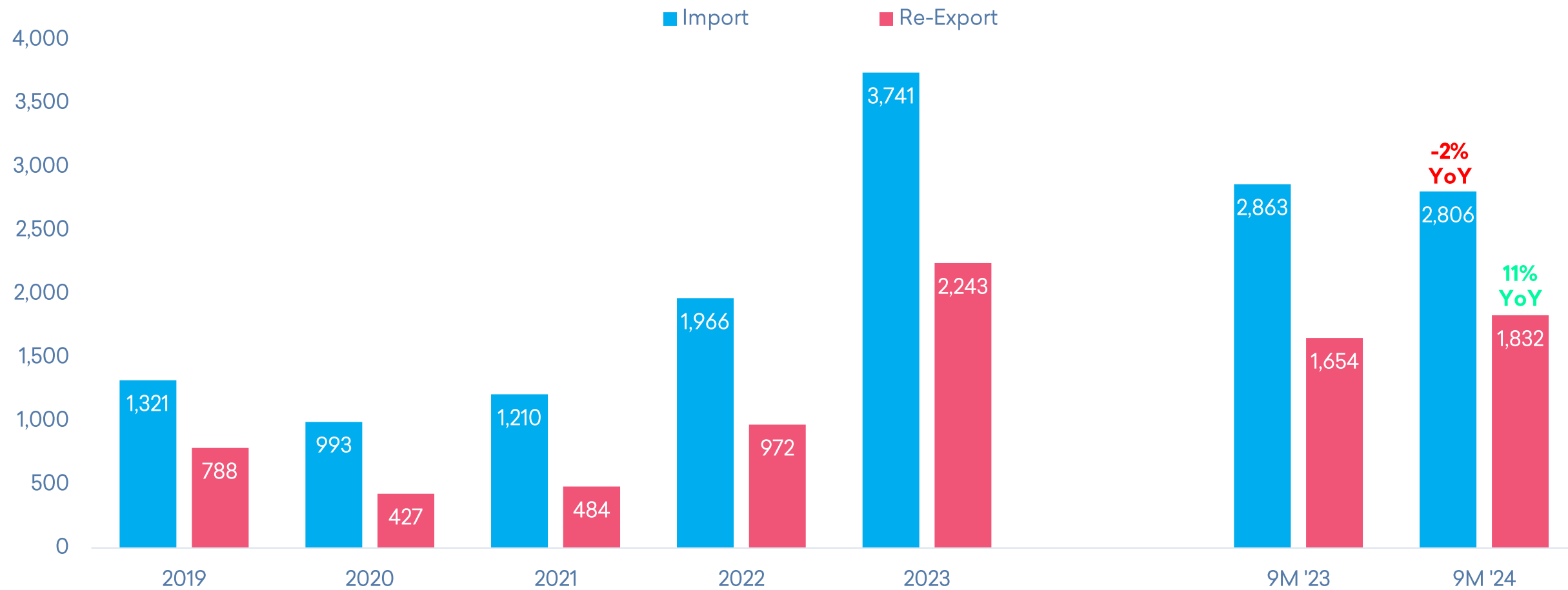


External Trade Dynamics

Despite a slight annual decrease in import of vehicles in 9M 2024, re-exports have increased by 11%

External Trade of Light Vehicles, Trucks and Special Equipment

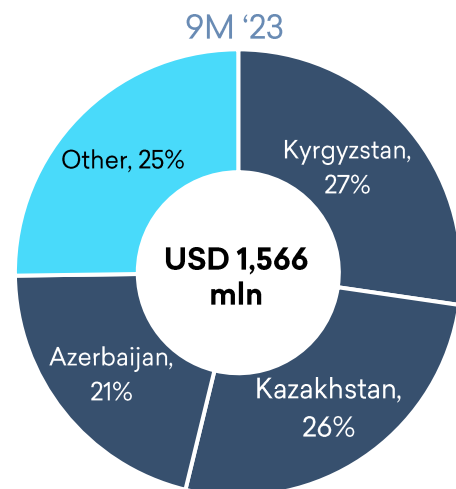
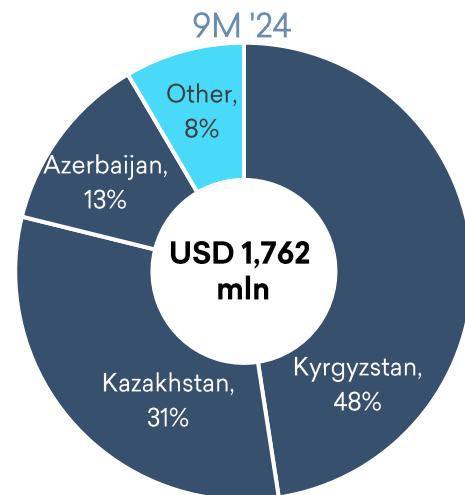
USD mln



The significant shifts in re-export markets due to the geopolitical situation in Georgia's vicinity, have strengthened throughout 2024

Re-Export of Light Vehicles

% share, USD mln



Top Ten Markets for Re-Export of Light Vehicles, 9M 2024

USD mln, % share

Country	Value (USD)	Count	Avg. price (USD)	Share in total	YoY Increase
Kyrgyzstan	838,369	23,209	36,123	48%	96%
Kazakhstan	551,477	37,304	14,783	31%	33%
Azerbaijan	223,451	10,207	21,892	13%	-32%
Armenia	83,551	4,436	18,835	5%	-65%
Tajikistan	17,878	1,104	16,194	1%	-25%
Ukraine	7,855	1,041	7,546	0%	-38%
Uzbekistan	7,775	152	51,154	0%	280%
United Arab Emirates	7,021	257	27,320	0%	-26%
Belgium	6,633	130	51,026	0%	-65%
Turkey	4,690	153	30,651	0%	-24%
Other	13,908	617	22,541	1%	414%

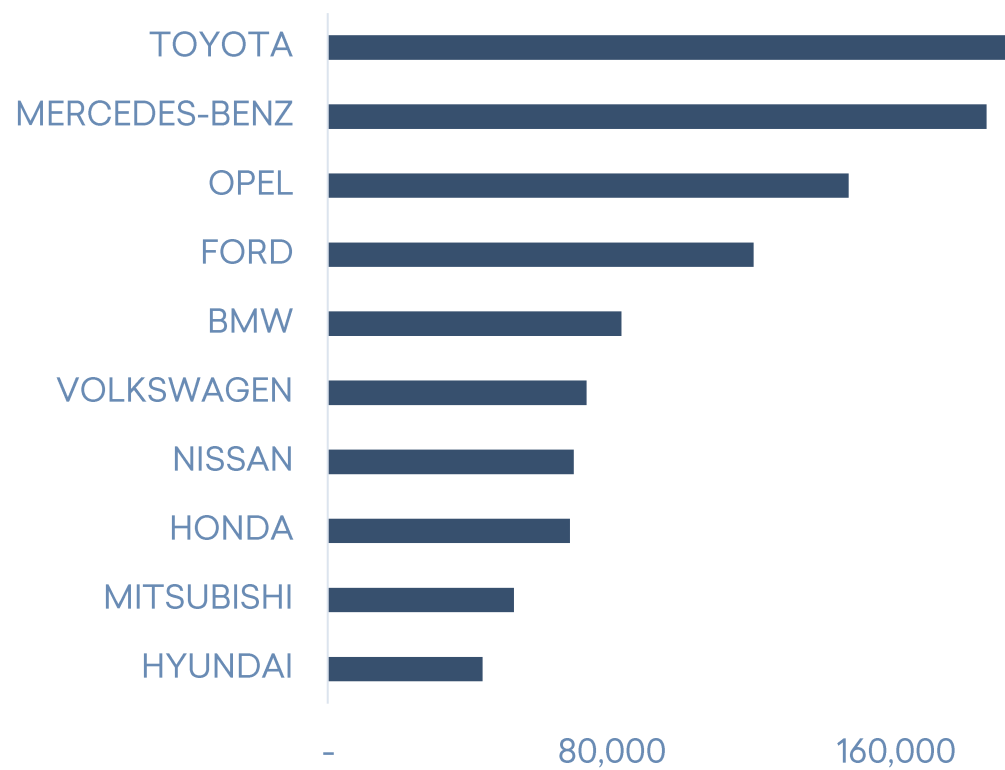
Consumer Preferences

Toyota has overtaken Mercedes in Georgia's automotive fleet after many years of domination. First registrations indicate that Toyota will strengthen its lead in the future

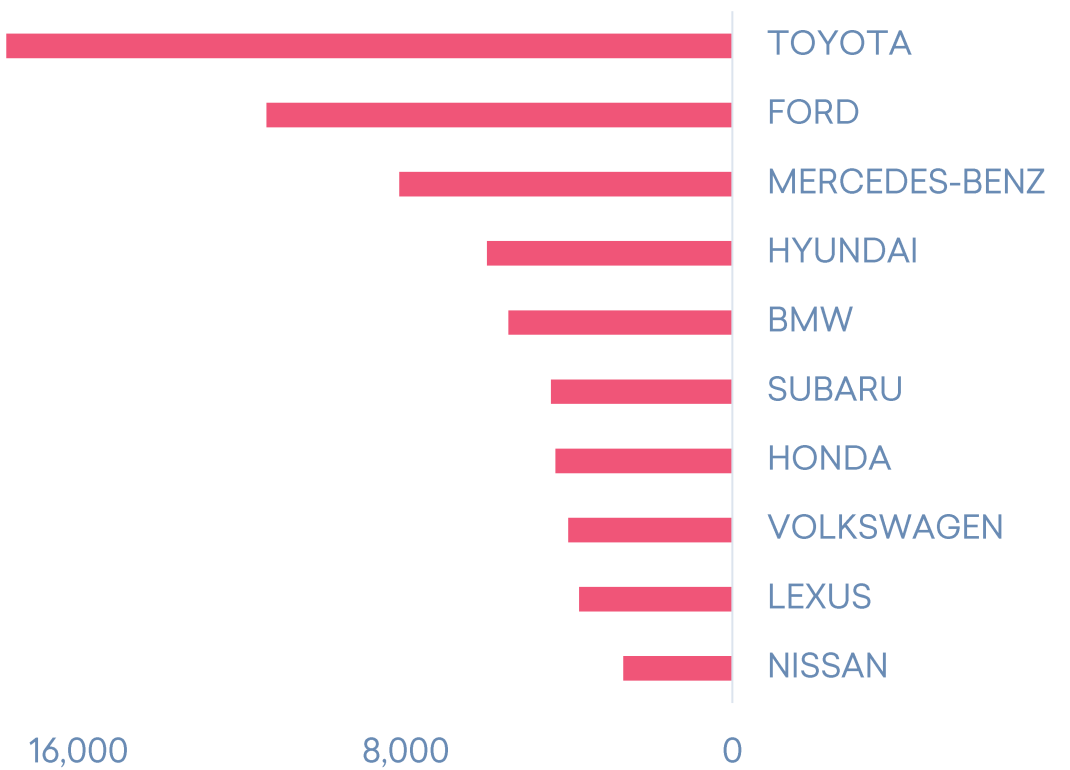
Vehicles by Brands, 9M 2024

Units

Light Vehicle Fleet*



First Registered Light Vehicles

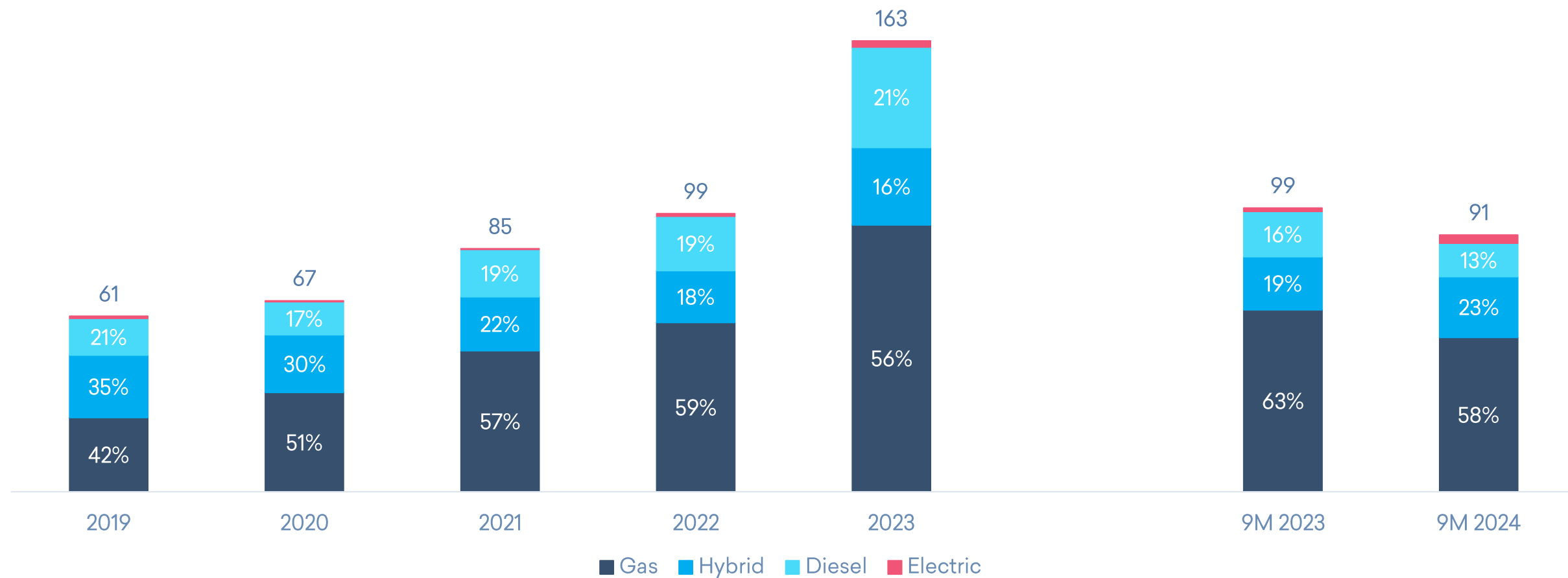


Source: Ministry of Internal Affairs of Georgia; *VAZ has been excluded from the list as it is believed that the vast majority of VAZ vehicles are in need of deregistration

Both, electric and hybrid cars gained shares in first registered light vehicles in 9M 2024 on the back of decreased share of diesel and gas powered cars

First Registered Light Vehicles by Fuel Type

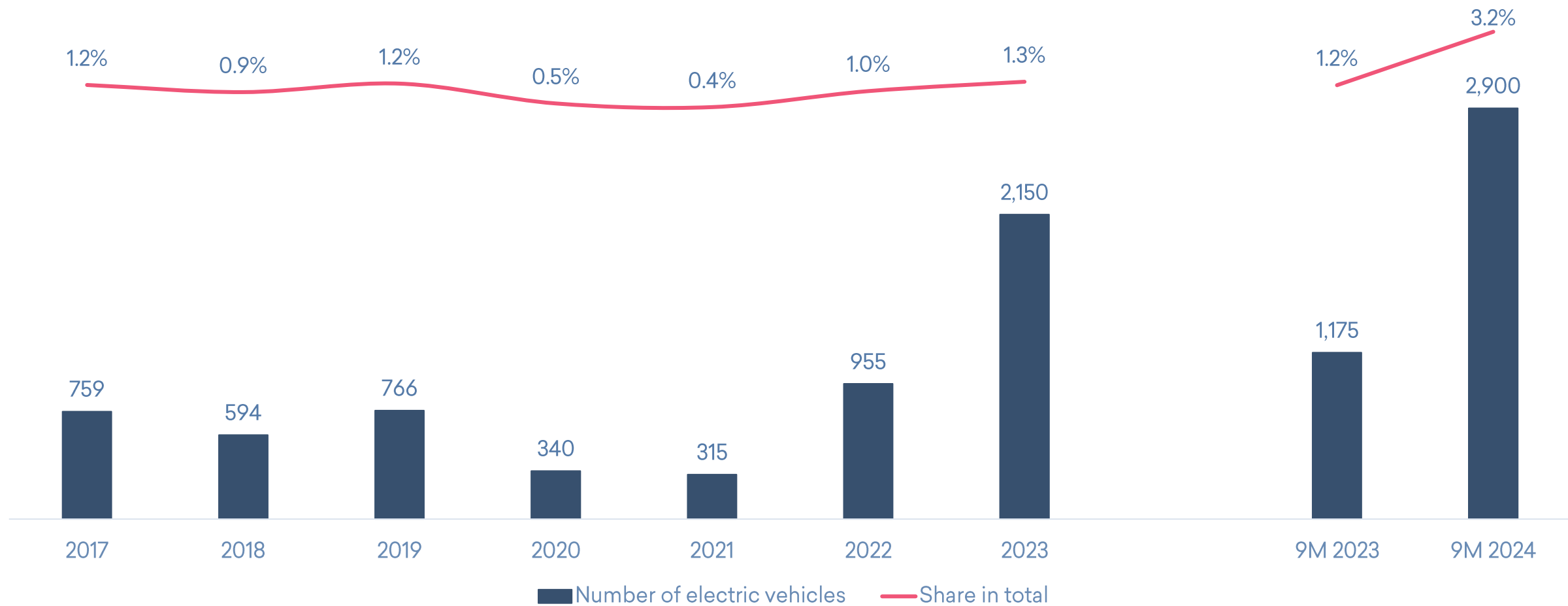
'000 Units



The percentage share of newly registered electric vehicles, as well as their absolute volume in 9M 2024, indicates an increasing tendency

First Registered Electric Light Vehicles

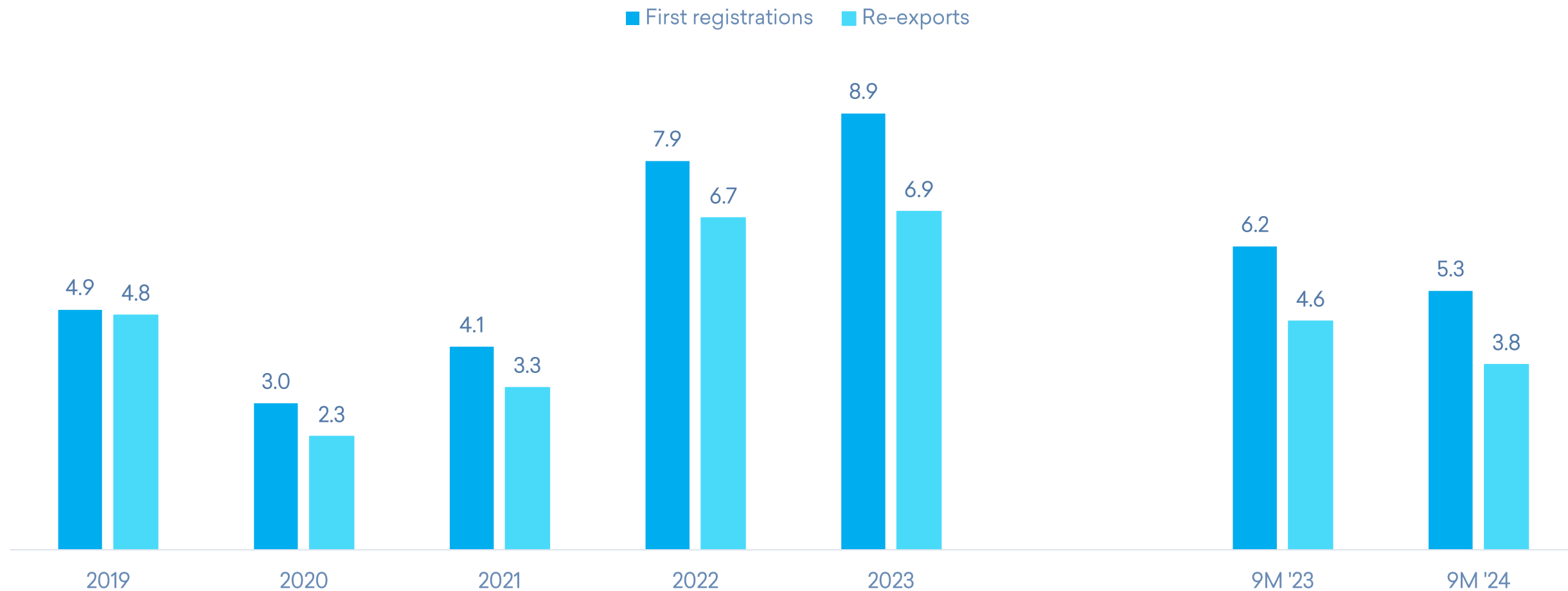
Units



Slight annual decreases are observed in brand new vehicle sales on the domestic as well as external markets. The decrease can partially be attributable to the pent up demand realized in 2022-2023

Brand New* Light Vehicle Dynamics

'000 Units

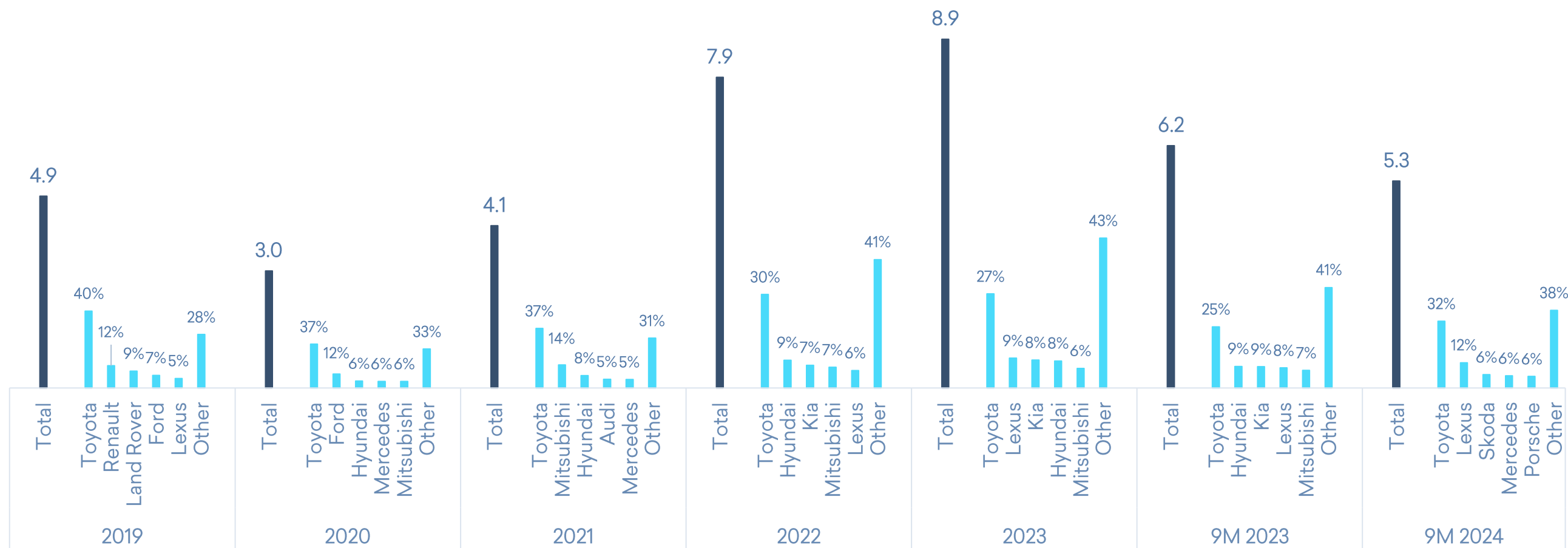


Source: Ministry of Internal Affairs of Georgia, TBC Capital; Note: Due to data limitations brand new vehicles are defined as vehicles with matching manufacturing and registration dates

Brand new car sales have become less diversified in 2024. Market leader Toyota holds a higher share on the expense of other brands

First Registered Brand New Light Vehicles by Brands

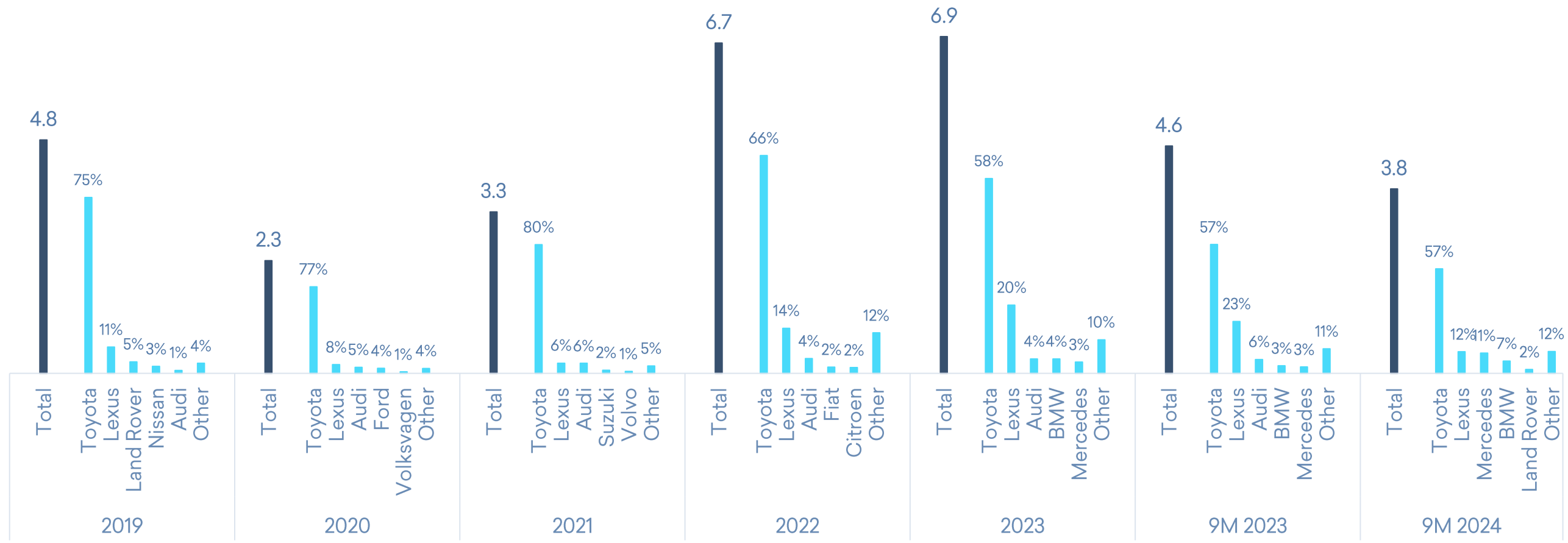
'000 units, % Share in Total



Concentration in re-exported brand new light vehicles remained unchanged with Toyota and Lexus holding the leading positions

Re-exported Brand New Light Vehicles by Brands

'000 units, % Share in Total

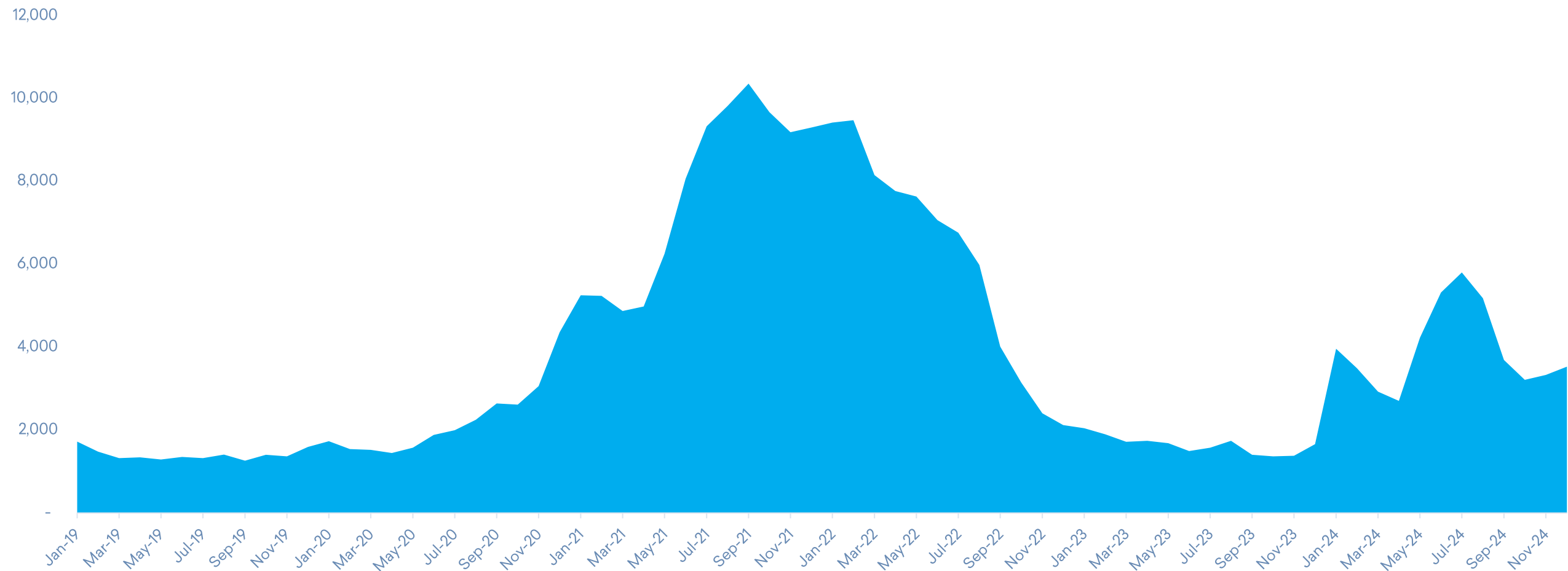


Demand Drivers

Global transportation costs have been fluctuating since the beginning of 2024 due to the Red Sea crisis

World Container Index

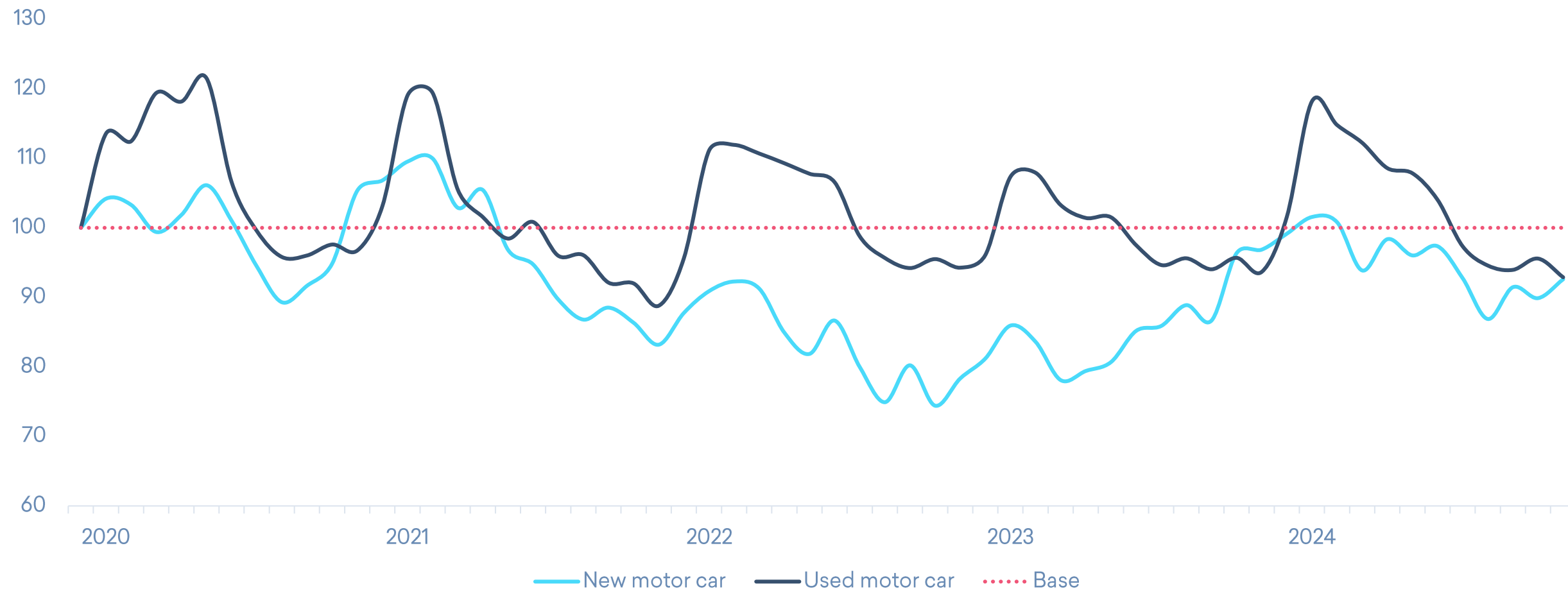
USD/40ft Container



Increased global transportation costs have a stronger effect on used car prices on the Georgian market, evident by the spike in the beginning of 2024

Consumer Price Index

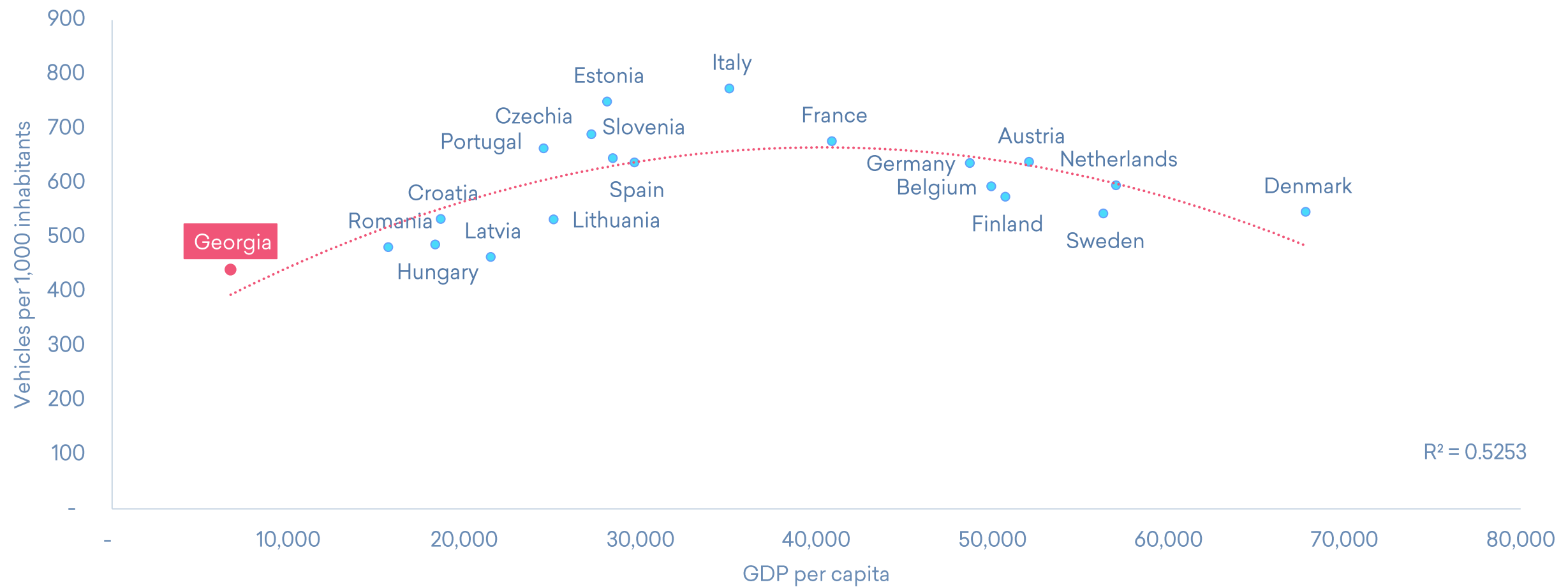
2019 = 100



The upside for Georgia's automotive fleet in the medium to long term period remains strong due to its developing economy

Vehicles per 1,000 inhabitants vs. GDP Per Capita, 2022

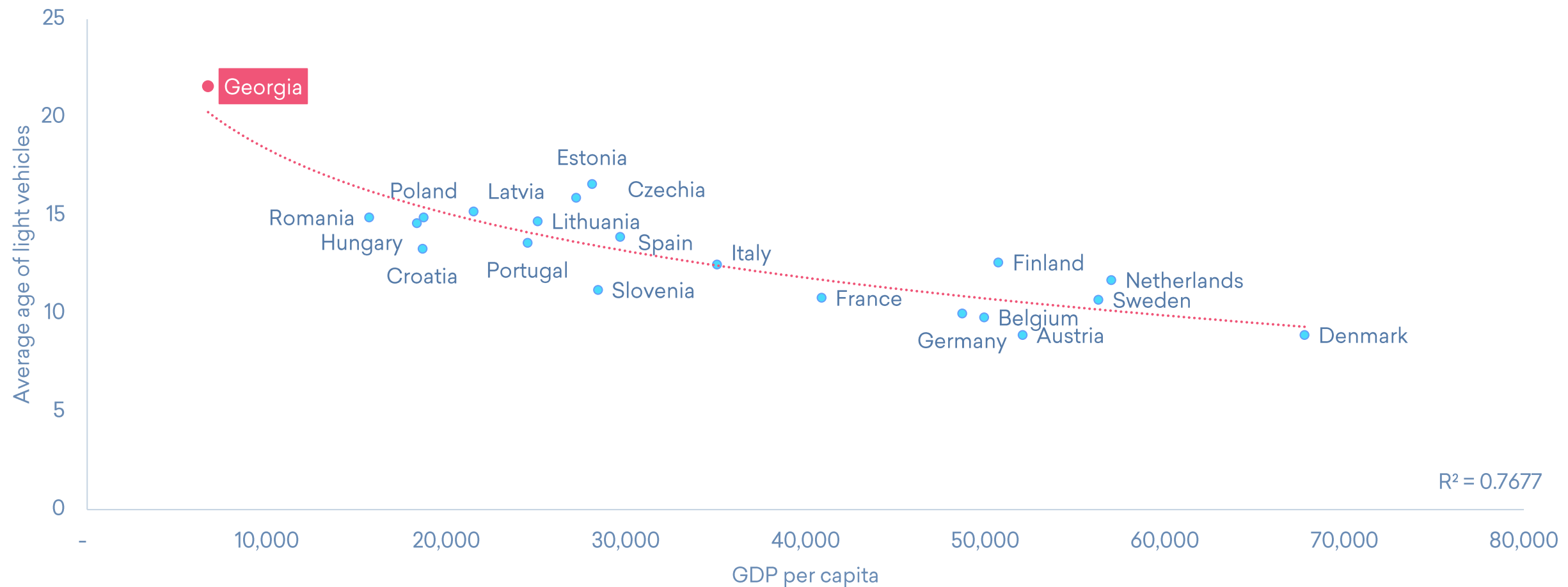
Units, USD



With an average age of over 21.6 years, the Georgian light vehicle fleet is expected to undergo gradual renewal in the coming years

Average Age of Light Vehicles vs. GDP Per Capita, 2022

Years, USD

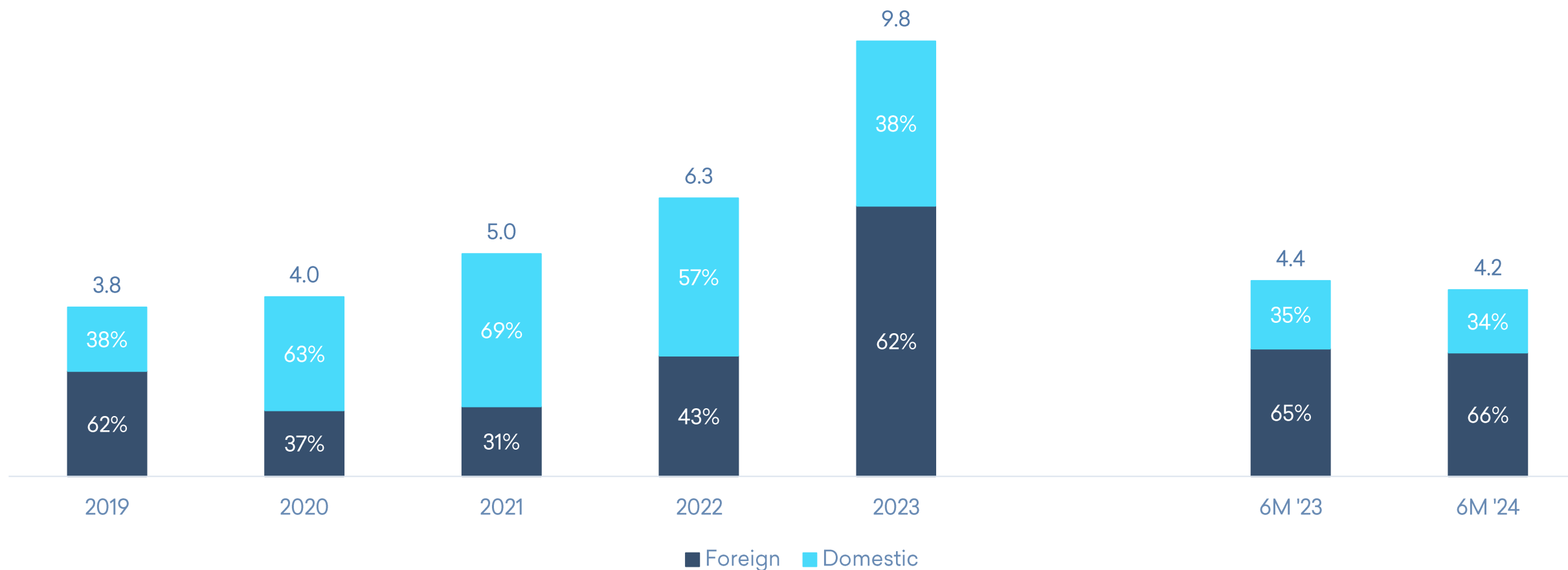


Formal Market Turnover

The Georgian automotive industry reverted back to being concentrated on the external market, with the domestic market being responsible for only 34% of total market turnover

Total turnover of automotive industry

GEL bn



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