

# Monthly Tourism Update

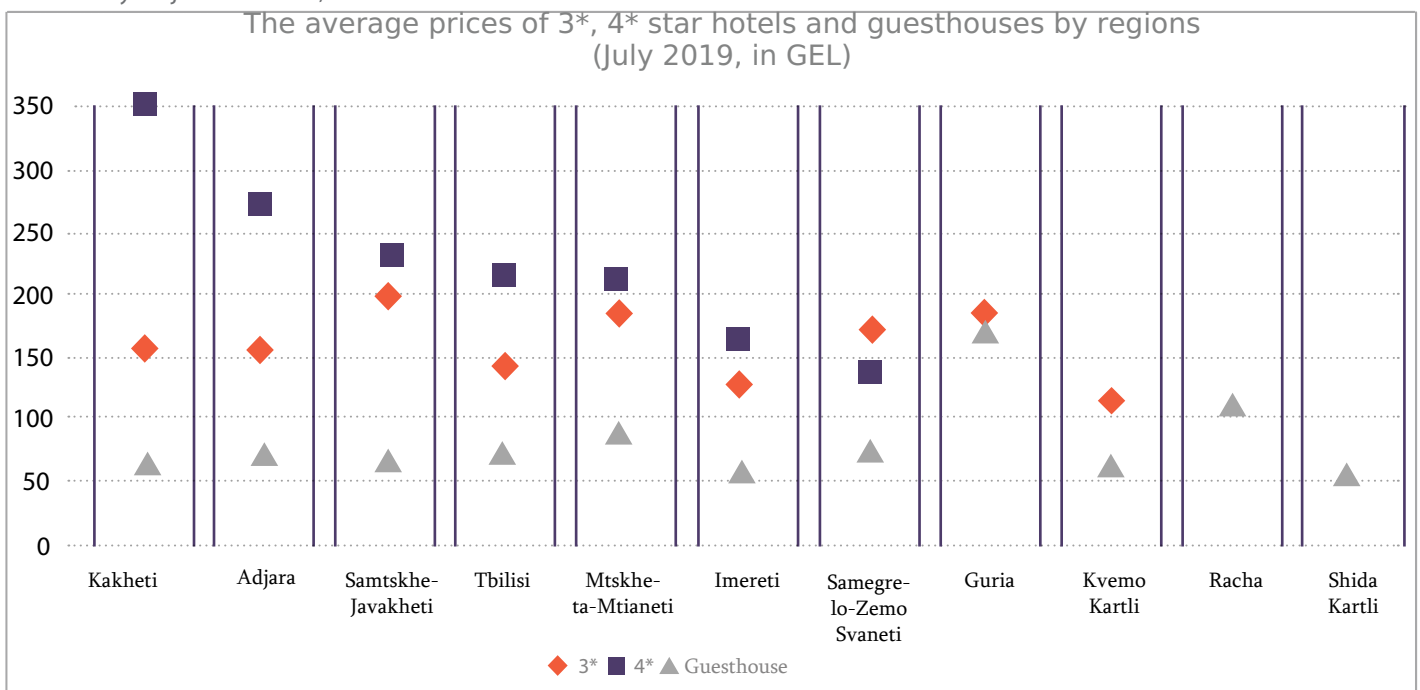
July 2019

- In July 2019, compared to July 2018, hotel prices in Georgia decreased by 6.5%. The prices of 3\*, 4\*, 5\* hotels decreased by 8.7%, while the prices of guesthouses decreased by 2.8%;
- In July 2019, in Georgia the hotel price index increased by 0.2% compared to June 2019. The 3-star, 4-star and 5-star hotel price index increased by 2.7%, while for guesthouses, the price index decreased by 5.7%;
- In July 2019, compared to July 2018, In Tbilisi the prices of 3\*, 4\* and 5\* hotels decreased by 9.5%, while the prices of guesthouses increased by 1.3%;
- In Georgia, in July 2019, the average cost of a room in a 3-star hotel was 148 GEL per night, while the average cost of a room in a 4-star hotel was 224 GEL per night, in a 5-star hotel - 482 GEL per night and in a guesthouse - 73 GEL per night;
- The share of international traveler trips from Russia by air in total number of international traveler trips from Russia to Georgia increased from 23.4% to 31.1% from 2016 to 2018;
- During 2016-2018, the expenditure spent by international travelers from Russia to Georgia were increasing. In 2018, Russians spent 1.8 mlrd GEL in Georgia, that was 66.8% more compared to 2017;
- In July 2019, compared to July 2018 and June 2019, the number of international traveler trips from Russia to Georgia decreased by 6.4% and 4.5% respectively. In July 2019, compared to July 2018, the number of international travelers from Russia traveled by air decreased by 48.8% (by 21,012 traveler), while by land, by railway and by sea increased accordingly 7.1%, 85.5% and 57.9%.

## Average Hotel Prices

In Georgia, the average cost of a room<sup>1</sup> in a 3-star hotel was 148 GEL per night in July 2019. While the average cost of a room in a 4-star hotel in Georgia was 224 GEL per night and the average cost of a room in a guesthouse<sup>2</sup> was 73 GEL per night.

The average cost of a room in a 5-star hotel in Georgia in July 2019 was 482 GEL per night. In Tbilisi, the average price was 588 GEL, followed by Adjara – 453 GEL, and Kakheti - 399 GEL and Samtskhe-Javakheti - 380 GEL.



**Graph 1:** 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.

## Hotel Price Index

In July 2019, in Georgia the hotel price index<sup>3</sup> increased by 0.2% compared to June 2019. The 3-star, 4-star and 5-star hotel price index increased by 2.7%, while for guesthouses, the price index decreased by 5.7%.

In July 2019, compared to June 2019, the number of international travelers trips in Georgia increased by 25.8%, while among the international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 20.9%<sup>4</sup>.

In July 2019, compared to July 2018, hotel prices in Georgia decreased by 6.5%. The prices of 3\*, 4\*, 5\* hotels decreased by 8.7%, while the prices of guesthouses decreased by 2.8%.

In July 2019, compared to July 2018, the number of international travelers trips in Georgia increased by 5.8%, and among the international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 1%.

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2019 July/ 2019 June	2019 July/ 2018 July	2019 July/ 2019 June	2019 July/ 2018 July	2019 July/ 2019 June	2019 July/ 2018 July
Guria	31.8%	13.7%	46.9%	24.5%	21.6%	5.4%
Adjara	14.5%	-8.5%	18.7%	-5.1%	7.1%	-13.8%
Shida Kartli	10.2%	6.4%			-0.7%	1.6%
Racha	7.9%	17.8%			-0.7%	21.9%
Kvemo Kartli	1.0%	0.7%	4.6%	0.7%	-4.1%	
Mtskheta-Mtianeti	-0.2%	8.7%	1.2%	7.8%	-1.6%	9.7%
Samtskhe-Javakheti	-0.2%	-10.0%	1.4%	-15.6%	-1.6%	-6.4%
Samegrelo-Zemo Svaneti	-0.8%	4.3%	5.7%	-15.9%	-2.4%	10.3%
Kakheti	-3.0%	2.6%	-8.0%	-2.3%	-1.5%	4.0%
Tbilisi	-6.3%	-9.5%	-3.7%	-12.6%	-13.6%	1.3%
Imereti	-8.8%	3.1%	-5.1%	0.6%	-11.3%	4.6%
Overall Price % Change	0.2%	-6.5%	2.7%	-8.7%	-5.7%	-2.8%

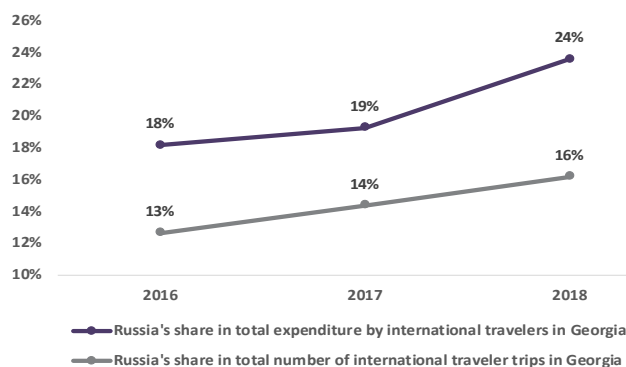
Table 1: Percentage change of prices in July 2019 over June 2019 and over July 2018.

## International Traveler Trips from Russia in Georgia

During 2016-2018, the number of international traveler trips from Russia to Georgia were increasing. In 2018, the number of international traveler trips from Russia to Georgia amounted 1.4 mln, that was 23.8% more compared to 2017. The share of Russian international traveler trips in total number of international traveler trips in Georgia increased from 12.6% to 16.2% from 2016 to 2018.

The share of international traveler trips from Russia by air in total number of international traveler trips from Russia to Georgia increased from 23.4% to 31.1% from 2016 to 2018.

During 2016-2018, the expenditure spent by international travelers from Russia to Georgia were increasing. In 2018, Russians spent 1.8 mlrd GEL in Georgia, that was 66.8% more compared to 2017.



Graph2: International travelers trips from Russia in Georgia

The share of expenditure spent by Russians in total expenditure spent by international travelers in Georgia increased from 18.2% to 23.6% from 2016 to 2018.

In July 2019, compared to July 2018 and June 2019, the number of international traveler trips from Russia to Georgia decreased by 6.4% and 4.5% respectively. In July 2019, compared to July 2018, the number of international travelers from Russia traveled by air decreased by 48.8% (by 21,012 traveler), while by land, by railway and by sea increased accordingly 7.1% (by 8,833 traveler), 85.5% (by 1,082 traveler) and 57.9% (303 traveler).

Basic Economic Indicators										
	II 2017	III 2017	IV 2017	2017	I 2018	II 2018	III 2018	IV 2018	2018	I 2019
1	544.3	642.6	569.8	2206.7	522.9	642.5	781.9	734.5	2681.8	600.6
2	1757	2969.9	1797.5	7902.5	1582.4	1979.6	3226.4	1891.1	8679.5	1617.5
3	908.9	1629.9	865.7	4069.4	839.5	1094.2	1838.3	984.7	4756.8	882.1
4	629.9	1078.3	570.5	2704.3	550.7	810	1210.6	650.8	3222.1	578.4
5	109.5	152	120.7	463.6	105.9	126.4	149.9	142.4	524.7	131.3
6	25.1	29.7	10.3	72.2	25.4*	-5.4*	36*	16.1*	72.3*	25.4*
1	Total Tourism Value Added (mln)			2 Number of International Travelers (thousand persons)			3 Number of Tourists (thousand persons)			
4	Revenue form International Tourism (mIn USD)			5 The Expenditures of Georgian tourists Abroad (mIn USD)			6 Foreign Direct Investment in Hotels and Restaurants Sector (mIn USD)			

1 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 contacting hotels individ-

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