



GALT & TAGGART
CREATING OPPORTUNITIES



E-commerce in Georgia

December 2025



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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. Notably, 60.9% of the e-commerce market in 2024 was generated by local sales, while the remaining 39.1% came from cross-border orders.

Alongside market growth, the number of online shoppers rose from 0.6mn in 2018 to 1.0mn in 2025, while the number of Georgian companies selling online exceeded 10 thousand 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.

The share of e-commerce varies significantly across retail sectors and has growing trajectory in all of them. 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. Among retail sectors, e-commerce has the highest share in fashion (15.6% in 1H25) and electronics (12.0% in 1H25), while its share remains lowest in the FMCG segment (1.1% in 1H25).

We forecast 20.5% CAGR over 2024-30, with market size reaching GEL 10.7bn by 2030. Retail penetration is expected to increase to around 13% (from 8.0% in 1H25), broadly in line with EU trends. E-commerce in services is already relatively mature, so we expect slower growth in this segment. As a result, the share of goods in total e-commerce is projected to rise to 63.0% by 2030 (from 54.3% in 2024), while the share of services is expected to decline to 37.0% (from 45.7% in 2024).



E-commerce growth will be supported by better logistics, higher purchase frequency, and continued digital adoption. These trends will be driven by ongoing urbanization, strong digital habits among younger consumers, wide internet and smartphone penetration, growing bank card ownership, and rising household incomes.

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.



E-commerce market dynamics

Georgia's e-commerce market expanded tenfold in 2018-24, reaching GEL 3.5bn in 2024. Local e-commerce accounted for 60.9% (GEL 2.1bn) of the e-commerce market in 2024, while the remaining 39.1% (GEL 1.4bn) came from cross-border e-commerce. The domestic market includes both services (GEL 1.6bn) and goods (GEL 0.5bn), whereas cross-border e-commerce consists only of goods purchases.

1.0mn customers

€3.5bn total market size

€1.4bn Cross-border e-commerce

€2.1bn Local market

10k Georgian companies sell online

Note: 2024

E-commerce market size

Georgia's e-commerce market expanded tenfold over 2018-24. In 2024, the value of goods and services purchased online reached GEL 3.5bn, which is 10 times higher than in 2018 (GEL 0.3bn) and three times higher than in 2021 (GEL 1.1bn). 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.

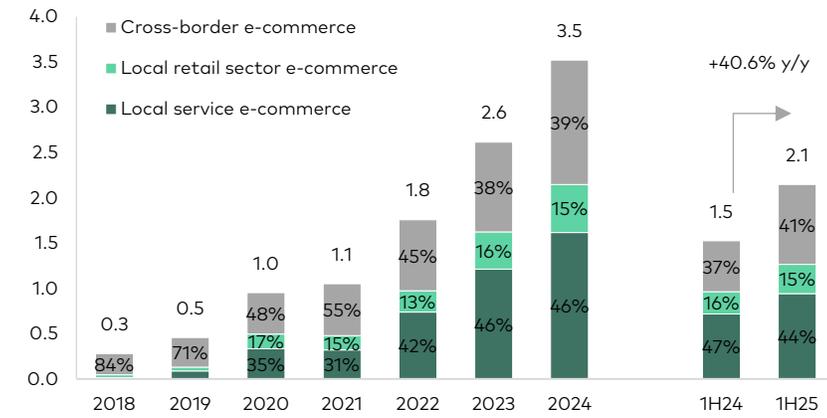
We divide the e-commerce market into three main categories:

- 1) **Local services e-commerce** (GEL 1.6bn in 2024) - includes food delivery from restaurants, postal and parcel delivery services, taxi and transportation services, and ticket purchases. In Georgia, demand for online services increased significantly following the entry of international platforms such as Wolt, Glovo, Bolt, and Yandex.
- 2) **Local retail sector e-commerce** (GEL 0.5bn in 2024) - includes online sales of goods by Georgian retailers, such as clothing and accessories, perfumery and cosmetics, consumer electronics, home improvement items, furniture, tableware, decorations, FMCG, and pharmaceutical products.
- 3) **Cross-border e-commerce** (GEL 1.4bn in 2024) - includes goods purchased from abroad through websites of non-Georgian companies. The range of products is broadly similar to those sold by local retailers.

The first two categories together define the Georgian e-commerce market, which amounted to GEL 2.1bn in 2024 and represented 60.9% of the total market. Meanwhile, the second and third category combined constitute the retail (goods) e-commerce market, valued at GEL 1.9bn in 2024, or 54.3% of the total.



Figure 1: E-commerce market size in Georgia, GEL bn



Source: NBG, Company survey, Galt & Taggart

Table 1: E-commerce in Georgia, GEL bn

	2024	1H25
E-commerce market size in Georgia	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

Source: NBG, company survey, Galt & Taggart

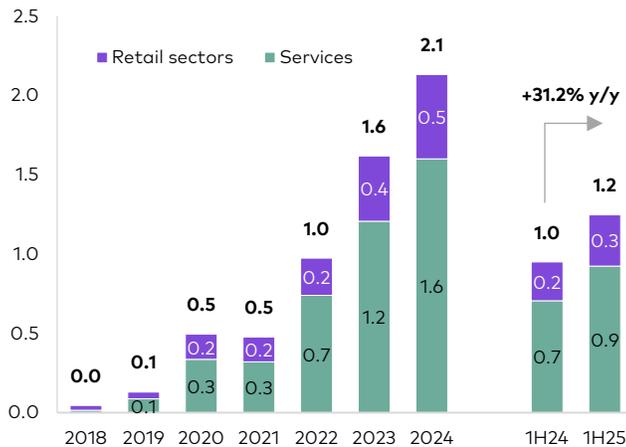


Local e-commerce

In 2024, the local e-commerce market in Georgia amounted to GEL 2.1. It accounted for 61% of total e-commerce market in 2024, up from 16% in 2018. This sharp increase was mainly driven by the expansion of e-commerce in service sectors. Importantly, cross-border e-commerce consists exclusively of goods purchases, while the local market includes both goods and services.

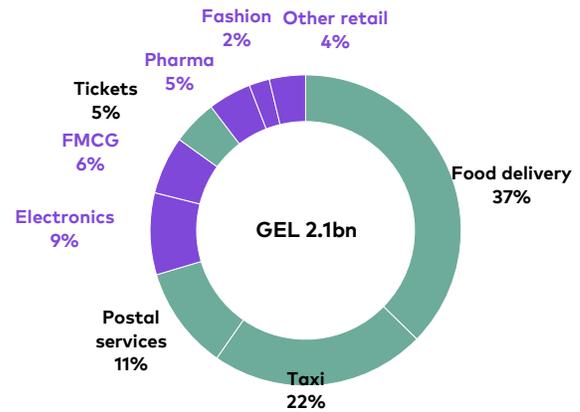
Within local e-commerce, services e-commerce accounted for 75.1% of the market, while goods purchases represented 24.9% in 2024. Food delivery from restaurants and taxi services grabbed nearly two thirds of local e-commerce market size, followed by postal services with 11% market share linked to cross-border transaction value. Consumer electronics and FMCG sectors ranked fourth and fifth in local e-commerce, with shares of 8.5% and 6.0%, respectively.

Figure 2: Local e-commerce market size, GEL bn



Source: NBG, Company survey, Galt & Taggart

Figure 3: Local e-commerce by sector, 2024



Source: NBG, Company survey, Galt & Taggart

Note: Service sectors are highlighted in green, while retail goods sectors are highlighted in purple.



Key market players

The first international e-commerce company to successfully enter the Georgian market was **Bolt** (in 2014), which introduced app-based services paid by bank cards. Yandex entered the same sector in 2016.

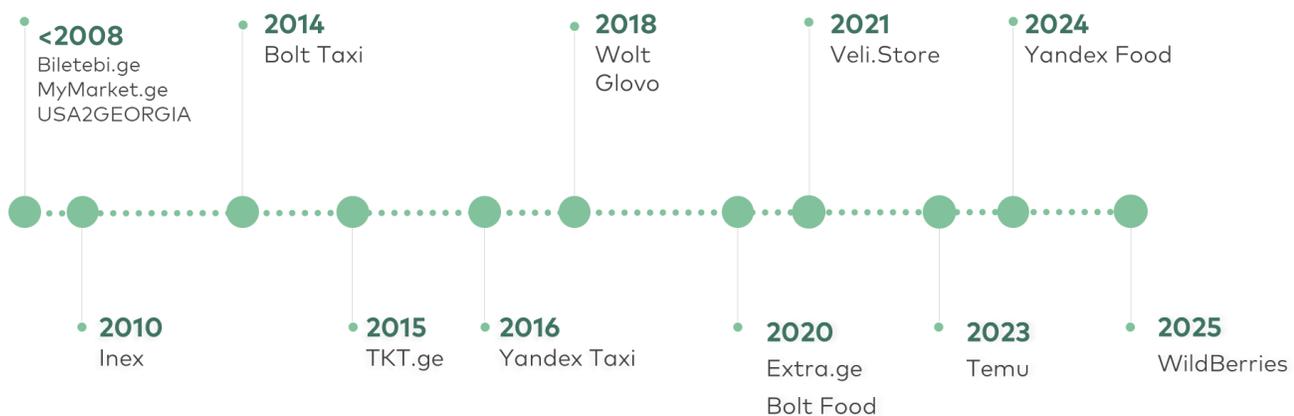
In 2018, Glovo and Wolt entered the Georgian market within a few months of each other and quickly became major sales channels for restaurants.

These platforms (as all e-commerce platforms) operate as intermediaries, connecting consumers, merchants, and couriers, with revenues primarily generated through commissions and subscription fees charged to merchants.

Georgia's first e-commerce platforms emerged in the early 2000s. **biletebi.ge** (launched in 2003) and **tkt.ge** (launched in 2015) are the leading platforms for purchasing tickets for theaters, cinemas, railways, and sports and entertainment events.

my.ge operates as a C2C platform through **myMarket.ge**, where users buy and sell goods directly with each other rather than through businesses. In addition, a share of C2C trade takes place on social platforms such as Facebook Marketplace, although its size cannot be reliably quantified.

Figure 4: Largest e-commerce companies in Georgia by entry date



Source: Company survey, Companies' web-pages, Galt & Taggart

Non-specialized online retailers **Extra.ge** and **Veli.store** entered the market in 2020 and 2021, respectively. These Georgian platforms operate in a similar way to Amazon, offering a wide range of product categories.



Wildberries entered the Georgian market in October 2024, selling mixed goods and operating across all major cities. However, its sales are not yet fully reflected in our statistics, as active operations began in the second half of 2025.

Table 2: Market share of the largest online stores and list of services/products

	Date of entry into Georgia	Market share in 2024	Sold goods	Delivery time	Delivery area
Wolt	May 2018	20-30%	Food, FMCG, Pharma, Selected retail sectors	20-90 minutes	Tbilisi, Kutaisi, Rustavi, Zugdidi, Gori
Glovo	October 2018	15-25%	Food, FMCG, Pharma, Selected retail sectors	20-90 minutes	Tbilisi, Batumi, Kutaisi, Rustavi, Poti, Zugdidi, Gori, Telavi, Kobuleti
Yandex	Taxi 2016 Food 2024	15-20%	Taxi, Furniture delivery, Food delivery	20-90 minutes	Tbilisi
Bolt	Taxi 2014 Food Dec-2019	10-15%	Taxi, Food delivery	20-90 minutes	Tbilisi, Batumi, Kutaisi, Rustavi, Poti, Zugdidi, Gori, Telavi
Tkt.ge; Biletebi.ge	2015 2003	<5%	Theater, cinema, sports events, etc. Tickets	Instant	Whole country
Extra.ge	2020	<5%	Electronics, home refurbishment, Fashion, Cosmetics and perfumery, FMCG	Tbilisi 0-9 days Regions 3-14 days	Whole country
Veli.store	2021	<5%	Electronics, home refurbishment, Fashion, Cosmetics and perfumery, FMCG	Tbilisi 0-2 days Regions 3-14 days	Whole country
MyMarket	2003	<5%	Consumer-to-consumer (C2C) goods sales		Whole country
Wildberries	2025	<5%	Electronics, home refurbishment, Fashion, Cosmetics and perfumery, FMCG	2-6 days	Tbilisi, Batumi, Kutaisi, Rustavi, Gori

Source: Galt & Taggart

Note: The share is calculated based on the 2024 local e-commerce market size (GEL 2.1bn)

Cross-border online shopping became more accessible after 2008, following the entry of intermediary shipping companies into the Georgian market. The first such company was USA2Georgia, which enabled Georgian consumers to purchase goods from U.S. websites such as Amazon and eBay and receive them locally. Inex entered the market shortly thereafter.

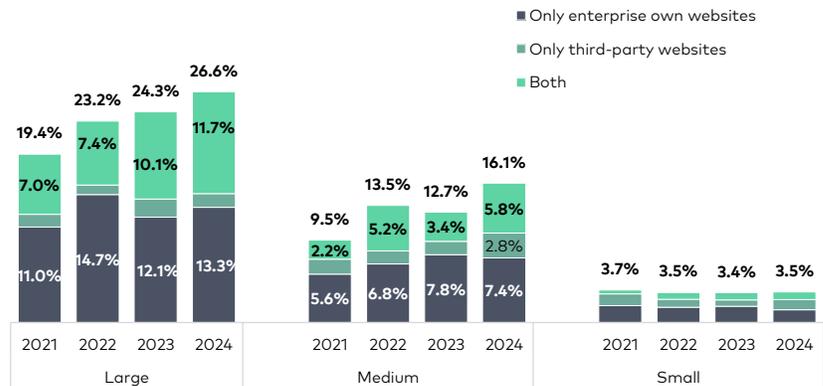
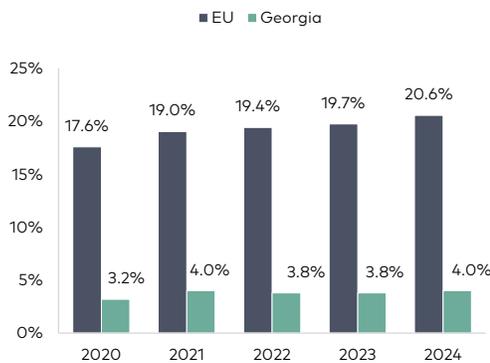
By 2024, several dozen shipping companies were operating in Georgia, offering delivery from the United States, Europe, Turkiye, and China. Temu further simplified cross-border shopping by directly contracting these shipping companies, removing several steps from the delivery process for consumers. As a result, Temu achieved market leadership in 2024, as discussed in detail in the cross-border orders section (p. 11).



Approximately 10,000 companies sell products online in Georgia, of which 57.8% use third-party platforms (Wolt, Glovo, Yandex, Bolt, Veli.Store, Extra.ge). Many companies follow a mixed approach, selling through both their own websites and third-party platforms. Based on 2024 data, 42.2% of online merchants sell only through their own websites, 30.6% rely exclusively on third-party platforms, and 27.2% use both channels.

Despite progress, Georgia still lags behind the EU in terms of business participation in e-commerce. In 2024, only 4.0% of companies in Georgia sold online, compared with 20.6% in the EU. The gap is much narrower among large companies, where 26.6% of firms in Georgia engage in online sales versus 31.4% in the EU, suggesting that the greatest growth potential lies among small and medium-sized enterprises.

Figure 5: Share of companies with online sales **Figure 6: Share of companies with online sales, by company size**



Source: Geostat, International Monetary Fund (IMF), Galt & Taggart

Source: Geostat, Galt & Taggart

Note: Enterprise size is determined based on the average annual number of employees and annual turnover. A company is classified as large if it employs more than 249 people or has annual turnover exceeding GEL 60mn. A company is considered small if it employs fewer than 50 people and has average annual turnover below GEL 12mn. All other companies are classified as medium-sized.

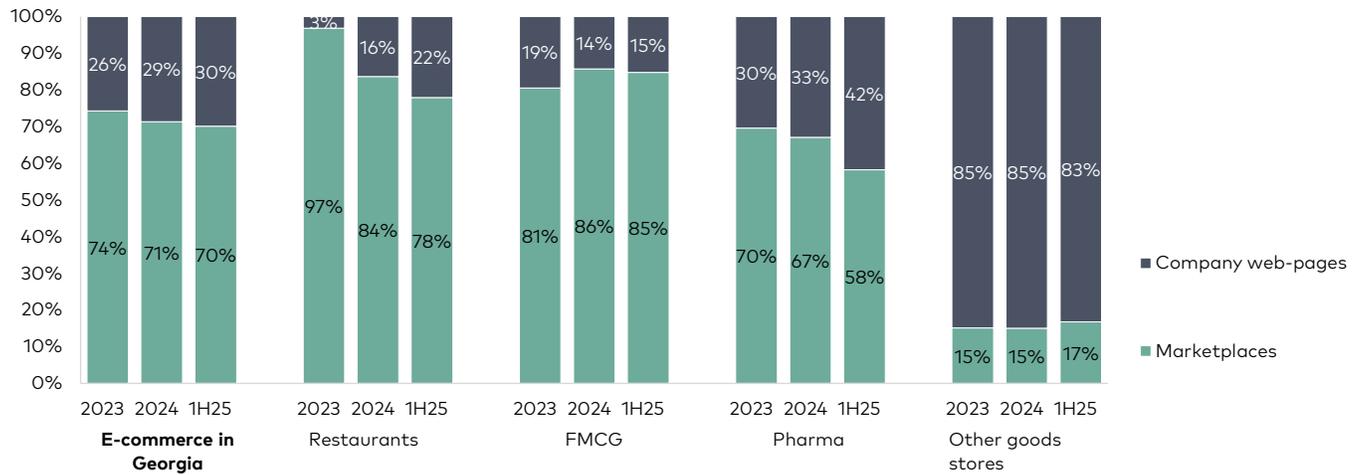
The value of online sales is split roughly 30/70 between company-owned websites and third-party platforms. Third-party platforms have a clear advantage in segments where fast delivery is critical (typically within 20–90 minutes), such as food delivery, groceries, and pharmaceutical products.

During 2023-25, fast-food outlets, grocery retailers, and pharmacies expanded their own online stores and increased the share of sales generated through their own platforms. However, most still rely on couriers provided by intermediary platforms for last-mile delivery.



Company-owned websites remain more common in retail segments where delivery speed is less critical, such as consumer electronics, clothing, and home goods.

Figure 6: Distribution of online sales between own and third-party platforms, share of total online sales



Source: NBG, Company survey, Galt & Taggart
Note: Local e-commerce only

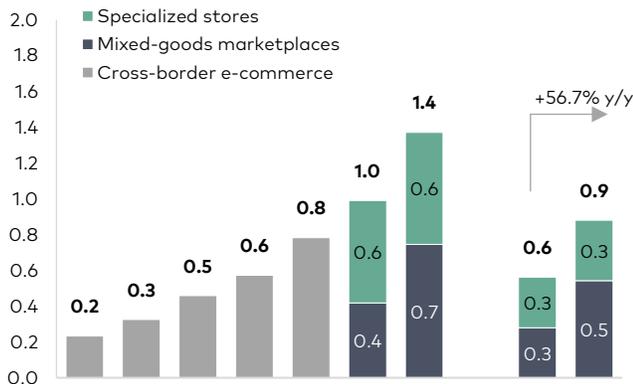


Cross-border e-commerce

Purchases from international platforms from Georgia increased sevenfold 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 1.8bn by end of 2025.

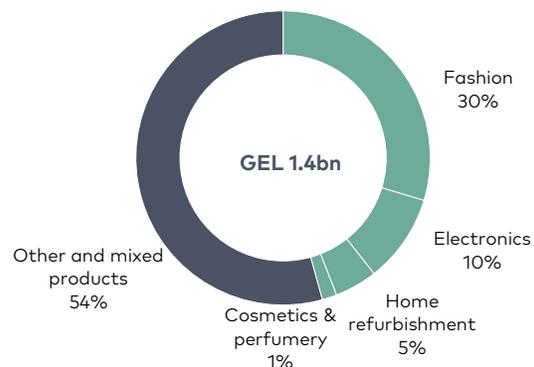
Georgian consumers mainly purchase clothing, electronics, cosmetics, perfumery, and home goods from international platforms. During 2023-25, mixed-product marketplaces gained popularity over specialized stores, with their share increasing from 42% in 2023 to 62% in 1H25, largely driven by Temu's entry into the Georgian market. These non-specialized platforms offer a wide range of durable goods, including clothing and accessories, auto parts, small household appliances, furniture, and home furnishings. A detailed sectoral breakdown of sales on such platforms is not available. Figure 9 presents cross-border e-commerce by sector, showing that non-specialized stores accounted for 54% of the market in 2024; our estimate-based recalculation of this figure is provided in Annex 2.

Figure 7: Cross-border e-commerce, GEL bn



Source: NBG, Company survey, Galt & Taggart

Figure 8: Cross-border e-commerce by sectors, 2024



Source: NBG, Company survey, Galt & Taggart

Most international online stores (except Temu) do not ship directly to Georgia, so consumers rely on intermediary shipping companies. From purchase to home delivery, the process typically takes 2-3 weeks and requires frequent user involvement. It includes purchasing the product online, delivery to the shipper's foreign warehouse, transportation to a local Georgian warehouse or office, and either self-collection or paid courier delivery. Consumers are also responsible for customs declaration



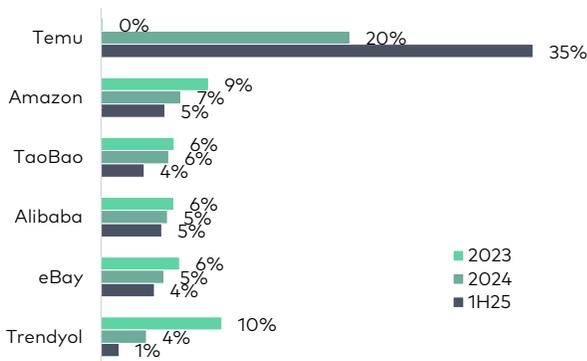
and for paying 18% VAT on parcels valued above GEL 300. This complexity is a key drawback of cross-border shopping and applies to all orders except those placed via Temu.

Revenue from international parcel-related postal services reached GEL 183.4mn in 2024 (+33.0% y/y). More than 10 companies operate in this segment, competing mainly on price, delivery speed, and destination coverage. The leading players are USA2Georgia, Inex Group, and Onex. While initially focused on the US and Europe, shipping companies have expanded to China, Turkiye, and other markets. Delivery fees depend on weight, size, and distance and typically range from US\$ 3 to US\$ 14 per kg.

Temu is an exception, offering direct door-to-door delivery. Consumers do not need to choose shipping companies, manage addresses, handle customs declarations, or collect parcels. Temu manages tax declaration and delivery itself, operating several weekly flights from China to Tbilisi and using local couriers (e.g., Onex, GFS Express, Georgian Post) for last-mile delivery. As a result, delivery times are reduced to 7–14 days, including in regions. This simplified model, combined with aggressive marketing and low prices, has driven Temu's rapid market dominance.

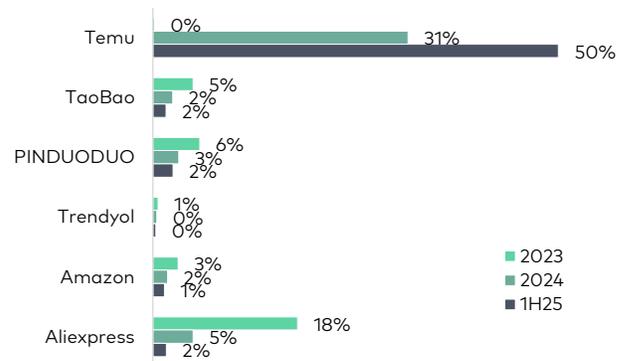
In 1H25, Temu accounted for 50% of transactions on international platforms and 35% of total value. Entering the market at end-2023, Temu expanded the overall market size, partly replacing Trendyol and reducing the shares of Amazon, Taobao, Alibaba, and eBay.

Figure 9: Top 6 companies by purchase value from Georgia and their share in cross-border purchases



Source: Galt & Taggart

Figure 10: Top 6 companies by number of purchases from Georgia and their share in cross-border purchases



Source: Galt & Taggart

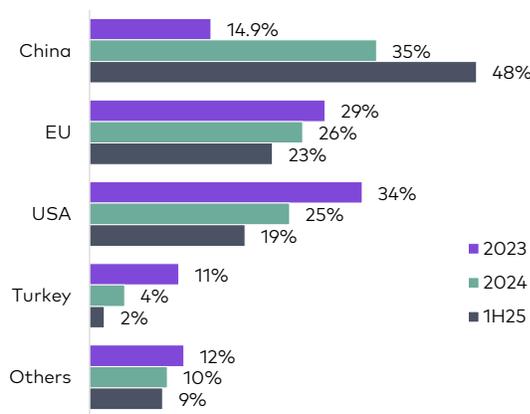
Chinese platforms have come to dominate international transactions



following Temu's entry into the market. Even before Temu, Chinese online stores were already popular, accounting for 35% of cross-border transaction volumes and 15% of transaction value in 2023. After Temu's entry, the combined share of Chinese companies increased sharply to 71.2% of transaction volumes and 47.6% of transaction value in 1H25. The gap between China's shares in volume and value reflects the low average transaction size: average parcel values are around GEL 40-50, compared with GEL 140-200 for orders from Europe or the United States.

The rise in the market share of Chinese companies occurred mainly at the expense of Turkish and U.S. platforms, while EU online stores maintained a relatively stable share.

Figure 11: International e-commerce by country, % of total value

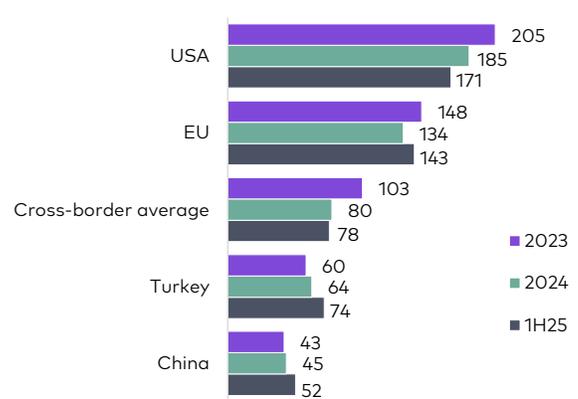


Source: Company survey, Galt & Taggart

Georgian consumers spend more per transaction on international platforms than domestically. Average transaction values on international platforms are higher, especially for home goods, clothing, and cosmetics/perfumery, compared with purchases in local physical or online stores.

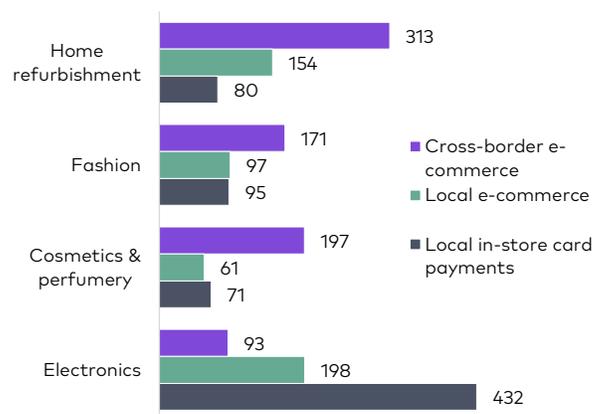
This reflects different consumer behavior: domestic purchases are often routine or impulse-driven, while international purchases usually involve larger orders, partly due to delivery and customs complexity. Electronics are an exception, as consumers tend to buy small devices online and large appliances in physical stores, likely influenced by shipping cost structures.

Figure 12: Average transaction value in selected countries, GEL per transaction



Source: Company survey, Galt & Taggart

Figure 13: Average transaction value (GEL) by sector, 2024



Source: NBG, Company survey, Galt & Taggart

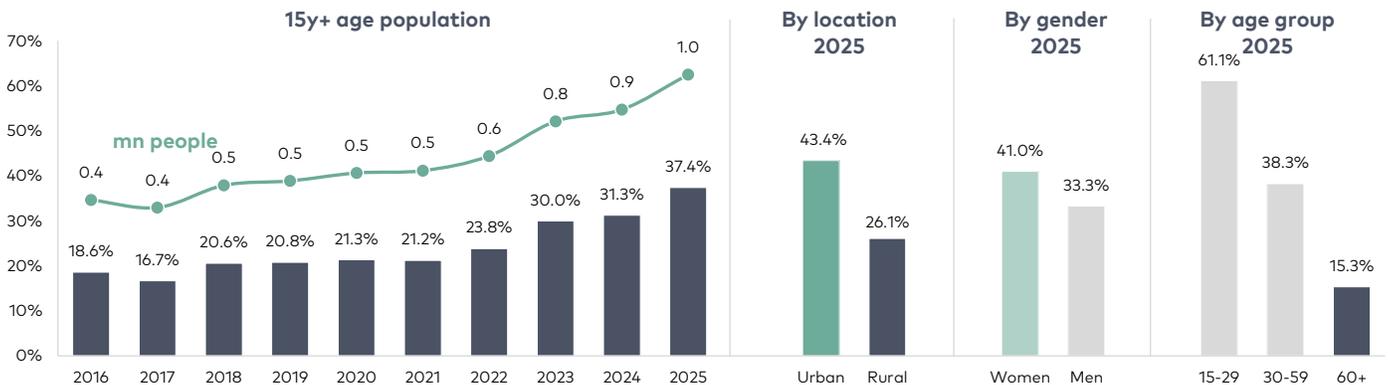


Number of consumers

Around one million people in Georgia had purchased goods or services online in the past year, as of July 2025. This represents 37.4% of the adult population, up from 20.6% in 2018. This growth is largely driven by Temu's market entry, aggressive marketing, low prices, and simplified delivery.

Significant growth potential remains among people aged over 30 and in regions outside major cities. Online shopping penetration is much higher in urban areas (43.4%) than in rural areas (26.1%), a gap of 17.3 ppts. Usage reaches 61.1% among those aged 15-29, 38.3% among ages 30-59, and 15.3% among those 60+, suggesting that generational change, broader internet access, and financial ecosystem development will continue to support user growth.

Figure 14: Share of the adult population that purchased goods or services online over the past year



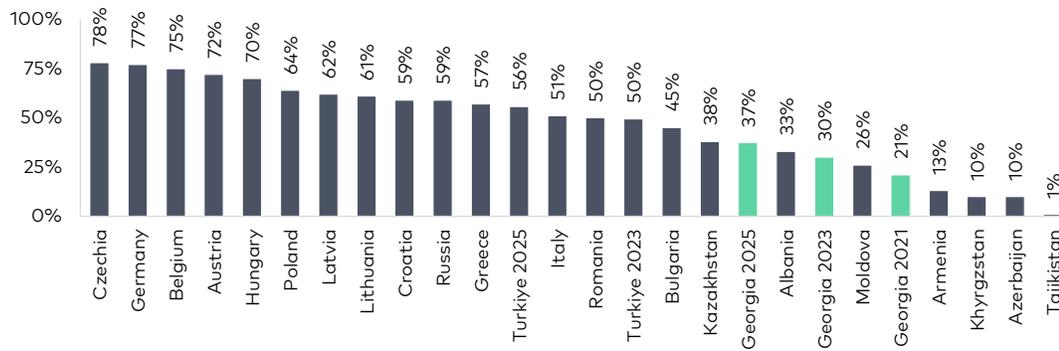
Source: Geostat, Galt & Taggart

Note: The share is calculated based on the population with internet access. The survey is conducted each year in July. The adult population refers to individuals aged 15 and above.

Online shopping penetration in Georgia remains low relative to Europe and some regional peers, highlighting strong growth potential. As of 2023, Georgia lagged the EU in terms of e-commerce users (30% vs. an EU average of 77%). In the region, Georgia outperformed Armenia (13%) and Azerbaijan (10%), but trailed Turkiye (50%) and Russia (59%). In Turkiye, the share of online shoppers increased to around 56% by 2025 (up from 21% in 2016), largely due to active government support policies (see the annex 4 on the Turkish market).



Figure 15: Share of the population aged 15+ who used the internet to purchase goods or services in the past 12 months



Source: World Bank, Geostat, EU E-commerce report 2024, TAdviser, Galt & Taggart
Note: 2023 data for the European Union, 2021 data for other countries



E-commerce by sectors

E-commerce in this report is defined as the purchase of goods and services online via websites or mobile applications. In 2024, services accounted for 45.7% of the total e-commerce market (GEL 1.6bn out of GEL 3.5bn) and were provided exclusively by locally registered companies. Retail e-commerce accounted for 54.3% of the total market (GEL 1.9bn out of GEL 3.5bn) and was represented by both local and international companies, with the latter significantly exceeding the former in value.

₾ **3.5bn** e-commerce market size

₾ **1.6bn** e-commerce in services

₾ **1.9bn** e-commerce in retail trade

Note: 2024

The role of e-commerce differs widely across sectors and sub-sectors. In this chapter, we analyze online sales by sub-sector and compare them with sales through physical stores.

For this study, delivery from restaurants, grocery stores, and pharmacies is analyzed separately, even though these services are often provided by the same platforms. Based on our estimates, around 75-80% of the combined turnover of Wolt, Glovo, Bolt Food, and Yandex Go comes from restaurant food delivery, a further 20-25% is split roughly evenly between grocery stores and pharmacies, while up to 5% is generated by other retail stores.

E-commerce in service sectors

In service sectors, e-commerce is provided exclusively by locally registered companies. However, c. 90% of the market is dominated by international platforms such as Wolt, Glovo, Bolt, and Yandex. Their operational scale and geographic expansion are the key drivers of growth in this sector.

The share of e-commerce in total sector turnover is high in taxi-hailing, ticket purchases, and parcel delivery, and lower, though increasing, in the restaurant sector. Based on our estimates, delivery services accounted for 11.3% of restaurant revenues in 2024 and rose to 14.7% in the first half of 2025. Postal services, specifically parcel sending and receiving, are conducted predominantly online, with penetration exceeding 80%. While the total size of the taxi and ticketing markets cannot be precisely estimated at this stage, we assess the e-commerce share in these segments to be relatively high, at over 50%.



Figure 16: E-commerce in services sector, GEL bn



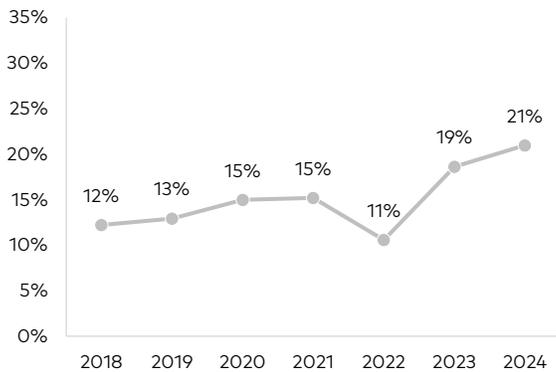
Source: Galt & Taggart, Geostat, NBG, Company survey

Note: The market size of restaurant food delivery and taxi-hailing services is based on Galt & Taggart's estimates, calculated in accordance with the methodology described in the annex.

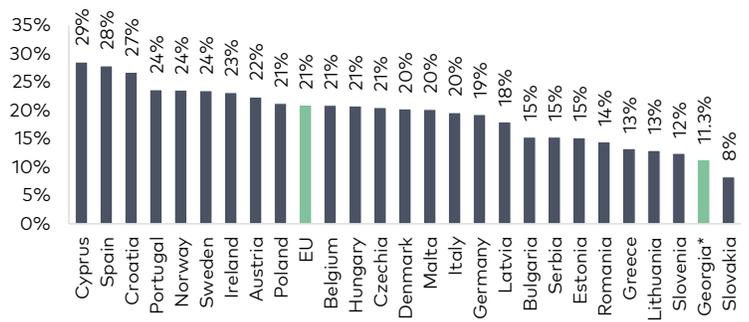
Georgia lags most European countries in terms of e-commerce penetration in the hospitality sector.

In EU member states, the average share of e-commerce in restaurant and hotel revenues reached 21% in 2024, up from 12% in 2018. We expect Georgia to follow a similar growth path over the next five years. In our view, the share of e-commerce in total restaurant sales will increase to around 20% by 2030, from 14.7% in 1H25.

Figure 17: Share of e-commerce in hotel and restaurant revenues in the European Union, 2024



Source: Eurostat
Note: EU-27



Source: Eurostat, Galt & Taggart
Note: For Georgia, the share is calculated only for restaurants and represents Galt & Taggart's estimate.



E-commerce in the retail sectors

Georgia's retail sector has continued to grow rapidly, with an average annual increase of 14.5% over 2018–24, while e-commerce has steadily expanded its share from 1.9% in 2018 to 8.0% in 1H25. Although cross-border trade remains the main driver of e-commerce growth, local e-commerce is also strengthening as Georgian retail chains invest in their own online channels and digital infrastructure.

The retail e-commerce market amounted to GEL 1.9bn in 2024 and is estimated to reach GEL 2.5bn by year-end 2025.

1.9bn Retail e-commerce market, 2024

30.8bn Total retail turnover in Georgia, 2024

8.0% E-commerce share in total retail trade, 1H25

2.2% Local e-commerce share in retail trade, 1H25

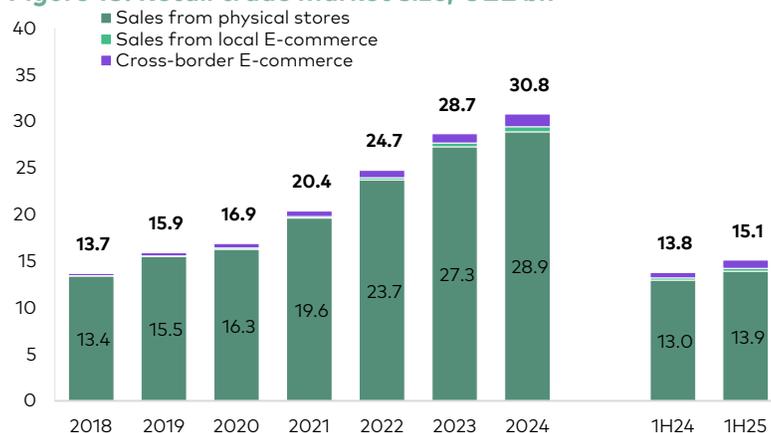
Retail trade market size

Georgia's retail sector recorded an average annual growth rate (CAGR) of 14.5% over 2018-24 and exceeded GEL 30bn in 2024 (including VAT). This growth outpaced the average annual inflation rate (6.7%) and indicates an increase in total consumption.

The FMCG sector accounted for about half of total retail turnover in 2024.

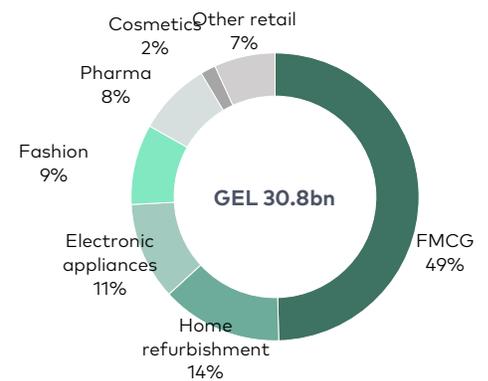
It was followed by home goods (14%), electronics (11%), clothing and accessories (9%), pharmacies (8%), and cosmetics (2%), while the remaining 7% came from smaller categories, including bookstores, toy shops, and flower shops.

Figure 18: Retail trade market size, GEL bn



Source: Geostat, SARAS, Company survey, Galt & Taggart
Note: Excluding automotive fuel

Figure 19: Retail trade by sectors, 2024



Source: Geostat, SARAS, Company survey, Galt & Taggart
Note: Total retail trade figures also include international e-commerce.

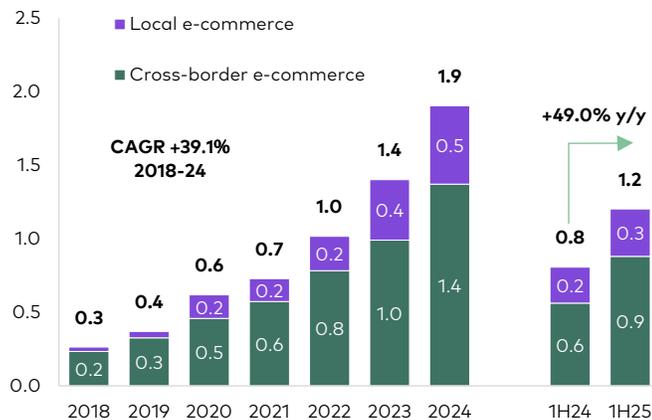


E-commerce in retail trade

Online retail trade reached GEL 1.9bn in 2024, implying a 39.1% CAGR from GEL 0.3bn in 2018. Cross-border orders dominated online retail, accounting for 72.1% of the total (GEL 1.4bn) in 2024. Growth remained strong in 2025, with online retail expanding by 49.0% y/y, driven mainly by cross-border e-commerce growth (+56.7% y/y).

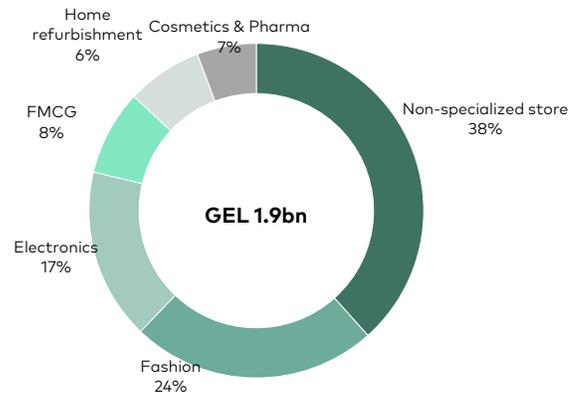
Local retail e-commerce has grown steadily since 2023, supported by strong retail momentum, wider adoption of online channels, and improvements in financial and digital infrastructure. In contrast, cross-border retail e-commerce accelerated following the entry of international platforms such as Temu, driven by low prices and simplified delivery.

Figure 20: E-commerce in retail trade, GEL bn



Source: NBG, Company survey, Galt & Taggart

Figure 21: E-commerce in retail trade by store type, 2024



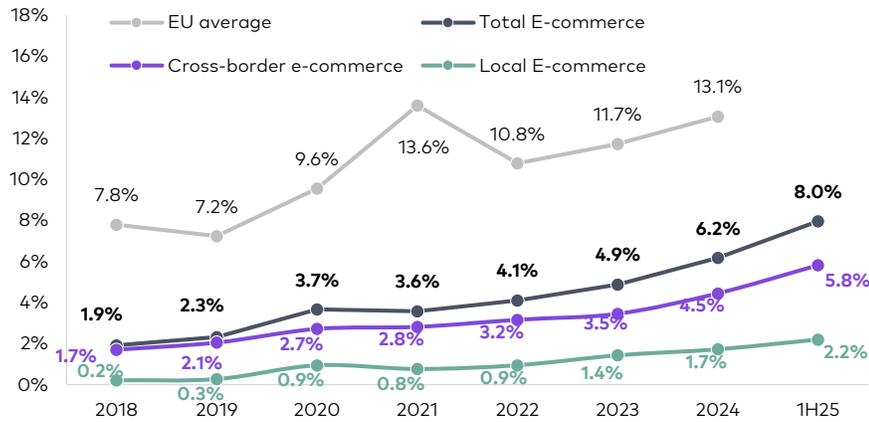
Source: NBG, Company survey, Galt & Taggart

The share of e-commerce in total retail turnover reached 6.1% in 2024 and increased further to 8.0% in the first half of 2025. Within this, local e-commerce accounted for 1.7% in 2024 and 2.2% in 1H25, while cross-border e-commerce accounted for 4.5% and 5.8%, respectively.

Despite initial expectations, the pandemic did not lead to a lasting structural shift in the e-commerce market. Following the reopening of physical stores in 2021, the share of e-commerce in total retail turnover declined, a pattern also observed across EU countries.



Figure 22: E-commerce share in goods trade turnover



Source: NBS, Eurostat, Geostat, Company survey, Galt & Taggart
Note: Goods trade turnover includes both sales through physical stores and online sales (local and international).

In terms of the e-commerce share in goods trade, Georgia lags significantly behind Western European countries, but exceeds most Eastern European countries when cross-border e-commerce is also taken into account.

Figure 23: Online sales as a percentage of retail trade turnover in selected countries, latest available data



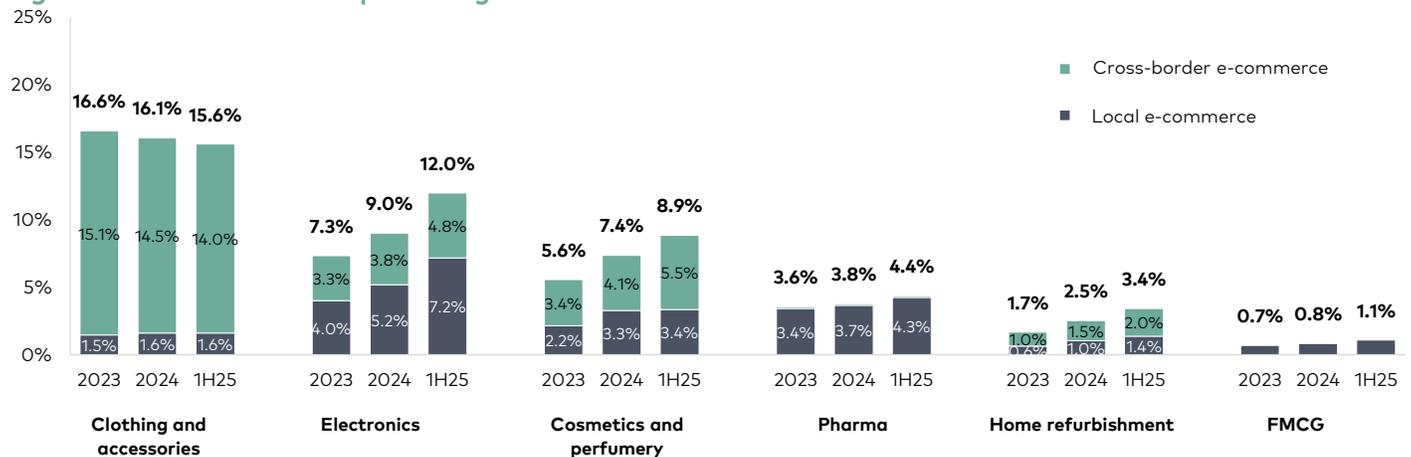
Source: Eurostat, Galt & Taggart, 2024 figures for EU, 1H25 figures for Georgia
Note: E-commerce includes all transactions carried out via websites and applications. The data cover e-commerce transactions within EU countries but do not include purchases made from non-EU countries (e.g., China).



The importance of e-commerce varies significantly across sub-sectors. Key observations are as follows:

- **Clothing and accessories:** E-commerce penetration is highest in this segment. The share of e-commerce in total turnover stood at 15.6% in 1H25, down from 16.6% in 2023. This decline likely reflects a shift in consumer purchases toward non-specialized platforms such as Temu, where clothing sales are captured indirectly (see Annex 2 for Galt & Taggart’s estimates), rather than a fall in demand. The share of local e-commerce in this segment has remained broadly stable at around 1.5-1.6% over 2023-25.
- **FMCG:** This segment has the lowest e-commerce penetration, with online sales accounting for just 1.1% of total turnover in 1H25. However, the share is gradually increasing, mainly through third-party platforms.
- **Home refurbishment:** The e-commerce share reached 2.5% in 2024 and rose to 3.4% in 1H25, with sales evenly split between local and international platforms. Non-specialized online stores are used most intensively in this category, particularly for tableware, decorations, small furniture, and similar items, increasing e-commerce’s role for the sector (see Annex 2 for Galt & Taggart’s estimations).
- **Consumer electronics:** E-commerce penetration increased from 9.0% in 2024 to 12.0% in 1H25, driven primarily by local companies. Some small consumer electronics are also purchased from mixed-goods marketplaces (see annex 2 for Galt & Taggart’s estimates).

Figure 24: Online sales as a percentage of retail trade turnover in selected sectors



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

Note: The share is calculated based on total sector revenues, which include sales through physical stores as well as online channels (local and international). Sectoral shares do not include the value of products sold via non-specialized stores (such as Temu, Amazon, etc.); for our estimates of these, see the annex.



Key players in selected sectors

To assess market dynamics and identify key players, we have prepared competitive positioning charts for all major sectors, covering both leading international and local companies. These charts compare companies across three key indicators: the number of online transactions, total transaction value, and website traffic (measured by the number of visits).

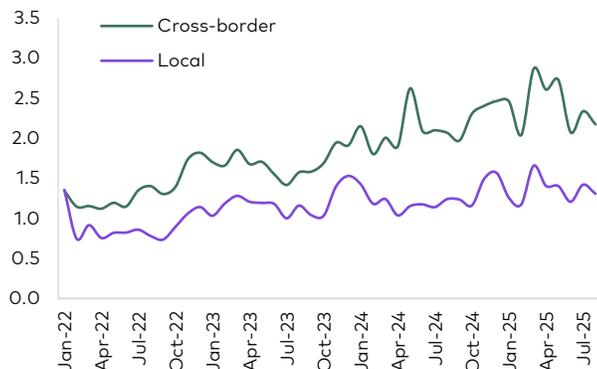
In non-specialized mixed-goods marketplaces, the leading international players are Temu, Amazon, eBay, and AliExpress, while Extra.ge and Veli.store are the market leaders among Georgian platforms.

In 2025, visits from Georgia to foreign mixed-goods marketplaces were roughly twice as high as visits to comparable local websites. Over 2022-25, traffic to Georgian platforms grew more slowly than to foreign ones.

The competitive positioning analysis shows that in non-specialized mixed-goods marketplaces:

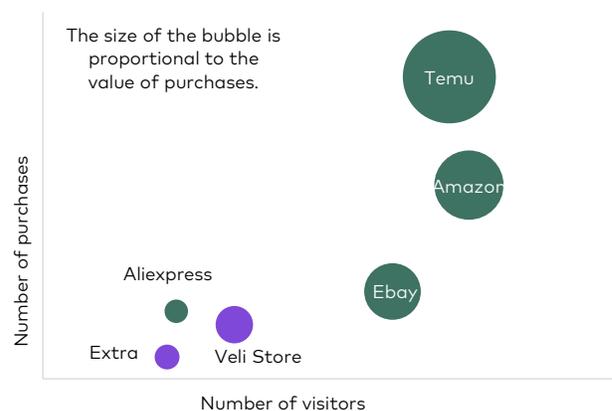
- **Temu** is the clear market leader
- **Amazon** records visitor traffic comparable to Temu, but trails in both transaction volume and value
- **eBay** lags Amazon and Temu in transaction volume, but is close to Amazon in visitor traffic and sales value per Georgian user
- **AliExpress** significantly underperforms its main foreign peers across all metrics
- Among Georgian platforms, **Veli.store** ranks first in website traffic and transaction volume and value in 1H25, followed by **Extra.ge**

Figure 25: Number of visits from Georgia to online marketplaces' websites, mn



Source: Semrush, Company survey
Note: Aggregated data for selected websites

Figure 26: Competitive positioning chart of online marketplaces, 1H25



Source: Semrush, Company survey, Galt & Taggart
Note: The chart shows leading Georgian and foreign companies by online sales value; bubble size reflects sales value. Website visits include web traffic only and exclude mobile app usage.



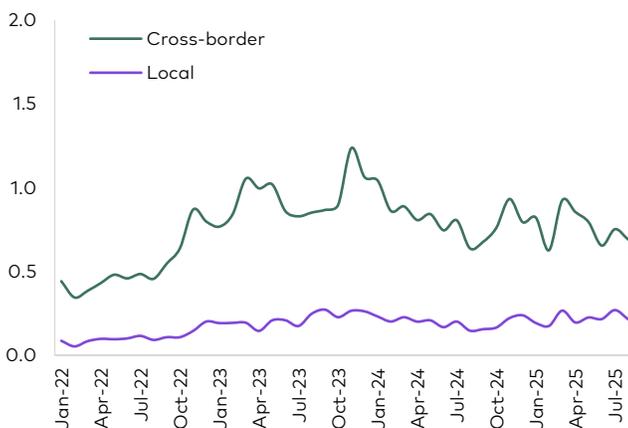
In online clothing and accessories, leading international players include Trendyol, Zara, Farfetch, Mytheresa, and ASOS, while Dressup and LC Waikiki lead the local market.

In 2025, visits from Georgia to international fashion websites significantly exceeded traffic to local platforms. However, traffic to international fashion retailers declined compared with 2022-23, in contrast to non-specialized marketplaces, confirming that Temu has partly diverted demand away from Trendyol.

The competitive positioning analysis indicates that:

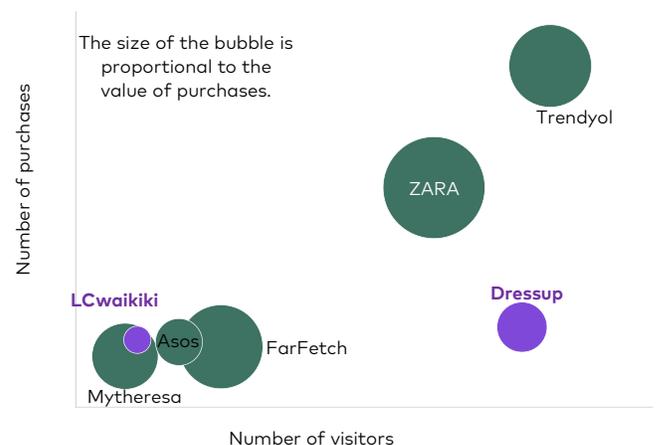
- **Zara** is the leading international player by both transaction volume and value, likely reflecting price differentials despite its local presence
- **Trendyol** has lost share following Temu’s entry but remains a key player in clothing by visits and transaction count.
- **Farfetch** and **Mytheresa**, focused on premium brands not available locally, show lower transaction volumes but rank among the top players by order value
- **ASOS** has traffic and volumes comparable to Farfetch and Mytheresa, but lower transaction value due to its mid-priced positioning
- Among Georgian companies, **Dressup** ranked first by traffic and transaction volume and value in 1H25, followed by **LC Waikiki**

Figure 27: Number of visits from Georgia to clothing and accessories online stores’ websites, mn



Source: Semrush, Company survey
Note: Aggregated data for selected websites

Figure 28: Competitive positioning chart of online clothing and accessories stores, 1H25

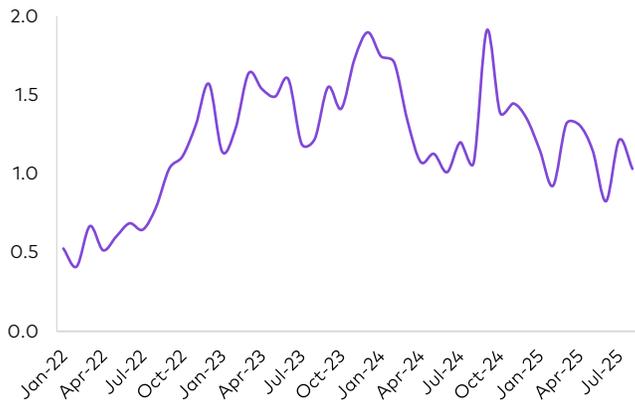


Source: Semrush, Company survey, Galt & Taggart
Note: The chart shows leading Georgian and foreign companies by online sales value; bubble size reflects sales value. Website visits include web traffic only and exclude mobile app usage.



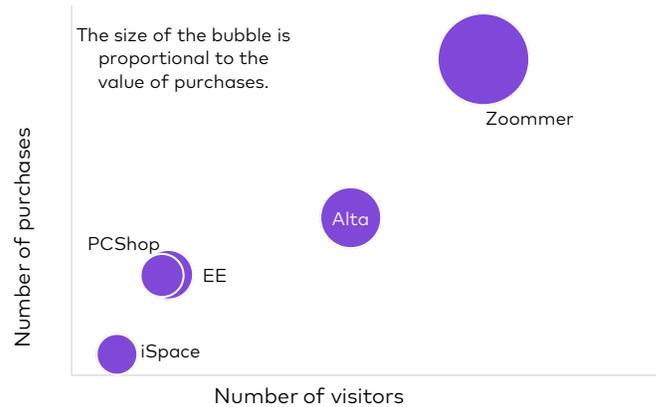
In the consumer electronics category, most Georgian retailers sell products online, mainly through their own websites. The leading players are Zoommer, Alta, ElitElectronics (EE), PCShop, and iSpace, with rankings broadly consistent across transaction volume, sales value, and website traffic. Website traffic for electronics retailers is seasonal and closely mirrors sales patterns in physical stores.

Figure 29: Number of visits to Georgian consumer electronics websites, mn visits



Source: Semrush, Company survey
Note: Aggregated data for selected websites

Figure 30: Competitive positioning chart of Georgian online electronics stores, 1H25



Source: Semrush, Company survey, Galt & Taggart
Note: The chart shows leading Georgian companies by online sales value; bubble size reflects sales value. Website visits include web traffic only and exclude mobile app usage.



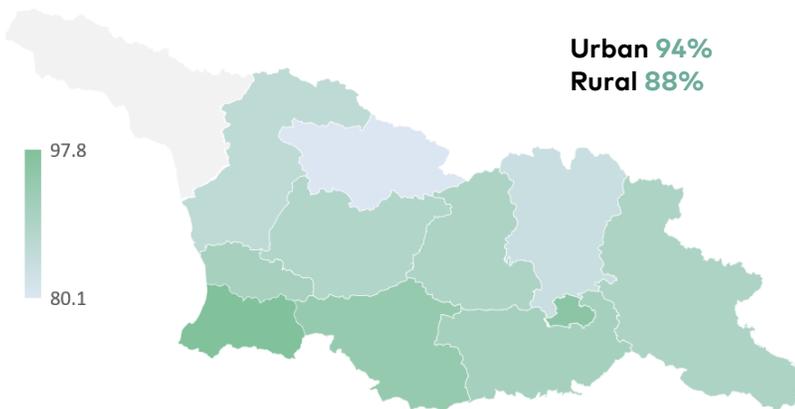
E-commerce growth drivers

E-commerce in Georgia is developing rapidly, driven by four key factors: (1) digital infrastructure, (2) financial services, (3) demographic and economic factors, and (4) the legal environment. Within this process, logistics plays a particularly important role, as it determines how easily and quickly consumers can receive products, use services, and complete the overall online experience.

1. Digital infrastructure

Internet access reached 92.0% of households in Georgia, while 89.3% of the population aged 6 and above used smartphones in 2025. Penetration rates vary across regions, with the highest levels observed in Tbilisi and Adjara and the lowest in Racha-Lechkhumi and Kvemo Svaneti (80.1%).

Figure 31: Share of households with internet access by region

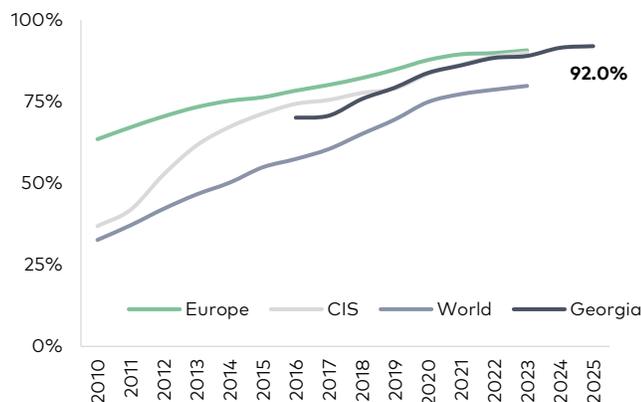


Source: ITU, Geostat, Galt & Taggart

Internet access in Georgia (92%) exceeds the global average (79.8%) and Eastern Europe (83.0%), but remains well below Northern Europe (97.0%). Globally, internet access has shown a steady upward trend over the past decade, and the gap between Europe and CIS countries has nearly closed: in 2023, 90.7% of households in European countries had internet access, compared with 90.0% in CIS countries, while the global average stood at 79.8%.

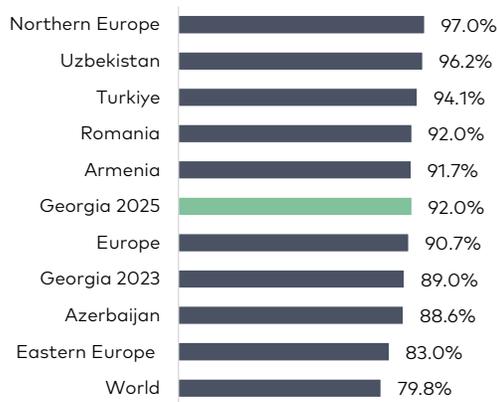


Figure 32: Share of households using the internet



Source: ITU, Geostat, Galt & Taggart

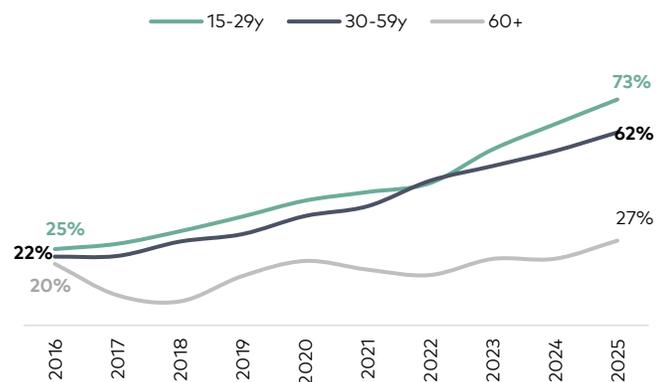
Figure 33: Share of households using the internet, 2023



Source: ITU, Geostat, European e-commerce report 2024, Galt & Taggart

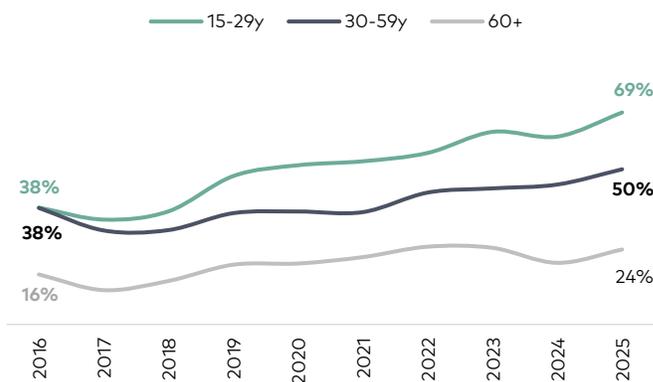
Georgians mainly use the internet for social networking and video calls, according to Geostat survey. Importantly, the use of internet banking has increased rapidly, especially among younger users, indicating ongoing development of the financial sector. Although the share of the population using the internet to search for goods and services increased by 6.7 percentage points after 2016, it reached only 43.1%, pointing to substantial growth potential, particularly through narrowing age and urban-rural gaps.

Figure 34: Use of the internet for banking, share of the population



Source: Geostat, Galt & Taggart
Note: July data

Figure 35: Use of the internet to search for information on goods and services, %



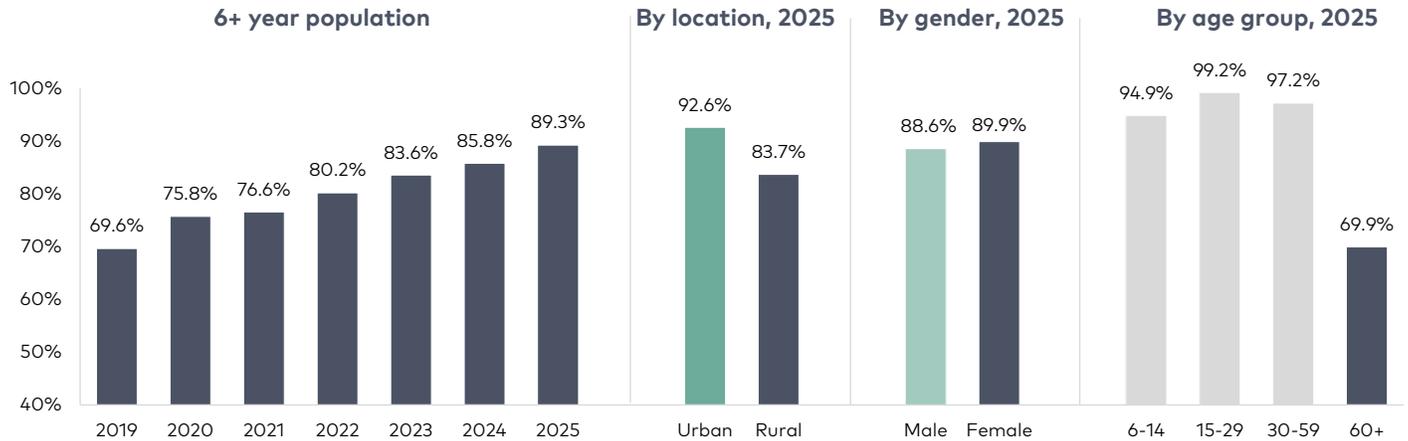
Source: Geostat, Galt & Taggart
Note: July data

In 2025, smartphone usage in Georgia reached 89.3% of the population aged 6 and above, up from 69.6% in 2019. Usage was highest in urban



areas (92.6%), among those aged 15-29 (99.2%), and among women (89.9%).

Figure 36: Smartphone usage in Georgia



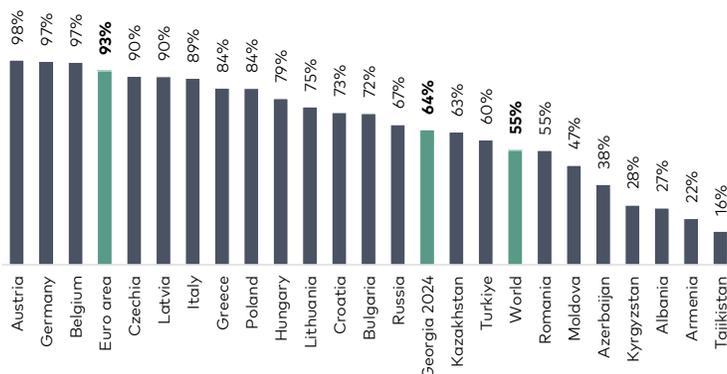
Source: Geostat, Galt & Taggart
Note: July data

2. Financial development

Access to digital payment methods, particularly debit and credit cards, is a key prerequisite for e-commerce development. In Georgia, 64% of active users rely on digital payment instruments. While around 90% of online platforms also offer cash payment options, their usage (5-20%) is declining in favor of card-based payments.

Only 64% of Georgia's adult population held a debit card in 2024. With this card ownership metrics Georgia lags the EU average (93%), but significantly exceeds Armenia (22%) and Azerbaijan (38%) and is close to Turkiye (60%). We expect debit card penetration to continue rising over the long term, gradually converging toward euro area levels.

Figure 37: Share of the population aged 15+ who hold a debit card



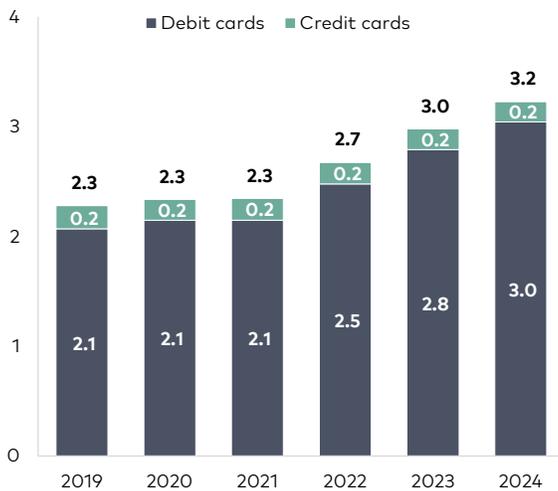
Source: World Bank, Galt & Taggart; Latest available data



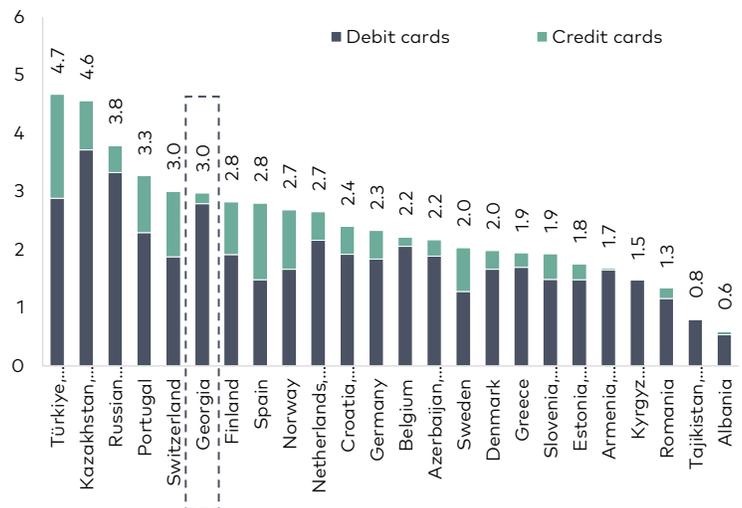
In terms of the number of bank cards per capita, Georgia outperforms most countries in the region. On average, an adult in Georgia holds more than three bank cards, comparable to Switzerland (3.0 cards) and Finland (2.8). This level is lower than in Türkiye (4.7), Russia (3.8), and Portugal (3.3), but higher than in Azerbaijan (2.2), Armenia (1.7), and some European countries such as Greece (1.7). However, Georgia lags most European and regional peers in terms of credit card ownership.

The number of bank cards per capita in Georgia has increased steadily since 2019 (2.3 cards), supported by the adoption of digital wallets such as Apple Pay and Google Pay. These solutions facilitate the use of multiple cards and simplify online payments.

Figure 38: Number of debit and credit cards per adult in Georgia **Figure 39: Number of debit and credit cards per adult, 2023**



Source: NBS, IMF, Galt & Taggart



Source: IMF, Galt & Taggart

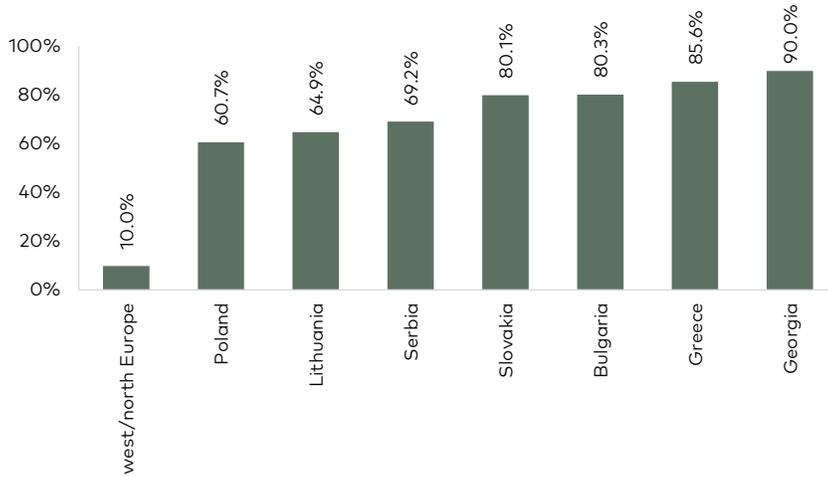
In addition, cash payment options allow e-commerce companies to reach consumers without bank cards or those hesitant to pay online. Some platforms also offer payment on delivery, enabling customers to pay after receiving and inspecting goods. While this option increases costs for e-commerce companies, it improves consumer convenience.

In Northwestern Europe, only around 10% of e-commerce companies offer cash payment options, whereas in Eastern Europe more than 60% retain them. In Georgia, around 90% of companies still offer cash payments; however, interviews indicate that cash payments account for no more than 20% of sales for any company. As bank card adoption continues to rise,



supported by generational change, the share of cash payments is expected to decline, with the market gradually shifting toward fully card-based payments.

Figure 40: Share of online stores offering cash payment options among total e-commerce companies



Source: ECDB, Company survey, Galt & Taggart

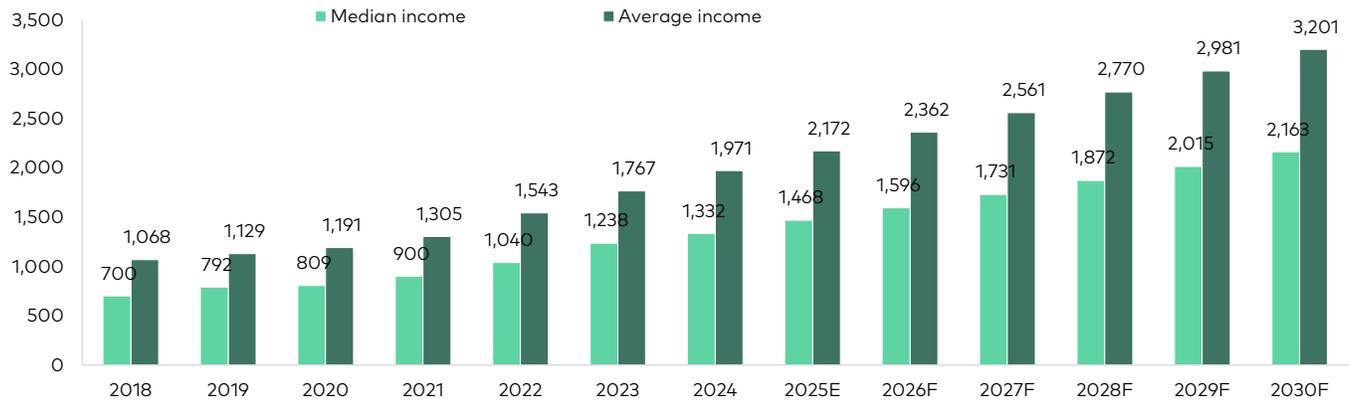


3. Demographics and income

Rising disposable incomes support growth in both the overall retail market and e-commerce. Over the medium term, continued urbanization and the entry of younger, more digitally literate generations are expected to further underpin e-commerce development.

In Georgia, both average and median wages nearly doubled over 2018-24 and are expected to continue increasing. The median wage rose from GEL 700 to GEL 1,332 over 2018-24 and, based on our estimates, is projected to reach around GEL 2,200 by 2030. Wage growth accelerated over 2021-24, broadly in line with the pickup in overall economic growth.

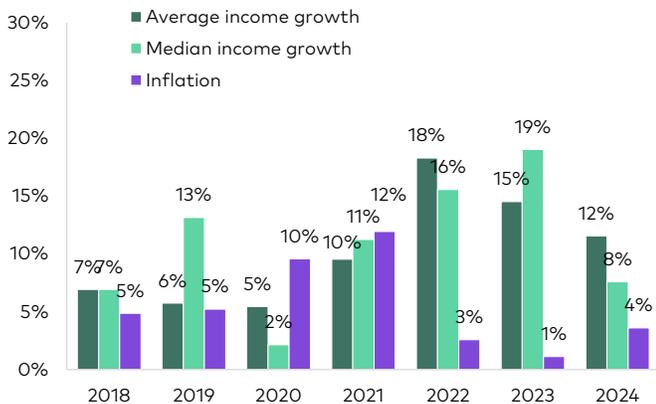
Figure 41: Average and median incomes in Georgia, GEL



Source: Geostat, Galt & Taggart

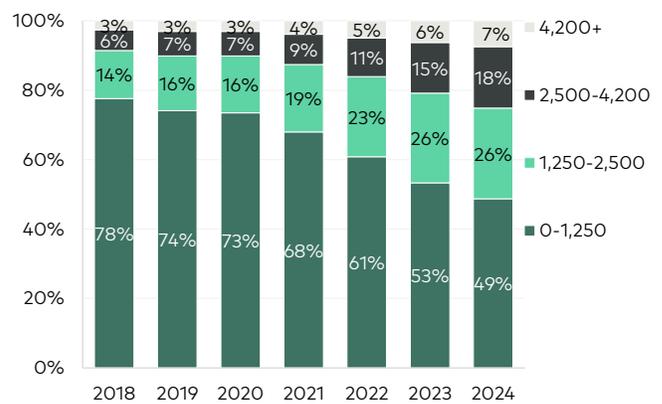
Alongside wage growth over 2018-24, the share of employees earning up to GEL 1,250 per month fell sharply, from 78% to 49%.

Figure 42: Wage growth and inflation



Source: Geostat, Galt & Taggart

Figure 43: Employees by wage level, GEL

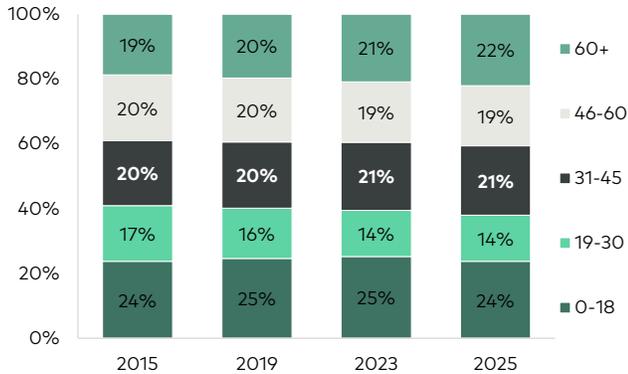


Source: Revenue Service of Georgia, Galt & Taggart
Note: Wage brackets are shown before personal income tax, in GEL.



Georgia's population is undergoing long-term demographic aging. The population declined slightly from 3.72mn in 2015 to 3.70mn in 2025 (-0.5%). Over the same period, the share of the population aged 60 and above increased by 3.3 pts, while the share of those under 30 declined by a similar magnitude (-3.0 pts).

Figure 44: Population distribution in Georgia by age

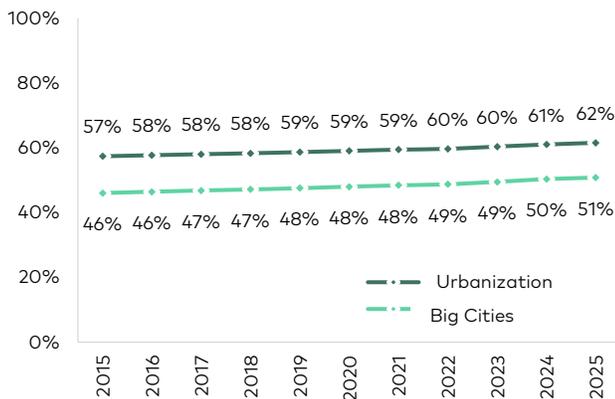


Source: Geostat, Galt & Taggart

Urbanization in Georgia has increased steadily, driven mainly by the country's nine largest cities. The urbanization rate rose from 57.4% in 2015 to 61.5% in 2025, an increase of 4.1 pts. Over the same period, the share of the population living in the nine largest cities increased from 46.0% to 50.8% (+4.8 pts), indicating that urbanization has been concentrated primarily in these urban centers.

These cities are Tbilisi, Batumi, Rustavi, Kutaisi, Gori, Poti, Zugdidi, Telavi, and Kobuleti. Most service-based e-commerce companies operate in these locations. In our view, outside these nine cities, e-commerce potential is largely limited to retail goods trade.

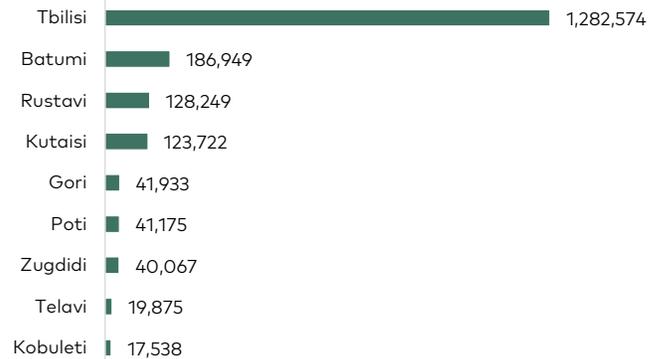
Figure 45: Urbanization in Georgia and share of population living in large cities



Source: Geostat, Galt & Taggart

Note: Big cities refer to Tbilisi, Batumi, Rustavi, Kutaisi, Gori, Poti, Zugdidi, Telavi, Kobuleti.

Figure 46: Large cities by population, people



Source: Revenue service of Georgia, Galt & Taggart



4. Legal and regulatory framework

The e-commerce sector in Georgia is regulated by several key institutions: the Ministry of Economy and Sustainable Development (strategic development), the Parliament of Georgia (legislation), the Georgian National Competition Agency (enforcement), and the Personal Data Protection Service (enforcement).

The main legislative framework includes the following:

- Law of Georgia on E-commerce (adopted June 13, 2023) - establishes the general framework for online trade and defines sellers' obligations.
- Law on the Protection of Consumer Rights (in force since 1 June 2022) - provides consumers with a 14-calendar-day right of return and sets transparency requirements.
- Law on Personal Data Protection (adopted on 14 June 2023) - defines requirements for data processing and data protection.
- Government Decree No. 96 on Customs Procedures (30 March 2010) – exempts parcels with a value of up to GEL 300 from customs duties and 18% VAT.

At the same time, Georgian consumer protection and personal data protection legislation does not apply to international platforms, as they operate outside the jurisdiction of Georgia.



Logistics

Unlike physical retail, online sales require additional processes such as order picking, packaging, handover to couriers, delivery, inventory synchronization, and returns management. Together, these form the e-commerce logistics chain, which faces four key challenges.

- 1. Courier shortages** remain the main constraint for the sector. Demand for couriers and in-store staff (for order picking and packaging) continues to rise, while attracting new personnel is difficult. In some cases, companies hire non-Georgian-speaking staff, which can affect service quality. Language barriers may complicate delivery, returns, or taxi services. While translation applications offer partial support, they do not fully resolve these issues.
- 2. Delivery time remains one of the major barriers to the development of e-commerce outside large cities:**
 - **For perishable goods, fast delivery is essential** and is currently feasible mainly in large cities where suppliers, consumers, and couriers are concentrated. As a result, food delivery and taxi services are expected to remain focused on major urban centers. Expansion into the top nine cities will be a key growth driver for these services.
 - **Non-perishable goods** can be delivered nationwide, but regional deliveries face challenges related to weather conditions, higher transportation costs, and longer courier engagement. As volumes increase, economies of scale can reduce delivery costs per parcel. In addition, delivery times could be shortened through the development of regional warehouses supported by advanced warehouse management systems.
- 3. Return policies** in Georgia are regulated by law, while for international platforms they depend on company-specific rules. Georgian consumers have the right to return online purchases within 14 days without providing a reason. For foreign platforms, although return policies are usually defined, the use of intermediary shipping companies significantly increases costs and complicates the return process.
- 4. Other operational challenges:** Most Georgian companies sell online directly from retail stores rather than warehouses. As a result, online sales often represent an additional cost (couriers, website maintenance, order picking and packaging) rather than a source of cost savings, such as lower rental expenses. At the same time, third-party platforms can reduce software and delivery costs, while warehouse-based sales models have the potential to lower overall operating expenses.



Market opportunities and challenges

Strengths

- The consumer base is large and growing (1.0mn users; 37.4% of the adult population).
- Platform quality and service availability have improved in recent years.
- Competition accelerates innovation and increases consumer benefits.
- The legislative framework for the local market is well-structured and transparent.
- A well-developed digital and financial ecosystem.
- Against the backdrop of rapid artificial intelligence (AI) development, e-commerce companies have the opportunity to simplify the customer experience, offer a wider range of services, and stimulate sales of specific products, among other benefits.

Key challenges

- Delivery time and geographic coverage.
- Courier shortages in fast-growing segments.
- Trust in product quality for online purchases remains low; the costs of existing "try-and-return" policies used to build trust are high.
- Strong competition from international platforms (price and assortment).
- The informal market in the form of social networks.
- The exemption of products valued up to GEL 300 from VAT for cross-border orders gives international platforms a competitive advantage over local players, while at the same time representing a positive factor for consumers.

Key success factors

In our assessment, consumer decision-making is most strongly influenced by four key components:

1. Price - particularly important when competing with international platforms.
2. Assortment - wide selection and product availability.
3. Customer experience - simplicity of the website/app, review systems, transparency, and return procedures.
4. Delivery speed and convenience - fast, predictable, and customer-centric logistics.

In our view, players that are able to deliver all four components effectively will have strong potential to significantly strengthen their market position.



Future outlook

E-commerce growth will be supported by rising household incomes, the development of digital infrastructure and financial instruments, generational change and urbanization, and improvements in the logistics and regulatory environment, in our view. Each of these factors is discussed in detail in the chapter "E-commerce growth drivers".

We forecast the e-commerce market to reach GEL 10.7bn by 2030, 3.1x the 2024 level, implying an average annual growth rate of 20.5%. Growth is expected to slow in services, as the segment is already relatively mature and highly competitive. As a result, the share of services in total e-commerce is projected to decline from 45.7% in 2024 to 37.0%. Online retail trade is forecast to reach GEL 6.8bn, with the majority still generated by cross-border e-commerce (GEL 4.7bn).

Our forecast is based on the following assumptions:

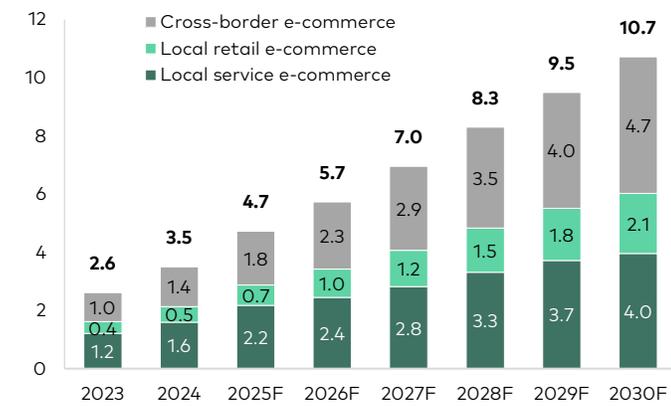
- The 2025 estimate is based on actual half-year data, adjusted for seasonality and market entry timing of key players.
- **In retail trade**, Georgia lags the EU in e-commerce penetration by around 5-6 years. We assume this gap persists, with e-commerce penetration in Georgia rising to 13.1% of total retail turnover by 2030, in line with the EU average in 2024.
 - Within this, the share of local e-commerce is projected to increase to 4.1% by 2030 (from 2.2% in 1H25), while cross-border e-commerce is expected to rise to 9.0% (from 5.9% in 1H25).
 - Foreign platforms are expected to remain the main channel for online goods purchases due to broader assortment, lower prices, and customer review systems, supported by simplified delivery through Georgian shipping companies.
 - At the same time, the already high level of cross-border e-commerce and rising activity of Georgian retailers support faster growth in online sales via local websites, particularly in groceries, pharmacies, and home goods, where e-commerce penetration remains relatively low.
- **In service sectors**, e-commerce penetration is already high; therefore, we expect growth of service e-commerce to moderate over 2025-30 to an average of 15-20% per year, compared with annual growth of 117% over 2018-24.
 - **In the restaurant sector**, the share of e-commerce is projected to increase to around 18% from 14.7% in 1H25 and to remain



concentrated in large cities. For comparison, the equivalent share in EU countries stood at 21% in 2024.

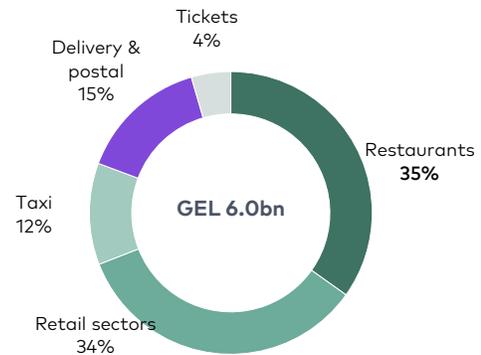
- o The size of the **postal and courier services market** is closely linked to the volume and value of cross-border e-commerce, and we expect this relationship to persist.
- o Growth in online sales in the **taxi and ticketing** sectors is expected to be driven mainly by inflation, rising disposable incomes, and overall revenue growth in these sectors.

Figure 47: Forecast of e-commerce market size in Georgia, GEL bn



Source: Galt & Taggart

Figure 48: Local e-commerce by sector, 2030F



Source: Galt & Taggart



Annexes

Annex 1: Methodology and sources

Methodology for market size estimation

E-commerce includes the sale of goods and services through both Georgian and foreign websites or mobile applications. In this document, e-commerce is divided into two main segments:

1. **E-commerce in service sectors** includes taxi-hailing, food delivery, postal services, and ticket purchases. The main operators in this segment are Wolt, Glovo, Bolt, Yandex, TKT.ge, and Biletebi.ge.
2. **E-commerce in retail sectors** includes the purchase of clothing, footwear, accessories, furniture, tableware, construction and renovation materials, home decorations, consumer electronics, cosmetics, perfumery, food, beverages, and household products. Retail e-commerce includes purchases from both local and foreign platforms. In this document, purchases made from foreign websites/applications are referred to as **cross-border e-commerce** or **international e-commerce**.

Online stores can be classified as either specialized or non-specialized:

- **Non-specialized online stores** sell products from multiple sellers. Examples of such websites include Amazon, Temu, Extra.ge, and Veli.store. These platforms are also referred to as **third-party platforms** or **mixed-goods marketplaces**.
- **Specialized online stores** sell products of a specific store, brand, or company only. These stores may also be referred to as company-owned websites. Examples include psp.ge and dressup.ge.

This report's market size assessment excludes several sectors. Travel and accommodation, professional services, digital goods and subscriptions, online marketing, and education-related payments are excluded from market size estimates, as these categories lack local e-commerce presence. Online payments of the entertainment sector (e.g. online gambling) and banking/financial services, while well-developed in Georgia, are also excluded due to their fundamentally different business models and market dynamics. In addition, the market size excludes social e-commerce, including sales conducted via social networks such as Facebook, TikTok, and Instagram, due to data insufficiency.

Main data sources

The market analysis is based on combined data from the following sources:

- **National Bank of Georgia** (NBG) is the primary source for estimating the overall size of the e-commerce market and its sectoral breakdown. The National Bank classifies e-commerce into relatively broad sectors; to obtain a more granular view, we conducted interviews, surveyed companies, and applied our expert judgement.
- **Company surveys** and interviews were used to estimate the size of the e-commerce market across different sectors in Georgia.
- **National Statistics Office of Georgia** (GeoStat) is the main source of data on e-commerce usage, adoption, and digital infrastructure. GeoStat data are also used to calculate the total size of each sector.



-
- **Reportal** is a web platform where audited financial statements of Georgian companies are available. The information gathered from Reportal was used to validate and adjust market size estimates and identify top companies for each sector.
 - **Various** other **local** and **international** sites were used in the report, all properly credited under each figure.
 - **For the purposes of this study, sectors are presented at a minimal level of aggregation, in line with market interests.** In particular, delivery from restaurants, grocery stores, and pharmacies is analyzed separately, even though these services are often provided by the same platforms (Wolt, Glovo, Bolt, Yandex). Bolt and Yandex also offer both taxi services and food delivery, which are treated as separate segments in this report. This segmentation is based on company surveys, interviews, and our expert assessment.

Galt & Taggart used its experience, fair judgement and best-effort analytics to fit report structure and sectoral breakdown to the market's current interest. While every effort was made to ensure accuracy, some variance may remain due to data limitations and high share of estimated figures in the report. All figures in this report are presented in GEL and include 18% VAT, unless otherwise specified.

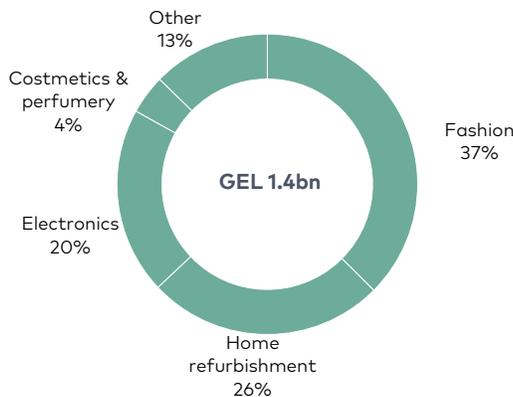


Annex 2: E-commerce by sectors - Galt & Taggart's estimates

We estimate the product mix of purchases made through international non-specialized (mixed-goods) marketplaces such as Temu, Amazon, and AliExpress, which together account for around 54% of cross-border e-commerce and 38% of retail e-commerce. A precise identification of products purchased on these platforms is not possible, therefore, the analysis is based on our best-informed estimates.

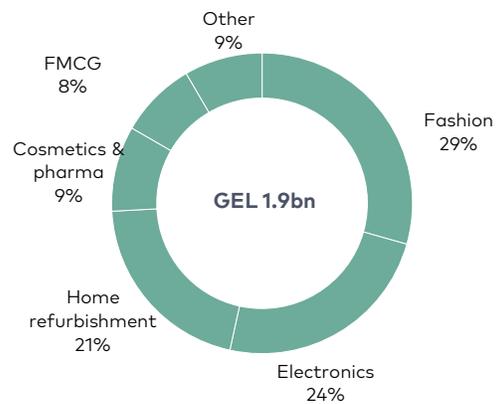
The charts below present the product breakdown of cross-border e-commerce and total retail e-commerce, incorporating estimated purchases made from Georgia via international mixed-goods marketplaces.

Figure 49: Cross-border e-commerce by sectors, G&T estimate, 2024



Source: NBG, Galt & Taggart
Note: The breakdown of mixed-goods marketplaces (such as Temu, Amazon, etc.) by product category is based on our expert assessment.

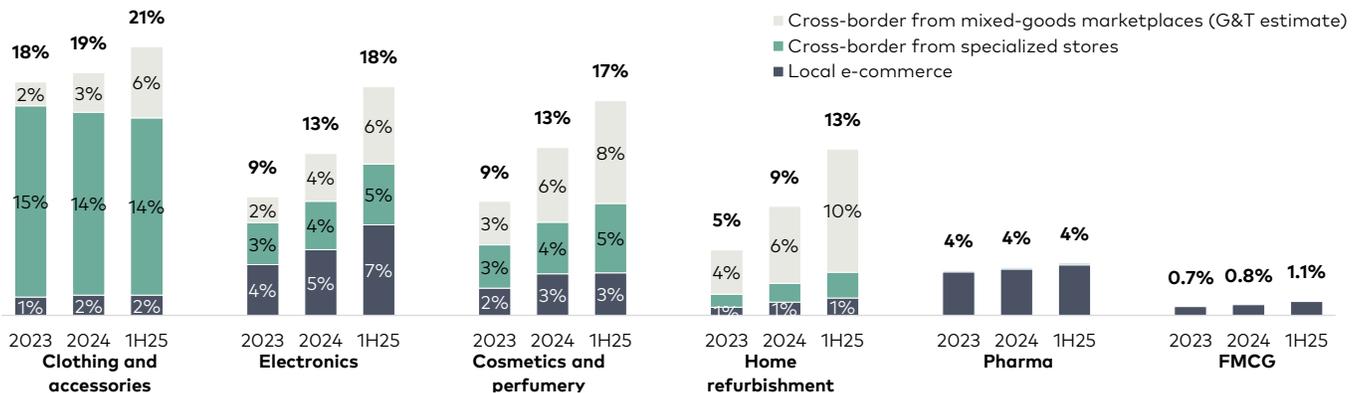
Figure 50: E-commerce in retail trade by sub-sector, G&T estimate, 2024



Source: NBG, Galt & Taggart, Company survey
Note: The product category breakdown of mixed-goods marketplaces (such as Temu, Amazon, etc.) is based on our expert assessment.

Based on the above breakdown, e-commerce penetration is significantly higher in several retail sub-sectors. In our assessment, the share of e-commerce is around 20% in clothing and accessories, electronics, and perfumery, while in the home goods segment it is estimated at 13-15% in 1H25.

Figure 51: Online sales as a percentage of retail trade turnover in selected sectors



Source: Galt & Taggart, NBG, Geostat, Company survey
Note: The share is calculated based on total sector revenues, which include sales through physical stores as well as online channels (local and international). G&T's estimates include the value of products sold via mixed-goods marketplaces (such as Temu, Amazon, etc.), with the sectoral breakdown based on our assessment.



Annex 3: Sectors excluded from the e-commerce definition

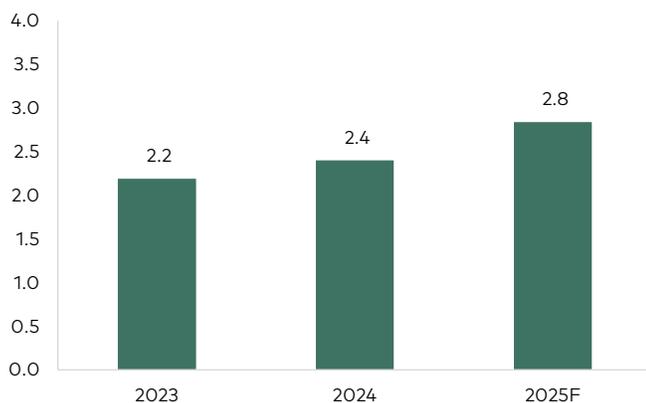
Our study does not include certain products and services in the core e-commerce market size assessment, as local e-commerce activity in these categories is limited and does not effectively compete with international platforms. These categories include airline tickets, travel services, accommodation, professional services, digital products, subscription-based online services, marketing services, education-related services, and others.

In 2024, Georgia's population spent GEL 2.4bn electronically on these categories via foreign platforms. Spending in these sectors increased by 23.3% y/y in 1H25 and, according to our estimates, is expected to reach GEL 2.8bn by year-end 2025.

More specifically, non-retail cross-border e-commerce includes the following products and services:

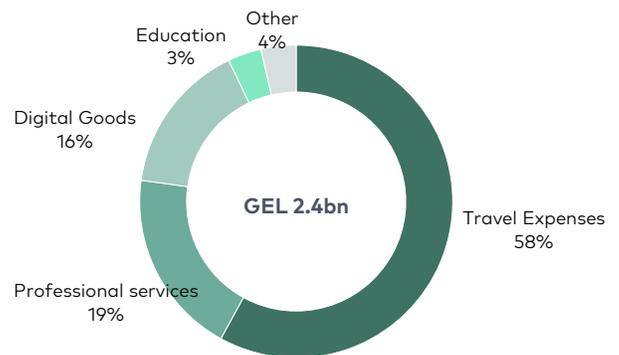
- **Travel expenses** (58% share), including international platforms such as Booking.com, Airbnb, and **Turkish Airlines**, which facilitate booking accommodation and flights, primarily for international travel.
- **Spending on professional services** mainly reflects advertising expenditures on platforms such as Facebook, **YouTube**, and Google.
- **The digital products category includes** subscriptions, cloud services, and other online content.
- **Education-related expenses include** fees for international examinations (for example, TOEFL, GMAT, CFA).

Figure 52: Other cross-border e-commerce, GEL bn



Source: NBG, Galt & Taggart

Figure 53: Other international e-commerce by sector, 2024



Source: NBG, Galt & Taggart



Annex 4: E-commerce in Türkiye

In 2023, the size of Türkiye's e-commerce market reached US\$ 24.3bn (for comparison, Georgia's market size amounted to US\$ 1.0bn in 2024). Türkiye has well-developed local non-specialized online marketplaces.

Türkiye is a major producer of clothing and other key electronically tradable goods. Accordingly, the Turkish government pursues a protectionist policy toward local online platforms and actively supports the development of e-export.

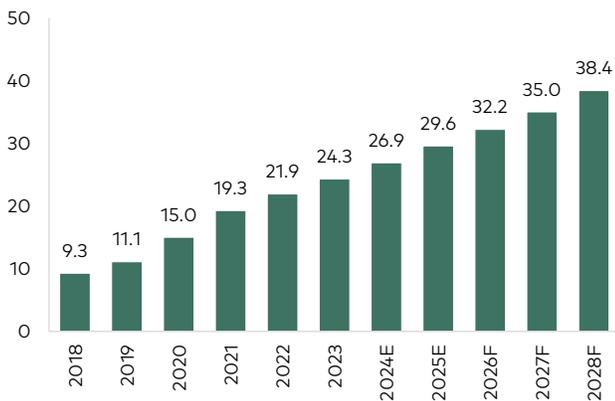
US\$ 24.3bn E-commerce market size in Türkiye

+162% Growth 2018-2023

6.5% E-commerce share in total retail trade

Türkiye's e-commerce revenue grew by 162.2% over 2018-2023, reaching USD\$ 24.3bn in 2023. As a result, the e-commerce share in retail trade increased from 4.6% in 2019 to 6.5% in 2023. This growth was driven by the rapid consolidation of major marketplaces such as Trendyol and Hepsiburada, which created strong network effects, improved logistics infrastructure, and higher consumer trust. Trendyol, in particular, accelerated adoption through economies of scale, loyalty programs, and faster delivery.

Figure 54: E-commerce website revenues in Türkiye, US\$ bn



Source: ECDB, Galt & Taggart

Figure 55: E-commerce share in retail trade



Source: ECDB, Galt & Taggart

The Turkish government has played an active role in the development of e-commerce through regulation and support mechanisms. The introduction of ETBİS in 2017 (see details in Table 3) was a turning point, formally registering all domestic and foreign online sellers, improving transparency, consumer protection, and trust through official compliance verification. Since then, Türkiye has continued to regulate and support the sector-subsidizing e-export growth, raising

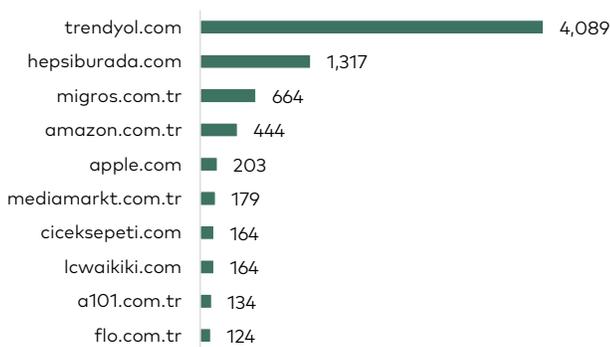


VAT and tightening compliance rules, and introducing protectionist import tax reforms to level the playing field between domestic and cross-border sellers. These measures both formalized the market and incentivized local competitiveness, accelerating the adoption of e-commerce.

Table 3: E-commerce supporting regulations in Turkiye		
Date of regulation adoption	Regulation name	Description
2022	Electronic export support program	An initiative of the Ministry of Trade aimed at supporting small and medium-sized enterprises (SMEs) in expanding e-commerce. The program provides funding of up to 70% of costs related to digital marketing, logistics, software, and brand registration.
July 2023	Resolution on increasing the VAT rate	The standard VAT rate was increased from 18% to 20%, and preferential VAT rates were raised accordingly.
August 2024	Law on the modernization of VAT compliance	Structural VAT reforms were introduced, making VAT evasion more difficult.
August 2024	Import VAT threshold reform	The threshold for exemption from VAT and import duties on imports was reduced from €150 to €30. The change aims to level the tax treatment of local sales and imports.
August 2024	Increase in the import duty rate	Import customs tariffs were increased from 20% to 30% for EU countries and from 30% to 60% for non-EU countries.

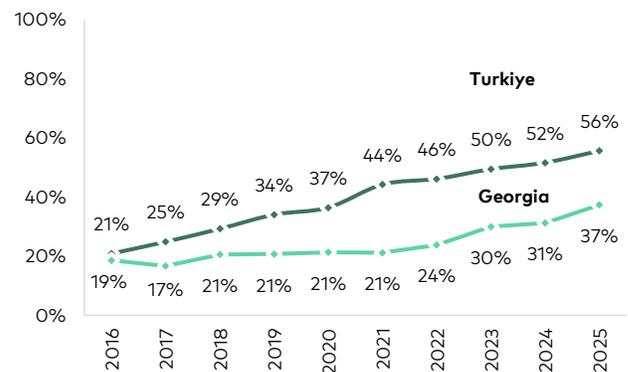
Around 50 million people in Turkiye use the internet to purchase goods or services. As of 2025, this represents 56% of the population, a significant increase from 21% in 2016. This growth has been driven by digital transformation, financial sector development, and the efficient and successful operation of e-commerce providers. The size of the Turkish market enables companies to achieve economies of scale relatively quickly.

Figure 56: Revenue of Turkish e-commerce stores, \$mn, 2023



Source: ECBD, Galt & Taggart

Figure 57: Share of e-commerce users in the adult population



Source: Geostat, Turkstat, Galt & Taggart



Annex 5: Definitions of terms and abbreviations

ICT	Information and Communication Technologies
E-commerce	Purchase of a product or service online via a website or application
Cross-border e-commerce	Purchasing a product outside Georgia, through a website or application based in another country.
International purchases	Same as cross-border e-commerce
Internet access	Share of households with internet access in total households
CAGR	Compound annual growth rate (CAGR) over a given period
Geostat	National Statistics Office of Georgia
NBG	National Bank of Georgia
CIS	Commonwealth of Independent States
ITU	International Telecommunication Union
IMF	International Monetary Fund
UNCTAD	United Nations Conference on Trade and Development
EU	European Union
Urbanization rate	Urban population as a percentage of total population
AI	Artificial Intelligence
C2C	Customer-to-Customer (C2C) - a model that allows consumers to sell products directly to other consumers.



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