



MONTHLY TOURISM UPDATE

November 2022

Georgia

Trends Among International Visitors to Georgia in the Third Quarter of 2022



Research



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Summary

- Since 2021, international visits to Georgia have been showing signs of significant recovery. **The recovery accelerated in Q3 of 2022, when the number of international visits reached 69% of the corresponding figure in Q3 of 2019.**
 - The average expenditure per visit** tripled in Q3 of 2022 compared to the corresponding period of 2019, and reached GEL 2,440. Meanwhile, **the total expenditure** exceeded the pre-pandemic (Q3 of 2019) value by 41%, reaching GEL 4.6 billion. In Q3 of 2022, a large share of the expenditure of international visitors went on accommodation (40.9%), followed by food and drinks (29.8%).
 - The average nights spent per visit** increased significantly (42%) in Q3 of 2022, compared to the corresponding period of 2019, reaching 6.8 nights per visit, similar to the first half of 2022.
 - Observing the distribution of international visits according to **the main purpose of the visit**, in Q3 of 2022, the share of leisure/recreation in total visits increased by 7.5 pp compared to the pre-pandemic figure.
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- In November 2022, in Georgia, **the Hotel Price Index (HPI)** decreased by 6.6% compared to October 2022. The HPI increased by 16.8%, compared to November 2021, with the yearly HPI being highest for **guesthouses (31.6%)**.

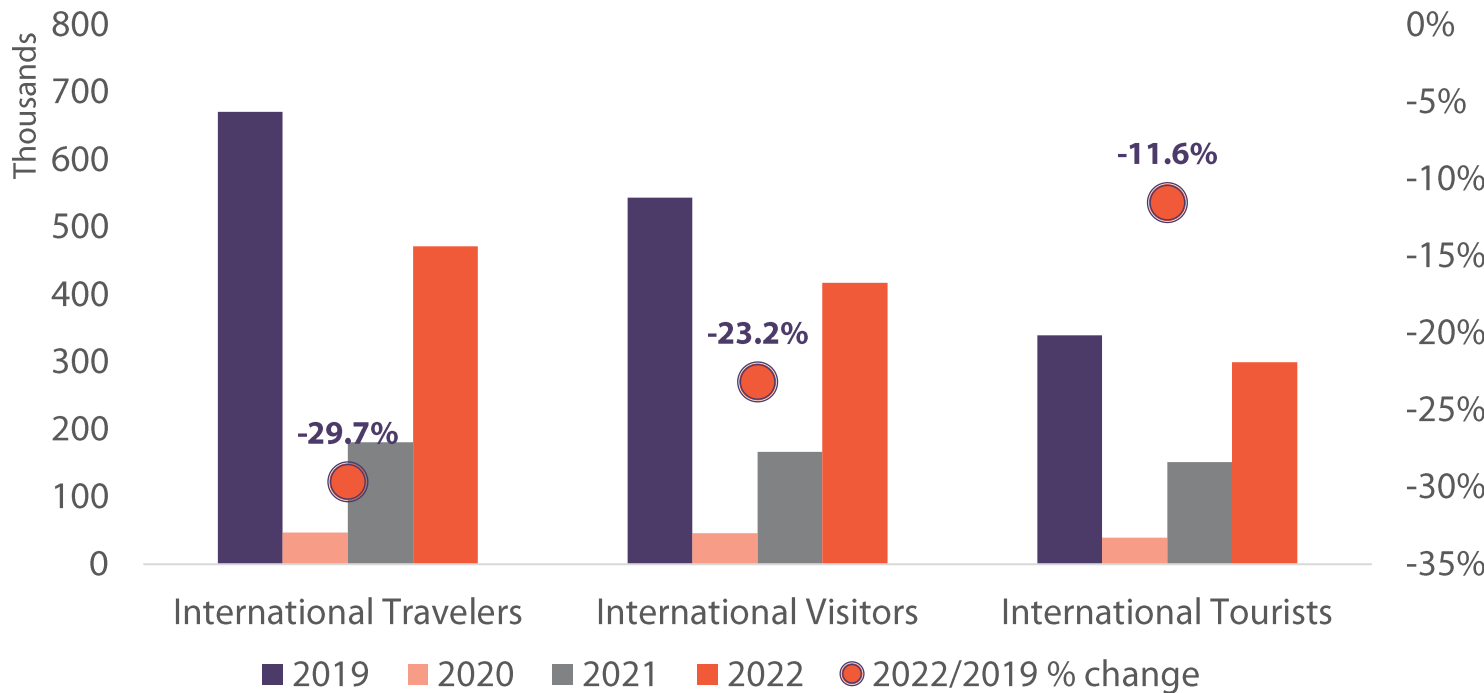


INTERNATIONAL TRAVEL DYNAMICS

The number of **international travelers**¹ increased by 160.4% in November 2022, compared to the same period of 2021, and declined by 29.7% compared to the same period in 2019.

Meanwhile, the number of **international visitors**² increased by 150.5% (2022/2021) and declined by 23.2% (2022/2019), and the number of **international tourists**³ increased by 97.9% (2022/2021) and declined by 11.6% (2022/2019).

International travel dynamics in November (2019-2022)



In November 2022⁴, the top countries of origin of international visits were **Russia** (108 247 visits), **Turkey** (101 940 visits), and **Armenia** (71 785 visits).

Among the major tourism markets, the number of international visits from **Belarus** (84.4%), **Russia** (24.7%), **Turkey** (24.7%), and **Israel** (15.8%) significantly exceeded the pre-pandemic figure (November 2019). Besides, the number of international visits from other neighboring countries: **Armenia** (-38.5%) and **Azerbaijan** (-89.2%)⁵ still stayed well below the pre-pandemic number.

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.

5 The low recovery rate of visits from Azerbaijan could be attributed to the closure of the land border between Georgia and Azerbaijan since March 2020.



INTERNATIONAL VISIT DYNAMICS

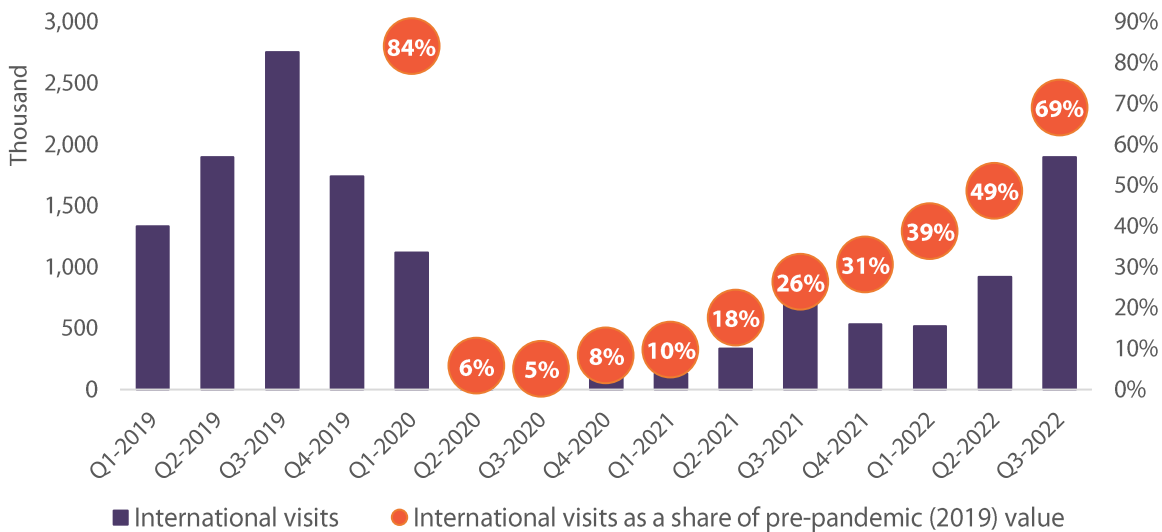
Since 2021, international visits have been showing signs of significant recovery, with a notable acceleration in Q3 of 2022 when the number of international visits reached 69% of the corresponding figure in Q3 of 2019.

In the third quarter of 2022, similar to previous periods, most international visits were from neighboring countries: Russia (28% of total visits), Armenia (17%), and Turkey (15%). However, notably, in Q3 of 2022 compared to Q3 of 2019, the share of Russians in total visits increased by 9 pp.

Compared to Q3 of 2019, in Q3 of 2022, among the main countries of origin of tourists, international visits from Russia exceeded the pre-pandemic number by 4%. Meanwhile, visits from Israel (96% of the value in Q3 of 2019), Iran (93%), Armenia (71%), Turkey (69%), and Ukraine (69%) also recovered significantly.

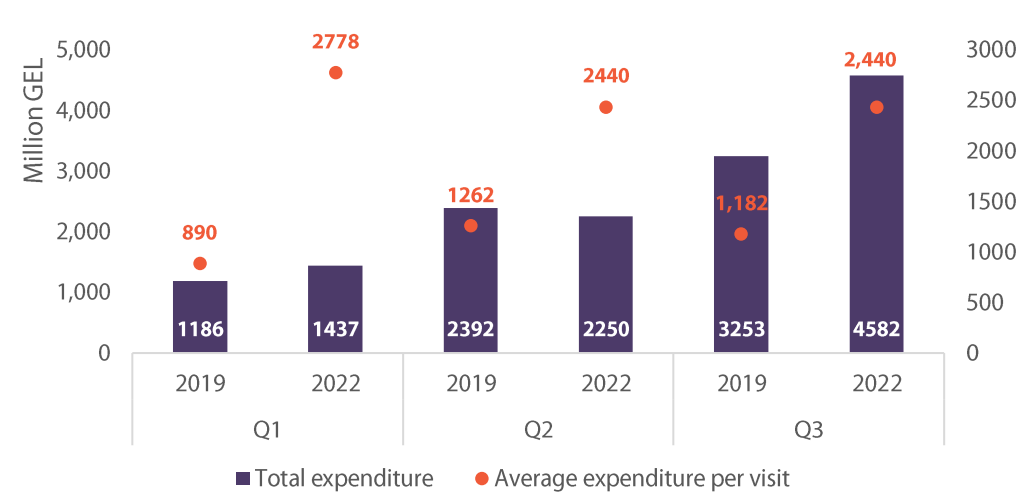
Despite only a partial recovery in the number of international visits, in Q3 of 2022, the total expenditure of international visitors exceeded the pre-pandemic (Q3 of 2019) value by 41%, reaching GEL 4.6 billion.

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)

Total expenditures and average expenditures per visit of international visitors in the first three quarters of 2019 and 2022



The average expenditure per visit tripled in Q3 of 2022 compared to Q3 of 2019 and reached GEL 2,440. This could be explained by a combination of factors, such as the increase in the average number of nights spent per visit, inflationary trends, and other changes in travelers' behavior.

In Q3 of 2022, a large share of the expenditure of international visitors went on accommodation (40.9%), followed by food and drinks (29.8%). Notably, the share of accommodation in total expenditures increased by 16.3 pp compared to Q3 of 2019. Apart from that, the share of food and drinks declined significantly when compared to the first half of 2022 (36%).



PURPOSE OF INTERNATIONAL VISITS

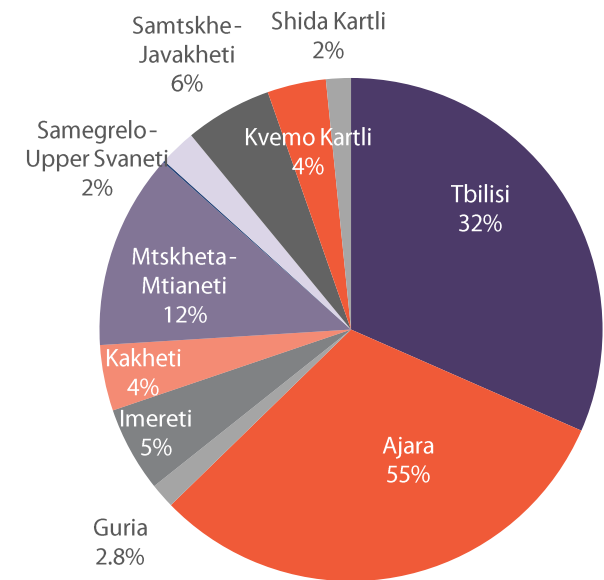
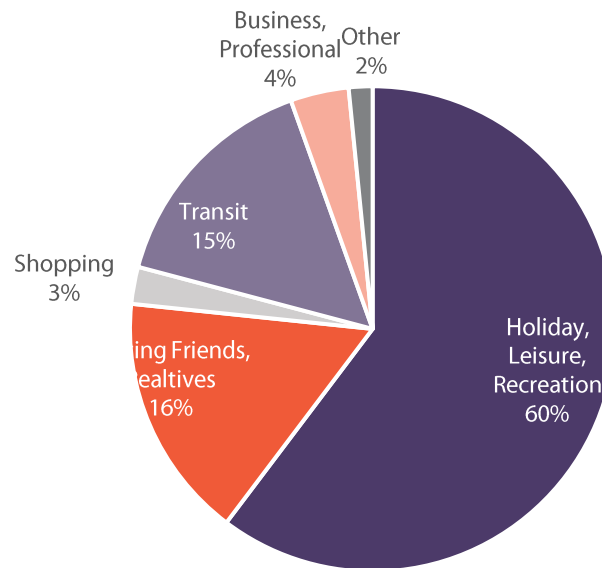
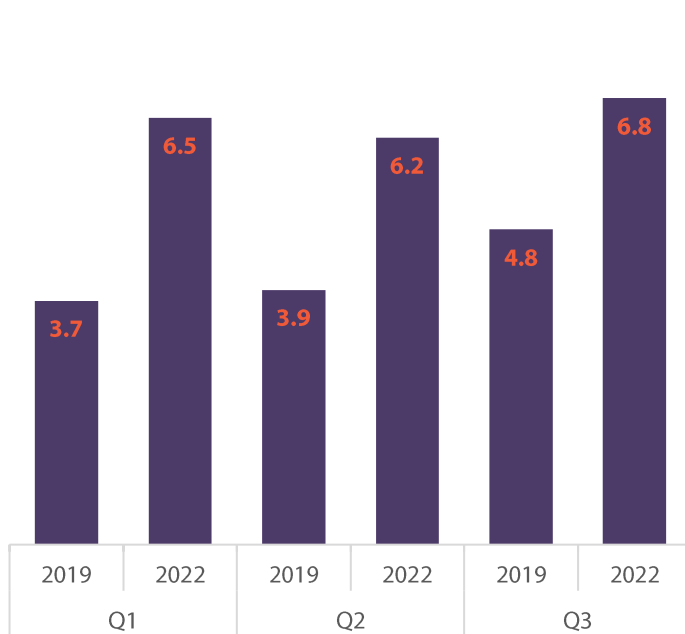
Similar to the first half of 2022, the average number of nights spent per visit increased significantly (42%) in Q3 of 2022, compared to Q3 of 2019, reaching 6.8 nights. Apart from the general post-pandemic changes in the behavior of visitors, this could also be attributed to the fact that a larger share of visitors are choosing a personal home or apartment as their accommodation (12 pp higher in Q3 of 2022, compared to Q3 of 2019).

Observing the distribution of international visits according to the main purpose of the visit, in Q3 of 2022, the share of leisure/recreation in total visits increased by 7.5 pp compared to the pre-pandemic figure. It must also be noted that in Q3 of 2022, the share of visiting friends and relatives in total visits was similar to the pre-pandemic figure, while in the first half of 2022 it showed a significant increase (6.1 pp).

Average nights spent in the first three quarters of 2019 and 2022

The distribution of international visits by main purpose of visit in Q3 of 2022

The distribution of international visits by visited regions in Q3 of 2022



Source: Georgian National Tourism Administration (GNTA)

When looking at the conducted activities, the top activities were tasting local cuisine and wine (83%), sightseeing (61%), and shopping (58%). Similar to the first half of 2022, the share of visitors going to the beach increased considerably compared to the pre-pandemic period.

During Q3 of 2022, the share of international visitors going to Adjara increased sharply by 12.7 pp compared to the pre-pandemic period. On the other hand, visits to the Kvemo Kartli region declined considerably (by 7 pp), similar to the first half of 2022, which could be attributed to the closure of the land border with Azerbaijan.



HOTEL PRICE INDEX IN GEORGIA

In November 2022, in Georgia the hotel price index⁶ decreased by 6.6% compared to September 2022. The 3-star, 4-star, and 5-star hotel price index decreased by 6.1%, while for guesthouses, the price index decreased by 8.3%.

The monthly HPI was the highest in Samtskhe-Javakheti (7.5%) and the lowest in Guria (-16.3%).

In November 2022, compared to November 2021, hotel prices in Georgia increased by 16.8%. The prices of 3*, 4*, 5* hotels increased by 14.7% and the prices of guesthouses increased by 31.6%.

The yearly HPI was the highest in Tbilisi (22.8%) and the lowest in Kakheti (-7.0%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2022 Nov/ 2022 Sep	2022 Nov/ 2021 Nov	2022 Nov/ 2022 Sep	2022 Nov/ 2021 Nov	2022 Nov/ 2022 Sep	2022 Nov/ 2021 Nov
Kakheti	0.1%	-7.0%	-2.8%	-16.1%	0.2%	-3.1%
Imereti	-0.5%	1.7%	-0.9%	-6.7%	0.0%	10.7%
Guria	-16.3%	0.1%	-16.3%	-3.2%	-	7.0%
Kvemo Kartli	-3.8%	10.0%	-3.8%	10.0%	-	-
Adjara	-9.1%	16.6%	-9.4%	17.3%	-7.7%	8.6%
Racha	0.0%	12.9%	-	-	0.0%	12.9%
Shida Kartli	-15.3%	12.7%	0.0%	1.2%	-22.0%	55.6%
Samegrelo-Zemo Svaneti	-5.4%	10.2%	-13.6%	-2.2%	0.6%	29.2%
Samtskhe-Javakheti	7.5%	17.8%	21.9%	16.2%	0.1%	20.0%
Mtskheta-Mtianeti	-9.2%	0.4%	-8.1%	3.2%	-10.8%	-1.5%
Tbilisi	-8.1%	22.8%	-8.2%	20.9%	-6.9%	55.5%
Overall Price % Change	-6.6%	16.8%	-6.1%	14.7%	-8.3%	31.6%

⁶ 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). Note, that for the selected regions, the sample size is relatively low compared to other regions (ex. Shida Kartli, Racha). Therefore, the calculations of Hotel Price Indices for those regions the HPI may

stand for changes in the prices for only a small number of enterprises, therefore lacking the ability to show the general pattern of the hotel price change in these regions.

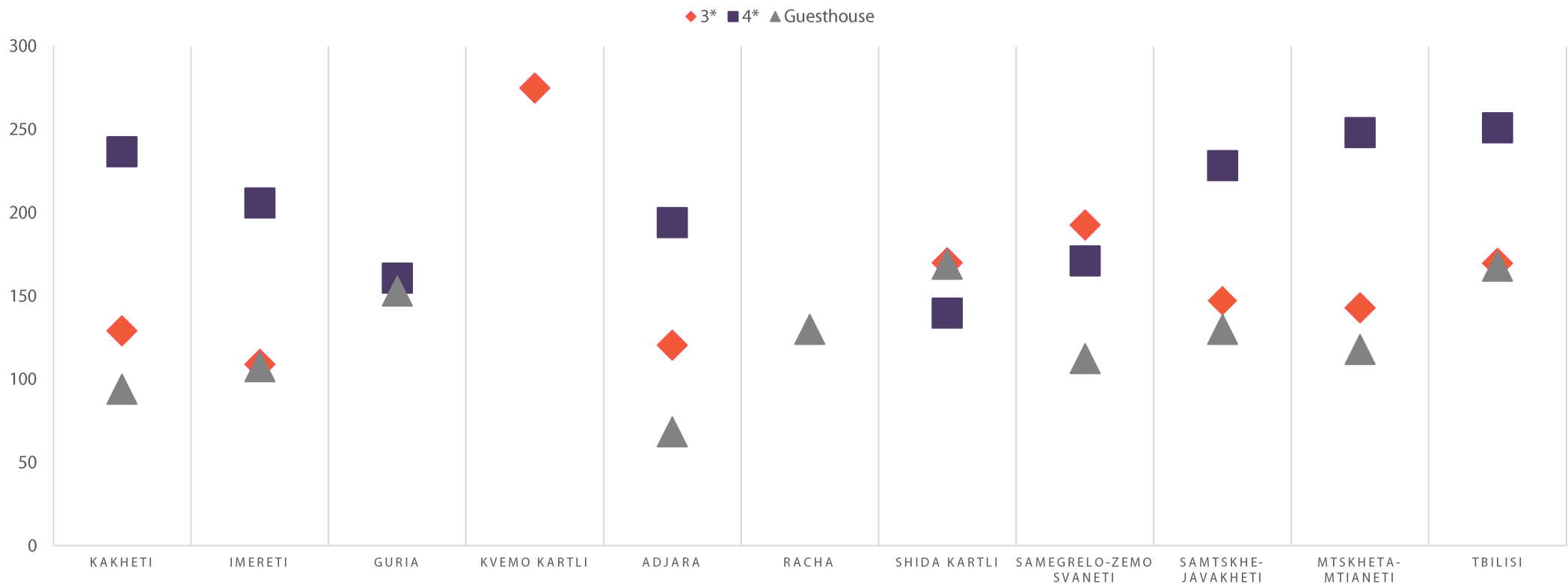


THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room⁷ in a 3-star hotel was **155 GEL** per night in November 2022, while the average cost of a room in a 4-star hotel in Georgia was **233 GEL** per night and the average cost of a room in a guesthouse⁸ was **114 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in September 2022 was **419 GEL** per night. In Kakheti, the average price was **575 GEL**, followed by Tbilisi – **554**, Guria – **381**, and Adjara – **344**.

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



⁷ 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.

⁸ 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
GDP in current prices for Accommodation and Food Service Activities (mln)	1054.1	1437.5	1800.0	2223.0	1204.5	213.1	439.2	604.4	527.0	1783.6	360.9*	536.2*	831.1*
Number of International Travelers (thousand persons)	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
Number of Tourists (thousand persons)	3297.3	4069.4	4756.8	5080.5	1087.0	116.6	305.8	670.4	484.7	1577.5	456.0	749.3	2082.6
Revenue from International Travel (mln USD)	2110.7	2704.3	3222.1	3268.7	541.7	53.6*	246.1*	566.0*	379.3*	1244.9*	393.7*	748.8*	-
The Expenditures of Georgian Travelers Abroad (mln USD)	386.3	463.6	524.7	657.2	180.5	19.7*	37.1*	62.6*	64.5*	184.1*	72.2*	103.5*	-
Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)	120.0	112.4	105.2	130.4	-248.0	-1.0	-5.6	6.4	-2.7	2.9	11.3*	11.0*	16.5*

* Preliminary data



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