



# MONTHLY TOURISM UPDATE

September 2022

Georgia

## Characteristics of International Visitors in the First Half of 2022



Research



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Georgia

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## Summary

- Since the outbreak of the war in Ukraine, the border crossing statistics have shown **significant differences in the number of entries and exits by Russians, Belarusians, and Ukrainians**. From January to September 2022, the difference between entries and exits of citizens of **Russia** was equal to 58.6 thousand unique persons.
- Since 2021, international visits** have been showing signs of significant recovery, especially in Q2 of 2022, when the number of international visits reached almost half of the corresponding figure in Q2 of 2019.
- Despite only a partial recovery in the number of international visits, in Q1 of 2022, the **total expenditure of international visitors** exceeded the pre-pandemic (Q1 of 2019) value by 21%, while in Q2 of 2022, the total expenditure was only 6% lower than Q2 of 2019.
- The average expenditure per visit** tripled in Q1 of 2022 and almost doubled in Q2 of 2022, compared to the corresponding periods of 2019. This could be explained by the fact that in the first half of 2022, **the average length of stay** almost doubled as it increased from 3.8 to 6.4 nights.
- During the first half of 2022, the share of visitors going to **Adjara** increased sharply by 14.9pp compared to the pre-pandemic period. The share of Batumi increased markedly and reached 38.4% of total international visits in the first half of 2022
- In September 2022, in Georgia, **the Hotel Price Index (HPI)** decreased by 5.3% compared to August 2022. The HPI increased by 22.6%, compared to September 2021, with the yearly HPI being highest for **guesthouses (41.3%)**.

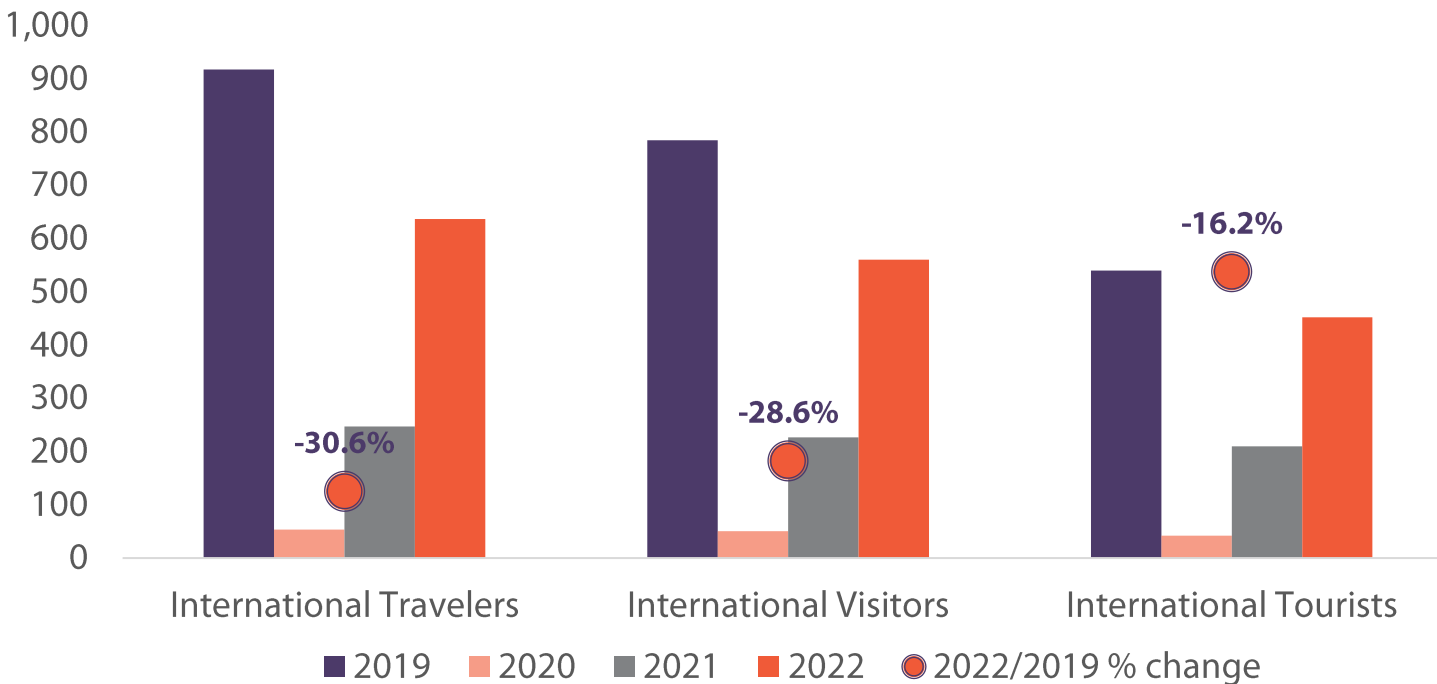


# INTERNATIONAL TRAVEL DYNAMICS

✎ The number of **international travelers**<sup>1</sup> increased by 157.5% in September 2022, compared to the same period of 2021, and declined by 30.6% compared to the same period in 2019.

✎ Meanwhile, the number of **international visitors**<sup>2</sup> increased by 147% (2022/2021) and declined by 28.6% (2022/2019), and the number of **international tourists**<sup>3</sup> increased by 115.7% (2022/2021) and declined by 16.2% (2022/2019).

International travel dynamics in September (2019-2022)



✎ In September 2022<sup>4</sup>, the top countries of origin of international visits were **Russia** (163 192 visits), **Armenia** (83 603 visits), and **Turkey** (81 790 visits).

✎ Among the major tourism markets, the number of international visits from **Belarus** (95.0% higher compared to September 2019), **Saudi Arabia** (58.9%), and **Kazakhstan** (21.0%) significantly exceeded the pre-pandemic figure (September 2019). Besides, the number of international visits from **Russia** (10.7%) has also shown an increase compared to September 2019.

Source: Georgian National Tourism Administration (GNTA)

1 An international traveler is someone who moves between different geographic locations for any purpose and any duration. This excludes foreign citizens who are Georgian residents and includes Georgian citizens who are foreign residents.

2 An international visitor is a traveler taking a trip to a main destination outside his/her usual environment, for less than a year, for any purpose (business, leisure or other personal purpose) other than to be

employed by a resident entity in the country or place visited. The usual environment of an individual, a key concept in tourism, is defined as the geographical area within which an individual conducts his/her regular life routines. For the purposes of defining "usual environment" in Georgia, travelers conducting 8 or more trips are excluded from the data.

3 A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor) if his/her trip includes an overnight stay.

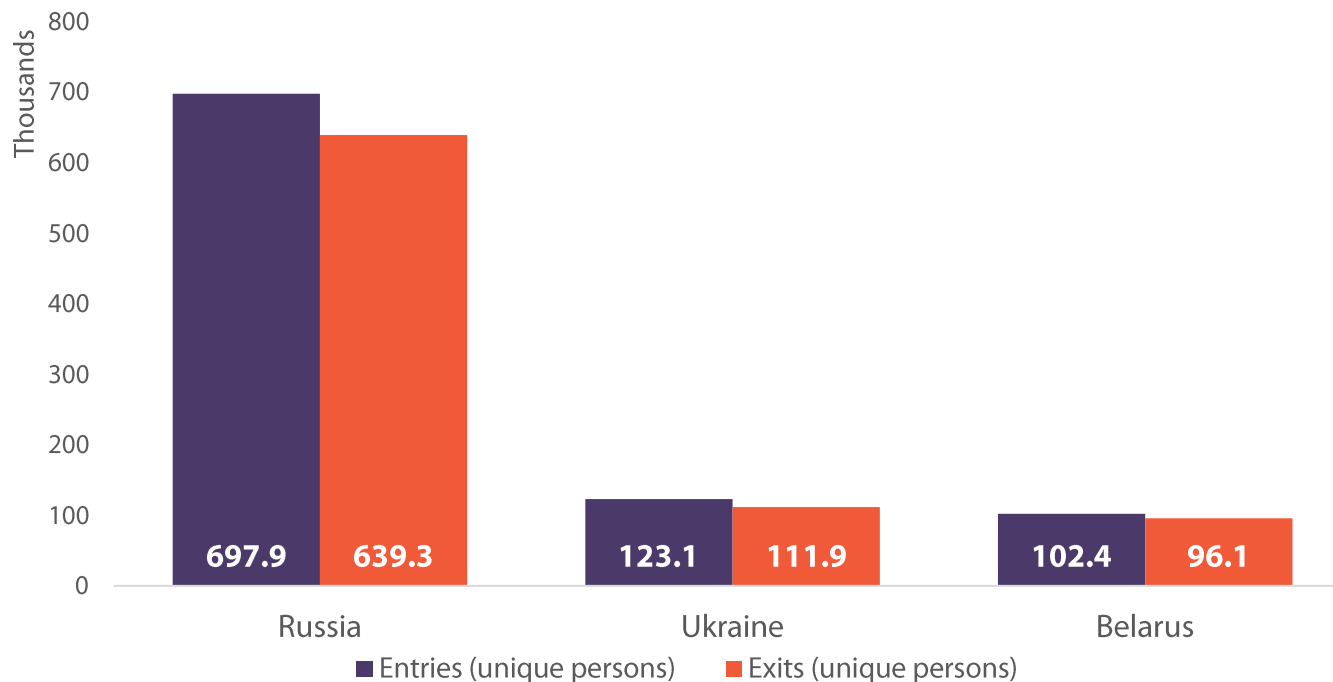
4 Note, that international visitor statistics are counted as the number of international visitors leaving the country, thus the data does not represent the number of total visitor inflow in the corresponding month.



# ENTRIES AND EXITS OF RUSSIANS, BELARUSIANS, AND UKRAINIANS

Since the outbreak of the war in Ukraine, the border crossing statistics have shown **significant differences in the number of entries and exits by Russians, Belarusians, and Ukrainians.**

The number of entries and exits by Russian, Belarusian and Ukrainians (sum of January-September 2022)



Source: Ministry of Internal Affairs

- From January to September 2022<sup>5</sup>, the difference between entries and exits of citizens of **Russia** was equal to 58.6 thousand unique persons.
- Meanwhile, for **Ukraine and Belarus**, the differences between the entries and exits were equal to 11.2 thousand and 6.3 thousand, respectively.
- Starting from this issue, the statistics on both entries and exits of unique persons by their citizenship are sourced from the Ministry of Internal Affairs of Georgia, which decreases the statistical discrepancies existing in our previous issues and gives us the ability to estimate the number of foreign citizens that have not left Georgia more precisely.

<sup>5</sup> Aggregated data of entries and exits for January-September of 2022 includes the unique persons that have entered and exited Georgia within this period.

<sup>6</sup> The statistical discrepancies caused by using two different data sources (entry statistics from the Ministry of Internal Affairs and exit statistics from Georgian National Tourism Association) is implied here.

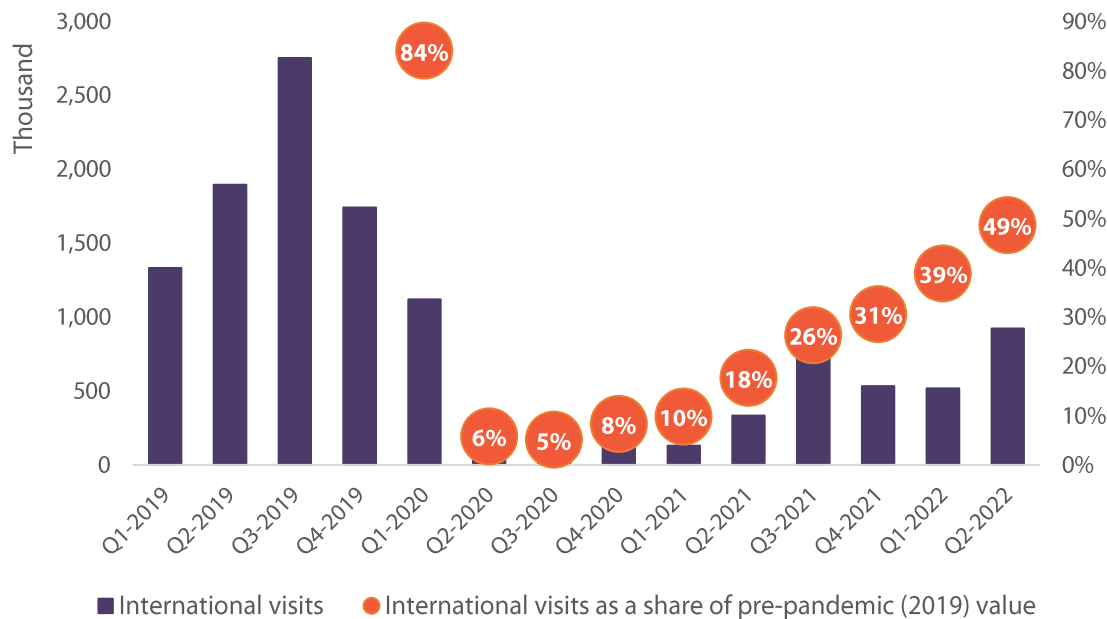


# INTERNATIONAL VISITS DYNAMICS

Since 2021, international visits have been showing signs of significant recovery, especially in Q1 of 2022 when the number of international visits reached almost half of the corresponding figure in Q2 of 2019.

In the first half of 2022, similar to the previous periods, most international visits were from **neighboring countries**: Turkey (18% of total visits), Russia (17%), and Armenia (14%).

Number of international visits and those visits as a share of pre-pandemic value of the corresponding period (2019 - Q2 2022)



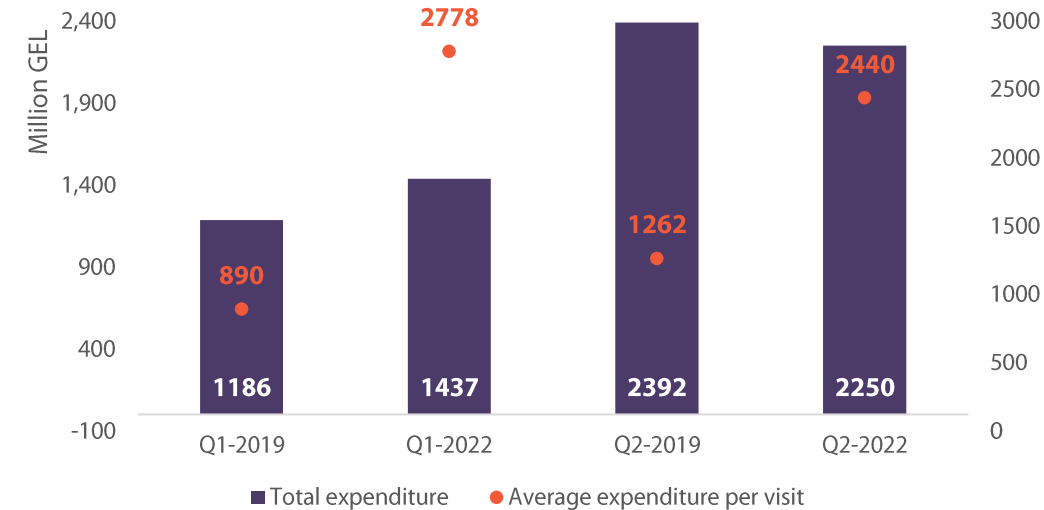
Source: Georgian National Tourism Administration (GNTA)

The average expenditure per visit tripled in Q1 of 2022 and almost doubled in Q2 of 2022 compared to the corresponding periods of 2019. This could be explained by the fact that in the first half of 2022, the **average length of stay** almost doubled as it increased from 3.8 to 6.4 nights.

Comparing to the first half of 2019, in 2022, among the main countries of origin of tourists, international visits from Israel exceeded the pre-pandemic (first half of 2019) amount by 2%. Meanwhile, visits from Ukraine (86% of the corresponding value in 2019), Iran (61%), the EU (53%), and Turkey (52%) also **recovered significantly**.

Despite only a partial recovery in the number of international visits, in Q1 of 2022, **the total expenditure of international visitors** exceeded the pre-pandemic (Q1 of 2019) value by 21%, while in Q2 of 2022, the total expenditure was only 6% lower than Q2 of 2019.

Total expenditures and average expenditures per visit of international visitors in first halves of 2019 and 2022



In the first half of 2022, a large share of the expenditure of international visitors was spent on **food and drinks** (36%), followed by **accommodation** (22%) and **shopping** (18%). The increase in the share of food and drinks in total expenditure could be explained by especially high inflationary trends for products in that category.

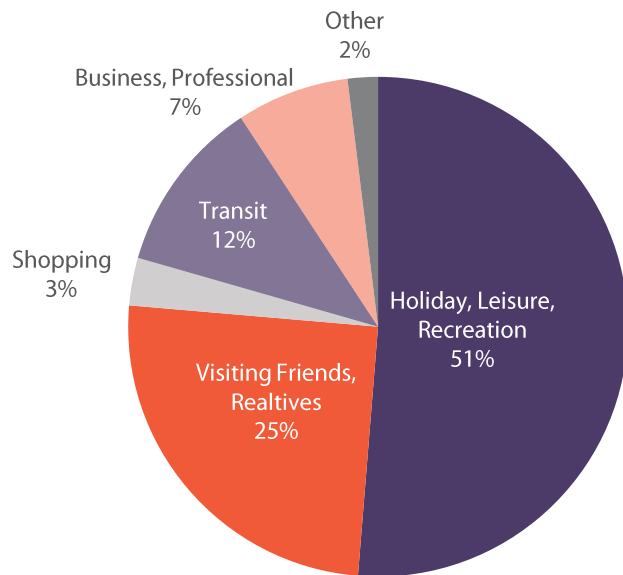


# PURPOSE OF INTERNATIONAL VISITS

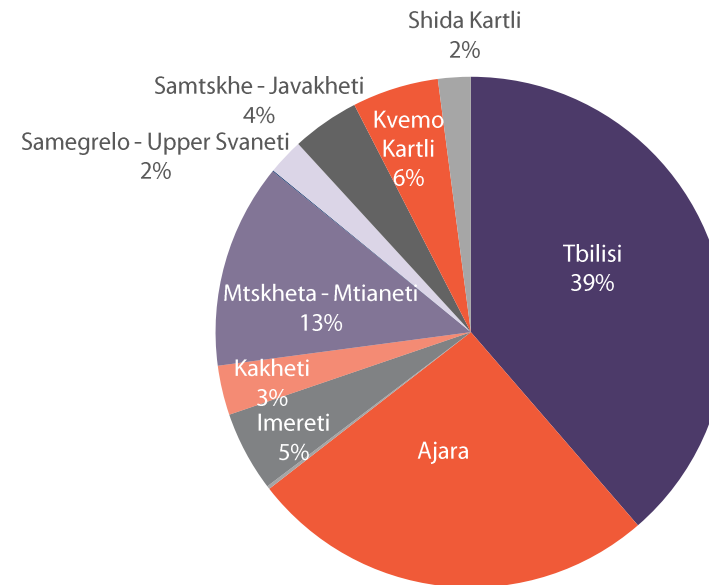
Observing the distribution of international visits according to **the main purpose of visit**, in the first half of 2022, the share of leisure/recreation increased by 9.1pp, and visiting friends/relatives rose by 6.1pp in total visits compared to the pre-pandemic number. On the other hand, the share of transit declined by 4.3pp, while shares of business (4.1pp) and shopping (4.0pp) also dropped.

Looking at the **activities** in which international visitors were engaged, in the first half of 2022, the share of visitors going to the beach increased considerably compared to the pre-pandemic period. Similarly, the share of international visitors who partook in gambling also rose between the compared periods. On the other hand, activities such as hunting, fishing, rafting, mountaineering, and horse riding were the least demanded by international visitors during this period.

The distribution of international visits by main purpose of visit in the first half of 2022



The distribution of international visits by visited regions in the first half of 2022



Source: Georgian National Tourism Administration (GNTA)

During the first half of 2022, the share of international visitors going to **Adjara** increased sharply by 14.9pp compared to the pre-pandemic period. On the other hand, visits to the Kvemo Kartli region declined considerably (by 9 pp).

When examining **visited places**, the share of Batumi increased markedly and reached 38.4% of total international visits in the first half of 2022. Elsewhere, the shares of Tbilisi and Kutaisi also grew by 4pp and 3.6pp, respectively.



# HOTEL PRICE INDEX IN GEORGIA

In September 2022, in Georgia the hotel price index<sup>7</sup> decreased by 5.3% compared to August 2022. The 3-star, 4-star, and 5-star hotel price index decreased by 5.8%, while for guesthouses, the price index decreased by 4.3%.

The monthly HPI was the highest in Shida Kartli (20.5%) and the lowest in Guria (-30.6%) and Adjara (-19.5%).

In September 2022, compared to September 2021, hotel prices in Georgia increased by 22.6%. The prices of 3\*, 4\*, 5\* hotels increased by 19.0% and the prices of guesthouses increased by 41.3%.

The yearly HPI was the highest in Shida Kartli (28.4%) and Adjara (27.8%) and the lowest in Mtskheta-Mtianeti (3.9%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2022 Sep/ 2022 Aug	2022 Sep/ 2021 Sep	2022 Sep/ 2022 Aug	2022 Sep/ 2021 Sep	2022 Sep/ 2022 Aug	2022 Sep/ 2021 Sep
Kakheti	1.2%	13.4%	5.3%	9.5%	-0.5%	15.3%
Imereti	-0.1%	12.5%	0.0%	7.6%	-0.1%	17.6%
Guria	-30.6%	9.6%	-30.6%	18.3%	-30.6%	-12.8%
Kvemo Kartli	0.0%	10.0%	0.0%	10.0%	-	-
Adjara	-19.5%	27.8%	-19.7%	21.7%	-18.8%	43.0%
Racha	0.0%	5.1%	-	-	0.0%	5.1%
Shida Kartli	20.5%	28.4%	0.0%	12.8%	28.2%	66.2%
Samegrelo-Zemo Svaneti	-0.3%	8.1%	2.8%	11.3%	-2.5%	5.8%
Samtskhe-Javakheti	-10.8%	9.5%	-15.7%	4.4%	-8.8%	12.6%
Mtskheta-Mtianeti	1.9%	3.9%	2.5%	3.7%	1.1%	4.1%
Tbilisi	1.0%	26.8%	0.7%	24.2%	4.3%	58.2%
<b>Overall Price % Change</b>	<b>-5.3%</b>	<b>22.6%</b>	<b>-5.8%</b>	<b>19.0%</b>	<b>-4.3%</b>	<b>41.3%</b>

<sup>7</sup> 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).



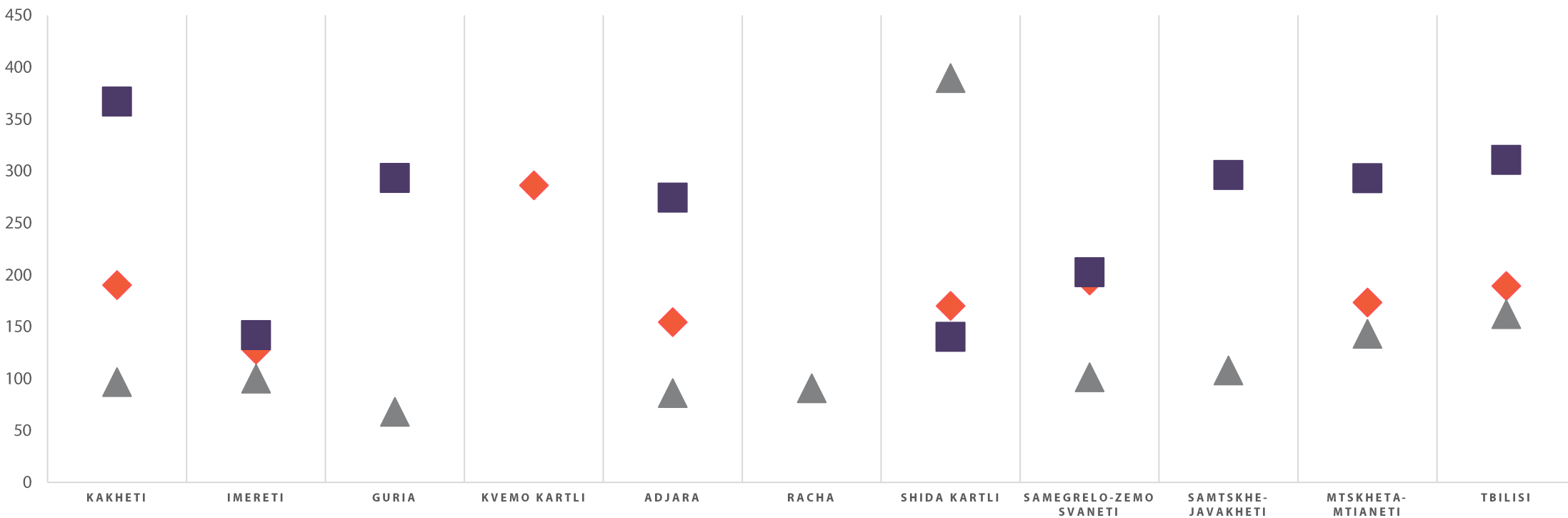
# THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room<sup>8</sup> in a 3-star hotel was **177 GEL** per night in September 2022, while the average cost of a room in a 4-star hotel in Georgia was **287 GEL** per night and the average cost of a room in a guesthouse<sup>9</sup> was **115 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in September 2022 was **440 GEL** per night. In Kakheti, the average price was **580 GEL**, followed by Adjara – **489**, Guria – **454**, and Tbilisi – **434**.

THE AVERAGE PRICES OF 3\*, 4\* STAR HOTELS AND GUESTHOUSES BY REGIONS (SEPTEMBER 2022, IN GEL)

◆ 3\* ■ 4\* ▲ Guesthouse



<sup>8</sup> 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](http://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](http://booking.com). The average prices are arithmetic mean of standard double hotel room prices.  
<sup>9</sup> Guesthouse: a type of accommodation that is characterized by

having a small number of rooms and services are usually offered by the resident family.





# BASIC ECONOMIC INDICATORS IN GEORGIA

	2016	2017	2018	2019	2020	I 2021	II 2021	III 2021	IV 2021	2021	I 2022	II 2022	III 2022
<b>GDP in current prices for Accommodation and Food Service Activities (mln)</b>	2413.5	3098.5	3721.1	4279.6	2441.9	431.0*	893.6*	1148.5*	935.7*	3408.8*	752.7*	1090.4*	-
<b>Number of International Travelers (thousand persons)</b>	6720.0	7902.5	8679.5	9357.9	1747.1	134.7	351.3	815.4	579.8	1881.3	576.5	1049.4	2266.7
<b>Number of Tourists (thousand persons)</b>	3297.3	4069.4	4756.8	5080.5	1087.0	116.6	305.8	670.4	484.7	1577.5	456.0	749.3	1494.9
<b>Revenue from International Travel (mln USD)</b>	2110.7	2704.3	3222.1	3268.7	541.7	53.6*	246.1*	566.0*	379.3*	1244.9*	393.7*	748.8*	-
<b>The Expenditures of Georgian Travelers Abroad (mln USD)</b>	386.3	463.6	524.7	657.2	180.5	19.7*	37.1*	62.6*	64.5*	184.1*	72.2	103.5*	-
<b>Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)</b>	120.0	112.5	105.2	130.4	-248	-1.0	-5.6	6.4	-2.7	-2.9	11.3*	10.8*	-

\* Preliminary data



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