MONTHLY TOURISM UPDATE

June 2022

Georgia

International Travel Dynamics Since the Beginning of 2022

Research

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Summary

- Since the outbreak 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.** In May 2022, the gap between the number of entries and exits declined significantly with the number of exists increasing significantly for Ukrainians, while in the same month, for Russians and Belarusians, the number of exits exceeded the number of entries.

- In June 2022, **the number of visits to Georgia from Russia** reached 90,239, which amounts to 23% of the total visits to the country that month, which is 8pp higher compared to the average of the previous five months of 2022.

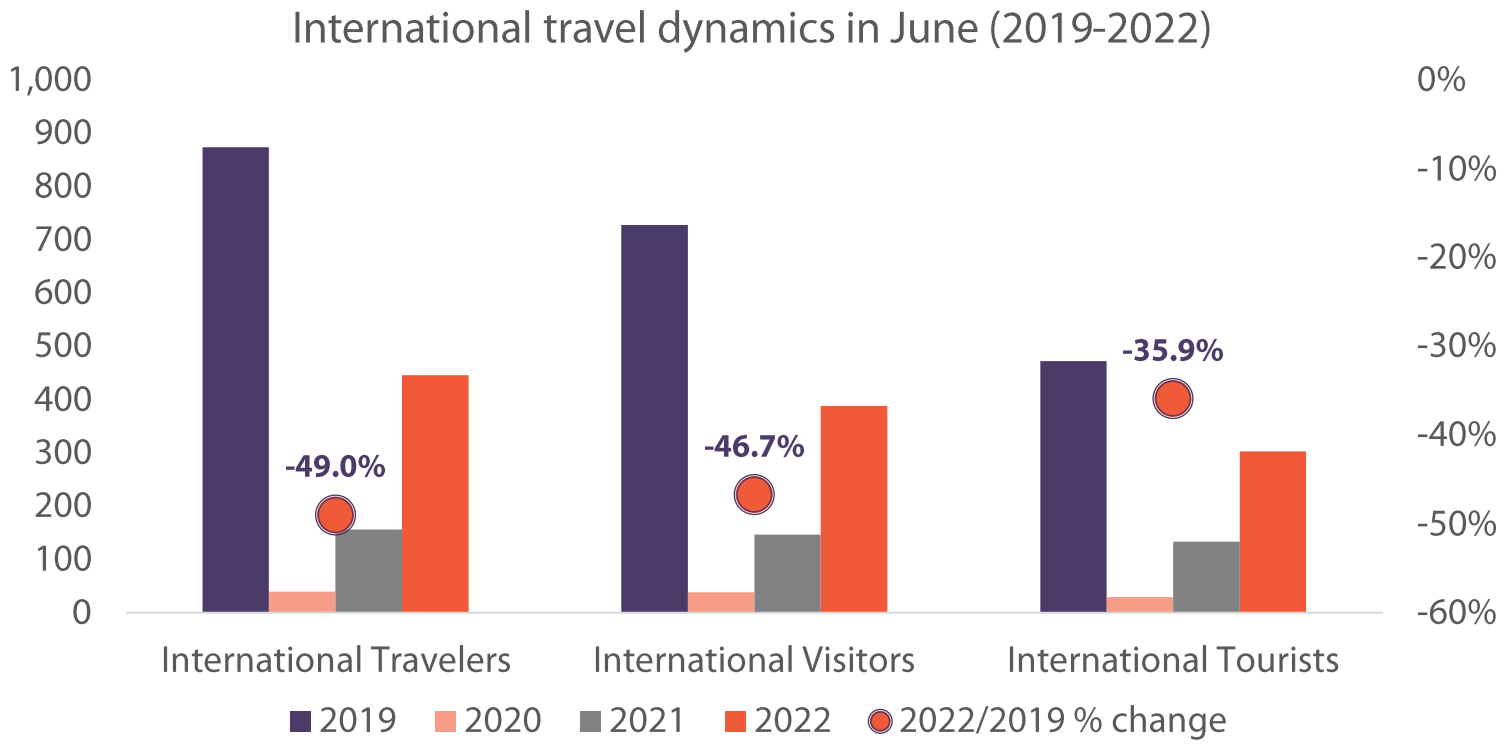
- Since the beginning of the war in Ukraine, **travel receipts** from **Russia** have shown a significant increase, while in March 2022 receipts from **Belarus** experienced a drastic jump of 552% compared to February 2022 and this high level has been maintained for the following three months.

- In June 2022, in Georgia, **the Hotel Price Index (HPI)** increased by 7.5% compared to May 2022, while compared to June 2021, the HPI increased 10.2%.

INTERNATIONAL TRAVEL DYNAMICS

- The number of **international travelers**[1] increased by 185.5% in June 2022, compared to the same period of 2021, and declined by 49% compared to the same period in 2019.

- Meanwhile, the number of **international visitors**[2] increased by 164.4% (2022/2021) and declined by 46.7% (2022/2019), and the number of **international tourists**[3] increased by 126.7% (2022/2021) and declined by 35.9% (2022/2019).



Source: Georgian National Tourism Administration (GNTA)

- In June 2022[4], the top countries of origin of international visits were **Russia** (90 239 visits), **Turkey** (62 192 visits), and **Armenia** (61 974 visits).

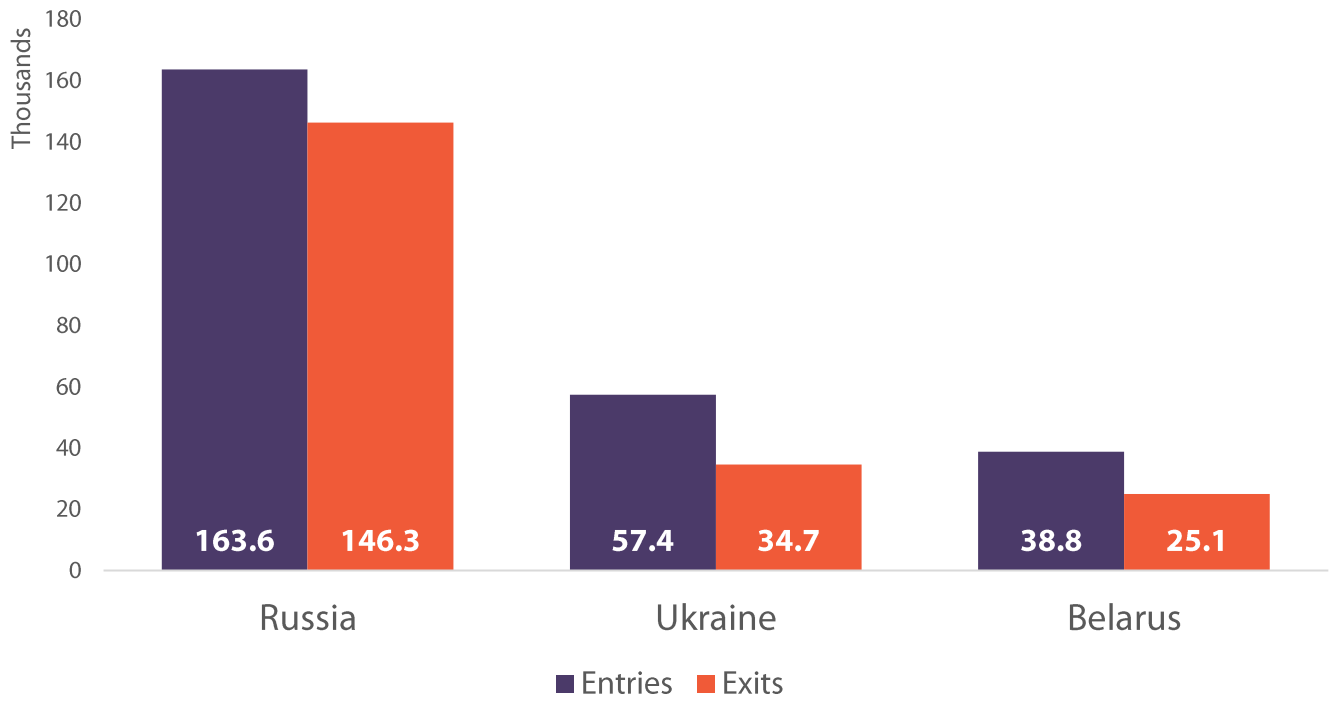
- Among the major tourism markets, the number of international visits from **Uzbekistan** (283.4%), **Belarus** (85%), and **Kazakhstan** (50.6%) significantly exceeded the pre-pandemic figure (June 2019). Besides, the number of international visits from **Israel** (-0.7%) and **Saudi Arabia** (-3%) has almost returned to the pre-pandemic figure.

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.

ENTRIES AND EXITS OF RUSSIANS, BELARUSIANS, AND UKRAINIANS

- Since the outbreak of the war in Ukraine, the border crossing statistics have shown **significant differences in the number of entries and exits by Russians, Belarusians, and Ukrainians.** However, in May 2022, the gap between the number of entries and exits declined significantly for Ukrainians as the number of exits increased, while entries declined compared to previous month. Moreover, for Russians and Belarusians, the number of exits exceeded the number of entries in May 2022.

The number of entries and exits by Russian, Belarusian and Ukrainians (sum of March-May 2022)



Source: Georgian National Tourism Administration (GNTA), Ministry of Internal Affairs

- In May 2022, there were approximately 20,500 fewer entries from **Russia** compared to exits, while the corresponding figure for **Belarus** was around 1,700. This development could be attributed to a significant number of travelers from Russia and Belarus returning to their home countries in May 2022 due to slightly improved expectations regarding the economic situation in Russia and Belarus.

- On the other hand, throughout March-May 2022, the total number of **entries into Georgia by Russians, Ukrainians, and Belarusians still considerably exceeded the number of exits**[5].

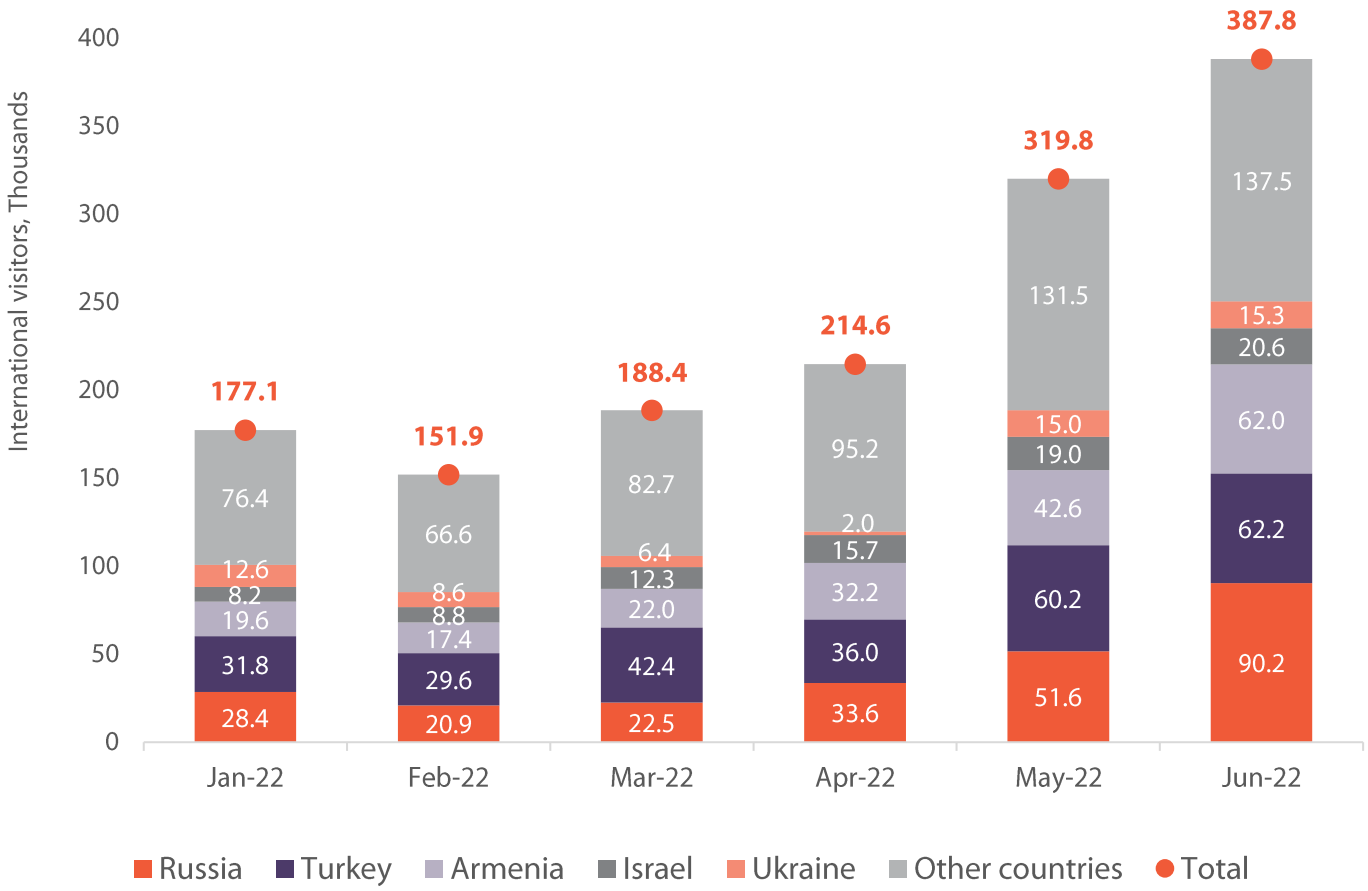
- **The difference (i.e. more entries than exits) was especially high for Ukrainians in this period**, in contrast with previous months when this difference was highest for Russians. A significant proportion of travelers from the three selected countries have not left Georgia since arriving.

5 Statistical discrepancies could be caused by the fact that the data on the number of exits reflects the exit of international visitors only (please, refer to footnote 2) and is provided by the National Tourism Administration (GNTA). While the number of entries is counted for all citizens of given countries and is provided by the Ministry of Internal Affairs.

INTERNATIONAL VISITS BY COUNTRIES

- In 2022, a significant **recovery** in international tourism has been visible so far. The return to the pre-pandemic values of 2019 has been gradual and in June 2022 international visits to Georgia reached 387,781, which is **more than half (53%) of the corresponding figure for 2019.**

Number of international visits by countries (Jan-June 2022)



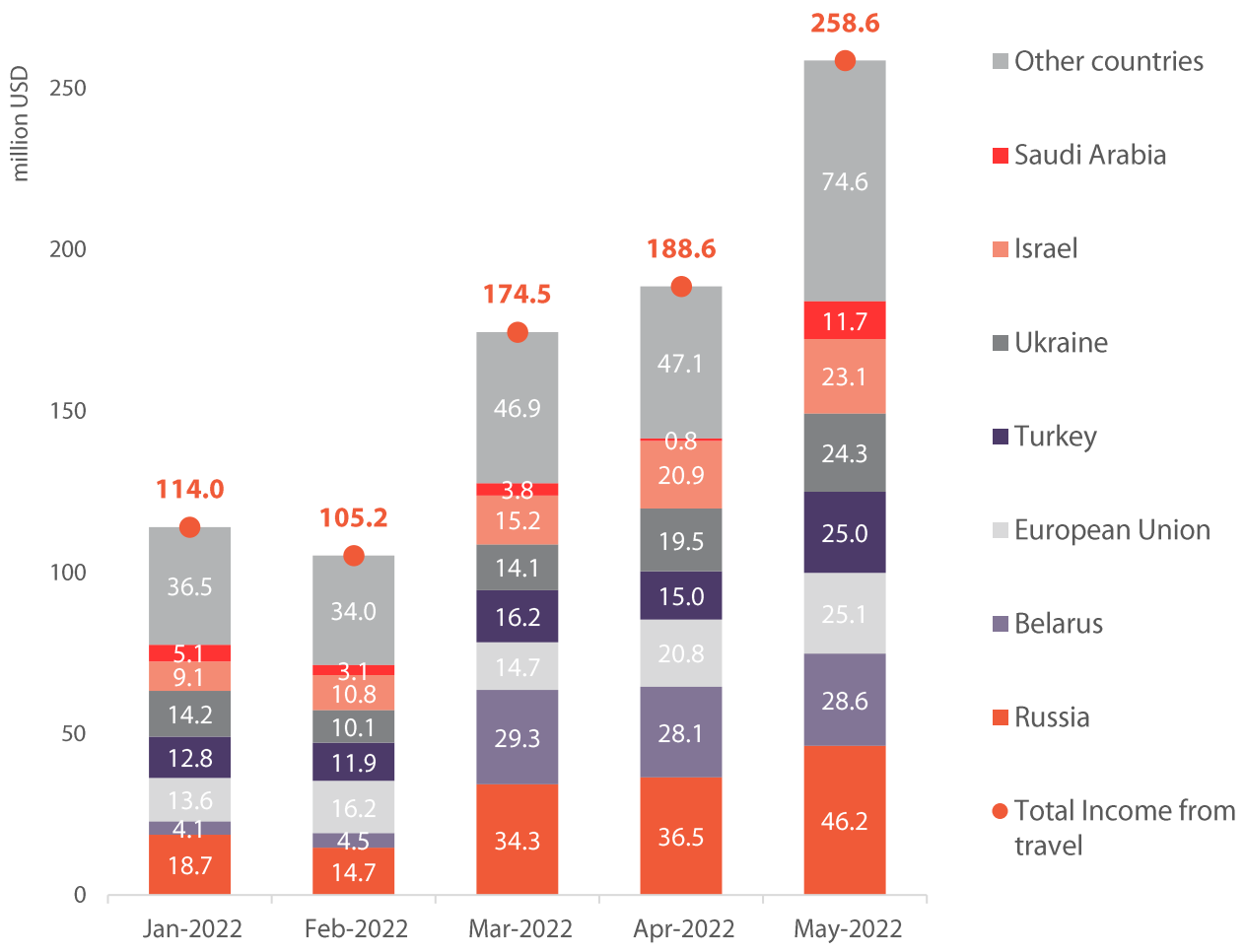
Source: GNTA

- For the first half of 2022, the main source countries for international visits were Georgia's **neighboring countries**, together contributing to 53% of total visits.
- From January to May 2022, **Turkey** was the largest source market for international visits to Georgia.
- However, in June 2022, the share of Russia as a source market in total visits increased significantly, notably exceeding the shares of Turkey and Armenia. The number of visits from **Russia** reached 90,239, which is 23% of all visits to Georgia in June 2022. Compared with the average for the previous five months of 2022 (15%), this marks a significant increase of 8pp.
- In the first half of 2022, other significant source markets for international visits were **Israel** (with an average share of 6%), **Ukraine** (4%), **Kazakhstan** (3%), **Belarus** (3%), **Iran** (3%), and **Saudi Arabia** (2%).

TRAVEL RECEIPTS BY COUNTRIES

- Another indicator used to analyze travel dynamics and to compare travel expenditures by source country is the **travel receipts**.

Total income from international travel by countries (Jan-May 2022)



Source: National Bank of Georgia

- Throughout January-May 2022, **Russia was the leading country in terms of share of total income from foreign travel.** Specifically, since the beginning of the war in Ukraine, travel receipts from Russia have shown a significant increase (rising by 29.1% in March 2022 compared to February 2022).
- Elsewhere, in March 2022, travel receipts from **Belarusians** experienced a **drastic jump of 552%** compared to the previous month and this high level has been maintained for the following three months. Considering that the number of international visitors from Belarus is relatively low compared to the main source markets, it can be concluded that a large share of the Belarusians entering Georgia intends to have a long stay in the country.
- Ultimately, **the two main contributing source markets in the increase in total income** from foreign travel over the covered period were **Russia** and **Belarus**.
- In addition, in May 2022, compared to the previous month, significant increases in travel receipts were recorded from **Saudi Arabia, Turkey, Iran, Ukraine**, and **Azerbaijan**.

HOTEL PRICE INDEX IN GEORGIA

- In June 2022, in Georgia the hotel price index[6] increased by 7.5% compared to May 2022. The 3-star, 4-star and 5-star hotel price index decreased by 7.6%, while for guesthouses, the price index decreased by 9.8%.
- The monthly HPI was the highest in Guria (23.9%) and Adjara (19.4%) and the lowest in Racha (-8.5%).
- In June 2022, compared to June 2021, hotel prices in Georgia increased by 10.2%. The prices of 3*, 4*, 5* hotels increased by 8.4% and the prices of guesthouses increased by 15.2%.
- The yearly HPI was the highest in Racha (23.1%) and Kakheti (12.9%) and the lowest in Kvemo Kartli (-32.3%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2022 Jun/ 2022 May	2022 Jun/ 2021 Jun	2022 Jun/ 2022 May	2022 Jun/ 2021 Jun	2022 Jun/ 2022 May	2022 Jun/ 2021 Jun
Kakheti	0.4%	12.9%	0.2%	8.7%	0.5%	14.8%
Imereti	0.5%	13.8%	0.7%	11.7%	0.4%	14.7%
Guria	23.9%	2.1%	35.1%	9.2%	-4.4%	-16.7%
Kvemo Kartli	2.5%	-32.3%	0.0%	-	5.0%	-32.3%
Adjara	19.4%	12.5%	22.1%	10.2%	12.7%	17.7%
Racha	-8.5%	23.1%	-	-	-8.5%	23.1%
Shida Kartli	-1.1%	-8.9%	-4.3%	-1.3%	0.5%	-16.0%
Samegrelo-Zemo Svaneti	-3.3%	-2.6%	1.0%	-5.1%	-5.6%	-0.8%
Samtskhe-Javakheti	-2.1%	7.6%	0.4%	14.1%	-4.3%	-2.0%
Mtskheta-Mtianeti	4.7%	4.5%	-1.2%	-2.6%	10.5%	15.8%
Tbilisi	4.9%	10.8%	4.0%	10.3%	13.1%	18.9%
Overall Price % Change	**7.5%**	**10.2%**	**7.6%**	**8.4%**	**9.8%**	**15.2%**

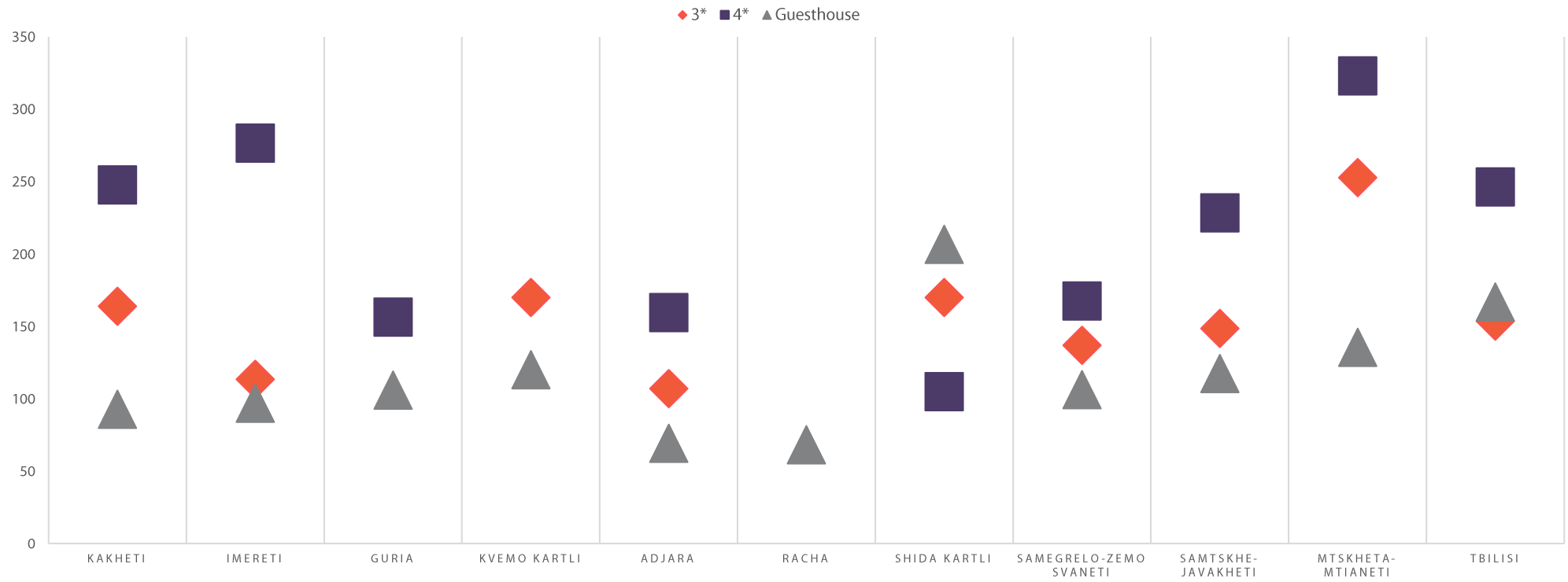
6 The calculation of the hotel price index is based on the recommendations given by the International Monetary Fund (IMF). The elementary aggregate price index is calculated by Jevons index (Consumer Price Index Manual-Theory and Practice (2004), Practical Guide to Producing Consumer Price Indices (2009).

THE AVERAGE HOTEL PRICES IN GEORGIA

- In Georgia, the average cost of a room[7] in a 3-star hotel was **157 GEL** per night in June 2022, while the average cost of a room in a 4-star hotel in Georgia was **245 GEL** per night and the average cost of a room in a guesthouse[8] was **110 GEL** per night.

- The average cost of a room in a 5-star hotel in Georgia in June 2022 was **519 GEL** per night. In Guria, the average price was 702 GEL, followed by Kakheti – 575, Tbilisi – 568 GEL, and Adjara – 552 GEL.

THE AVERAGE PRICES OF 3*, 4* STAR HOTELS AND GUESTHOUSES BY REGIONS (JUNE 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
GDP in current prices for Accommodation and Food Service Activities (mln)	1054.1	1437.5	1800.0	2223.0	1204.5	197.8*	452.2*	602.3*	472.0*	1724.4*	372.8*	-
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
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
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*	-
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	-
Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)	120.0	109.5	82.3	123.4	-249.5	-0.9*	-1.4*	10.7*	0.7*	7.7*	12.1*	-

* Preliminary data

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