



# MONTHLY TOURISM UPDATE

December 2023

Georgia

## Georgia: Outbound Tourism Dynamics (Q1-Q3 of 2023)



Research



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## Summary

- ❗ In Q1-Q3 of 2023, the number of outbound visits made by Georgian residents reached 1.6 million, marking a 42% rise compared to Q1-Q3 of 2022. Notably, the number of outbound visits almost recovered to the pre-pandemic level, reaching 95% of the corresponding period of 2019.
- ❗ In Q1-Q3 of 2023, a significant proportion of outbound visitors chose Türkiye (44%) as their destination, followed by the EU (15%), Armenia (15%), and Russia (12%). Throughout Q1-Q3 of 2023, the number of visits to Russia was the most pronounced since Q2, following Russia's decision to reinstate the visa-free regime for Georgian citizens and lifting the flight ban in May 2023.

- ❗ The expenditure of outbound visitors in Q1-Q3 of 2023 reached GEL 1.5 billion, which is 6% lower than in Q1-Q3 of 2019. A shift in expenditure distribution was observed in the covered period, with a significant increase in the share spent on shopping (+10 pp) and a decline in the share assigned to food and drink (-6 pp).

### Hotel Price Index

In December 2023, compared to December 2022, the Hotel Price Index (HPI) in Georgia decreased by 7.0%, with the yearly HPI at its lowest for the "3\*, 4\*, 5\* hotels" category (10.0%). Meanwhile, compared to November 2023, the HPI in December 2023 increased by 10.9%.

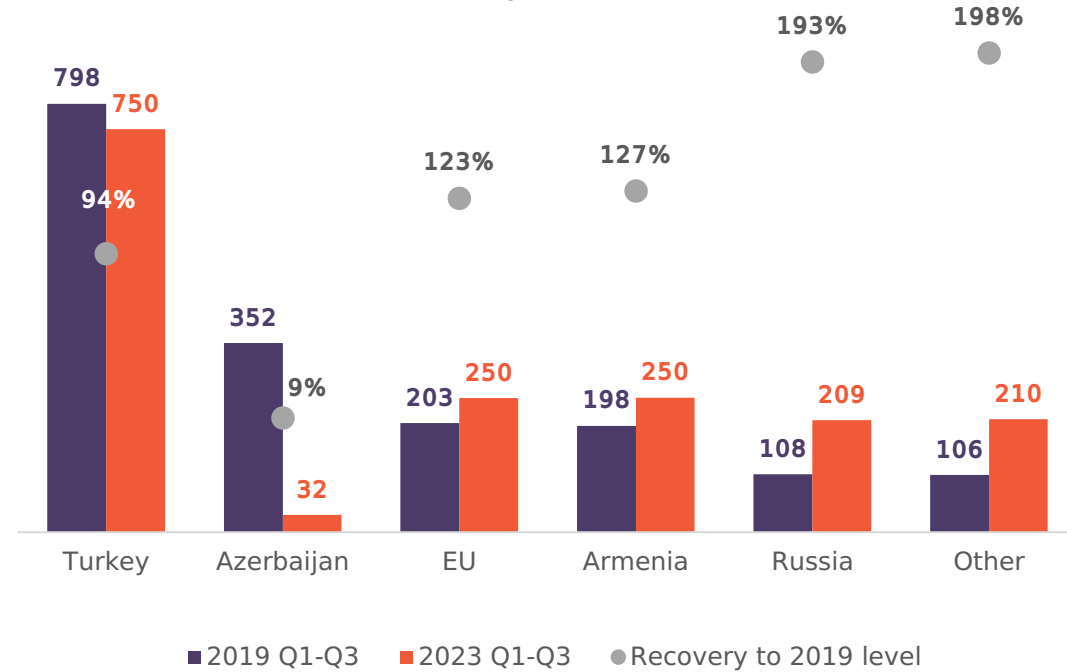
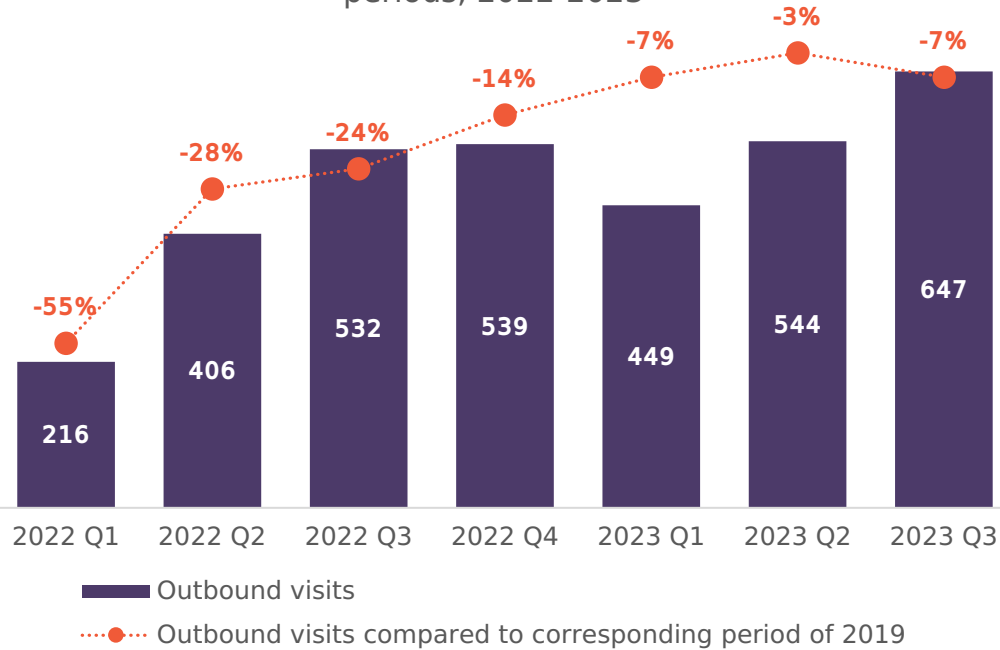


# OUTBOUND TOURISM DYNAMICS

Outbound visits by Georgian residents and their comparison with corresponding pre-pandemic (2019) periods, 2022-2023

Top 5 destination countries for outbound visits and their recovery to 2019 levels

Visits, thousands



Source: National Statistics Office of Georgia

**In Q1-Q3 of 2023, the number of outbound visits made by Georgian residents amounted to 1.6 million, which is 42% higher compared to Q1-Q3 of 2022 and 5% lower than the corresponding figure for the first three quarters of 2019.**

**In Q1-Q3 of 2023, nearly half of outbound visitors opted for Türkiye (44%) as their destination, followed by the EU (15%), Armenia (15%), and Russia (12%).** Notably, throughout Q1-Q3 of 2023, the number of visits to Russia was the most pronounced since Q2, following Russia's decision to reinstate the visa-free regime for Georgian citizens and lifting the flight ban in May 2023.

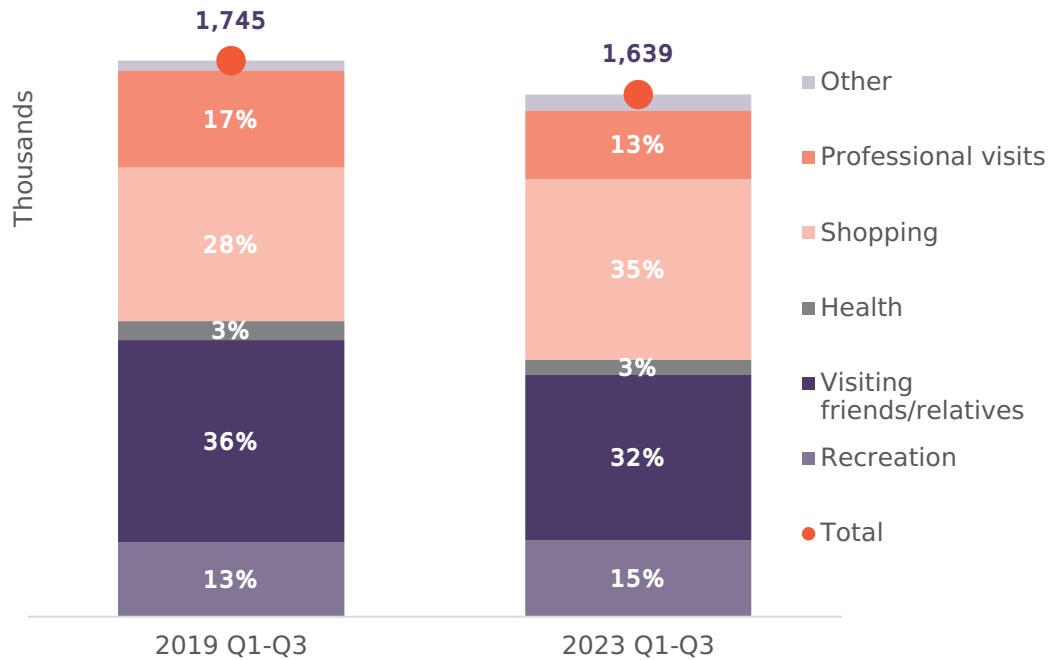
**The distribution of visits by destination country in Q1-Q3 of 2023 was largely consistent with previous periods, except for a notable decrease in the share of visits to Azerbaijan (-18.1 pp compared to Q1-Q3 of 2022).** This decline is mainly attributed to the strict land border closure maintained by Azerbaijan since the COVID-19 pandemic broke out.

**Interestingly, among outbound visitors, the number of visits to the United Arab Emirates increased.** In Q1-Q3 of 2023, the number of visits to the UAE rose by 46%, some of which may be attributed to Georgia's deepening trade ties with this country.

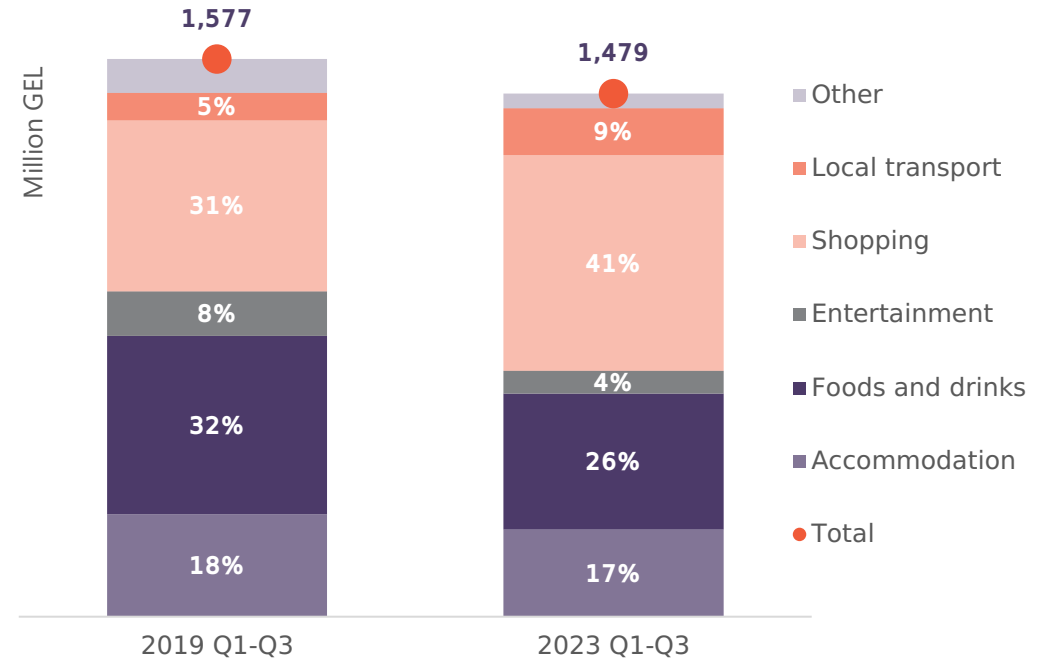


# OUTBOUND TOURISM INDICATORS

Main purpose of outbound visits



Expenditure distribution of outbound visitors



Source: National Statistics Office of Georgia

**The distribution of outbound visits by the main purpose of visit in Q1-Q3 of 2023 showed some differences compared to the corresponding period of 2019.** In Q1-Q3 of 2023, the share of visits with the purpose of seeing friends and relatives in total visits declined by 4 pp, which could be partially attributed to Azerbaijan keeping its land border with Georgia closed. Meanwhile, the share of visits taken for the purpose of shopping increased by 7 pp, making it the most popular purpose of outbound visit.

**The expenditure of outbound visitors in Q1-Q3 of 2023 reached GEL 1.5 billion, which is 6% lower than in Q1-Q3 of**

**2019.** A shift was observed in the expenditure distribution, with a pronounced increase in the share of shopping (+10 pp) and a drop in the share of food and drink in total expenditure (-6 pp).

**Despite an overall decrease in the expenditure of outbound visitors, the average length of visit continued to rise.** In Q1-Q3 of 2023, outbound visitors from Georgia spent, on average, 6.4 nights abroad, which is 65% more compared to the corresponding period of 2019. This notable increase could be partially due to the growing popularity of budget-friendly destinations among Georgians.



# HOTEL PRICE INDEX IN GEORGIA

In December 2023, in Georgia the hotel price index<sup>1</sup> increased by 10.9% compared to November 2023. The 3-star, 4-star, and 5-star hotel price index increased by 10.0%, while for guesthouses, the price index increased by 7.0%.

The monthly HPI was the highest in Samtskhe-Javakheti (25.1%) and the lowest in Samegrelo-Zemo Svaneti (0.0%).

In December 2023, compared to December 2022, hotel prices in Georgia decreased by 7.0%. The prices of 3\*, 4\*, 5\* hotels decreased by 10.0% and the prices of guesthouses decreased by 5.5%.

The yearly HPI was the highest in Guria (19.6%) and the lowest in Tbilisi (-11.5%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2023 Dec/ 2023 Nov	2023 Dec/ 2022 Dec	2023 Dec/ 2023 Nov	2023 Dec/ 2022 Dec	2023 Dec/ 2023 Nov	2023 Dec/ 2022 Dec
Kakheti	3.7%	3.5%	1.0%	1.8%	5.1%	4.4%
Imereti	4.4%	3.1%	4.1%	5.3%	4.7%	1.1%
Guria	6.9%	19.6%	6.9%	19.6%	-	-
Kvemo Kartli	-	-	-	-	-	-
Adjara	6.8%	-6.5%	4.5%	-7.1%	14.6%	-12.6%
Racha	0.9%	10.7%	-	-	0.9%	10.7%
Shida Kartli	6.6%	11.9%	-2.6%	4.7%	9.8%	19.5%
Samegrelo-Zemo Svaneti	0.0%	25.8%	1.9%	15.1%	-1.4%	35.8%
Samtskhe-Javakheti	25.1%	7.5%	25.2%	-16.8%	25.1%	27.6%
Mtskheta-Mtianeti	23.8%	-9.1%	35.6%	-17.5%	-1.4%	21.5%
Tbilisi	11.3%	-11.5%	11.8%	-11.7%	5.7%	-8.1%
<b>Overall Price % Change</b>	<b>10.9%</b>	<b>-7.0%</b>	<b>10.0%</b>	<b>-10.0%</b>	<b>7.0%</b>	<b>-5.5%</b>

<sup>1</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). 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.

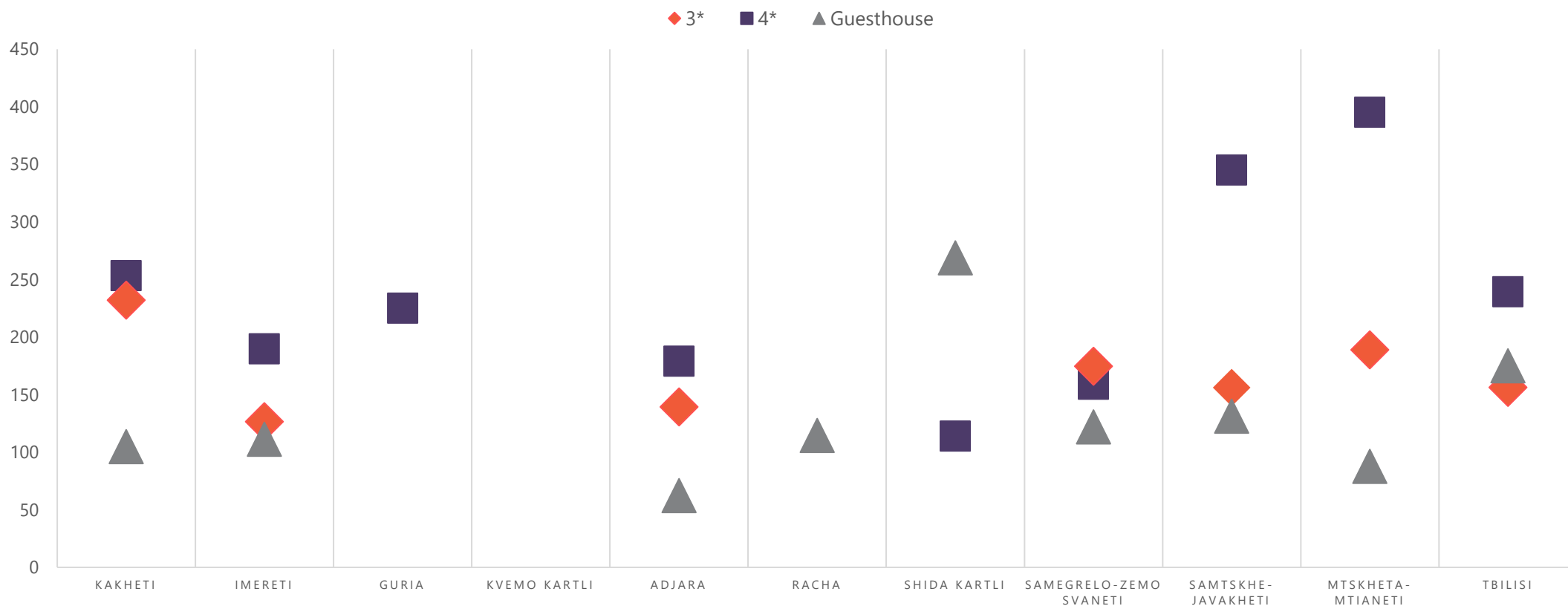


# THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room<sup>2</sup> in a 3-star hotel was **157 GEL** per night in December 2023, while the average cost of a room in a 4-star hotel in Georgia was **253 GEL** per night and the average cost of a room in a guesthouse<sup>3</sup> was **123 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in December 2023 was **407 GEL** per night. In **Kakheti**, the average price was 547 GEL, followed by **Tbilisi** – 529, **Guria** – 409, and **Adjara** – 325.

THE AVERAGE PRICES OF 3\*, 4\* STAR HOTELS AND GUESTHOUSES BY REGIONS (DECEMBER 2023, IN GEL)



<sup>2</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>3</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

	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2023	Q2 2023	Q3 2023
GDP in current prices for Accommodation and Food Service Activities (mln)	1800.0	2223.0	1204.5	1783.6	360.9	536.2	831.1	646.2	2374.5	436.8*	638.6*	878.4*
Number of International Travelers (thousand persons)	8679.5	9357.9	1747.1	1881.3	576.5	1049.4	2266.7	1534.3	5426.9	1208.5	1651.70	2706.9
Number of Tourists (thousand persons)	4756.8	5080.5	1087.0	1577.5	456.0	749.3	2082.6	948.8	3652.9	845.3	1085.2	1725.1
Revenue from International Travel (mln USD)	3222.1	3268.7	541.7	1244.9	393.7	748.80	1374.7	999.5	3516.6	795.4	1009.1*	1447.1*
The Expenditures of Georgian Travelers Abroad (mln USD)	524.7	657.2	180.5	184.7	72.2	103.5	118.6	114.3	408.6	105.0	126.0	149.3*
Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)	106.0	119.7	-246.6	-13.6	20.6	15.2	23.0	7.9	66.7	30.1*	-1.5*	19.7*

\* Preliminary data



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