

QUARTERLY TOURISM UPDATE

Georgia

Tourism Indicators in Q3 of 2024
Event and Music Tourism in Georgia

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Summary

- In Q3 of 2024, Georgia recorded 2.4 million international visits, marking a 2% increase compared to Q3 of 2023, but still only amounting to 86% of the figure for the corresponding period in 2019.
- **Russia (24%) and Türkiye (21%) were the main source countries of international visits to Georgia.** However, the number of visitors from Türkiye recorded a significant 13% YoY decline. In contrast, the biggest increases were in the number of visitors from China (65%) and Israel (36%).
- In Q3 of 2024, total visits from the EU reached 164,000, representing a 1% YoY decrease. Among EU countries, the highest number of visitors came from Germany (19%) and Poland (16%). However, the drop in the number of visitors from Poland was the largest of any EU source country.
- In Q3 of 2024, income from international travel reached US\$1.6 billion, equating to an 8% increase compared to Q3 of 2023. Visitors from Russia (19%) and EU countries (13%) were the leading contributors to total international travel income. In addition, EU countries also ranked among the top three in terms of income per visit (US\$1,274). Ahead of the EU, visitors from Israel (US\$1,421) and Saudi Arabia (US\$1,365) recorded the highest income per visit.
- In Q3 of 2024, there were 5.3 million domestic visits in Georgia, marking a 0.5% decrease compared to Q3 of 2023, and the first such decline since Q4 of 2022. However, domestic visitors' total expenditure increased by 12% YoY, reaching GEL 1.2 billion.
- Between July and September 2024, the average price of a room in Georgia was GEL 180 for a 3-star hotel (+3% YoY), GEL 278 for a 4-star hotel (+3% YoY), GEL 574 for a 5-star hotel (+12% YoY), and GEL 113 for a guesthouse (-12% YoY).

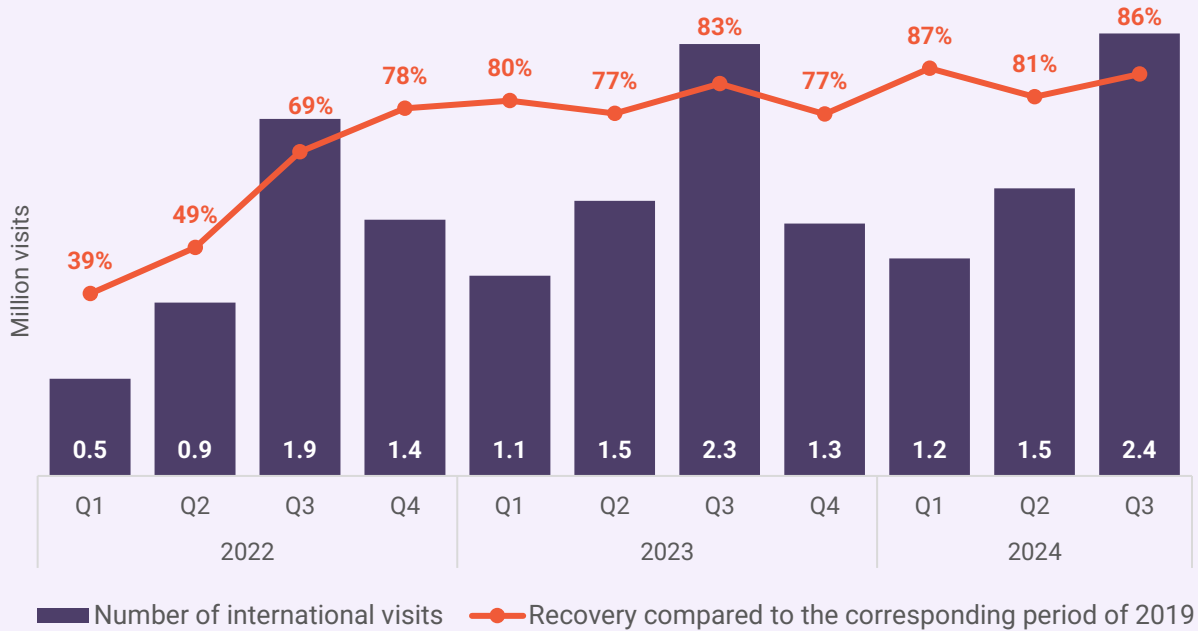
- In Q3 of 2024, there were 603,000 outbound visits made by Georgian residents, representing a 7% decrease compared to Q3 of 2023. This drop can be attributed to various factors such as rising travel costs, particularly in Türkiye, the top destination for Georgian outbound visitors, where inflation in August 2024 led to a 68% YoY increase in hospitality costs.

Event and Music Tourism

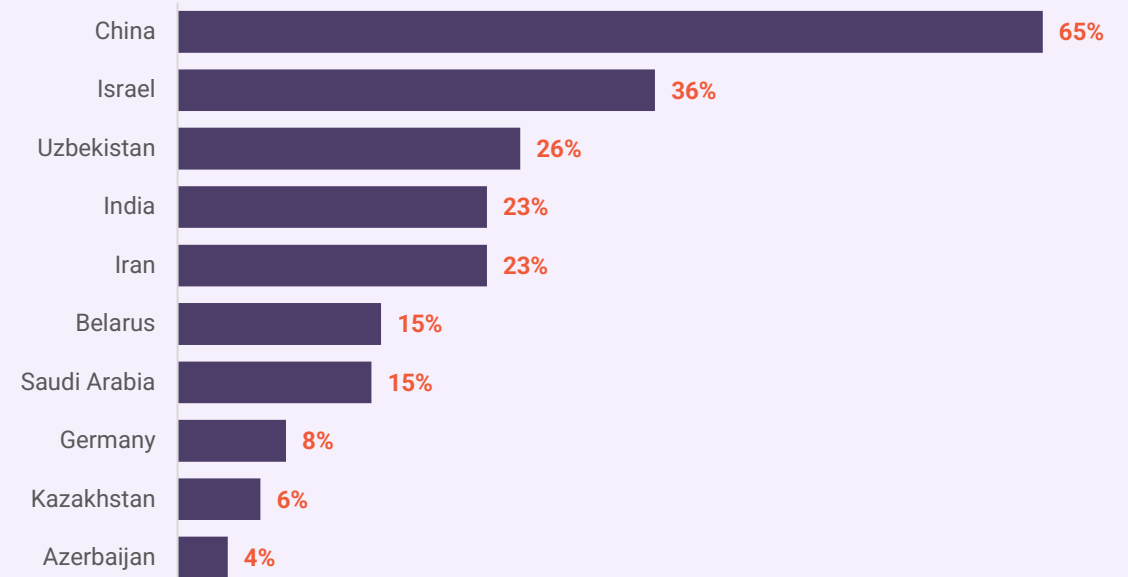
- **Event and music tourism includes participating in festivals, concerts, celebrations, and exhibitions.** Globally, the music tourism market, valued at USD 6.6 billion in 2023, is expected to exceed USD 13.8 billion by 2032.
- **Aligning with global patterns, event and music tourism is emerging as an increasingly prominent type of entertainment in Georgia.** The “Starring Georgia” series, launched in 2023 with a state subsidy of GEL 70 million to promote the country as a tourist destination, has hosted many renowned artists and bands.
- **Over two years, 125,000 people attended performances as part of “Starring Georgia”, including 18,750 tourists,** who collectively spent GEL 60 million in the country. Income generated from ticket sales for these performances amounted to GEL 21.4 million, with tourists contributing 16%.
- **The South Caucasus is home to large-scale venues for major music events, positioning the region as an emerging hub for global music tourism.** Georgia and Azerbaijan have venues of similar capacity. In this regard, Armenia lags behind.

International Tourism

Number of International Visits (Q1 of 2022 – Q3 of 2024)



Countries with the Highest Growth Rate in International Visits in Q3 of 2024 Compared to Q3 of 2023



- In Q3 of 2024, Georgia recorded 2.4 million international visits, marking a slight 2% rise compared to the figure for the corresponding period of 2023. Therefore, international visits remain below pre-pandemic levels, reaching only 86% of the total recorded during the corresponding period in 2019. Notably, the slight increase in international visits is primarily attributed to a 15% decrease in same-day trips, while overnight trips increased by 8%.
- In Q3 2024, Türkiye, one of the leading countries of origin for international visits to Georgia (21% of total visits), recorded a notable 13% decline in visits compared to the corresponding period in 2023. In contrast, Russia, the main country of origin for international visits (24%), recorded a 2% increase in visits.
- In Q3 of 2024, among the top 15 countries of origin for international visits to Georgia, the highest growth was recorded from China, with a 65% increase compared to the same period in 2023. Significant rises were also observed in the number of international visits from Israel (36%). In contrast, the largest declines were

seen in the number of visits from Poland (-31%) and Ukraine (-22%).

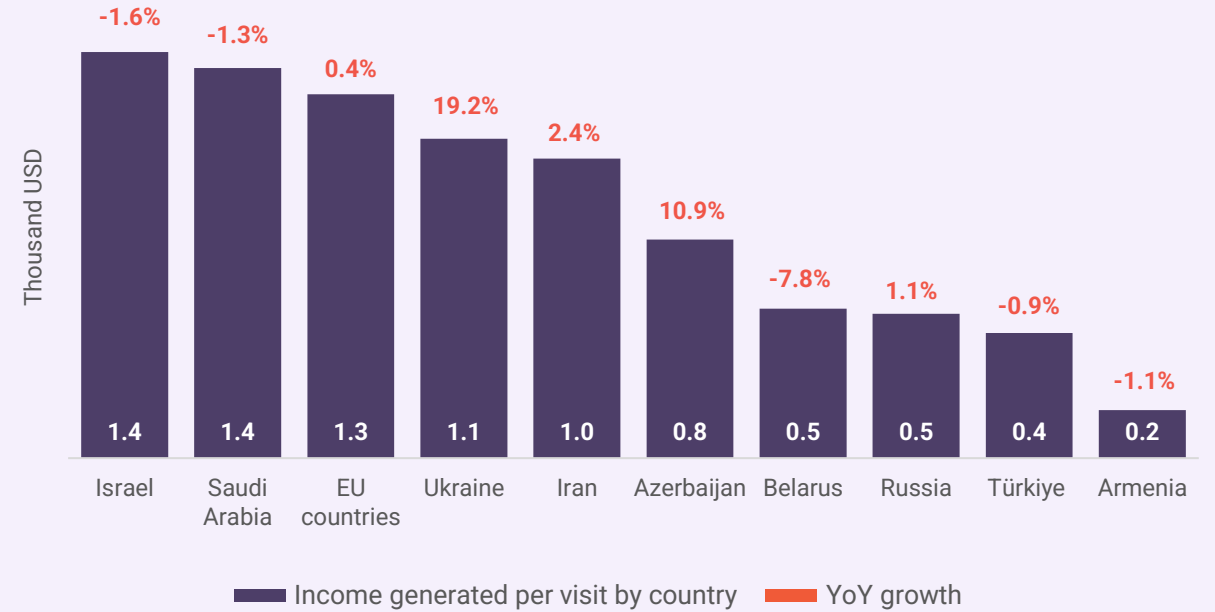
- In Q3 of 2024, total visits from EU countries reached 164,000, representing a 1% drop compared to the same period in 2023. Among EU countries, the highest number of visits was recorded from Germany (19%), Poland (16%), and France (7%). However, visits decreased from ten EU countries, with Poland experiencing the largest decline.
- Several major events were held in Georgia in Q3 of 2024 to promote international tourism and counter-balance the unfavorable trends. Notably, in July, the Georgian National Tourism Administration organized the international business tourism forum M&I Tbilisi 2024 to showcase the capital's tourism infrastructure and business potential.¹ Furthermore, in September 2024, Georgia officially embraced World Tourism Day for the first time, aiming to strengthen international awareness of the country as a tourist destination.²

International Tourism

Income from International Travel (Q1 of 2022 – Q3 of 2024)



Income Generated per Visit by Country in Q3 of 2024



- In Q3 of 2024, income from international travel amounted to US\$1.6 billion, representing an 8% increase compared to Q3 of 2023.
- In terms of nationality, the highest proportion of income from international visitors in Q3 of 2024 came from Russia (19% of total income), followed by EU countries (13%), and Türkiye (12%). However, with regard to income generated per visit, Israel (US\$1,421 per visit), Saudi Arabia (US\$1,365 per visit), and EU (US\$1,274) were the top three contributors.

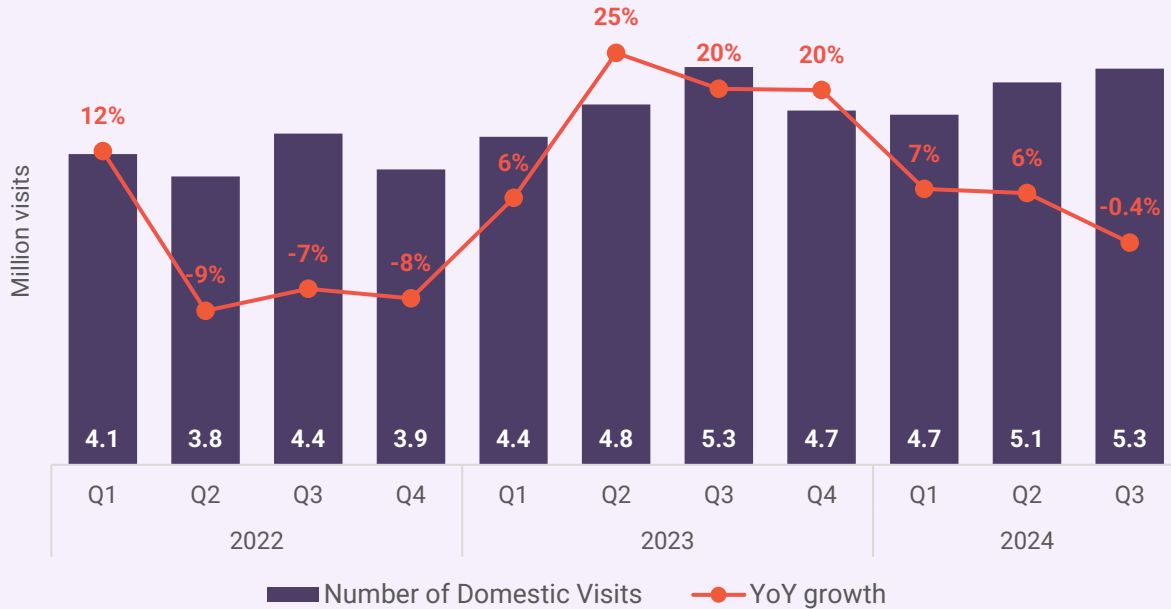
- In Q3 of 2024, international visitors spent most on accommodation (38%), followed by food and drink (25%). Notably, in Q3 of 2024, the share of spending on accommodation decreased by 4 pp, while the share spent on food and drink increased by 6 pp, surpassing shopping to become the second-largest expenditure category.

* According to the National Bank of Georgia, as of 30 September 2024, 22.6% of Belarusian citizens, 18.8% of Russian citizens, and 23.7% 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)

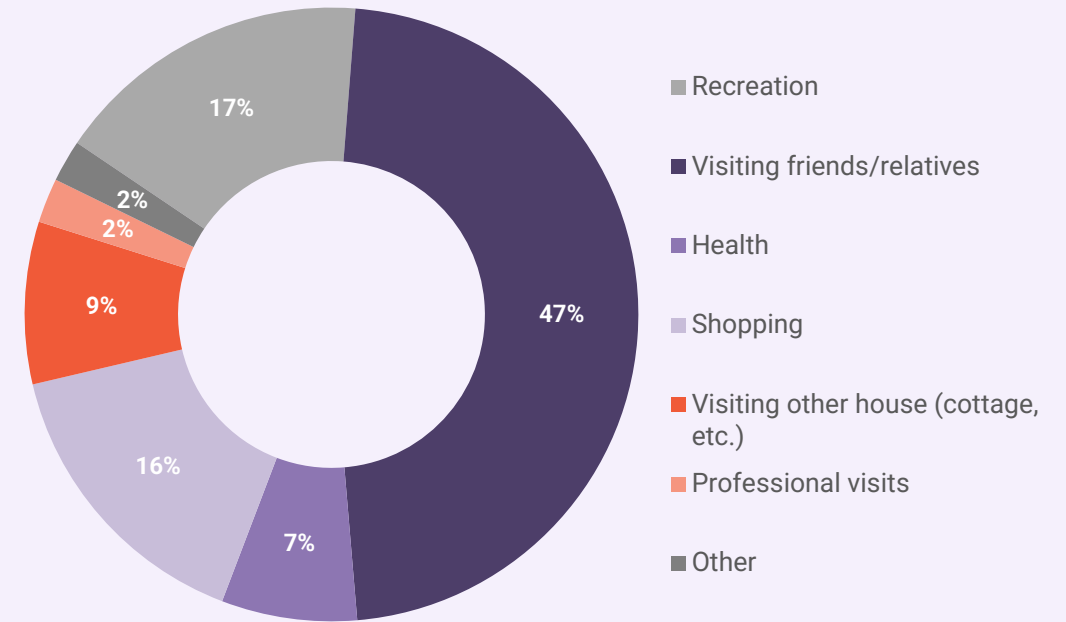
methodology, such individuals are treated as Georgian residents, and thus their spending is not included in the calculations of income from international travel.

Domestic Tourism

Domestic Visits by Georgian Residents (Q1 of 2022 – Q3 of 2024)



Purpose of Visits by Domestic Visitors in Q3 of 2024

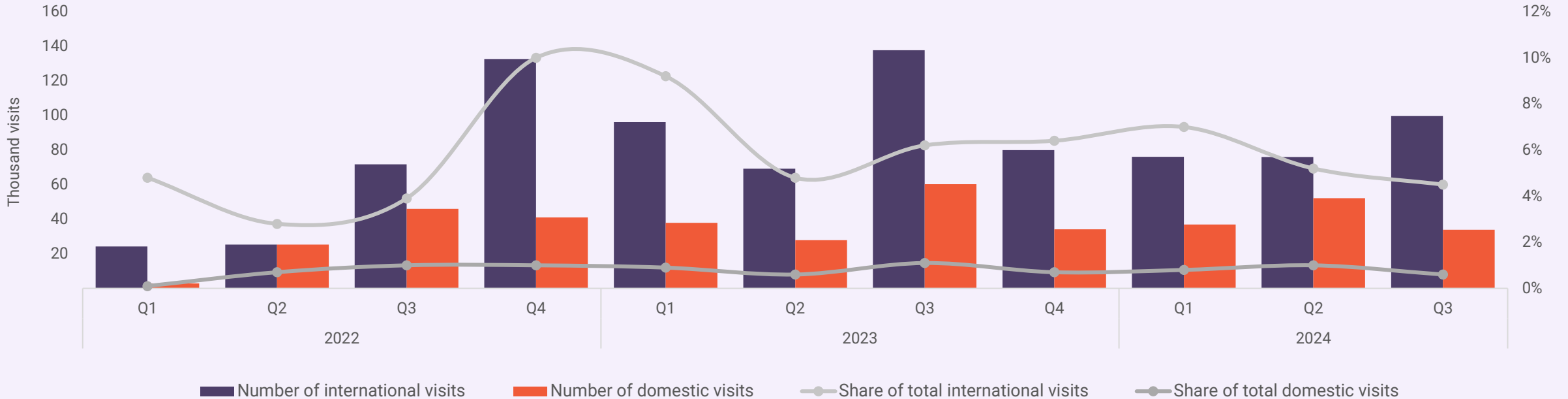


- In Q3 of 2024, the number of domestic visits amounted to 5.3 million, reflecting a slight 0.5% decrease compared to the same period in 2023, marking the first such decline since Q4 of 2022.
- The distribution of domestic visitors by region in Q3 of 2024 was similar to that of the corresponding period in 2023. Tbilisi remained the primary destination for domestic visits, accounting for 20% of total visits, followed by the regions of Imereti (17%) and Adjara (14%).
- The main purpose of visit for domestic visitors in Q3 of 2024 was “visiting friends and relatives” (47%), followed by “recreation” (17%) and “shopping” (16%). Notably, in Q3 of 2024,

- the share of visits for “shopping” decreased by 2 pp, while visits for “recreation” increased by 4 pp, surpassing “shopping” to become the second-most popular purpose of domestic visit.
- In Q3 of 2024, domestic visitors’ total expenditure amounted to GEL 1.2 billion, representing a 12% increase compared to Q3 of 2023. The distribution of total expenditure remained similar to the same period of the previous year, with shopping (32%), food and drink (30%), and transportation (19%) being the main categories. Of note, the average expenditure per visit by domestic visitors reached GEL 256.0, representing a 24% increase compared to the same period in 2023.

Event and Music Tourism

Number of International Visits to Attend Concerts, Festivals, Exhibitions*, or Theater, or to Participate in Local Holidays (Q1 of 2022 – Q3 of 2024)



- **Event and music tourism involves attending or participating in events, including festivals, concerts, celebrations, and exhibitions.**³ Music tourism is one of the fastest-growing types of tourism globally. Notably, as of 2023, the music tourism market in particular is valued at USD 6.6 billion and is anticipated to exceed USD 13.8 billion by 2032.⁴
- **Following global trends, event and music tourism is emerging as an increasingly prominent type of entertainment in Georgia.** The country hosts a diverse range of entertainment, including world-class music concerts, eco festivals, as well as jazz and traditional arts events. Its notable events have included international and local artist performances at the Black Sea Arena,

Tbilisi Open Air (one of Georgia's most popular modern music festivals), and ART-GENE FEST (a major celebration of traditional music, dance, and crafts).⁵

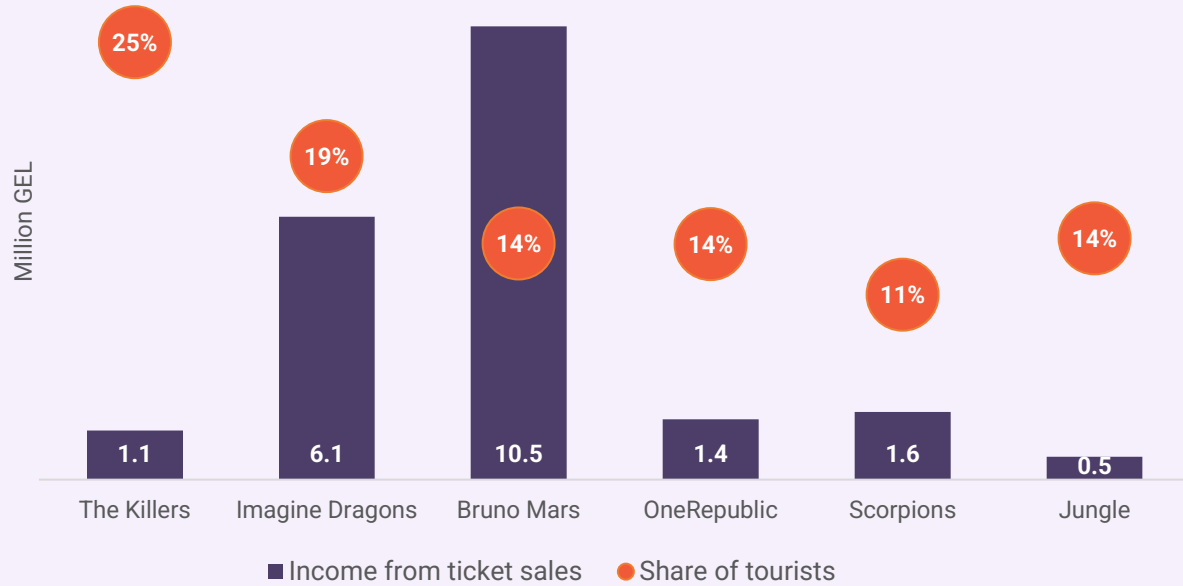
- **In Q3 of 2024, international visits involving concerts, festivals, exhibitions, cinemas, theatrical shows, or participation in local holidays in Georgia reached 99,700** (5% of total international visits), while domestic visits amounted to 33,900 (0.6% of total domestic visits). In Q3 of 2024, the estimated income linked to international visitors who attended concerts, festivals, exhibitions, cinemas, theatrical shows, or participated in local holidays amounted to US\$66.1 million, representing a 24% decrease compared to Q3 of 2023.^{**}

* Attending exhibitions does not refer to visiting museums, as the latter is a separate activity. ** The revenue per visit was first calculated by dividing the total revenue from international travel by the number of international visits. The revenue from these

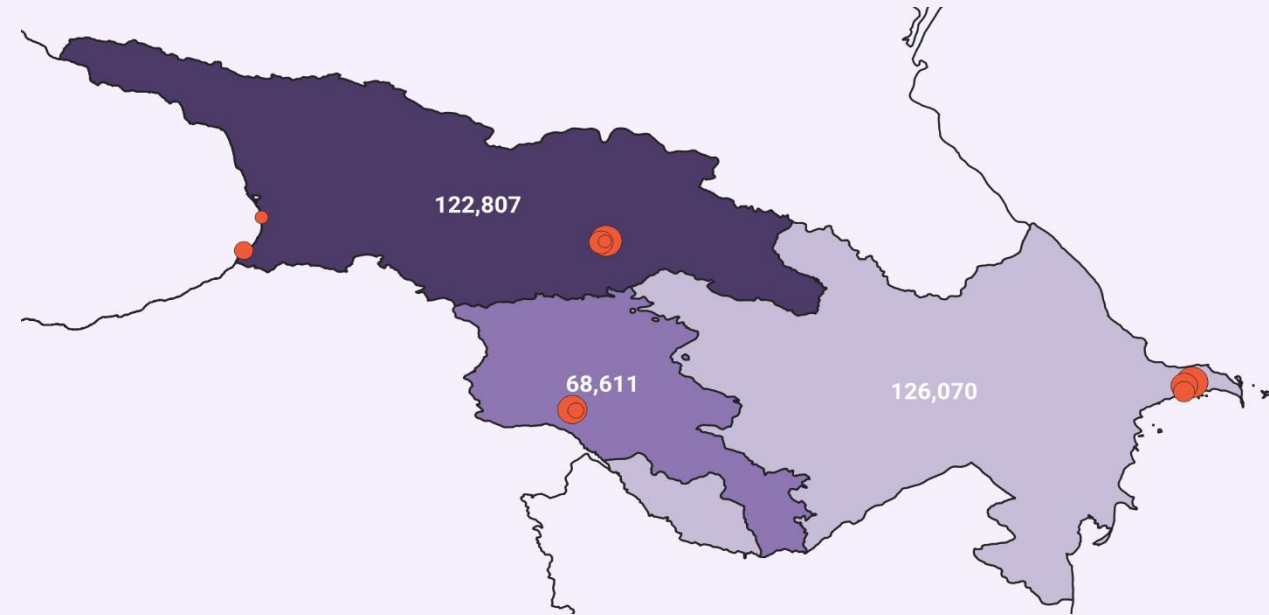
activities was then determined by multiplying the revenue generated per visit by the number of international visits associated with these activities.

Event and Music Tourism

Income from Ticket Sales for Performances as Part of “Starring Georgia”



Total Venue Capacity for Large-scale Music Events in the Region (Person)*

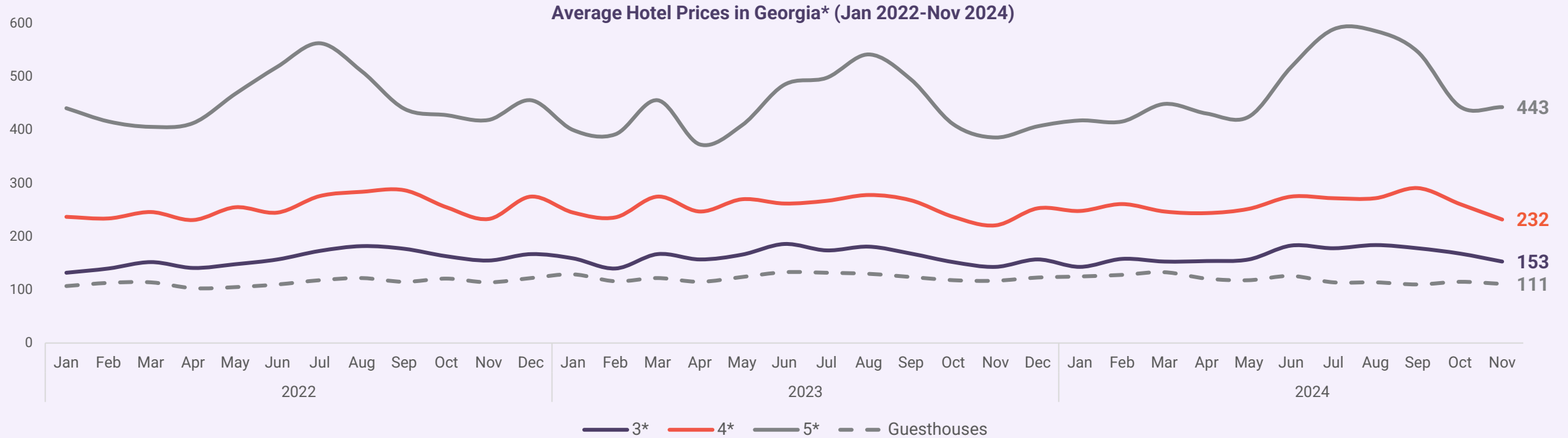


- The highest number of international visits involving concerts, festivals, exhibitions, cinemas, theatrical shows, or participation in local holidays was recorded in Q3 of 2023, likely due to “Starring Georgia,” a series of shows launched in 2023 to promote the country as a tourist destination. Eight events were held across five locations as part of its two-year large-scale music campaign; for instance, in August 2023, the renowned band Imagine Dragons took the stage.
- In August 2024, “Starring Georgia” reported that, a total of 125,000 people attended concerts over two years, including 18,750 tourists, who collectively spent GEL 60 million in the country.⁶ Income generated from ticket sales for these performances amounted to GEL 21.4 million, with tourists contributing 16%. The concerts were held at various venues, including the Black Sea Arena, Mikheil Meskhi Stadium, Dinamo Arena, and The Social Space.

- “Starring Georgia” received a state subsidy of GEL 70 million. However, according to the 2023 financial report, this initiative was not profitable: organizational costs totaled GEL 37 million, while ticket sales generated GEL 15 million and sponsorship income amounted to GEL 3 million.⁷
- The South Caucasus is home to several large-scale venues hosting major music events, attracting tourists, and positioning the region as an emerging hub for global music tourism. While Georgia and Azerbaijan have venues of relatively similar capacity, Armenia is less equipped. Notably, Azerbaijan has the largest venue in the region, Baku Olympic Stadium, which has a capacity of 69,870.⁸
- Georgia has significant potential to develop event and music tourism. However, a stable political situation is crucial, as demonstrated by the cancellation of the Massive Attack concert initially scheduled for July 2024 due to the political instability in May following the Georgian government’s passing of the “Law on Transparency of Foreign Influence.”⁹

* The total venue capacity for large-scale music events in each country is calculated based on different sources and may not be entirely accurate.

Hotel Prices in Georgia

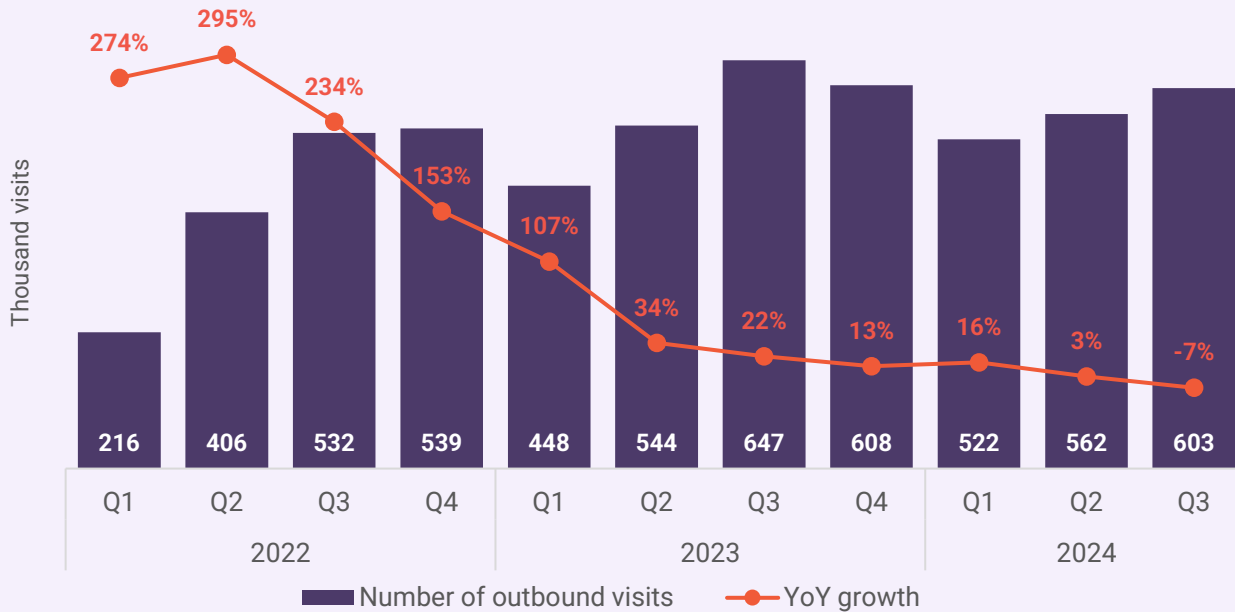


- Based on February 2024 data, there are 3,198 registered accommodation providers in Georgia, with the largest concentrations thereof in Samegrelo-Zemo Svaneti (19%), Tbilisi (17%), and Adjara (15%).
- According to March 2024 data, the number of hotel rooms in Georgia currently stands at 53,759, with 128,015 beds. There are plans to open 22 branded hotels across the country between 2024 and 2028, which will increase the number of rooms by 2,865 (a 5.3% rise) and the number of beds by 5,550 (a 4.3% rise).¹⁰

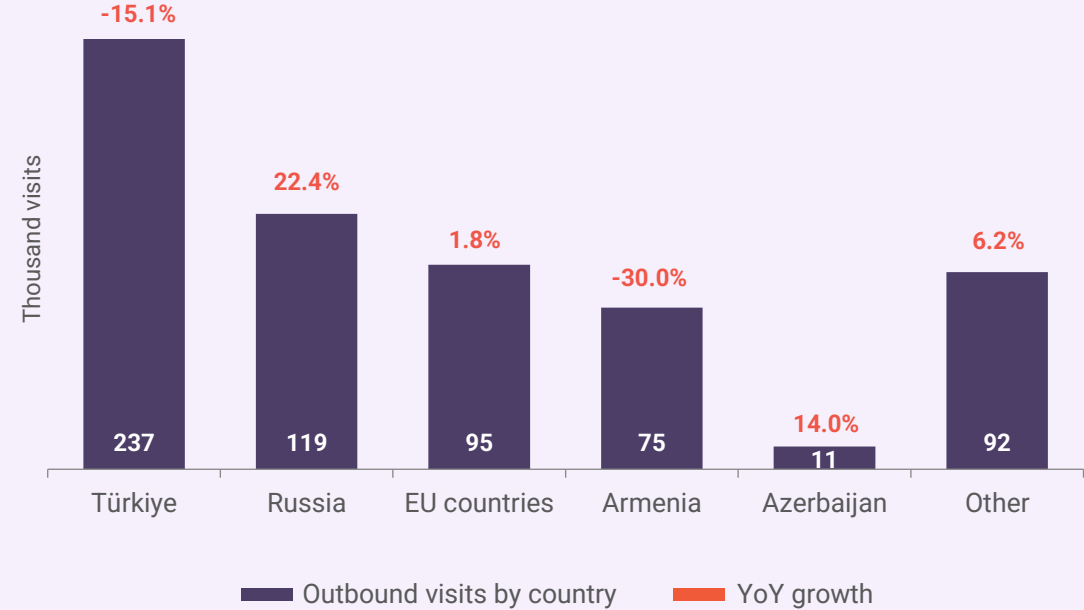
- Between July and September 2024, the average price of a room in Georgia was GEL 180 per night for a 3-star hotel, representing a 3% increase compared to the corresponding period in 2023. The average price was GEL 278 for a 4-star hotel (3% YoY) and GEL 574 for a 5-star hotel (12% YoY). In contrast, the average price for a room in a guesthouse was GEL 113 per night, declining by 12% YoY.

Outbound Tourism

Outbound Visits by Georgian Residents (Q1 of 2022-Q3 of 2024)



Outbound Visits by Country in Q3 of 2024

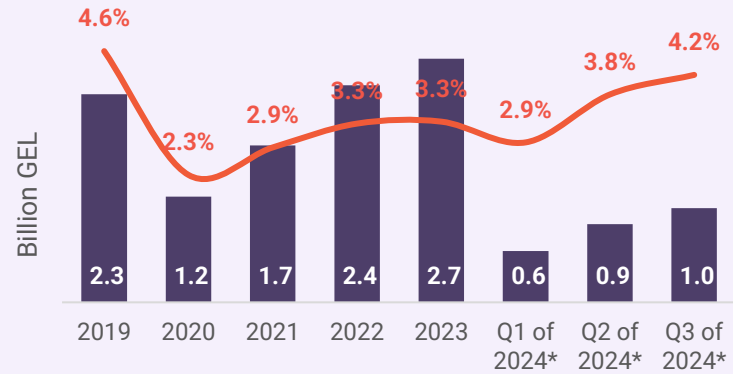


- In Q3 of 2024, the number of outbound visits made by Georgian residents amounted to 603,000, representing a 7% decrease compared to the same period in 2023 and the first such decline since Q2 of 2021. This drop can be attributed to several factors, including rising travel costs. Notably, in Türkiye, the most popular destination for outbound visitors from Georgia, inflationary pressures in August 2024 led to a 68% YoY increase in hospitality sector costs.¹¹ In addition, business representatives suggest that the unusually high number of outbound visits in previous periods, especially during UEFA EURO 2024, contributed to the scale of the subsequent decline.¹²
- In Q3 of 2024, 38% of outbound visitors chose Türkiye as their destination, followed by Russia (19%), EU countries (15%), and Armenia (12%). Notably, outbound visits to Türkiye and Armenia decreased significantly by 15% and 30%, respectively, while the number of visits to Russia (22%), EU countries (2%), and Azerbaijan (14%) increased compared to the same period in 2023.

- In Q3 of 2024, the expenditure of outbound visitors reached GEL 676 million, representing a 14% increase compared to the same period in 2023. Most of their expenditure went on shopping (34%), followed by food and drink (29%) and accommodation (20%).
- In Q3 of 2024, the primary purposes of outbound visits made by Georgian residents were “to visit friends or relatives” and “shopping,” each accounting for 32% of total visits. Compared to Q3 of 2023, the share of visitors citing “recreation” as their primary purpose of outbound visit increased (3 pp), while the proportion of those traveling for “shopping” decreased (-2 pp).

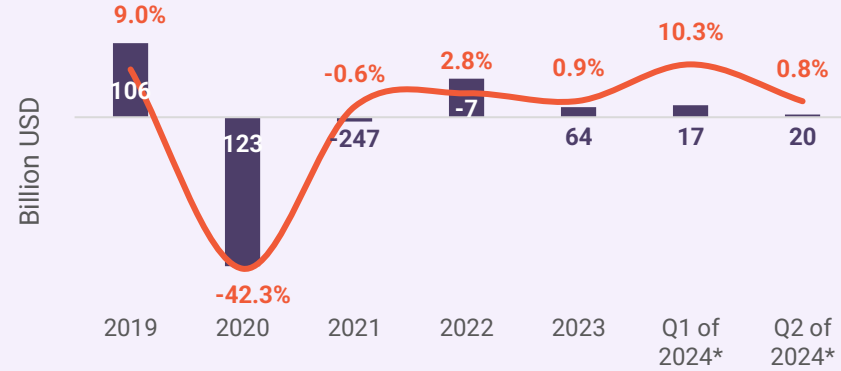
Economic Indicators in the HORECA Sector

GDP in Current Prices for the HORECA Sector



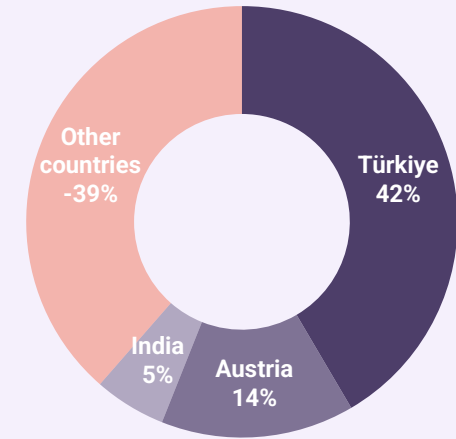
■ GDP in HORECA sector — Share of HORECA sector in total GDP

Foreign Direct Investment in the HORECA Sector

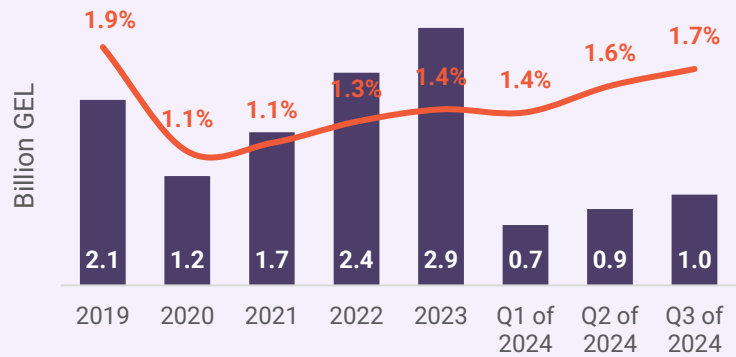


■ FDI in HORECA sector — Share of HORECA sector in total FDI

FDI in the HORECA Sector in 2023 by Country

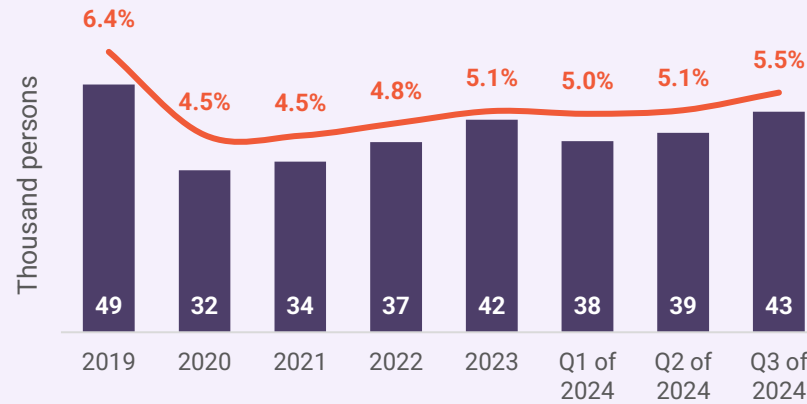


Turnover in the HORECA Sector



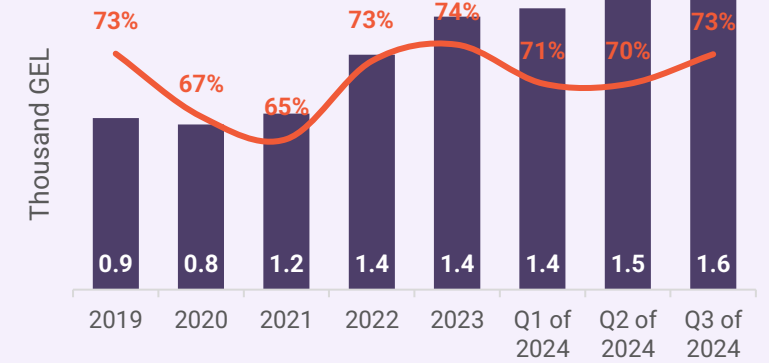
■ Turnover in HORECA sector — Share of HORECA sector in total turnover in business sector

Employment in the HORECA Sector



■ Number of persons employed in HORECA sector — Share of HORECA sector in total employment in business sector

Nominal Monthly Salary of Employees in the HORECA Sector



■ Nominal monthly salary in HORECA sector — Comparison with average salary in business sector

* The data are preliminary and will be revised later.

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