BAG INDEX

საქართველოს ბიზნეს ასოციაცია
BUSINESS ASSOCIATION OF GEORGIA

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MPC Research

III QUARTER 2026

BAG INDEX



BUSINESS CLIMATE



EMPLOYMENT BAROMETER



INVESTMENT SURVEY



TRANSPORT AND LOGISTICS SURVEY

III QUARTER
2026

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BAG INDEX

Prepared by PMC Research Center and ifo Institute

The Business Association of Georgia (BAG) Index is a joint product of the Business Association of Georgia, PMC Research Center and the ifo Institute for Economic Research. The BAG Index summarizes the BAG Business Climate, BAG Employment Barometer and BAG Investment Environment, which are calculated according to the assessments of the top managers of BAG member businesses and companies in their corporate group[1]. PMC Research Center publishes the BAG Index on a quarterly basis.

BAG BUSINESS CLIMATE

The BAG Business Climate is based on the responses of BAG member businesses and companies in their corporate group. Companies assess their present business situation and outline their expectations for the next six months[2]. Apart from this, businesses are also asked to assess their situation regarding sales, sales prices, and the number of employees for the last quarter, the current quarter, and the next quarter. Moreover, companies are asked questions related to factors hindering their business activity, access to finance, exchange rate expectations, and investment environment. BAG members are divided into the following four sectors: trade, service, manufacturing, and construction. The survey was conducted in Q3 of 2026 in the period 1 - 16 September.

IN Q3 OF 2026, THE SURVEYED BUSINESSES ASSESS THEIR PRESENT BUSINESS SITUATION AND EXPECTATIONS FOR THE NEXT SIX MONTHS POSITIVELY. THE BAG BUSINESS CLIMATE INDICATOR AMOUNTS TO 48.4 POINTS IN Q3 OF 2026, WITH THE PRESENT BUSINESS SITUATION INDICATOR SITTING AT 29.7, AND THE BUSINESS EXPECTATIONS INDICATOR AT 68.6.

In Q3 of 2026, compared to Q2 of 2026, the BAG Business Climate improved by 0.8 points. Moreover, in this period, the assessment of the business expectations improved by 2.2 points, while present business situation decreased by 0.3 points.

The BAG Business Climate indicator improved by 5.2 points for Q3 of 2026 compared to Q3 of 2025. In particular, the business expectations indicator increased by 12.1 points, while the present business situation indicator declined by 0.9 points (see graph 1).

[1] In the first quarter of 2021, a change was made in the methodology of the BAG Index. As a result, the number of companies surveyed increased: enterprises that belong to the corporate group of member companies were added to the existing survey respondents.

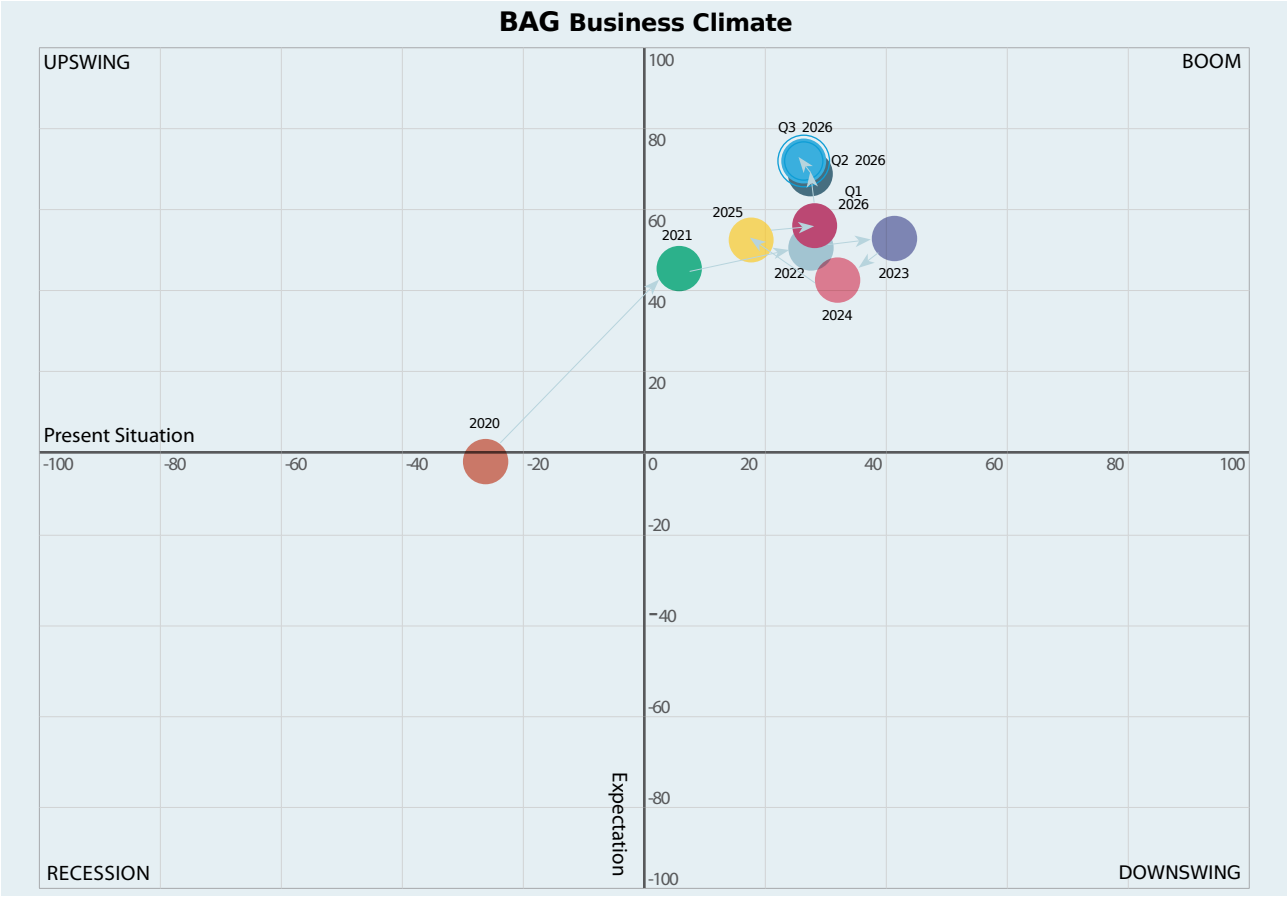
[2] The balance value for the present business situation is the difference in the percentage shares of the "good" and "bad" responses, and the balance value for the expectations for the next six months is the difference in the percentage shares of the "more favorable" and "less favorable" responses. The BAG Business Climate is a transformed mean of the balance values of the present business situation and the expectations for the next six months. The BAG Business Climate can be between -100 and +100. +100 means that all surveyed businesses assess the business climate positively, while -100 means all surveyed businesses assess the business climate negatively.



Graph 1: BAG Business Climate, Business Expectation, and Present Business Situation[3]

In Q3 of 2026, the BAG Business Climate Indicator increased compared to the previous quarter. The latter indicator remains in the **boom phase.**

[3] For 2019, only Q4 data is available, while for 2020-2023, quarterly averages are presented.

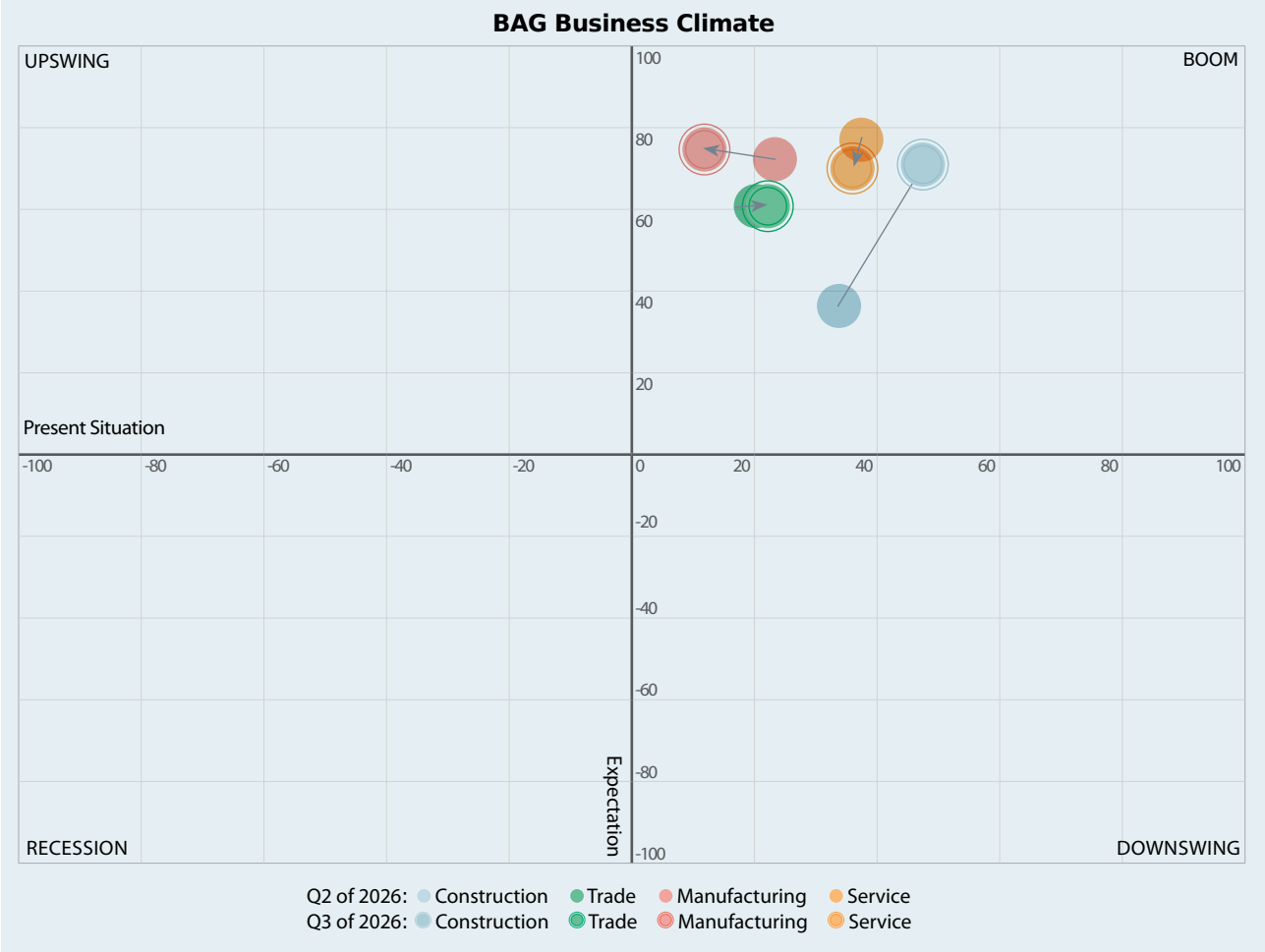


Graph 2: BAG Business Climate[4]

BAG BUSINESS CLIMATE BY SECTORS

In Q3 of 2026, the **business climate indicator** was positive for all sectors. Compared to Q2 of 2026, the indicator improved in the construction and the trade sectors, while it deteriorated for service and manufacturing sectors (see Graph 3).

[4] The Graph 2 depicts the relationship between the present business situation and business expectations for the next six months in a four-quadrant diagram. If survey participants assess the present business situation negatively but have positive business expectations for the next six months, then the BAG business climate indicator falls in the "upswing" quadrant. If both business situation and expectations are assessed positively, indicator resides in "boom" quadrant. If surveyed businesses assess present business situation positively, but have negative expectations, business climate indicator is in "downswing". If both business situation and expectations are assessed negatively, indicator is placed in "recession" quadrant. The graph shows average quarterly figures for 2020-2025.



Graph 3: Business climate by sector in Q2 of 2026 and Q3 of 2026

In Q3 of 2026, compared to Q2 of 2026, the present **business situation indicator** improved in the construction sector by 20.5 points, and in the trade sector by 0.7 points. Meanwhile, the indicator declined in the manufacturing sector by 9.7 points, and in the service sector by 4.3 points. As for the **business expectations indicator**, it increased in the construction sector by 40.6 points, and in the manufacturing sector by 2.8 points, and in the trade sector by 0.1 points, while it worsened in the service sector by 7.5 points.

It is worth noting that in Q3 of 2026, the present business situation indicator was highest in the construction sector and lowest in the manufacturing sector. Among the sectors, the most positive business expectation was recorded in the construction sector, while the least positive expectation was observed in the trade sector (see Table 1).

Table 1: Balance values by sector in Q3 of 2026

Sector	Business Climate	Present Business Situation	Business Expectation
Trade Sector	40.1	21.2	60.6
Service Sector	51.2	34.2	69.4
Manufacturing Sector	41.7	12.5	75.0
Construction Sector	65.1	53.8	76.9
All Sectors	48.4	29.7	68.6

In Q3 of 2026, compared to Q3 of 2025, the business climate indicator improved in the construction sector by 35.4 points, in the manufacturing sector by 19.5 points. Meanwhile, the business climate indicator decreased in the trade sector by 6.7 points, and in the service sector by 0.1 points.



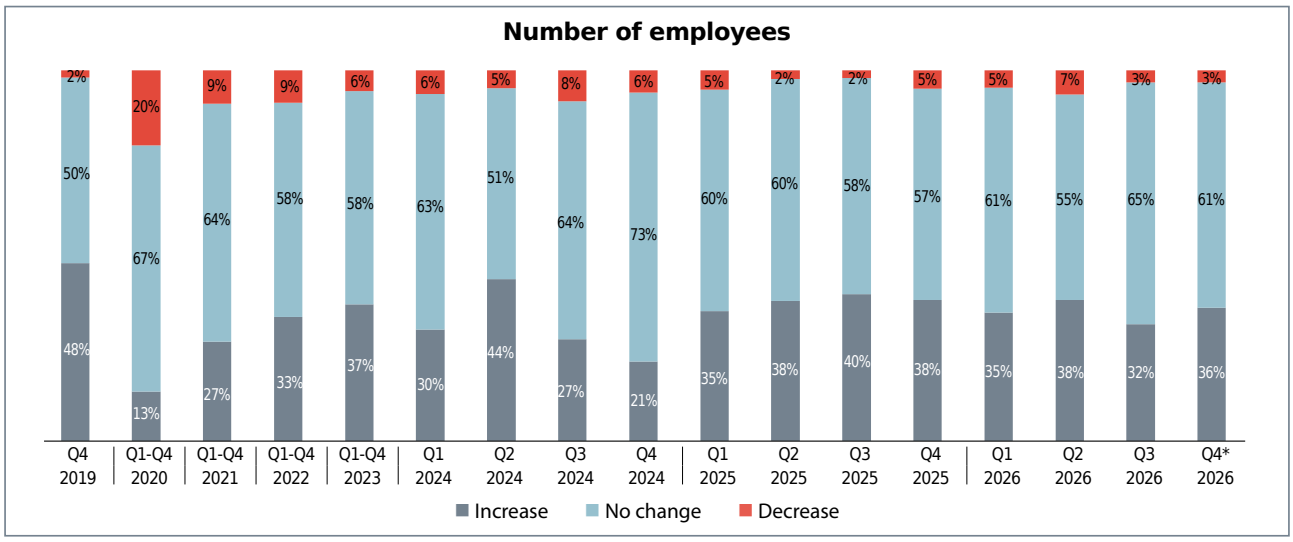
Graph 4: Business Climate, Business Expectation, and Present Business Situation in trade, service, manufacturing and construction sectors

EMPLOYMENT, SALES, AND SALES PRICES BY SECTOR

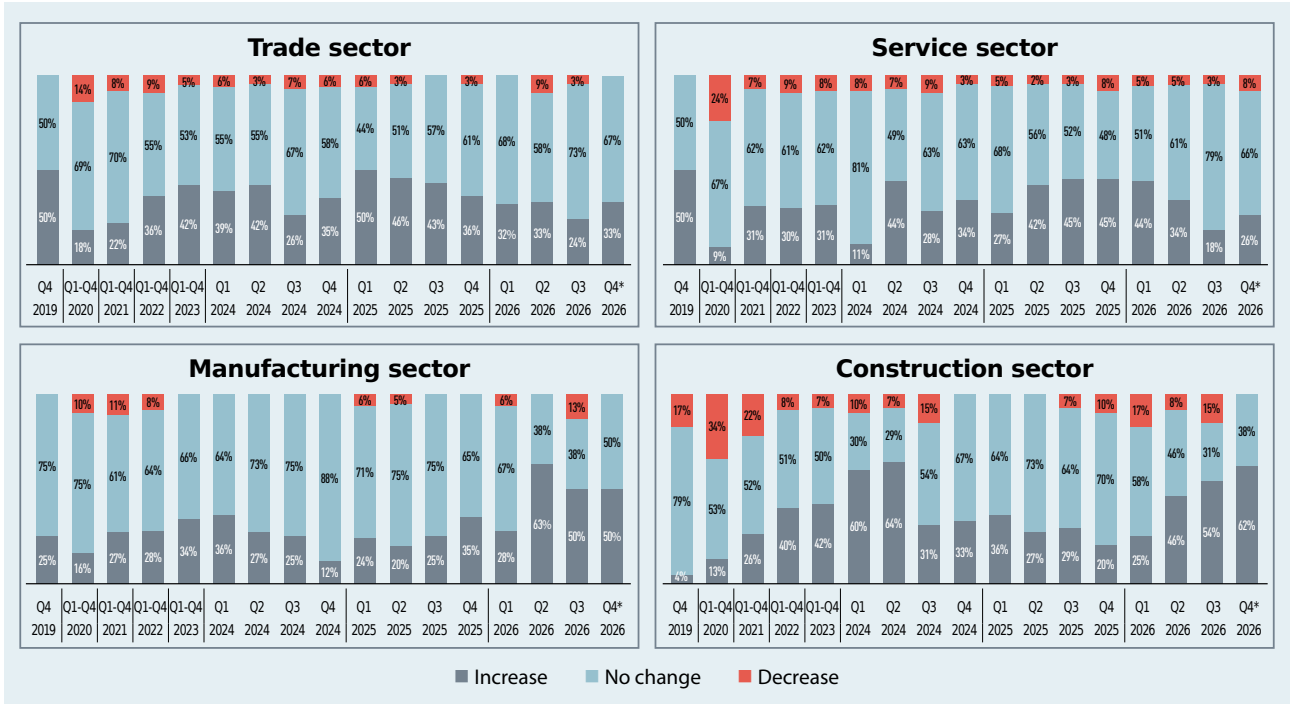
Employment

- 32% of surveyed companies stated that the number of employees increased in Q3 of 2026. As for the expectations for Q4 of 2026, 36% expect the number of employees to increase, while 61% do not plan to change the number of employees (see Graph 5).

- Across the sectors covered, the situation regarding employment in Q3 of 2026 is most positively assessed in the construction sector. Similarly, the expectations for Q4 of 2026 are most positively assessed in the construction sector (see Graph 6).



Graph 5: Number of employees in BAG member businesses and companies in their corporate group[5]



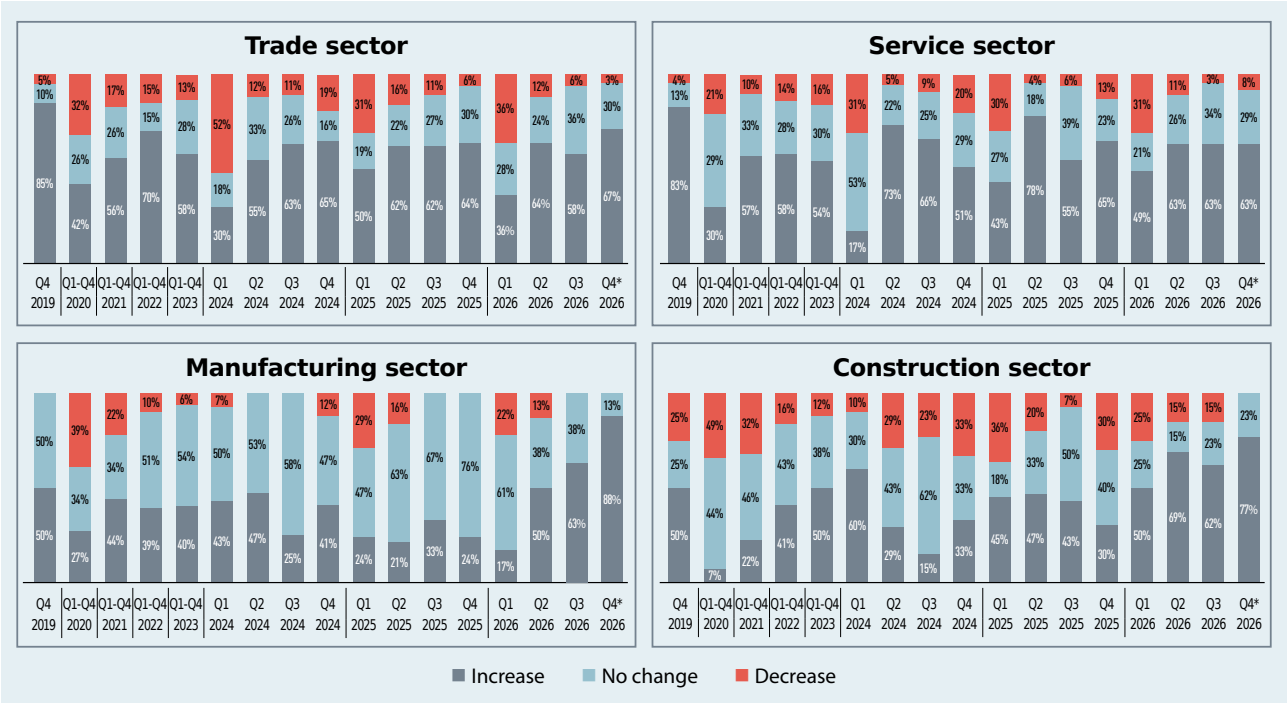
Graph 6: The number of employees in the trade, service, manufacturing and construction sectors

Sales/demand/domestic production

- In Q3 of 2026, 61% of surveyed companies reported an increase in sales, while 5% reported a decrease. As for expectations for Q4 of 2026, 68% of surveyed companies project an increase in demand, while 4% expect a decrease.
- The situation regarding sales was assessed most positively in the service (63%) and the manufacturing (63%) sectors, while the trade sector received the least positive assessment (58%) in Q3 of 2026. The most positive expectations for Q4 of 2026 are recorded in the manufacturing sector (88%) (see Graph 7).

[5] Due to the rounding of number, in some graphs the sum of the data does not always equal 100%.

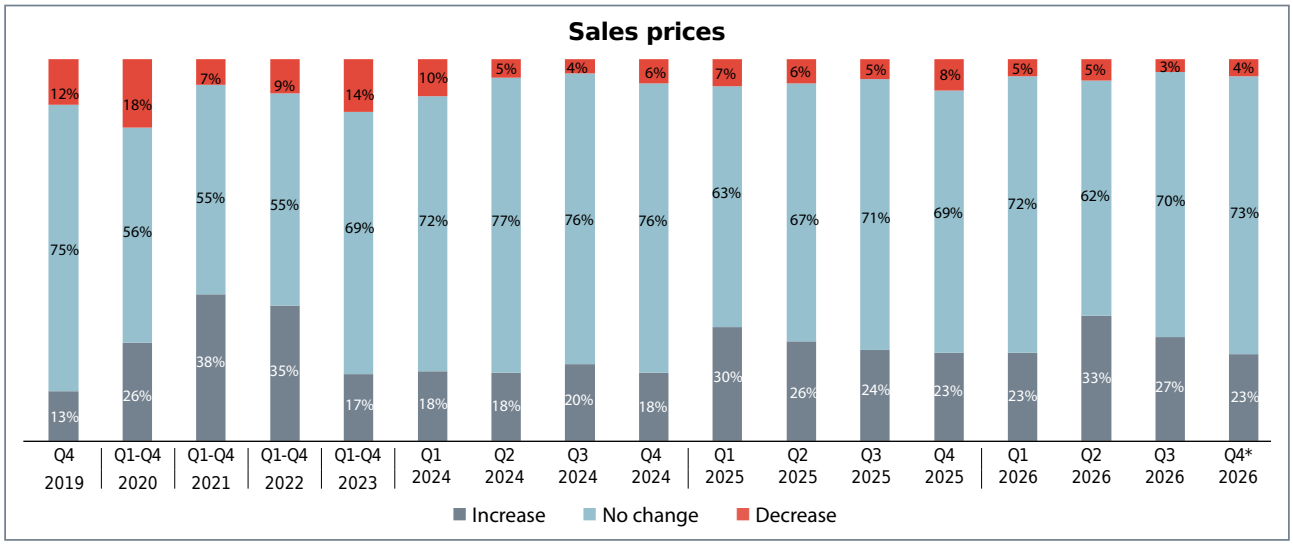
* Expectation.



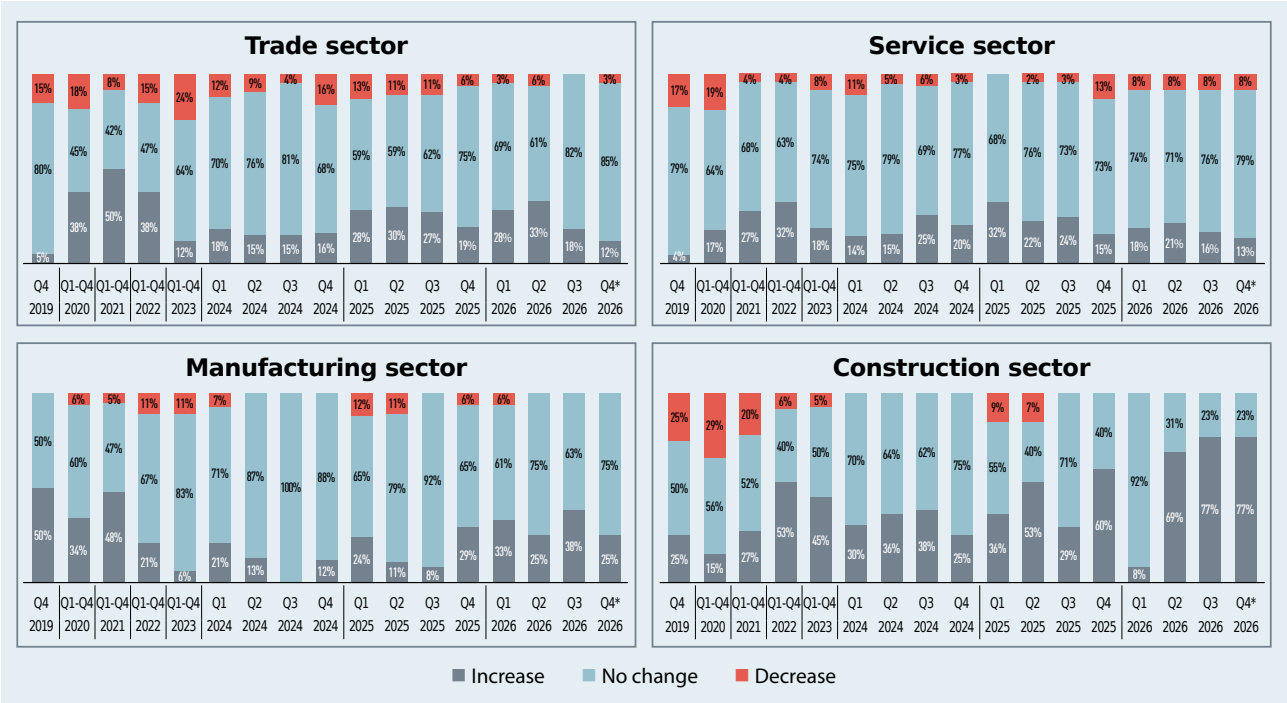
Graph 7: Sales, demand and domestic production in trade, service, manufacturing, and construction sectors

Sales Prices

- In Q3 of 2026, 27% of surveyed companies increased sales prices, and 23% of the companies expect the prices to rise in Q4 of 2026 (see Graph 8).
- Among sectors, in Q3 of 2026, the share of the companies that are increasing sales prices is the highest for the construction sector (77%). As for the expectations for Q4 of 2026, the highest share of companies predicting sales prices to increase was once again recorded in the construction sector (77%) (see Graph 9).



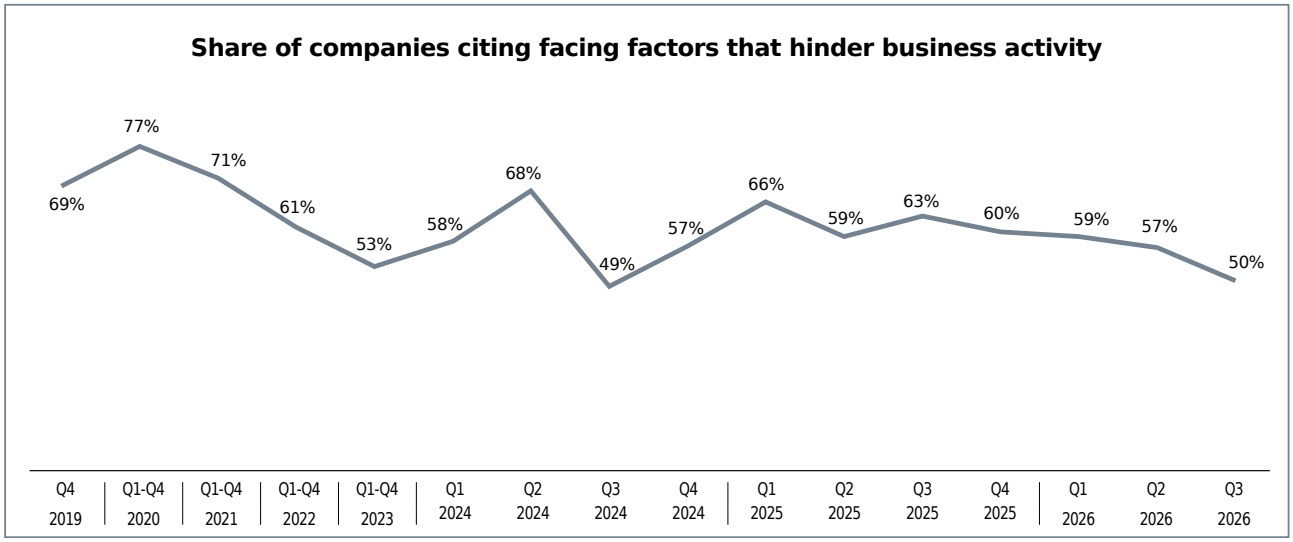
Graph 8: Sales prices in BAG member businesses and companies in their corporate group



Graph 9: Sales prices in trade, service, manufacturing, and construction sectors

FACTORS HINDERING BUSINESS ACTIVITY

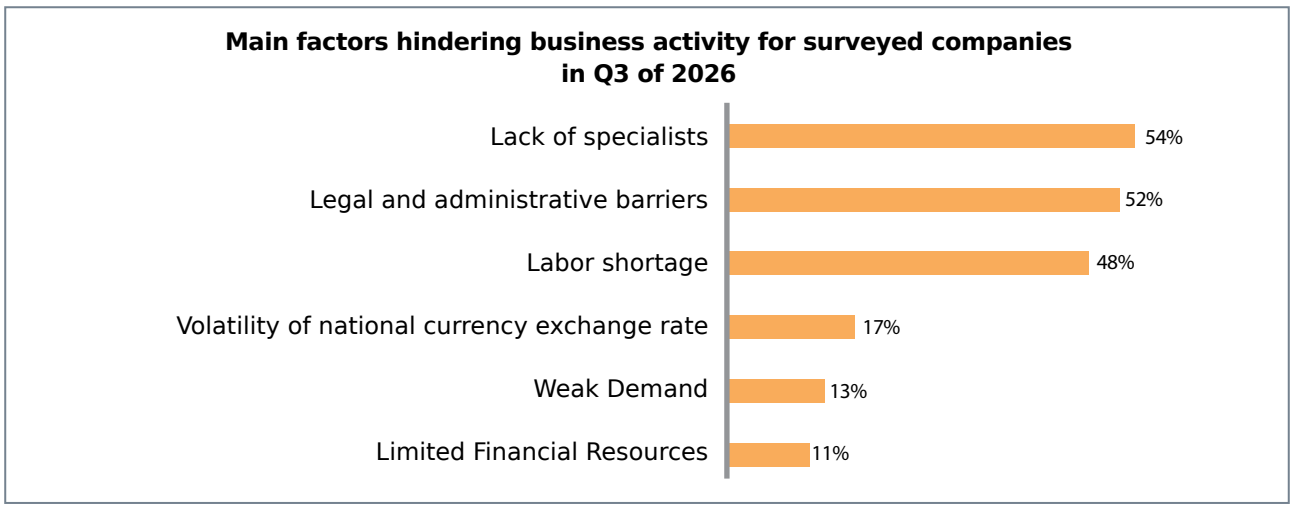
In Q3 of 2026, compared to Q2 of 2026, the share of surveyed companies claiming that there are factors hindering their business activity decreased by 7 percentage points.



Graph 10: Existence of factors hindering business activity

In Q3 of 2026, the following were identified as the main factors hindering business activity: lack of specialists, legal and administrative barriers and labor shortage (see Graph 11).[6]

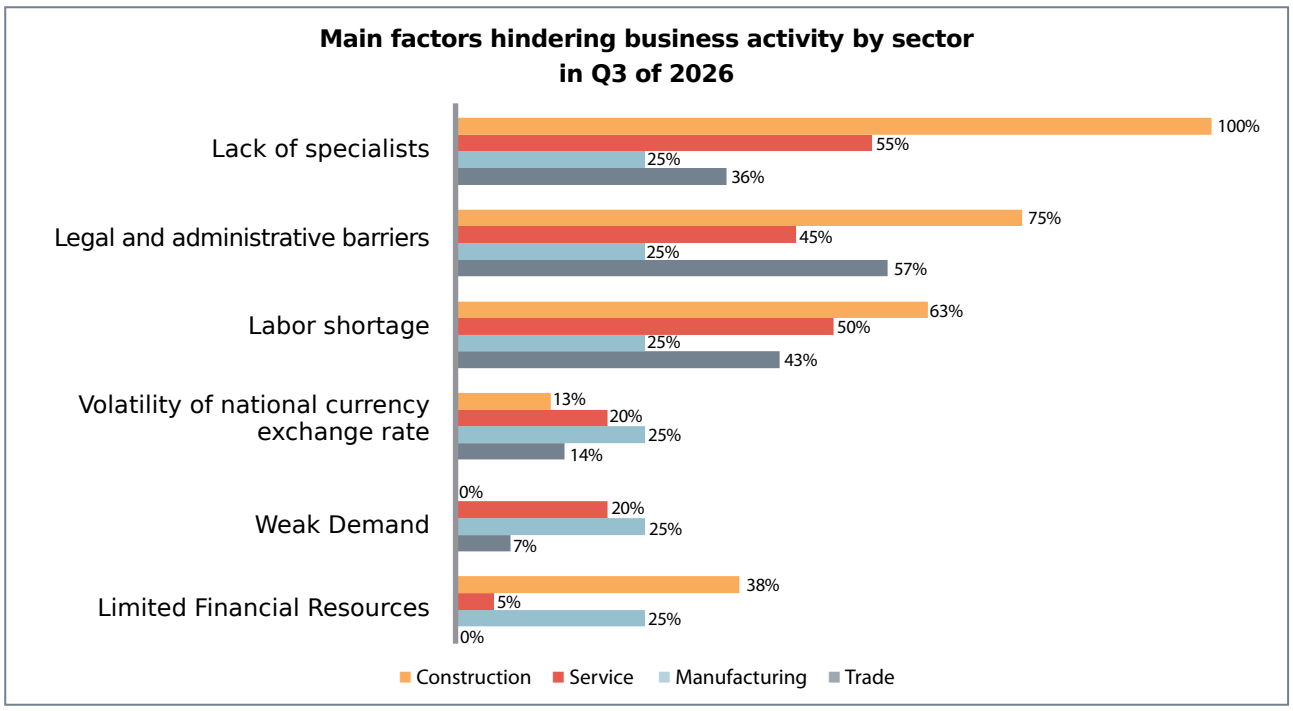
[6] The instability of the national currency exchange rate, as one of the hindering factors for business, was added to the existing questionnaire on factors hindering business activity in the Q4 2021.



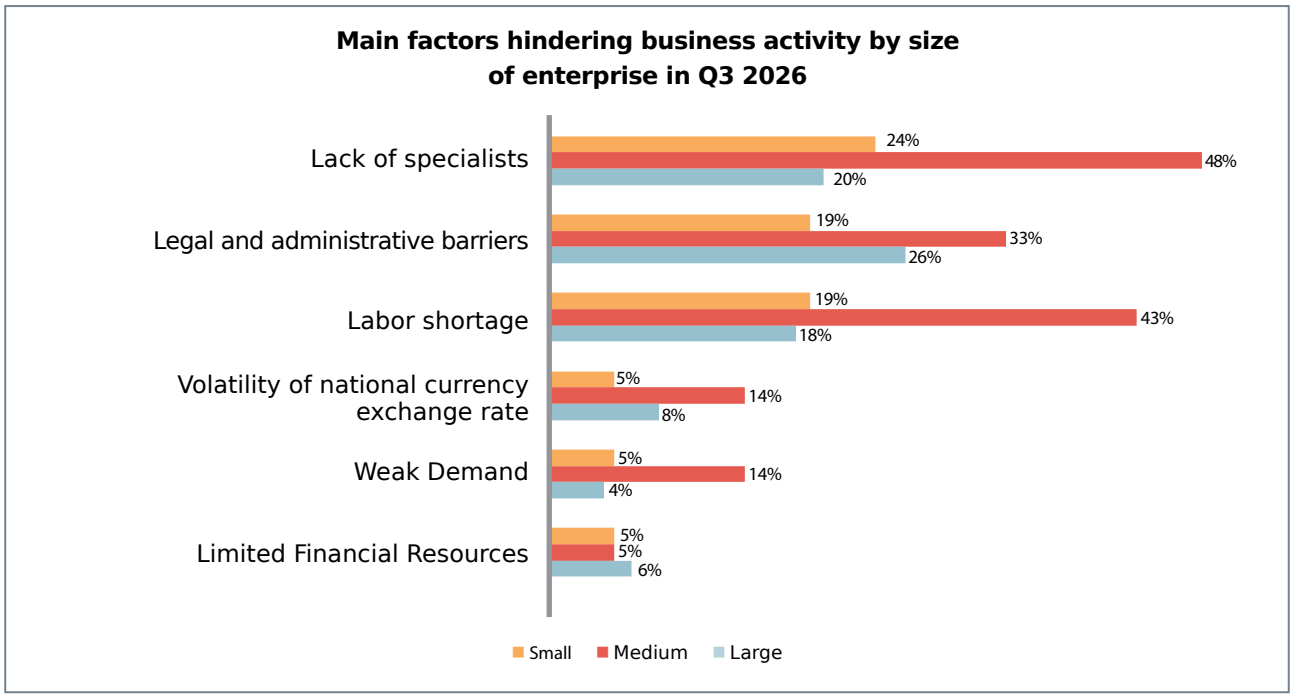
Graph 11: Main factors hindering business activity for surveyed companies in Q3 of 2026

By sector and enterprise size, in the Q3 of 2026:

- ***The lack of specialists*** is the most hindering in the construction sector (100%) and medium-sized enterprises (48%).
- ***Legal and administrative barriers*** are most hindering for medium-sized enterprises (33%), with a particularly strong impact in the construction (75%) and the trade (57%) sectors.
- ***The lack of labor force*** is the most hindering in the construction (63%) and service (50%) sectors and is particularly problematic for medium-sized companies (43%).
- ***The volatility of the national currency exchange rate*** is particularly hindering in the manufacturing sector (25%). By size, this issue is mostly problematic in medium (14%) and large-sized enterprises (8%)
- ***The weak demand*** represents a hindering factor particularly for the manufacturing sector (25%), while this problem is not observed in the construction sector at all. By size, this issue is particularly hindering in medium-sized (14%) enterprises.
- ***Limited financial resources*** are a major constraining factor most notably for the construction sector (38%). By size, this issue affects large (6%), medium (5%) and small-sized (5%) enterprises almost equally (see Graphs 12, 13).

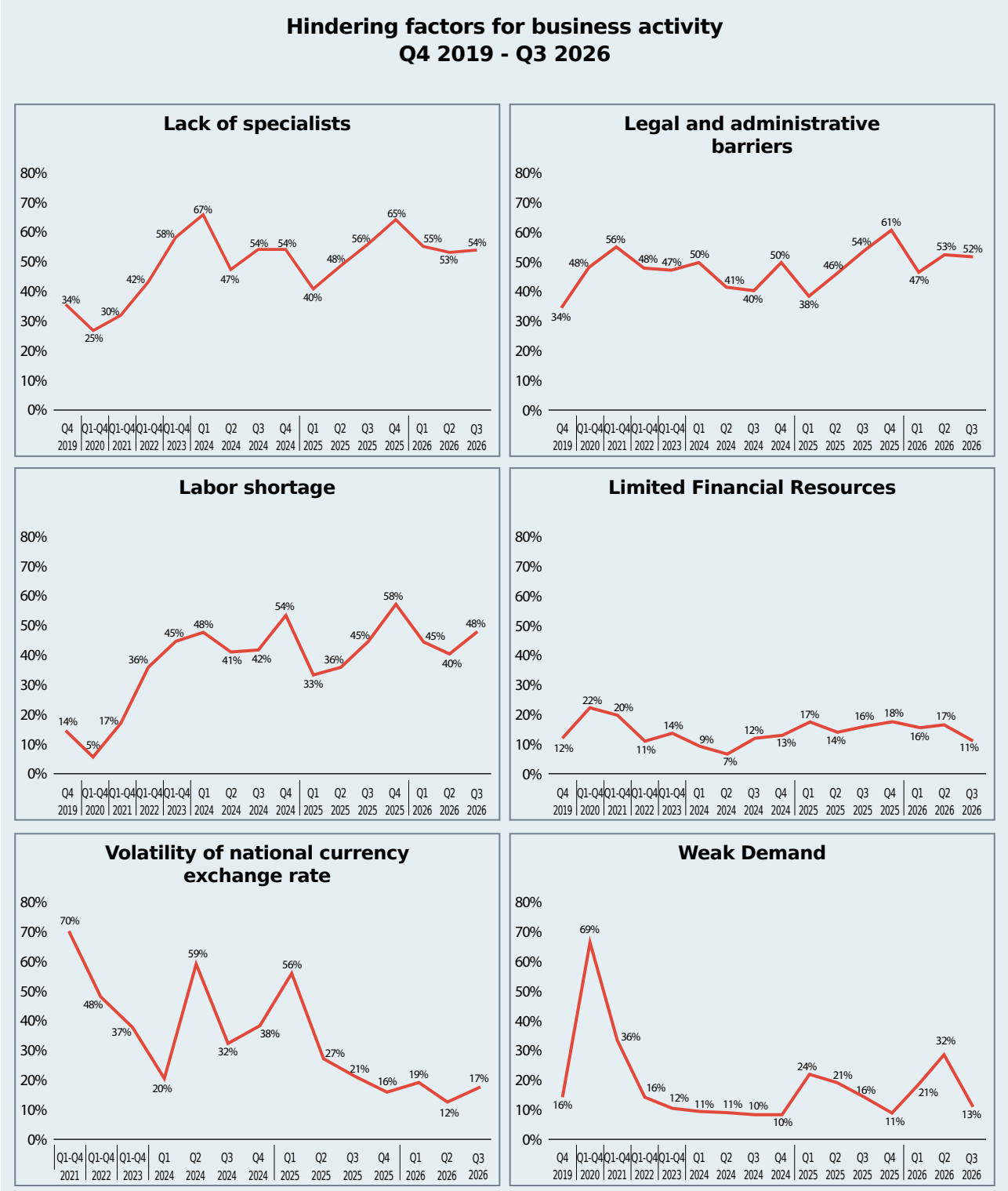


Graph 12: Main factors hindering business activity by sectors in Q3 of 2026



Graph 13: Main factors hindering business activity by the size of the enterprise in Q3 of 2026

In Q3 of 2026, compared to the previous quarter, among the factors hindering business activity, the share of companies citing the labor shortage increased the most (by 8 percentage points). Meanwhile, the share of companies citing the weak demand as the hindering factor decreased the most (by 19 percentage points) (See Graph 14).



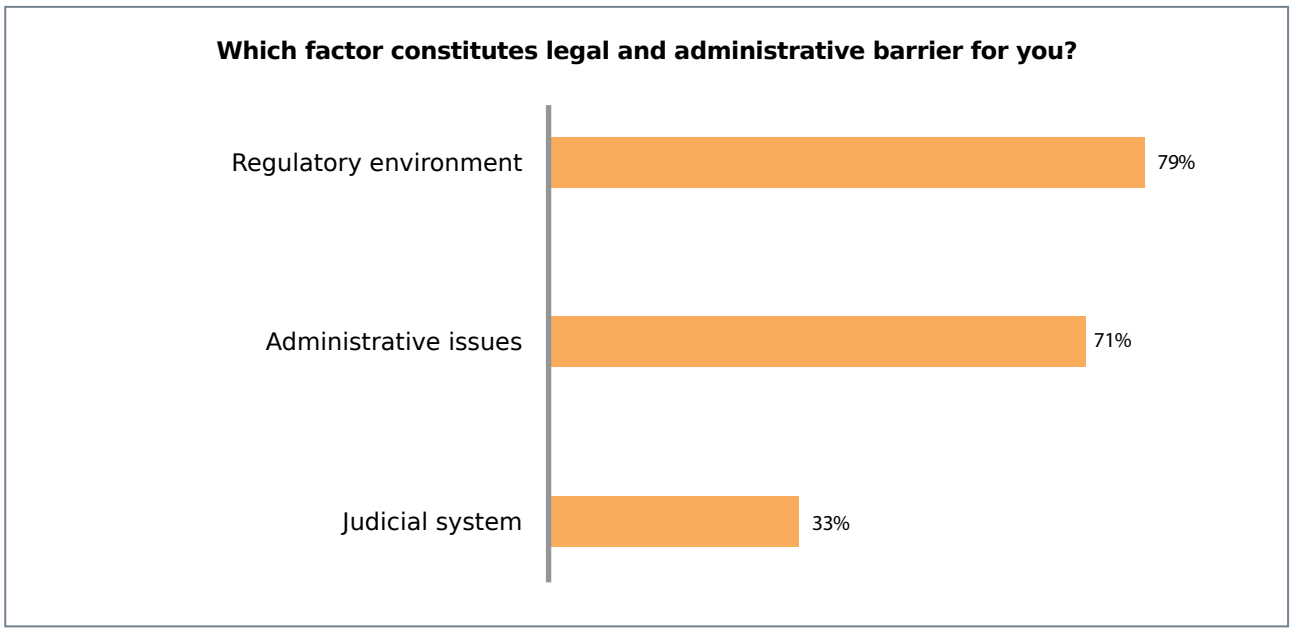
Graph 14: Main hindering factors for surveyed companies

The main factors determining legal and administrative barriers for business

In Q3 of 2026, the **regulatory environment** has been considered the main element of legal and administrative barriers hindering business activity. Looking from a sector-by-sector view, the regulatory environment was most frequently cited as a hindering factor in the construction sector, while it was cited almost equally frequently in the remaining sectors.

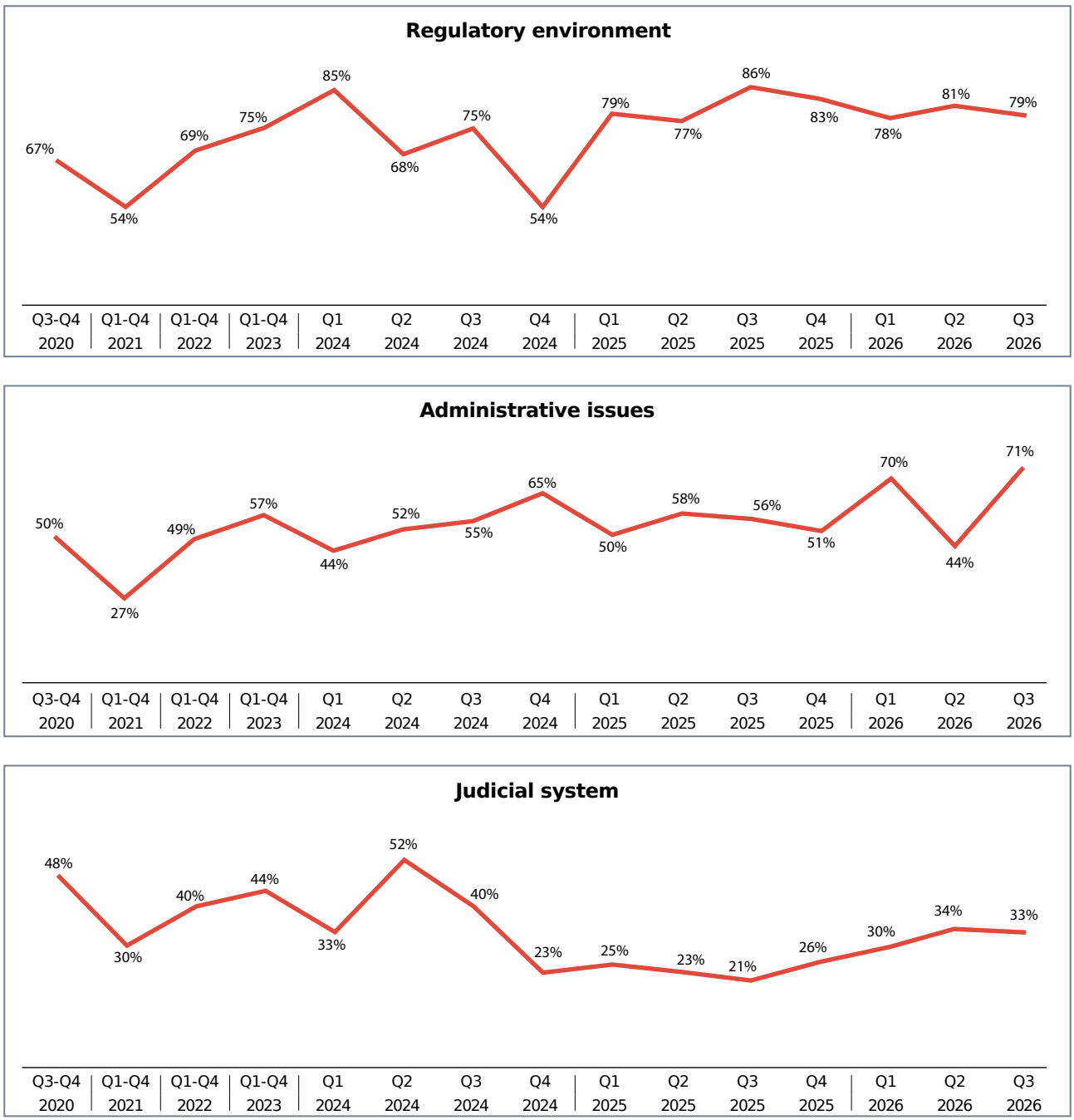
Among legal and administrative barriers, **administrative issues** were the second-most cited hindering factor. This was deemed the most hindering in the construction sector, while the least hindering for the trade sector.

Meanwhile, the **judicial system** was the most cited as a hindering factor under legal and administrative barriers in the service sector, while the least hindering in the trade sector.



Graph 15: Main legal and administrative hindering factors for surveyed companies

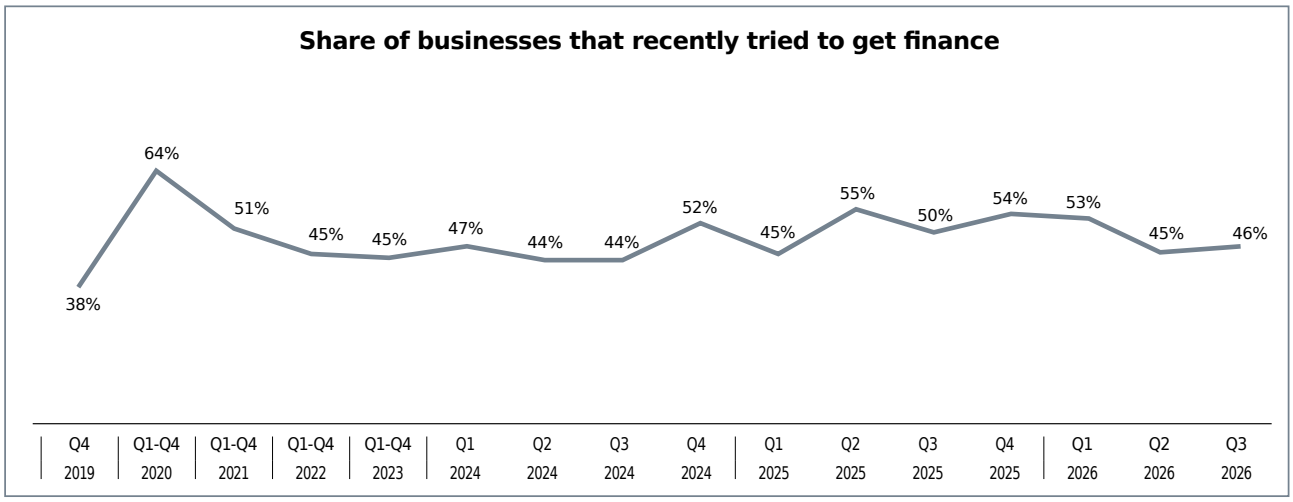
In summary, in Q3 of 2026, compared to the previous quarter, the share of companies to cite regulatory environment and judicial system as hindering factors decreased (by 2 and 1 percentage points, respectively). Meanwhile, the share of companies to cite administrative issues as a hindering factor increased (by 27 percentage points) (see Graph 16).



Graph 16: Main legal and administrative hindering factors for surveyed companies

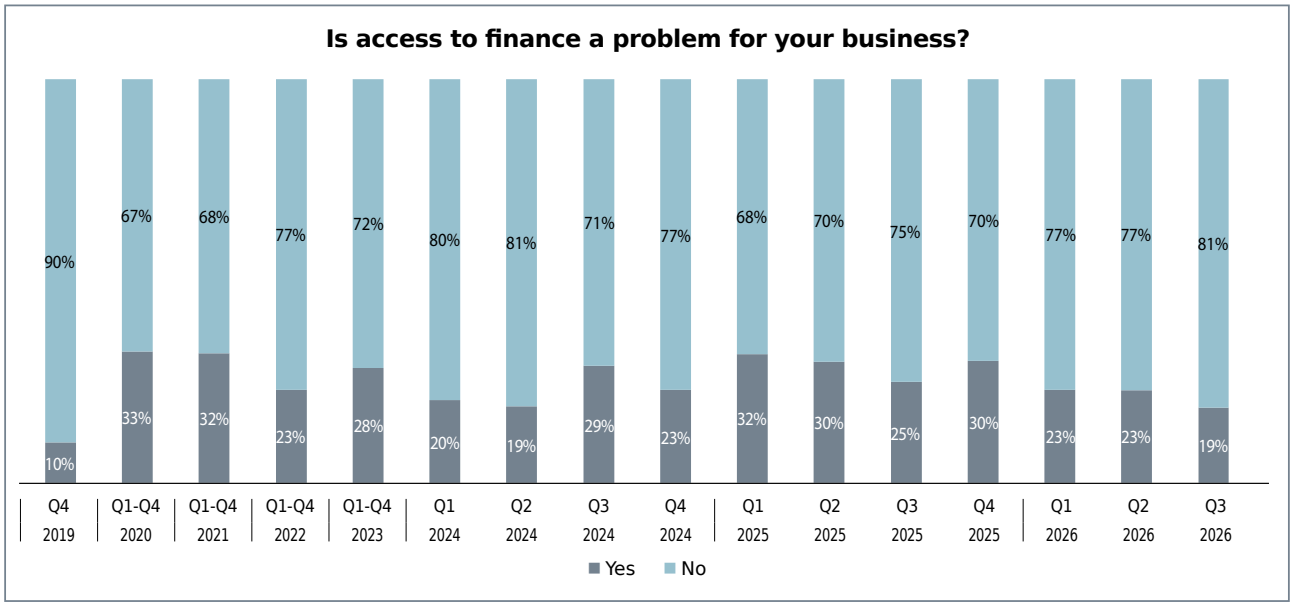
FINANCING

In Q3 of 2026, 46% of surveyed companies claimed to have recently tried to obtain finance, which is 1 percentage point higher than the figure recorded in the previous quarter (see Graph 17). By enterprise size, large-sized enterprises (56%) were relatively more likely to seek financing than small (39%) and medium-sized enterprises (37%).



Graph 17: Businesses that recently tried to get finance

In Q3 of 2026, 19% of those companies that recently tried to access finance also noted that access to finance was a problem for their business. This figure decreased by 4 percentage points compared with the previous quarter (see Graph 18). The problem of accessing finance was observed more frequently in small enterprises (25% of those that tried to obtain finance) and relatively less in medium (18%) and large-sized (17%) enterprises.

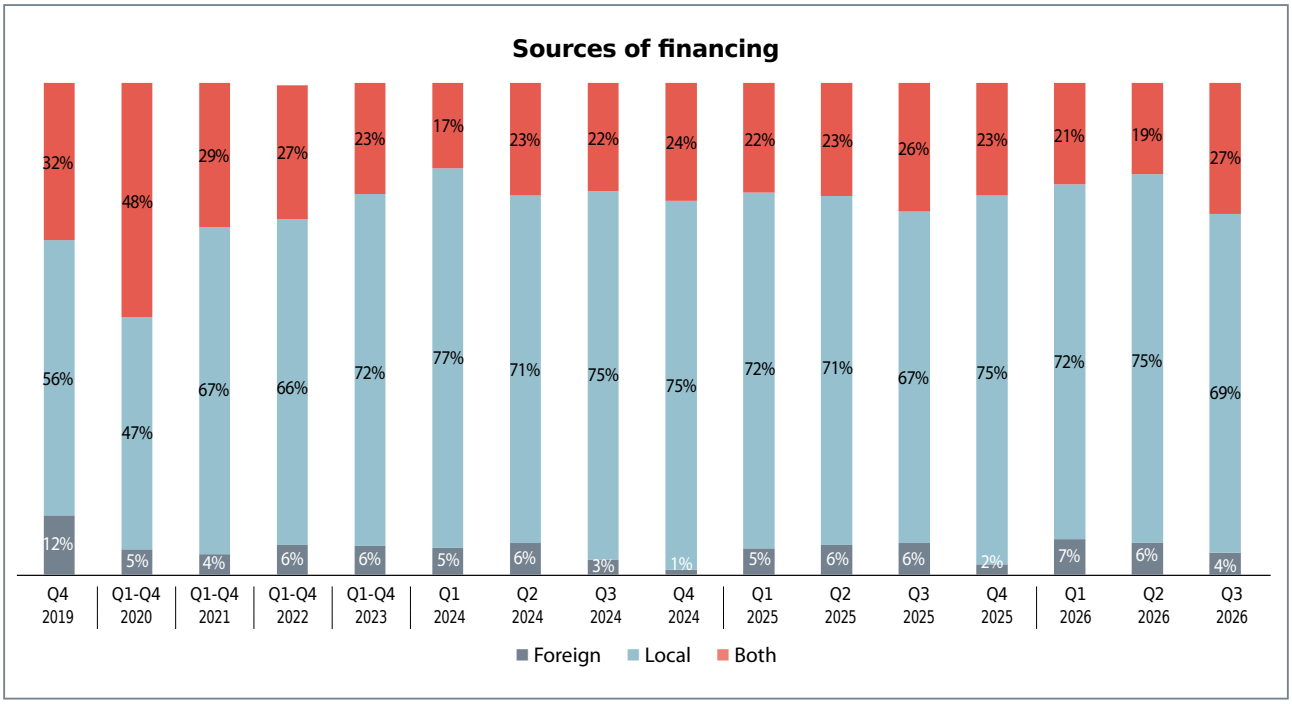


Graph 18: Access to finance[7]

Regarding sources of financing[8], in Q3 of 2026, the majority of surveyed companies stated that they were financed by local sources (69%). The share of companies stating that they were financed by both domestic and foreign sources increased by 8 percentage points in Q3 of 2026, compared to the previous quarter, and reached 27%.

7 The question was only answered by those companies that stated they had recently sought finance.

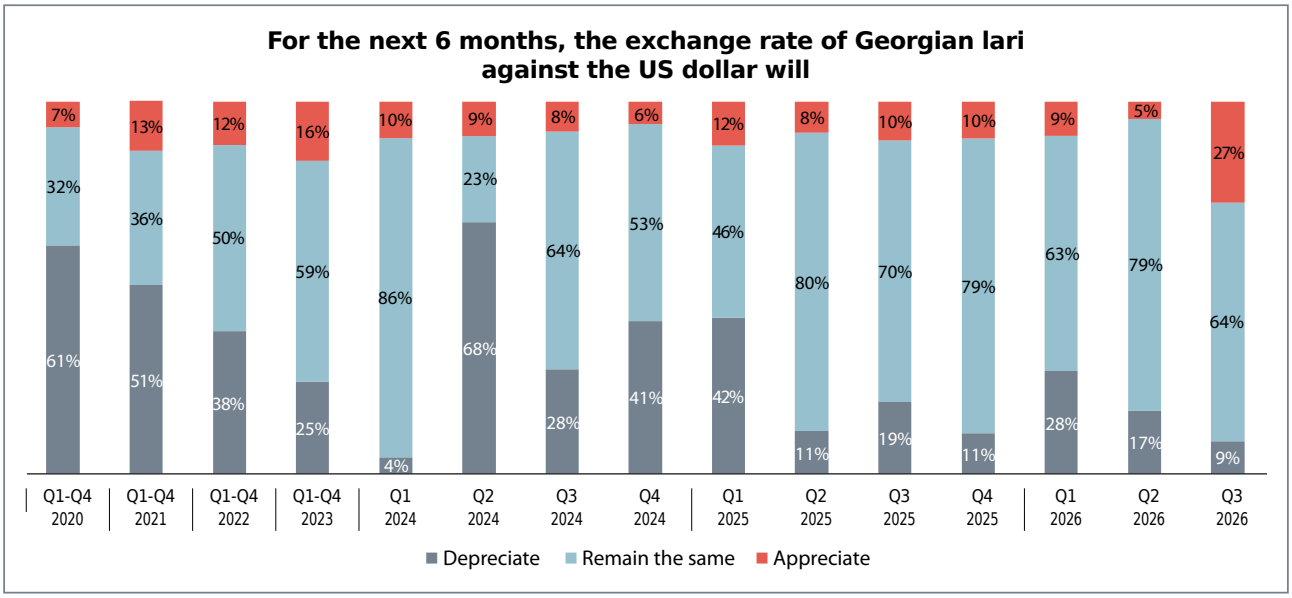
8 The change in methodology in Q1 of 2021 (the increase in the number of surveyed companies) altered the financing structure. This methodological change did not affect significantly any other indicators.



Graph 19: Sources of financing

EXCHANGE RATE EXPECTATIONS

In Q3 of 2026, most of the surveyed companies (64%) do not expect any change in the exchange rate of the national currency against the US Dollar over the next 6 months. Meanwhile, 9% of companies expect the national currency to depreciate, and 27% expect it to appreciate. In Q3 of 2026, compared to Q2 of 2026, the share of companies expecting that the national currency exchange rate would remain the same throughout the next 6 months decreased (by 15 percentage points), while the share of companies expecting that the national currency would appreciate against the US Dollar increased by 22 percentage points.

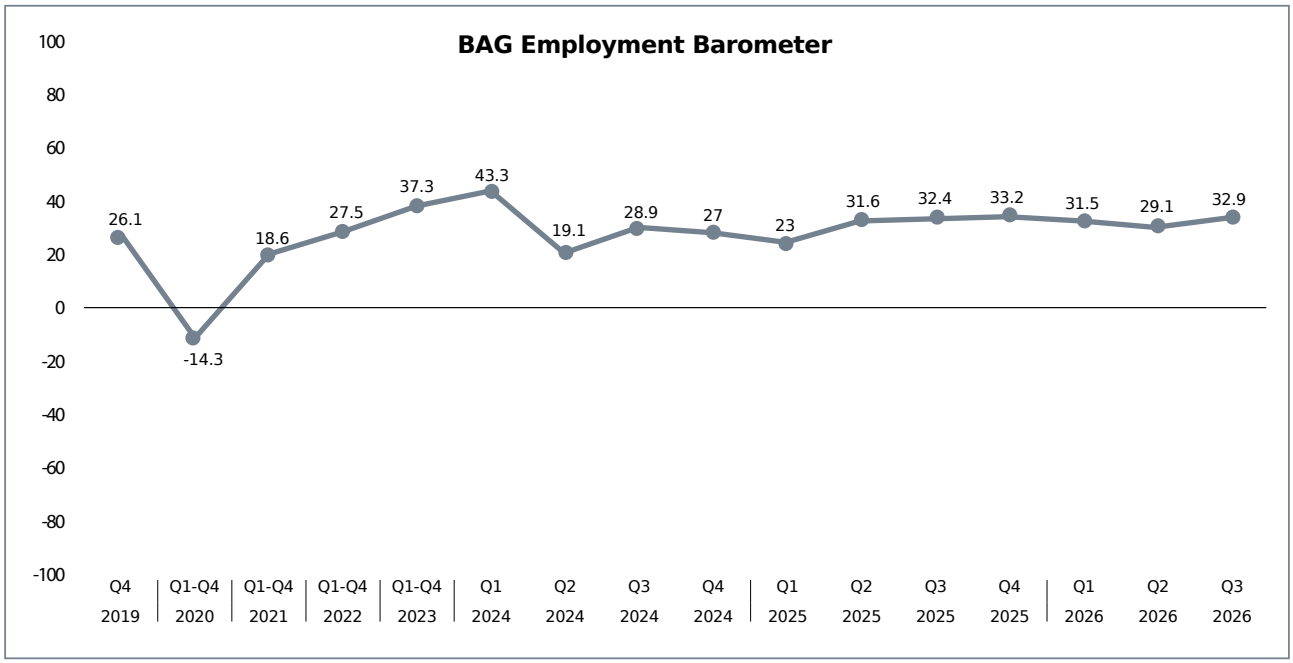


Graph 20: The exchange rate of the Georgian Lari against the US Dollar

BAG EMPLOYMENT BAROMETER

The BAG Employment Barometer reflects companies' expectations regarding changes in employment in the next three months.[9]

IN Q3 OF 2026, THE SURVEYED BUSINESSES GENERALLY HAD A POSITIVE OUTLOOK REGARDING EMPLOYMENT FOR THE NEXT THREE MONTHS. THE BAG EMPLOYMENT BAROMETER AMOUNTED TO 32.9 POINTS, MARKING AN INCREASE OF 3.8 POINTS COMPARED TO Q2 OF 2026 AND 0.5 POINTS COMPARED TO Q3 OF 2025.



Graph 21: BAG Employment Barometer[10]

In Q3 of 2026, the BAG Employment Barometer was positive in all four sectors. In Q3 of 2026, compared to Q2 of 2026, the employment barometer indicator increased in the construction (by 44.8 points) and manufacturing (by 22.2 points) sectors, while it declined in the service (by 9.8 points) and trade (by 2.6 points) sectors (see graph 22).

[9] Respondents could describe their plans regarding the number of employees for the next three months as "increasing," "stable," or "decreasing". The balance value of these plans is the difference in the percentage shares of the "increasing" and "decreasing" responses. The BAG Employment Barometer is a weighted mean of the balances in different sectors. The BAG Employment Barometer can be between -100 and +100. -100 means all surveyed businesses expect employment to decrease in the next three months, while +100 means all surveyed businesses expect employment to increase in the next three months.

[10] For 2019, only fourth quarter data is available, while for 2020-2023, quarterly averages are presented.

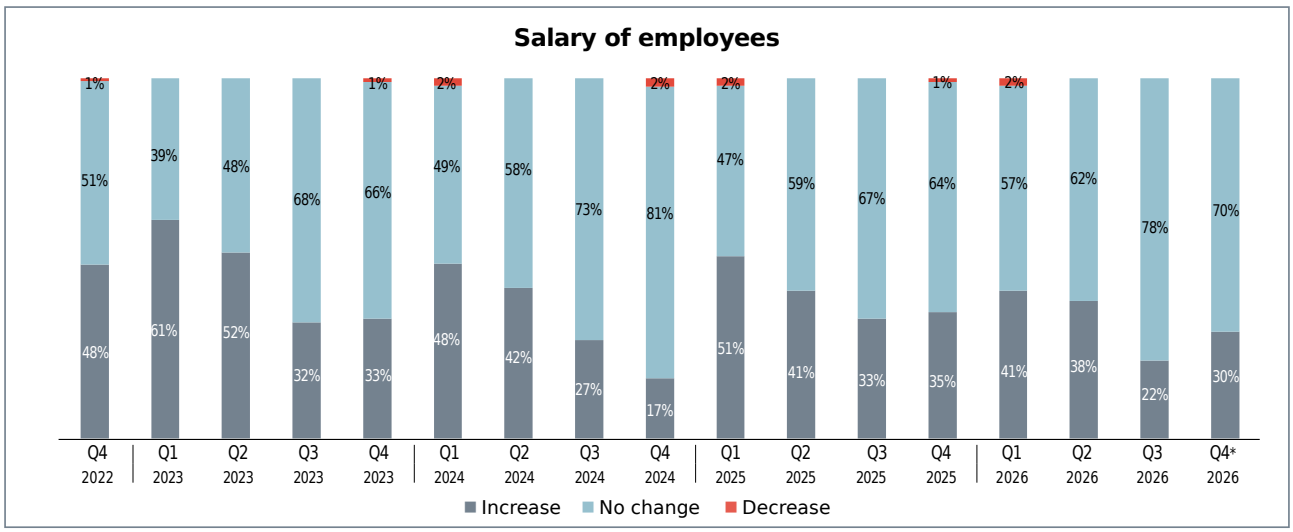
Table 2: Employment Barometer. Balance values by sector

Sector	Q4 2019	Q1-Q4 2020	Q1-Q4 2021	Q1-Q4 2022	Q1-Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Trade	33.3	-12.6	16.9	29.0	37.4	45.5	9.4	39.4	34.5	29.0	40.6	43.2	43.2	42.4	35.9	**33.3**
Service	14.6	-13.7	15.3	21.7	28.7	38.9	20.5	22.0	18.8	20.0	22.2	32.7	33.3	35.0	28.2	**18.4**
Manufacturing	11.1	2.9	23.4	28.1	42.6	28.6	12.5	20.0	30.0	23.5	17.6	20.0	16.7	25.0	27.8	**50.0**
Construction	50	-31.9	30.1	44.6	63.5	70.0	47.1	35.7	30.8	16.7	54.5	20.0	28.6	0	16.7	**61.5**
BAG	26.1	-14.3	18.6	27.4	37.3	43.3	19.1	28.9	27.0	23.0	31.6	32.4	33.2	31.5	29.1	**32.9**



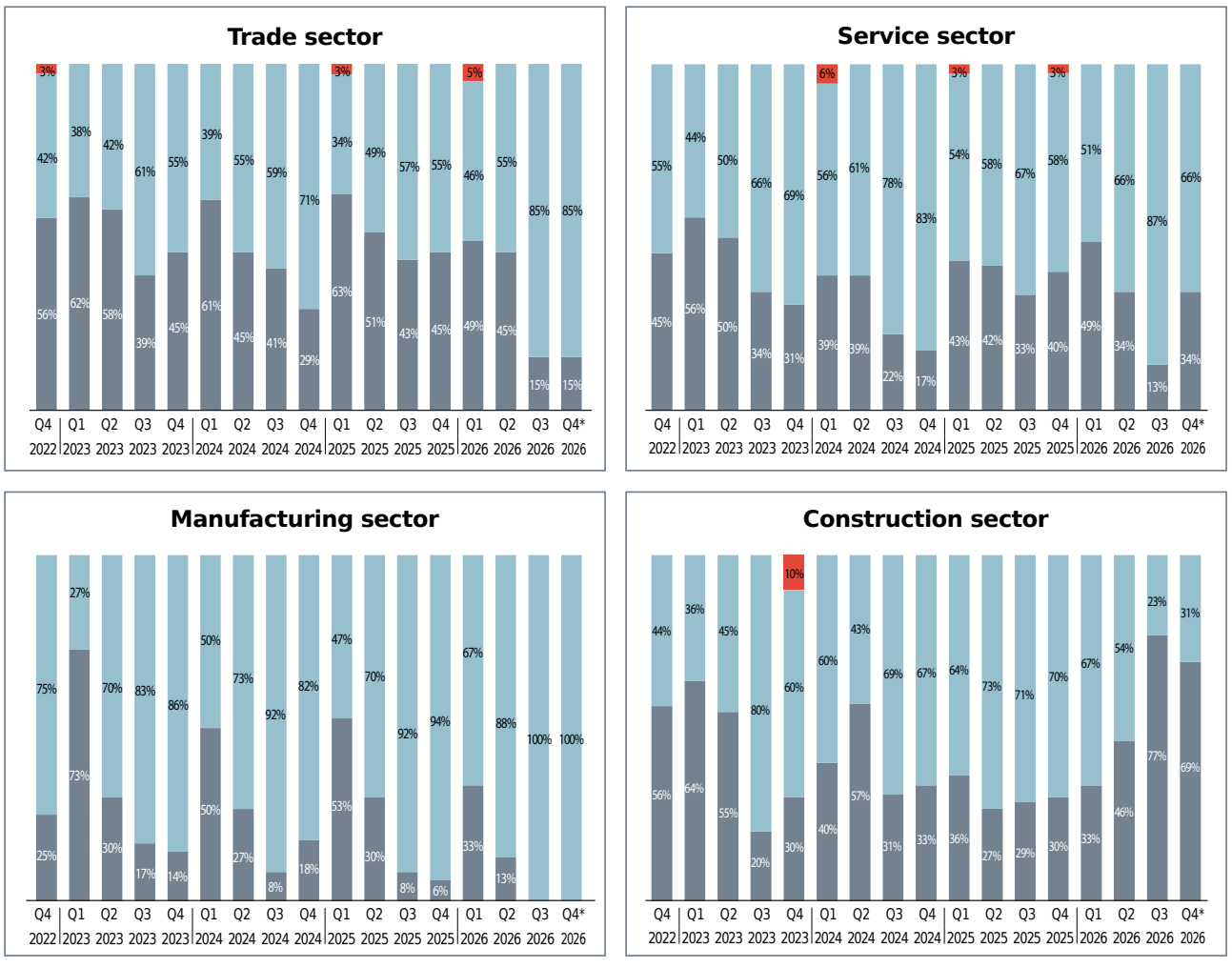
Graph 22: BAG Employment Barometer by sector

When examining employment, it is important to analyze the employee compensation dynamics in the process. The survey results revealed that 22% of companies raised employees' salaries in Q3 of 2026, which is lower than in both the previous quarter and the corresponding quarter of the previous year. In Q4 of 2026, 30% of companies plan to increase employees' salaries (see graph 23).



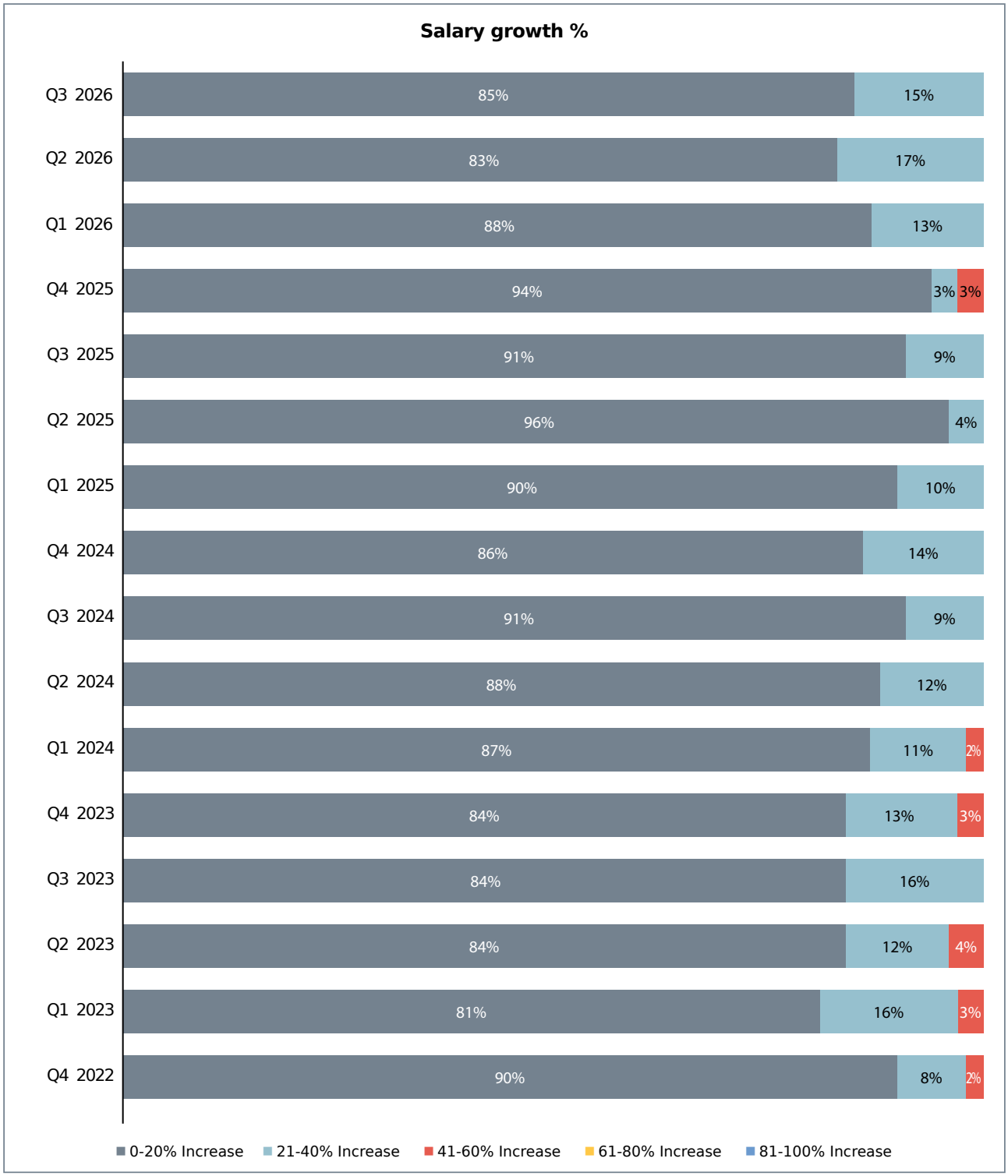
Graph 23: Salary of employees

By sector, the construction sector had the largest share of companies (77%) that increased employee salaries in Q3 2026. In Q4 of 2026, the largest share of companies planning to increase the wages of employees was recorded once again in the construction sector (69%) (see graph 24).



Graph 24: Salary of employees in trade, service, manufacturing, and construction sectors

In Q3 2026, among companies that increased employee salaries, the majority (85%) raised salaries by 0–20%. Meanwhile, the remaining 15% increased employee compensation by 21–40%.



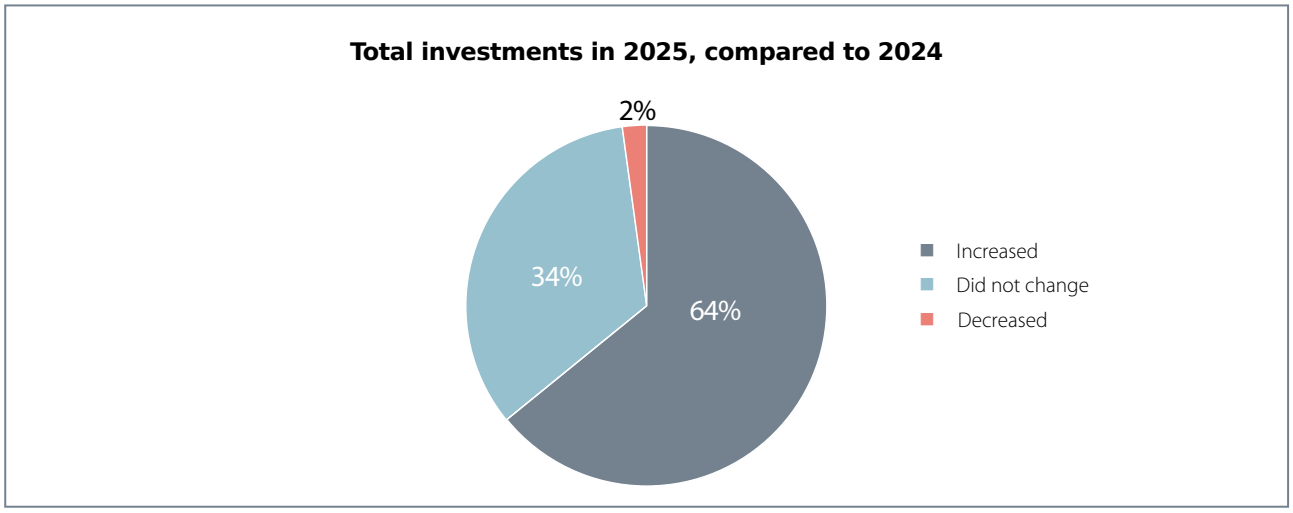
Graph 25: Growth (%) of salary of employees

BAG INVESTMENT SURVEY

As part of an investment survey, which is carried out bi-annually, PMC Research Center collects data on investment trends. For the purposes of this survey, respondents were divided into the following four sectors (similar to the BAG Business Climate): trade, service, manufacturing and construction. The survey conducted in the third quarter of 2026 covered investments made by surveyed businesses in 2025 and their plans for 2026.

INVESTMENT ENVIRONMENT IN 2025

Overall, 64% of the surveyed businesses stated that their total investments had increased in 2025, compared to 2024. Meanwhile, 34% of the surveyed companies claimed their total investments were unchanged and 2% stated their investments had decreased over the same period.



Graph 26: Investment environment in 2025

It must be mentioned that 77% of the companies in the construction sector reported an increase in total investments in 2025, compared to 2024, which is the highest figure among all sectors. In the given period, 67% of companies reported an increase in total investment in the trade sector, 61% in the service sector, and 50% in the manufacturing sector.

Furthermore, 13% of respondents in the manufacturing sector stated that total investments decreased in 2025, compared to 2024. At the same time, 3% of surveyed companies in the service sector recorded a decrease in total investments in this timeframe, while construction and trade sectors have not stated a decrease (for detailed information see graphs 28, 29, 30 and 31).

In 2025, the majority of companies recorded an increase in their total investments in equipment (70%). The increase in investments in software and databases (61%) and plants (56%) was recorded by a relatively smaller share of the surveyed companies.

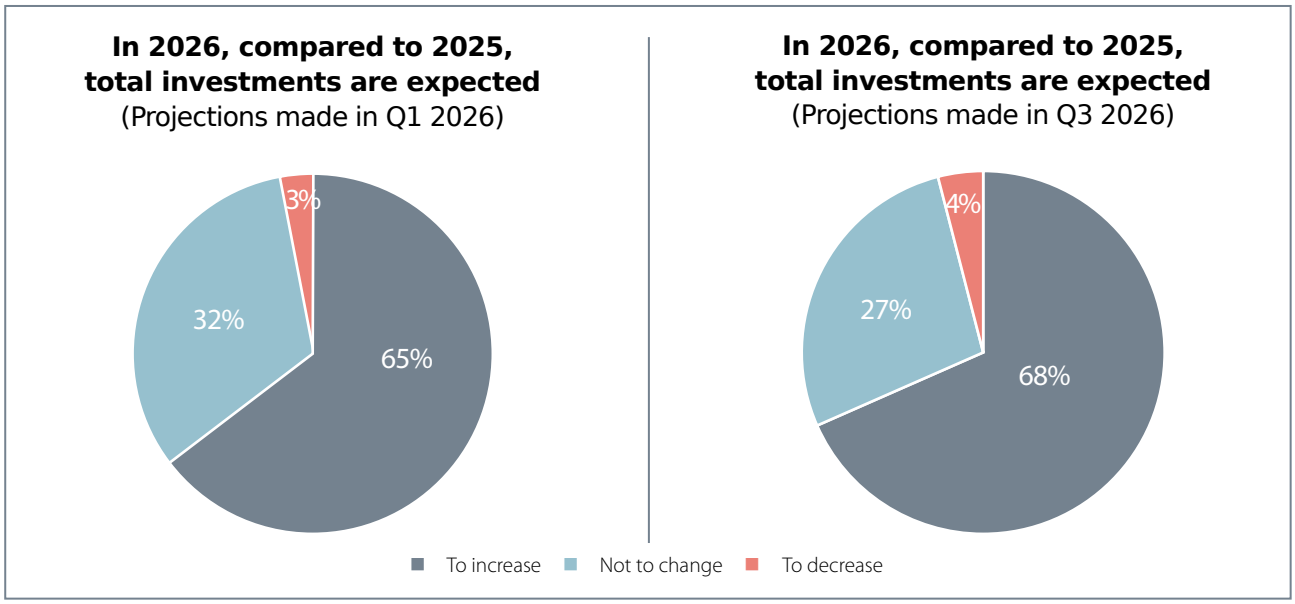
By sector, the trade sector recorded the highest percentage share of companies stating an increase in equipment (76%). Notably, the trade sector also stood out for the growth of investments in software/databases together with the service sector (63-63%), while the manufacturing sector was first in investments in plants (71%).

INVESTMENT PLANS FOR 2026

To assess the 2026 investment plan, an investment survey was conducted in Q1 2026, and this forecast was updated in Q3 2026.

In Q3 2026, 68% of the surveyed companies stated that the total volume of investments they make in 2026 will increase compared to 2025. At the same time, 27% of surveyed companies expect no change in total investments, while 4% expect investments to fall.

It is worth noting that investment forecasts for 2026 improved slightly in Q3 2026 compared to Q1 2026. Instead of the 65% of companies that had planned to increase investments in 2026, 68% now plan to do so. By sector, the investment forecast rose the most (by 17 percentage points) in construction: in Q1 2026, 60% of companies believed their investments would grow in 2026, compared with 77% in Q3.

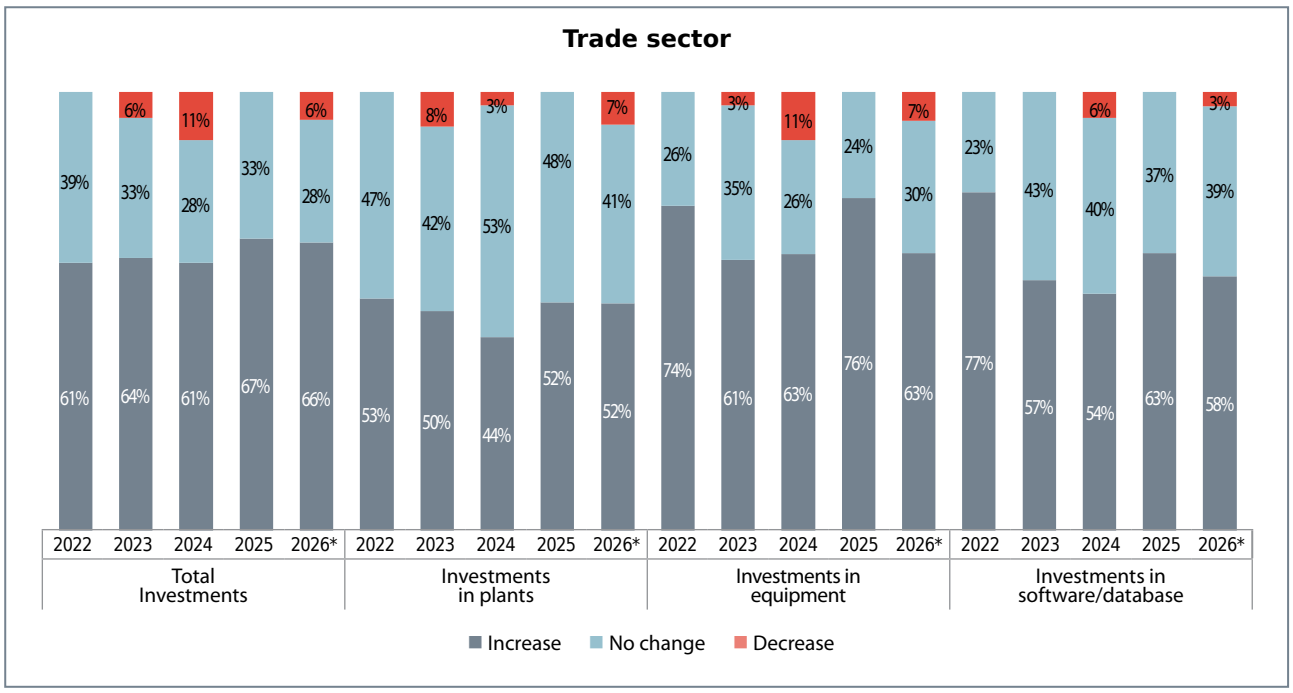


Graph 27: Investment plans of companies for 2026

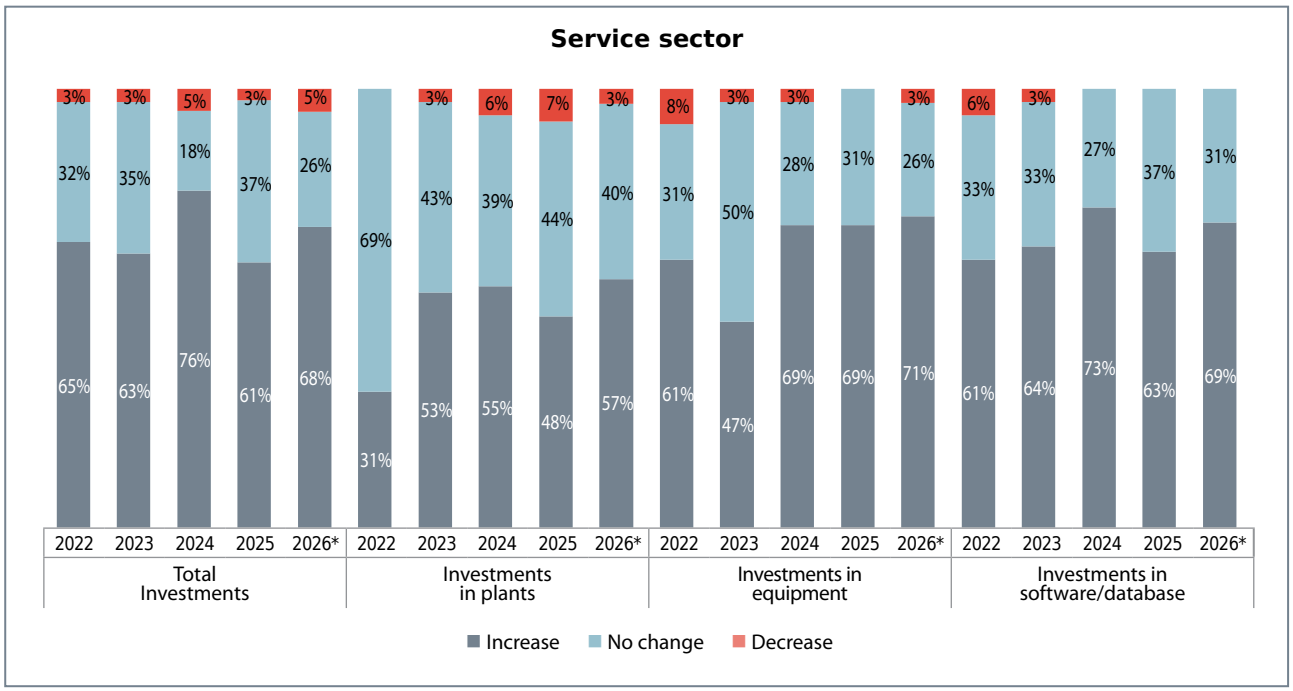
Amongst all four sectors, the construction sector again conveyed the most optimistic expectations regarding investment for 2026. Namely, 77% of companies in the construction sector expect an increase in total investments. Moreover, 68% of companies in the service sector and 66% in the trade sector expect an increase in investments, while 63% of companies in the manufacturing sector plan to increase their total investments in 2026, compared to 2025.

In 2026, more positive expectations with regard to investments were recorded in equipment and software/databases, while less positive expectations were recorded with regard to investments in plants. 62% of the surveyed companies expect to increase their investments in software/databases in 2026, compared to 2025, while 61% of businesses have the same expectation for investments in equipment. Moreover, 56% claim that their investments in plants will increase in 2026, compared to 2025.

It must be noted that, among the covered sectors, the most positive expectations regarding investments in equipment are conveyed in the service sector, where 71% of the companies plan to increase investment in equipment. Positive expectations for plant investment are strongest in the construction sector (69%), while expectations for growth in software and database investment are highest in services (69%).



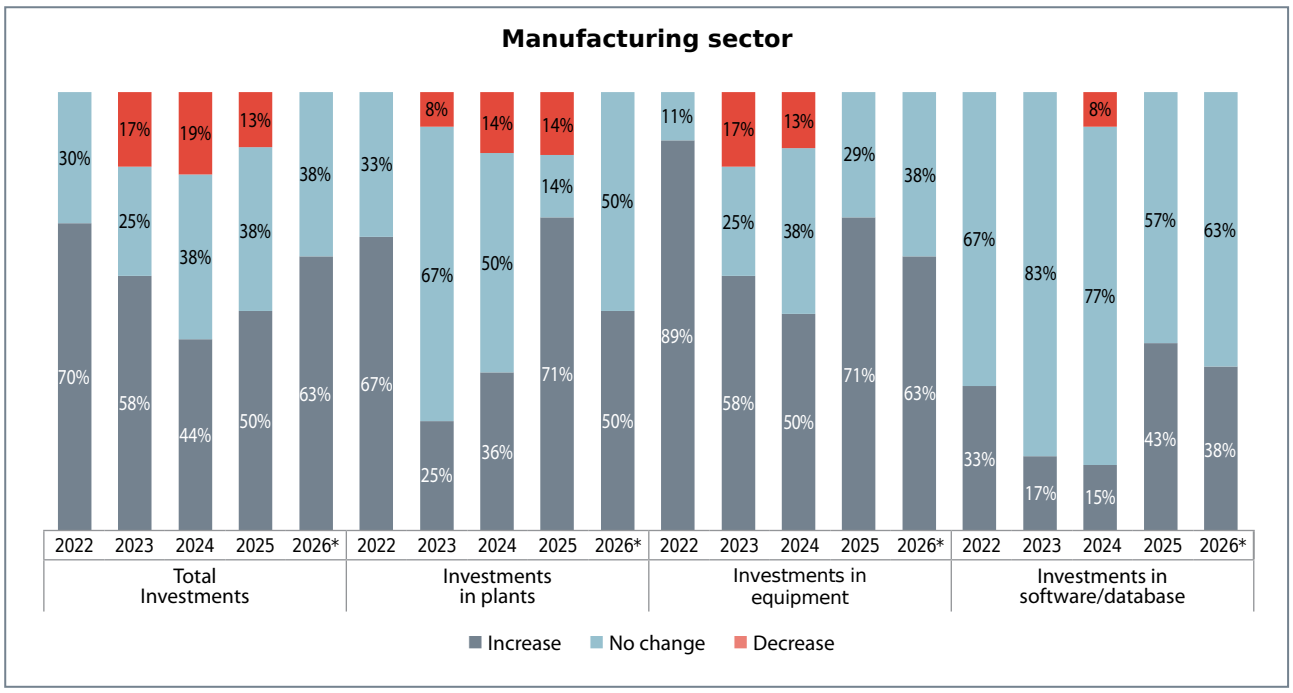
Graph 28: Investment environment in 2022-2025 and investment plans for 2026 in the trade sector (change compared to the previous year)[11]



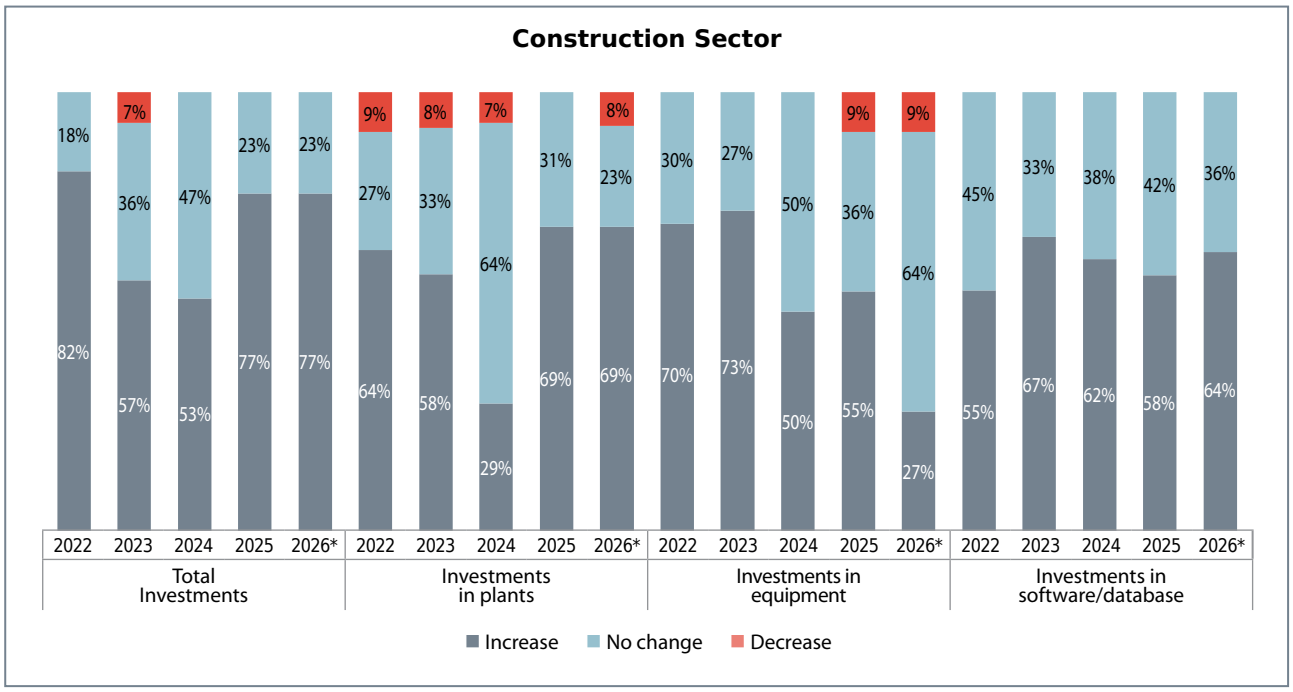
Graph 29: Investment environment in 2022-2025 and investment plans for 2026 in the service sector (change compared to the previous year)

[11] Due to the rounding of number, in some graphs the sum of the data does not always equal 100%.

* Expectation.



Graph 30: Investment environment in 2022-2025 and investment plans for 2026 in the manufacturing sector (change compared to the previous year)



Graph 31: Investment environment in 2022-2025 and investment plans for 2026 in the construction sector (change compared to the previous year)

BAG TRANSPORT AND LOGISTICS SURVEY

In the Q3 2026 survey, additional questions were integrated into the BAG Index questionnaire to assess companies' experience in transport and logistics. The questions cover international shipments, customs and border procedures, transit permits, multimodal documentation, tariff predictability, companies' investment plans and their experience with the Middle Corridor (Trans-Caspian International Transport Route).

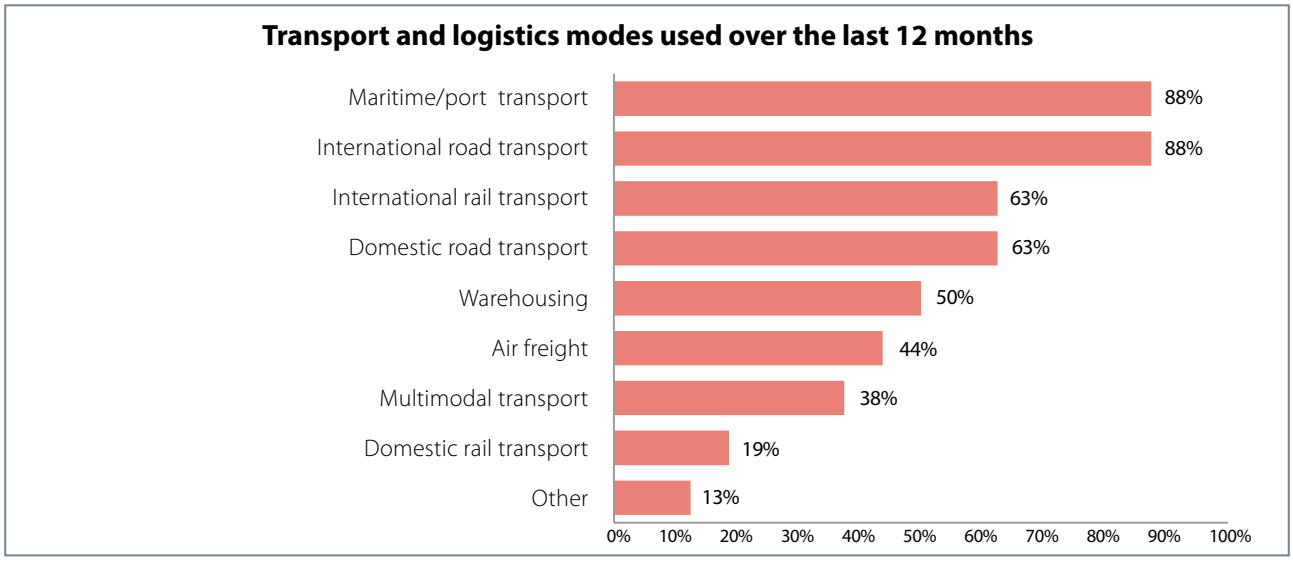
COMPANY PROFILE AND USE OF TRANSPORT

62.5% of surveyed companies regularly use transport and logistics services, while **37.5%** are themselves providers of such services (see Graph 32).



Graph 32: Companies' link to international trade, transport and logistics, Q3 of 2026

Over the last 12 months, surveyed companies most frequently used **maritime/port transport (88%)** and **international road transport (88%)**, and least frequently domestic rail transport (19%) (see Graph 33).

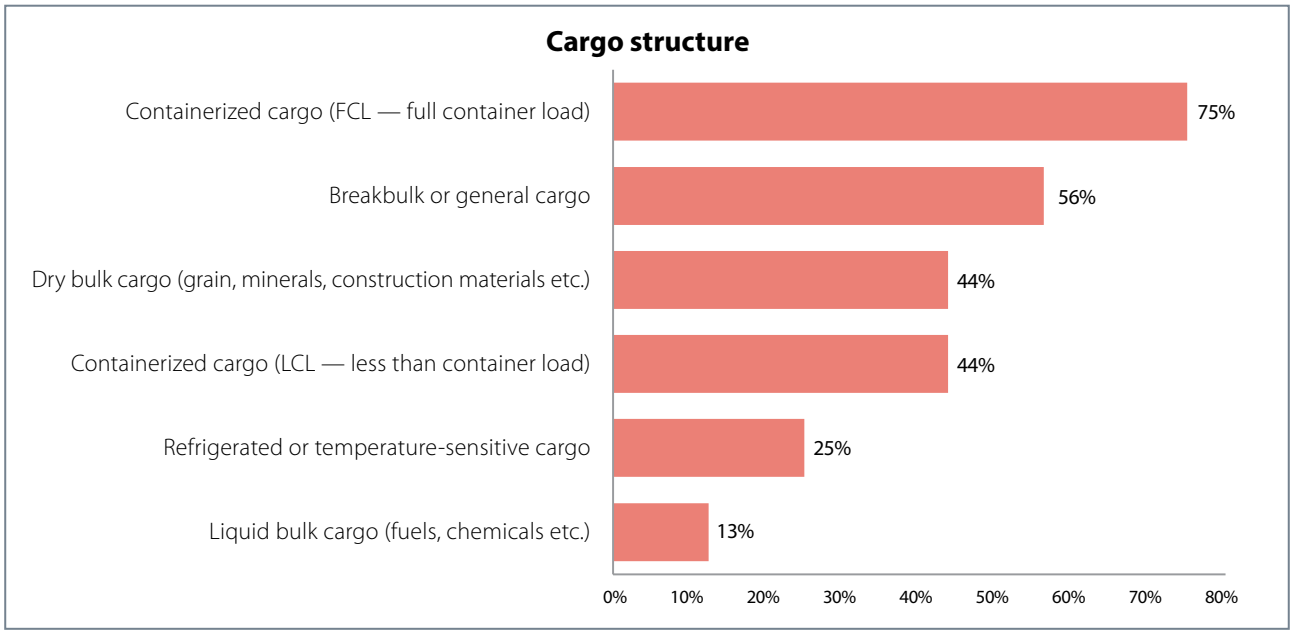


Graph 33: Transport and logistics modes used in the last 12 months, Q3 of 2026[12]

[12] Companies could select multiple answers; therefore, the sum of the percentages exceeds 100%. This note applies to all multiple-choice questions.

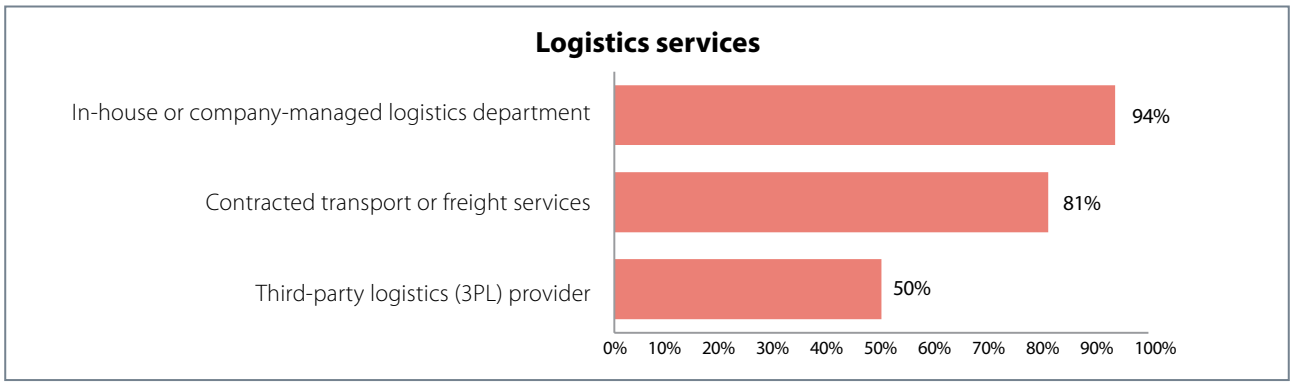
CARGO STRUCTURE, LOGISTICS AND WAREHOUSING SERVICES

By cargo type, **containerized cargo dominates** among surveyed companies. 75% of companies handle full container loads (FCL), and 44% handle less than container loads (LCL). 56% of companies ship breakbulk or general cargo, while only 13% ship liquid bulk cargo (see Graph 34).



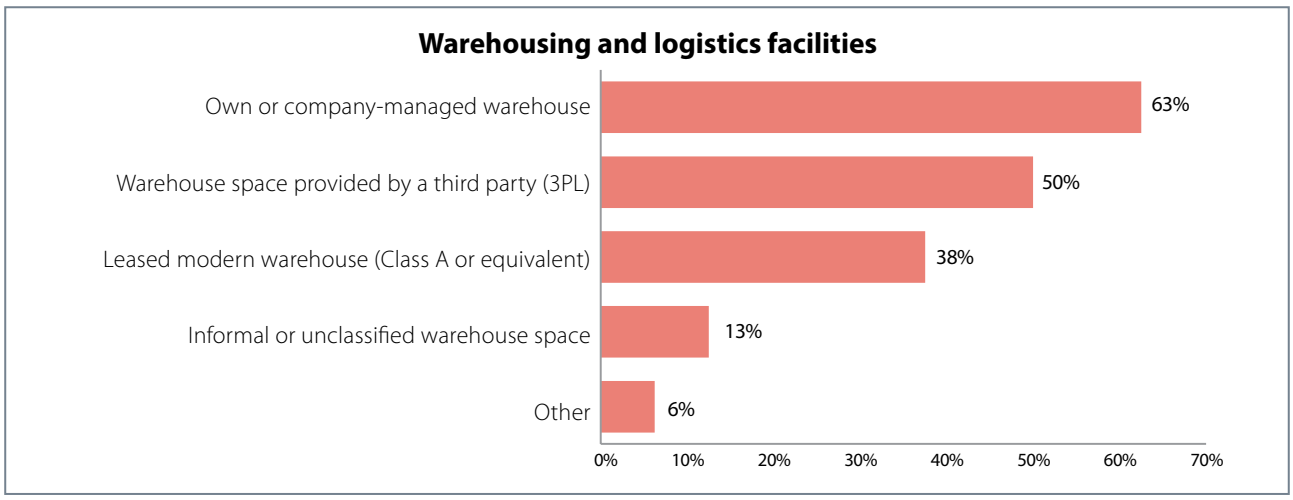
Graph 34: Type of cargo shipped or handled by companies, Q3 of 2026

94% of surveyed companies have their own or a company-managed logistics department, **81%** use contracted carriers, freight forwarders or couriers, and 50% use third-party logistics (3PL) providers (see Graph 35).



Graph 35: Type of logistics services used by companies, Q3 of 2026

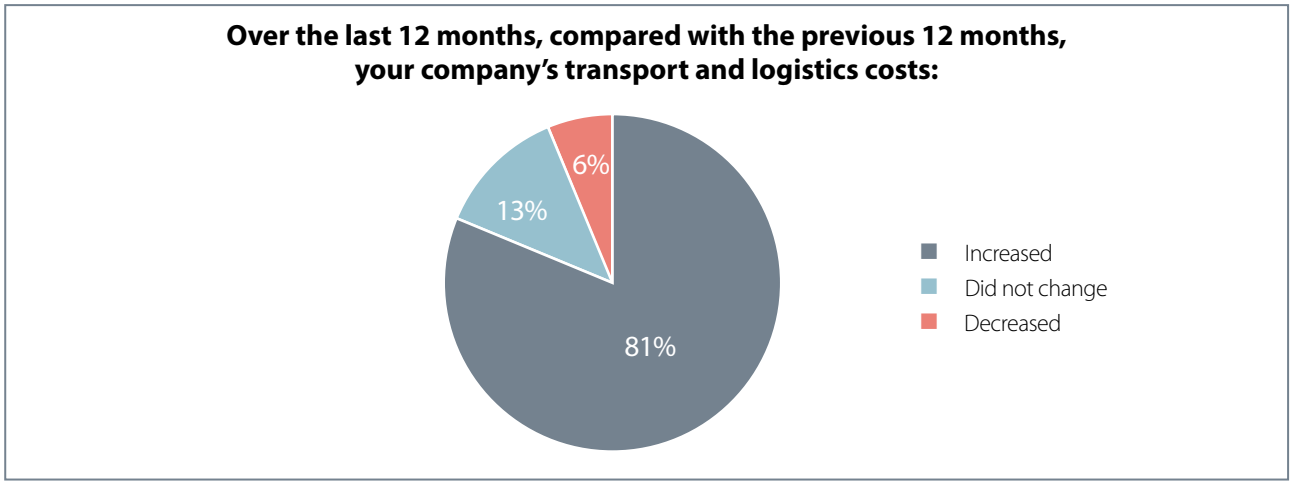
As for warehousing infrastructure, 63% of companies use their own or a company-managed warehouse, 50% use warehouse space provided by a third party (3PL), and 38% use a leased modern (Class A or equivalent) warehouse. Informal or unclassified warehouse space is used by 13% of companies (see Graph 36).



Graph 36: Type of warehousing or logistics facilities used by companies, Q3 of 2026

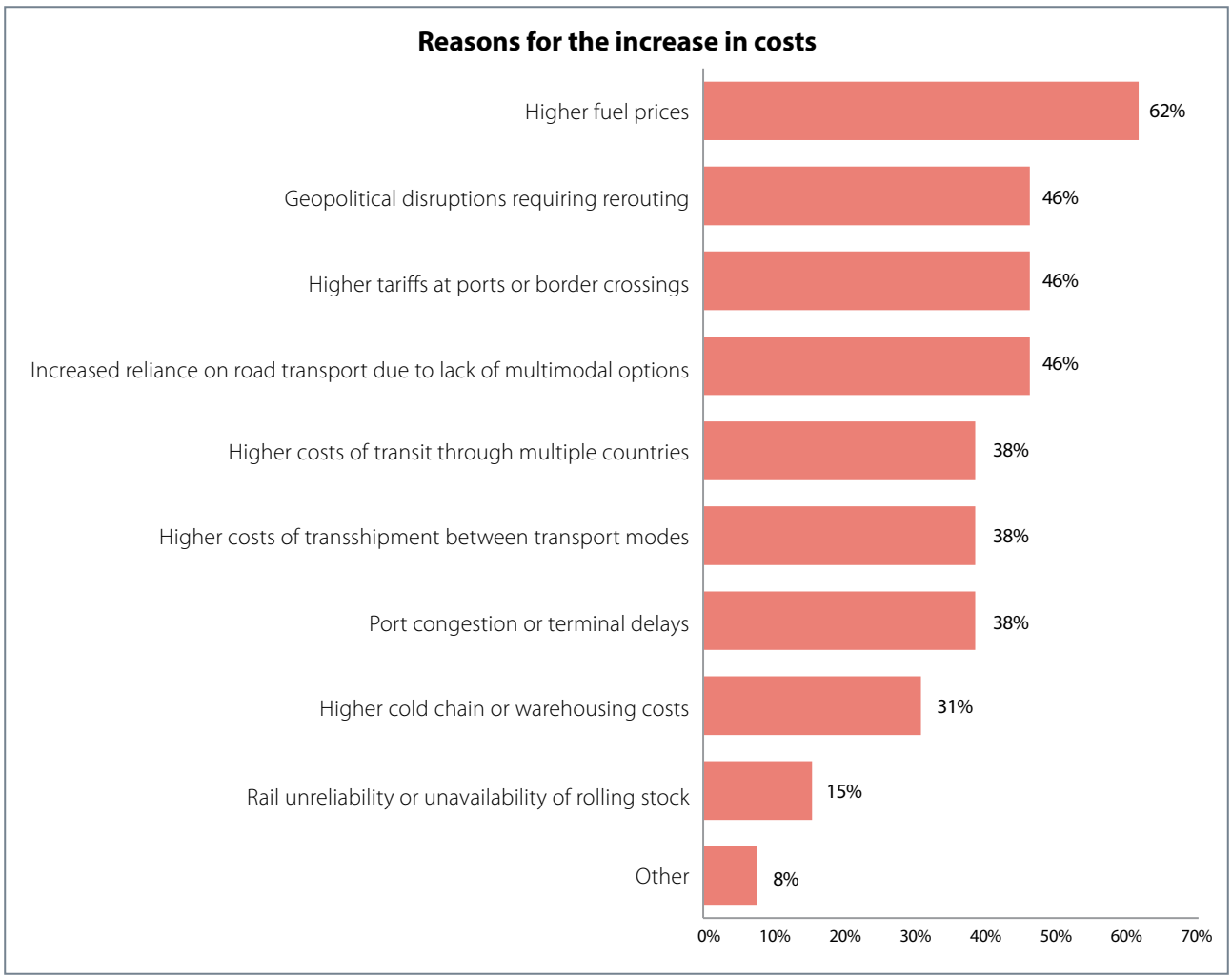
TRANSPORT AND LOGISTICS COSTS

Over the last 12 months (September 2025 – August 2026), compared to the previous 12 months, transport and logistics costs increased for 81% of surveyed companies, remained unchanged for 13%, and only 6% reported a decrease in costs.



Graph 37: Change in transport and logistics costs over the last 12 months, Q3 of 2026

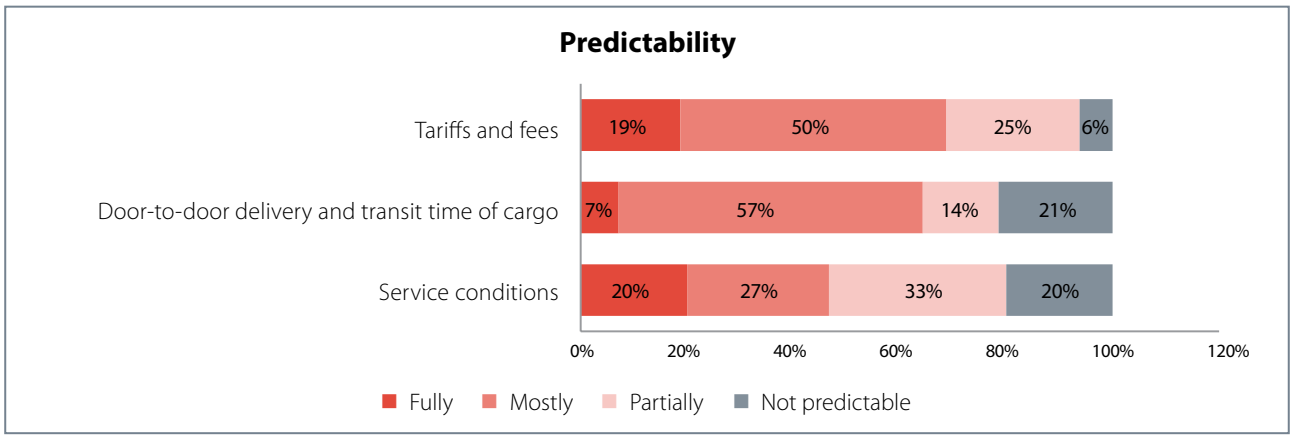
Among the reasons for the increase in costs, **higher fuel prices** were cited most frequently (62%). However, a significant share of the reasons is structural. 46% of companies each point to increased reliance on road transport due to a lack of multimodal options, higher tariffs at ports or border crossings, and geopolitical disruptions requiring rerouting. 38% of companies cited port congestion or terminal delays, higher costs of transshipment between transport modes, and higher costs of transit through multiple countries as reasons for the increase in costs (see Graph 38).



Graph 38: Main reasons for the increase in transport and logistics costs, Q3 of 2026

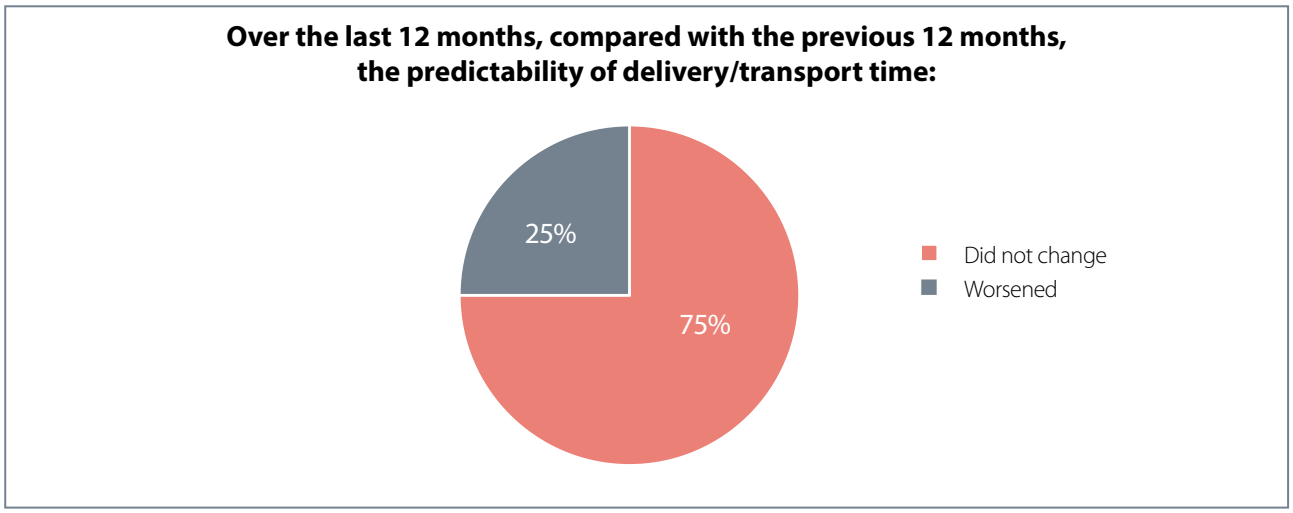
PREDICTABILITY OF TARIFFS, SERVICES AND DELIVERY TIME

According to companies' assessments, the most predictable factor is **tariffs and fees** — 69% of companies consider them fully or mostly predictable, while only 6% consider them unpredictable. Door-to-door delivery and transit time of cargo is assessed as fully or mostly predictable by 64% of companies, although 21% consider it unpredictable. The least predictable factor is **service conditions** (availability of wagons or vessels, slot allocation, schedule adherence): 47% of companies consider them fully or mostly predictable, while 20% consider them unpredictable (see Graph 39).



Graph 39: Predictability of transport and logistics factors, Q3 of 2026

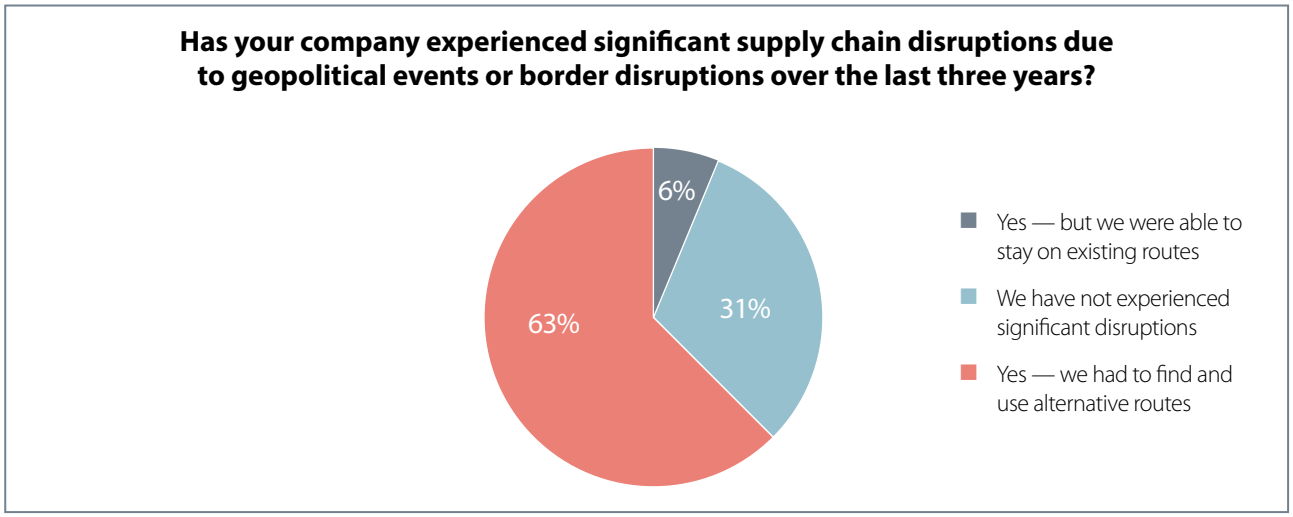
Over the last 12 months, compared to the previous 12 months, **no company reported an improvement** in the predictability of delivery/transportation time. For 75% of companies this indicator remained unchanged, while 25% reported that delivery time predictability worsened (see Graph 40).



Graph 40: Change in the predictability of delivery/transportation time over the last 12 months, Q3 of 2026

SUPPLY CHAIN DISRUPTIONS AND HINDERING FACTORS

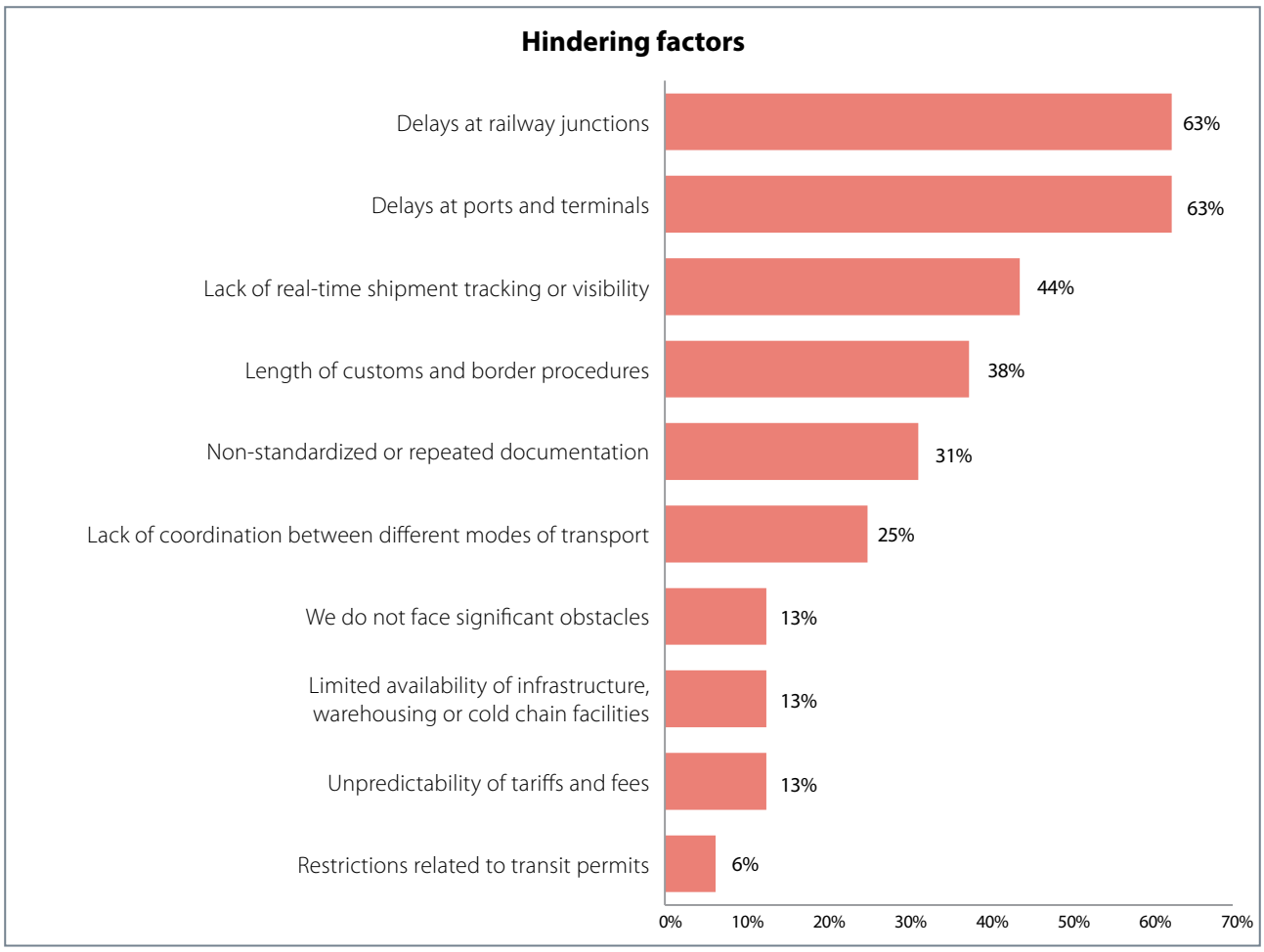
Over the last three years, **69%** of surveyed companies experienced significant supply chain disruptions. Of these, **63%** of companies had to find and use alternative routes, while 6% were able to stay on existing routes. **31%** of companies did not experience significant disruptions (see Graph 41).



Graph 41: Experience of significant supply chain disruptions over the last three years, Q3 of 2026

Companies named **delays at ports and terminals (63%)** and **delays at railway junctions (63%)** as the most significant hindering factors in transport and logistics.[13] Only 13% of companies cited the unpredictability of tariffs and fees as a hindering factor, while 13% of companies believe they face no significant obstacles (see Graph 42).

[13] The hindering factors may not relate exclusively to Georgia.

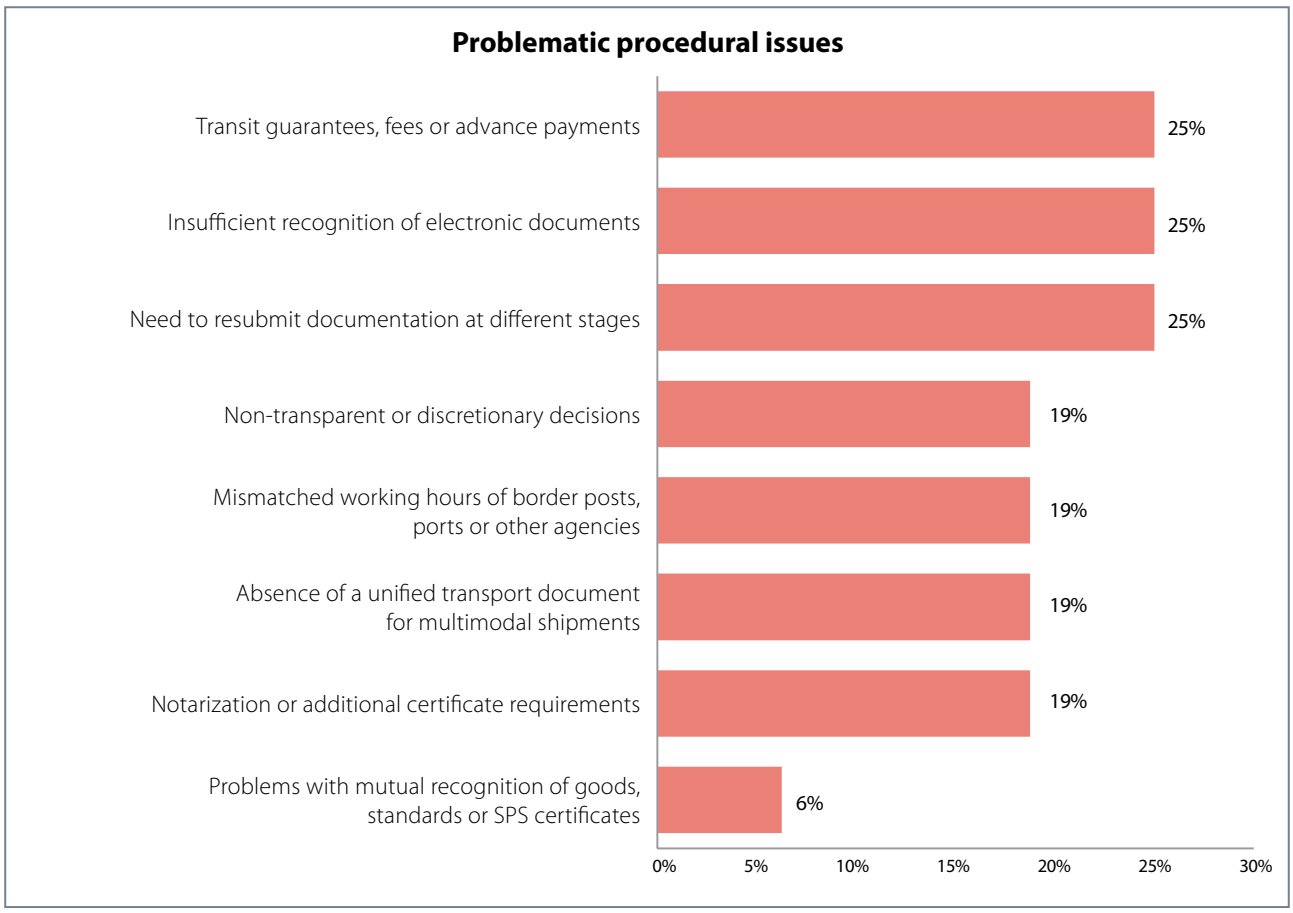


Graph 42: Most hindering factors in transport and logistics, Q3 of 2026

The following were named with equal frequency (25% each) among the most problematic procedural issues for companies:

- ***Need to resubmit documentation*** at different stages;
- ***Insufficient recognition of electronic documents;***
- ***Transit guarantees, fees or advance payments.***

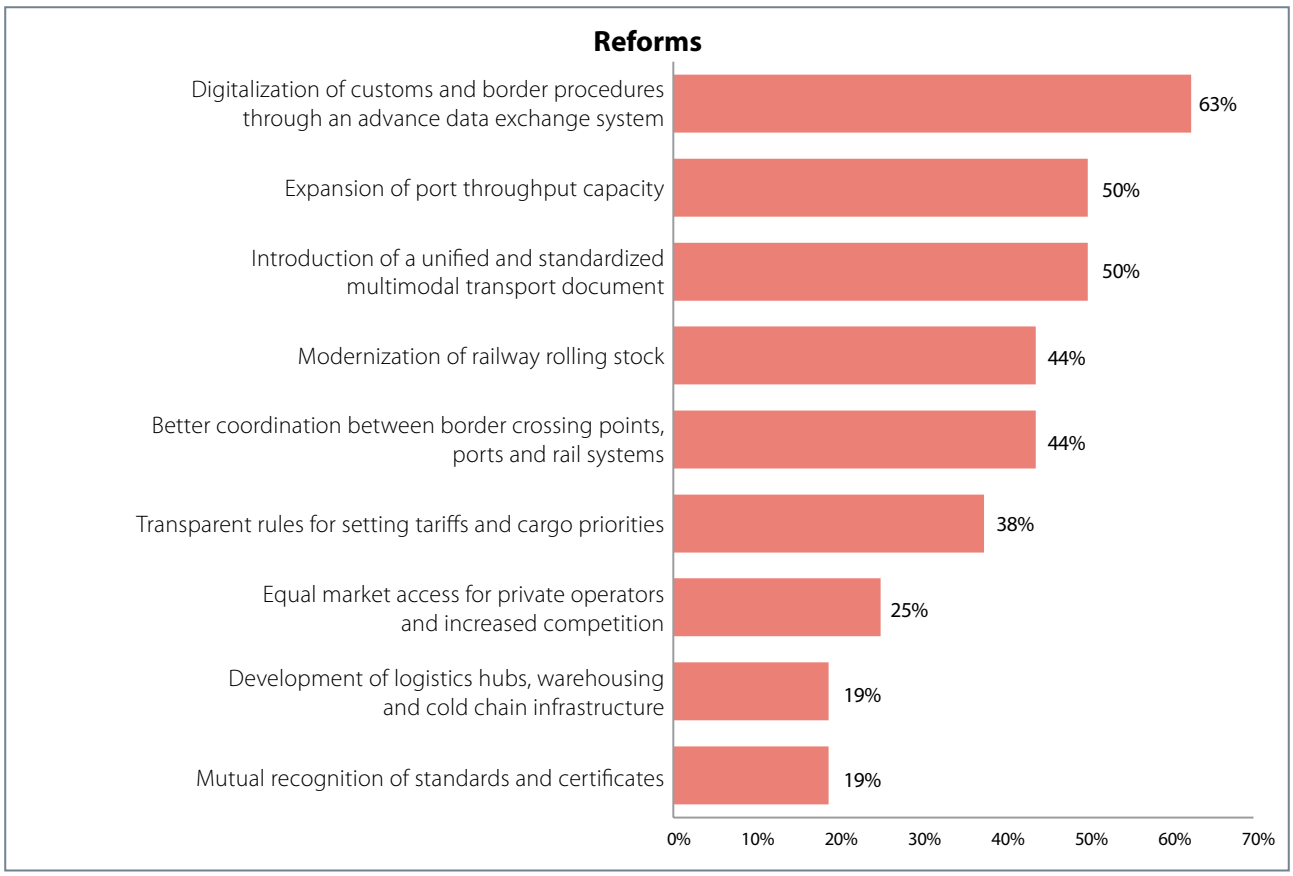
19% of companies each point to notarization or additional certificate requirements, the absence of a unified transport document for multimodal shipments, mismatched working hours of border posts, ports and other agencies, and non-transparent or discretionary decisions (see Graph 43).



Graph 43: Most problematic procedural issues in international operations, Q3 of 2026

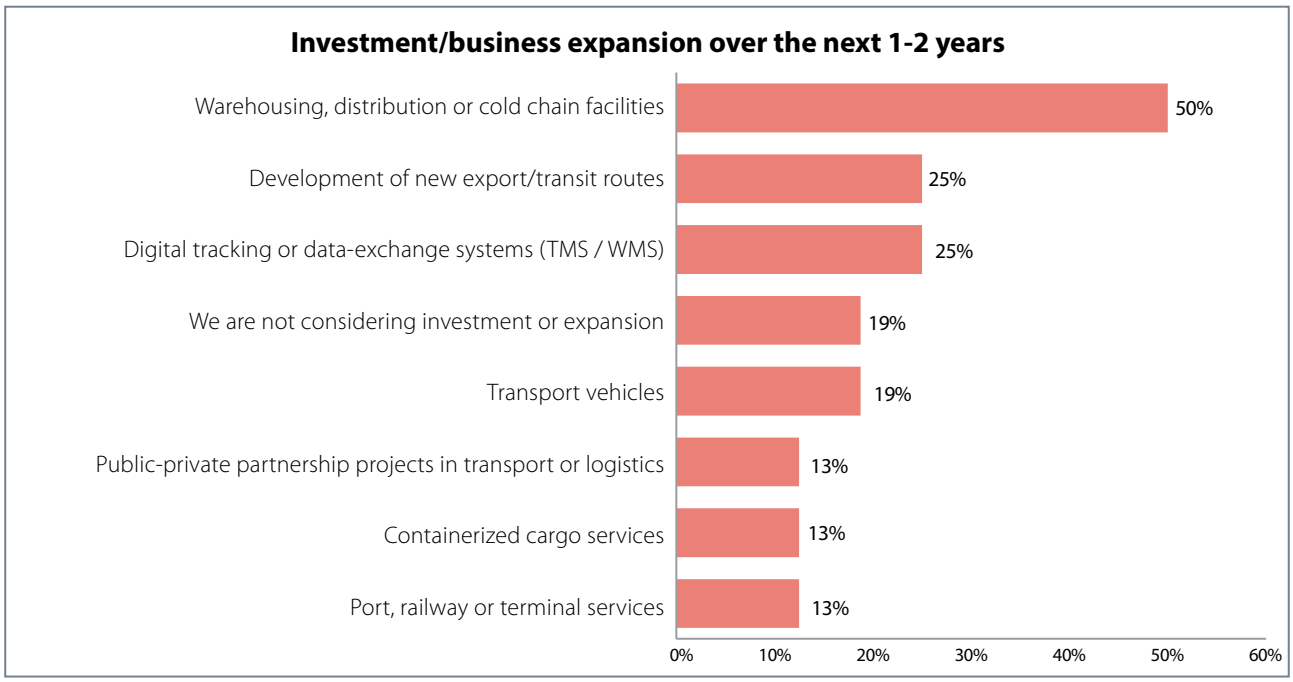
REFORMS AND INVESTMENT PLANS

According to companies, the transport and logistics sector would benefit most from the **digitalization of customs and border procedures** through an advanced data exchange system (63%). This is followed, with equal shares, by the expansion of port throughput capacity (50%) and the introduction of a unified and standardized multimodal transport document (50%) (see Graph 44).



Graph 44: Reforms that would most improve the transport and logistics sector, Q3 of 2026

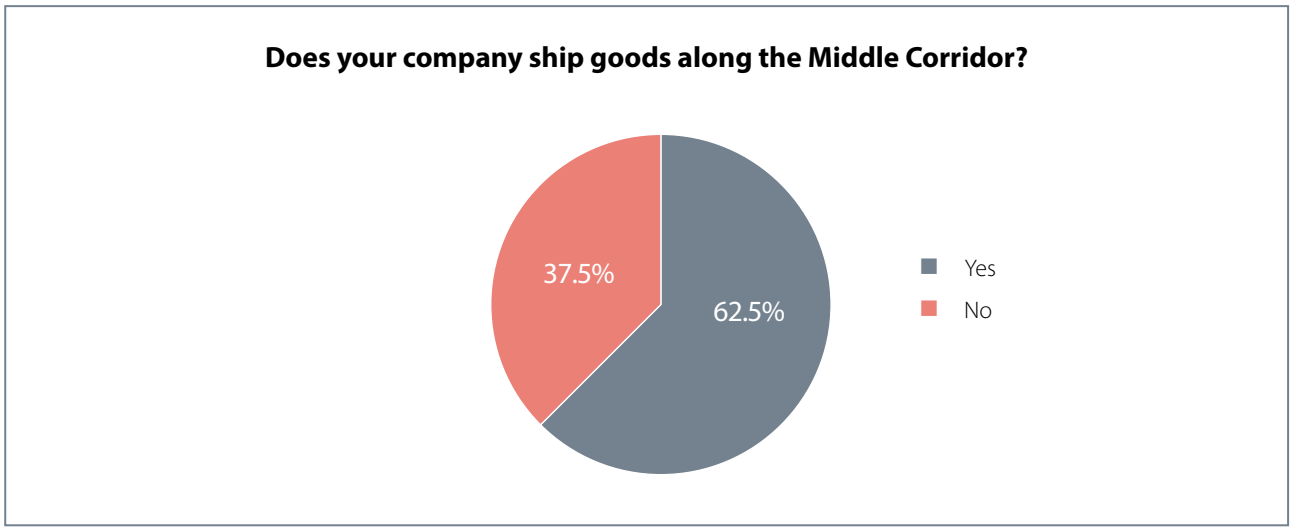
If regulatory and operational barriers were reduced, **half** of surveyed companies would consider investing in warehousing, distribution or cold chain facilities over the next 1-2 years. 25% of companies would consider investing in digital tracking and data-exchange systems (TMS/WMS) and in the development of new export/transit routes. 19% of companies do not plan any investment or business expansion (see Graph 45).



Graph 45: Investment or expansion directions if barriers are reduced, Q3 of 2026

MIDDLE CORRIDOR

62.5% of surveyed companies ship cargo via the Middle Corridor[14], while 37.5% do not use this route (see Graph 46).



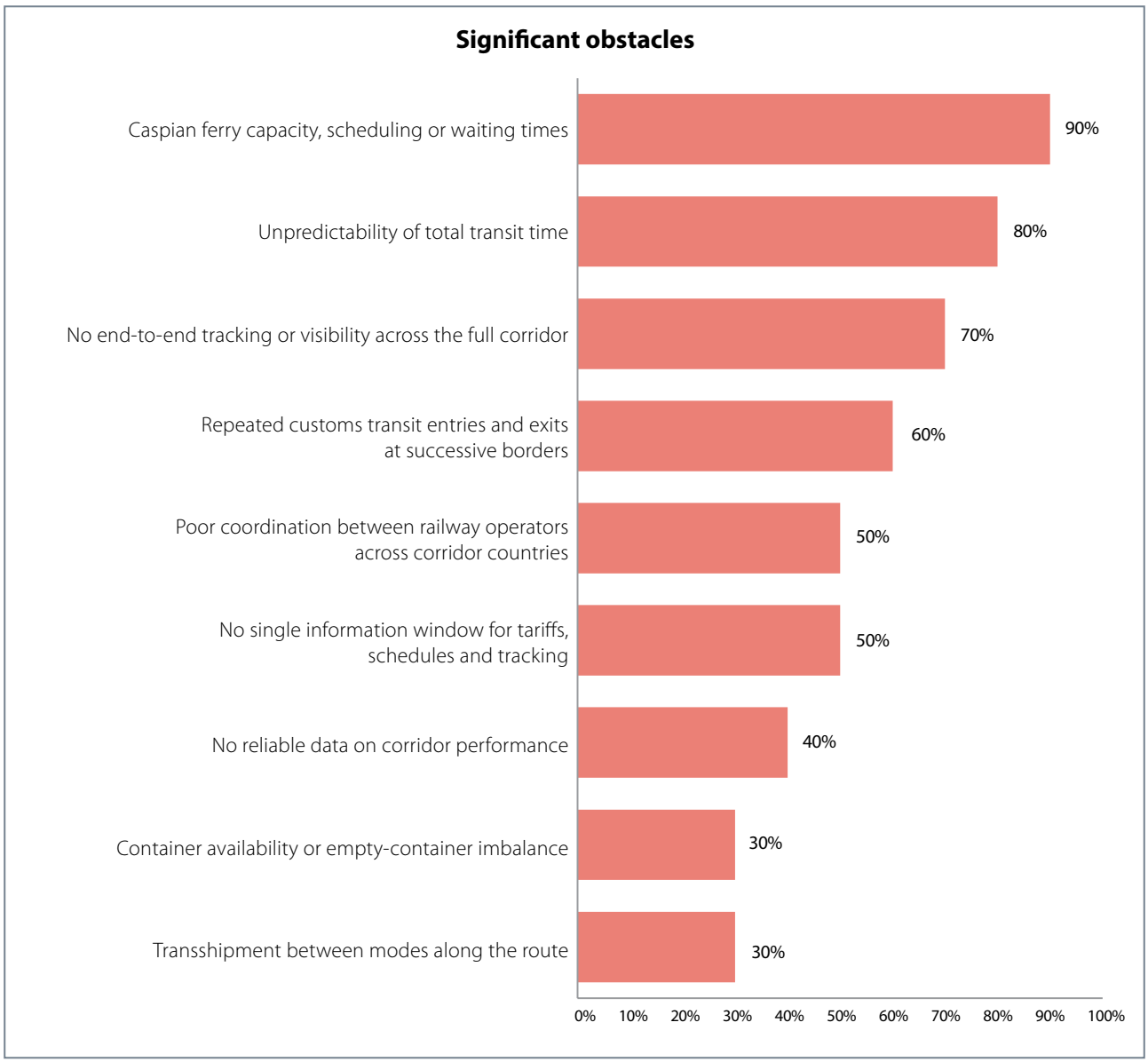
Graph 46: Shipment of cargo via the Middle Corridor (Trans-Caspian route), Q3 of 2026

When shipping via the Middle Corridor,[15] **90%** of companies name Caspian ferry capacity, scheduling and waiting times as the most significant obstacle. The obstacles can broadly be divided into two groups:

- ***Physical and operational constraints*** — Caspian ferry capacity (90%), repeated customs transit entries and exits at successive borders (60%), poor coordination between railway operators (50%), transshipment between modes along the route (30%) and container availability or empty-container imbalance (30%);
- ***Information fragmentation*** — unpredictability of total transit time (80%), no end-to-end tracking or visibility across the full corridor (70%), no single information window for tariffs, schedules and tracking (50%) and no reliable data on corridor performance (40%) (see Graph 47).

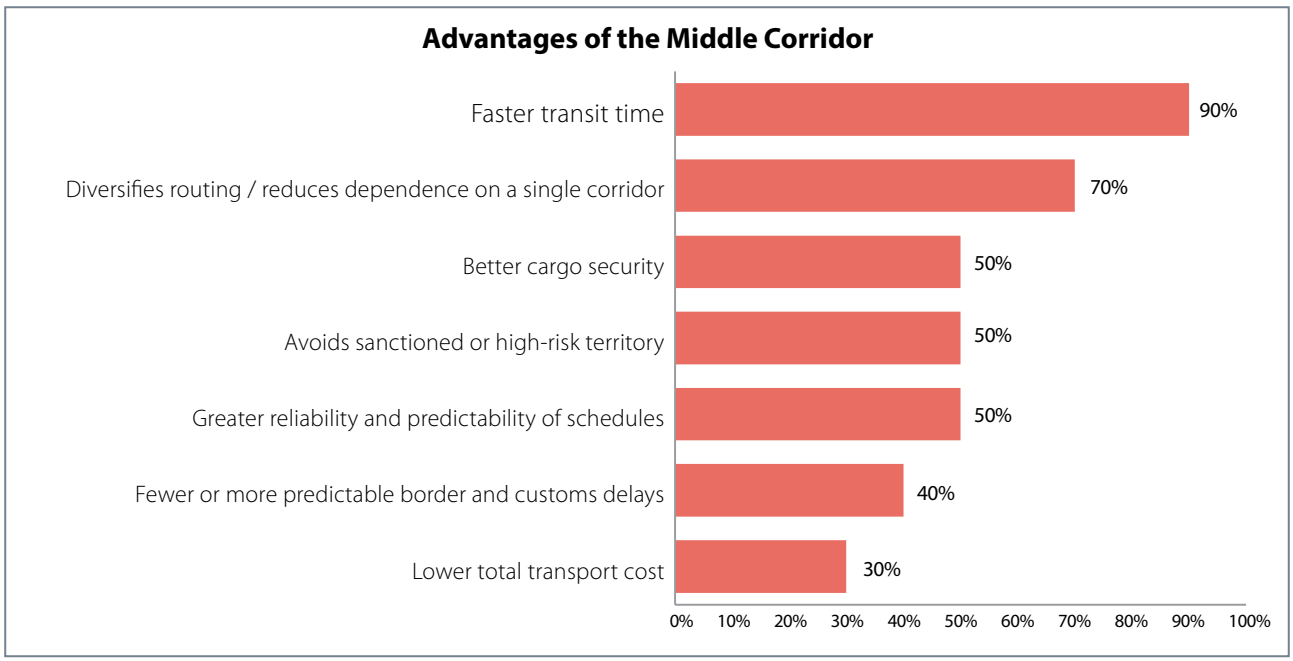
[14] The Middle Corridor (Trans-Caspian International Transport Route) connects Central Asia and China with Europe via the Caspian Sea, Azerbaijan and Georgia. It is distinct from routes passing through Russia or Armenia.

[15] Graphs 16-19 are based only on the responses of companies that ship cargo via the Middle Corridor.



Graph 47: Most significant obstacles when shipping via the Middle Corridor, Q3 of 2026

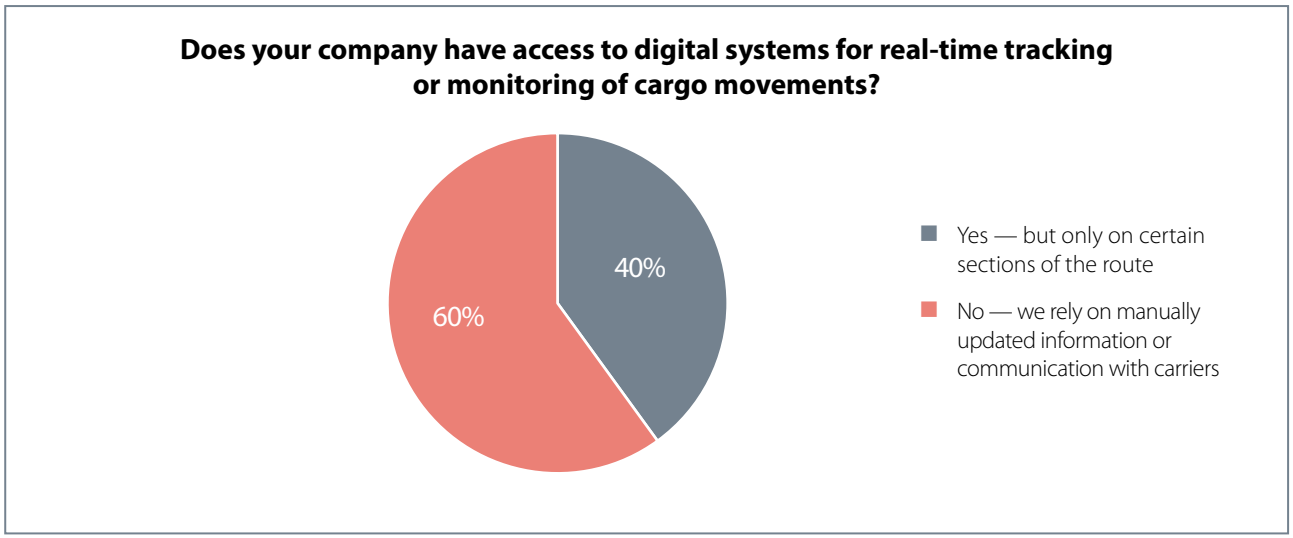
Despite the existing obstacles, **90%** of companies name faster transit time as the main advantage, and **70%** name diversified routing and reduced dependence on a single corridor. Only **30%** cited lower total transport cost as an advantage (see Graph 48).



Graph 48: Advantages of the Middle Corridor compared to alternative routes, Q3 of 2026

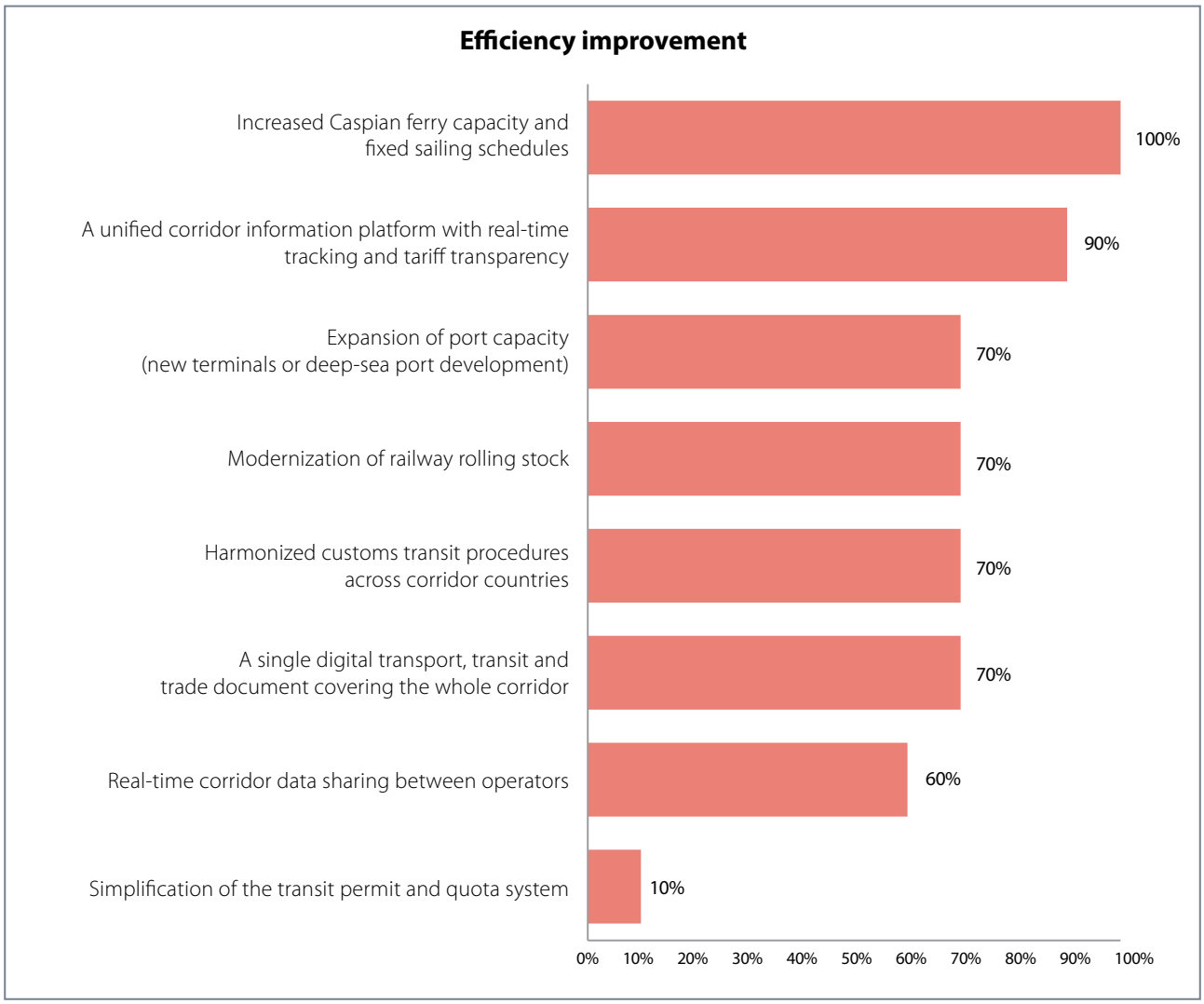
DIGITAL VISIBILITY AND IMPROVING CORRIDOR EFFICIENCY

None of the companies has access to digital systems for real-time cargo tracking along the entire route. 40% of companies have access to such systems only on certain sections of the route, while 60% rely on manually updated information or communication with carriers (see Graph 49). This is consistent with the unpredictability of transit time, which ranks second among the corridor's obstacles.



Graph 49: Access to digital systems for real-time cargo tracking, Q3 of 2026

There is full consensus (100%) on increased Caspian ferry capacity and fixed sailing schedules as measures to improve corridor efficiency. 90% of companies believe that efficiency would be improved by a unified corridor information platform with real-time tracking and tariff transparency. Only 10% of companies named the simplification of the transit permit and quota system (see Graph 50).



Graph 51: Measures that would most improve the efficiency of the Middle Corridor, Q3 of 2026

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