

TOURISM

(Period: January - June 2022)

In the first half of 2022, the significant recovery of the tourism sector became visible in Georgia, which could be attributed to the combination of factors, such as the rapid inflow of international travelers after the beginning of the Russia-Ukraine war, the alleviation of COVID-19 related restrictions, reopening of land borders, the revival of flight routes, high demand sustained by domestic visitors. The drivers of international tourism after the full-scale war in Ukraine included a mix of tourism-related and non-tourism-related (migration from conflict zones) factors.



Apart from positive changes in the tourism sector in the first half of 2022, some challenges were also observed caused by the Russia-Ukraine war:

- Safety concerns on traveling to Georgia;
- Lack of demand on tourist accommodation service providers;
- Disruptions in the structure of the main purpose of international visits;
- The decrease in the dispersal rate of visitors;
- Increase in the input prices.

Chart 1: Monthly visitors and its growth rate compared to the average of 2017-2019

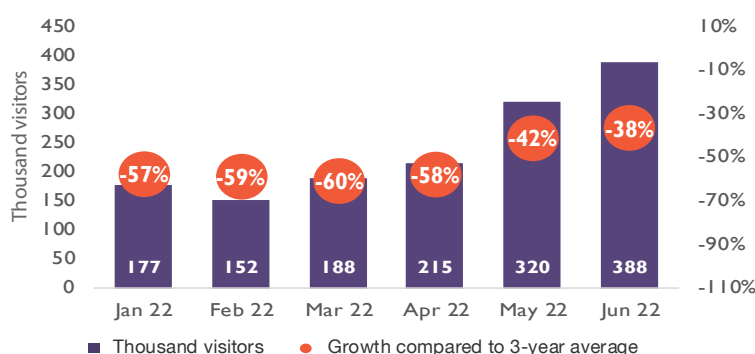
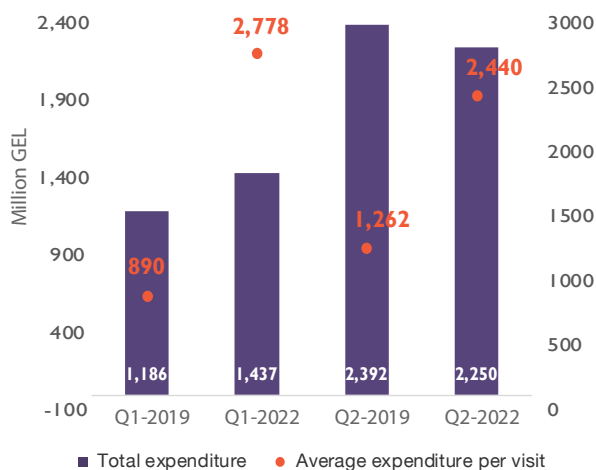


Chart 2: Total expenditures and average expenditures per visit of international visitors in the first halves of 2019 and 2022



In the first half of 2022:

- The number of international visitors recovered to 45% of the pre-pandemic (2019) number, while the international travel receipts recovered to 78% of the pre-pandemic value.
- The average expenditure per visit tripled in Q1 of 2022 and almost doubled in Q2 of 2022 compared to the corresponding periods of 2019.
- The average length of stay almost doubled as it increased from 3.8 to 6.4 nights.
- In absolute value, the expenditures of international visitors reached GEL 3.7 billion in the first half of 2022.
- The expenditures on served foods and drinks increased by almost half a billion GEL and reached GEL 1.3 billion in the first half of 2022.

Chart 3: Turnover for Accommodation and Food Service Value chains

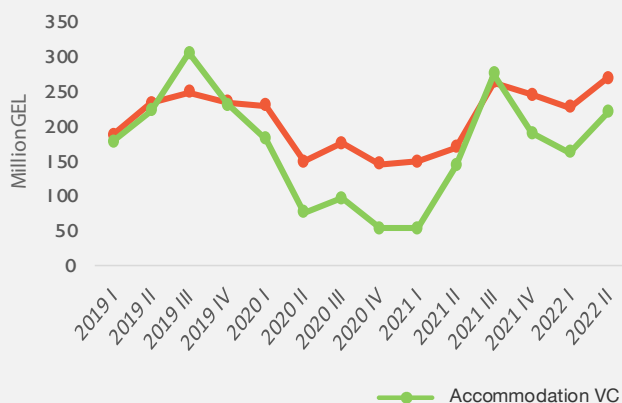


Chart 4: Employment in Accommodation and Food Service Value chains

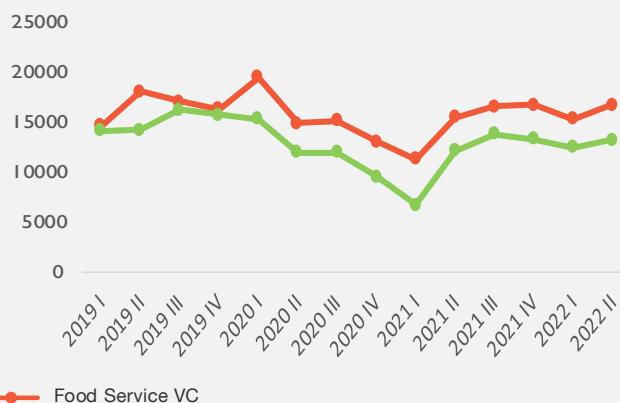
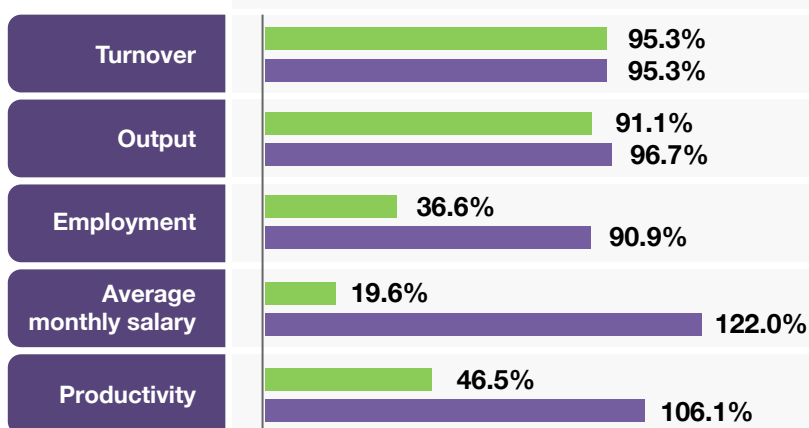
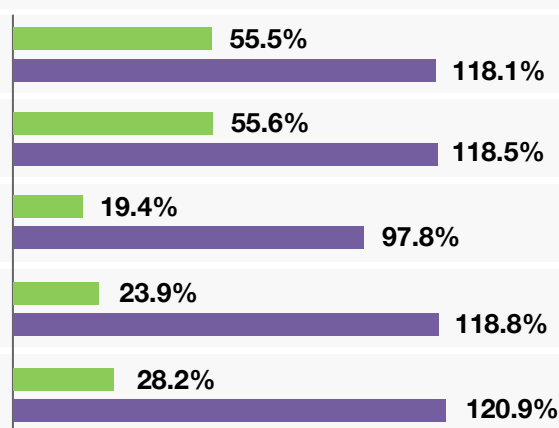


Chart 5:

Accommodation value chain



Food service value chain



YoY increase in 6m 2022
(compared to 6m 2021)



Recovery of 6m 2022
(compared to 6m 2019)

Tourism industry representatives observed several trends and findings during the first half of 2022 that will have short and long-term effects on Georgian tourism:

- Rapid and large-scale entry of foreign citizens from Russia, Ukraine, and Belarus in Georgia
- Safety concerns on traveling to Georgia by international visitors
- Disruptions in the characteristics of international visitors
- Disruptions in the structure of the main purpose of international visits
- Lack of demand on tourist accommodation service providers
- Hospitality industry representatives sympathizing with Ukraine Refugees
- Changes in domestic tourism pattern
- Changes in characteristics of visitors from Gulf States
- Disruption of the inflow of visitors from Azerbaijan
- Labor force issues in the hospitality industry
- The decrease in the dispersal rate of visitors
- Increase of the input prices

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