

In this bulletin, we discuss:

- Hotel prices<sup>1</sup> in February across different regions of Georgia;
- The hotel price index<sup>2</sup> in February 2018 compared to January 2018;
- Monthly hotel price changes during the November 2017-February 2018 period.

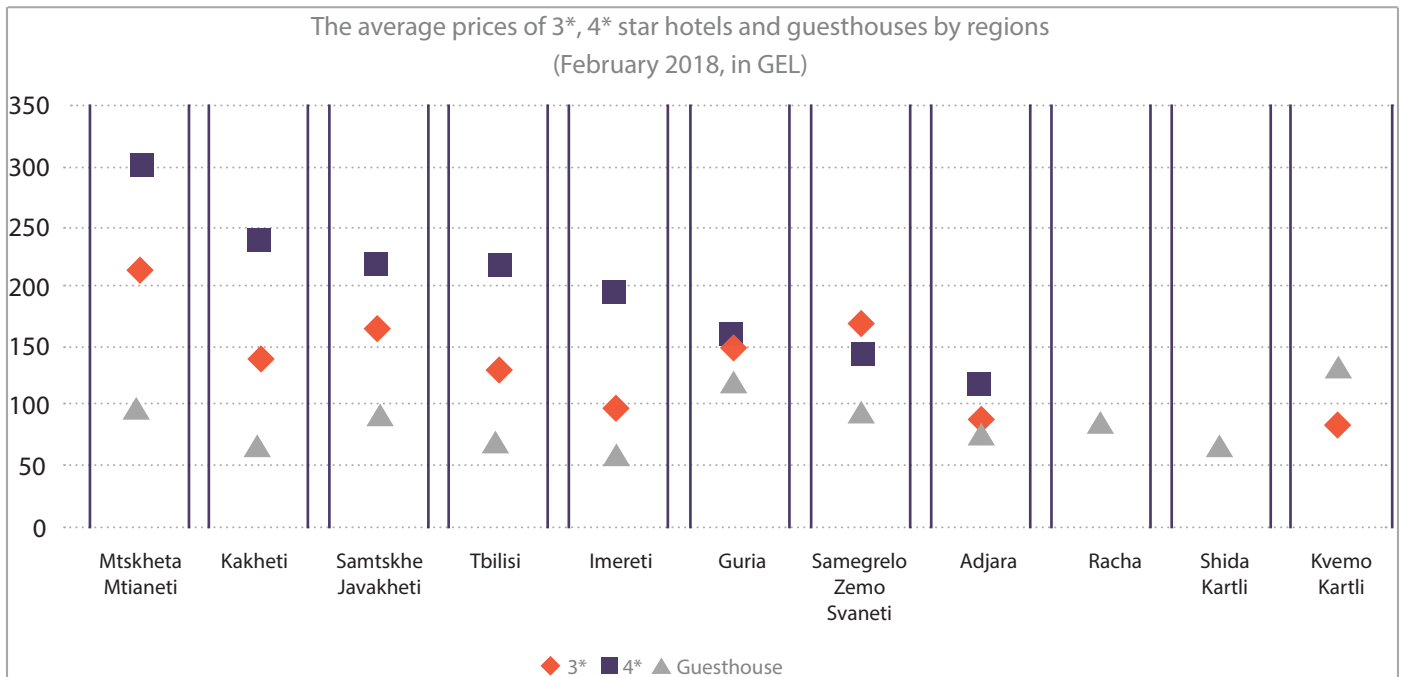
## Average Hotel Prices

In February 2018, the average cost of a room in a 3-star hotel in Georgia was **GEL 136** per night. The most expensive 3-star hotels in Georgia were in Mtskheta-Mtianeti region (exceeding the average price by 56%).

The average cost of a room in a 4-star hotel in Georgia in February 2018 was **GEL 198** per night. The most expensive 4-star hotels were found in Mtskheta-Mtianeti region (exceeding the average price by 52%).

The average cost of a room in a 5-star hotel in Georgia in February 2018 was **GEL 363**. In Tbilisi, the average price was GEL 591, followed by Samtskhe-Javakheti- GEL 358, Kakheti-GEL 297, and Adjara-GEL 207.

In February 2018, the average cost of a room in a guesthouse<sup>3</sup> in Georgia was **GEL 86**. The highest daily rates for guesthouses were found in Kvemo Kartli, Guria, Mtskheta-Mtianeti and Samegrelo-Zemo Svaneti regions.



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 February 2018, the hotel price index<sup>2</sup> decreased by 2.2% compared to January 2018. The daily rates for standard double hotel rooms decreased significantly in Racha and Tbilisi, while the daily rates increased the most in Mtskheta-Mtianeti. The prices remained stable in the other regions.

In February 2018, compared to January 2018, the number of international travelers visiting Georgia decreased by 1%. Of these international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) decreased by 6% compared to the previous month<sup>4</sup>. The insignificant change of prices in February can be linked to this fact.

The 3-star, 4-star and 5-star hotel price index decreased by 3.2% in February 2018 compared to January 2018. For these types of hotels, Tbilisi and Samtskhe-Javakheti regions recorded the steepest price decreases.

In guesthouses, the price index decreased insignificantly by 0.9%. In this type of accommodation, the biggest percentage price decrease for standard double rooms was recorded in Racha region.

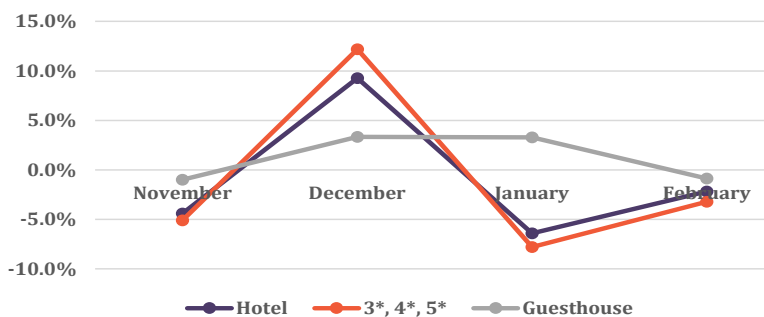
Region	Hotel	3*, 4*, 5*	Guesthouse
Racha	-5.0%		-5.0%
Tbilisi	-3.9%	-4.5%	-1.6%
Samtskhe-Javakheti	-1.9%	-9.1%	1.6%
Adjara	-1.2%	-1.2%	-1.2%
Guria	-1.0%	-2.3%	-0.1%
Imereti	0.4%	3.7%	-1.4%
Samegrelo-Zemo Svaneti	0.7%	3.5%	-0.4%
Kakheti	1.6%	0.5%	1.8%
Shida Kartli	1.6%		1.6%
Kvemo Kartli	1.9%	3.1%	0.0%
Mtskheta-Mtianeti	2.5%	3.2%	2.0%
Overall price % Change	-2.2%	-3.2%	-0.9%

Table 1: Percentage change of prices in February 2018 over January 2018



## Hotel Price Dynamics: November 2017-February 2018

### Hotel Price Monthly Index (November 2017-February 2018)



Graph 2: Monthly Hotel Price Index

During the period of November 2017- February 2018, a monthly hotel price increase was only recorded in December (9.3%). In addition, the highest daily rates for standard double hotel rooms during this period was recorded in December 2017.

The highest monthly decrease of price for standard double hotel rooms was recorded in January 2018 (6.4%). Looking at the monthly data, the lowest average price for standard double rooms in a 3-star hotel was recorded in January, while for the same type of room in 4-star and 5-star hotels the lowest rates were recorded in February 2018 and for guesthouses these rates were at their lowest in November 2017.

During these four months, prices for guesthouses were stable compared to prices for 3-star, 4-star and 5-star hotels.

### Basic Economic Indicators

	I 2016	II 2016	III 2016	IV 2016	2016	I 2017*	II 2017*	III 2017 *	IV 2017 *	2017*	
1	436.5	489.3	559,1	493.4	1978.3	458.7	549	647.7			
2	1136.7	1505	2245.1	1473.8	6360.5	1266.1	1730	2826.7	1731.2	7554.9	
3	408.5	606.3	1146.6	559.6	2721	513.6	796.3	1473.6			
4	352.5	515.4	817.2	481.2	2166.3	434.6	658.8	1081.1			
5	83.1	103	107.8	92.4	386.3	81.4	109.5	152			
6	8.3	0.8	12.5	35.3	56.9	16.1	31.7	30.6	11.6	90	
* 1	Total Tourism Value Added (mln Gel)			* 2	Number of International Travelers (thousand persons)			* 3	Number of Tourists (thousand persons)		
* 4	Revenue form 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 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 individually, while the prices of guesthouses were taken from booking.com. The average prices

are arithmetic mean of standard double hotel room prices. 2 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)). 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 According to the Georgian National Tourism Administration, in February 2018, 440,806 international travelers visited Georgia. Of these, 177,845 travelers stayed in Georgia for 24 hours or more. In January 2018, the number of international travelers was 444,421, of whom 189,476 travelers stayed in Georgia for 24 hours or more.