

GEORGIA

From 2000 to 2008, the Georgian economy has known a permanent growth and in 2006, the World Bank referred to Georgia as the number one economic reformer in the world, climbing in just one year from the 112nd to the 18th position in the ease of doing business rank. After a difficult period in the '90s, Georgia knew a remarkable growth of the GDP in 2006 (10%) and in 2007 (12%). The growth rhythm slowed down to just 3% in 2008. After the economic contraction in 2009, Georgia is likely to experience only a modest recovery in 2010, reflecting relatively low levels of domestic and foreign investment and limited bank lending.

The Georgian Railways are managed by the state company Sakartvelo's Rkinigza – SR (Georgian Railway, GR). The company manages both infrastructure and train operation. Since 2007, when the intention of selling the company was announced, there have already been two biddings. There is no fixed deadline for signing the contract, while experts are reluctant about the percentage to be privatised. Recent declarations at the ministry level in Georgia have defined GR's privatisation as being on indefinite hold.

The most important railway project underway is the railway bypass of the capital Tbilisi, a project for which EBRD had allocated a EUR 100 Million loan.

In the Baku-Tbilisi-Kars project, Georgia has been entrusted with the construction of 30-km of new line from Akhalkalaki to the Turkish border and the modernisation of the line section stretching from the border with Azerbaijan, crossing Tbilisi, up to Akhalkalaki.

Georgia has a population of only 4.62 million but is one of the most urbanized countries in the Caucasus. Public urban transport in all cities relies heavily on minibuses and buses. Minibuses constitute 47% of public transport in Tbilisi and nearly 80% in other major cities. These often duplicate existing bus lines and provide a poor service and minimal comfort.

In Tbilisi, trams and trolleybus services have been discontinued. The urban transport network in the capital comprises a two-line metro system, 125 bus routes, and 188 microbus routes operated by public and private companies. The two T-shaped metro lines were designed as the backbone of the city transport system and carry 260,000 passengers daily. Improvements to the rolling

stock have been made since 2007. In July 2009, a significant milestone was reached in network integration through the merger of the metro and bus companies.

In July 2010, Asian Development Bank (ADB) has provided Georgia \$300 million in loans for an urban transport overhaul. The ADB funds will be released in three tranches, with the first \$85-million tranche earmarked for the extension of a metro rail in Tbilisi, and for roads, pedestrian and cycle paths that could stimulate tourism in cities, including Mestia which is a UNESCO heritage site.

Background figures in railways (2009):

1,566 km length of lines
1,486 km electrified lines
3,120 x 1 000 passengers carried
626 x 1 000 000 passenger-kilometres
17,104 1 000 tonnes carried
5,417 x 1 000 000 tonne-kilometres

Economics	2008	2009
GDP (current billions US\$)	12.79	10.73
GDP growth (annual %)	2	-4
Exports of goods and services (% of GDP)	29	27
Imports of goods and services (% of GDP)	58	51
Industry, value added (% of GDP)	21	21

Ease of Doing Business Rank 2010

World	rank 11
Eastern Europe & Central Asia	rank 1

