



# Overview of healthcare sector in Georgia 2024

May 2025

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# Executive summary

The healthcare sector in Georgia is structured as a mixed system, comprising both public and private providers. The private sector dominates healthcare service delivery, with most hospitals and clinics operated by private entities, while the government plays a significant role in healthcare financing through the Universal Healthcare Program and various targeted state-funded programs. The sector is moderately concentrated, with ten major hospitals accounting for approximately 50% of total market revenue, while the remaining share is distributed among smaller providers.

Over the past decade, Georgia's healthcare sector has undergone a significant transformation, marked by expanded public funding, structural reforms, and growing private sector involvement. The introduction of the Universal Healthcare Program (UHC) in 2013 played a central role in improving access to healthcare services and reducing the financial burden on patients. By 2023, government healthcare expenditure reached 1.7 billion GEL, and UHC funding exceeded 1 billion GEL for the first time, accounting for over 62% of public healthcare spending. In 2024, UHC funding remained robust at 1.04 billion GEL, accounting for 51% of total healthcare expenditure—still above pre-pandemic levels. Meanwhile, out-of-pocket expenditures continue to represent a significant share—40% of total healthcare spending in 2023—highlighting ongoing gaps in financial protection and insurance coverage.

Private health insurance is expanding, with over 1.13 million policies issued in 2024 and written premiums reaching 534 million GEL. However, insurance still covers a relatively small share of healthcare expenditures (9%), indicating room for growth in insurance penetration and a need for better financial risk protection.

Demographic trends are reshaping the demand for healthcare services. Georgia's population is aging, with those aged 65 and above increasing from 14.1% in 2013 to 16.2% in 2024, driving higher demand for chronic and long-term care. At the same time, a steady decline in birth rates—a 36% drop in total births since 2014—is expected to reduce future demand for pediatric and maternity services while accelerating population aging.

On the supply side, the healthcare workforce remains imbalanced, with a low nurse-to-physician ratio of 0.89, far below EU standards and regional country averages, potentially straining care quality and hospital operations. Healthcare infrastructure and personnel are heavily concentrated in Tbilisi, leading to regional disparities in access, particularly in rural areas.

# Overview of the healthcare sector

## Sectoral output and growth trends

The output of Georgia’s healthcare sector has grown significantly in recent years, reflecting increased demand for services, expanded public funding, and ongoing structural reforms.

From 2018 to 2021, Georgia’s healthcare sector experienced steady and then accelerated growth, with output increasing from 2.7 bn GEL in 2018 to 4.6 bn GEL in 2021. The significant expansion in 2020 and 2021 was largely driven by the COVID-19 pandemic, which led to increased hospitalizations, diagnostic testing, emergency care, and government healthcare spending. The surge in pandemic-related healthcare services significantly contributed to the rise in sector output during this period.

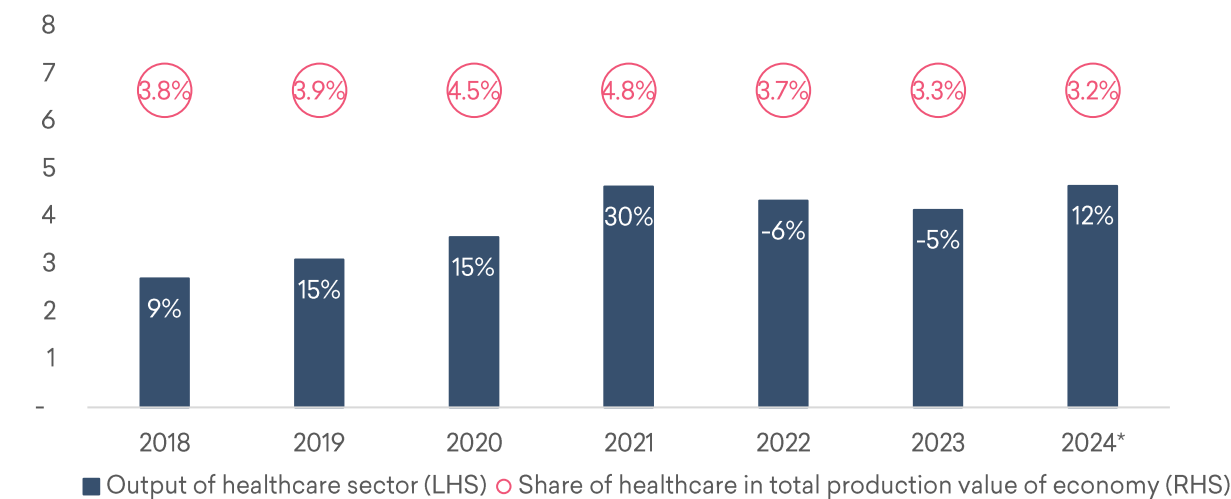
In 2022, the sector’s output declined to 4.4 bn GEL, marking a 6% YoY decrease, followed by another 5% decline in 2023 to 4.2 bn GEL. This contraction can be attributed to the easing of pandemic-related healthcare expenditures, fewer hospitalizations, and a gradual normalization in healthcare utilization patterns.

The end of mass COVID-19 treatment and testing services, along with lower hospitalization rates, were key drivers behind the reduced output.

Despite this decline, the sector rebounded in 2024, with output rising to 4.7 billion GEL, a 12% increase from the previous year. Notably, this level surpasses the pandemic-era peak, signaling renewed growth driven by increased service utilization, investment, and policy support.

Over the 2018–2024 period, the total CAGR was 9.4%. Between 2018 and 2024, the healthcare sector's share in the total economic output decreased from 3.8% (2018) to 3.2% (2024), indicating that the sector grew at a slower pace than other industries in the economy.

Figure 1. The output of healthcare sector (bn GEL, LHS), and its share in total output of economy



Source: Geostat, TBC Capital;

\*Preliminary data

Note: Output value also included social work activities



# Overview of the healthcare sector

## Market structure and financial performance

The Georgian healthcare sector is moderately concentrated, with a high level of competition among market participants. Ten major hospitals account for around 50% of the market's total revenue. This structure indicates a mix of dominant firms and a fragmented segment of smaller players. A highly fragmented and competitive market, along with recent and upcoming regulations, create conditions for market consolidation.

Financially, the healthcare sector has shown positive performance, with total revenue increasing from 0.8 bn GEL in 2018 to 1.5 bn GEL in 2022. The COVID-19 pandemic had a significant impact on clinic revenues and expenses in 2020, putting pressure on revenues and costs and pushed down NI margin to as low as 4%. However, in 2021, as funding for Covid management increased and improved GEL positions generated financial income for the sector, EBITDA Margin of the healthcare sector increased to 25% and NI margin increased to 17%.

In 2022, the revenues in the healthcare sector stabilized and NI margin normalized at 8%, while EBITDA Margin normalized to 15%.

In 2023, Georgia's healthcare sector faced a notable decline in profitability, with the net income (NI) margin reducing at 0.2%, down from 8% in 2022. This shift marks a significant post-pandemic correction as well as increased operating and capital expenses, driven by new accreditation requirements and the associated investments in infrastructure, equipment, and quality standards. While the EBITDA margin remained positive at 12%, it also declined compared to 15% in 2022 and 25% in 2021, indicating growing pressure on operating efficiency.

Figure 2. Distribution of healthcare market share in terms of revenues, as of 2023

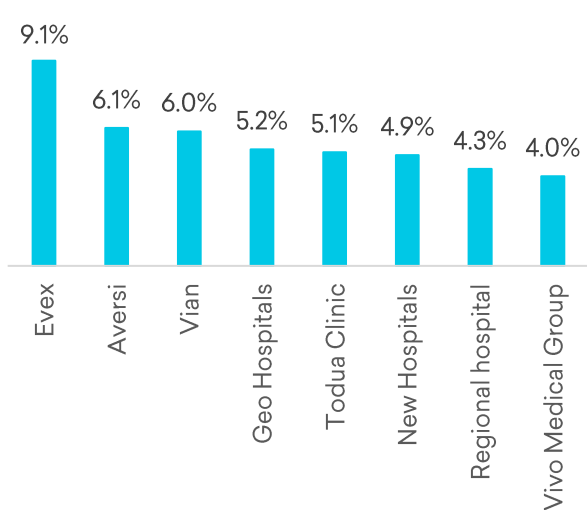
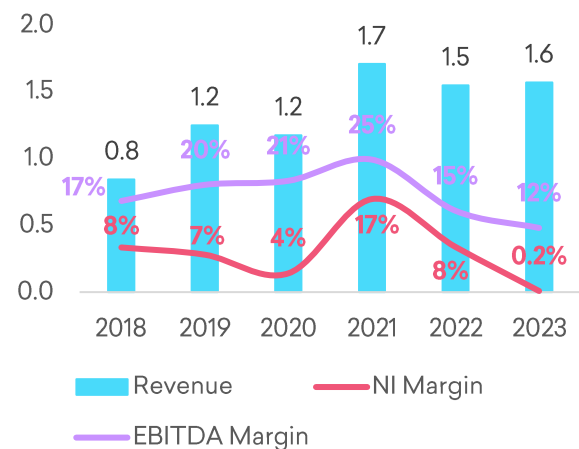


Figure 3. Revenue, Net Income Margin and EBITDA Margin of Healthcare Companies, in Bn GEL, 2018-2023



Source: SARAS, TBC Capital

\*The calculations are based on the data of 92 hospitals and clinics.

# Healthcare expenditures

## Structure and trends

Georgia's healthcare expenditures have seen significant fluctuations over the past six years, largely influenced by the COVID-19 pandemic and shifting patterns in public and private spending. The pandemic contributed to higher healthcare costs in 2020 and 2021, driven by emergency response measures, hospitalizations, and testing. With the easing of the pandemic in 2022, COVID-19-related expenses declined, leading to a 3% reduction in total healthcare expenditures compared to the previous year.

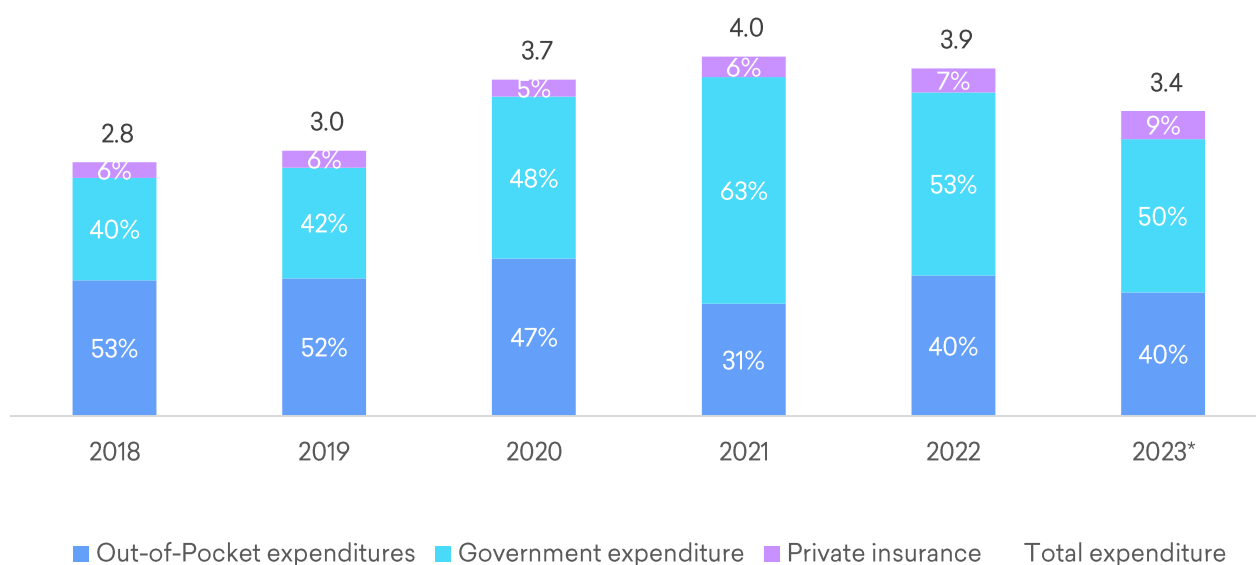
In 2023, healthcare spending fell further by 12% year-on-year, reaching 3.4 billion GEL, as pandemic-era government funding was gradually phased out and healthcare utilization normalized. Despite this decline, total healthcare expenditure in 2023 remained 15% higher than the pre-COVID level in 2019, reflecting an overall upward shift in baseline healthcare spending.

Healthcare expenditures in Georgia are composed of three main categories: out-of-pocket spending by the population (40%), government (public) expenditure (50%), and private insurance (9%), based on 2023 data.

As the coverage of the Universal Healthcare Program expanded, the share of out-of-pocket expenditures declined significantly—from 53% in 2018 to 40% in 2023. During the same period, the share of private health insurance in total expenditures increased modestly, from 6% in 2018 to 9% in 2023, on the background of increased public expenditures and stable volume of private insurance's expenditures.

Meanwhile, the government's share of total healthcare expenditures rose from 40% to 50%, reflecting the state's growing role in healthcare financing and access.

Figure 4. Healthcare expenditure by categories, bn GEL



Source: Ministry of Health, Labor, IDPS and Social Affairs of Georgia, Ministry of Finance of Georgia, Geostat, Insurance State Supervision Service, World Bank, TBC Capital

\* Please note that the absolute indicator for out-of-pocket expenditure in 2023 is not available and has been estimated based on its share

# Healthcare expenditures

## Out-of-pocket expenditure

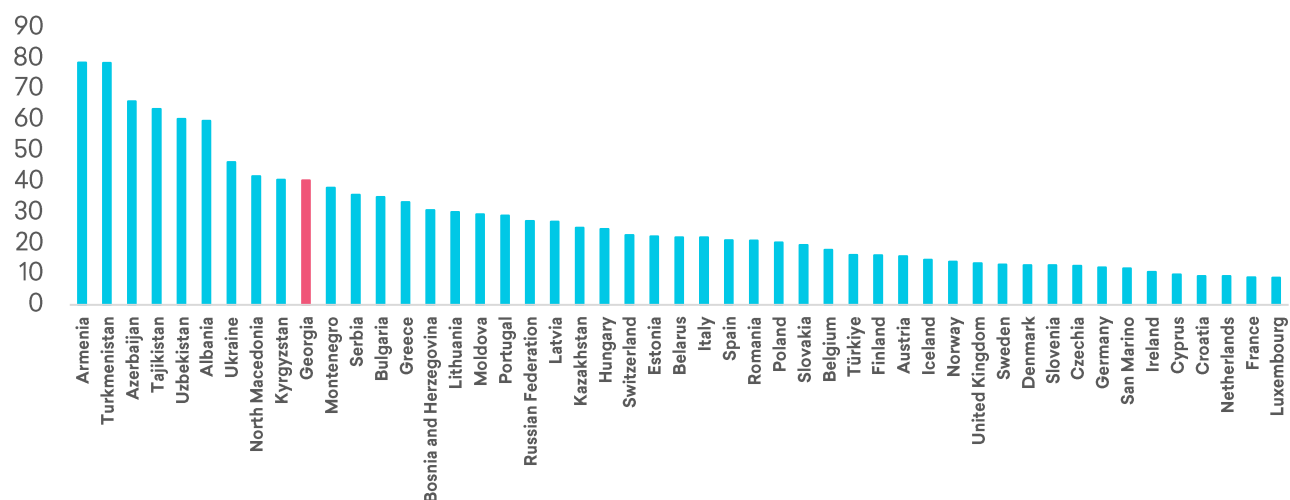
Compared to other countries, the share of out-of-pocket spending in Georgia's total healthcare expenditure is relatively high. In 2023, out-of-pocket expenditures on healthcare stood at 40% of total healthcare expenditures, putting Georgia 10th by the share of out-of-pocket expenditures among 49 countries of Europe and Central Asia.

This figure is significantly higher than the EU average of around 21% and the high-income country average of approximately 14%, highlighting the comparatively greater financial burden placed on individuals in Georgia.

This indicates that a significant portion of healthcare costs in Georgia is covered directly by individuals at the point of service, rather than through other means such as government funding or insurance programs

According to the Healthcare Strategy, Georgia's target is to reduce the share of out-of-pocket spending to 25% by 2030. Achieving this will require a combination of increased public financing, expanded insurance coverage, and strengthened primary healthcare services to reduce cost burdens on individuals.

Figure 5. Share of out-of-pocket expenditures in total healthcare expenditures in Europe and Central Asia\* (%)



Source: The World Bank Open Data

\*Please note that the most recent available data is used (2022-2023)

# Healthcare expenditures

## Government expenditure

Government expenditure on healthcare in Georgia has followed a dynamic trajectory over the past six years, shaped largely by the expansion of public health programs and the impact of the COVID-19 pandemic. Total government healthcare spending increased steadily from 1.1 billion GEL in 2018 to a peak of 2.5 billion GEL in 2021, driven by pandemic-related needs such as emergency response, hospital care, and testing.

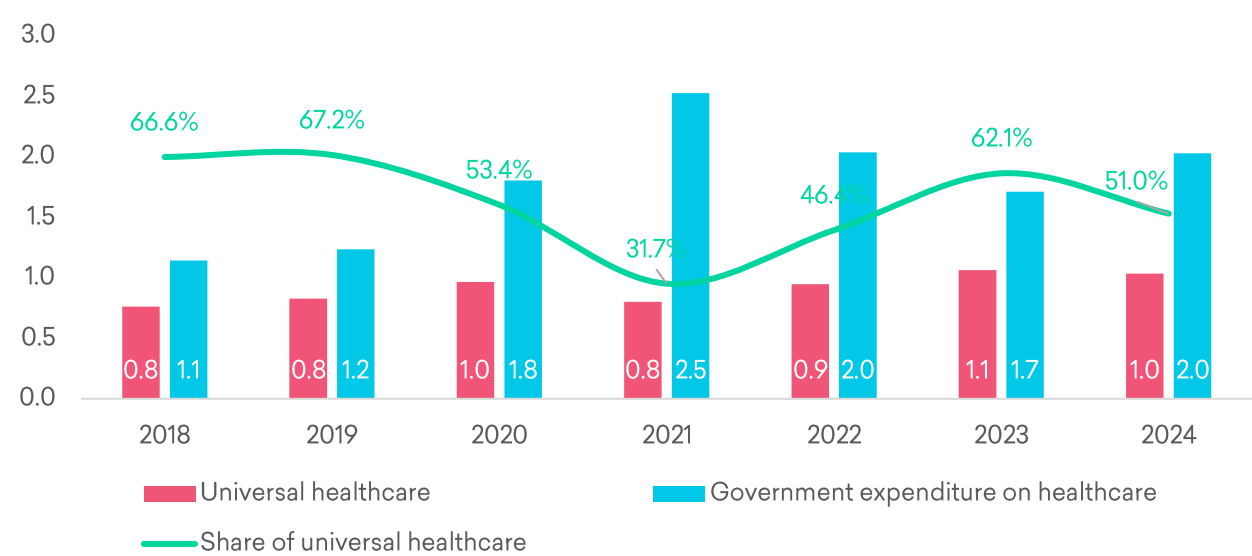
After declining in 2022 and 2023, public healthcare expenditure rose again in 2024, reaching 2.0 billion GEL, signaling a renewed focus on strengthening the healthcare system post-pandemic. However, it remains significantly higher than pre-pandemic levels, indicating a sustained increase in public investment in healthcare.

The Universal Healthcare Program (UHC) remains the core component of public healthcare financing in Georgia, accounting for the largest share of government healthcare expenditure—averaging around 55% over the past seven years.

As UHC coverage expanded, funding for the program increased from 760 million GEL in 2018 to over 1 billion GEL in 2023 and 2024. However, during 2020–2021, the share of UHC within total government healthcare spending declined to 53.4% and 31.7%, respectively, as resources were redirected toward COVID-19 response measures. In November 2022, Georgia implemented the Diagnosis Related Groups (DRG) funding model within its UHC program, standardizing hospital reimbursement rates based on specific diagnoses and procedures. The transition to DRGs began in 2023 for certain hospital services, aiming to gradually replace fee for service reimbursement under UHC.

In 2023, despite lower overall public spending, UHC funding reached a record 1.06 billion GEL, pushing its share up to 62.1%. In 2024, UHC funding remained robust at 1.04 billion GEL, accounting for 51.0% of total healthcare expenditure—still above pre-pandemic levels. Looking ahead, expenditures for the UHC program are expected to increase further by 18% in 2025.

Figure 6. Government expenditure on healthcare, bn GEL and share of universal healthcare (%)



Source: Geostat, Ministry of Finance of Georgia, TBC Capital



# Healthcare expenditures

## Universal Healthcare Program

In 2023, the number of beneficiaries of the Universal Health Insurance program reached 752.9 thousand, which is a 6% increase compared to 2022. This represents 20% of the total population. However, when compared to 2018-2019, this figure is lower, likely due to the impact of the COVID-19 pandemic, as well as changes in healthcare utilization patterns during and after the pandemic period.

Between 2018 and 2023, both the number of incidents covered under Georgia’s UHC and the corresponding reimbursed amount have shown a generally upward trend, reflecting expanded program utilization and rising healthcare costs.

In 2023, the number of incidents of UHC utilization reached 1.4 million, reflecting a 9% increase compared to the same period in 2022 and approaching the pre-pandemic high of 1.5 million in 2019. This marks a strong recovery from the pandemic-induced decline in 2020 and 2021, when incident numbers fell to 1.2 million and 1.1 million, respectively, likely due to reduced healthcare-seeking behavior and service disruptions.

A growing trend is also observed in the amount of funds reimbursed under the UHC program. In 2023, the reimbursed amount reached 1.1 billion GEL, representing an 18% increase compared to the previous year.

Figure 7. Number of universal healthcare beneficiaries and their share in total population of Georgia

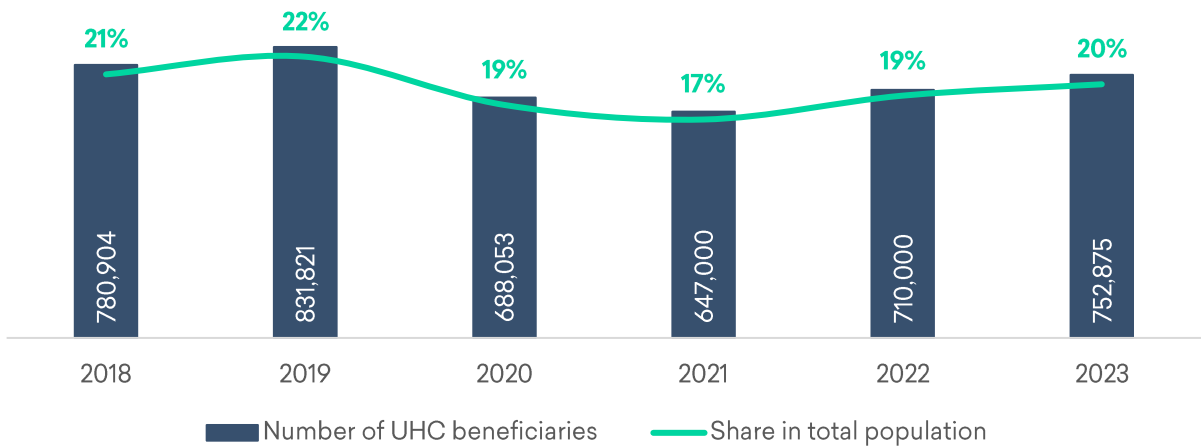
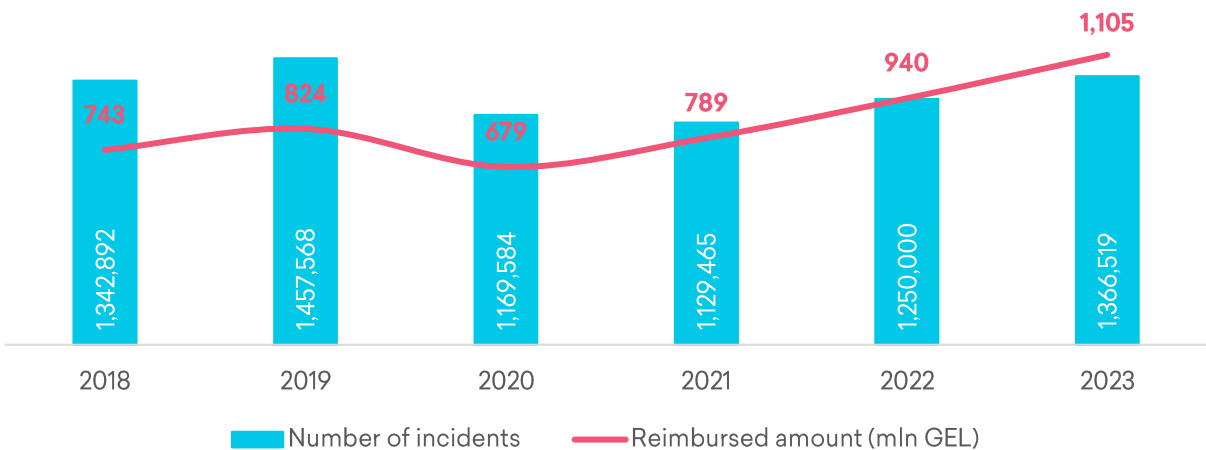


Figure 8. Number of incidents in Universal Healthcare program and reimbursed amount



Source: National Health Agency, Geostat, TBC Capital

# Healthcare expenditures

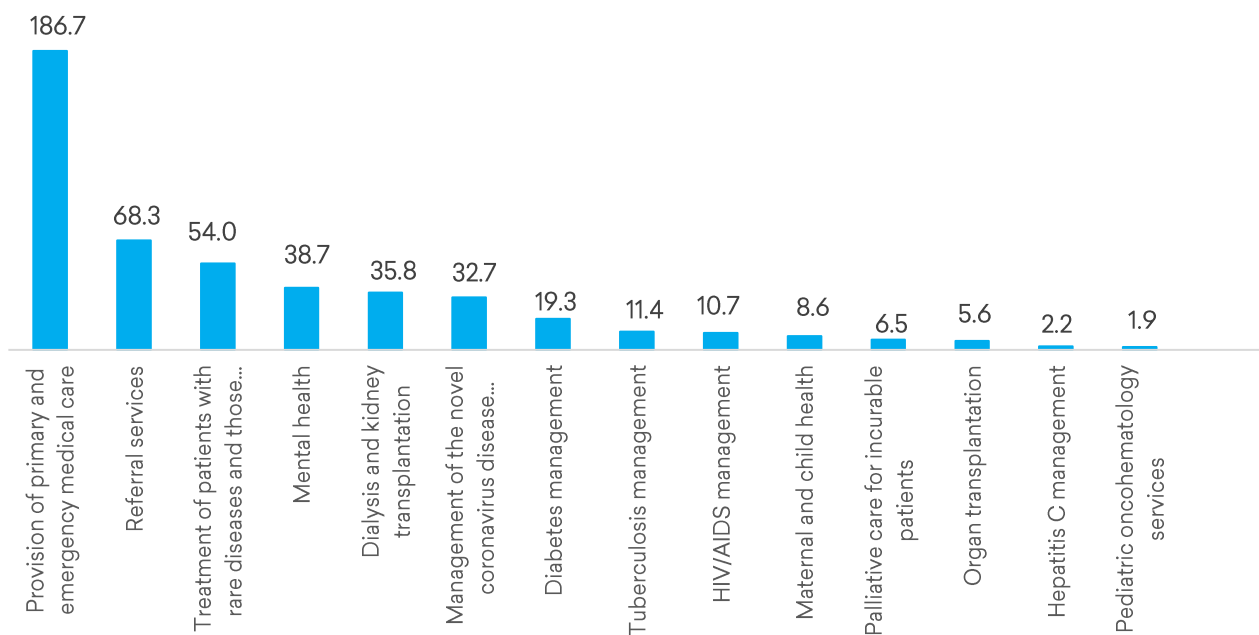
## Other state-funded healthcare programs

In addition to the UHC program, the government implements targeted programs aimed at improving the financial and physical accessibility of healthcare services for the population. In 2023, among other state-funded healthcare programs, the highest allocation (186.7 million GEL) was directed toward the provision of primary and emergency medical care, accounting for 38.7% of these expenditures.

A relatively new program is organ transplantation (including bone marrow and liver transplantation), for which 5.6 million GEL (1.2%) was allocated in 2023. With the increase in funding (as the financing for these procedures has been increased 4 times), the number of performed operations is expected to rise in the future.

The second-largest expenditure was for referral services, amounting to 68.3 million GEL, which represented 14.2% of total expenditure excluding UHC.

Figure 9. Expenditures on other state-funded healthcare programs, 2023 (mln GEL)



Source: National Health Agency, MoF, TBC Capital

# Healthcare expenditures

## Private insurance

The healthcare insurance market in Georgia, one of the drivers of the demand on healthcare services, experienced significant growth in recent years.

In 2024, Georgia’s private health insurance sector continued its upward trajectory, marked by notable growth in all key indicators. Written premiums reached 533.8 million GEL, reflecting a 19.5% year-on-year increase from 2023 and more than doubling compared to 2018. Similarly, claims paid rose to 358.7 million GEL, a 14% increase from the previous year, suggesting both higher utilization of insurance-covered services and an expanding base of insured individuals.

The number of medical policies issued by private insurance companies also experienced significant growth in 2024, surpassing 1.13 million policies—an increase of 15.4% compared to 2023. This marks the highest level in recent years, indicating improved adoption of private health insurance among the population. Notably, medical insurance now accounts for approximately 42% of the total insurance market, underscoring its growing importance within the broader insurance industry. However, despite these positive trends, the overall coverage of healthcare expenses by private insurance remains relatively low, . In 2023, private insurance contributed only 9% of total healthcare expenditures.

Figure 10. Premiums collected by private insurance companies from medical insurance (mln. GEL), indemnified losses (mln. GEL) and share of medical insurance in total insurance

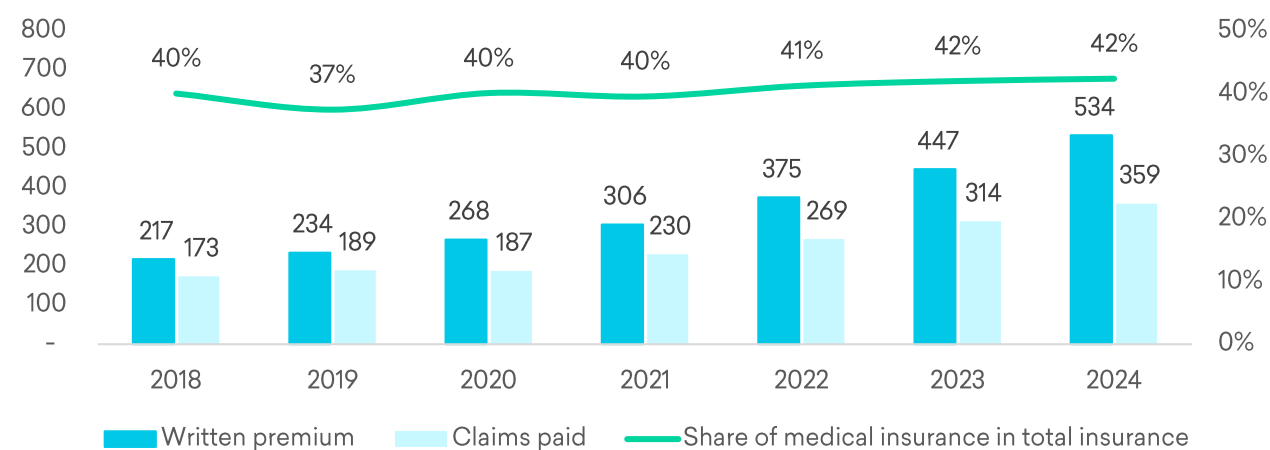
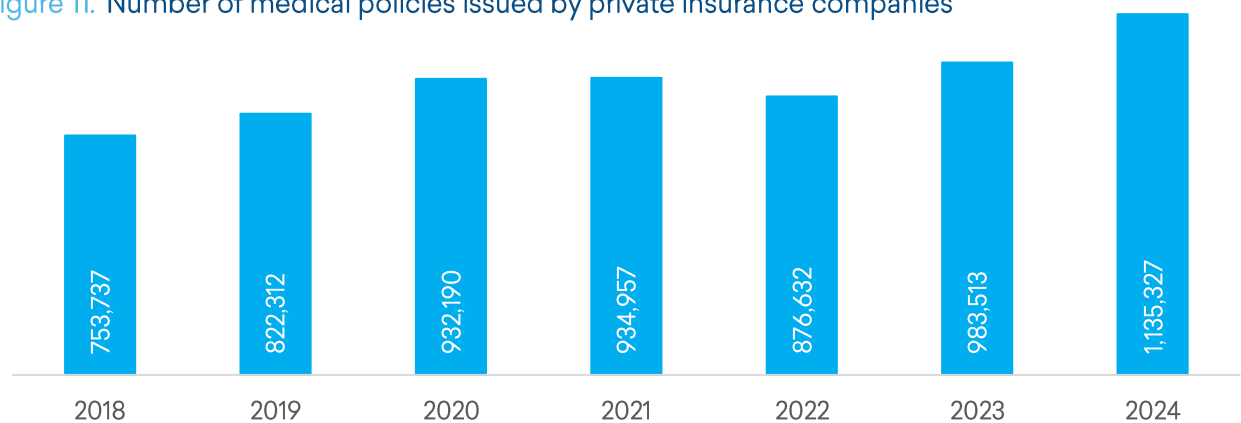


Figure 11. Number of medical policies issued by private insurance companies



Source: Insurance State Supervision Service of Georgia

# Drivers of sector development: demand side

## Demographic trends

The demand for healthcare services is, among other factors, driven by demographic dynamics of the Country. In 2023, Georgia's population reached 3,736.4 thousand, the highest recorded in the past decade. The main contributing factors to population growth were migration to the country (the influx of migrants to Georgia increased due to the Russia-Ukraine war), changes in social factors, economic conditions, and individual choices.

Over the years, Georgia has experienced significant population outflows, primarily driven by social and economic factors.

Between 2013 and 2022, the migration balance remained negative, except for 2020, when travel disruptions caused by the pandemic temporarily halted migration, in 2022, when migration inflows increased due to the Russia-Ukraine war, and in 2024. The emigration of the younger population has impacted the country's demographic dynamics, contributing to a decline in the total population and changes in the age structure. The decrease in birth rates and overall population size has had a negative effect on the demand for healthcare services.

Figure 12. Population of Georgia on January 1st ('000)

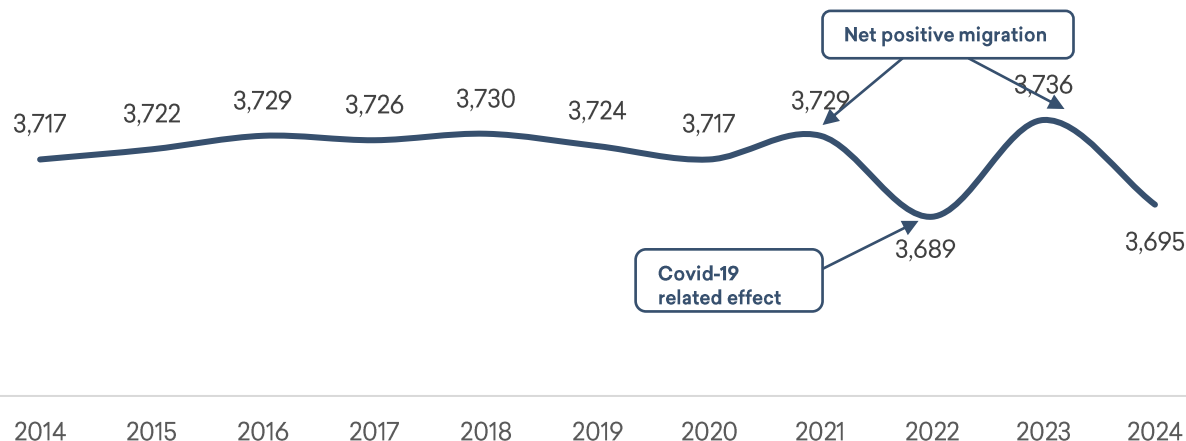
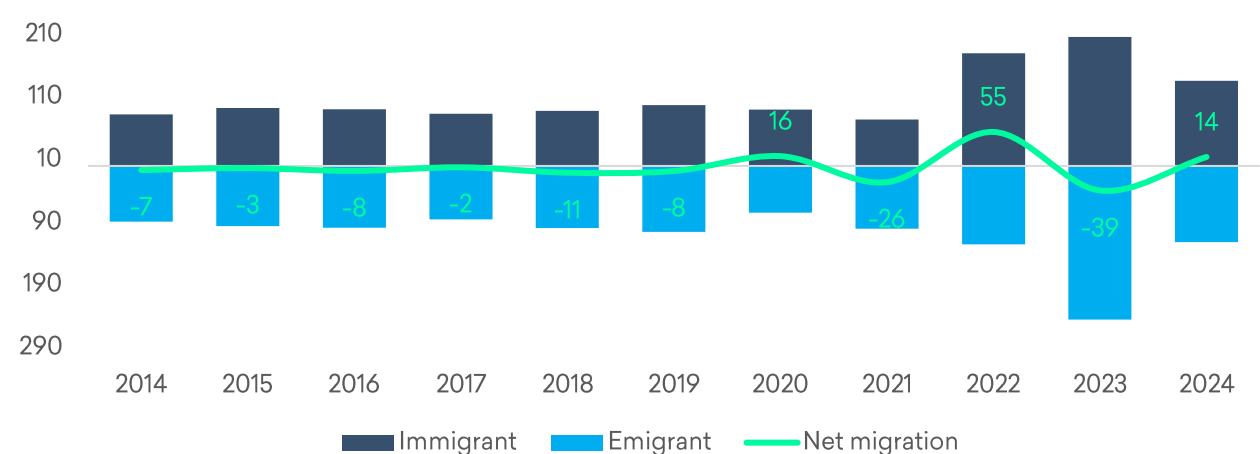


Figure 13. Migration dynamics ('000)



Source:Geostat

\*Please note that the official population data as of January 1st of each year reflects the size of the population from the previous year, rather than an exact real-time count. This means that demographic trends, including migration and natural growth rates from previous years, are embedded in these figures.

# Drivers of sector development: demand side

## Demographic trends

Like many other countries, Georgia faces the challenge of an aging population. The share of Georgia’s population aged 65 and above has shown a steady increase over the past decade, rising from 14.1% in 2013 to 16.2% in 2024. This gradual but persistent trend reflects the country’s aging demographic profile, driven by declining birth rates and increased life expectancy. The aging of the population has significant implications for the healthcare sector, as older individuals typically require more frequent and complex medical care, including chronic disease management, long-term care services, and specialized treatments.

Over the past decade, Georgia has experienced a steady and significant decline in overall birth rates, dropping from 60,540 births in 2014 to 38,936 in 2024—a 36% decrease. The decline is especially pronounced among first-time parents, with first births falling by 46%, from 26,355 in 2014 to 14,156 in 2024, indicating that fewer individuals are entering parenthood. Second births have also dropped by 43%, suggesting that many families are not expanding beyond one child. In contrast, births of third children or more have remained relatively stable, even increasing slightly from 11,014 to 11,457, reflecting the persistence of larger family norms in certain cultural or regional contexts.

Figure 14. Sex-age pyramid ('000), 2024

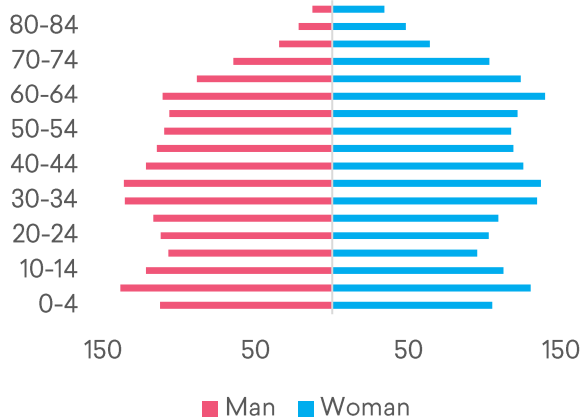


Figure 15. Newborns in order of birth ('000)

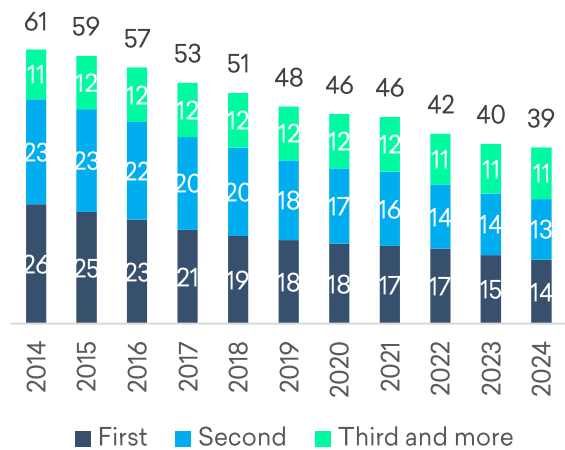
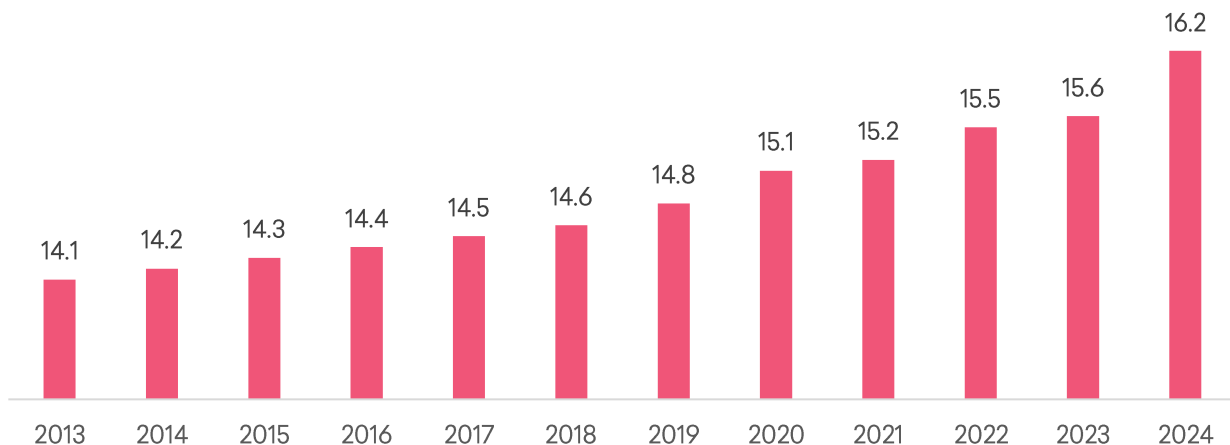


Figure 16. Percentage of population aged at 65 and above



Source: GeoStat



# Drivers of sector development: demand side

## Diseases and risk factors

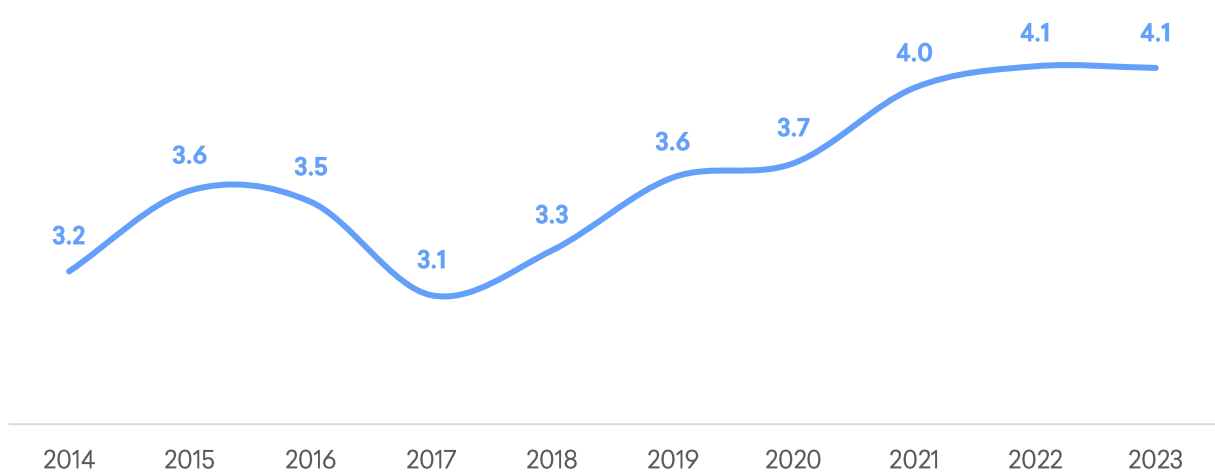
The demand for healthcare services is significantly influenced by diseases and key risk factors. In 2023, the population's morbidity increased by 24% compared to 2022. The highest increase was observed in endocrine system disorders, metabolic and research-related diseases (54%), pregnancy-related conditions (51%), and skin and subcutaneous tissue diseases (50%).

There has been an increase in outpatient and inpatient care in recent years. The total per capita out-patient visits for the population amounted to 4.1 in 2023, whereas this indicator was at 3.3 in 2018. The growth in visits is significantly associated with the development of comprehensive healthcare programs and a higher demand for healthcare services.

Table 1. Morbidity with acute and chronic diseases by main disease groups ('000)

Year	Endocrine System Diseases	Pregnancy, Childbirth, and the Postpartum Period	Skin and Subcutaneous Tissue Diseases	Diseases of the Eye and Its Appendages	Diseases of the Genitourinary System	Diseases of the Ear and Mastoid Process	Total
2022	57.1	13.4	49.4	72.1	79.7	42.3	1158.4
2023	87.6	20.3	74	104.9	113.3	60.1	1432.3
Difference	53%	51%	50%	45%	42%	42%	24%

Figure 17. Number of out-patient visits per capita



Source: Geostat

# Drivers of sector development: demand side

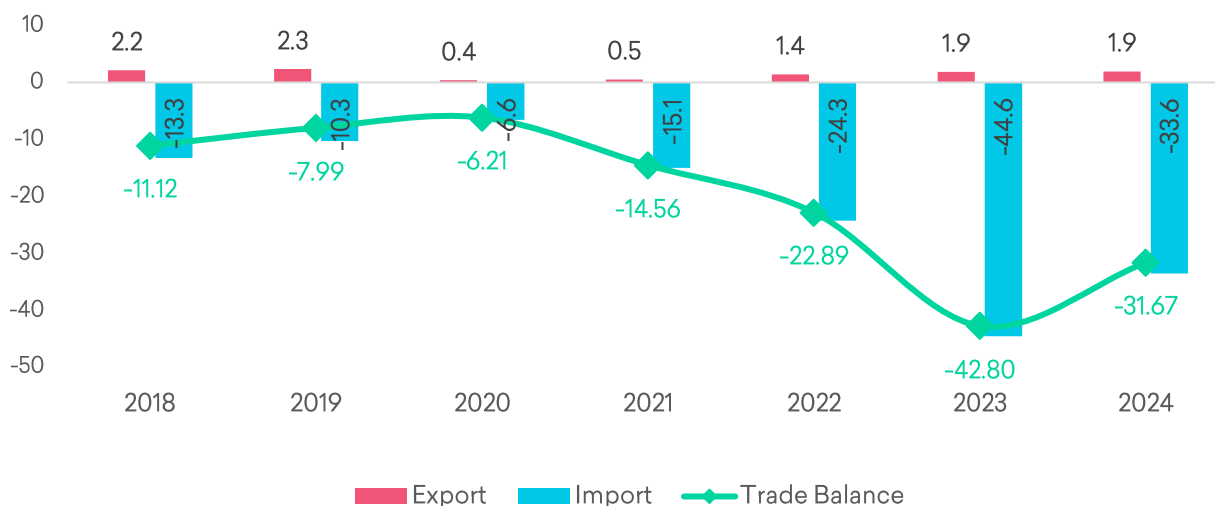
## Trade with healthcare services

Georgia's trade data on healthcare services reveals a persistent and widening trade deficit, driven by significantly higher imports than exports. In 2024, healthcare service exports amounted to just 1.92 million USD, while imports reached 33.6 million USD, resulting in a trade deficit of -31.7 million USD. Although exports have been gradually recovering from the pandemic-era low of 0.40 million USD in 2020, they remain modest.

Meanwhile, imports have surged—particularly in 2022 and 2023, when they peaked at 44.7 million USD—indicating growing reliance on foreign healthcare services, including outbound medical tourism, foreign diagnostics, and specialized treatments not available locally.

This negative trade balance underscores a key gap in Georgia's domestic healthcare system: insufficient capacity or quality in specialized medical services, which leads residents to seek treatment abroad, thereby increasing demand for foreign healthcare providers. It also signals unmet domestic healthcare needs, suggesting that despite increasing public and private spending, the local system may still lack advanced medical infrastructure, skilled personnel, or certain high-complexity services.

Figure 18. Trade with healthcare services, mln. USD



Source: NBG

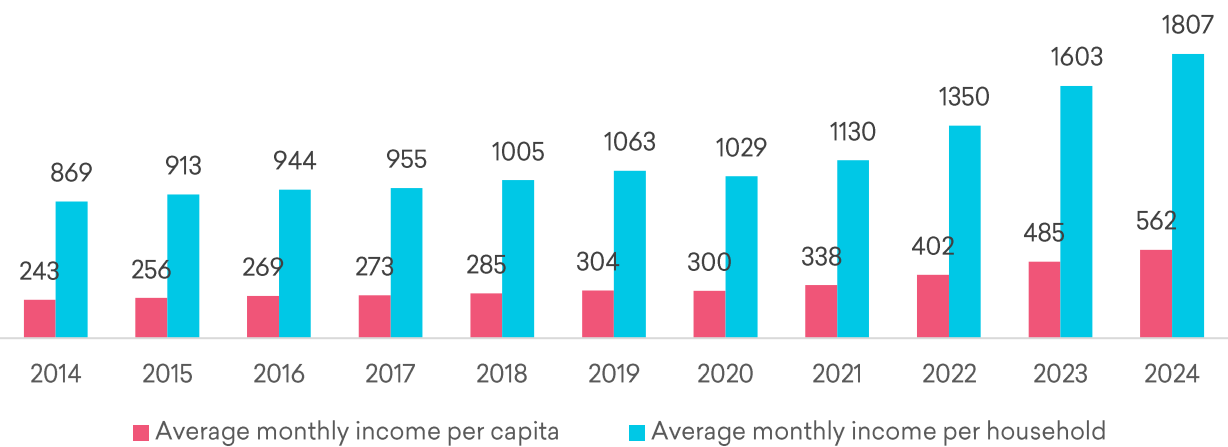
# Drivers of sector development: demand side

## Purchasing power of the population

Income is one of the key determinants of healthcare demand. Individuals with higher incomes generally have greater financial resources to cover healthcare expenses, including insurance premiums, out-of-pocket costs, and medical treatments. In recent years, household incomes have shown an upward trend. In 2024, the average monthly income per capita reached 562 GEL, marking a 16% increase compared to 2023 and nearly double the level in 2018. Meanwhile, the average monthly household income rose by 13% compared to 2023 and was up by 80% compared to 2018, reflecting overall growth in purchasing power.

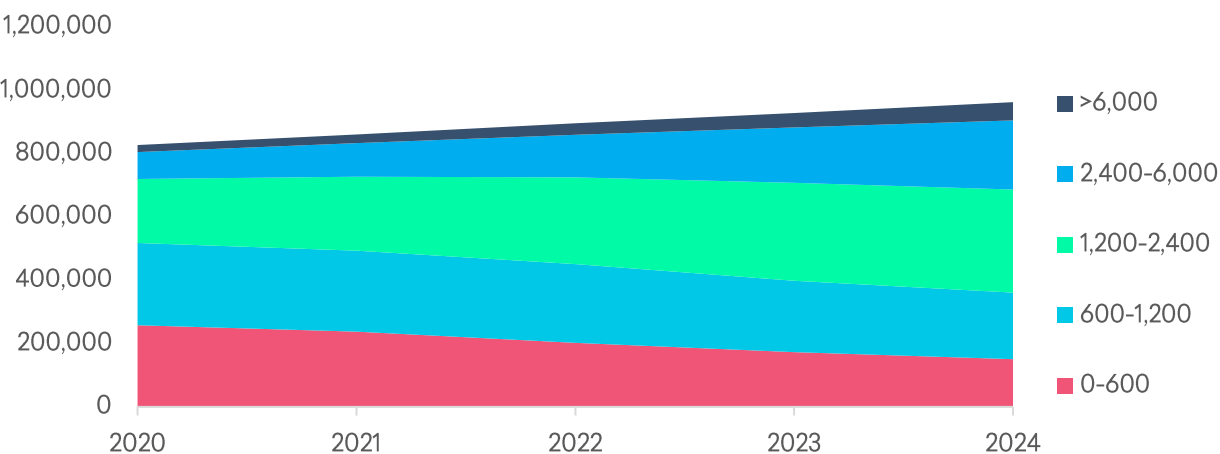
Between 2020 and 2024, the total number of salary recipients grew from 827 thousand to 963 thousand, marking a 16% increase. Over the past four years, Georgia has experienced a clear shift toward higher income brackets, reflecting rising purchasing power. The number of low-income earners (those earning less than 600 GEL per month) declined by 42%, while the 600–1,200 GEL group shrank by 19%, suggesting upward income mobility. Meanwhile, the middle-income segment (1,200–2,400 GEL) expanded by 61%, and the number of individuals earning 2,400–6,000 GEL surged by 157%, indicating rapid growth in the higher-income population.

Figure 19. Average monthly income of population (GEL)



Source: Geostat, TBC Capital

Figure 20. Number of individuals by average monthly salary ranges, including income taxes (GEL)



Source: Revenue service, TBC Capital

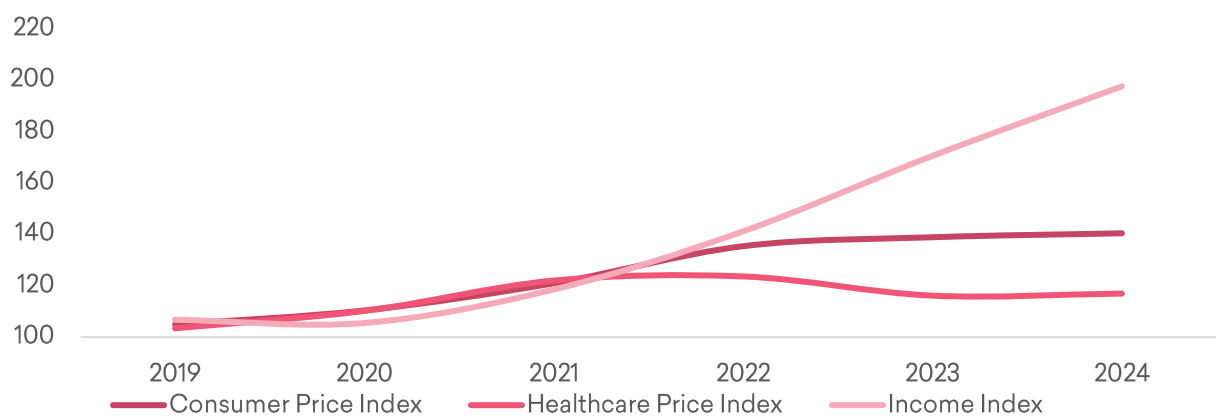
# Drivers of sector development: demand side

## Affordability of healthcare services

In recent years, the prices of healthcare services have risen significantly, reflecting the impact of inflation and increasing healthcare costs, likely driven by the pandemic. After these increases, the Healthcare Price Index declined by 6.5% in 2023 (compared to 2022) and slight 1% increase in 2024 (compared to 2023), suggesting a relative stabilization or correction following the sharp price hikes of previous years. It is important to note that during the 2018-2024, income growth outpaced the rise in healthcare service prices, indicating an overall improvement in affordability.

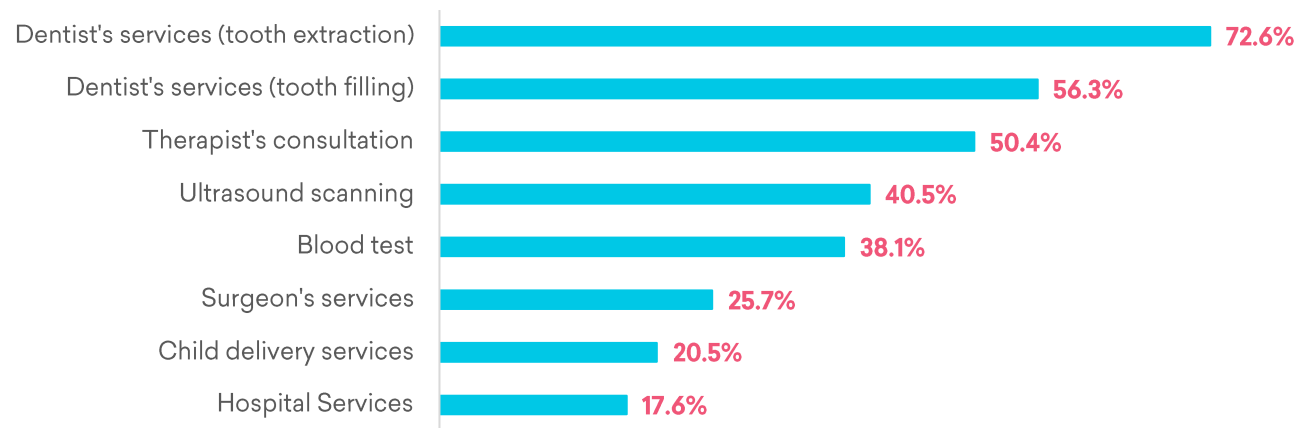
Between 2018 and 2024, the prices of healthcare services in Georgia saw significant increases, with dental services experiencing the highest surge—tooth extraction rose by 72.6%, and tooth filling by 56.3%. General medical services also saw substantial price hikes, including therapist consultations (50.4%) and ultrasound scans (40.5%). While hospital services (17.6%) and childbirth services (20.5%) increased at a relatively lower rate, the overall trend reflects a broad rise in healthcare costs, likely driven by inflation, increased demand, and higher operational expenses.

Figure 21. CPI Index, Healthcare price index, and Income index, 2018 = 100



Source: Geostat, TBC Capital

Figure 22. Change of prices on healthcare services in 2024 compared to 2018



Source: GeeStat, TBC Capital

# Drivers of sector development: supply side

## Healthcare service provision

As for the supply side, from 2018 to 2023, the number of healthcare service providers decreased. As expected, highly fragmented market and recent regulations create a room for market consolidation.

During 2020–2021, the number of hospital beds in Georgia increased due to the COVID-19 pandemic, which necessitated an expansion of healthcare capacity. However, this surge was followed by a decline in 2022 and 2023 as the pandemic subsided, reducing the demand for additional hospital beds. By 2023, the number of hospital beds were lower compared to pre-pandemic levels, likely due to low occupancy rate and the introduction of new regulations on the required distance between hospital beds.

In 2020 and 2021, utilization increased significantly to 5.6 and 6.2 days, respectively. This surge was driven by the COVID-19 pandemic, which led to a higher number of hospitalizations and prolonged stays due to the severity of cases and the need for extended medical care. As the pandemic eased, the utilization rate declined to 5.1 days in 2022 and slightly rebounded to 5.3 days in 2023. The decrease in 2022 reflects reduced COVID-related hospital admissions. The slight increase in 2023 may indicate a return to pre-pandemic hospital utilization patterns, influenced by factors such as aging demographics, the prevalence of chronic diseases, or adjustments in healthcare service delivery.

Figure 23. Number of hospitals and medical centers and the number of medical institutions rendering out-patient services to population

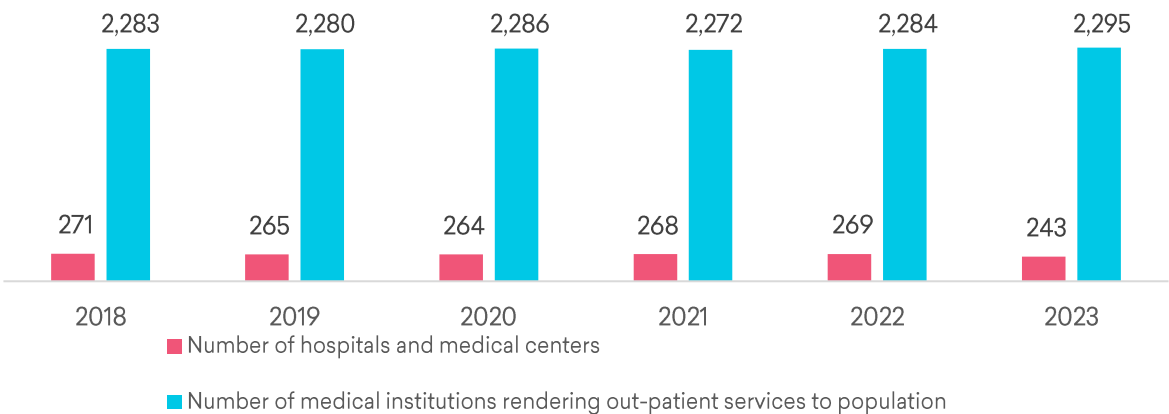
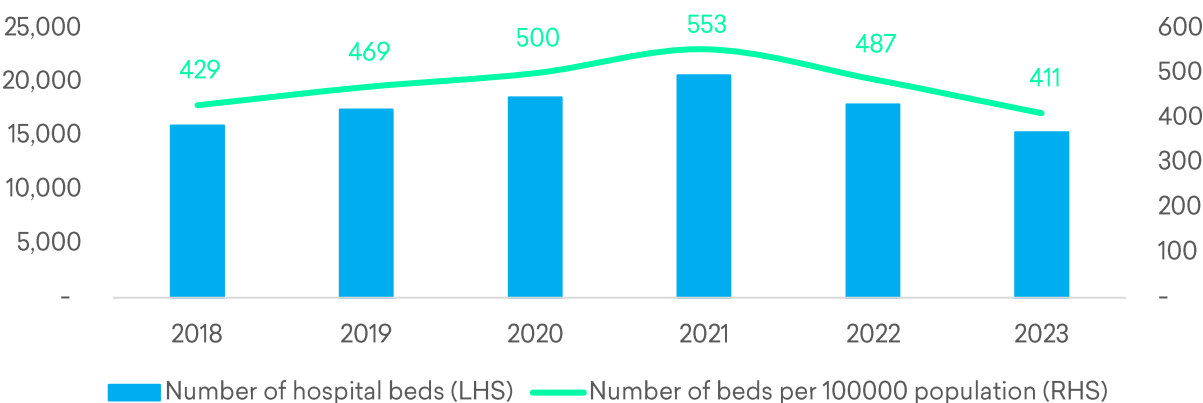


Figure 24. Number of hospital beds



Source: Geostat, TBC Capital



# Drivers of sector development: supply side

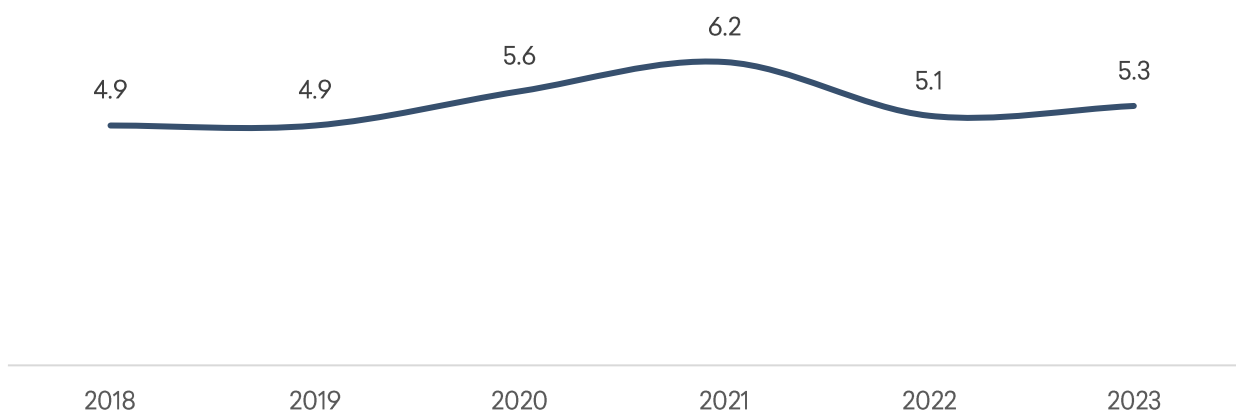
## Resources and their utilization

In 2020 and 2021, utilization increased significantly to 5.6 and 6.2 days, respectively. This surge was driven by the COVID-19 pandemic, which led to a higher number of hospitalizations and prolonged stays due to the severity of cases and the need for extended medical care. As the pandemic eased, the utilization rate declined to 5.1 days in 2022 and slightly rebounded to 5.3 days in 2023. The decrease in 2022 reflects reduced COVID-related hospital admissions.

The slight increase in 2023 may indicate a return to pre-pandemic hospital utilization patterns, influenced by factors such as aging demographics, the prevalence of chronic diseases, or adjustments in healthcare service delivery.

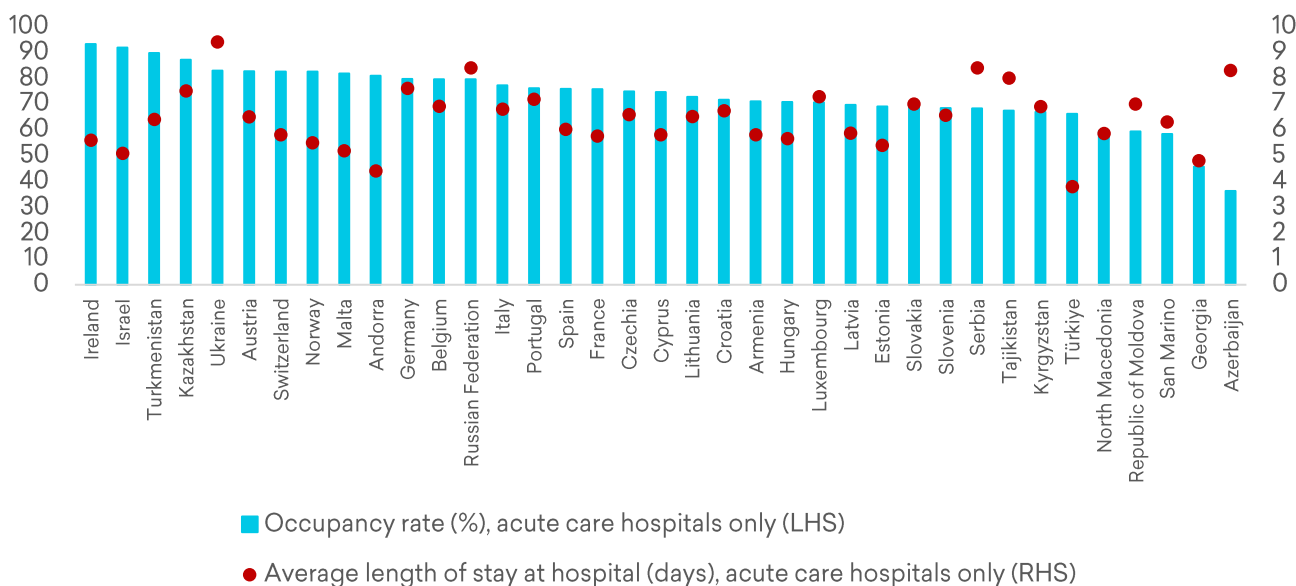
Georgia has a low bed occupancy rate of 45.8%. In addition, the average length of hospital stay for patients is 4.8 days, which is lower than the average rate of the selected countries (6.4 days).

Figure 25. Utilization of one hospital bed, days



Source: Geostat, TBC Capital

Figure 26. Bed occupancy rate (%) and average length of hospital stay (days) by country, 2022-2023



Source: WHO, TBC Capital

\*Please note that the most recent available data is used (2022-2023)

# Drivers of sector development: supply side

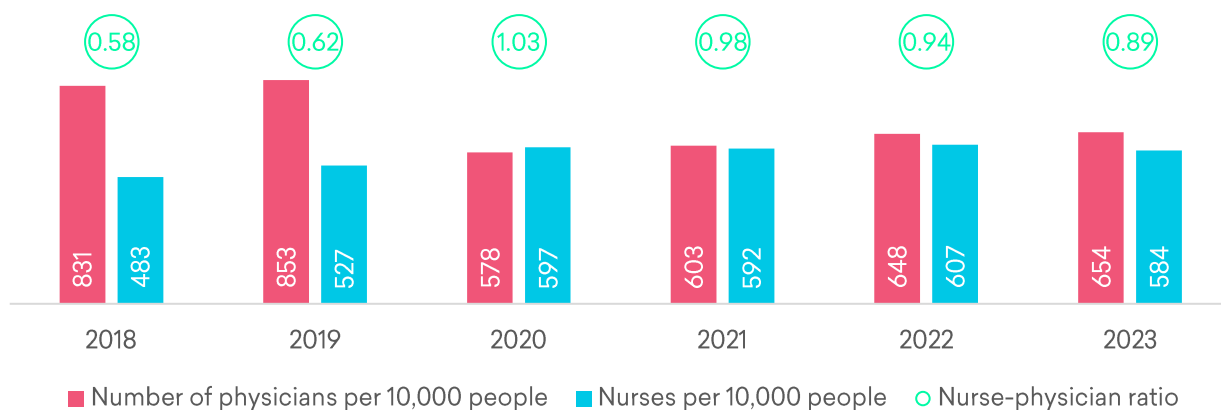
## Resources and their utilization

Georgia's healthcare workforce has undergone gradual changes in recent years, with increases in both the number of physicians and nurses per 10,000 population. In 2023, there were 654 physicians and 584 nurses per 10,000 people, reflecting a growing supply of medical professionals.

The number of nurses per 10,000 people has shown a general upward trend, increasing from 483 in 2018 to 584 in 2023, though a slight decline was observed in the most recent year.

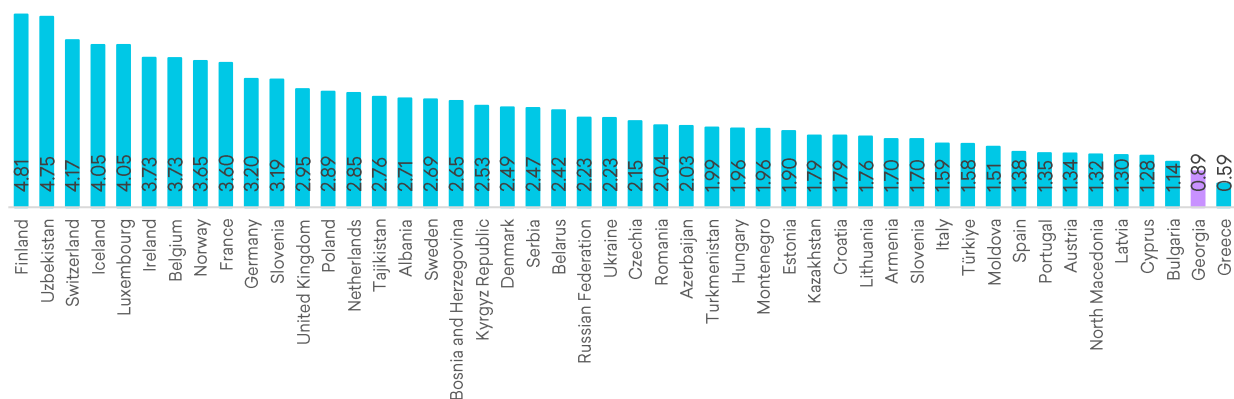
Despite this progress, the nurse-to-physician ratio in 2023 stood at just 0.89, meaning there are fewer than one nurse per doctor. This indicator is well below the levels observed in both regional neighbors and EU countries, suggesting potential strain on nursing resources and potential negative effects on patient treatment and monitoring. These structural gaps limit the overall effectiveness of care delivery and highlight the need for long-term workforce planning and training investments.

Figure 27. Nurse-physician ratio in Georgia



Source: Geostat, TBC Capital

Figure 28. Nurse-physician ratios in European and Central Asian countries



Source: World Bank, TBC Capital

\*Please note that the most recent available data is used (2022-2023)

# Drivers of sector development: supply side

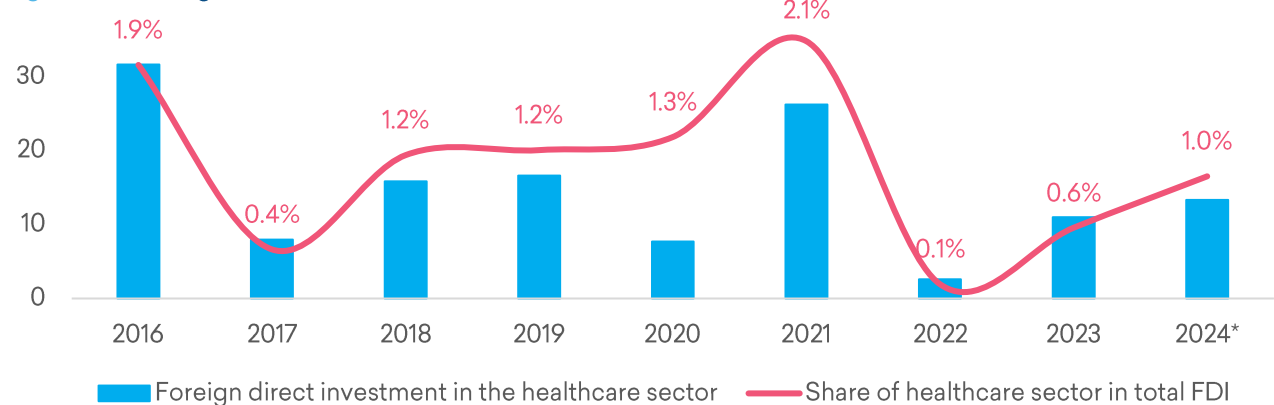
## Growth of private investments

Foreign Direct Investment (FDI) in the healthcare sector is generally low, averaging around 1.1% of the total FDI. In 2024, FDI in healthcare was 13 million USD, which was 21% higher than the same indicator in the previous year. The UK is one of the leading investor countries in Georgia's healthcare sector, accounting for an average of 30% of total FDI in the sector between 2016 and 2023.

Between 2018 and 2024, private loans issued by commercial banks to legal entities in the healthcare sector showed significant growth, increasing from 321 million GEL in 2018 to 886 million GEL in 2024—a nearly 2.8-fold increase.

The largest annual increase occurred in 2023, when loans surged by 53%, reaching 726 million GEL, followed by continued growth in 2024. Despite this rising loan volume, the healthcare sector's share in total private loans remained relatively stable, fluctuating between 2% and 3% throughout the period. The increasing trend in healthcare loans may indicate a growing demand for healthcare financing, likely driven by sectoral investments, rising operational costs, and infrastructure development.

Figure 29. Foreign direct investment in the healthcare sector (million USD)

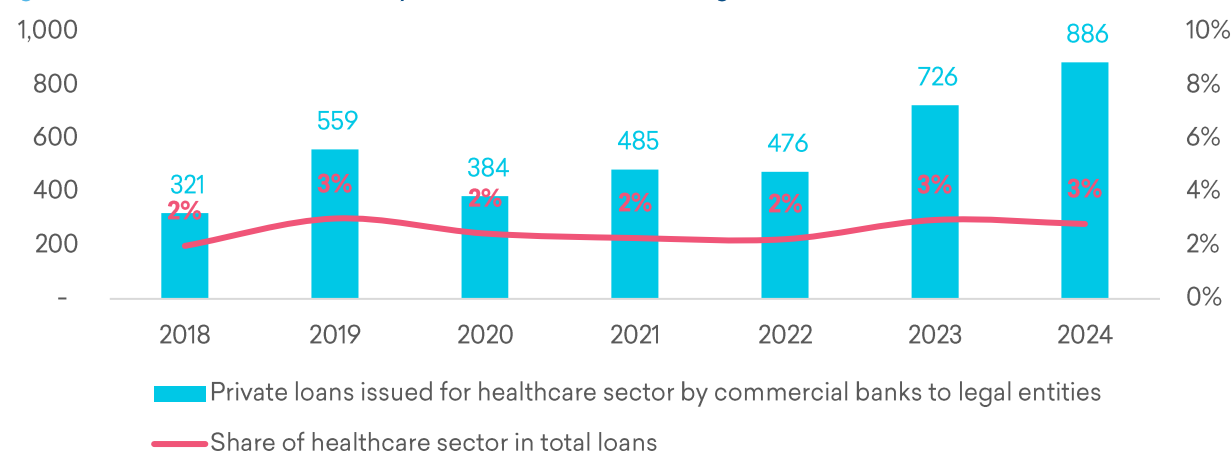


Source: Geostat, TBC Capital

\*Preliminary data

\*\*FDI includes social work activities

Figure 30. Private loans issued by commercial banks to legal entities (million GEL)



Source: NBG, TBC Capital

## Annex

Figure A1. Distribution of physicians by regions, 2023

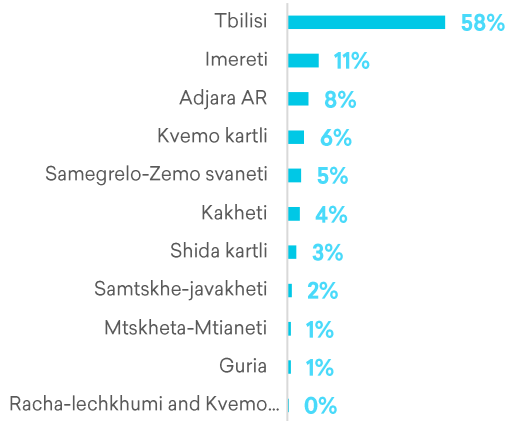


Figure A2. Distribution of nurses by regions, 2023

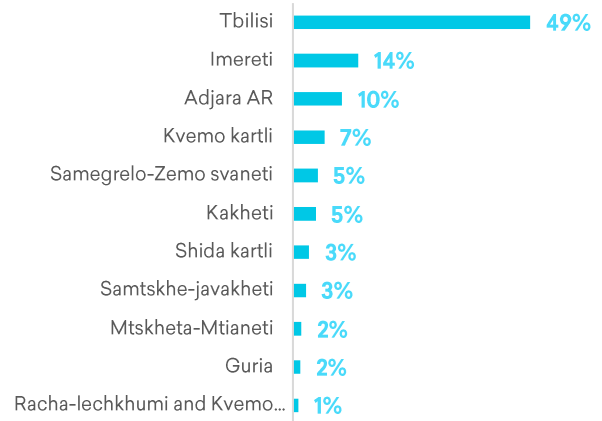


Figure A3. Distribution of hospitals and medical centers, 2023

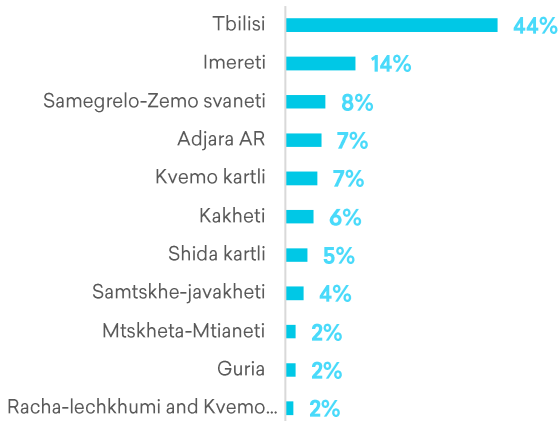


Figure A4. Distribution of hospital beds by regions, 2023

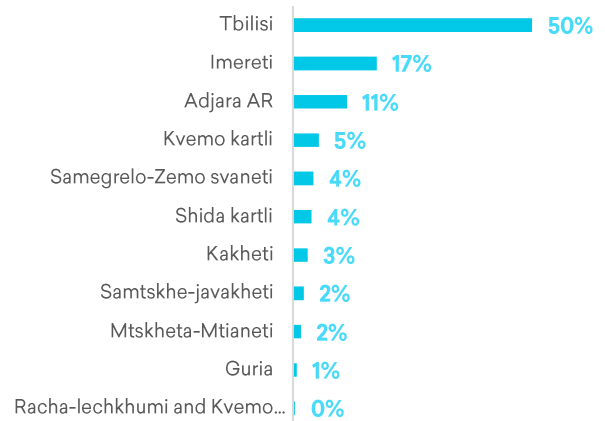


Figure A5. Distribution of medical institutions rendering out-patient services to population by regions, 2023

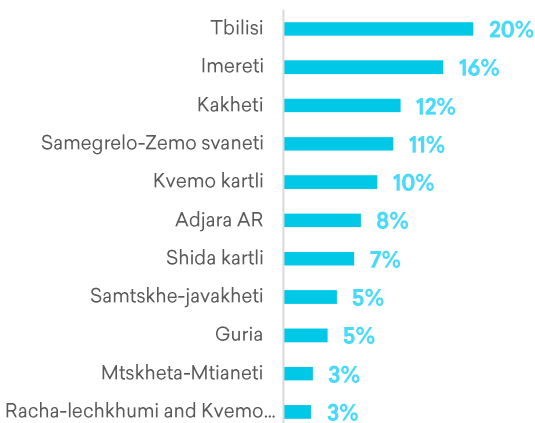
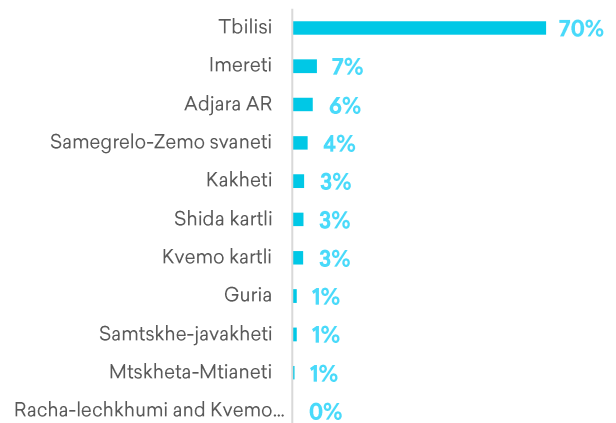


Figure A6. Distribution of visits in medical institutions rendering out-patient services to population by regions, 2023



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