

**Master's Thesis: Examining the impact of Consolidated Tenders on SME sector in  
Georgia**

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## Abstract

As the changes in Georgian Public Procurement are being undertaken by the Procurement Agency, the impact of these changes is slowly influencing the SME sector. Thus, in our paper, we analyze what kind of results these changes will produce for current business market reality in Georgia.

We are adopting mixed-method approach as quantitative data analyses is not sufficient to fully understand the impact SME sector is experiencing. Interviews help us dive deeper into the issue: over 15 small and medium enterprises that were actively participating in Governmental Tenders were interviewed throughout the research. The results showed that the changes paid a major role in the business life cycle of the interviewed organizations. As in the past the main stream of their income was coming from the Public Sector (Tenders), now they are facing the threat of critical reduction of their profit and in some cases - liquidation. The assumption of the Procurement Agency that the undertaken changes will benefit both the Public sector and the private one was not thoroughly planned and the risks were underestimated. The analyzed quantitative data was provided by Georgian Public Procurement Agency (via their website), which also confirmed our assumption regarding the effects the ongoing changes have on SME sector. More detailed research concerning the impact of these changes is necessary in order to be able to determine adequately the future risks that might affect the SME sector. The changes were also implemented without considering the recommendations given by different international universities, international financial institutions and by the procurement specialists who work under different public entities and represent the end user of any procurement.

The paper contributes to a better understanding of the importance of proper preparation and implementation of such big projects in public procurement. Our project based on the results of a data analysis, survey and conducted interviews, can serve as a key indicator for the future researches and analyses regarding SME sector or public procurement.