

# Western Sanctions Evasion Through Third Countries: A Case Study of Georgia's Sanctioned Cars Re-Export to Russia

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**Abstract:** This paper investigates Georgia's role in circumventing Western sanctions on Russia, particularly in the automotive industry, amid the geopolitical tensions following Russia's 2022 invasion of Ukraine. Russia's adeptness at evading sanctions, supported by neighboring countries, presents a significant challenge for sanctions authorities. Notably, Georgia is seen as a channel for the re-export of sanctioned cars to Russia, posing significant risks of secondary sanctions on Georgia and challenging its EU integration aspirations. This study focuses on car re-export patterns, examining both official car trade statistics and hidden re-export channels revealed by journalists. The scope includes analyzing monthly car import/export data from January 2018 to December 2023. The methodology involves descriptive and Difference-in-Differences analysis of trade flows and their economic implications. Our findings suggest that sanctioned car re-exports positively affect Georgia's trade balance, yet they also jeopardize its strategic alignment with the EU and expose the country to secondary sanctions risks. Ensuring adherence to sanctions is essential for aligning with Western policies and achieving long-term strategic aspirations. This case study provides valuable insights into circumvention strategies and suppression mechanisms, with implications for third countries and global sanctions enforcement.