Abstract
The paper describes the state and current reforms of the most important sector of our country’s economy – transport and transportation systems. It analyzes the transport and logistics market of Georgia. Through the comparative analysis of relevant indicators, the role of transport and logistics in improving the country’s business environment and economic situation is justified. The already implemented reforms are evaluated and conclusions and recommendations are presented according to the problems identified.

Keywords: Logistics systems; Transport system; Infrastructural reforms; Supply chain; Logistic hub

Introduction
For the Country’s economic and social progress, the development of such a field as transportation, is vital. Efficient transport and logistic systems create opportunities and benefits for economic development. Infrastructure change is particularly noticeable for developing countries, including post-communist economies, to which our country belongs.

Following the global processes taking place in the world, Economic and infrastructural reforms were implemented in Georgia which led to the development of the transport and logistics sector. Meaning: infrastructural modernization, simplification of customs procedures and liberalization of services in the main sector of the economy. Direct foreign investments in the field of transport and logistics increased, in 2022 compared to 2020 it increased by 79,646.7 thousand US dollars, and in the III quarter of 2023 it reached 61,953.1 thousand US dollars.

The country’s economy has significantly revived in the post-Covid period. The high economic growth of 2021 continued in 2022, and then the average economic growth of the ten months of 2023 amounted to 7.0%.
Economic growth was expressed in the growth of the Gross Domestic Product, the information about it, is presented in the table No. 1.

**Table 1. G.D.P**

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<tr>
<td>G. D. P at current prices. Billion Gel.</td>
<td>49.7</td>
<td>49.8</td>
<td>60.7</td>
<td>72.9</td>
<td>21.3</td>
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As can be seen in the table, GDP has a growth trend and in 2022 compared to 2019, it has increased by 46.7%.
The share of transport and warehousing in the gross domestic product of Georgia is 6.0%. According to the data of 2021, the same indicator is in developed countries GDP of transport and warehousing was 6–12%, which naturally indicates our progress.

The transport system of our country is represented by a combination of transport networks and their management systems of the relevant infrastructure of road, marine, railway and civil aviation enterprises. There are 3 international and 4 local airports; 4 seaports/terminals and railway transport (Georgian Railway and Marabda-Kartsakhi Railway).

Today, the transportation industry is increasingly using intermodal operations to transport cargo. Which requires the connection of different types of transport, especially the establishment of hubs of international importance with seaports and road, rail and air transport connections.

**Transport and warehousing**

As the data given in the table is showing, all indicators are having a growth trend, which undoubtedly proclaims the success of the industry.

Globalization and the growing economic connection with the European Union create unique opportunities for the integration of our country in international trade, which requires the creation of an efficient transport system for each type of transport. Integration into the EU transport system will contribute the implementation of EU standards and the improvement of transport connections. Infrastructure and service quality will improve and make our country an important link in the global supply chain.

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<tr>
<td>Turnover (Billion Gel.)</td>
<td>6.0</td>
<td>5.8</td>
<td>7.1</td>
<td>9.3</td>
<td>2.0</td>
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<tr>
<td>released products (Billion Gel.)</td>
<td>4.6</td>
<td>4.2</td>
<td>5.1</td>
<td>6.9</td>
<td>1.4</td>
</tr>
<tr>
<td>fixed assets (Billion Gel.)</td>
<td>5.5</td>
<td>5.3</td>
<td>6.1</td>
<td>6.4</td>
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<tr>
<td>number of employees thousand persons</td>
<td>61.2</td>
<td>56.8</td>
<td>62.6</td>
<td>66.5</td>
<td>58.7</td>
</tr>
<tr>
<td>Average monthly salary of employees (Gel.)</td>
<td>1384.7</td>
<td>1435.7</td>
<td>1479.3</td>
<td>1697.0</td>
<td>1917.6</td>
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</table>

Georgian market in the field of transport and logistics is in the process of transformation, which implies the appearance of new international participants and the expansion or maybe disappearance of the existing ones. The development of the market requires the development of passenger transportation along with freight transportation, which is impossible without improving the transportation network and increasing the level of safety.

According to the World Bank’s 2023 report, Georgia ranks 79th among 139 countries in the International Logistics Performance Index (LPI). The indicator reflected by the index has improved in all components, except for infrastructure (customs, international shipments, competence logistics, traceability and time), but it is significantly below the average indicator of the Europe and Central Asia region (3.01 points) and is 2.7 points.

Based on the situational analysis carried out in the field, the following most important problems were identified:

- Development of modern infrastructure and lack of automation systems;
- Low quality of logistics services – this refers to services such as cargo transportation and simple warehousing operations.
- Insufficient knowledge of supply chain management, which requires the implementation of international practices of supply chain management.
- Weak regulatory Authority of the logistics sector;
- the current situation of human capital;
- The current situation in the field of transport.
Conclusion:

The results of the study indicate that the field is unable to use the opportunities due to lack of efficiency and reliability. According to the authors, in order for Georgia to become a logistics hub, it is necessary to correctly formulate strategic goals and develop effective strategies. Strategies should be developed precisely to eliminate the existing problems, which results in:

1. Increasing the efficiency and competitiveness of the logistics sector;
2. Development of human capital;

References

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