

## Georgia

Lying in the Caucasus region between Europe and Asia, Georgia has significant hard coal reserves of 201 million tonnes plus resources of 700 million tonnes in the Tkibuli-Shaori and Tkvarcheli deposits. The Akhaltsikhe lignite deposit near Vale has reserves of 76 million tonnes, currently not exploited. Coal production in Georgia peaked at 3 million tonnes in 1958, but by 2000 production had collapsed to almost zero. Following the “Rose Revolution” of 2003 and conflict with Russia in 2008, the coal industry was revitalised. In 2018, Georgia produced 219 thousand tonnes of coal from mines at Tkibuli and imported 145 thousand tonnes of coal mainly for industrial use.

Coal provided 6.2% of Georgia’s total primary energy supply of 6.8 million tonnes of coal equivalent in 2017. Fossil gas is the main primary energy source (41.4%), followed by oil (27.5%), hydro (16.7%) and biomass (7.7%). Wood consumption, mainly for space heating, water heating and cooking, has led to deforestation problems. Hydro power plants are the most important source of electricity, producing 79.9% of the 11.5 TWh total in 2017. Thermal power plants fired on imported fossil gas from Russia and Azerbaijan accounted for 19.1%. Coal and wind power were insignificant, but electricity imports added 1.5 TWh to supply in 2017. There is potential to expand hydro and wind power generation for export. To this end, the 2 x 350 MW Black Sea Transmission Network HVDC link with Turkey was completed in December 2013 with support from the European Investment Bank and the German government.

SAKNAKHSHIRI or Georgian Coal, a subsidiary of the GEORGIAN INDUSTRIAL GROUP (GIG), owns and operates the underground coal mines Dzidziguri and Mindeli in the city of Tkibuli, the only coal mines in Georgia. These mines supply cement works at Kaspi and Rustavi as well as the ferroalloy industry. The mines employed 1 400 workers, but mining was suspended following a fatal accident in July 2018. With GIG’s license covering more than 331 million tonnes of resources, the Tkibuli coal mining development plan envisages raising output to 550 thousand tonnes per year once safety issues have been addressed by a new owner, the STEEL INTERNATIONAL TRADE COMPANY. GIG operates a small coal-fired power plant with a capacity of 13 MW at Tkibuli.

Coming Into force in July 2016, the Association Agreement between Georgia and the European Union includes a “deep and comprehensive free trade area”. The country is also a party to the Energy Community Treaty and, in May 2019, signed a co-operation agreement with the European Network of Transmission System operators for Electricity (ENTSO-E).

In the breakaway republic of Abkhazia, the Turkish operator TAMSAŞ produced good quality coal at an opencast mine in the Tkvarcheli coalfield until 2018 when the exploitation of deeper parts of the 20 million-tonne reserve became uneconomic. The coal terminal at Ochamchire port has been greatly expanded over recent years to handle transhipments.