

# QUARTERLY TOURISM UPDATE

Georgia

## Tourism Indicators in Q1 of 2024



Research

Issue 2 | July, 2024

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Research

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# Summary



Research

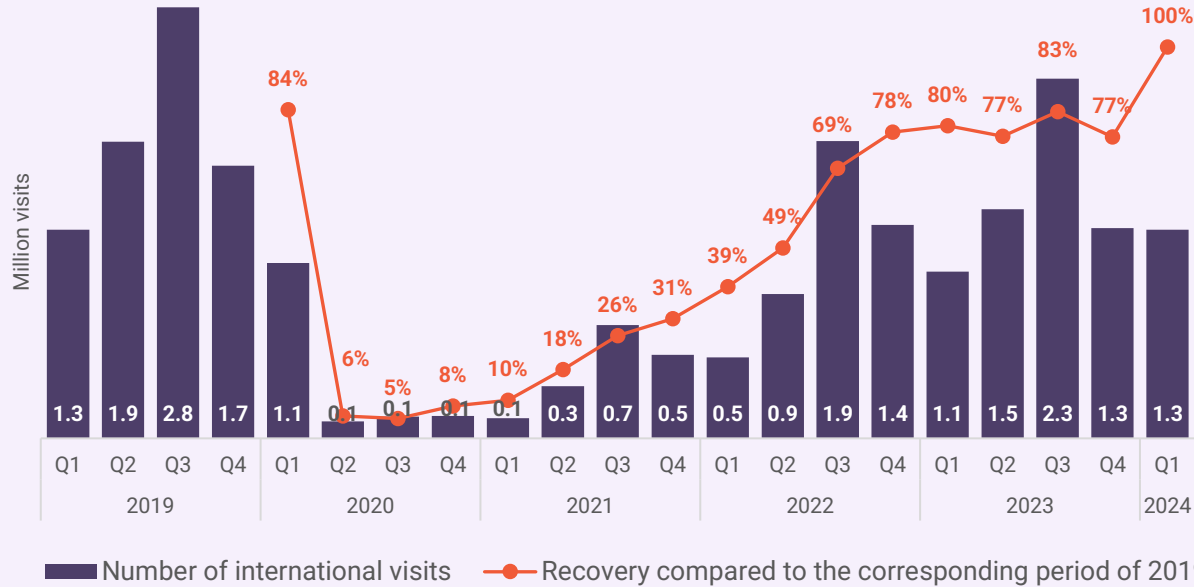
- **For the first time since Q1 of 2020, the number of visits to Georgia in Q1 of 2024 matched the pre-pandemic level.** Specifically, in Q1 of 2024, international visits to Georgia increased by 25%, compared to Q1 of 2023. For such visits, Türkiye was the leading country of origin, closely followed by Russia.
- **Income from international travel in Q1 of 2024 slightly surpassed the amount recorded in Q1 of 2023.** The majority of such income was generated by visitors from Russia, followed by Türkiye. However, when considering income generated per visit, the EU and Israel were the top contributors.
- **While the number of domestic visits in Q1 of 2024 amounted to 4.7 million (7% increase compared to the corresponding period of 2023), the average number of nights spent per visit declined.**
- **In Q1 of 2024, outbound visits increased by 16% compared to the same period in 2023.** There has been a notable recovery in outbound trips to most common destination countries, overtaking pre-pandemic levels. In this period, **Türkiye was the most popular destination for outbound travel**, followed by Russia and the EU. The primary purpose of these visits was visiting friends/relatives, after which shopping was the most common reason.

## Protected Areas of Georgia

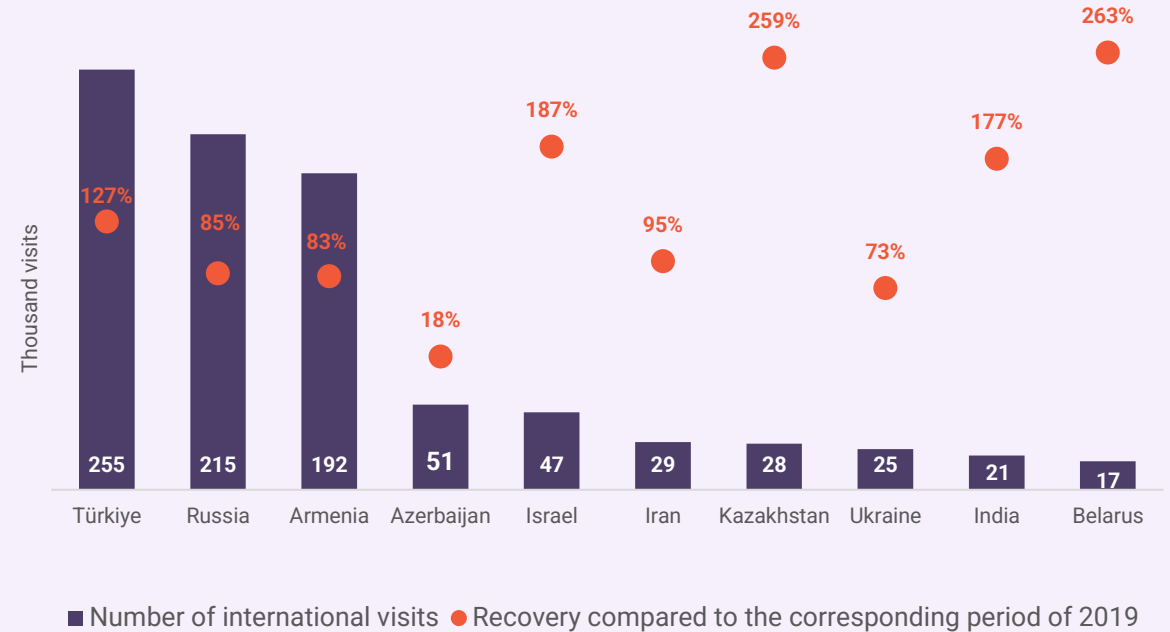
- **Visits to Georgia's protected areas in Q1 of 2024 did not recover to pre-pandemic levels** for the corresponding period.
- **Prometheus Cave and Tbilisi National Park were the most popular destinations** for visitors to Georgia's protected areas in Q1 of 2024.
- **Russia, India, Poland, Israel, and Kazakhstan** were the top five countries of origin of visitors in the Q1 of 2024.
- **Visits to protected areas are characterized by considerable seasonality**, with the third quarter of the year usually recording the highest number of visitors, while the first quarter traditionally has the fewest.
- **In Q1 of 2024, average hotel prices in Georgia generally increased compared to the same period in 2023.** While this overall growth was mainly caused by rises in the guesthouse (+5%) and 5-star hotel (+3%) categories, a decrease was reported for 3-star hotels (-2%).

# International Tourism

Number of international visits (Q1 of 2019 - Q1 of 2024)



International visits by countries in Q1 of 2024

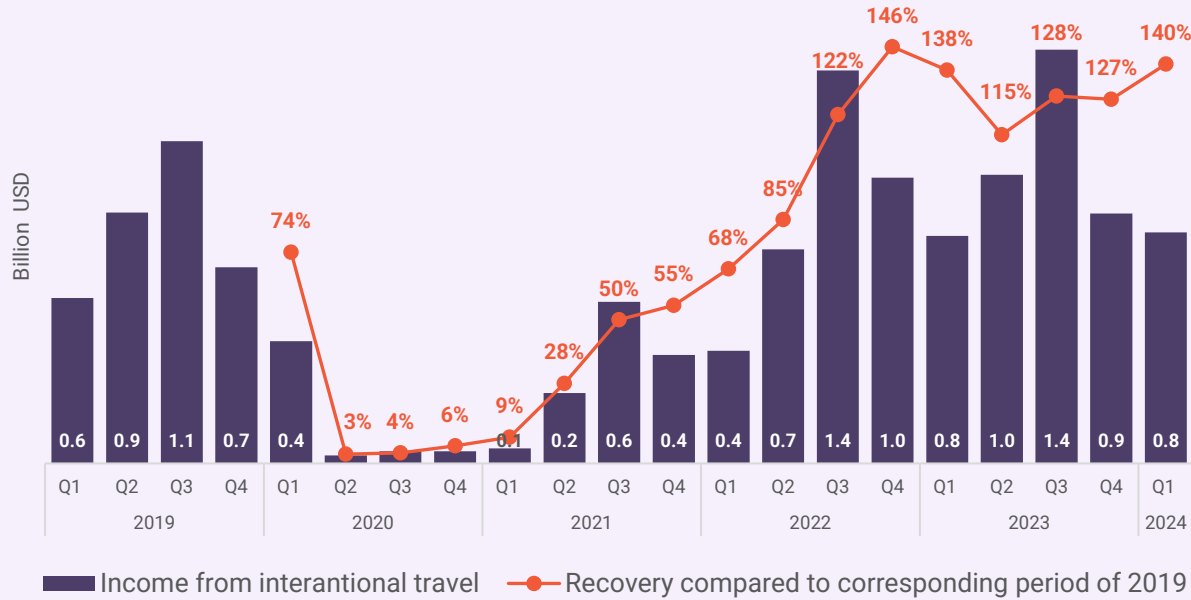


- For the first time since Q1 of 2020, the number of international visits to Georgia in Q1 of 2024 caught up with the pre-pandemic level observed in Q1 of 2019. In Q1 of 2024 a total of 1.3 million international visits were recorded, marking a 25% increase compared to the corresponding quarter of 2023.
- In Q1 of 2024, Türkiye was the main country of origin for international visits to Georgia, contributing 19% of total visits, with Russia a close second, accounting for 16%. However, compared to the same period in 2023, visits from both Russia and Ukraine declined by 16% and 23%, respectively. Meanwhile, substantial increases

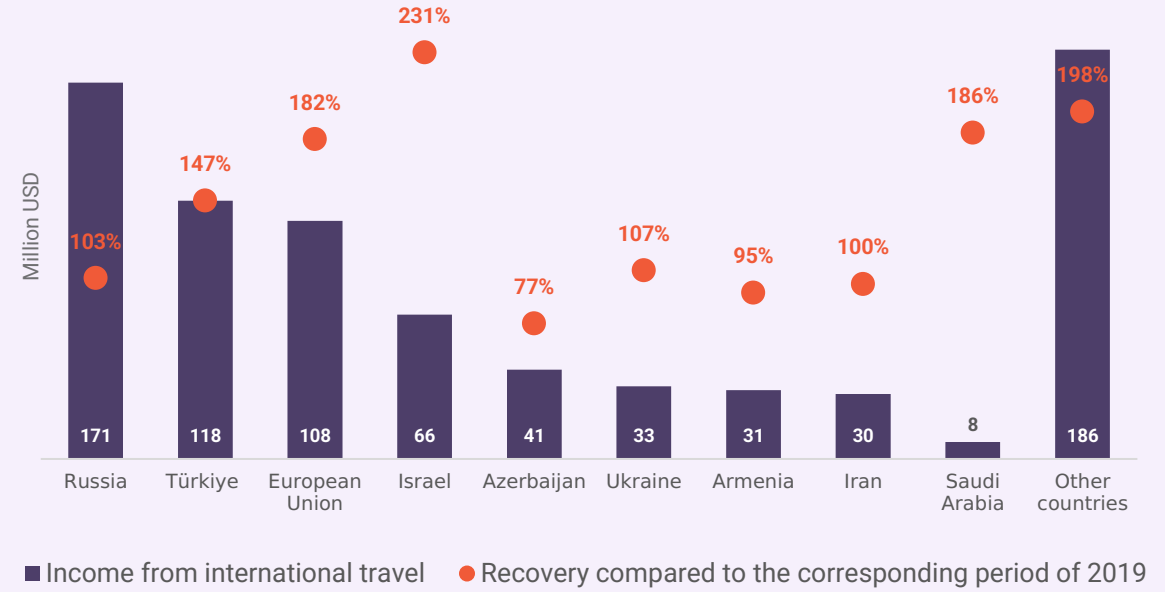
- were observed in the number of visitors from India (44%), Kazakhstan (40%), and Azerbaijan (28%).
- Visits from five of the ten leading countries of origin showed a substantial recovery compared to pre-pandemic levels, with especially remarkable recovery in the number of visitors from Belarus (263%) and Kazakhstan (259%).
- In Q1 of 2024, the average number of nights spent in Georgia by international visitors decreased compared to Q1 of 2023, dropping from 6 to 5.5 nights. However, this figure still exceeds the pre-pandemic average observed in Q1 of 2019 (3.7 nights).

# International Tourism

Income from international travel (Q1 of 2019 - Q1 of 2024)



Income from international travel by countries in Q1 of 2024 and its comparison to Q1 of 2019



- In Q1 of 2024, income from international travel amounted to USD 807.7 million, representing a 2% increase compared to Q1 of 2023 and a significant 40% rise compared to Q1 of 2019.
- In terms of nationality, the highest proportion of income generated from international visitors came from those from Russia in Q1 of 2024 (21% of total income), followed by Türkiye (15%). However, when it came to income generated per visit, the EU (USD 1,535 per visit) and Israel (USD 1,405 per visit) were the top contributors.

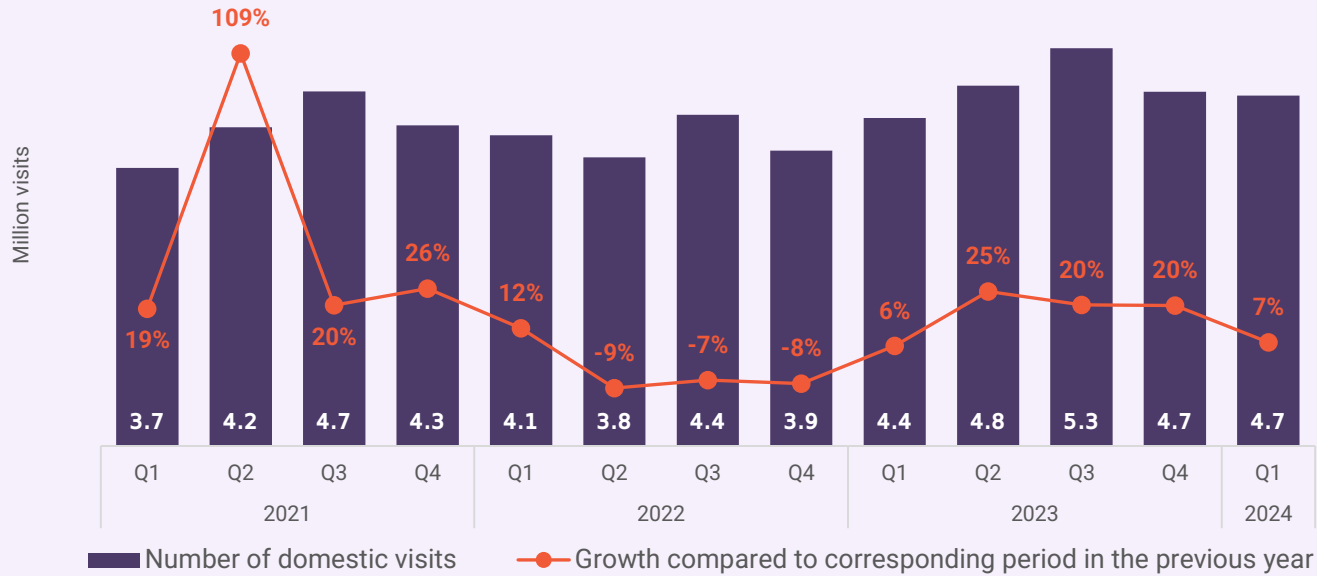
- In Q1 of 2024, most of international visitors' expenditure went on accommodation (27%), followed by shopping (20%). The distribution of expenditure in Q1 of 2024 remains similar to Q1 of 2023 in terms of accommodation and shopping shares. However, compared to Q1 of 2023, the share of expenditure on leisure increased (7 pp), while spending on food and drinks saw a decrease of 6 pp in the corresponding period of 2024.
- The World Travel & Tourism Council (WTTTC) estimates that, in 2024, spending by international visitors will reach GEL 12.7 billion (8.6% rise compared to the previous year).

\* According to the National Bank of Georgia, as of 31 March 2024, 26.8% of Russian citizens, 34.3% of Belarusian citizens, and 30% of Ukrainian citizens residing in Georgia were estimated to have been living in the country for one year or were intending to stay for more than one year.

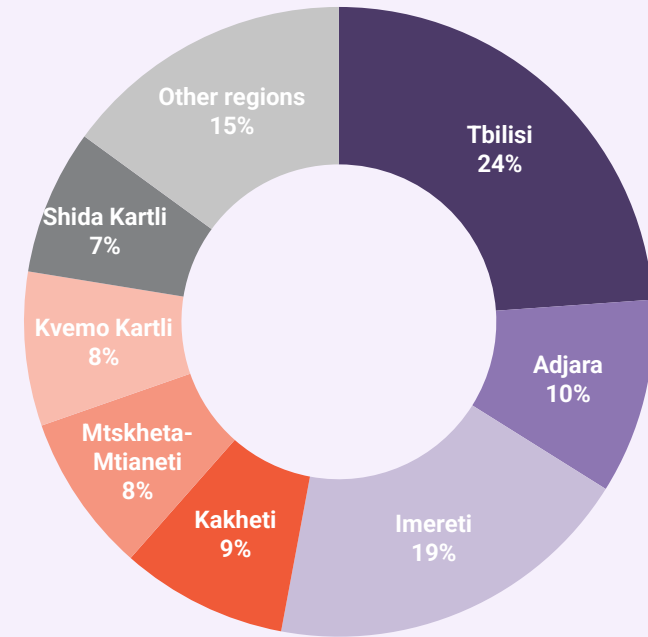
According to the International Monetary Foundation's (IMF) methodology, such individuals are treated as Georgian residents, and thus their spending is not included in the calculations of income from international travel.

# Domestic Tourism

Domestic visits by Georgian Residents (Q1 of 2021 - Q1 of 2024)



Domestic visitors by visited regions in Q1 of 2024

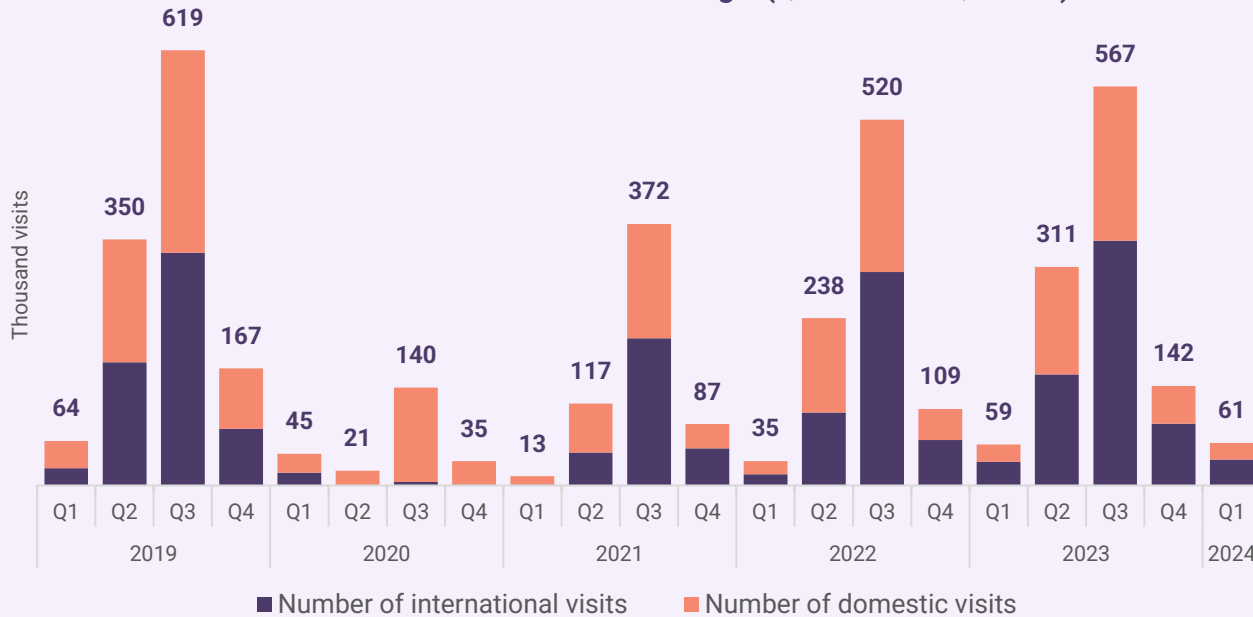


- In Q1 of 2024, the number of domestic visits amounted to 4.7 million, reflecting a 7% increase compared to the corresponding period of 2023. Previously, a significant rise was recorded in domestic tourism during the COVID-19 pandemic when international travel was restricted. Since 2022, the reclassification of many Russian, Belarussian, and Ukrainian immigrants as residents rather than international visitors has contributed to a rising trend in this indicator, meaning that these figures do not necessarily indicate that more Georgians are vacationing domestically than before.<sup>1</sup>
- The distribution of domestic visitors by visited region Q1 of 2024 was similar to the corresponding period of 2023. Tbilisi remained the primary destination for domestic visits, accounting for 23% of total visits, followed by Imereti (18%) and Adjara (10%).

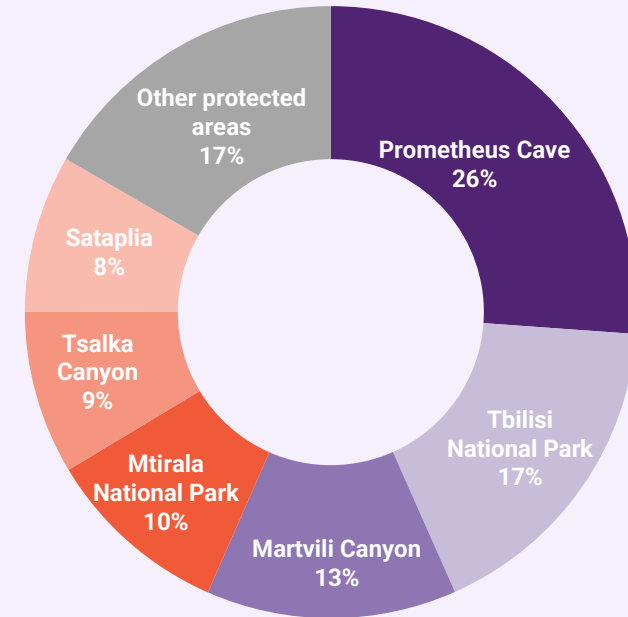
- Since Q1 of 2021, a clear pattern of a decreasing average duration per visit has been evident in the corresponding quarters of subsequent years. In Q1 of 2024, the average number of nights spent per visit was 1.2, marking a slight decrease compared to the same period of 2023 (1.3 nights) and 2019 (1.4 nights).
- In the Q1 of 2024, domestic visitors' total expenditure amounted to GEL 798 million, representing an 8.6% increase compared to Q1 of 2023. The distribution of total expenditure remained similar, with shopping (35%), food and drink (21%), and transportation (19%) being the main categories.
- WTTC estimates that, in 2024, domestic visitor spending will reach GEL 7.2 billion (10.1% increase compared to the previous year).

# Protected Areas of Georgia

Visits to Protected Areas of Georgia (Q1 of 2019 - Q1 2024)



Distribution of Protected Areas by Number of Visitors in Q1 of 2024

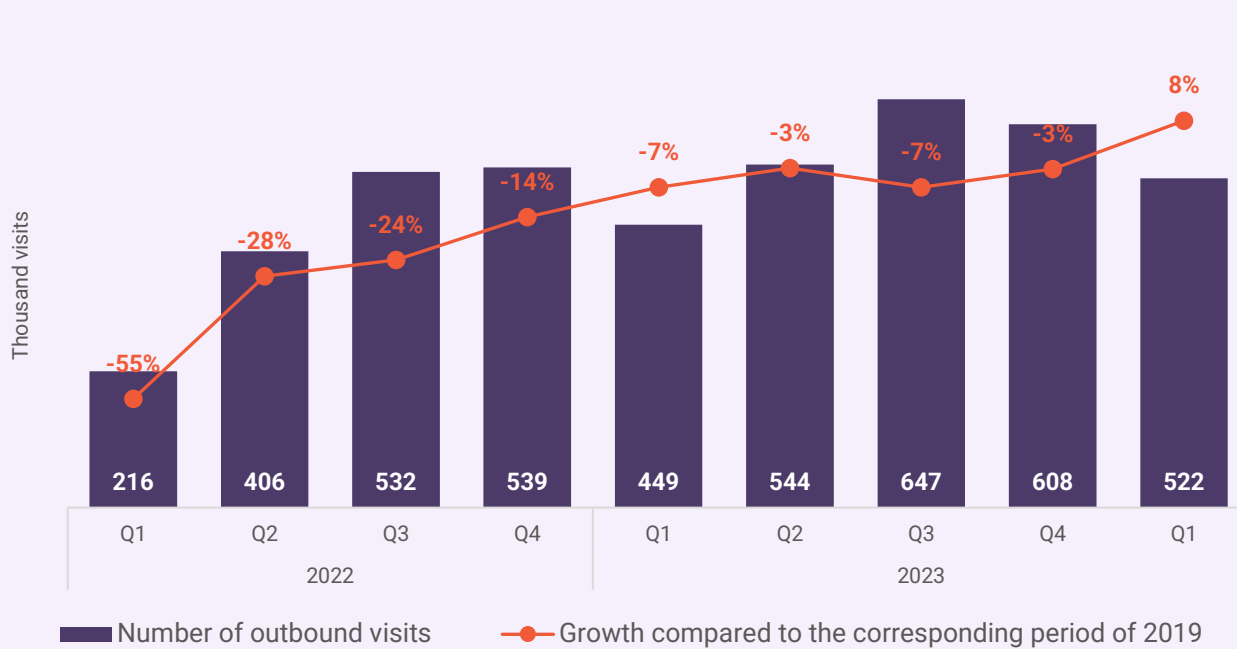


- **Visits to Georgia’s protected areas have not yet fully recovered to pre-pandemic levels, with the 2023 figures reaching only 90% of the 2019 equivalent.** Over the discussed period, international visitors consistently accounted for more than half of the total visits to protected areas, except in 2020 when their number fell, largely due to the COVID-19 pandemic. In 2023 the share of international visitors increasing each year, reaching 58% of total visits.
- Since 2021, an upward trend has been visible in both domestic and international visits. **In Q1 of 2024, total visits amounted to 61 thousand** slightly surpassing the equivalent figure observed in Q1 of 2023, but falling short of the pre-pandemic level.

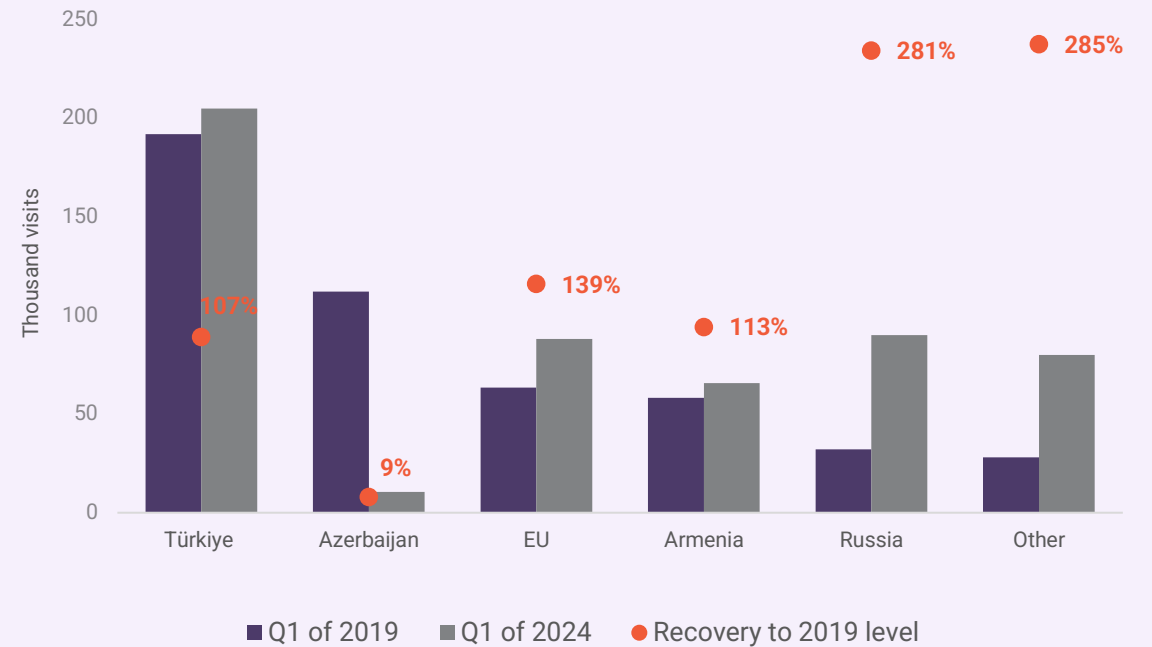
- **In Q1 of 2024, the top 5 countries of origin by the distribution of international visitors were Russia (30%), India (28%), Poland (12%), Israel (12%), and Kazakhstan (9%). Prometheus Cave and Tbilisi National Park were the top destinations** for visitors to Georgia's protected areas in Q1 of 2024, comprising 26% and 16% of the total visits, respectively.
- **Visits to protected areas are characterized by considerable seasonality.** The third quarter attracts the most visitors, averaging more than 50% of the total annual visits, while the first quarter has the fewest, averaging only 7%.

# Outbound Tourism

Outbound visits by Georgian Residents (Q1 of 2022-Q1 of 2024)



Outbound visits by countries in Q1 of 2024



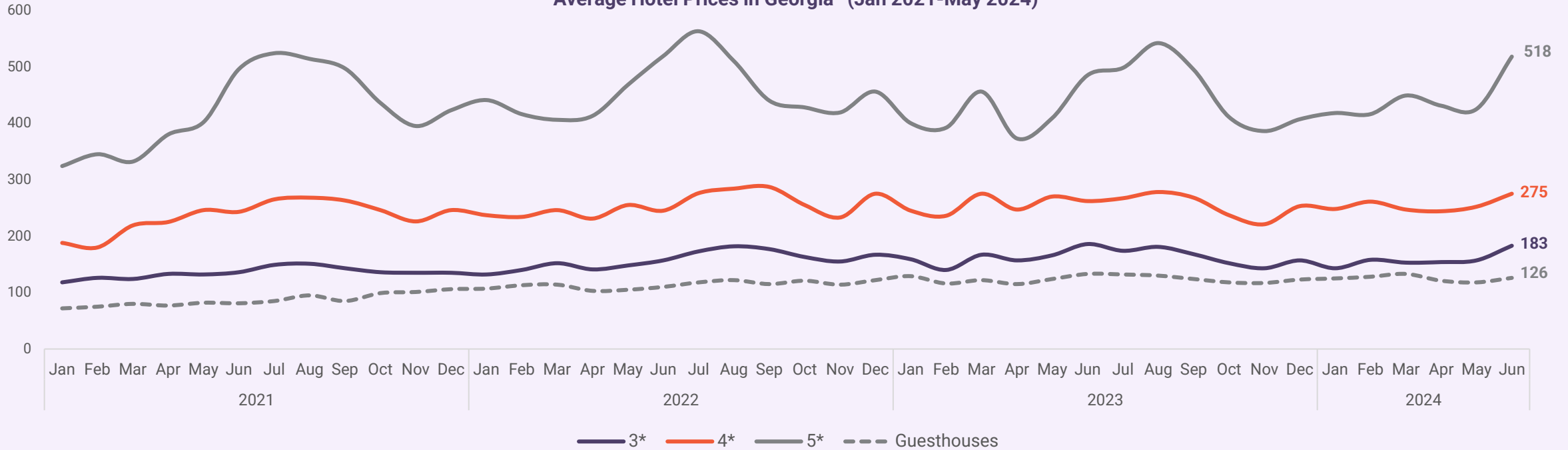
- In Q1 of 2024, the number of outbound visits made by Georgian residents amounted to 522 thousand, which is 16% higher compared to the corresponding period of 2023, and 8% higher than the pre-pandemic level in Q1 of 2019.
- In Q1 of 2024, 39% of outbound tourists chose Türkiye as their destination, followed by Russia (17%), the EU (16.3%), and Armenia (12%). Significant recoveries have been observed in the number of outbound trips to all destinations compared to pre-pandemic levels, except for Azerbaijan, where the figure in Q1 of 2024 was only 9% of what it was in Q1 of 2019, due to Azerbaijan's closure of its land border with Georgia.

- The expenditure of outbound visitors in the first quarter of 2024 reached 455 million, which is 27% higher than in Q1 of 2019 and 22% higher than in corresponding period of 2023. The expenditure distribution of different categories in total expenditure remained similar between the quarters, with most outbound tourists' expenditure going on shopping (35%), food and drink (21%), and transportation (19%).
- In Q1 of 2024, the primary purpose of outbound visit by Georgian citizens was to visit friends/relatives (35% of total visits), closely followed by shopping (34%). Compared to Q1 of 2019, the share of visitors citing professional reasons as their primary purpose decreased (-6 pp), while those focused on shopping increased (8pp).



# Hotel Prices in Georgia

Average Hotel Prices in Georgia\* (Jan 2021-May 2024)



- **Based on February 2024 data, in Georgia, there are 3,198 registered accommodation providers**, with the largest concentrations thereof in Samegrelo-Zemo Svaneti (19%), Tbilisi (17%), and Adjara (15%).
- **In Q1 of 2024, overall hotel prices in Georgia increased compared to the corresponding period of 2023.** This growth was mainly driven by rises in the guesthouse category (5% YoY) and the 5-star hotel category (3% YoY). However, over

the same period, there was a decrease noted in the average price for 3-star hotels, which fell by 2%.

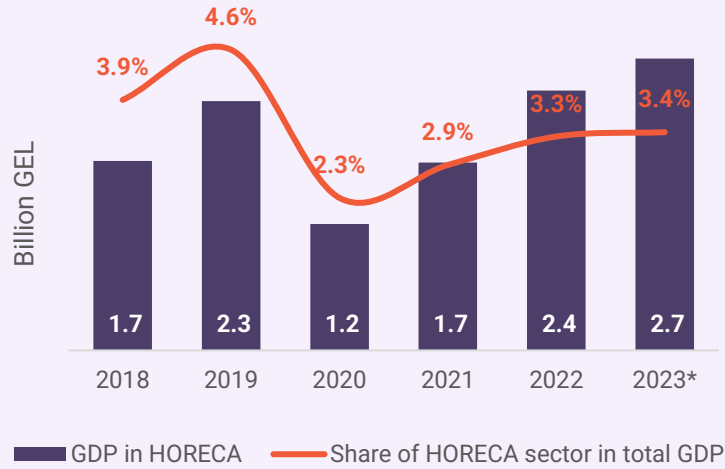
- **Hotel prices in Georgia are characterized by significant seasonality.** Indeed, the average prices in all categories exhibit seasonal patterns, increasing from May to September in particular, and again from December to March (albeit to a lesser degree).

\* 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

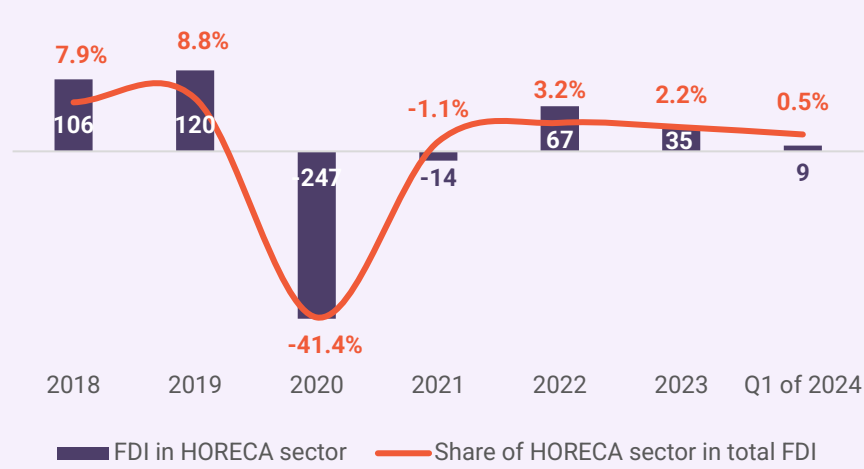
to random sampling principle. The study contains 71% (312) of all 3, 4 and 5-star hotels and 25% (456 guesthouses) of all guesthouses registered on www.booking.com.

# Economic Indicators in HORECA Sector

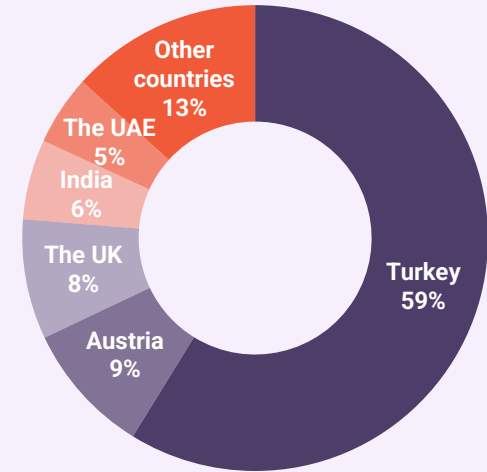
### GDP in Current Prices for HORECA Sector



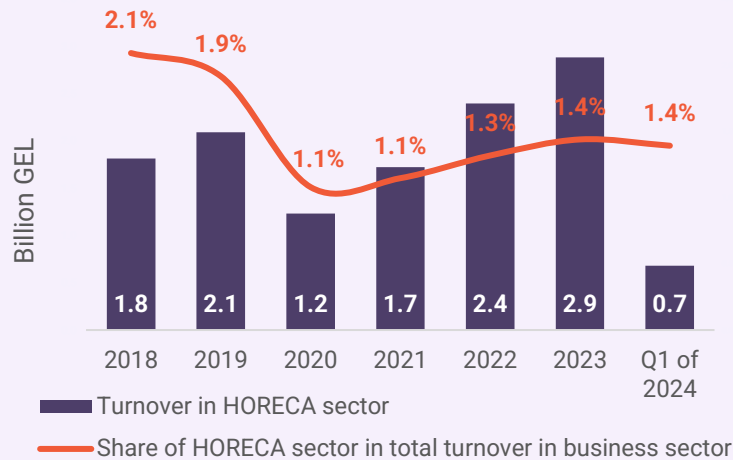
### Foreign Direct Investment in HORECA Sector



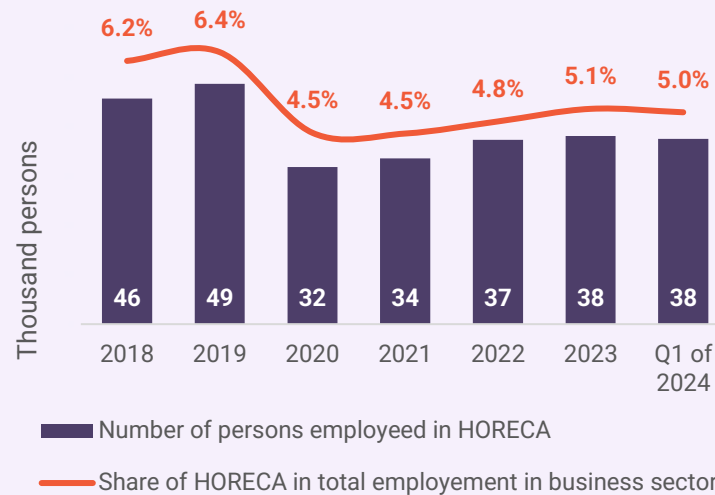
### FDI in HORECA Sector in 2023 by Countries



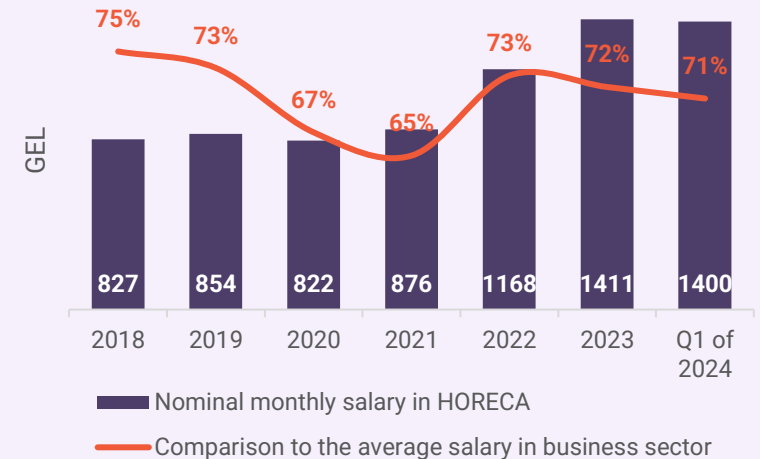
### Turnover in HORECA Sector



### Employment in HORECA Sector



### Average Monthly Nominal Salary of Employees in HORECA Sector



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## Additional Sources:

1 <https://pmcg-i.com/publication/sector-and-value-chain-analytics-2022/>

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