



MONTHLY TOURISM UPDATE

September 2023

Georgia

Georgia: Domestic Tourism in the First Half of 2023



Research



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Summary

- ❏ In the first half of 2023, **the number of domestic visits** amounted to 9.2 million, which is 15% higher compared to the corresponding period of 2022. The upturn in domestic visits this year, following a year-on-year decline in the previous year, was especially pronounced in the Q2 of 2023, where the number of visits rose by 25% compared to the Q2 of 2022.
- ❏ **Looking at regions visited**, in the first half of 2023, compared to the same period of 2022, the number of visitors decreased in Shida Kartli (by 12%) and Samegrelo-Zemo Svaneti (7%), while increases were recorded in Samtskhe-Javakheti (by 23%) and Tbilisi (11%).
- ❏ In the first half of 2023, **the average number of nights spent per visit** decreased, continuing a negative trajectory for a second successive year, after growth had been recorded in the length of stay indicator in both 2020 and 2021.

- ❏ **The total expenditure of domestic visitors** reached GEL 1.4 billion in the first half of 2023, which is 14% higher compared to the corresponding period of 2022. By categories, in the first half of 2023, compared to the first half of 2022, the expenditure of domestic visitors on **shopping** (by 17%) and **food and drinks** (25%) increased significantly.
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- ❏ In September 2023, compared to September 2022, **the Hotel Price Index (HPI)** in Georgia decreased by 10.0%, with the yearly HPI at its lowest under the “guesthouses” category (-14.3%). Meanwhile, compared to August 2023, the HPI in September 2023 dropped by 6.2%.

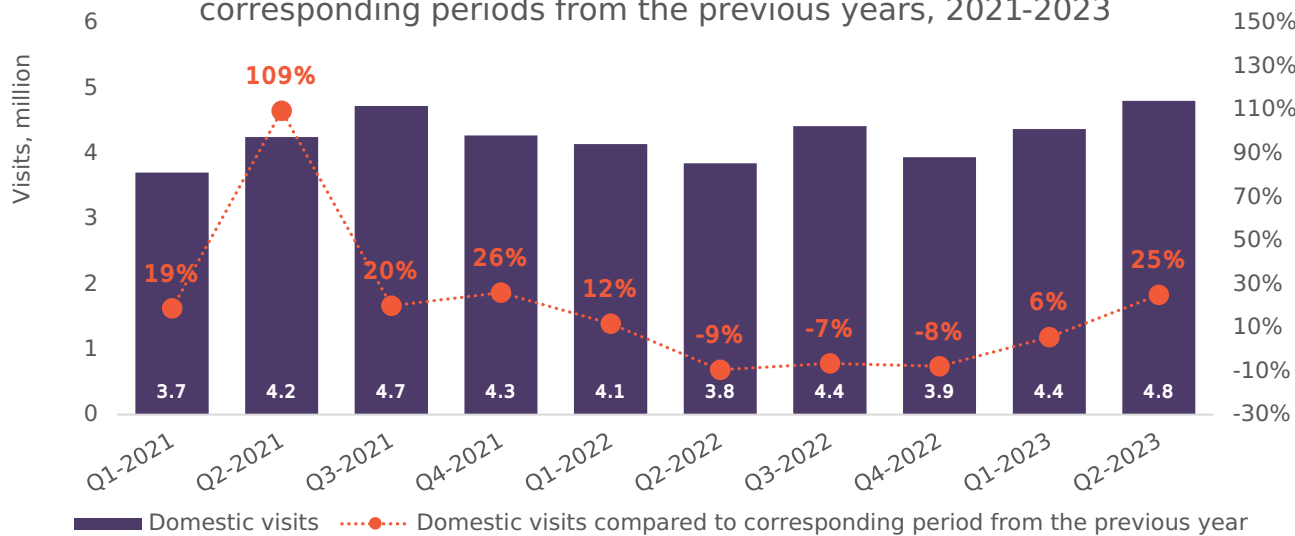


DOMESTIC TOURISM DYNAMICS

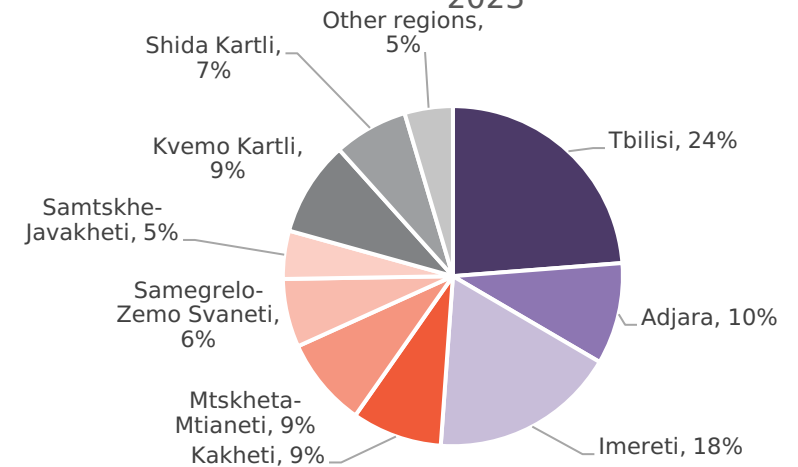
In the first half of 2023, **the number of domestic visits** amounted to 9.2 million which was 15% higher compared to the corresponding period of 2022. Notably, in Q2 of 2023, compared to the same period of 2022, growth in the number of domestic visits (25%) was much more pronounced than in Q1 of 2023 (6%). This marked a notable turnaround from the decline recorded in domestic visits observed throughout Q2-Q4 of 2022.

In the first half of 2023, the number of domestic visits was 38% higher than for the same period of 2019, while the number of international visits was still short of the pre-pandemic level, reaching 78% of the figure for the corresponding period of 2019.

Domestic visits by Georgian Residents and its comparison with corresponding periods from the previous years, 2021-2023



Distribution of domestic visitors by visited regions in the first half of 2023



Source: National Statistics Office of Georgia

In the first half of 2023, **the average number of nights spent per visit** was equal to 1.3, which is 11% lower than in the first half of 2022 (1.4 nights). Notably, in the periods after the COVID-19 pandemic first broke out, the average number of nights spent per visit were higher in 2020 (2.1) and 2021 (1.7).

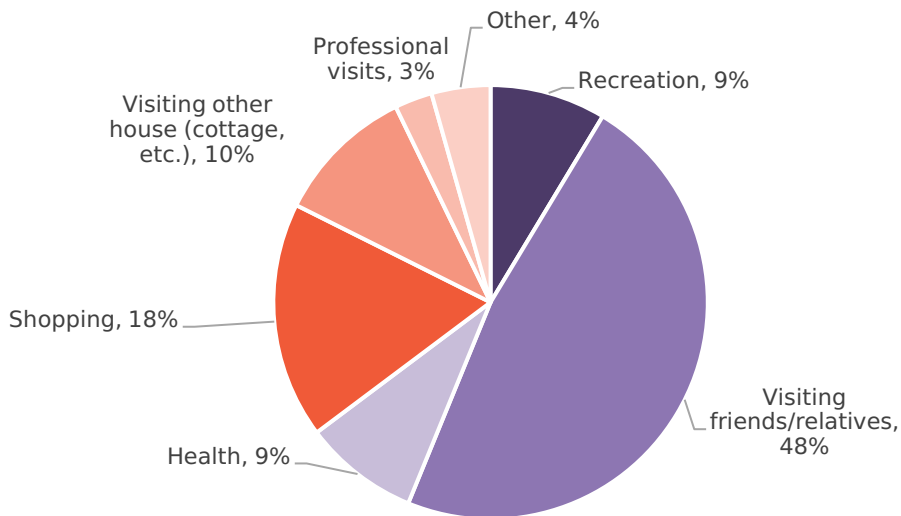
The distribution of domestic visitors by visited region in the first half of 2023 was similar to previous periods. In particular, the main destination for domestic visits was Tbilisi (24% of total visits), followed by Imereti (18%), and Adjara (10%). To compare the dynamics, the number of visitors decreased in Shida Kartli (by 12%) and Samegrelo-Zemo Svaneti (7%), while the number increased in Samtskhe-Javakheti (by 23%) and Tbilisi (11%).



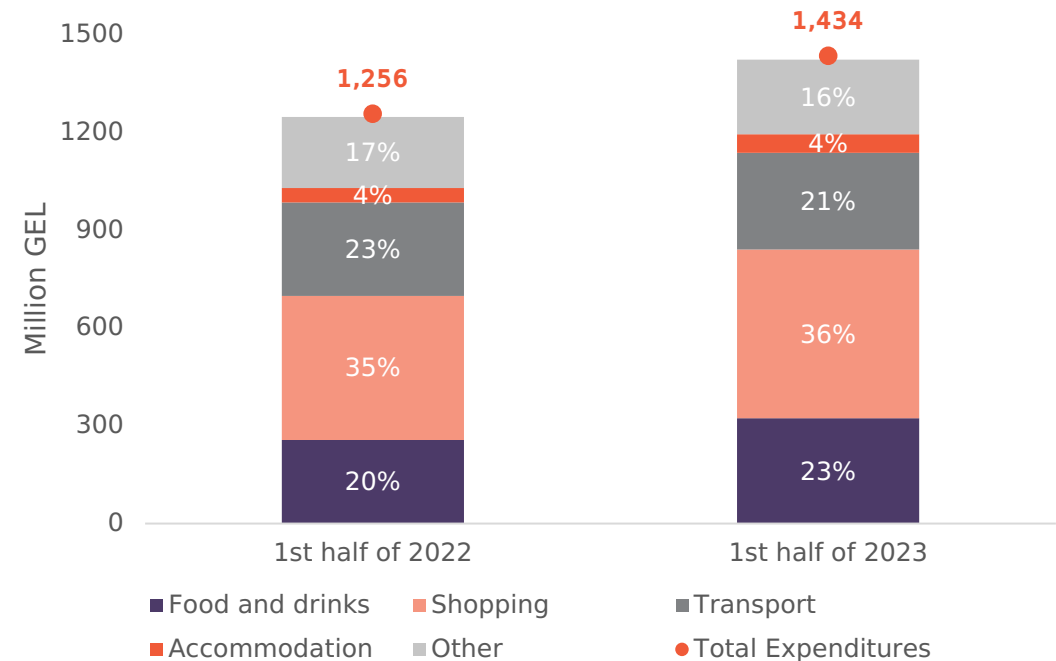
DOMESTIC TOURISM INDICATORS

In the first half of 2023, **the main purpose of visits** (48%) was visiting friends/relatives, followed by shopping (18%), and staying in a second/holiday home (10%). Notably, compared to the first half of 2022, the share of visitors who named shopping as the main purpose of their visit increased by 6 percentage points, exceeding the share of those who cited staying at their second/holiday home.

Distribution of domestic visitors by purpose of visit in the first half of 2023



Expenditures of domestic visitors in the first halves of 2022 and 2023



Source: National Statistics Office of Georgia

In the first half of 2023, **the total expenditure of domestic visitors** amounted to GEL 1.4 billion, which is 14.2% higher compared to the same period of 2022. However, that increase in expenditure by domestic visitors is comparatively modest when contrasted with the 45.9% increase recorded for total expenditure by international visitors during the same period in 2023.

The expenditure distribution in the first half of 2023 was similar to recent years with most expenditure going on shopping (36% of total expenditure), food and drinks (23%), and transport (21%). In the first half of 2023, compared to the first half of 2022, there were significant increases in the expenditure of domestic visitors on shopping (by 17%) and food and drinks (25%).



HOTEL PRICE INDEX IN GEORGIA

In September 2023, in Georgia the hotel price index¹ decreased by 6.2% compared to August 2023. The 3-star, 4-star, and 5-star hotel price index decreased by 6.6%, while for guesthouses, the price index decreased by 5.9%.

The monthly HPI was the highest in Racha (26.6%) and lowest in Adjara (-21.4%)

In September 2023, compared to September 2022, hotel prices in Georgia decreased by 10.0%. The prices of 3*, 4*, 5* hotels decreased by 9.8% and the prices of guesthouses decreased by 14.3%.

The yearly HPI was the highest in Guria (33.4%) and lowest in Shida Kartli (-16.3%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2023 Sep/ 2023 Aug	2023 Sep/ 2022 Sep	2023 Sep/ 2023 Aug	2023 Sep/ 2022 Sep	2023 Sep/ 2023 Aug	2023 Sep/ 2022 Sep
Kakheti	-0.8%	5.8%	-12.2%	-1.8%	4.8%	9.3%
Imereti	0.2%	2.5%	0.4%	6.6%	-0.1%	-2.6%
Guria	-6.8%	33.4%	-19.8%	43.9%	8.4%	14.7%
Kvemo Kartli	8.5%	-	0.0%	-	17.6%	-
Adjara	-21.4%	-11.9%	-20.1%	-11.4%	-26.0%	-11.6%
Racha	26.6%	-0.5%	-	-	26.6%	-0.5%
Shida Kartli	-5.9%	-16.3%	-9.1%	-14.1%	-4.6%	-18.5%
Samegrelo-Zemo Svaneti	-0.5%	7.2%	-6.2%	-0.2%	3.8%	13.8%
Samtskhe-Javakheti	-8.7%	13.8%	-1.7%	11.0%	-13.7%	15.5%
Mtskheta-Mtianeti	-5.6%	-7.2%	-3.4%	-1.1%	-9.9%	-20.8%
Tbilisi	-0.3%	-15.8%	-0.6%	-15.1%	2.3%	-23.0%
Overall Price % Change	-6.2%	-10.0%	-6.6%	-9.8%	-5.9%	-14.3%

¹ 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.

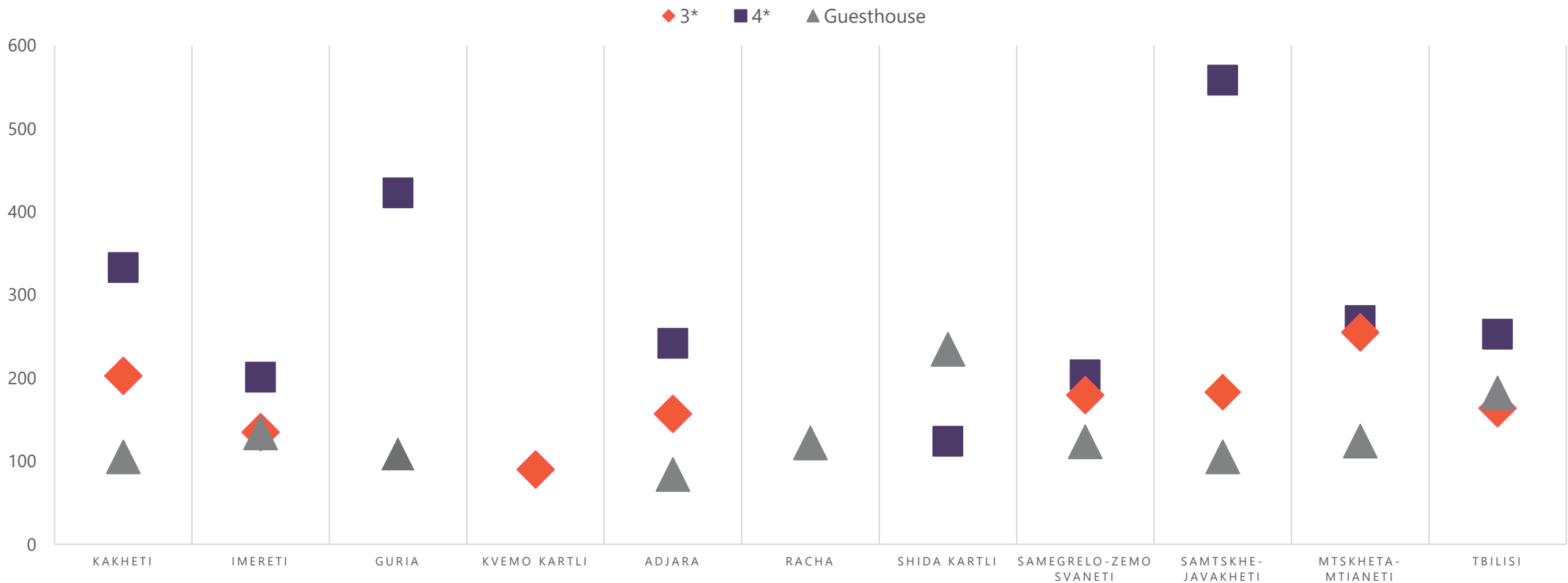


THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room² in a 3-star hotel was **168 GEL** per night in September 2023, while the average cost of a room in a 4-star hotel in Georgia was **268 GEL** per night and the average cost of a room in a guesthouse³ was **124 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in September 2023 was **495 GEL** per night. In Guria, the average price was **780 GEL**, followed by Tbilisi – **623**, Kakheti – **514**, and Adjara – **460**.

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



² 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.

³ 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	I 2022	II 2022	III 2022	IV 2022	2022	I 2023	II 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*
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
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
Revenue from International Travel (mln USD)	3222.1	3268.7	541.7	1244.9	393.7*	748.8*	1374.7*	999.5*	3516.6*	795.4*	1009.1*
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*	883.1*
Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)	106.0	119.3	-247.2	-7.4	21.0	15.5	24.0	6.6	67.1	30.2*	-1.48*

* Preliminary data



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