



**TBC CAPITAL**

# Apparel Trade Industry

December 2024

**Andro Tvaliashvili**  
Senior Associate

# Demand drivers

---

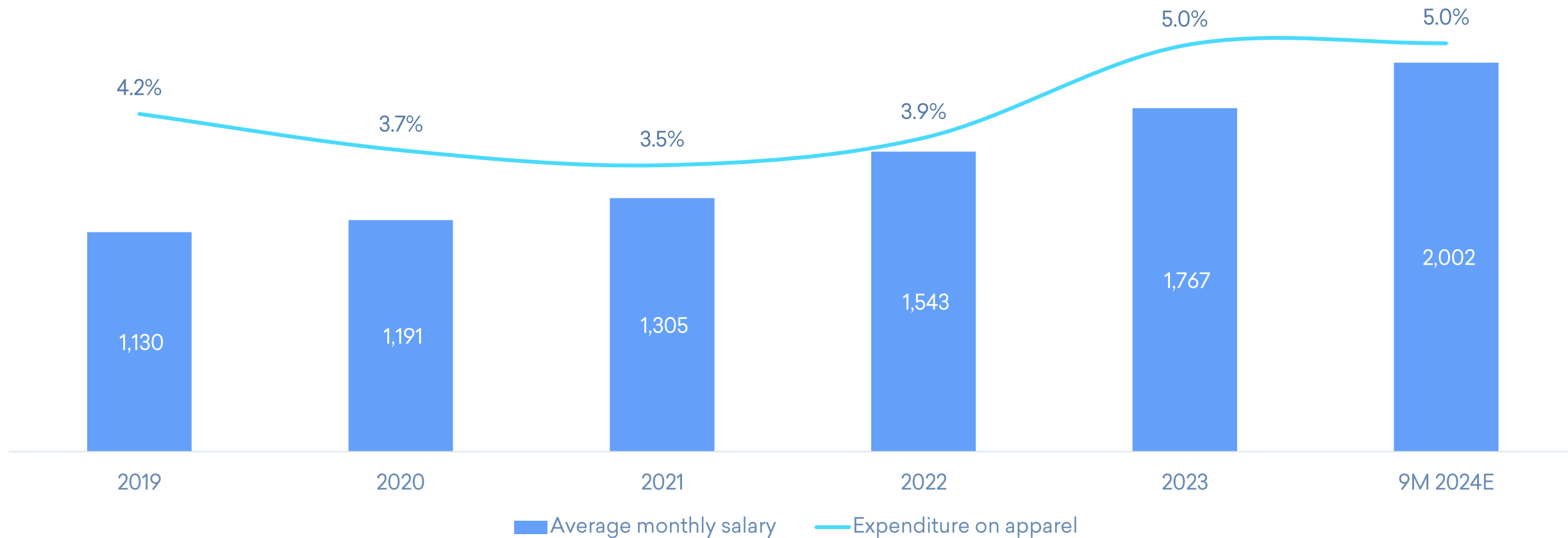


**While a significant further increase is observed in 2024 in employee wages, consumers' expenditures on apparel are expected to maintain stable at 5%**

3

### Average monthly revenue of population & share of expenses on apparel

GEL, share %

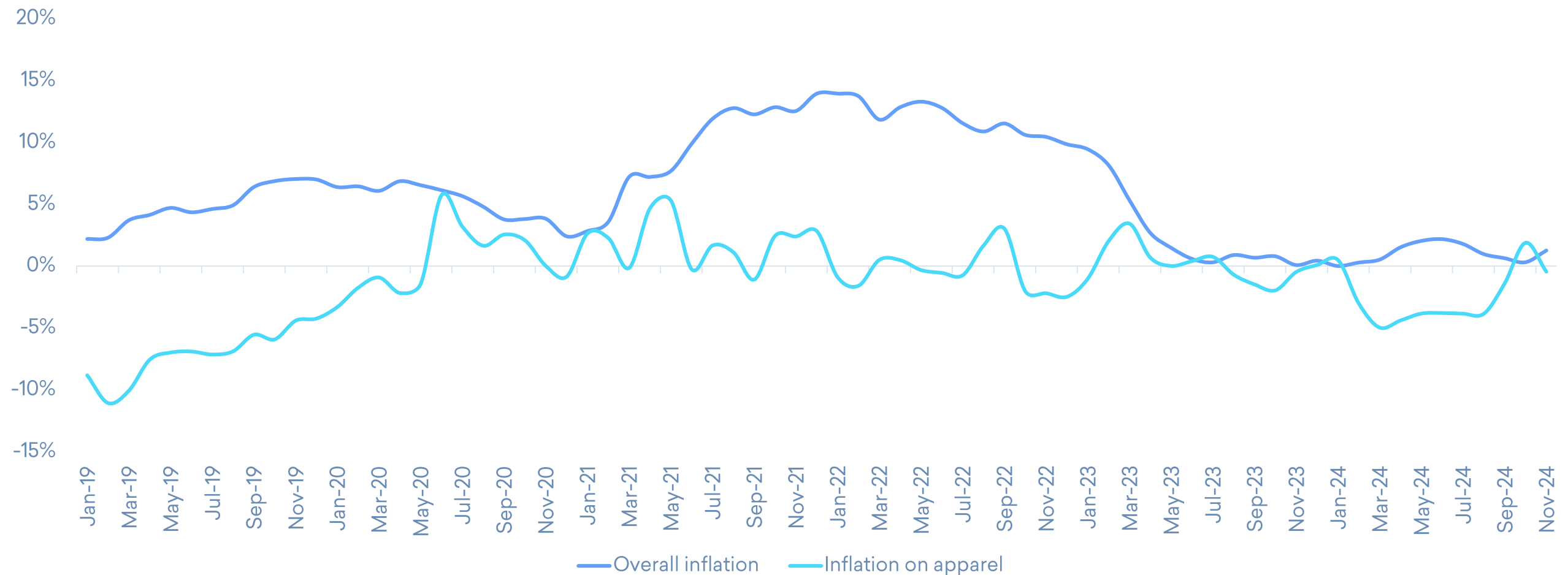


# The deflationary environment in the apparel industry throughout the majority of 2024 acted as one of the major drivers for the sector's growth

4

## Overall consumer price index and inflation on apparel

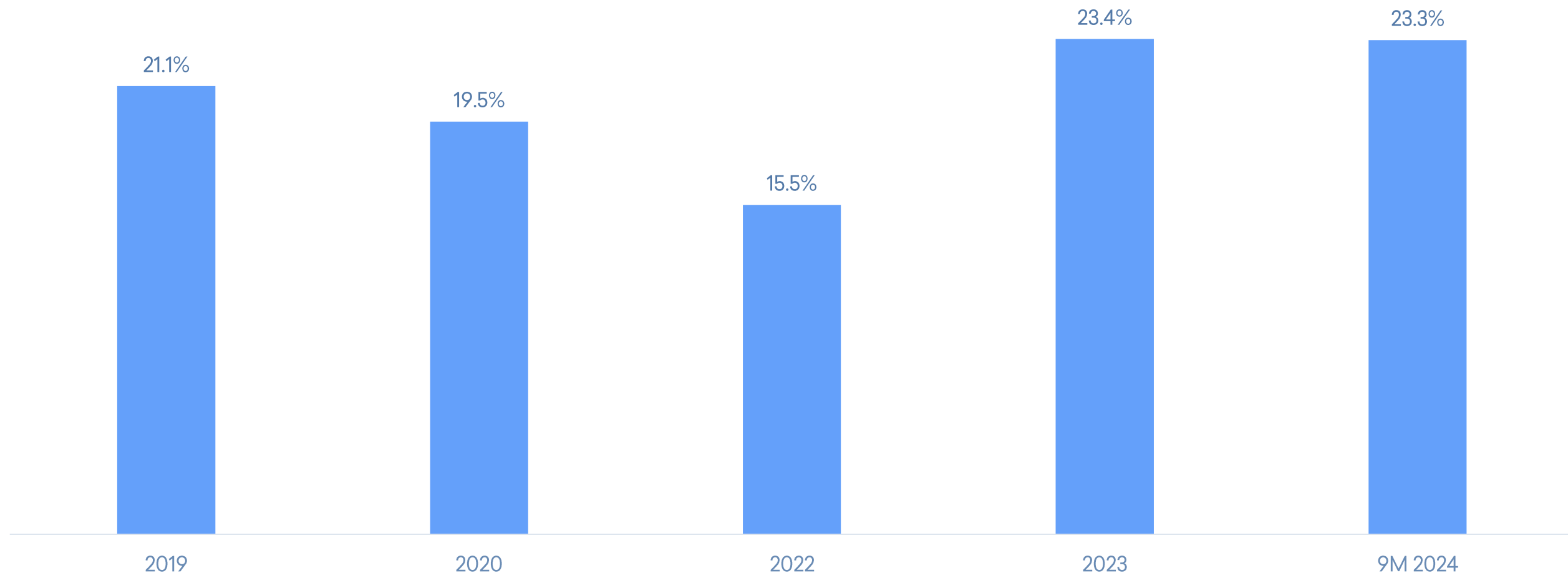
YoY %



**With the tourism revenues reaching new highs in 2023 and 2024, coupled with tourists' expenditures on shopping exceeding the pre-pandemic level, the segment is once again a significant driving factor for the apparel industry**

### International visitors expenditure on shopping\*

% share in total

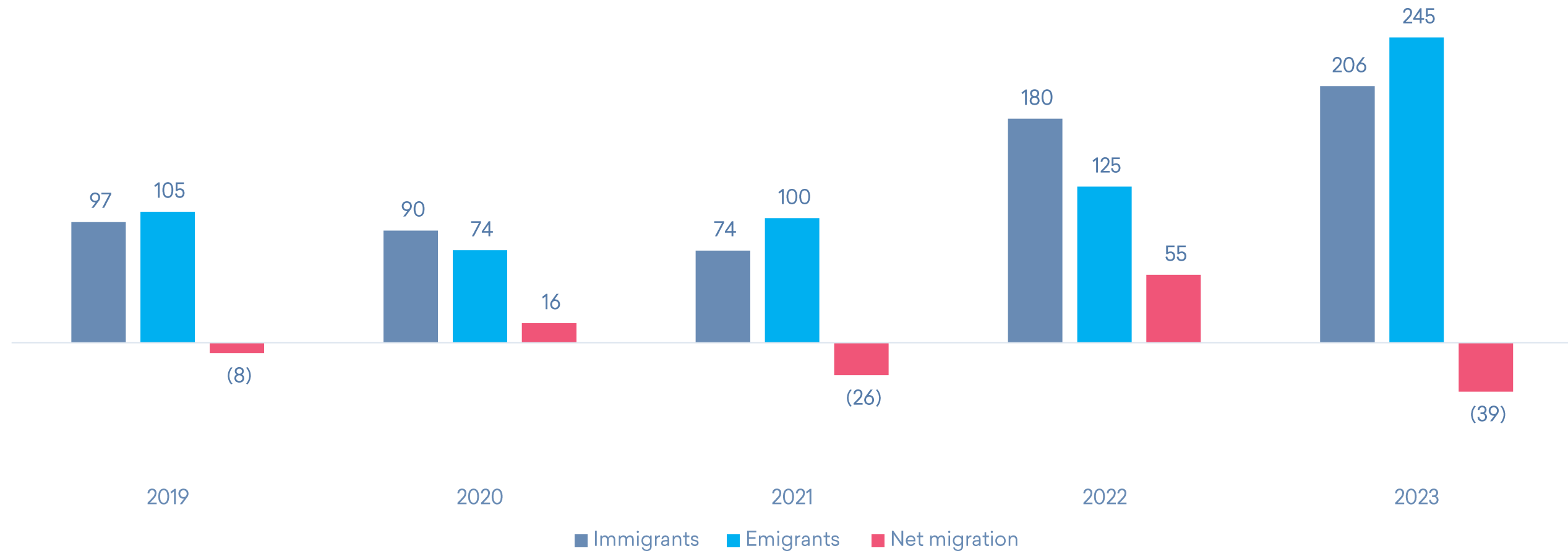


# Migration is no longer expected to positively affect the retail sector, as net migration reverted back to its negative norm in 2023

6

## Number of yearly immigrants and emigrants

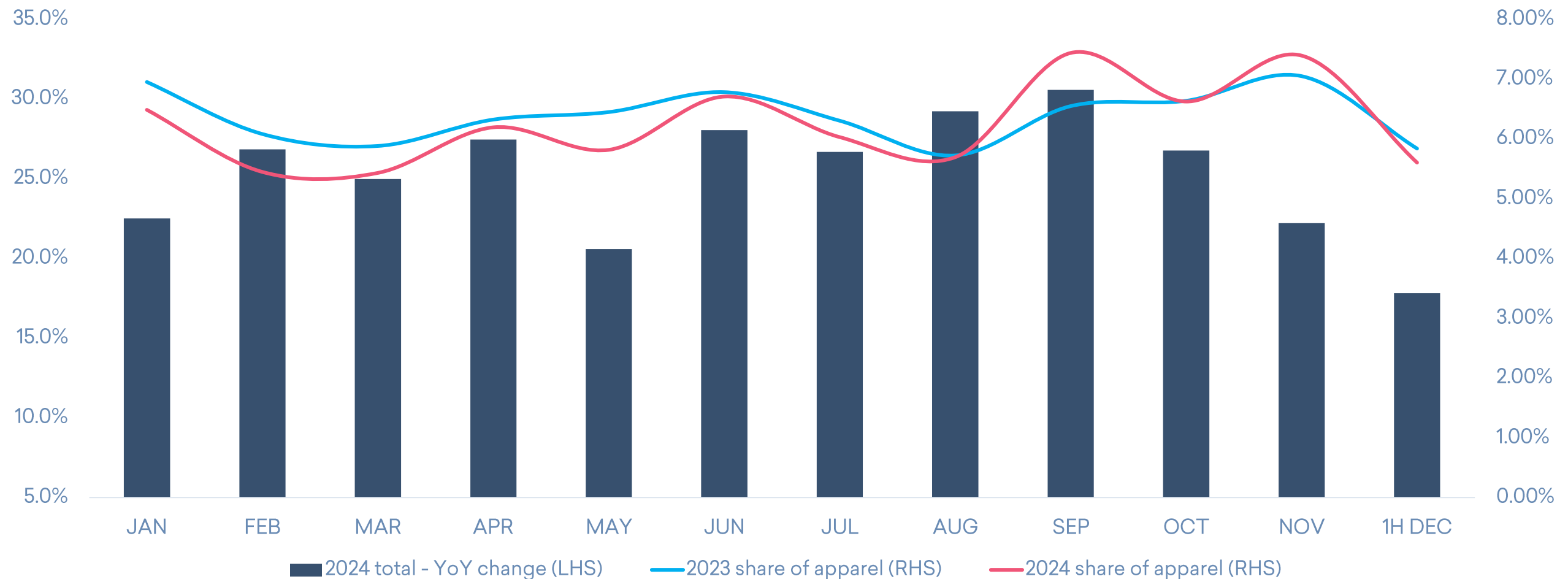
Persons



**While the consumers have not shifted their spending habits in terms of the percentage spent on apparel in the most recent period, the growth of overall non-cash spending is slowing down since October 2024**

## Non-cash expenditures through TBC Bank channels

YoY growth, %





# Retail trade of apparel

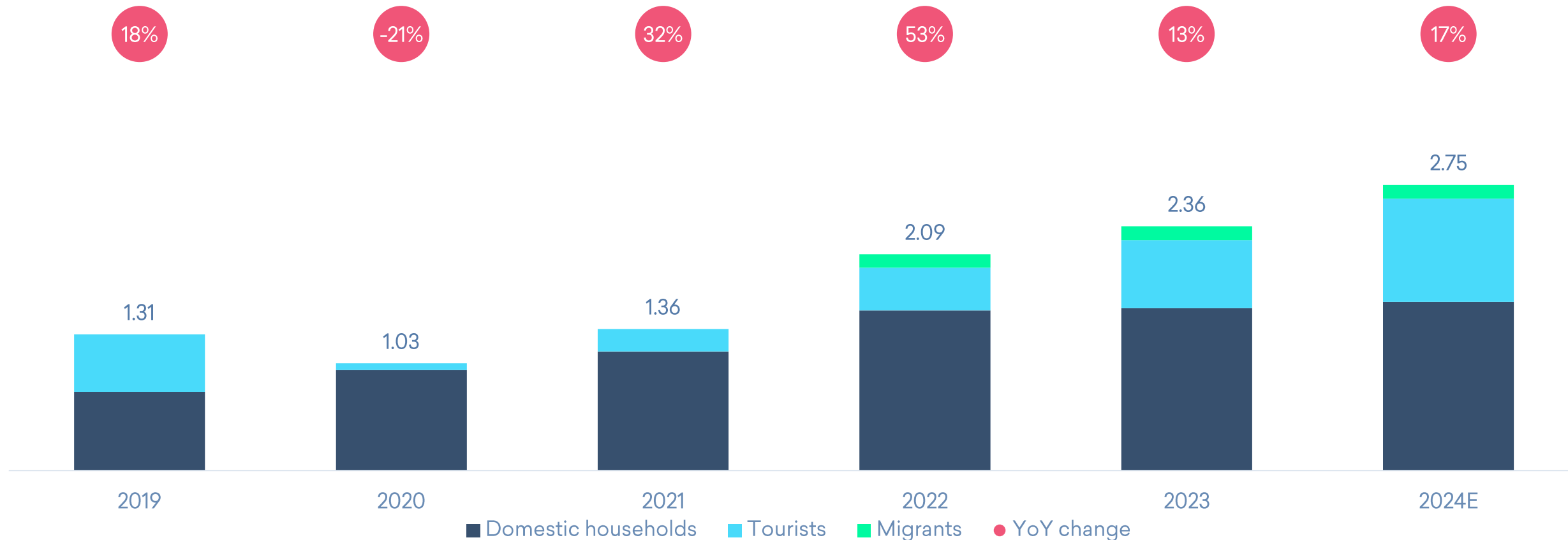
---



**2024 is expected to demonstrate a double digit growth once again for the overall retail trade of apparel, with the turnover reaching GEL 2.75 bn**

## Retail trade turnover of apparel and footwear

GEL bn, incl. VAT

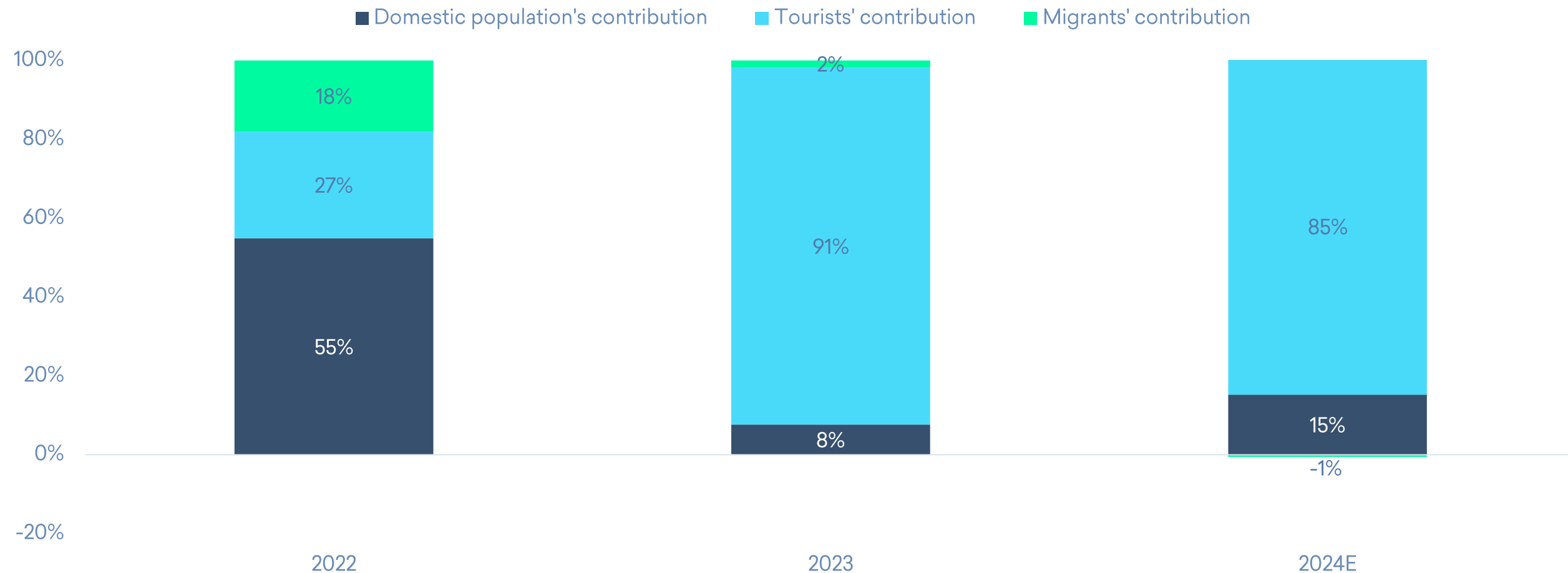


# Tourism remains the main contributor to the sector's growth in 2023 and 2024, with migrants' contribution already having a negative annual effect as of 2024

10

## Contribution in annual growth of retail trade turnover of apparel and footwear

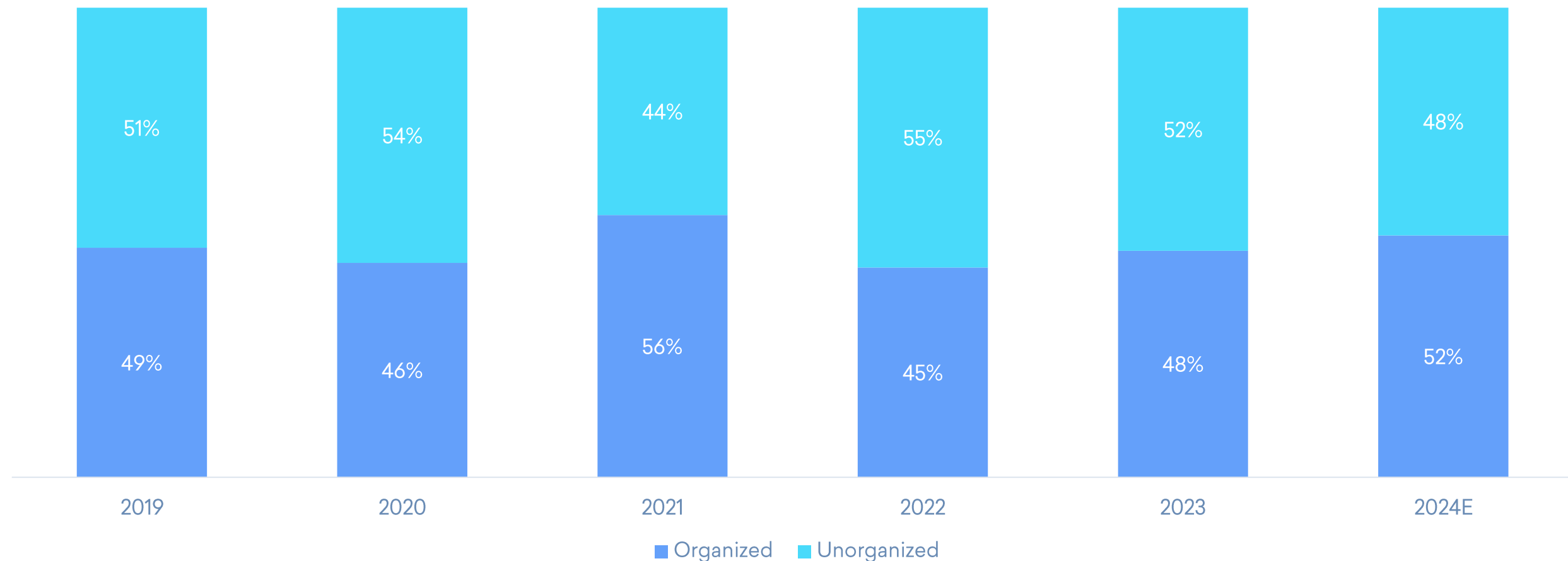
Share, %



**The organized market share is expected to increase by c. 4 pp in 2024 as a result of further physical expansions that took place at the end of 2023**

## Organized and unorganized market breakdown of retail trade of apparel

Share, %



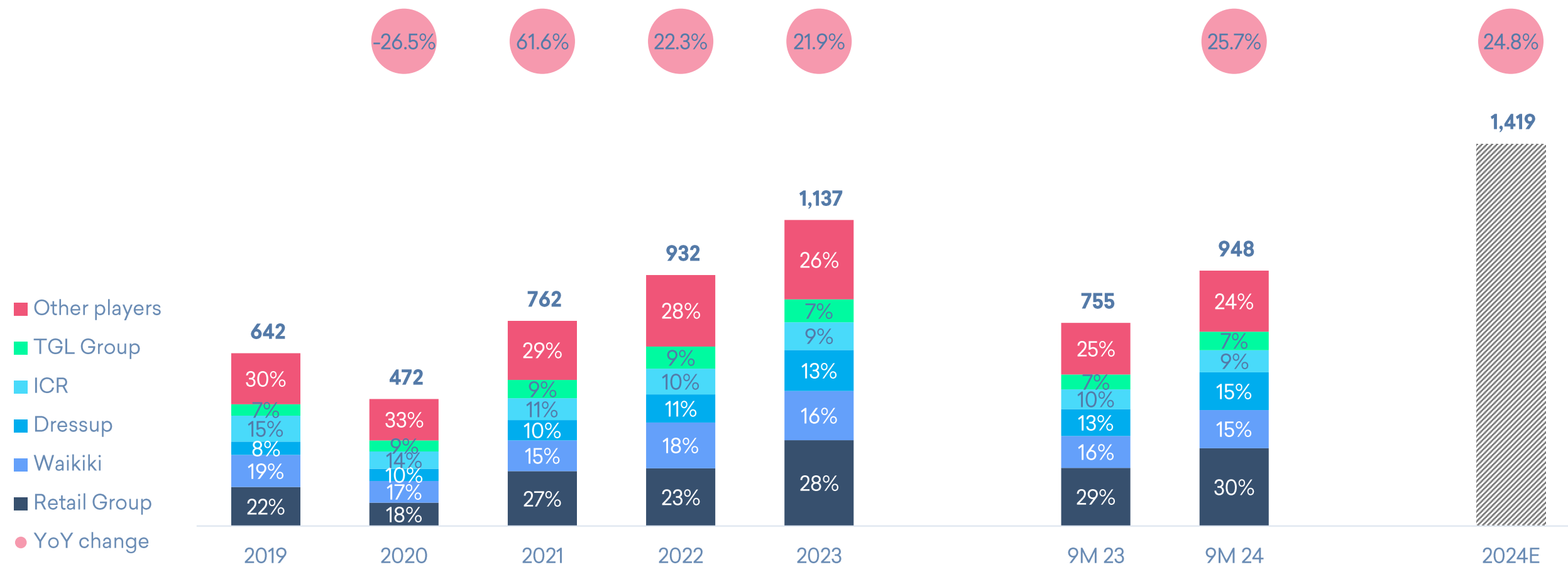


# No major shifts in market shares have been observed in 2024, with the top five market players still being responsible for c. 75% of total organized market revenues

12

## Organized market breakdown of retail trade of apparel

Share %, GEL mln, incl. VAT

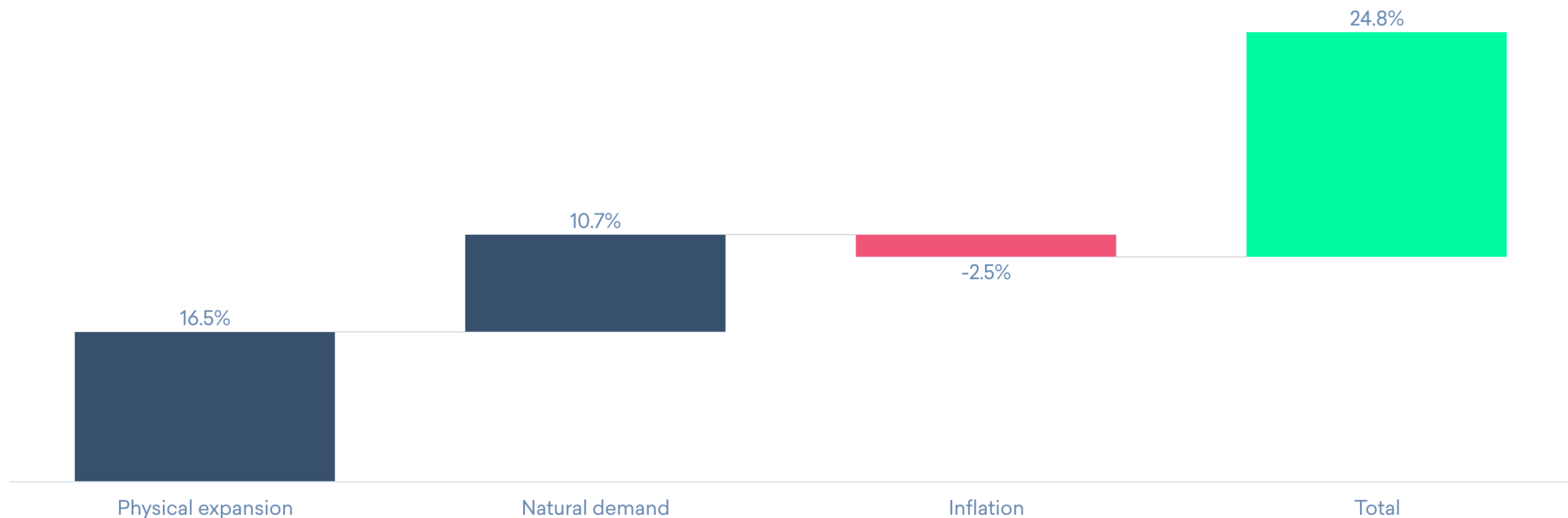


The year is expected to close at an annual growth of c. 25% for the organized market, with physical expansion being the main driver, followed by increase in natural demand

13

### Breakdown of the expected growth of the organized market, 2024

YoY growth, %





## LEGAL NOTICE

This publication (the “Publication”) has been prepared and distributed by TBC Capital LLC (“TBC Capital”) member of TBC Bank Group PLC (“Group”) for informational purposes only and independently of the respective companies mentioned herein. TBC Capital is operating and performing its professional services on the territory of Georgia and is duly authorized to prepare and distribute this Publication on the territory of Georgia. Nothing in this Publication shall constitute an offer or invitation to treat to solicit buying or selling or subscribing any assets and/or securities and nothing herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions. Since distribution of this Publication may be restricted by law in certain jurisdictions, persons into whose possession this Publication comes are required by TBC Capital to inform themselves about and to observe any and all restrictions applicable to them. As this Publication is not directed to or intended for distribution, directly or indirectly, to or use by any person or entity in any jurisdiction where such distribution, publication, availability or use would be contrary to the applicable law or which would require any registration or licensing within such jurisdiction, neither TBC Capital nor any member of the Group nor any of their respective director(s), partner(s), employee(s), affiliates, adviser(s) or agent(s) (“Representatives”) accept any direct or indirect liability to any person in relation to the publication, distribution or possession of this Publication in or from any jurisdiction. This Publication is not intended to provide any investment, business, tax and/or legal advice, and credit or any other evaluation. Recipients of this Publication are strongly required to make their own independent investigation and detailed appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion and consideration. Any and all information contained in this Publication is subject to change without notice, and neither TBC Capital nor any member of the Group nor any of their Representatives are under any obligation to update or keep information contained in this Publication. Distribution of this Publication, at any time, does not imply that information herein is correct, accurate and/or complete as of any time after its preparation date or that there has been no change in business, financial condition, prospects, credit worthiness, status or affairs of the respective companies or anyone else since that date. Accordingly, this Publication should not be considered as a complete description of the markets, industries and/or companies referred to herein and no reliance should be placed on it. TBC Capital does not undertake to update this Publication or to correct any inaccuracies therein which may become apparent. The Publication may include forward-looking statements, but not limited to, statements as to future operating results. Any “forward-looking statements”, which include all statements other than statements of historical facts, involve known and unknown risks, uncertainties and other important factors beyond TBC Capital's control that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment operating in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. No assurances can be given that the forward-looking statements in this document will be realized. TBC Capital does not intend to update such forward-looking statements. Opinions, forecasts, estimates and/or statements relating to expectations regarding future events or the possible future performance of investments represent TBC Capital's own assessment and interpretation of information available to it currently from third party sources. Information obtained from the third party sources believed to be reliable, but that there is no guarantee of the accuracy and/or completeness of such information. TBC Capital does and seeks to do and any member of the Group may or seek to do business with companies covered in this Publication. Thus, investors should be aware that TBC Capital may have a potential conflict of interest that could affect the objectivity of the information contained in this Publication. This Publication may not be reproduced, redistributed or published, in whole or in part, in any form for any purpose, without the written permission of TBC Capital, and neither TBC Capital nor any member of the Group nor any of their Representatives accept any liability whatsoever for the actions of third parties in this respect. TBC Capital makes no expressed or implied representation or warranty of usefulness in predicting the future performance or in estimating the current or future value of any security or asset, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this Publication. Without limiting any of the foregoing and to the extent permitted by law, TBC Capital or any member of the Group or any of their Representatives expressly disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this Publication or its contents (including without limitation to the accuracy and/or completeness of information therein) or otherwise arising in connection with this Publication or for any act or failure to act by any party on the basis of this Publication.

7 Marjanishvili Str., Tbilisi 0102, Georgia  
Tel: +995 32 2 272727 | +995 32 2 272733

Email: [Research@tbccapital.ge](mailto:Research@tbccapital.ge)      [www.tbccapital.ge](http://www.tbccapital.ge)  
Email: [Macro@tbcbank.com.ge](mailto:Macro@tbcbank.com.ge)      [www.investing.tbccapital.ge](http://www.investing.tbccapital.ge)





**TBC** CAPITAL