

Sustainable Transport for Georgia

A Roadmap



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Accelerate Georgia's clean mobility transformation with a practical roadmap expanding reforms already underway to electrify mobility, strengthen energy security, ease congestion, and elevate health, competitiveness, and long-term fiscal stability.

Experience the full roadmap at [iea.org/programmes/eu4energy](https://www.iea.org/programmes/eu4energy)

The impact of rising vehicle activity



Georgian roads are becoming safer, but the fatality rate is still **twice** the EU average.

Congestion in Georgia's capital Tbilisi results in lost time equivalent to around **3% of the city's GDP**.



Growing vehicle fleets

Rising incomes in Georgia have led car ownership to **quadruple** since 2000.

As a result, energy used for transport grew to **one-third** of national final energy demand, and transport emissions grew **fivefold**.



Increasing CO₂ emissions

By 2023, they made up **more than 40%** of energy-related CO₂, with growth outpacing all other sectors.

Road vehicles dominate transport energy use and contribute to urban air pollution, resulting in **hundreds** of premature deaths nationwide each year.

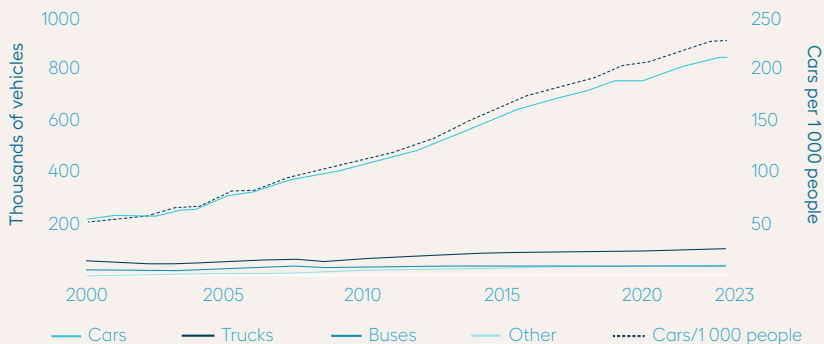


Growing expenditures on oil-related imports

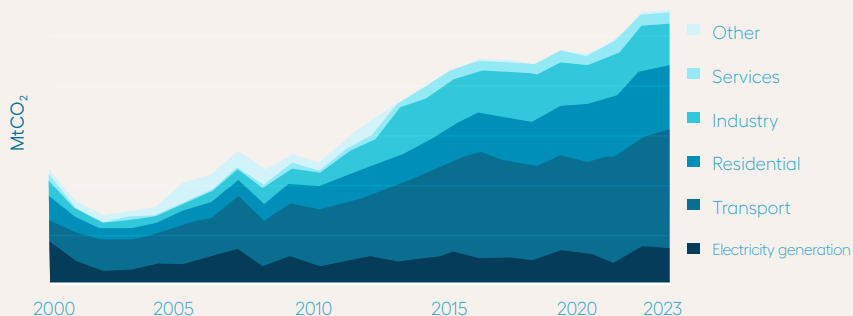
Almost all transport fuels are imported, creating economic, security and price-volatility risks.

About 80% of transport energy is produced from oil products.

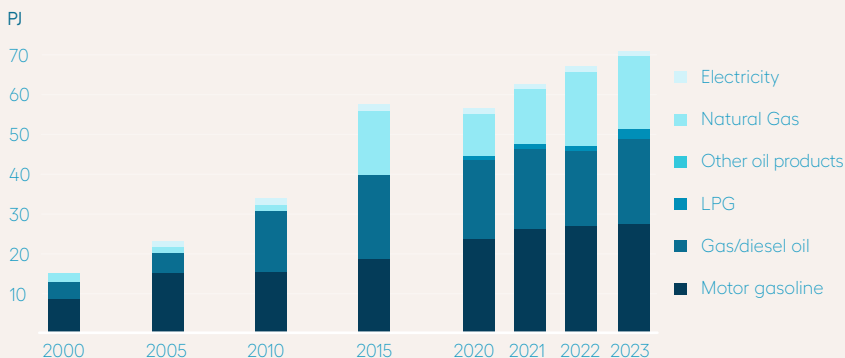
Georgia's in use vehicle fleet and cars per 1000 people, 2000-2023



Georgia's CO₂ emissions from fuel combustion, 2000-2023



Transport final energy consumption by fuel, 2000-2023



Georgia is the crossroad for regional trade and infrastructure

The transport sector in Georgia is a key contributor to economic growth, contributing **around 6% to 7% to GDP**.

Passenger cars are the country's largest imported commodity by value, while re-exports of cars are the second-largest export.

Georgia's transport system is a vital link in regional trade, connecting Europe and Asia. The country has expanded its capacity to handle cross-border cargo flows through major organisational reforms that have improved rail operational efficiency in line with EU directives.

Vehicle trade is a major economic activity in Georgia.

Milestones in Georgia's political and economic trade integration

World Trade Organisation (WTO) **membership since 2000**

EU Association Agreement (including membership in the Deep and Comprehensive Free Trade Area) **took effect in 2016**

Energy Community Treaty **accession in 2017**

Transport reforms already aligned with EU standards have improved health, quality of life and economic efficiency. Increased economic and political integration can unlock more opportunities for Georgia.

Abundant hydropower, combined with strong solar and wind potential...

...positions Georgia to gain economically, environmentally and improve energy security, from road transport electrification.

Hydropower generates 75% to 80% of domestically consumed electricity, resulting in one of the world's lowest levels of power-sector emissions and augmenting the benefits of electrification.

Policy makers have identified expanding wind, solar and geothermal energy as a key priority for climate and energy security goals.

Policy makers must act at the national and local levels...

The transition to electric mobility requires a framework that balances fiscal sustainability, economic viability and social equity.



Existing vehicle import duties should be modified to reflect differences in fuel efficiency and emissions, alongside stricter monitoring and enforcement of in-use vehicles.



Vehicle circulation and fuel taxes should be more closely aligned with national economic and environmental objectives.



Targeted incentives for EVs and charging infrastructure are needed to ensure Georgia benefits from the global shift to clean mobility.

Multimodality

Investment in diverse transport infrastructure could make Georgia's cities more liveable and the movement of freight more efficient. Sustainable transport planning must prioritise equity and accessibility. Public inputs to the transport planning process are integral to success.

...prioritising efficiency, electrification of road vehicles and greater use of alternative modes of transport.

Georgia is well positioned to reap the economic and environmental benefits of electric vehicles (EVs).



With Georgia's low-emission electricity, EVs result in far lower life-cycle CO₂ emissions than conventional cars.



Affordable electricity, plus the efficiency of EVs, also translate to significantly lower energy and operating costs, generally ranging from one-quarter to one-sixth of driving a gasoline car.



Higher upfront costs for EVs remain a hurdle, but falling battery prices are set to narrow the gap quickly.



Given limited public budgets and household purchasing power, policies must prioritise making electric vehicles affordable and accessible by focusing on buses, taxis, and other highly utilised fleets.

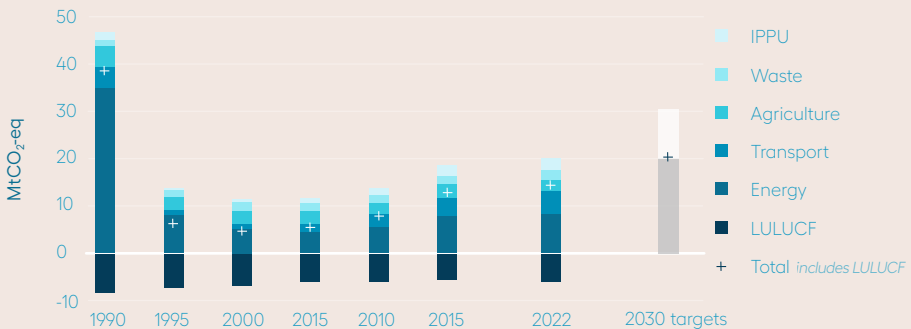
7 key policies to boost Georgia's economic growth and competitiveness

Scan for more information



The following policies could also help Georgia to improve transport access and efficiency, reduce fuel import dependence and lower GHG and local pollutant emissions.

Georgia's GHG emissions, 1990-2022, and 2030 reduction targets under Paris Agreements



Key policies

1 Build **government capacity** for the clean energy transition

2 **Revamp regulations and fiscal policy** to spur road electrification

3 Mobilise climate finance and build a sustainable and **resilient tax base**

4 **Invest in skills and education** in sustainable and efficient energy and transport technologies

5 **Create an expert task force** on EVs

6 Pursue **clean technology partnerships**

7 Accelerate **digitalisation** in transport

Georgia Sustainable Transport Roadmap

City level	By 2030	By 2035	By 2040
Clean vehicles	Leverage international finance to invest in electric fleets and charging points	<p>Install smart meters and trial time-of-use or two-tier electricity pricing before deploying these at a national level</p> <p>Establish zero- or low- emissions zones and/or bans on combustion cars in major cities</p>	Trial new policies, technologies and business models, such as vehicle-to-grid (V2G), congestion charges, automated and connected vehicles
Multimodal	Finalise and bring into operation metro, Bus Rapid Transit, priority bus lanes and non-motorised transport projects already underway	<p>Adopt dynamic parking pricing, promote efficient use of space to generate revenue</p> <p>Develop and implement urban planning across major cities to improve safety and mobility by encouraging walking and cycling</p>	Secure public revenue to ensure financial sustainability of high-quality public transit
National level			
Clean vehicles	<p>Index gasoline and diesel taxes to inflation</p> <p>Adjust vehicle import duties to more directly reflect vehicle fuel consumption performance</p>	<p>Design and implement supply-side regulations</p> <p>Consider fleet renewal incentives</p>	Develop Incentives for circular and low-carbon EV batteries and materials (e.g. steel, aluminum)
Multimodal	Boost multimodal cargo handling capacity by investing in port expansion projects	Earmark public revenues (e.g. from road tolls) to subsidise passenger rail fares and support railway maintenance and improvements	Develop a holistic plan to fund infrastructure, based on social costs and benefits, that transitions from fuel taxes to distance-based and/or congestion pricing



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