

Resource Efficient and Cleaner Production: How to Increase Competitiveness of Georgian Enterprises

Abstract

Industrial development is one of the significant challenges in Georgia. Various factors limiting the industrial development, such as hampering regulations and access to financial resources, have been emphasized by business people and politicians. However, inefficient use of resources reducing the viability and competitiveness of enterprises is rarely mentioned. Assessment of small and medium size enterprises (SMEs) in the frames of Resource Efficient and Cleaner Production (RECP) Project, which is a part of EaP Green Program funded by the EU and implemented by UNIDO, provided sufficient evidence for this. Total 18 SMEs were assessed during 2014-2016 and a number of cases of resource wastage were revealed. Resource losses occur due to old and impaired buildings and equipment, use of inefficient technologies, improper management practices, etc. Case studies that demonstrate such issues and show improvement opportunities are presented in the article.

Assessed plants are able to improve their energy efficiency by 5-50%, and save up to 12 GWh electric power and 275,000 m³ natural gas annually all together. Total 700,000 Euros investment is required for this. In result, these companies will be able to save about 750,000 Euros annually. Economically viable water saving potential for the assessed SMEs equals to about 100,000 m³ water annually. Total investments required for more efficient use of water was estimated at 37,000 Euros and this can save around 54,000 Euros for the assessed plants altogether.

Low energy efficiency of Georgian industrial sector is also emphasized by UNECE, which reports that up to 5-15% energy saving could be achieved at no or low cost resulting in 18-54 million Euros savings for the industrial sector. Opportunities for the implementation of no or low cost measures are demonstrated in this article based on case studies developed under the UNIDO RECP project.

To upscale application of RECP in Georgian enterprises, RECP Clubs which involving 32 SMEs were established in the Kakheti region and the municipalities of Rustavi, Kaspi and Kutaisi. Representatives of the RECP Club member companies went through an extensive course of training in RECP methodologies. The companies developed RECP action plans to increase resource use efficiency and reduce environmental pollution in the enterprises. Implementation of these plans will also help them to increase their economic profit. Wider application of RECP in Georgian enterprises will increase viability and competitiveness of Georgian SMEs, and this ultimately will support sustainable economic development of the country.

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Key Words

UNIDO, RECP, Georgia, industrial development, SME, resource use efficiency, saving, benefits