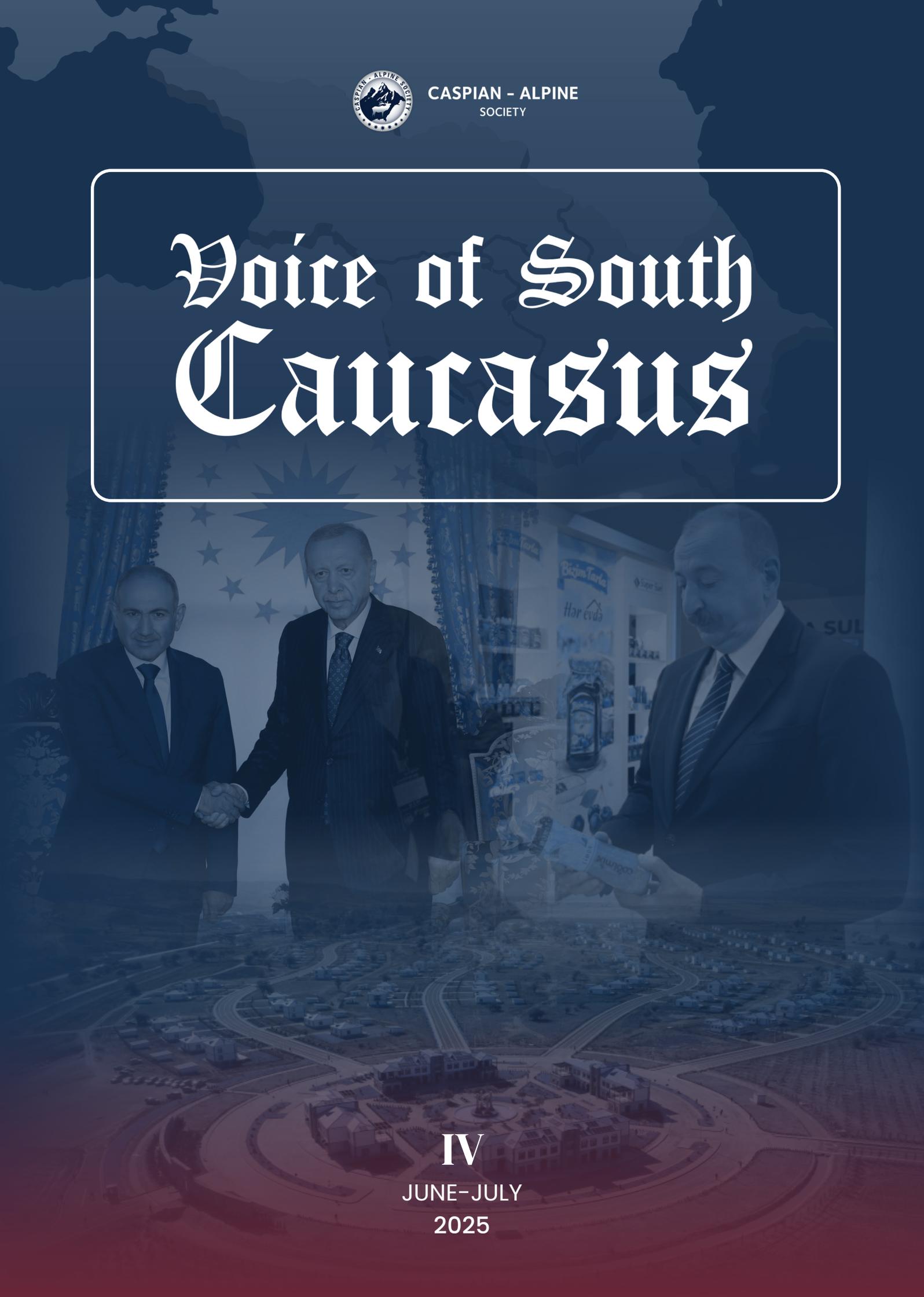




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JUNE-JULY

2025



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Azerbaijan

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Pressure Mounts on Armenia's Free Press Amid Police and Political Harassment

Pressure on journalists in Armenia persists. On June 16, during the detention of residents from the village of Kasakh who attempted to block a highway in protest against changes to a bus route, a police officer struck 24News.am journalist Mary Manukyan as she was covering the demonstration.

The Journalists' Union of Armenia issued a statement condemning the police violence against the reporter. The statement notes that the officer involved in the incident had already displayed disrespectful behavior toward a civilian back in 2023 but faced no disciplinary action. The Union emphasized that there are numerous cases of law enforcement using force against citizens and media representatives, with most going unpunished.

The Union has previously raised concerns about pressure on the press by the authorities. For instance, in fall 2024, an incident occurred between Parliament Speaker Alen Simonyan and MediaHub journalist Vage Makaryan, resulting in the journalist's parliamentary accreditation being revoked. Just last month, Prime Minister Nikol Pashinyan's wife, Anna Hakobyan, published a social media post containing harsh remarks directed at Politik.am editor Boris Murazi.

Such attitudes from officials create an environment where law enforcement officers also feel emboldened to pressure and persecute journalists.

This trend continues to worsen. In 2024, a total of 208 violations of journalists' and media outlets' rights were recorded in Armenia, compared to 200 in 2023. The number of lawsuits filed against media and journalists rose by seven in 2024, reaching 43.

Furthermore, in just the first three months of the current year, 56 cases of restrictions on journalistic activities were documented in Armenia. These included two instances of physical violence, 25 cases of other forms of pressure, and 29 violations of the right to receive and disseminate information.



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Armenian Officials Favor Russian Business Over French Investors



Armenian officials are prioritizing Russian business interests over French companies. For instance, the construction of a ski resort on the slopes of Mount Aragats, overseen by the company Reed, has faced repeated delays.

The delay stems from unresolved disputes with residents of the village of Vardenut, whose land is being used for the resort's construction.

The conflict began when villagers and the investor failed to reach an agreement on land prices.

Reed offered 345 drams per square meter, while locals insisted the land was worth at least twice that. Independent experts, even before the land's status was changed, had valued it at 3,100 drams per square meter.

The villagers, who initially demanded 2,000 drams, later reduced their price to 1,000 drams – yet neither the company nor the state responded positively.

The Ministry of Economy stated that it has no authority to interfere in pricing matters, noting that an independent body is responsible for land valuation.

In protest, residents of Vardenut have repeatedly blocked the Yerevan–Vanadzor highway.

An investigation by Armenian journalists revealed that Reed is part of the Russian construction holding RUTSOG–INVEST, founded by Ruben Grigoryan, an Armenian living in Russia. Grigoryan became the main shareholder of Reed, registered in Armenia, in 2019.

A year later, in March 2020, he signed cooperation memorandums with the Ministries of Economy and Territorial Administration for the implementation of the “Aragats” investment project.

Notably, after Reed won the tender to build the ski resort, Armenia’s Ministry of Economy approached the French companies that had lost the bid and proposed they cooperate with Reed.

Journalists investigating the case could not find any evidence that Reed had previous experience in building or managing a ski resort.

According to CivilNet, Julia Teryan — the wife of Deputy Minister Narek Teryan — began working for Reed in May 2023. Meanwhile, in August 2021, Narek Teryan had been appointed head of a working group tasked with evaluating two development projects on Mount Aragats.

In October of that same year, Teryan traveled to Russia and met with the owner of Reed, who eventually won the tender. On March 2, 2023, the Armenian authorities officially approved Reed’s plan to build the ski resort.

The company was granted permission to purchase land for the construction of the resort and its supporting infrastructure.

This situation clearly demonstrates a case of conflict of interest and personal involvement of an Armenian official in a business project.

Before his appointment as Deputy Minister, Narek Teryan held senior positions in commercial banks in the Russian Federation and worked in the government of the Moscow region.



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Election Strategy or Diplomatic Shift? Inside Pashinyan's Türkiye Visit



On June 20, Armenian Prime Minister Nikol Pashinyan paid his first working visit to Türkiye, where he held a meeting with Turkish President Recep Tayyip Erdoğan.

In recent years, there has been a noticeable revival in Armenian-Turkish relations, marked by increased bilateral engagement.

Special envoys Ruben Rubinyan (Armenia) and Serdar Kılıç (Türkiye) have held multiple rounds of talks, and Foreign Minister Ararat Mirzoyan participated in the Antalya Diplomacy Forum. Prime Minister Pashinyan has also held informal talks with President Erdoğan at various international events.

Earlier this year, in March, a group of Turkish journalists visited Armenia at the invitation of Armenian authorities — a clear signal of Armenia's strong interest in normalizing relations with Türkiye.

The normalization process gained momentum after Armenia renounced its territorial claims against neighboring countries in accordance with international law. By recognizing Azerbaijan's territorial integrity, Pashinyan has signaled a shift toward cooperation over confrontation with Türkiye.

The use of Mount Ararat — located on the territory of Türkiye — as a national symbol in Armenia, as well as the refusal of historians to investigate the relocation of Armenians within the country in the context of World War I, instead labeling it as “genocide” and bringing it into the international agenda, implied territorial claims and undermined mutual trust.

Armenia's leadership has now adopted a pragmatic foreign policy, consistent with international norms and good-neighborly principles. This includes phasing out the symbolic use of Mount Ararat and dropping international genocide recognition as a political priority.

In this context, Pashinyan's visit to Türkiye represents a continuation of efforts to normalize relations, with a particular focus of the Armenian authorities on opening the Armenian-Turkish border. Armenia has already restored and prepared the Margara border crossing point for direct transportation link.

This development is also crucial for Pashinyan domestically — as Armenia heads toward parliamentary elections, he needs tangible achievements to present to voters. Economic cooperation with Türkiye would provide such an opportunity.

According to World Bank estimates, Armenia's export potential to Türkiye ranges from 15% to 19% of GDP. A study by the German Economic Team indicates that opening direct trade could raise Armenia's exports to Türkiye to 6.7% of total exports, while imports from Türkiye could reach 12.8% of Armenia's overall imports.



The World Bank for Development also notes that reopening land routes between Armenia and Türkiye would improve not only economic efficiency, but also regional connectivity in logistics and services – bringing benefits not only to Armenia but to the broader region as well.

Despite the closed land border and lack of diplomatic ties, Türkiye held a significant share of Armenia's imports until 2021. Between 2018 and 2019, Turkish goods made up almost 5% of Armenian imports, though this figure dropped to 2% in 2024 due to a sharp increase in Russian imports.

However, officials in Yerevan understand that reopening the border with Türkiye also requires signing a peace treaty with Azerbaijan. For that, Armenia must remove territorial claims against Azerbaijan from its Constitution.



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**THE
NORMALIZATION
PROCESS GAINED
MOMENTUM
AFTER ARMENIA
RENOUNCED ITS
TERRITORIAL
CLAIMS AGAINST
NEIGHBORING
COUNTRIES IN
ACCORDANCE WITH
INTERNATIONAL
LAW.**

Armenia Launches \$500 Million AI Data Factory Project with NVIDIA

A major \$500 million project to build an artificial intelligence (AI) data factory is underway in Armenia. The initiative, titled “Stargate,” is being jointly implemented by Firebird (founded by entrepreneurs from Armenia and the diaspora), the Government of Armenia, and NVIDIA. The launch of the facility, which will be equipped with thousands of NVIDIA Blackwell GPUs, is scheduled for 2026.

If successful, the project could position Armenia as an outstanding player in the region’s tech landscape. It is expected to become a hub for innovation, education, science, and entrepreneurship, supporting the growth of both local and international startups. The initiative is also likely to contribute to job creation, tax revenues, and help retain local IT talent while attracting foreign specialists.

However, the project also raises serious questions.

Critics point out that Armenia’s limited natural resources make it an unlikely choice for such a high-capacity operation. Yet, when viewed through the lens of geopolitics, particularly Armenia’s proximity to Iran, the choice appears less surprising.

A 100-megawatt AI data center on Iran’s northern border could – in theory – be used not only for civilian research but also for espionage or cyber operations. Given US tensions with Iran and the fact that one of the project’s main partners, NVIDIA, is closely tied to US defense and strategic interests, some observers suggest the center could serve dual purposes.

Although the initiative is officially framed as an open innovation platform, its strategic location and the nature of its investors have led to speculation that the facility may also function as a technological outpost in a region of growing global competition.



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Azerbaijan

Politics

Great Return in Action: Life Flourishes in Azerbaijan's Liberated Lands

The restoration of Azerbaijan's liberated territories is proceeding at full speed. The return process to these territories — known as the "Great Return" — is advancing in all directions simultaneously: residential buildings are being constructed, people are returning, jobs are being created for them, and the necessary infrastructure for these jobs and energy are being provided. Everything is interconnected like a chain and is being implemented in a planned manner.

In May, the foundation was laid for the fourth residential complex in Shusha. Sixteen buildings will be constructed in the complex, providing homes for 274 families. So far, 23 buildings have been built in Shusha, and 376 families have already been resettled there. Currently, ten residential complexes are under construction in the city.

As life returns to the city, the demand for various social infrastructure is also increasing. To meet this demand, a Medical and Wellness Center has been put into operation in the city.



The establishment of new production facilities and the attraction of investors in the region are creating significant opportunities to boost Azerbaijan's economic potential. One such example is the opening of a livestock complex in the village of Khanabad in the Khojaly district. The complex, which incorporates Turkish and German technologies, will produce 100 tons of meat and 2,000 tons of milk annually. These products will be supplied not only to the domestic market but also exported abroad, including to Middle Eastern countries. In parallel, Azerbaijan's export potential is being expanded.

Aghdam is one of the districts that are being rebuilt rapidly. The work being done there is set to restore the city's pre-occupation life and image. The Mugham Center being built in the city will revive the musical traditions of Karabakh.

In Lachin, four residential settlements have been restored: the city itself, as well as the villages of Sus, Zabukh, and Beylik.

In total, 15 residential settlements have been restored in Eastern Zangazur to date, and approximately 43,000 people have returned to the liberated territories.

This year, four hospitals in the liberated territories will begin accepting patients, and three schools will start enrolling students.

Naturally, job creation for these returning residents is one of the main priorities. In May, two more enterprises were opened in the Lachin Agro-Industrial Park, bringing the total number to 46. The Lachin branch of the "Pirshaghi" shoe factory will produce 1,500 pairs of shoes per month. These shoes will be sold not only in the domestic market but also exported to European countries. The "Latifa" textile factory will employ 30 people and will produce 2,000 textile items daily.



The opening of the “Lachin” Recreation Complex in the village of Zerti shows that preparations for a strong tourism future in the region are well underway. The complex can simultaneously host and entertain 324 guests.

Of course, economic development requires energy. In Karabakh, this issue has been addressed in the best way possible. So far, 32 hydroelectric power stations have been put into operation, and the 33rd is fully ready. All of these are managed through Digital Control Centers that operate automatically and remotely. In May, the Digital Control Center of the Electricity Network was launched in the city of Lachin, and a substation and Digital Control Center began operating in Khojaly. The Digital Center also manages the integration of renewable energy sources into the power grid.

The electrical supply scheme for Eastern Zangazur is being built in such a way that the probability of outages is virtually zero. The 38 hydroelectric power stations that will be constructed will together generate 307 megawatts of green energy. This also means a reduction of 400,000 tons of carbon dioxide emissions into the atmosphere.



Trend of the Year: “Smart Agro”!



“InterFood Azerbaijan” and “Caspian Agro” have now become national brands of Azerbaijan. These are the largest exhibitions in the Caspian region in the fields of international food industry and agriculture. In May, the 30th “InterFood Azerbaijan” and the 18th “Caspian Agro” exhibitions were held at the Baku Expo Center.

The exhibitions, which covered all the pavilions of the Baku Expo Center, featured 450 companies from 31 countries. Leading agricultural producers from the United States, China, Kazakhstan, Uzbekistan, Russia, Turkiye, and other countries showcased their products.

The “InterFood Azerbaijan” exhibition celebrated its 30th anniversary this year. Over this period, more than 3,000 companies from around 50 countries have participated, and it has attracted over 150,000 visitors.

The exhibition has successfully become an efficient business platform where new technologies and innovations in the food industry are showcased. Companies gain opportunities to expand their business networks.

The exhibition also plays an important role in strengthening food security. Every country has specific food products that hold a special place in the population's "food basket." Their production should be ensured through domestic resources, and dependence on imports must be minimized. Alternatively, supply chains should be as diversified as possible. Participating companies offer products and services aimed at addressing these issues.

Germany, Belarus, South Korea, Georgia, Italy, the Netherlands, Sri Lanka, and Egypt took part as national groups.

Italy, which has been participating for over 10 years, was represented by seven companies.

The German national group featured eight well-known companies presenting agricultural products. Germany has participated for the last five years.

Georgia, which has been actively participating for a decade, brought eight companies presenting food products. South Korea's stand featured three well-known companies specializing in fruit and orchard materials. One of them offered smart livestock services based on artificial intelligence systems.

The main theme at the stand of Azerbaijan's Ministry of Agriculture – the main organizer of the exhibitions – was the application of artificial intelligence in agriculture. Several related projects were presented to the participants.

Currently, extensive work is being done in Azerbaijan to implement artificial intelligence in agriculture, particularly in agro-parks.

"Caspian Agro" covers agricultural machinery, irrigation systems, innovative solutions, waste processing, logistics, and more. It brings together leading agricultural companies and experts. This year, the main trend in the exposition was "Smart Agro." Special sections were created on artificial intelligence, smart villages, startups, IT services, robotics, drones, and "green agro."

Products under the "Made in Azerbaijan" brand were showcased at both exhibitions. These exhibitions contribute to increasing Azerbaijan's export potential and attracting foreign investment. They serve as a favorable platform for ensuring food security and implementing innovative solutions.

Starting from 2026, the exhibitions will be held under a new name: "AgriWeek."



Regional Cooperation: Turkic Union Strengthens Its Economic Power



Summits of the heads of state of the Organization of Turkic States (OTS) are held regularly every year. However, due to the organization's increasingly packed agenda, a new format was introduced last year at Azerbaijan's initiative: the informal Summit of the Organization of Turkic States — created to facilitate discussions on important matters and to harmonize positions.

Holding the first of these informal meetings in the city of Shusha was of symbolic significance. The second meeting, held in Budapest, also demonstrated that despite being “informal,” the summit addressed highly serious and strategic issues.

The Budapest Declaration, signed during the summit, consists of 71 clauses, underscoring the wide-ranging agenda of the Turkic states.

The economic agenda, in particular, is notably rich. This year, the Turkic Investment Fund is expected to officially begin operations. Azerbaijan alone has already invested over \$20 billion in the economies of fellow Turkic countries.

Leaders have recognized the “Charter of the Turkic World” as a unifying framework. The document once again confirms the intent to deepen multilateral cooperation across various sectors of the economy.

Thanks to large-scale investments in transport infrastructure — including highways, railroads, seaports, shipbuilding plants, and air transport — Azerbaijan has become one of Eurasia’s major transport and logistics hubs. In 2024, the volume of transit shipments from Turkiye and Central Asian countries through Azerbaijan reached 11 million tons. The Baku-Tbilisi-Kars railway, part of the Middle Corridor, had its capacity increased to 5 million tons, funded entirely by Azerbaijan.

With a fleet of over 50 commercial vessels in the Caspian Sea, Azerbaijan provides vital transit services to member states of the organization. Currently, 10 new ships are being built at the Baku Shipyard. The Alat International Sea Trade Port will have its cargo handling capacity expanded from 15 million to 25 million tons.

Several important projects are currently underway within the organization. The introduction of the “eTIR” system will simplify customs procedures between countries and boost trade turnover. A related action plan has been adopted at the meeting of customs authorities held in Baku in 2025.

The “CubeSat” project is set to take cooperation quite literally to space level — involving the joint launch of satellites by member countries.

But perhaps the most significant initiative for ordinary citizens is the “free movement” project, which will allow people to travel to other Turkic states using only their national ID cards. It is clear how much this innovation will boost tourism, cultural exchange, and business connections.

When discussing the future of the Organization of Turkic States, some experts suggest it may evolve into a union similar to the European Union. The Turkic states are advancing along a similar path — and doing so at a faster pace. Only 16 years have passed since the signing of the Nakhchivan Agreement, which founded the organization. Yet already, the issue of traveling using only ID cards is nearing resolution. If the current development pace continues, it's easy to envision what level of integration the organization could reach in the next 5, 10, or 15 years.

Eastern Zangazur: New Airports, New Altitude for Middle Corridor

In May, the number of international airports in Azerbaijan reached nine, with the addition of the newly built Lachin International Airport. Located in the village of Gorchu, the airport sits at 1,700 meters above sea level, placing it in the category of high-mountain airports.

The foundation for this airport was laid in 2021, and completing such a complex infrastructure project in just four years in a mountainous terrain is remarkable. Due to the low air density and unpredictable meteorological conditions at high altitudes, such airports require specialized design and technical solutions.

Out of Azerbaijan's nine international airports, three are located in liberated territories — in Fuzuli, Zangilan, and now Lachin. This is a clear indicator of the major transport projects being implemented in the reclaimed regions.

In parallel, nearly 3,400 kilometers of highways are planned for construction. So far, 44 road projects have been implemented. The overall plan includes 45 tunnels, 447 bridges, and 16 viaducts. Of these, 28 tunnels, 392 bridges, and 9 viaducts have already been completed.

Railways such as Horadiz–Aghband and Barda–Aghdam will significantly transform the transportation landscape of the region.

All of this transport infrastructure is also set to become an integral part of the Middle Corridor in the future. After all, the Middle Corridor, which stretches from China to Europe, is not limited to railways and highways. It also has an “upper level” — the air corridor.

Over the past four years, transit flights through Azerbaijani airspace have increased by 360%. Each month, around 21,000 transit flights pass over the country, and approximately 900 aircraft are served. However, major city airports like Baku's are often heavily congested and not ideally suited for transit air cargo operations. In contrast, airports located away from large cities are ideal for supporting transit air freight infrastructure.

With the construction of its new airports, Azerbaijan plans to turn Eastern Zangazur into an air hub of the Middle Corridor. These airports are expected to function, at a minimum, as regional infrastructure units in the coming years.

ZANGAZUR CORRIDOR





Economy

WinExpo Georgia 2025 highlights industry developments and international cooperation

The 17th International Wine and Spirits Exhibition – WinExpo Georgia 2025 took place from June 6 to 8 at Pavilion No. 11 of ExpoGeorgia in Tbilisi. Organized as part of a state initiative to promote Georgian wine products in the local market, the event brought together wine producers, importers, and industry professionals from several countries.

Implemented by the National Wine Agency in partnership with the Ministry of Environmental Protection and Agriculture, the program includes exhibitions, festivals, and competitions aimed at supporting wine production and encouraging consumer interest in wine-related culture and tourism.

WinExpo Georgia 2025 hosted around 200 companies from seven countries: Germany, Armenia, Austria, Italy, France, Portugal, and Türkiye. The exhibition included a broad spectrum of participants – from large-scale wine producers to smaller wineries. In addition to alcoholic beverages, the exhibition also showcased wine-making technologies, packaging materials, viticulture equipment, and industry-specific services and accessories.

This variety indicates a growing focus not only on product display but also on supporting the infrastructure and technology behind wine production.

A key event during the exhibition was the WinExport FORUM, which provided a platform for importers to meet directly with Georgian wine producers. The forum aimed to strengthen business ties and facilitate market access for Georgian wines abroad. While similar forums are common in industry events globally, this particular initiative was positioned to encourage bilateral trade discussions and improve visibility for regional producers.

The exhibition also hosted the 15th Georgia International Wine Award ceremony, where a panel of international wine experts reviewed around 200 submissions.

Awards were given in seven categories, with gold, silver, and bronze medals presented to the selected winners. Such competitions serve as an opportunity for producers to benchmark their products and engage with feedback from international evaluators.

WinExpo Georgia 2025 reflects a wider trend of using trade exhibitions to combine industry promotion with cultural elements.

While its focus remains on the Georgian wine sector, the event's international participation and inclusion of related technologies suggest a move toward broader collaboration and modernization.

In summary, WinExpo Georgia 2025 provided a venue for industry networking, product presentation, and technical exchange. It offered insight into current developments in the regional wine sector and facilitated connections between local producers and international stakeholders.

WINEXPO
GEORGIA



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Georgia strengthens economic momentum through deeper ties with Azerbaijan

Georgia's economy is reaping the benefits of expanding cooperation with neighboring Azerbaijan, as fresh figures reveal significant growth in investment, trade, and infrastructure development. The first half of 2025 has marked a period of notable advancement for Tbilisi, with foreign capital inflows, particularly from Baku, playing a key role in boosting economic activity and enhancing Georgia's position as a regional transit hub.

One of the most striking indicators of Georgia's rising economic profile is the dramatic increase in foreign direct investment from Azerbaijan. In the first quarter of 2025 alone, Azerbaijani investments in Georgia totaled approximately \$30 million, a fivefold increase compared to the same period in 2024.

Azerbaijan has become the second-largest investor in Georgia this year, further cementing a strategic financial relationship that contributes directly to job creation and infrastructure growth within the country.

While Georgia remains a prime destination for Azerbaijani capital, it is also increasingly investing abroad, including in Azerbaijan. Georgian businesses invested \$10 million in Azerbaijani projects in Q1 2025—an 11% increase from the previous year. This outward investment underscores the growing strength and confidence of Georgian enterprises operating in the regional market.

The ongoing modernization of the Georgian section of the Baku-Tbilisi-Kars (BTK) railway is a cornerstone of Georgia's infrastructure and economic strategy. According to Prime Minister Irakli Kobakhidze, Georgia has already completed 98.5% of its obligations under the BTK development plan. Final works are expected to be completed in the coming months.

Once finalized, the capacity of the Georgian railway system will increase dramatically—from 27 million to 48 million tonnes per year—boosting its appeal as a transit corridor linking Central Asia with Europe. The BTK is not only a transportation project but a key pillar of Georgia's ambition to become a vital logistics and trade gateway.

“This project is a transformational achievement for our railway sector,” said Kobakhidze. “It positions Georgia as a strategic node in global supply chains and expands our export potential.”

Trade with Azerbaijan continues to be another pillar of growth. In the first five months of 2025, Georgia’s exports to Azerbaijan reached \$282.3 million, marking a 12.4% increase compared to the same period last year.

Azerbaijan now ranks as the third-largest destination for Georgian exports, behind only Kyrgyzstan and Kazakhstan, and represents nearly 11% of total export volumes.

Overall bilateral trade between the two countries totaled \$523 million from January to May, with Azerbaijan becoming Georgia’s sixth-largest trading partner, following Türkiye, the United States, Russia, China, and Kyrgyzstan.

Through enhanced transport connectivity, a growing export base, and mutually beneficial foreign partnerships—especially with Azerbaijan—Georgia is carving out a stronger role in regional economic dynamics.



Tourism drives economic gains in Georgia with \$4.5B forecast for 2025

Speaking at the recent event “Tourism and Investment Potential of the Country: The Importance of Strategic Projects and Initiatives, Opportunities and Challenges,” Minister of Economy, Mariam Kvrivishvili underlined tourism and civil aviation as key drivers of national economic growth, projecting a continued rise in Georgia’s GDP over the next three years.

Georgia’s tourism infrastructure has been rapidly modernized, and the sector now contributes significantly to the nation’s economic performance.

From 2022 through the present, Georgia has consistently demonstrated an upward trajectory in tourism figures. In 2024 alone, the country welcomed 7,368,149 foreign tourists, marking a 4% increase compared to 2023. Of these, 5.1 million were classified as tourists, reflecting a 9% increase in tourist-specific visits.

This surge has translated directly into economic gains. In 2024, tourism revenues soared by 7.3% year-over-year, reaching over \$4.4 billion, a figure that exceeded pre-pandemic (2019) levels by 35.4%. For context, 2023 revenues already marked a 17.3% increase over 2022, totaling \$4.1 billion – itself 26.2% higher than 2019’s historic record.

Momentum has continued into 2025. According to a weekly investment report by Galt & Taggart, revenues from tourism in January–May 2025 reached \$1.5 billion, reflecting a 1.2% increase over the same period in 2024. May 2025 alone saw tourism earnings grow by 4.7% year-over-year, reaching \$370 million. The first quarter of 2025 yielded the highest-ever income from international passenger flow, totaling \$826 million.

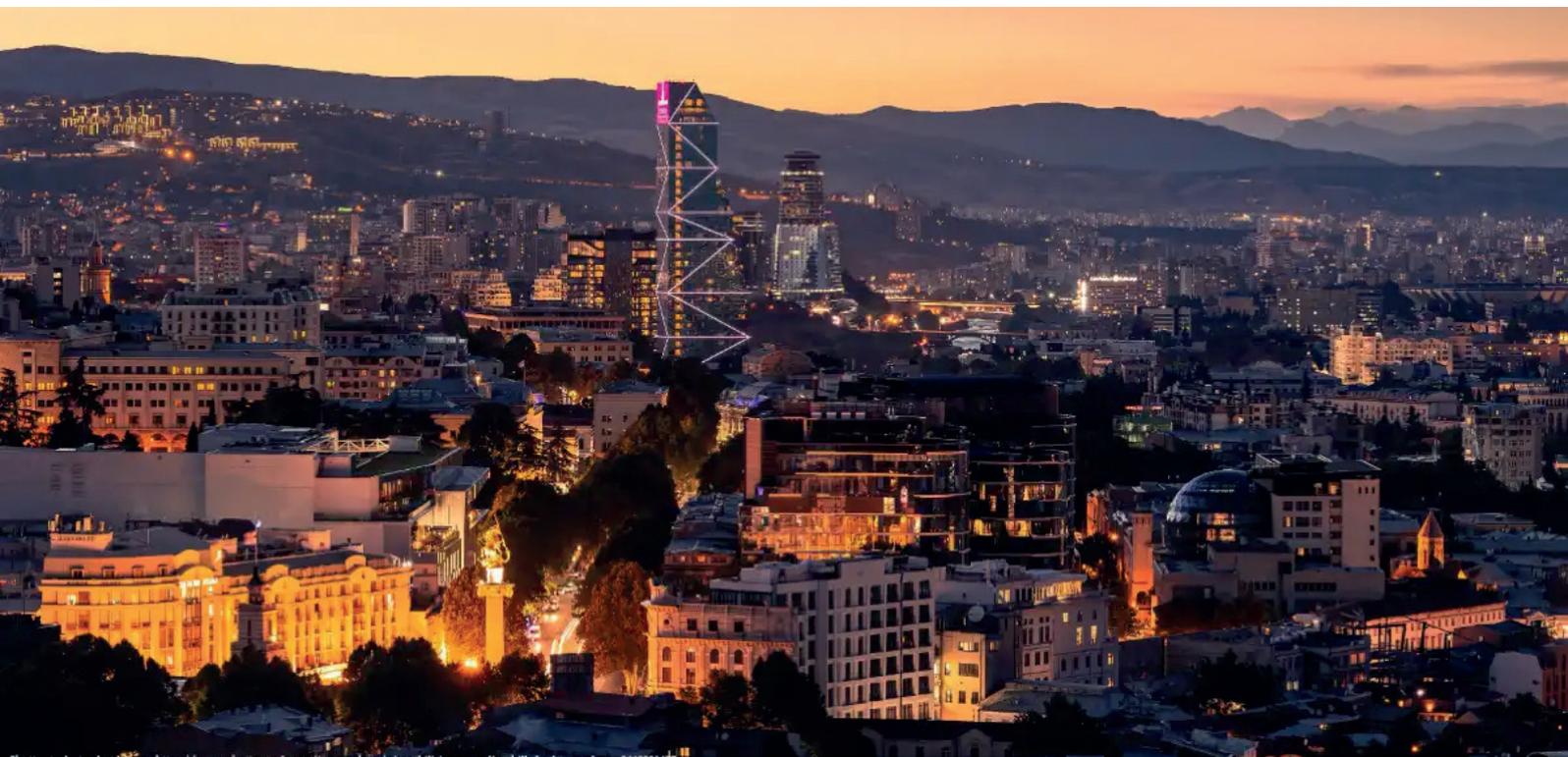
Analysts maintain their optimistic forecast, predicting that Georgia will earn a record-breaking \$4.5 billion from tourism by the end of 2025.

The expansion of Georgia’s civil aviation sector has been both a catalyst for and a response to increased tourist traffic. In the first quarter of 2025, over 2 million international tourists entered the country through civil aviation, arriving from more than ten different destinations. This surge continues a strong trend from 2024, when air passenger traffic increased by over 20% compared to 2023.

To accommodate rising demand, the government is prioritizing investments in infrastructure, including airport capacity, road improvements, and public services. Kvrivishvili highlighted the importance of such initiatives in enhancing Georgia's appeal to international visitors and boosting economic resilience.

In addition to traditional tourism avenues, Georgia is proactively diversifying its offerings — notably by targeting the wedding tourism market in India and other South Asian countries. As reported by ABC.AZ, the National Tourism Administration of Georgia has launched a \$407,000 marketing campaign in India to promote the country as an ideal wedding destination.

As part of this initiative, four prominent Indian wedding planners will be invited to tour Georgian venues and explore local services. The goal is to increase visibility and trust within one of the world's fastest-growing outbound tourism markets.



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Georgian businesses show optimism amid challenges

A recent survey conducted by the Business Association of Georgia (BAG) reveals a cautiously optimistic outlook among Georgian companies regarding the current business climate and their expectations for the next six months, despite some challenges. The study, conducted in the second quarter of 2025, offers valuable insights into employment trends, sector-specific perspectives, and the obstacles facing businesses across Georgia.

Between May 13 and May 29, 2025, BAG surveyed its member companies, which include business groups spanning large, medium, and small enterprises across four key sectors: trade, services, industry, and construction. The survey's composite measure, the BAG Business Climate Index, reflected the aggregated sentiments of business leaders on current conditions, future expectations, employment, and the investment environment.

The second-quarter BAG Business Climate Index stood at 31.7 points. This includes a Current Business Situation Index of 18.6 points and a Business Expectations Index of 45.7 points. While the overall climate remains positive, the index saw a decline compared to the first quarter of 2025, signaling some caution among businesses.

Despite positive trends, businesses continue to face several persistent barriers including shortage of specialists, legal and administrative barriers, labor shortages, currency instability, low demand.

The proportion of companies identifying obstacles decreased by seven percentage points compared to the previous quarter.

While the Georgian business climate in the second quarter of 2025 shows signs of a mild downturn compared to earlier in the year, the overall mood among companies remains positive.

Growth in employment, particularly in construction, and relatively optimistic business expectations point to resilience. Yet, persistent structural challenges—especially labor shortages, legal hurdles, and currency volatility—continue to temper the business environment. Access to financing, while improving, still poses difficulties for a substantial portion of companies. Monitoring these factors will be key for policymakers and business leaders aiming to sustain and accelerate Georgia's economic development.



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