

SOLID WASTE MANAGEMENT AND RECYCLING

(Period: January - June 2022)

Turnover in the Solid Waste Management and Recycling sector increased during the first two quarters of 2022. In addition, similar growth tendencies were observed in the corresponding aggregated sector¹. Employment in the sector presented a slight YoY decrease in Q1 and a YoY increase in Q2 2022. While average salaries grew YoY in the first two quarters of 2022.



In the first quarter of 2022, turnover within the solid waste management and recycling sector increased significantly (31.4% YoY) and amounted to 25.4 million GEL. In the second quarter of 2022, turnover for the sector declined compared to the previous quarter – amounting to 24.4 mln. GEL, however, this is still 9% higher compared to Q2 2021 (YoY). The turnover for the corresponding aggregated sector also rose in Q1 2022 (17.2% YoY) and Q2 2022 (9.4% YoY), and it reached 103 million GEL at the end of the first half of 2022.

Chart 1: Turnover

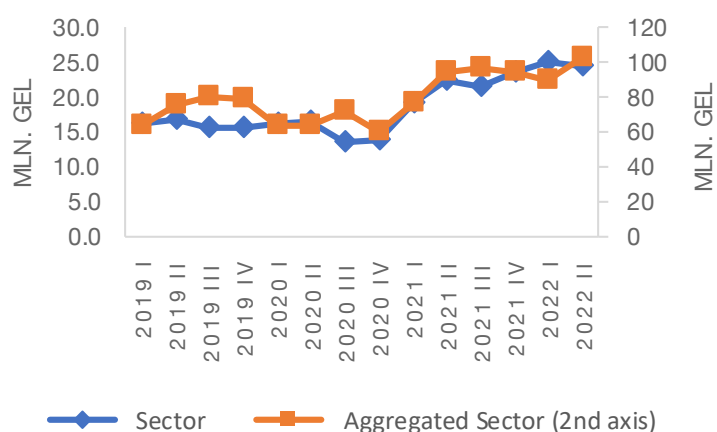
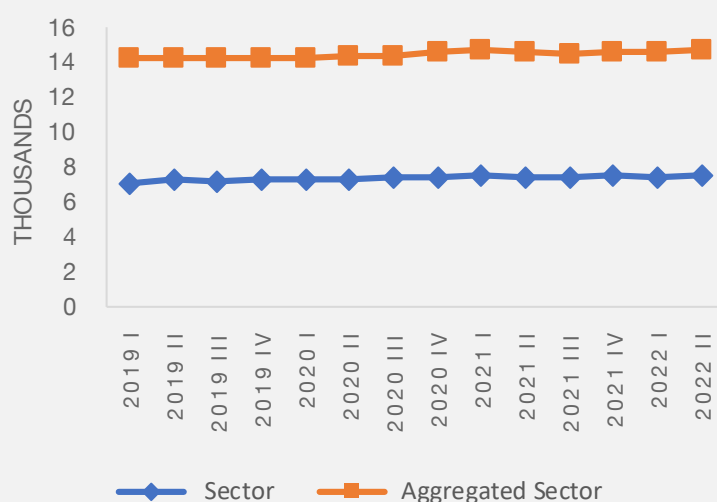


Chart 2: Employment



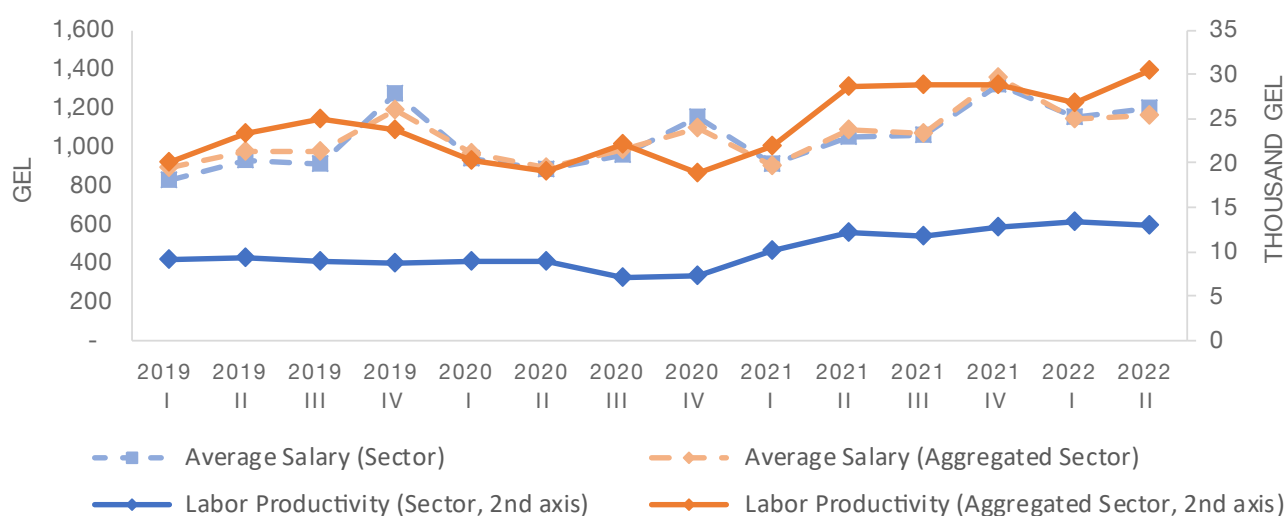
Employment in the sector is characterized by mostly stable trends across the observed period. As for Q1 2022, it decreased slightly YoY (-0.5%), but rose in the second quarter of 2022 (1.7% YoY). By the end of Q2 2022, the number of employees reached 7,539 people. The number of hired employees presented a similar trend in the aggregated sector. Employment decreased in Q1 2022 (-1.6% YoY) and increased at a moderate speed in Q2 2022 (0.6% YoY) – amounting to 14,724 people by the end of the first half of the year.

¹Water supply, sewerage, waste management, and remediation activities

The average monthly salary in the solid waste management and recycling sector increased YoY in Q1 (25.7%) as well as in Q2 (14%) of 2022, amounting to 1,146 and 1,195 GEL, respectively. The average monthly salary in the aggregated sector also increased in both quarters and reached 1,140 and 1,156 GEL in Q1 and Q2 of 2022, respectively. The average monthly salary in the sector remained slightly above that of the aggregated sector during the first half of 2022.

Productivity in the solid waste management sector increased in Q1 2022 (30.9% YoY) and amounted to 13,391 GEL. The significant annual increase in Q1 had slowed by Q2 2022 (6.1% YoY), and productivity amounted to 12,951 GEL. Productivity in the aggregated sector rose YoY in both Q1 and Q2 of 2022, reaching 26,802 and 30,399 GEL, respectively.

Chart 3: Average Salary and Labor Productivity



Challenges:

- Restricted access to inputs due to lack of separated waste management practices across Georgia, and difficulty of waste import from certain waste streams (e.g., plastics);
- Underdeveloped infrastructural and institutional environments to implement separated waste collection practices;
- Limited access to sector-targeted green loans and investments;
- Depreciated machinery and limited access to modern technologies;
- Low level of public-private cooperation.

Opportunities:

- Recent enactment of technical regulations on Extended Producer Responsibility (EPR) for four (out of six) waste streams;
- Further implementation of EPR (for the remaining two waste streams) and the Waste Management Code to increase the availability of local inputs;
- Fostering public-private partnerships to implement green projects;
- Competitive advantage in the region to export waste management services and recycled material.

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