



January 2020

- Number of international visitors has increased by 18% in December 2019 and January 2020 combined, compared to December 2018 and January 2019 combined.
- Average annual growth rate of international visitor trips in December and January combined between years 2014-2019 was 8%.
- Average annual growth rate of international visitor trips in June, July and August combined between years 2014-2019 was 9%.
- Average price of hotels in Gudauri and Bakuriani in January 2020 was 207 and 206 GEL respectively, and 195 GEL in Mestia.
- In January 2020, compared to December 2019, hotel price index increased by 4%.
- In January 2020, compared to the same period of 2019, hotel price index increased by 8.6%.

## Holiday Season Tourism dynamics in Georgia

Holiday season (December-January) as defined by lexico.com, is a period in western culture that lasts roughly between Thanksgiving (late November) until the middle of January, comprising of both, Christmas and New Year. On the other side of the coin, there is summer season, which lasts from June to August. Interestingly, in Georgia, the growth rate of the number of international visitors during the holiday season has been keeping up with the growth rate in summer season. Specifically, over the period of 2014-2019, average annual growth rate of the number of international visitors was 8% in Holiday season, while it was just 1 percentage point higher in summer (9%).

The holiday season of 2020 (Dec2019-Jan2020) showed even more significant growth rate - 18%, compared to 2019, and it was 10 percentage points higher than the growth rate of visitors in the summer 2019 - 8%. In the years 2016-2019, the number of visitors in December and January have been nearly identical, while in 2014 and 2015, the number of visitors in December were slightly higher.

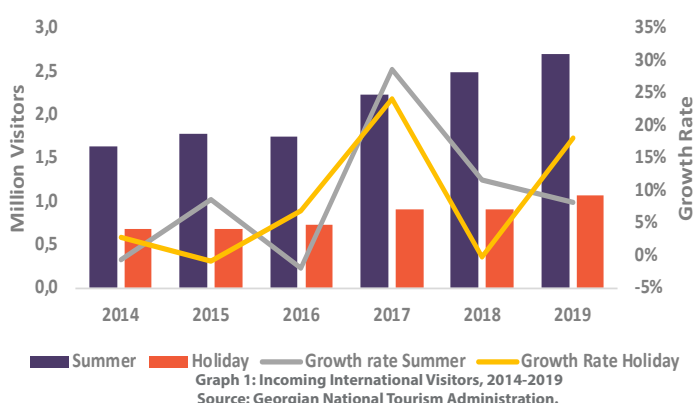
Despite a handful of tourists arriving in Georgia during the winter season just to visit the skiing resorts, Tbilisi is still the most popular destination, with more than twice the amount of visitors than Gudauri, Bakuriani and Mestia combined in the first quarter of 2019\*.

Out of 5 skiing resorts in Georgia (Bakuriani, Gudauri, Hatsvali, Tetnuldi, Goderdzi), the infrastructure in Bakuriani and Gudauri is the most developed in terms of the amount of accommodation options on booking.com. The two account for the 20% of all accommodations in Georgia, excluding Tbilisi and Batumi, with 610 and 701 accommodations respectively. Out of these, 439 in Bakuriani (72%), and 618 in Gudauri (88%) are apartments. As for hotels and guesthouses, there are 116 hotels in Bakuriani and 95 in Gudauri, with the average prices of 206 and 207 GEL in January 2020. It is worth noting that guesthouses are much less common, with only 18 in Bakuriani and 11 in Gudauri. The average price of a guesthouse in Bakuriani is 68 GEL.

As for Mestia, where Hatsvali and Tetnuldi skiing resorts are situated, has less than half the amount of accommodations than the two above-mentioned. Out of 252 accommodations, 177 are guesthouses, and there are only 43 hotels and 8 apartments. Average prices for hotels and guesthouses are 86 and 195 GEL. The fifth skiing resort, Goderdzi, offers no accommodations on Booking.com or Airbnb.com. Information about just a couple of accommodation options is provided on the resort's information website - there are one hotel and some cottages available, with the price of 60 and 100 GEL for two-person room.

\* - Source: National Statistics office of Georgia

Number of international visitors and its growth rate  
In millions (2014-2019)



Graph 1: Incoming International Visitors, 2014-2019  
Source: Georgian National Tourism Administration.

## Hotel Price Index

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2020 Jan/ 2019 Dec	2020 Jan/ 2019 Jan	2020 Jan/ 2019 Dec	2020 Jan/ 2019 Jan	2020 Jan/ 2019 Dec	2020 Jan/ 2019 Jan
Racha	10,7%	21,5%			10,7%	21,5%
Samtskhe-Javakheti	8,6%	-1,8%	6,0%	-5,4%	10,4%	-0,1%
Samegrelo-Zemo Svaneti	7,8%	10,2%	7,4%	-13,5%	8,0%	18,1%
Shida Kartli	7,3%	34,8%	0,0%	-7,7%	8,2%	41,4%
Tbilisi	7,2%	13,2%	5,7%	10,6%	12,2%	21,4%
Mtskheta-Mtianeti	6,0%	2,1%	5,4%	-13,5%	6,6%	24,8%
Kakheti	3,8%	3,9%	-3,5%	13,6%	6,3%	0,4%
Guria	0,8%	-12,9%		0,0%	0,8%	-16,8%
Adjara	-2,2%	9,2%	-11,5%	2,7%	10,9%	19,5%
Imereti	-3,9%	-6,1%	-9,5%	-10,2%	0,3%	-6,0%
Kvemo Kartli	-22,5%	-23,6%	-60,0%	-13,7%	50,0%	-28,1%
Overall Price % Change	4,0%	8,6%	-1,9%	4,6%	10,8%	16,3%

Table 1 : Percentage change of prices in January 2020 over December 2019 and over January 2019.

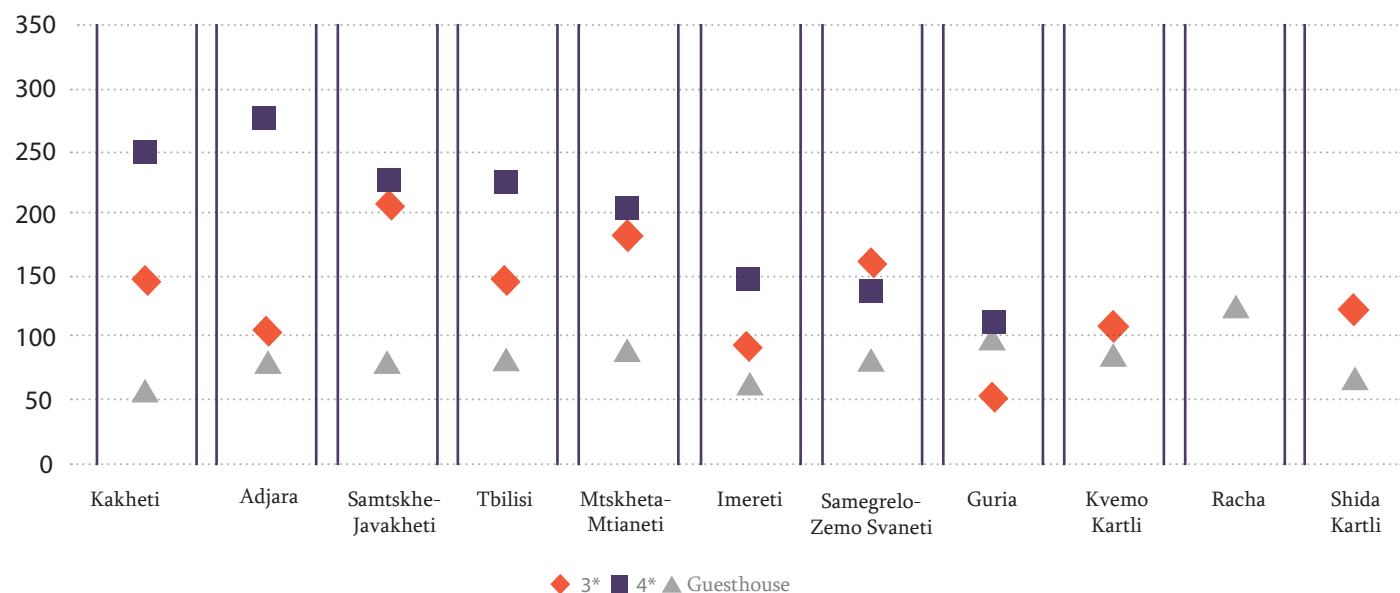
In January 2020, in Georgia the hotel price index<sup>3</sup> increased by 4% compared to December 2019. The 3-star, 4-star and 5-star hotel price index decreased by 1.9%, while for guesthouses, the price index increased by 10.8%.

In January 2020, compared to January 2019, hotel prices in Georgia increased by 8.6%. The prices of 3\*, 4\*, 5\* hotels increased by 4.6%, while the prices of guesthouses increased by 16.3%.

## Average Hotel Prices

In Georgia, the average cost of a room<sup>1</sup> in a 3-star hotel was 136 GEL per night in January 2020. While the average cost of a room in a 4-star hotel in Georgia was 219 GEL per night and the average cost of a room in a guesthouse<sup>2</sup> was 75 GEL per night.

The average prices of 3\*, 4\* star hotels and guesthouses by regions (January 2020, in GEL)



**Graph 2:** In the graph, average prices for standard double rooms in 3 and 4-star hotels and guesthouses are given by region. 5-star hotel prices are provided above.

The average cost of a room in a 5-star hotel in Georgia in January 2020 was 432 GEL per night. In Tbilisi, the average price was 540 GEL, followed by Adjara - 389 GEL, Kakheti - 384 GEL and Samtskhe-Javakheti - 370 GEL.

### Basic Economic Indicators

	I 2018	II 2018	III 2018	IV 2018	2018	I 2019	II 2019	III 2019	IV 2019	2019
1	751.6	859.8	1104.9	968.8	3721.1	880.7	1030.5	1252.1	-	-
2	1582.4	1979.6	3226.4	1891.1	8679.5	1617.5	2244.8	3375.1	2120.4	9357.9
3	839.5	1094.2	1838.3	984.7	4756.8	882.1	1245	1863.6	1089.7	5080.5
4	550.7	810	1210.6	650.8	3222.1	578.4	877.6	1126.8	-	-
5	105.9	126.4	149.9	142.4	524.7	131.3	167.9	181.62	-	-
6	25.3	-8.2	44.9	15.7	77.8	66.2*	28.8*	45.7*	-	-

1	Value Added from Accommodation and Food Service activities (mln)	2	Number of International Travelers (thousand persons)	3	Number of Tourists (thousand persons)
4	Revenue from International Tourism (mln USD)	5	The Expenditures of Georgian tourists Abroad (mln USD)	6	Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)

1 The calculation of the hotel price index is based on the recommendations given by the International Monetary Fund (IMF). The elementary aggregate price index is calculated by Jevons index (Consumer Price Index Manual-Theory and Practice (2004), Practical Guide to Producing Consumer Price Indices (2009)). 2 The results are based on the surveying of

standard double hotel room prices of 3, 4, 5-star hotels and guesthouses in 10 regions of Georgia. Hotels were chosen arbitrarily according to random sampling principle. The study contains 71% (312) of all 3, 4 and 5-star hotels and 25% (456 guesthouses) of all guesthouses registered on www.booking.com The 3, 4 and 5-star hotel price data was collected by contact-

ing hotels individually, while the prices of guesthouses were taken from booking.com. The average prices are arithmetic mean of standard double hotel room prices. 3 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family. 4 \* Preliminary results