MONTHLY TOURISM UPDATE

March 2022

Georgia

Latest trends of international travel from Russia, Belarus, and Ukraine
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Summary

- In March 2022, the number of Russian, Belarusian and Ukrainian travelers entering country increased significantly and reached 45.1 thsd, 20 thsd and 16.9 thsd, respectively. The month over month (MoM) increase was especially high for Belarus (281%) and Russia (69%). Meanwhile, the exit from Georgia by Belarusian and Russian visitors has also shown a significant MoM increase.

- In March 2022, remarkable differences can be noticed between the number of entries and exits, indicating that significant part of the travelers, especially from Russia and Belarus, have not left the country.

- In March 2022, the travel receipts from Belarus and Russia showed MoM increase of 551% and 133%, respectively, which again strengthens the observation of the rapid inflow of travelers from Russia and Belarus.

- In March 2022, in Georgia the Hotel Price Index increased by 8.5% compared to February 2022, with the most prominent price increase in Tbilisi.

- The YoY HPI index in Georgia was equal to 14.9%, with the highest yearly price increase in Adjara.
The number of international travelers\(^1\) increased by 266.3% in March 2022, compared to the same period of 2021, and declined by 65.9% compared to the same period in 2019.

Meanwhile, the number of international visitors\(^2\) increased by 236.9% (2022/2021) and declined by 62.9% (2022/2019), and the number of international tourists\(^3\) increased by 210.6% (2022/2021) and declined by 51.5% (2022/2019).

In March 2022\(^4\), the top countries of origin of international visits were Turkey (42,421 visits), Russia (22,536 visits), and Armenia (21,990 visits).

For each of these countries, the recovery in number of visits was most significant for Armenia (56.4% of the March 2019 figure), followed by Turkey (48%) and Russia (22.9%).

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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 March 2022.
Since the Russian invasion of Ukraine on 24 February 2022 and the consequent imposition of sanctions on Russia and Belarus, a rapid inflow of international travelers into Georgia from Russia, Belarus, and Ukraine has been evident.

According to data collected by the Ministry of Internal Affairs, in March 2022 the number of Russian citizens to enter Georgia reached 45 100, which amounted to 18% of total entries into Georgia. Moreover, compared to the previous month, the number of entries by Russian citizens increased by 68.8%.

Meanwhile, entries by Belarusian citizens saw a dramatic 281.1% month-on-month increase, reaching 20,000 and amounting to 8% of total entries into Georgia.

The entries by Ukrainian citizens increased by 53.5% compared to February 2022 and reached 16,900, accounting for 6.8% of total entries.

However, the provided data does not cover how many citizens of given countries have crossed the border to leave the country (transit).
For the further analysis, the number of exits by international visitors for the first quarter of 2021 should also be taken into consideration, as the statistics from the National Statistics Office of Georgia are counted as international visitors leaving the country.

From the beginning of 2021, the number of exits by Russians, Ukrainians and Belarusians showed significant recovery. In January 2021, the exits by Russians reached 33% of the January 2019 figure, while for both Ukrainians and Belarusians this figure was equal to 60%.

However, in March 2022 the number of exits by Belarusians reached 5,300 (86% higher than March 2019), while the number of exits by Ukrainians reached 6,400 (51% lower than March 2019). Meanwhile, the number of exits by Russians reached 22,500 (77% lower than March 2019).

An observation of the monthly dynamics revealed that the exits by Ukrainians in March 2022 declined significantly by 26%, compared to February 2022. Meanwhile, the corresponding figure for Belarus increased by 53%, and there was an 8% rise for Russia.

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Source: Georgian National Tourism Administration (GNTA)
Another indicator which can be used to measure the inflow from the selected countries is the travel receipts from Russians, Belarusians and Ukrainians.

Travel receipts from Russians, Ukrainians and Belarusians and their share in total travel receipts (Q1 2022)

- In March 2022, travel receipts from Russians showed a significant increase (133%) compared to the previous month, reaching USD 34.3 mln.
- For Belarusians, the increase was even higher (551%), with income from receipts reaching USD 29.3 mln.
- The share of travel receipts from Russians (+6 pp) and Belarusians (+13 pp) also showed a significant month-on-month increase.
- In total, citizens of these two countries accounted for 37% of total travel receipts.
- Meanwhile, despite the increased receipts (by 40%) from Ukrainians, the share of Ukrainians in total travel receipts declined to 8%.

Source: National Bank of Georgia (NBG)
After the beginning of the war in Ukraine, the border crossing statistics have revealed significant differences in the number of entries and exits by Russians, Belarusians, and Ukrainians.

The number of entries and exits by Russians, Belarusians and Ukrainians (March 2022)

Conceding that there may be some possible statistical discrepancies, the number of entries into Georgia in March 2022 from the selected countries was considerably higher compared to the exits in the same month.

The difference is especially high for Russia, followed by Belarus and Ukraine. It should also be noted that March 2022 was the only month in Q1 2022 where such substantial differences could be observed.

Complementing this trend, the receipts from international travelers have risen, with significant monthly rises for Belarus and Russia, followed by Ukraine.

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6 Statistical discrepancies could be caused by the fact that the data on the number of exits reflect the exit of international visitors only, while the number of entries are counted for all citizens of given countries.
In March 2022, in Georgia the hotel price index increased by 8.5% compared to February 2022. The 3-star, 4-star and 5-star hotel price index increased by 7.5%, while for guesthouses, the price index increased by 4.0%.

The monthly price increase was most prominent in Tbilisi (14.6%). Meanwhile, in Mtsketa-Mtianeti prices has shown the most significant decline (-12.6%).

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<tbody>
<tr>
<td>Kakheti</td>
<td>-3.0%</td>
<td>16.5%</td>
<td>-1.5%</td>
<td>23.6%</td>
<td>-4.1%</td>
<td>11.2%</td>
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<tr>
<td>Imereti</td>
<td>2.5%</td>
<td>19.3%</td>
<td>2.0%</td>
<td>13.3%</td>
<td>3.1%</td>
<td>24.7%</td>
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<tr>
<td>Guria</td>
<td>-4.6%</td>
<td>7.2%</td>
<td>-4.6%</td>
<td>-22.6%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kvemo Kartli</td>
<td>0.0%</td>
<td>13.4%</td>
<td>-</td>
<td>28.6%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Adjara</td>
<td>9.0%</td>
<td>25.8%</td>
<td>5.9%</td>
<td>31.2%</td>
<td>19.1%</td>
<td>13.0%</td>
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<tr>
<td>Racha</td>
<td>-4.2%</td>
<td>8.5%</td>
<td>-</td>
<td>-</td>
<td>-4.2%</td>
<td>8.5%</td>
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<tr>
<td>Shida Kartli</td>
<td>0.0%</td>
<td>13.6%</td>
<td>0.0%</td>
<td>35.6%</td>
<td>0.0%</td>
<td>-4.8%</td>
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<tr>
<td>Samegrelo-Zemo Svaneti</td>
<td>-1.1%</td>
<td>-3.4%</td>
<td>-8.6%</td>
<td>-11.0%</td>
<td>4.6%</td>
<td>3.7%</td>
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<tr>
<td>Samtskhe-Javakheti</td>
<td>-3.0%</td>
<td>5.3%</td>
<td>0.7%</td>
<td>25.5%</td>
<td>-5.1%</td>
<td>-11.6%</td>
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<tr>
<td>Mtskheta-Mtianeti</td>
<td>-12.6%</td>
<td>16.9%</td>
<td>-15.3%</td>
<td>27.8%</td>
<td>-8.4%</td>
<td>5.3%</td>
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<tr>
<td>Tbilisi</td>
<td>14.6%</td>
<td>11.3%</td>
<td>16.0%</td>
<td>9.3%</td>
<td>3.5%</td>
<td>26.2%</td>
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<tr>
<td>Overall Price % Change</td>
<td>8.5%</td>
<td>14.9%</td>
<td>7.5%</td>
<td>16.6%</td>
<td>4.0%</td>
<td>19.0%</td>
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7 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.
In Georgia, the average cost of a room in a 3-star hotel was 152 GEL per night in March 2022, while the average cost of a room in a 4-star hotel in Georgia was 246 GEL per night and the average cost of a room in a guesthouse was 114 GEL per night.

The average cost of a room in a 5-star hotel in Georgia in March 2022 was 406 GEL per night. In Tbilisi, the average price was 574 GEL, followed by Kakheti - 451 GEL, Samtskhe-Javakheti - 373 GEL and Guria - 352 GEL.

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8 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 29% (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.

9 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family.

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### BASIC ECONOMIC INDICATORS IN GEORGIA

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<tbody>
<tr>
<td><strong>GDP in current prices for Accommodation and Food Service Activities (mln)</strong></td>
<td>1054.1</td>
<td>1437.5</td>
<td>1800.0</td>
<td>2223.0</td>
<td>1204.5</td>
<td>197.8*</td>
<td>452.2*</td>
<td>602.3*</td>
<td>472.0*</td>
<td>1724.4*</td>
<td>-</td>
</tr>
<tr>
<td><strong>Number of International Travelers (thousand persons)</strong></td>
<td>6720.0</td>
<td>7902.5</td>
<td>8679.5</td>
<td>9357.9</td>
<td>1747.1</td>
<td>134.7</td>
<td>351.3</td>
<td>815.4</td>
<td>579.8</td>
<td>1881.3</td>
<td>576.5</td>
</tr>
<tr>
<td><strong>Number of Tourists (thousand persons)</strong></td>
<td>3297.3</td>
<td>4069.4</td>
<td>4756.8</td>
<td>5080.5</td>
<td>1087.0</td>
<td>116.6</td>
<td>305.8</td>
<td>670.4</td>
<td>484.7</td>
<td>1577.5</td>
<td>456.0</td>
</tr>
<tr>
<td><strong>Revenue from International Travel (mln USD)</strong></td>
<td>2110.7</td>
<td>2704.3</td>
<td>3222.1</td>
<td>3268.7</td>
<td>541.7</td>
<td>53.6*</td>
<td>246.1*</td>
<td>566.0*</td>
<td>379.3*</td>
<td>1244.9*</td>
<td>393.7*</td>
</tr>
<tr>
<td><strong>The Expenditures of Georgian Travelers Abroad (mln USD)</strong></td>
<td>386.3</td>
<td>463.6</td>
<td>524.7</td>
<td>657.2</td>
<td>180.5</td>
<td>19.7*</td>
<td>37.1*</td>
<td>62.6*</td>
<td>64.5*</td>
<td>184.1*</td>
<td>-</td>
</tr>
<tr>
<td><strong>Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)</strong></td>
<td>120.0</td>
<td>109.5</td>
<td>82.3</td>
<td>123.4</td>
<td>-249.5</td>
<td>-0.9*</td>
<td>-1.4*</td>
<td>10.7*</td>
<td>0.7*</td>
<td>7.7*</td>
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* Preliminary data
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