



MONTHLY TOURISM UPDATE

April 2022

Georgia

International Benchmarking: The recovery of international tourist arrivals in 2021



Research



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Summary

- ❏ In 2021, **the recovery of international tourist arrivals to Georgia (31% of 2019 figure)** was lower both compared to European (38%) and Central/Eastern European (36%) averages, but higher compared to the global average (28%).
- ❏ Among the selected **international benchmark countries** (Albania, Croatia, and Greece), Georgia performed the worst, while Albania almost recovered to 2019 levels (89%).
- ❏ **Compared to its neighboring countries**, Georgia performed worse than Turkey (55%) and Armenia (46%), but better than Azerbaijan (25%).
- ❏ In April 2022, in Georgia the hotel price index decreased by 2.0% compared to March 2022, while compared to April 2021, HPI showed a 7.7% increase.

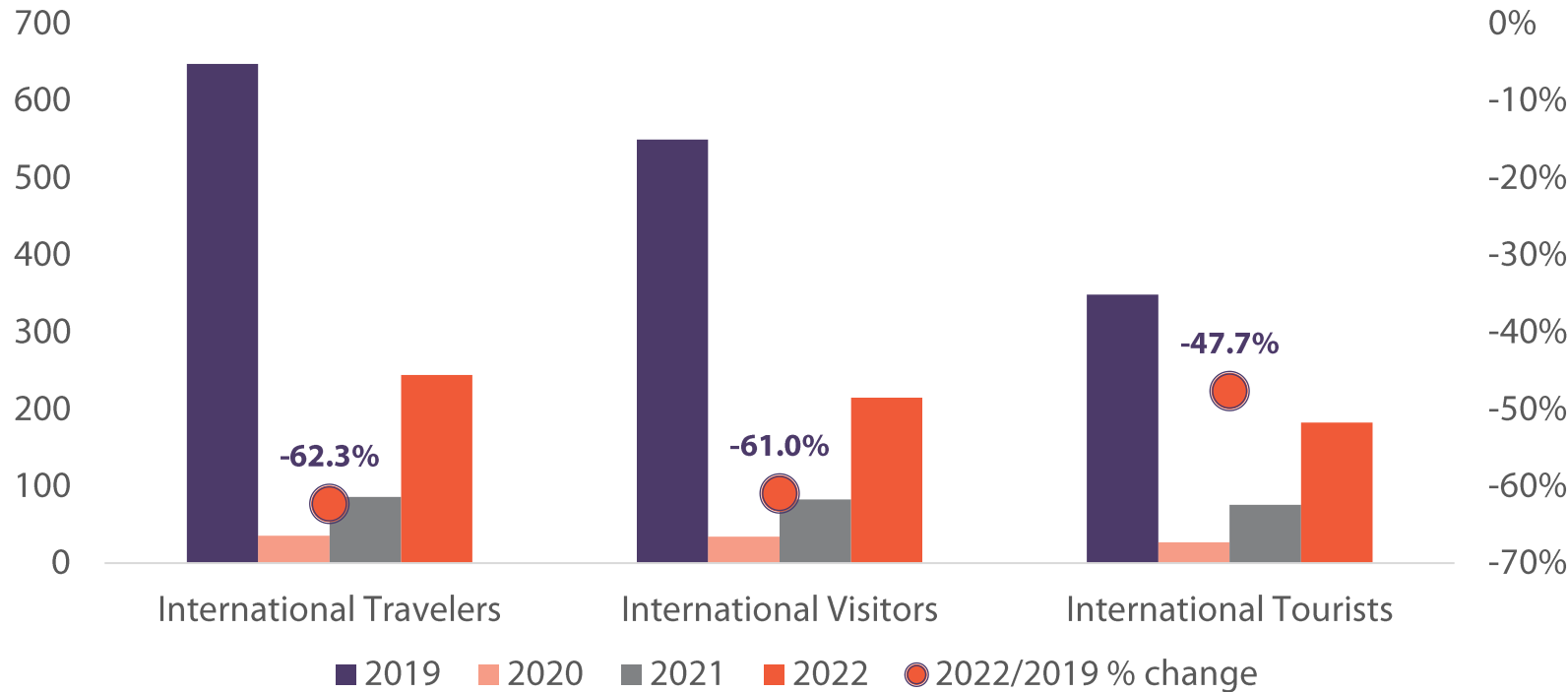


INTERNATIONAL TRAVEL DYNAMICS

✎ The number of **international travelers**¹ increased by 184.9% in April 2022, compared to the same period of 2021, and declined by 62.3% compared to the same period in 2019.

✎ Meanwhile, the number of **international visitors**² increased by 160.1% (2022/2021) and declined by 61.0% (2022/2019), and the number of **international tourists**³ increased by 140.5% (2022/2021) and declined by 47.7% (2022/2019).

International travel dynamics in April (2019-2022)



Source: Georgian National Tourism Administration (GNTA)

✎ In April 2022⁴, the top countries of origin of international visits were **Turkey** (35 959 visits), **Russia** (33 556 visits), and **Armenia** (32 228 visits).

✎ Among the major tourism markets, the number of international visits from **Belarus** (220%), **Uzbekistan** (166%), **Israel** (10%), **Ukraine** (9%), and **Kazakhstan** (7%) exceeded the pre-pandemic figure (April 2019).

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.

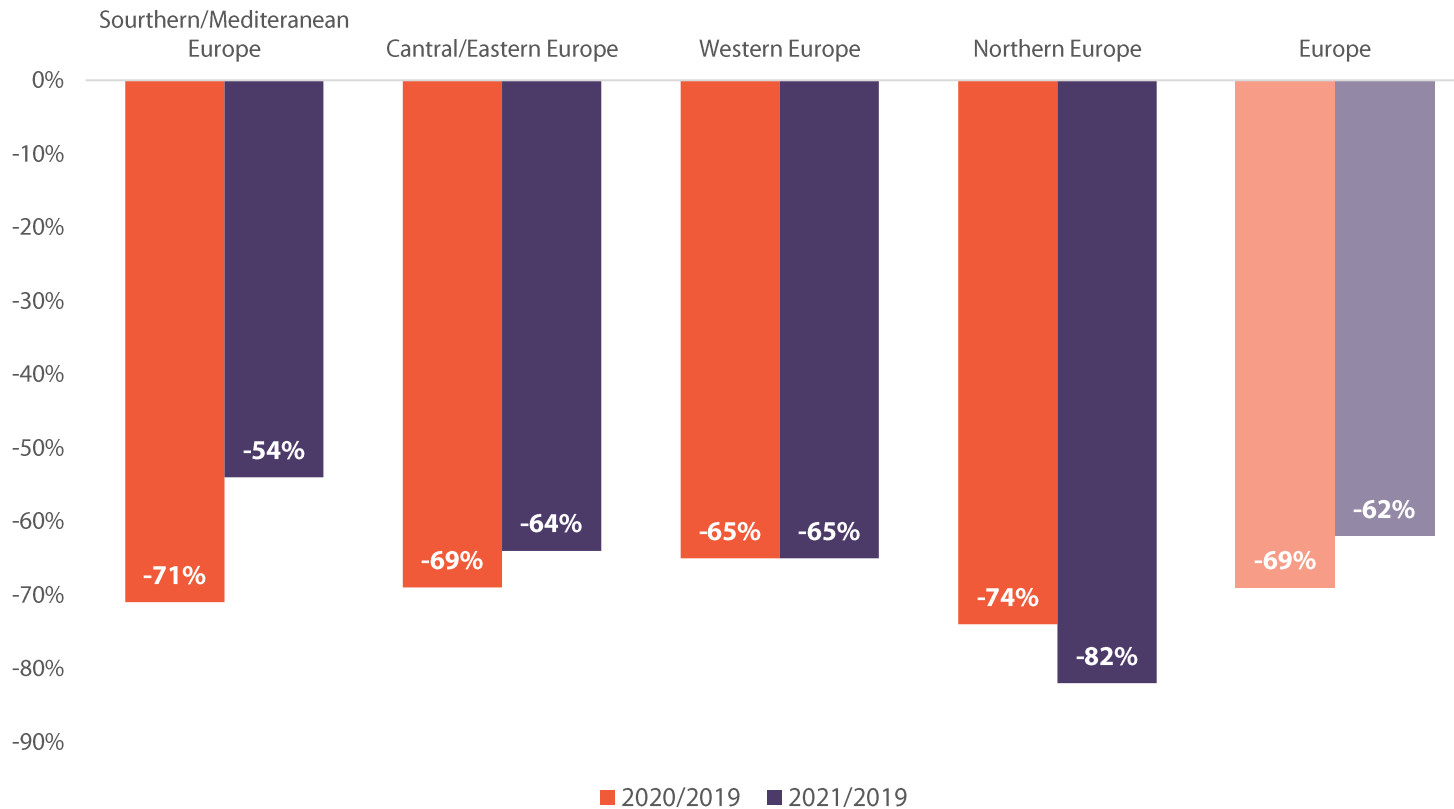
4 Note, that international visitor statistics are counted as the number of international visitors leaving the country, thus the data does not represent the number of total visitor inflow in March 2022.



RECOVERY TRENDS IN EUROPE IN 2021

In 2021, globally, the number of **international tourist arrivals** showed a 4% increase compared to the previous year, however, it still stayed well below the pre-pandemic number (72% lower).

Fall in the international tourist arrivals in Europe compared to 2019 (2020-2021)



Source: UNWTO

The **pace of recovery** remained slow and uneven across the world mainly due to the varying degrees of entry restrictions, traveler confidence, and vaccination rates. **Europe⁵** recorded the strongest year-over-year increase and recovery in the number of international tourist arrivals, increasing by 19% compared to 2020, while showing a decline of 62% compared to 2019⁶.

In 2021, compared to 2019, the decline in the number of international tourist arrivals was the highest for **Northern Europe** (-82%), while **Southern/Mediterranean Europe** showed the lowest decline (-54%), followed by **Central/Eastern Europe** (-64%).

In 2021, compared to 2019, the decline of international tourist arrivals to **Georgia** (-69%) was higher compared both to European (-62%) and Central/Eastern European (-64%) averages, but lower compared to the global average (-72%).

⁵ According to UNWTO, the Caucasus and Central Asia are classified as part of Europe in the sub-region of Central/Eastern Europe.

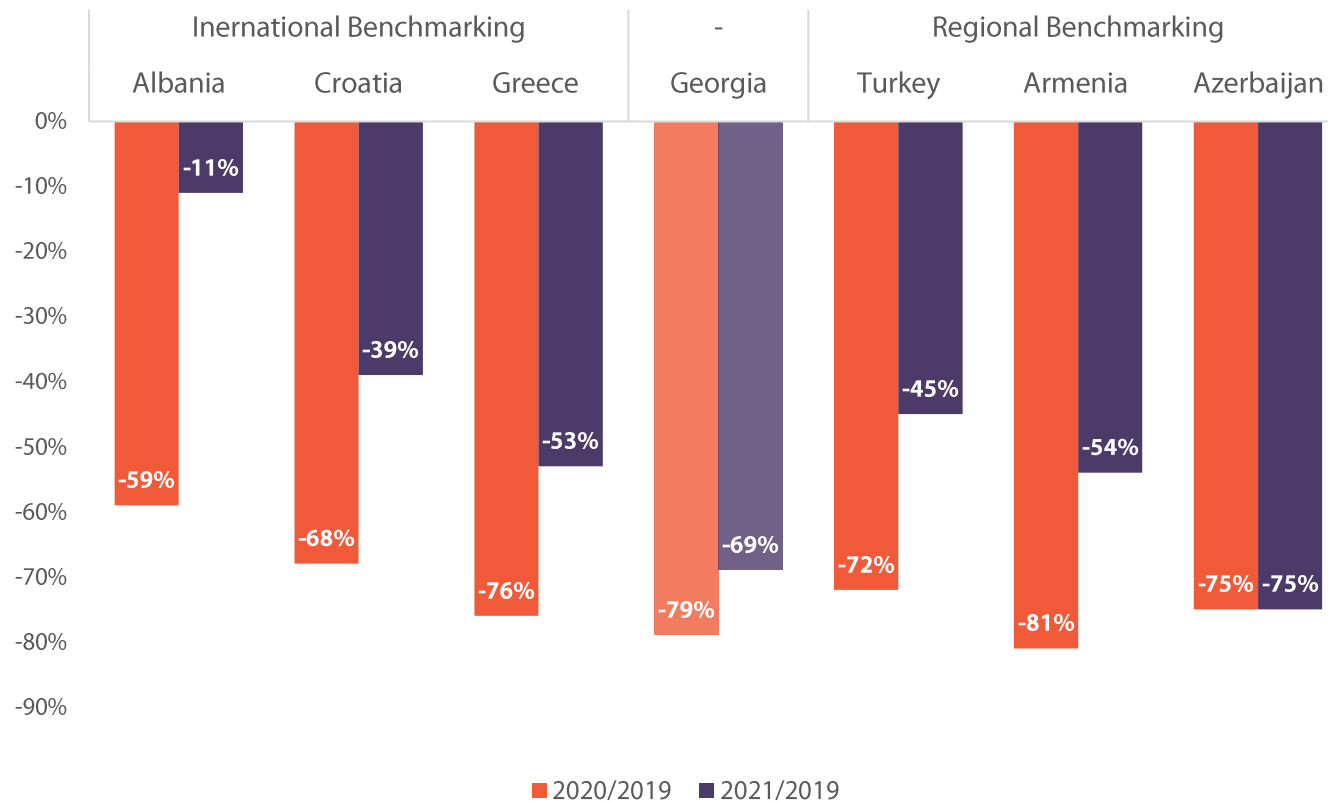
⁶ UNWTO World Tourism Barometer - January 2022



INTERNATIONAL AND REGIONAL BENCHMARKING

It is worthwhile to analyze the performance of the Georgian tourism sector in comparison with **international** benchmark countries⁷ and within the **regional** context.

Fall in the international tourist arrivals compared to 2019 (2020-2021)



Source: UNWTO

Among the international benchmark countries, in 2021, recovery in the number of tourist arrivals was evident in all of them, with **Albania** experiencing the most impressive recovery, almost returning to 2019 levels (only 11% lower). Meanwhile, **Georgia** performed the worst among these countries, with its number of tourists declining by 69% compared to 2019 levels.

It is also worth noting that for the other three countries, recovery was mostly at its strongest in Q3 of 2021, while **for Georgia the recovery happened gradually**, with a decline of 90% in January (compared to 2019) but rising up to -54% in December 2021.

Within the regional context, **Azerbaijan** has not experienced a major recovery in tourism (-75% compared to 2019) while **Turkey** has experienced the highest recovery in 2021 (-45%).

As for **Armenia**, its recovery in 2021 was considerably higher (15 pp) compared to that of Georgia.

⁷ The countries for international benchmarking were selected within USAID Economic Security Program - the quarterly Sector and Value Chain Analytics report by PMC. The selection is based on three factors: similar high dependency of the economy on tourism, relatively similar size, and geography.



HOTEL PRICE INDEX IN GEORGIA

In April 2022, in Georgia the hotel price index⁷ decreased by 2.0% compared to March 2022. The 3-star, 4-star and 5-star hotel price index decreased by 1.7%, while for guesthouses, the price index decreased by 6.5%.

In April 2022, compared to April 2021, hotel prices in Georgia increased by 7.7%. The prices of 3*, 4*, 5* hotels increased by 6.3% and the prices of guesthouses increased by 15.9%.

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2022 Apr/ 2022 Mar	2022 Apr/ 2021 Apr	2022 Apr/ 2022 Mar	2022 Apr/ 2021 Apr	2022 Apr/ 2022 Mar	2022 Apr/ 2021 Apr
Kakheti	3.9%	4.9%	5.2%	-1.3%	2.6%	12.2%
Imereti	-1.4%	5.4%	0.6%	6.7%	-4.7%	4.1%
Guria	9.4%	2.5%	9.4%	-27.6%	-	105.7%
Kvemo Kartli	-	13.4%	-	13.4%	-	-
Adjara	6.2%	15.5%	9.0%	16.2%	-1.5%	14.0%
Racha	40.7%	52.6%	-	-	40.7%	52.6%
Shida Kartli	-0.9%	2.1%	9.5%	7.5%	-4.1%	-5.5%
Samegrelo-Zemo Svaneti	3.0%	-5.4%	8.5%	-11.6%	-3.2%	5.5%
Samtskhe-Javakheti	4.3%	9.1%	-0.2%	21.3%	7.2%	-0.8%
Mtskheta-Mtianeti	-14.1%	2.7%	-16.2%	-0.8%	-11.2%	7.9%
Tbilisi	-5.3%	5.1%	-5.0%	2.9%	-7.3%	20.8%
Overall Price % Change	-2.0%	7.7%	-1.7%	6.3%	-6.5%	15.9%

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

index (Consumer Price Index Manual-Theory and Practice (2004), Practical Guide to Producing Consumer Price Indices (2009).

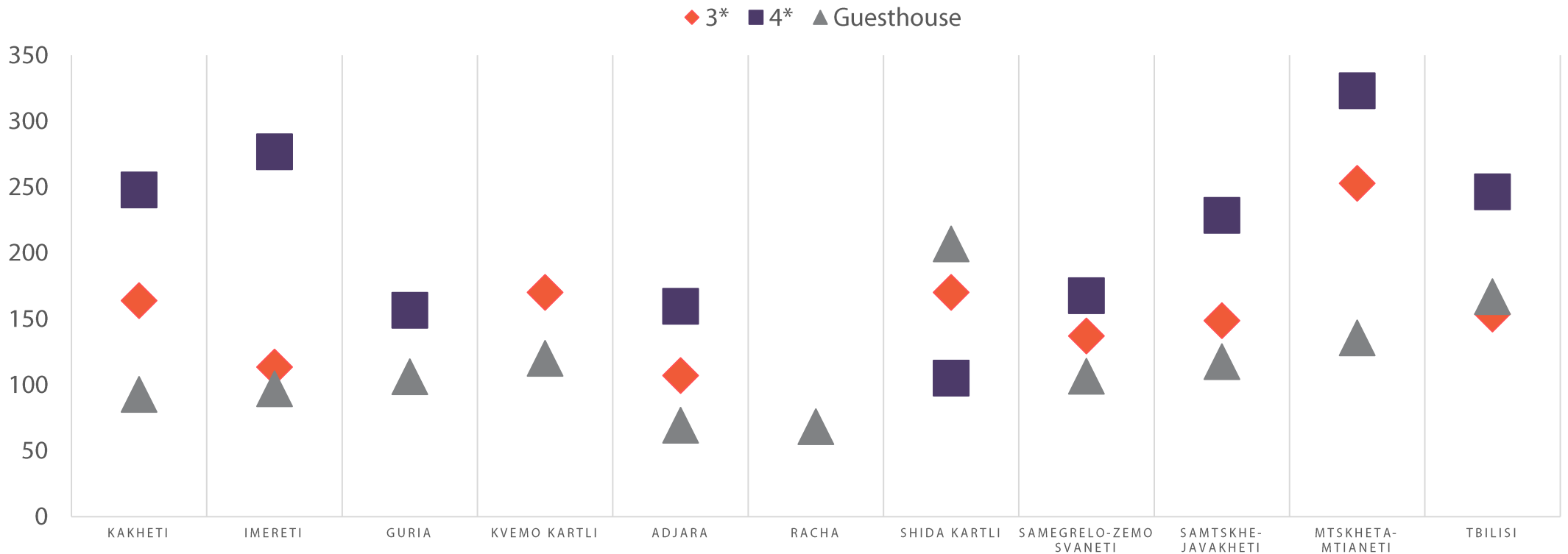


THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room⁸ in a 3-star hotel was **141 GEL** per night in April 2022, while the average cost of a room in a 4-star hotel in Georgia was **231 GEL** per night and the average cost of a room in a guesthouse⁹ was **103 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in April 2022 was **413 GEL** per night. In Tbilisi and Kakheti, the average price was 493 GEL, followed by Guria - 398 GEL and Adjara – 390 GEL.

THE AVERAGE PRICES OF 3*, 4* STAR HOTELS AND GUESTHOUSES BY REGIONS (APRIL 2022, IN GEL)



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 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.

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.



BASIC ECONOMIC INDICATORS IN GEORGIA

	2016	2017	2018	2019	2020	I 2021	II 2021	III 2021	IV 2021	2021	I 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*	-
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
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
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*	-
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*	-

* Preliminary data



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