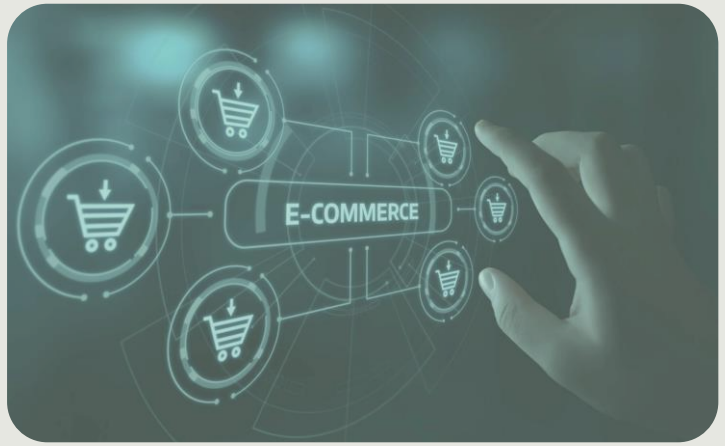
GALT & TAGGART
CREATING OPPORTUNITIES

E-commerce in Georgia

December 2025











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E-commerce in Georgia

- Executive summary
- E-commerce market overview
- Local e-commerce
- Cross-border e-commerce
- E-commerce in selected sectors
- Future outlook

Executive summary

Georgia's e-commerce market is expanding rapidly, supported by a growing user base, strong competition, improved platforms, and a well-developed digital and financial ecosystem. Key challenges remain delivery speed, regional coverage, courier shortages, and consumer trust in product quality.

Georgia's e-commerce market expanded tenfold in 2018-24, reaching GEL 3.5bn in 2024. Growth remained strong in 1H25 (+40.6% y/y to GEL 2.1bn), and we expect the market to reach GEL 4.7bn in 2025.

Key players in the services segment are Wolt, Glovo, Bolt, Yandex, biletebi.ge, and tkt.ge. The first four are international companies whose entry into the Georgian market has been a major driver of e-commerce development. Competition is significantly higher in the goods segment: the main domestic players include Veli.Store, Extra.ge, and most branded retail chains operating in Georgia, while leading platforms for cross-border purchases are Temu, Amazon, eBay, AliExpress, Taobao, Trendyol, Zara, and Farfetch.

Local e-commerce accounted for 61% of the market in 2024 (GEL 2.1bn), up from 16% in 2018. Services e-commerce totaled GEL 1.6bn and was the main growth driver, while retail e-commerce reached GEL 0.5bn.

Cross-border e-commerce expanded sixfold to GEL 1.4bn over 2018-24 and accelerated further in 1H25 (+56.7% y/y). We expect cross-border e-commerce to reach GEL 1.8bn in 2025. Key players include Temu, Amazon, AliExpress, eBay, Trendyol, Zara, and Farfetch; In 1H25, Temu accounted for c.50% of transaction volumes and c.35% of transaction value, reflecting its low average ticket size, efficient logistics, and aggressive promotions.

E-commerce accounted for 8.0% of retail turnover in 1H25 (vs 3.6% in 2021), with 2.2% local and 5.8% cross-border. We forecast 20.5% CAGR over 2024-30, with market size reaching GEL 10.7bn by 2030 and retail penetration rising to c.13%, driven by logistics improvements, higher purchase frequency, and continued digital adoption.

Market success is driven by four key factors: price, assortment, customer experience, and delivery speed. In our view, players that can effectively deliver on all four dimensions will be well positioned to significantly strengthen their market presence.

For more detailed information please see our full report in Georgian on www.galtandtaggart.com

E-commerce ecosystem in Georgia in 2024

Online shoppers

1.0mn

E-commerce **market size**

₾ 3.5bn

Share of local e-commerce

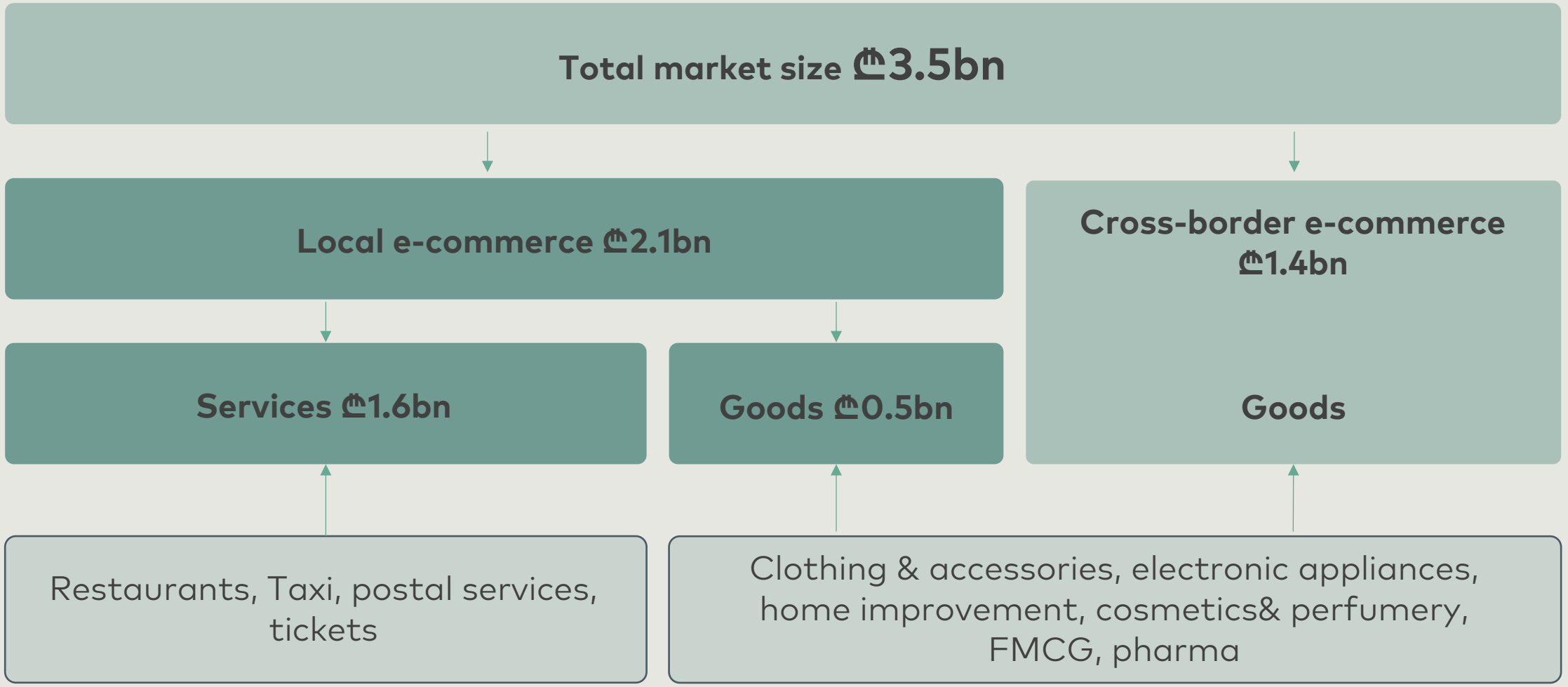
61%

Companies **selling online**

10k

Source: NBG, company survey, Galt & Taggart

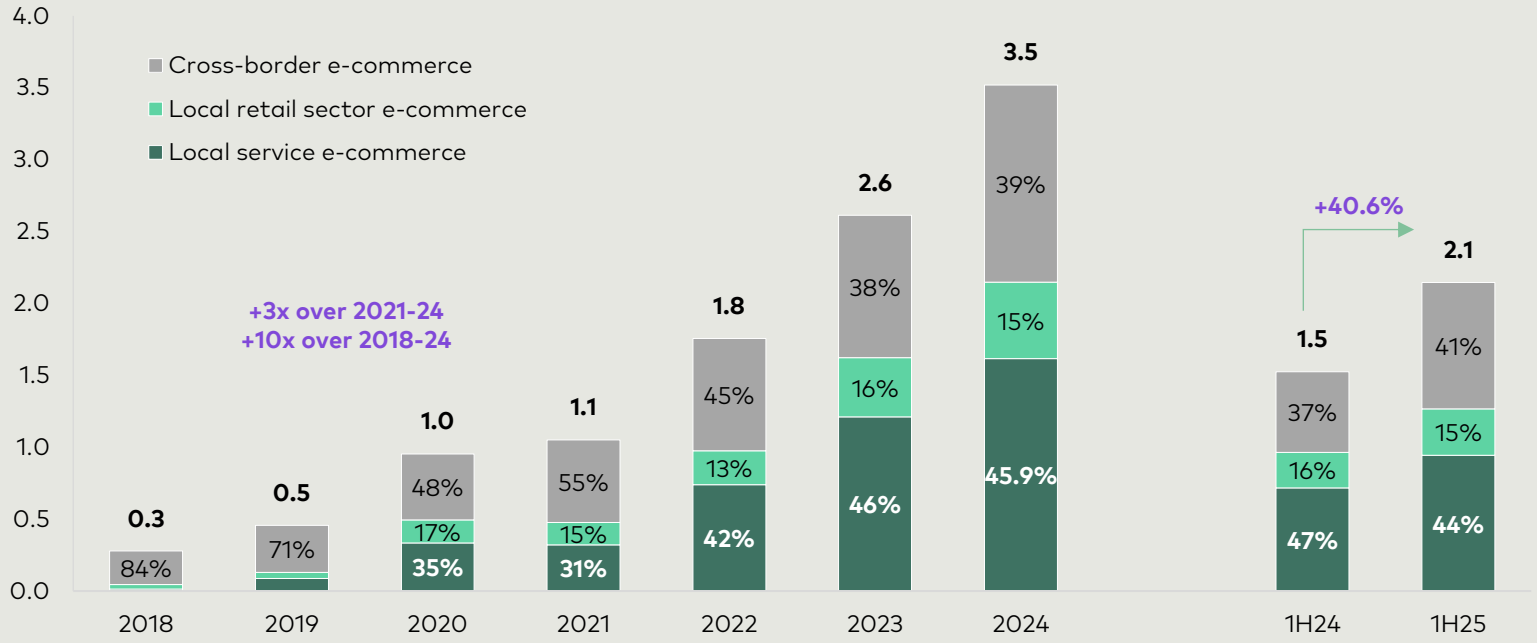
E-commerce market size in Georgia, GEL bn



Source: NBG, company survey, Galt & Taggart

E-commerce in Georgia increased tenfold over 2018-24 and remains on a strong growth path

E-commerce market size in Georgia, GEL bn



E-commerce in Georgia, GEL bn

	2024	1H25
Total e-commerce	**3.5**	**2.1**
Cross-border e-commerce	1.4	0.9
Local e-commerce	2.1	1.2
Local services e-commerce	1.6	0.9
Local retail e-commerce	0.5	0.3

- **E-commerce market size reached GEL 3.5bn in 2024**. E-commerce in Georgia has shown strong and consistent growth over 2018-2024, with total sales increasing more than tenfold - from GEL 0.3bn in 2018 to GEL 3.5 bn in 2024. The rapid growth continued in 2025 as well, showing 40.6% annual growth in 1H25.
- **Local e-commerce outpaced cross-border sales** and grabbed 61% of market in 2024 (up from 16% in 2018) and reached GEL 2.1bn. The rapid development of e-commerce in Georgia is supported by Georgia's well-developed digital infrastructure, the growing number of online platforms, the presence of international players, and simplified cross-border purchasing and delivery.

Source: NBG, company survey, Galt & Taggart

Major e-commerce entrants have transformed the market landscape

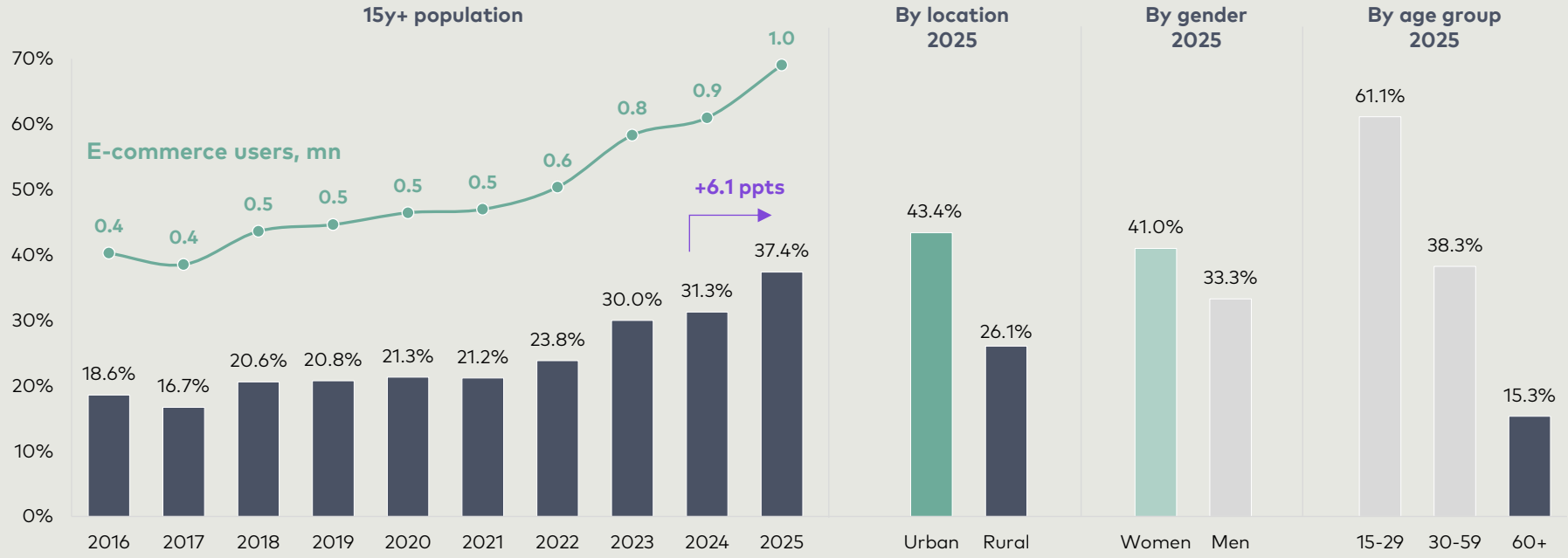
Key e-commerce companies by their market entrance dates



Source: company survey, Galt & Taggart

Number of online shoppers in Georgia increased significantly in last 3 years...

% of population aged 15+ using the internet for buying goods or services during the previous 12 months



Source: Geostat, Galt & Taggart
Note: July figures for each year

...supported by strong digital and financial infrastructure, growth of disposable income and urbanization

Internet penetration

92.0%

in 2025

Debit card ownership

64.0%

in 2024

Average salary growth

10.7%

Over 2018-25

Population in 9 largest cities

51%

in 2025

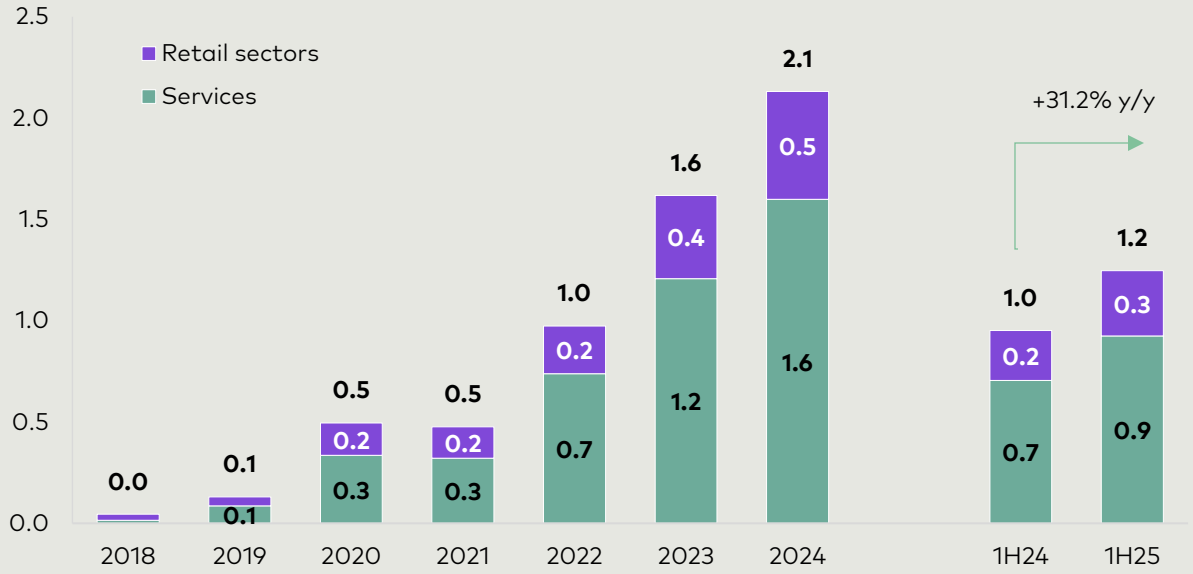
Source: NBG, World Bank, Geostat, Galt & Taggart



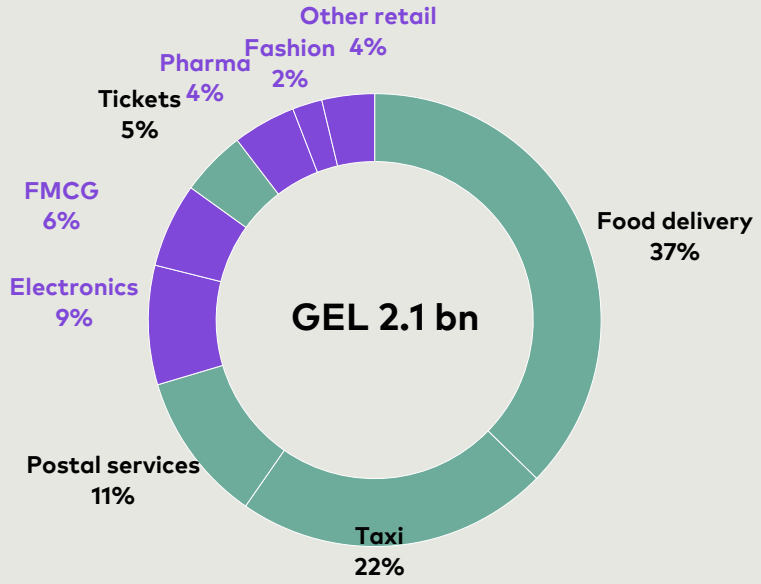
Local e-commerce

Food delivery and taxi services accounted for over half of local e-commerce market in Georgia in 2024 and their share is increasing

Local e-commerce market size, GEL bn



Local e-commerce by sectors, 2024

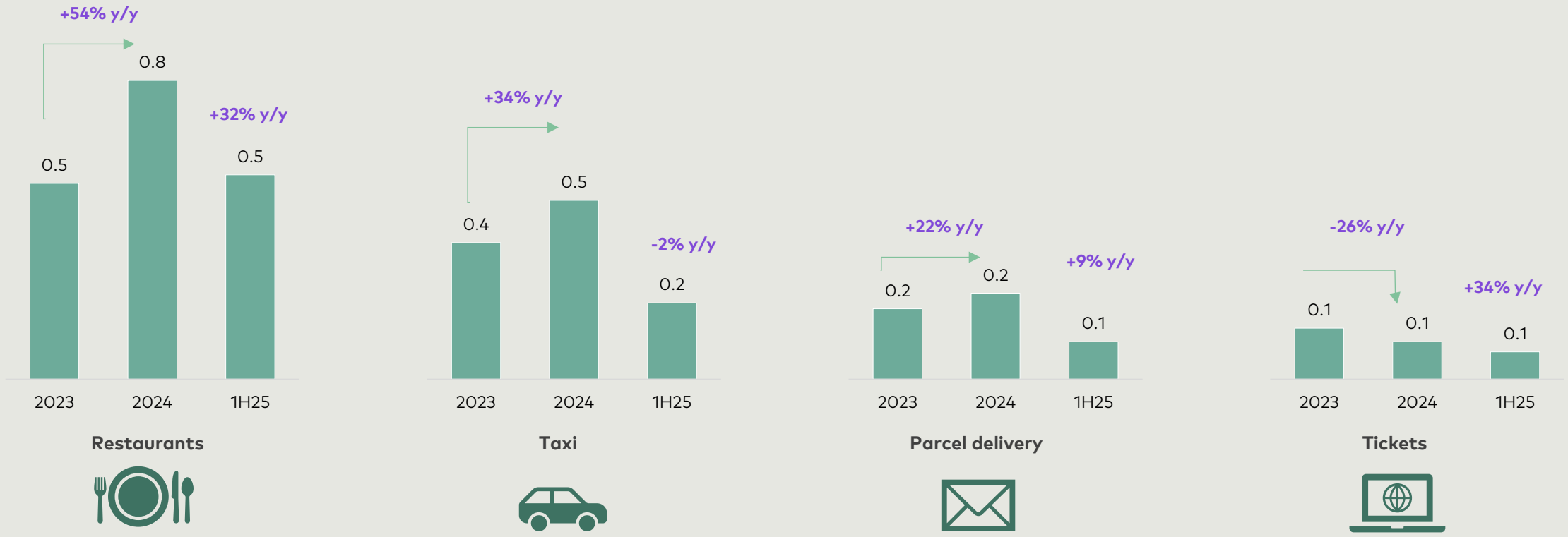


- **Local e-commerce in Georgia reached GEL 2.1bn in 2024**, up from GEL 0.5bn in 2020. This growth was largely driven by the entry of international platforms such as Glovo, Wolt, Bolt, and Yandex, which today account for the largest share of local e-commerce.
- **Food delivery and taxi services accounted for 59% of local e-commerce market in Georgia in 2024 and their share is increasing.** Retail sectors accounted to 25% of local e-commerce in 2024.

Source: NBG, company survey, Galt & Taggart

Among service sectors, food delivery from restaurants is the fastest-growing

E-commerce in selected service sectors, GEL bn



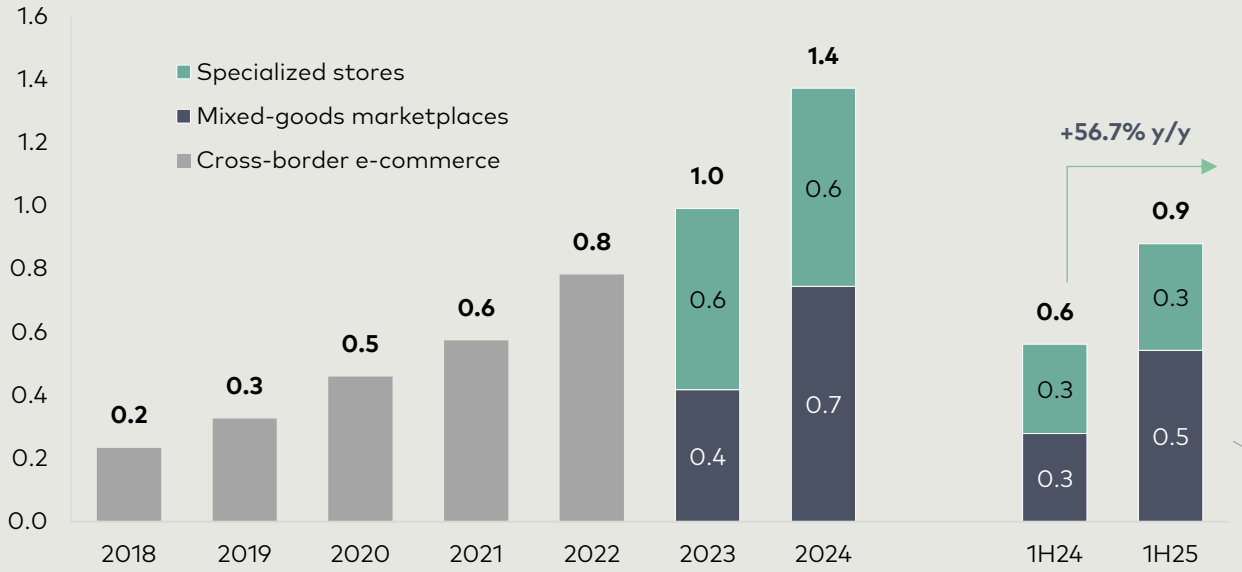
Source: NBG, Geostat, Galt & Taggart



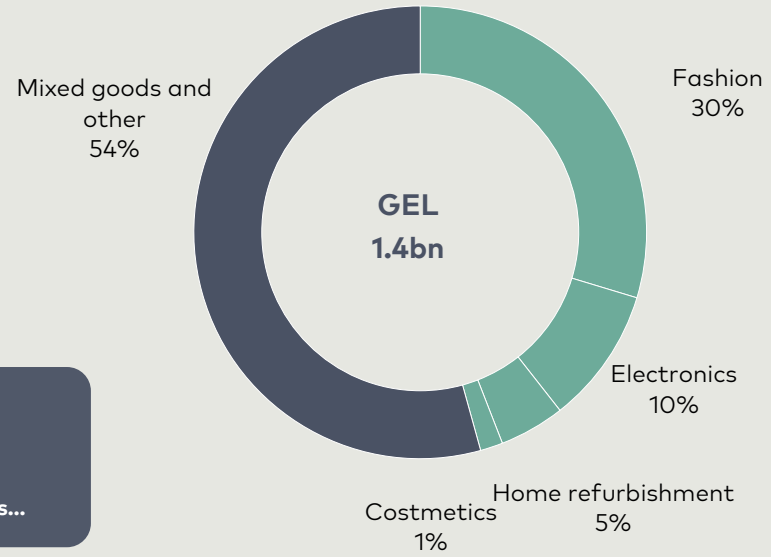
Cross-border e-commerce

Cross-border e-commerce mostly grew on the back of mixed-goods marketplaces

Cross-border e-commerce, GEL bn



Cross-border e-commerce by sectors, 2024



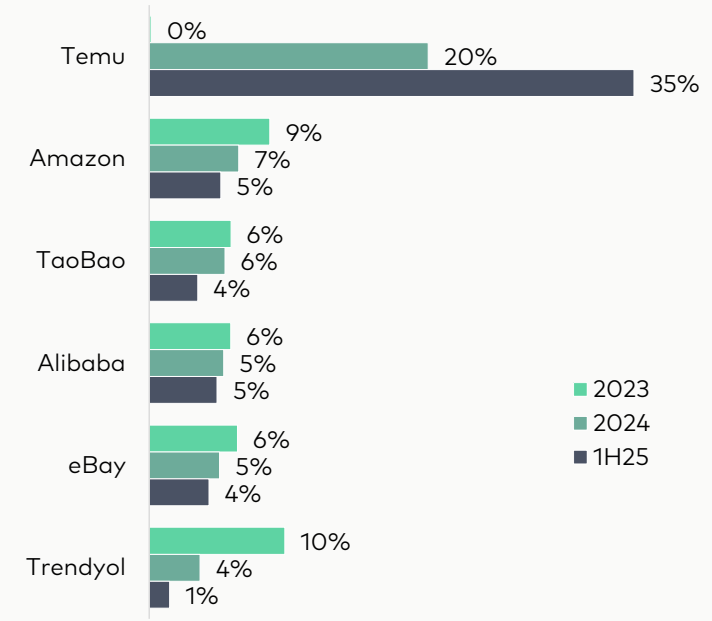
- **Cross-border e-commerce expanded sixfold from GEL 0.2bn in 2018 to GEL 1.4bn in 2024** and accelerated in 2024-1H25, following Temu's market entry. In 1H25, cross-border e-commerce increased by 56.7% y/y to record high value of GEL 0.9bn and we expect cross-border e-commerce to reach GEL 1.8mn by end of 2025.
- **Georgians typically purchase fashion, electronics, beauty, and home goods from international platforms**. Mixed-product marketplaces are preferred over specialized stores as their share rose from 42% in 2023 to 62% in 1H25, largely due to Temu's entrance on Georgian market in 2024.

Source: NBG, company survey, Galt & Taggart

Temu is market leader in cross-border e-commerce, holding 50% in transaction count and 35% in transaction value and has lowest ticket size

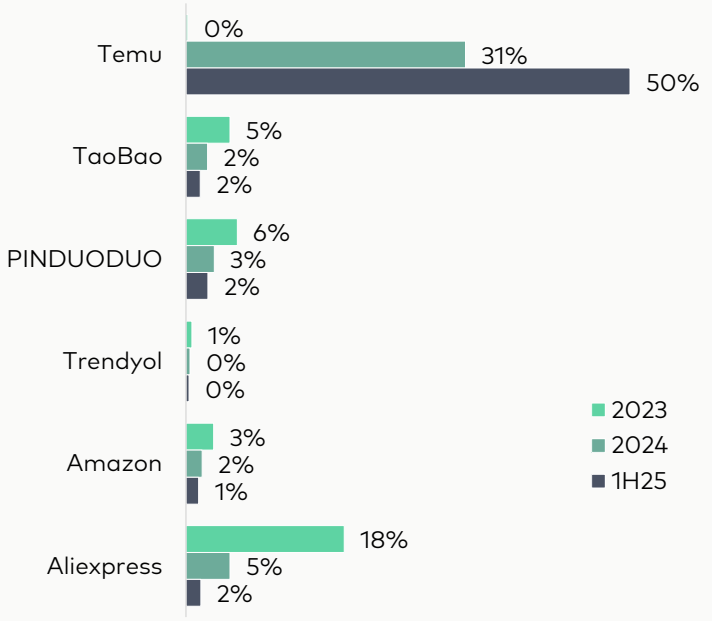
Top-5 companies by purchase value

Share in total



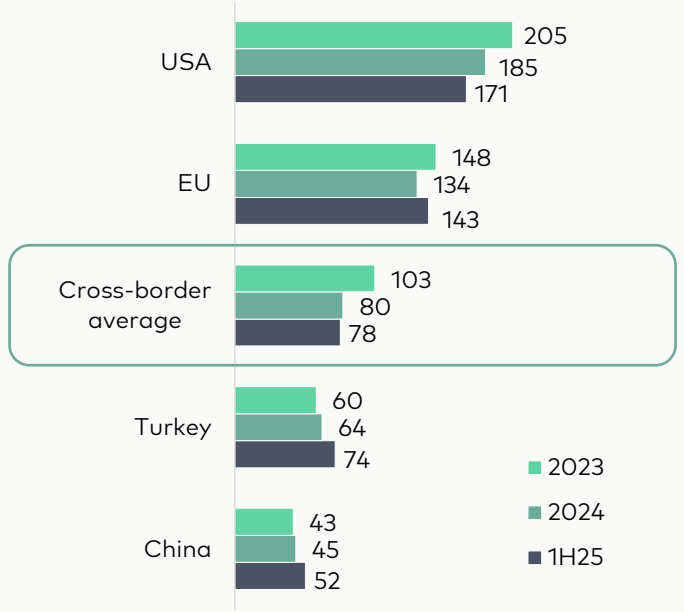
Top-5 companies by number of transactions

Share in total



Average ticket size by selected countries

GEL



Temu is a key exception to the standard delivery process, offering direct doorstep delivery from China contrary to several stop delivery process mainly used in cross-border e-commerce. By operating multiple weekly flights to Tbilisi, and using several last-mile delivery companies (such as Onex, GFS express and Georgian post) delivery time of Temu is reduced to 7-14 days, and the customs clearance process is fully handled by the marketplace operator. This faster and more convenient delivery model, combined with aggressive marketing, is a major reason behind Temu's rapid market dominance. Temu, similar to other Chinese companies has low average ticket size, explaining the high difference between its shares in transaction count and transaction value.

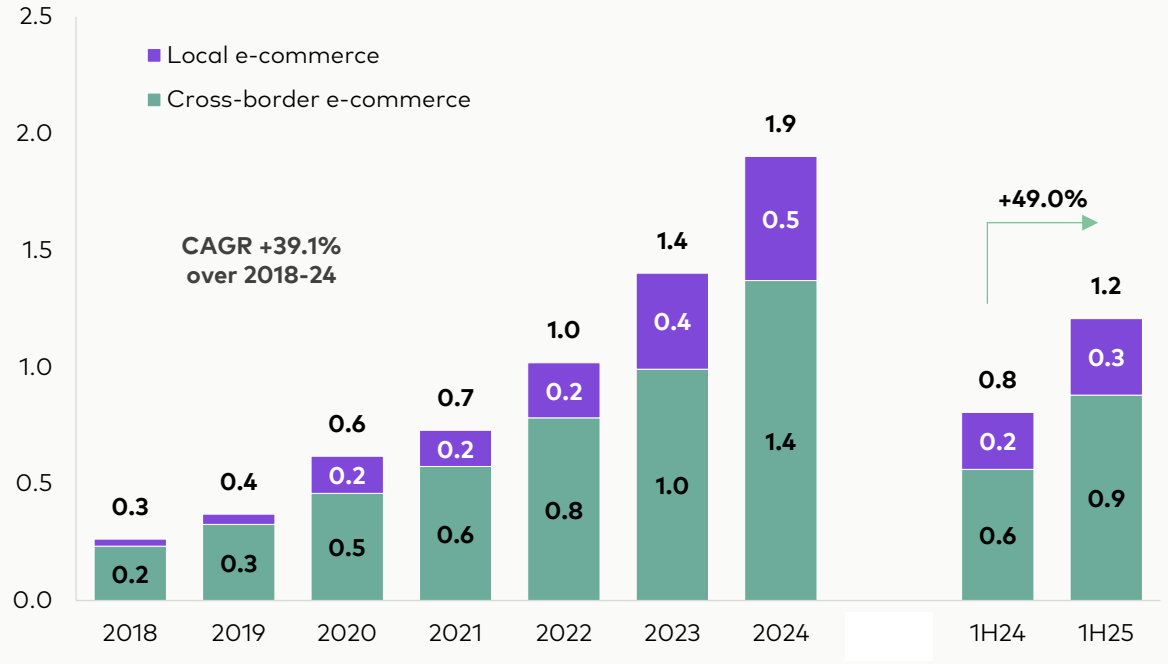
Source: Galt & Taggart



E-commerce in retail trade

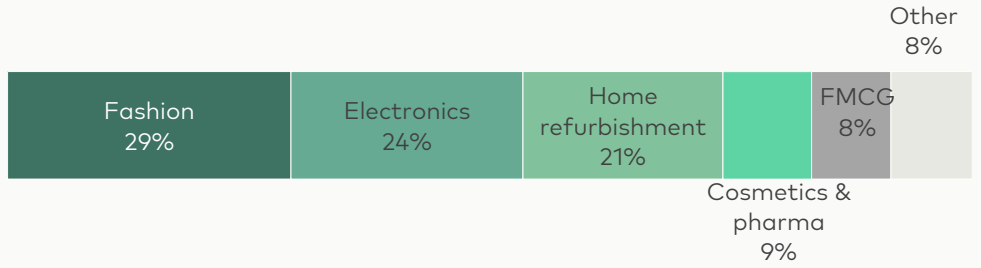
E-commerce in retail sector is dominated by cross-border trade

Retail e-commerce in Georgia, GEL mn

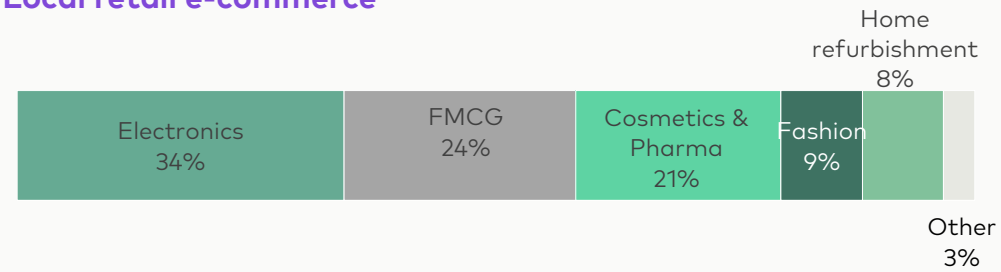


E-commerce by sectors, 2024 (G&T estimate)

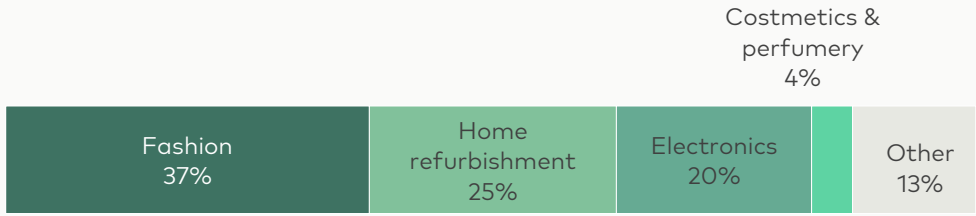
Total retail e-commerce



Local retail e-commerce



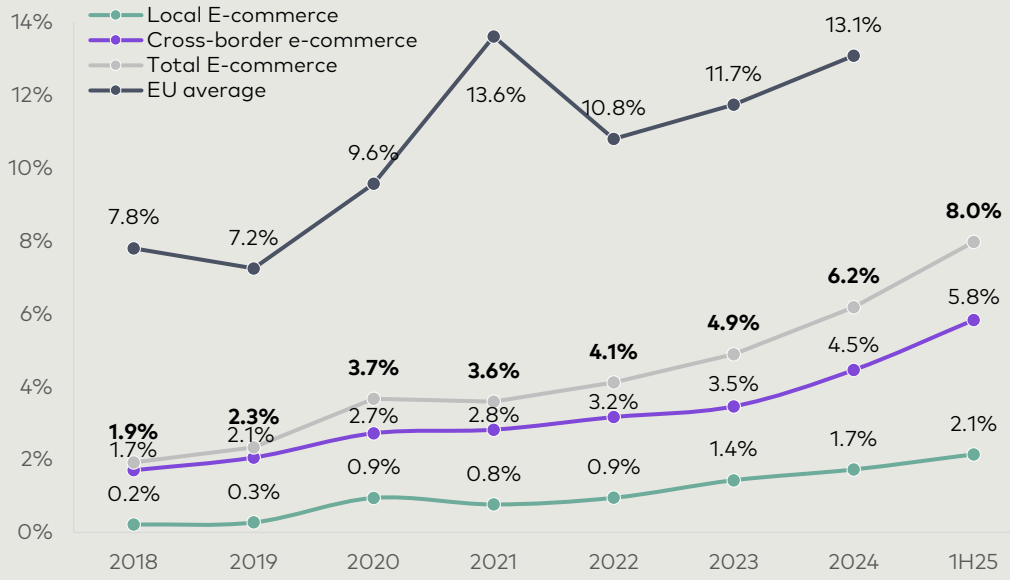
Cross border e-commerce



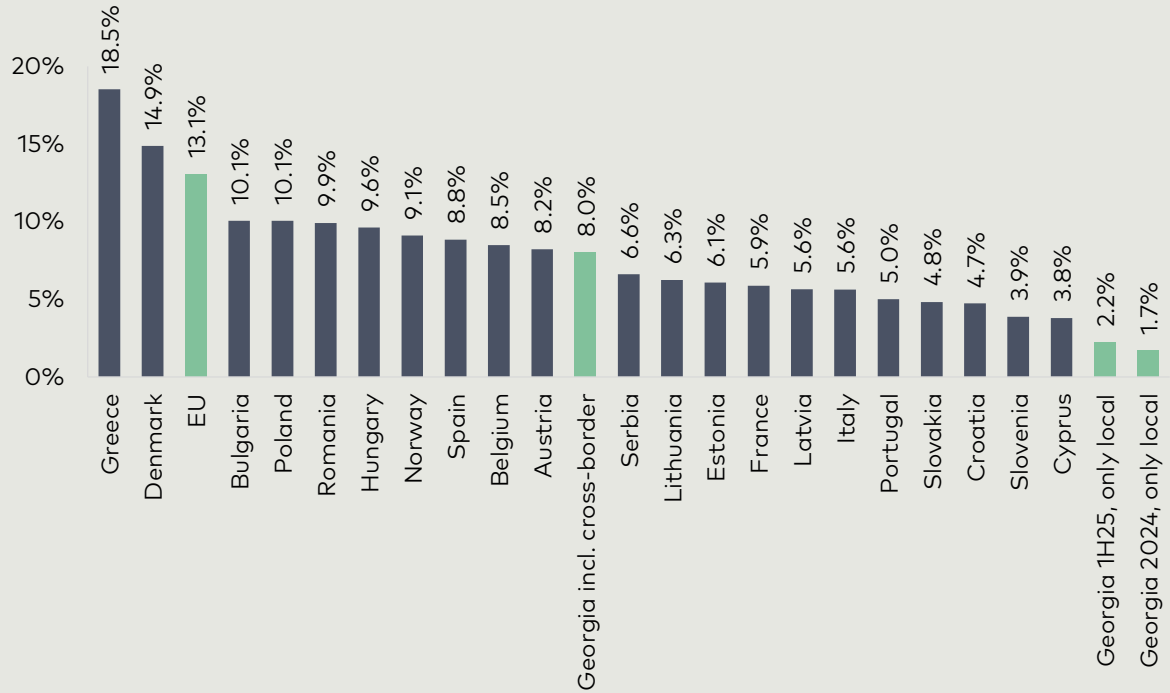
Source: NBG, Company survey, Galt & Taggart
Note: Galt & Taggart's estimate of product categorization in cross-border e-commerce

Share of e-commerce in retail trade increased rapidly over 2024-25 and trend is expected to continue

Share of e-commerce in total retail sales



E-commerce sales as % of retail trade turnover, 2024

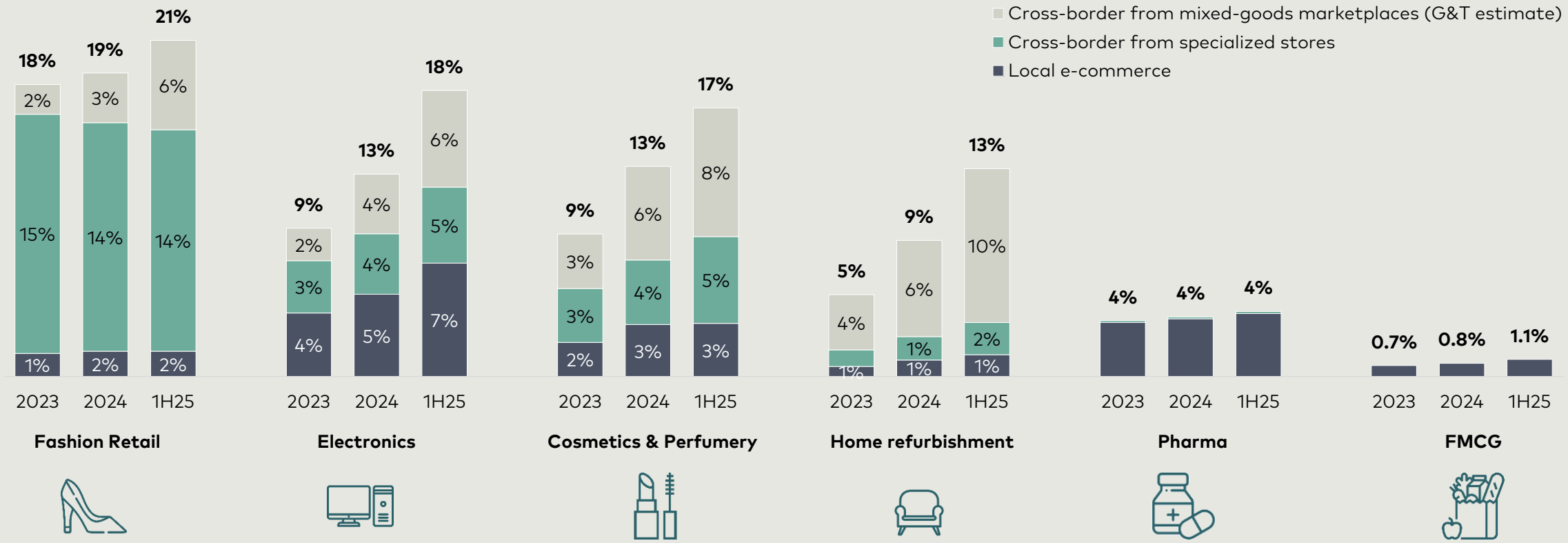


- E-commerce's share in Georgia's retail sector is rising, mainly driven by cross-border sales on back of increased fashion retail sales and entrance of marketplaces such as Temu.
- Similar to the EU trend, the sharp pandemic-era surge in 2020-2021 has subsided, with growth returning to its pre-pandemic trajectory. The pandemic period proved to be an exceptional spike rather than a lasting boost to e-commerce development.

Source: Geostat, Eurostat, NBG, Galt & Taggart
Note: Retail trade excludes trade with gasoline and diesel products

Among retail sectors, e-commerce holds significant share in fashion and electronics retail sectors

Share of e-commerce in selected retail sectors, % of total



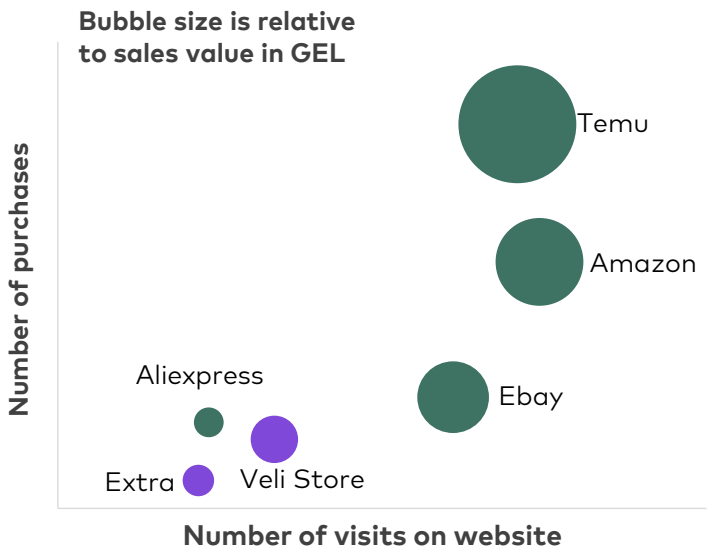
Source: Geostat, NBG, Company data, Galt & Taggart

Note: Shares are calculated based on total spending, including in-store sales, local e-commerce, and cross-border e-commerce.

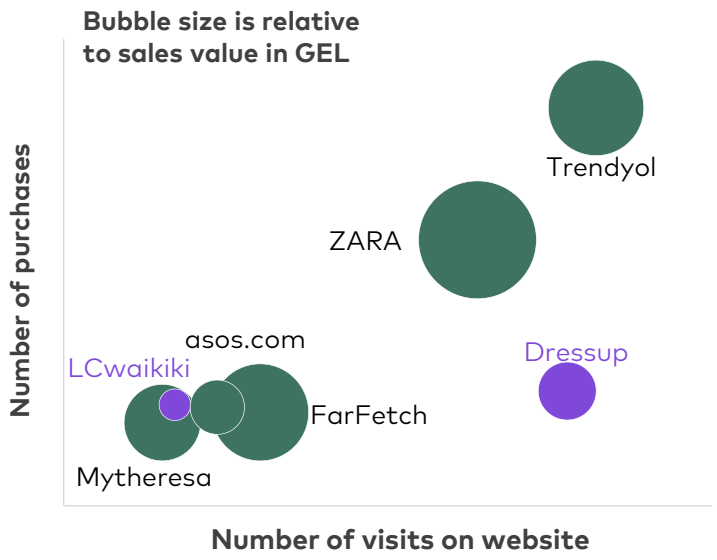
Foreign companies outperform Georgians in fashion and mixed-good categories

Competitive positioning diagram in selected sectors, 1H25

Mixed-goods marketplaces



Fashion retail stores



Criteria for company selection

- **Product price**
- **Product variety and quality**
- **User experience**
- **Delivery time and process**

Source: SEMrush, Galt & Taggart
Note: scales of these chats are not similar to each other



E-commerce outlook

E-commerce market has strong potential for growth despite ongoing challenges

Strength

- **Growing number of e-commerce users**
- **Strong digital infrastructure** - smartphone and internet penetration
- **Well-developed online payment tools**
- **Legal framework**
- **Experienced market players**

Challenges

- **Delivery inefficiencies –** time, coverage area, courier shortage
- **Operational difficulties –** synchronizing stocks, manpower, website development, etc.
- **Consumer trust and return costs**
- **Informal market via social media**

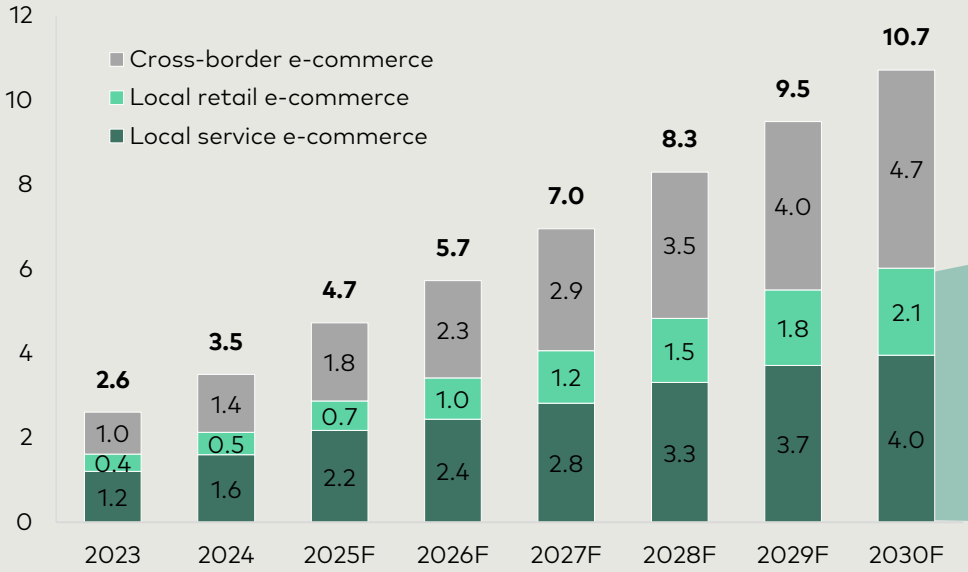
Next steps

- **AI integration** – to improve consumer trust and service, tailor searches and suggestions, etc.
- **Delivery process optimization**
- **Warehouse sales option –** as optional business model, to reduce price on back of rent expense reduction and shorten delivery time
- **Reduce assortment and price gaps** between Georgian and some foreign sites

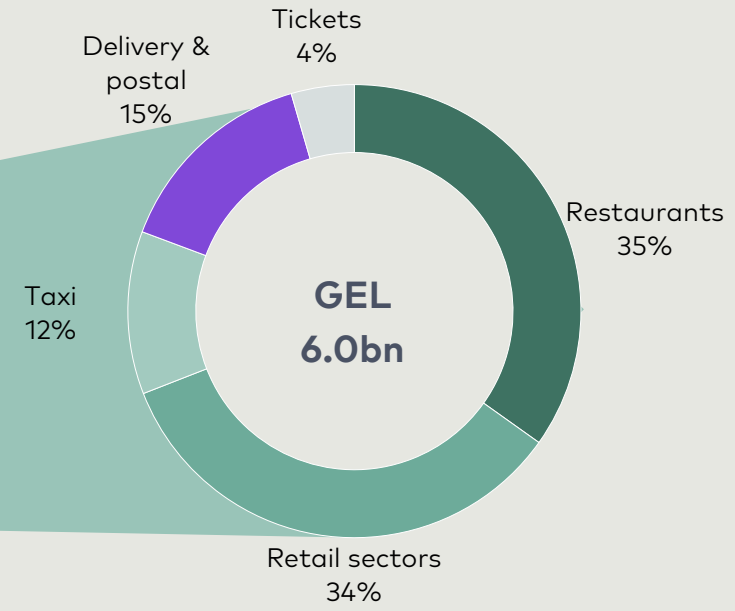
Source: Galt & Taggart

We expect e-commerce market to triple in size by 2030

Forecast of e-commerce market size in Georgia, GEL bn



Local e-commerce by sectors, 2030F



We forecast e-commerce market to reach GEL 10.7bn by 2030, supported by strong digital infrastructure, improving payment adoption, and rising consumer spending. For retail sector e-commerce, we estimated e-commerce share to reach EU's current average of 13.1% (up from 8.0% in 1H25) out of which cross border will be dominant at 9.1% (up from 5.8% in 1H25) and local retail trade at 4.0% (up from 2.2% in 1H25)

Source: Galt & Taggart

E-commerce market by 2030

E-commerce **market size**

₾ 10.5bn

Local e-commerce

₾ 6.0bn

Share of e-commerce in **retail trade**

13.1%

Number of **users**

50%
of total population

Source: Galt & Taggart

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