GEORGIA'S FUTURE DEVELOPMENT AMID THE GEOPOLITICAL AND GEO-ECONOMIC CHANGES IN THE BLACK SEA REGION

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Abstract: This article focuses on opportunities regarding the future development of Georgia across the dimensions of trade, transport and logistics, energy and tourism against to backdrop of the current geopolitical and geo-economic changes taking place in the wider Black Sea region. The paper analyses existing potential and prospects for the aforementioned sectors, providing a certain understanding concerning the economic potential of Georgia, including in terms of regional development.

Keywords: Georgia, South Caucasus, Geopolitics, Geo-economics, Transit Hub, Global Infrastructure Initiatives.

Introduction:

The ongoing geopolitical and geo-economic developments in the strategically located South Caucasus region – including Russia's military invasion of Ukraine and the continued efforts to normalize Azerbaijani-Armenian and Turkish-Armenian relations – have, despite the existing challenges, elucidated the significance of South Caucasus for global and regional security. The importance of further developing economic capabilities of the South Caucasus region across all possible dimensions, such as regional cooperation and coordination, trade, transport and logistics, energy, tourism, and attracting large-scale investments, also becomes clear.

The article tracks Georgia's progress in the domains of trade, transport and logistics, energy, and tourism. It shows that by diversifying its economic and trade relations and strengthening its identity as a transit venue, connecting East to the West, Georgia has put itself on

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the developmental path, potentially promising tangible benefits for the South Caucasus and beyond.

The article proceeds as follows. First, it identifies the major developments in Georgia's trade relations. Second, it discusses Georgia's emerging identity as a transit and logistics hub. Third, the article overviews Georgia's role in the energy connectivity agenda and discusses the importance of tourism in the country's development. The article concludes with some policy suggestions.

I. *Georgia's Foreign Trade*

Georgia is well integrated in the global trade system, becoming a member of the World Trade Organisation (WTO) in 2000. The opportunities offered by the EU-Georgia Association Agreement (AA), which includes the Deep and Comprehensive Free Trade Area Agreement (DCFTA), are also of high significance. Free trade agreements are in place with EFTA (since 2017), GUAM (since 2003), Turkey (since 2008), China (since 2018), Hong-Kong (since 2019), as well as CIS member-states (since 1994), Ukraine (since 1996), Moldova (since 2007), Azerbaijan (since 1996), Armenia (since 1998), Kazakhstan (since 1999), Uzbekistan (since 2010) and Turkmenistan (since 2000). Similar agreements are under negotiation with the US, India, Israel and the Gulf States. The Strategic Partnership and Cooperation Agreement was also signed with the UK in 2021. Additionally, Georgia enjoys access to the preferential tariff system (under GSP) with Canada, the US and Japan. It is noteworthy that, despite the pandemic, Georgia's foreign trade dynamics (2018-2022) are overall dynamically positive.

Georgia's Foreign Trade Turnover with Neighbouring States, the US, China and Country Groupings 2018-2022
($ Million)

Year	2018			2019			2020			2021			2022		
	Turnover	**Exports**	**Imports**	**Turnover**	**Exports**	**Imports**	**Turnover**	**Exports**	**Imports**	**Turnover**	**Exports**	**Imports**	**Turnover**	**Exports**	**Imports**
Total	**12 740,9**	**3 379,7**	**9 361,2**	**13 316,4**	**3 798,0**	**9 518,3**	**11 389,7**	**3 340,7**	**8 049,0**	**14 341,1**	**4 242,5**	**10 098,6**	**19 131,1**	**5 583,4**	**13 547,7**
Including:															
CIS	4 364,8	1 669,5	2 695,3	4 484,1	2 043,2	2 241,9	3 923,1	1 509,3	2 413,8	4 836,0	2021,2	2 814,8	6 409,0	2 685,6	3 723,4
EU	3 236,8	730,7	2 506,1	3 110,2	805,7	2 304,5	2 547,0	696,8	1 850,2	3 028,7	717,1	2 311,6	3 922,9	862,5	3 060,4
EFTA	785.4	165.8	619.6	1 510.5	182.5	1 328	370.7	225.6	145.1	552,8	273,4	279,4	236,4	98,8	137,5
Central Asia	410.3	90.4	319,9	546.2	82.4	463,8	344.7	74,9	269,8	369.2	121,0	248,2	742,0	483,5	258,5
Russia	1 371.5	436.6	934.9	1 474.1	497.0	977.1	1 329.6	441.1	888.5	1 632,5	610, 0	1 022,5	2 478,0	642,4	1 835,6
Turkey	1 706.5	233.5	1 473.0	1 819.5	202.3	1 617.2	1 598.2	190.6	1 407.6	2 148,5	322, 2	1 826,3	2 808,7	434,6	2 374,1
Azerbaijan	1 100,3	507,6	592,7	1 067,7	508,7	559,0	951,5	438,3	513,2	1 130,1	531,7	598,4	1 313,1	672,7	640,4
Armenia	621,7	286,3	335,4	700,3	432,6	267,7	609,9	187,5	422,4	674,5	256,1	418,4	1 197,9	584,2	613,7
USA	519.5	160.0	359.5	811.0	132.2	678.8	635.9	80.0	555.9	830,6	194, 6	636,0	1 277,5	265,0	1 012,5
China	1 031.9	198.0	833.9	1 066.2	207.5	858.7	1 186.3	477.3	709.2	1 480,5	615, 6	864,9	1 863,1	736,8	1 126,3

As the table presented above demonstrates, from 2018 to 2022 the upward trend in terms of Georgia's foreign trade turnover remains unchanged both for neighbouring states (Turkey, Russia, Azerbaijan and Armenia), as well as the EU, CIS, China and the US.

According to the 2022 data, Georgia's top ten largest trading partners included neighbouring states, namely Turkey and Russia, (1st and 2nd ranks respectively), Azerbaijan (4th), and Armenia (6th). Additionally, EU member states such as Germany, Italy, and Bulgaria also made it into the top ten of Georgia's foreign trade partners.

The radical decrease in foreign trade during 2020-2021 was associated with the global pandemic. In 2020 Georgian goods exports decreased by $618 mn, with exported services shrinking by $3 bn (mostly due to the reduced current of tourists). In 2021, Georgian exports amounted to $8.1 bn, which was equivalent to 43.2% of Georgia's Gross Domestic Product (GDP). In 2022, Georgian goods exports increased by 36%, with exported services skyrocketing by 123%. Overall, exported goods and services amounted to $13.2 bn, which was equivalent to 53.7% of national GDP for the same year.

Additionally, according to the World Bank data, among the 166 countries analysed in 2021, Georgia ranked 59th in terms of dependency on exports of goods and services,[2] while occupying the 44th position in terms of dependency on imports of goods and services.[3] According to the WTO data, in 2020, Georgia's total foreign trade turnover was equivalent to 32.4% of its national GDP, placing Georgia 22nd among 179 assessed countries in this regard. In 2021, Georgia ranked 26th globally in terms of a trade deficit, which was equivalent to 31.4% of national GDP.[4]

The existing economic environment within the country itself also has a significant impact on the foreign trade dynamics of Georgia. The fact that there is a beneficial and competitive economic environment in Georgia is vindicated by Georgia's leading rankings in prominent international economic ratings and indexes.

- The Index of Economic Freedom (2023) published by The Heritage Foundation ranks Georgia 35th among 176 assessed countries;[5]

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[2] "Georgia ranks 59th globally among export-dependent countries", *Forbes Georgia, 2023*, 11 April 2023, available at: https://forbes.ge/blogs/saqarthvelo-eqsportze-damokidebulebith-msophlioshi-59-e-adgilzea/;

[3] „Georgia ranks 44th globally among import-dependent countries", *Forbes Georgia, 2023,* 28 March 2023, available at: https://forbes.ge/blogs/importze-damokidebulebith-saqarthvelo-msophlioshi-44-e-adgilzea/;

[4] „Georgia ranks 22nd globally among countries with a trade deficit", *Forbes Georgia, 2023*, 18 August 2023, available at: https://forbes.ge/blogs/sagareo-vatchrobis-dephitsitith-saqarthvelo-msophlioshi-22-e-adgilzea/;

[5] "2023 Index of Economic Freedom", *The Heritage Foundation*, 2023, available at: https://www.heritage.org/index/.

- The Doing Business rating (2020) published by the World Bank ranks Georgia 7th among the 190 assessed countries;[6]

- The Globalization Index (2022) published by the Swiss Economic Institute, ranks Georgia 63rd among the 199 assessed countries;[7]

- The Global Competitiveness Index (2019) published by the World Economic Forum, ranks Georgia 74th among the 141 assessed countries;[8]

- The International Property Rights Index (2022) ranks Georgia 72nd among the 129 assessed counties;[9]

- The Global Enabling Trade index (2016) published by the World Economic Forum, ranks Georgia 41st;[10]

Additionally, it is of particular interest to note that the European Commission's decision to grant Georgia the European Perspective – to be followed with the candidate status once Georgia meets certain priorities– acts as a vital instrument of closer integration of Georgia as well as the entire South Caucasus region with the EU.

Considering all of the above, as well as the significance of economic security in the South Caucasus, it is important to reduce dependency on strategic imports and exports, diversifying said flows, creating new competitive products and improving existing production, via the means of developing the service sector, as well as entering new markets.

II. Georgia and the Opportunities for the Development of Transport and Logistics Corridors

[6] "Doing Business 2020", *The World Bank*, 2020, available at: https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf;

[7] "KOF Globalisation Index", *Swiss Economic Institute.* n.d., available at: https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html;

[8] K. Schwab and S. Zahidi, "Global Competitiveness Report: Special Edition 2020", *World Economic Forum*, 2020, available at: https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2020.pdf;

[9] "International Property Rights Index", *Property Rights Alliance*, 2022, available at: https://www.internationalpropertyrightsindex.org/countries#compare-panel;

[10] "The Global Enabling Trade Report 2016", *The World Economic Forum and the Global Alliance for Trade Facilitation*, 2016, available at: https://www3.weforum.org/docs/WEF_GETR_2016_report.pdf.

Acting as a transport and logistics hub is the most consistent function of the Georgian state, however, there is still a lot of room for improvement in this dimension, as untapped potential remains high. Georgia is currently a part of the following international transport corridors:

- Europe – Caucasus – Asia Transport Corridor (TRACECA);
- Trans-Caspian International Transport Route – Middle Corridor;
- International Transport Route "Caspian Sea - Black Sea";
- International Transport and Transit Corridor "Persian Gulf – Black Sea";
- South – West corridor;
- Lapis Lazuli Route.

At this stage, despite a number of hindering factors, the Middle Corridor is the most competitive route, in terms of transporting goods from Europe to China and *vice versa* through Georgian territory and alternative routes.

Additionally, it must be noted that against the backdrop of Russia's military invasion into Ukraine and the subsequent sanctions placed upon the Russian Federation, the role of the East-West transport and logistics corridor as an alternative strategic route has only been solidified for both China as well as the EU. China and the EU currently represent each other's largest trading partners. In 2022, total trade turnover between the aforementioned entities reached €856.3 bn, which represents an 18.7% increase when compared to the previous year. China is the second most important trading partner for the EU ranking 3rd in terms of exports (\$230.3 bn) and 1st in terms of imports (\$626.0 bn).[11]

According to the 2023 Logistics Performance Index published by the World Bank, among the 160 assessed countries, Georgia ranks 79th, which is an improvement of 40 ranks when compared to 2018.[12] However, naturally, Georgia faces many challenges in terms of tapping the full potential as a logistical hub. The coming decade will be of great significance in this regard, as disruptions in global supply chains (due to the Russia-Ukraine war and subsequent sanctions) have increased demand for diversification of transit corridors from China going through Central Asia and Russia towards Europe. Georgia must be prepared for these developments.

[11] Eurostat, https://ec.europa.eu/eurostat;

[12] "Logistics Performance Index (LPI)", *The World Bank*, 2023, available at: https://lpi.worldbank.org/international/.

Despite the negative impacts of the global pandemic, the total amount of goods transported through Georgia saw an increase of 6.3% in 2022, when compared to the previous year, reaching 47.3 mn tonnes. Per transportation type the details are as follows:

Rail Shipments: In the period of 2019-2022 the quantity of goods transported via rail continued to stably increase. In 2022, rail shipments of goods increased to 14.8 mln tonnes, which amounted to a 21.8% rise when compared to the previous year. Local shipments amounted to 1.9 mln tonnes (or 12.8% of total shipments); international shipments amounted to 4.2 mln tonnes (28.6% of total shipments); transit shipments amounted to 8.7 mln tonnes (58.6% of total shipments).

Land Shipments: In 2022, on-land motor vehicle-based shipments reached 15.0 mln tonnes, which is an increase of 15.6% when compared to the previous year.

Aerial Transportation: In 2022, aerial shipments amounted to 667.0 thousand tonnes, which is an increase of 53.7% when compared to the previous year. In terms of passenger transit, 178.1 passengers were transported by Georgian airports in 2022, which amounted to a 94.9% increase when compared to the previous year.

Maritime Shipments: In 2022, naval ports and terminals processed 12.4 mln tonnes of goods, which is a 11.3% increase when compared to the previous year, namely: the Poti Port processed 7.7 mln tonnes of goods (9.0% increase compared to 2021 – 7.1 mln tonnes). The number of containers processed in the said port in 2022 amounted to 357 623 TEU, which is an 18.3% increase when compared to the previous year (302 213 TEU); The Batumi Port processed 4.7 mln tonnes of goods, which is a 19.7% increase when compared to the previous year (3.9 mln tonnes). The number of containers processed by the said port amounted to 119 471 TEU, which represents a 20.5% rise when compared to 2021 (99 173 TEU).[13]

It must also be noted that, according to Georgia's National Logistics Strategy 2021-2030, the government has already identified central challenges in this regard, along with the relevant measures to be taken by the country in the following years, including: the completion of key lots of the East-West high-speed motorway; the further development of human capital; putting into operation new customs check-points along the Georgian-Azerbaijani border; developing the existing Baku-Tbilisi-Kars railroad, and digitalising naval services.[14]

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[13] National Statistics Office of Georgia – www.geostat.ge;

[14] Ministry of Economics and Sustainable Development of Georgia - https://www.economy.ge.

Overall, it is noteworthy that in terms of transport corridors encompassing Georgia there is a plethora of challenges that are associated with, among others, disharmonised tariffs, non-uniform customs procedures and complicated visa-issuance procedures, which hinder quick and unlimited transit of goods. Considering all of the above, to remedy the aforementioned challenges, it would be advantageous to fully modernise the existing transport and logistics networks and further develop them, *inter alia* via the means of:

- Adoption of uniform customs procedures across all corridors including tariff harmonisation and simplification of visa-issuance procedures;
- Ensuring an appropriate level of technical logistics;
- Simplification of multimodal/combined type of shipments/transportation;
- Modernisation of existing/construction of new ferry crossings on the Caspian and Black Seas.

Additionally, it is of utmost importance to effectively exploit the already existing global infrastructure initiatives, such as:

- China's "One Belt, One Road" initiative;
- The infrastructure initiative – "Build Back a Better World" (BBW) voiced at the 2021 G7 Summit, entailing an investment of $40 trillion in developing economies by the year 2035;[15]
- The EU's big infrastructure initiative "Global Gateway", which entails large investments in various infrastructure projects;
- G20 initiative for a new economic corridor – "India-Middle East-Europe", which will cut down transportation time by approximately 40%.[16]

III. Opportunities in regard to Energy Security and Utilisation of Renewable Energy Sources in Georgia

[15] "Carbis Bay G7 Summit Communiqué - Our Shared Agenda for Global Action to Build Back Better", June 13 2021, available at: https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/13/carbis-bay-g7-summit-communique/

[16] H. Ellis-Petersen, "G20: EU and US back trade corridor linking Europe, Middle East and India", *The Guardian*, September 9 2023, available at: https://www.theguardian.com/world/2023/sep/09/g20-eu-and-us-back-trade-corridor-linking-europe-middle-east-and-india.

Energy security represents a cornerstone of Georgia's economy. Considering this, the process of strengthening alternative transit and energy routes on the global map of the EU plays a significant role for Georgia, especially since the sanctions (including oil and other energy products) imposed upon Russia have created new challenges for energy security of Europe, compelling member states to seek out new, additional and secure sources of hydrocarbons.

It is noteworthy that Georgia, along with partner states (Azerbaijan and Turkey), is located at a pivotal point of the hydrocarbon resource supply chain. In this regard the existing two-decade-long partnership among the above-mentioned states over projects, such as the Baku-Tbilisi-Ceyhan, Baku-Tbilisi-Supsa and Baku-Tbilisi-Erzurum pipelines, sets a clear example of successful cooperation in the Black Sea region. Furthermore, the increased supply of Europe with energy resources from the Caspian basin via the Southern Gas Corridor represents one of the most effective solutions to the gradual replacement of Russian sources. The said corridor became fully operational on December 31st of 2020, when the pipeline system (TANAP, TAP), transported first cubic meters of natural gas to Europe (Greece, Bulgaria, Italy). In this context, the signing of a memorandum of mutual understanding between the European Commission and Azerbaijan regarding a strategic partnership in the energy sector is of utmost importance, as it entails an obligation to double the transit capacity of the Southern Gas Corridor (to reach 20 bn m^3 by the year 2027). Moreover, Georgia is actively involved in other significant energy transit initiatives and projects, such as:

- **Azerbaijan-Georgia-Romania Interconnector Project** (ARGI), which entails the transportation of Azerbaijani and Central Asian natural gas through Georgia into Europe. The natural gas will be liquefied in especially constructed gas liquefaction factory along the Black Sea coast to be transported to Romania;
- **The Euro-Asian Oil Transport Corridor (EAOTC).** The project entails the transportation of Azerbaijani and Kazakh oil via the existing infrastructure through Georgia (pipelines, railroad, Black Sea terminals) into Ukraine's Odessa port, from where it will be transported via the Odessa-Brody pipeline (Ukraine) going through Ukrainian South Dobruja into Slovakia, Czechia, and Hungary. At the initial stage the corridor will be able to transport 10 MTA crude oil, with potential to increase capacity to 20 MTA. Since key infrastructure is already fully functional, this route may become operational as soon as the Russo-Ukrainian war ends. The EAOTC project also entails the construction of the Brody-

Adamovo lot of the pipeline, which will allow for the transportation of crude oil northwards into Central and Eastern Europe and finally to the oil terminals located on the Baltic Sea near Gdansk.

It is noteworthy that Georgia has significant capabilities in terms of generating renewable energy, which, along the national market, may also be exported to neighbouring states in the future.

Currently the total generation of electricity across all Georgian power plants amounts to 4514.8 mw, of which 3352.9 mw generated by 107 hydroelectric power plants; 1141.2 mw generated by 5 hydroelectric power plants; and 20.7 mw generated by wind farms. In terms of the hydroelectric power plants, there are currently 153 small and medium-scale works under construction in Georgia. The sum total of generation for the said power plants will amount to 1532 mw, with the approximate production of electricity reaching somewhere around 7.5 bn kw/s. The aforementioned projects are at various stages of completion as outlined below:

- Licensing and construction stage: 51 hydroelectric power plants (497 mw);
- Feasibility study stage: 102 projects (1037 mw). Note: There are 3 large-scale hydroelectric power plant projects – Khudonhesi (702 mg, annual production of electricity – 1.5 bn kw/s), Namakhvanhesi (433 mw, annual production of electricity – 1.5 bn kw/s), and Nenskrahesi (280 mw, annual production of electricity 1.2 bn kw/s). The aforementioned projects have been launched, but halted due to subjective and objective factors.

There are currently 13 planned projects for Wind Power Plants, with the total power generation of 739.5 mw, and an approximate annual generation of electricity of 2.8 bn kw/s. One company has already been contracted for construction of a wind farm that will generate 8 mw of power. Another 5 companies are also soon to be contracted for similar purposes with the total power generation projected as 280 mw. There are currently 31 planned solar power plant projects, with the total power generation of 146 mw, and an approximate annual electricity generation of 199 mln kw/s.

In terms of the country's export potential, Georgia is currently developing and modernising the electric grid systems and high-voltage transmission lines connecting it to all of its neighbours:

- Azerbaijan - 500kv HV, 330kv (Double circuit lines are not yet operational);
- Russia - 500kv, 220kv (regular 500kv HV);
- Armenia - 220kv (planned 500kv HV);
- Turkey – 400kv 220kv. (regular 400kv &154kv HV).

The significance of the Black Sea Submarine Cable project must also be underscored both for Georgia and the entire region. The project entails connecting the South Caucasus region directly to South-Eastern Europe via an underwater cable, which will span approximately 1195 km (1100 km submarine cable and 95 km on-land cable). The said cable will also be equipped with fibre-optic cables, which will ensure higher internet speed connecting Georgia and Romania for no extra cost. The development of the aforementioned project will strengthen energy security of both the EU, as well as the South Caucasus region, support the renewable energy sector and increase transit capabilities, which will, in turn, connect Georgian and Romanian energy grids. Thus, Europe will be able to connect to not only Georgia, but also the entire South Caucasus region. Therefore, this cable will act as a tool for communication between Europe and the South Caucasus with Georgia in the middle. Simultaneously, it is important to underscore that the economic analysis published by the World Bank in 2020 notes that this project is economically profitable.[17] Additionally, on December 17th of 2022, Georgia, Romania, Azerbaijan and Hungary signed an agreement on strategic partnership regarding the development and transit of green energy, which, *inter alia*, encompassed cooperation over the said submarine cable.

IV. Opportunities and Prospects of Tourism in Georgia

Tourism represents one of the central dimensions of Georgia's economic development. Tourism truly holds a special place for Georgia, as the country (and the entire South Caucasus region) is rich with natural resources, flora and fauna, diverse landscapes, mild and recreational climates, natural beauty (often unspoilt by anthropogenic factors) of the region, including the snow-covered peaks of the Caucasus mountain range, protected territories, recreational and balneological resorts, rich history and unique cultural heritage, folklore, ancient viticulture, diverse cuisine and traditional hospitality. Additionally, Tourism accounts for 6-7% of the national GDP of Georgia.[18] Considering all of the above, Georgia, with all of its potential, holds numerous opportunities for the development of various types of tourism.

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[17] "Economic Analysis of Georgia – Romania Interconnection: Methodology Note", *The World Bank*, 2020, available at: https://documents1.worldbank.org/curated/en/442791598001931856/pdf/Methodology-Note.pdf;
[18] National Statistics Office of Georgia - https://www.geostat.ge/;

Despite the pandemic, positive dynamics were observed in Georgia in 2022 concerning the revitalization of the tourism sector, both in terms of incoming visitors, as well as international transit passengers, tourists and the aviation industry in general. In 2022, revenues for tourism increased by 182% when compared to the previous year, reaching $3.5 bn, which is 8.5% more than the pre-pandemic levels in 2019.[19] At this point it must also be noted that in terms of macroeconomic analysis, economic growth, as well as the stability of the Georgian currency (Lari - ₾) are closely tied to tourism. In 2022, Georgia experienced a $5 bn deficit in foreign trade of goods, with $3 ln being covered by the revenue associated with tourism.[20]

Additionally, in 2022, Georgia received 4.7 mn visitors, which represents a 173.3% increase when compared to the previous year. In the period of January-June of 2023, Georgia received 2.9 mn foreign visitors, of which 1.9 mn were tourists. Compared to the first two quarters of 2022, the number of visitors has increased by 76%, while the number of tourists grew by 60%. Georgia's revenue from tourism in the first two quarters of 2023 amounted to $1.8 bn, which represents a 58% increase ($662 mn) when compared to the same period of 2022 (view table below).[21]

Revenue from International Tourism in Georgia

2018-2023 (Jan-Jun)

($ Billion)

Year:	**2018**	**2019**	**2020**	**2021**	**2022**	**2023 Jan-Jun**	**Change % (2022/2021)**
Total:	3,2	3,3	0,5	1,2	3,5	1,8	182%

In order to popularise, increase awareness and attractiveness, as well as competitiveness of tourism in Georgia and the wider region, it is important to enact a plethora of appropriate measures, such as the following:

- Attracting innovations for the development of regional tourism;
- Innovation and digitalization;

[19] S. Tkeshelashvili, „Georgia receives record $3.5 bn of revenue from tourism in 2022", *Business Media*, 20 January 2023, available at: https://bm.ge/news/2022-shi-saqartvelom-turizmidan-rekorduli-35-miliardis-shemosavali-miigo/125170.

[20] B. Namchavadze, "Georgia welcomes back tourists lost due of the Pandemic", *Forbes Georgia*, 24 August 2023, available at: https://forbes.ge/saqarthvelo-pandemiis-gamo-dakargul-turistebs-ibrunebs/;

[21] Georgian National Tourism Administration - https://gnta.ge.

- Providing alternative forms of tourism for especially outlined target audiences;
- Modernisation of existing and construction of new tourism-related infrastructure including the hospitality sector.

Conclusion:

The new reality shaped by the current geopolitical and geo-economic shifts taking place in the region are supposed to provide a significant impetus to the economic development of Georgia, as well as the wider region, which will, in turn, support the strengthening of peace, help the South Caucasus states overcome crises related to local conflicts and the pandemic, resulting in the transformation of the region into a transport and logistics, trade, energy and tourism hub.

To successfully tread a developmental path, the policy-makers in Georgia – in close cooperation with like-minded partners – should work towards reducing dependency in strategic imports and exports, fully modernize the existing transport and logistics networks, strengthen partnerships in energy sector, including the renewable energy, and take measures to increase Georgia's competitiveness in tourism. Other things being equal, these and other developments could contribute to the gradual stabilization of the South Caucasus and the wider Black Sea region.

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