



# MONTHLY TOURISM UPDATE

October 2023

Georgia

## Income from International Travel to Georgia in Q3 of 2023



Research



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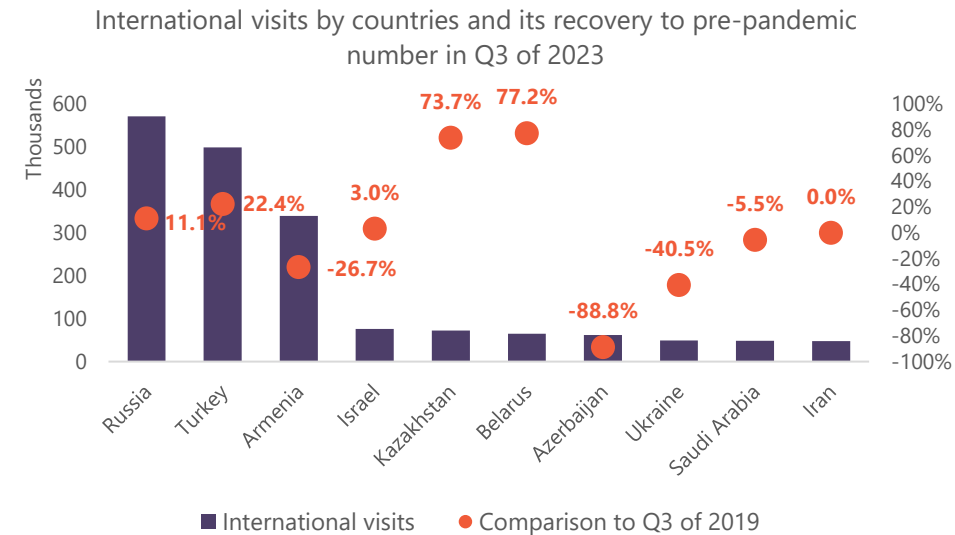
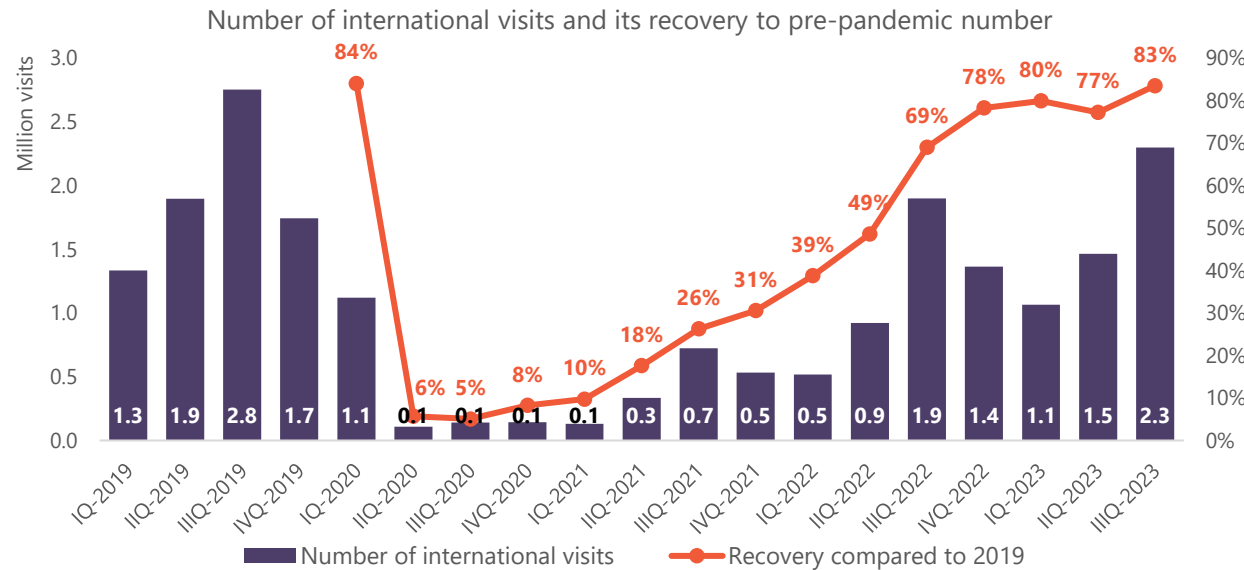
### Summary

- ❏ **In Q3 of 2023, the number of international visits reached 2.3 million visits**, recording a 21% YoY increase, however, only reaching 83% of visits in Q3 of 2019.
- ❏ In Q3 of 2023, **in terms of country of origin**, the highest number of visitors to Georgia came from **Russia** (571,421 visits) and **Turkey** (498,892 visits).
- ❏ Among the top countries of origin for international visits, in the following periods, visits from **Israel** are expected to decline due to geopolitical issues. However, visits from **China** are set to increase gradually with the new visa-free policy. Additionally, **India's** tourism market remains promising, despite some border crossing challenges for visitors.
- ❏ **In Q3 of 2023, income from international travel reached USD 1.4 billion**, which significantly surpasses the pre-pandemic number by 28%, however, showing an incremental 5% rise compared to Q3 of 2022.
- ❏ **In terms of nationality**, income from **Russian** travelers was highest in Q3 of 2023 (USD 285.3 million), which is 38% higher compared to 2019, however, 17% lower compared to Q3 of 2023, showing a declining trend in income from travel from Russian visitors.
- .....
- ❏ In October 2023, compared to October 2022, the **Hotel Price Index (HPI)** in Georgia decreased by 11.1%, with the yearly HPI at its lowest under the "guesthouses" category (-18.7%). Meanwhile, compared to September 2023, the HPI in October 2023 dropped by 11.3%.



# INTERNATIONAL VISITS IN Q3 OF 2023

In Q3 of 2023, the number of international visits to Georgia reached 2.3 million, which is significantly higher (21%) compared to Q3 of 2022. However, the number of international visits remained below the pre-pandemic figure, reaching 83% of the total for the corresponding quarter of 2019.



Source: Georgian National Tourism Administration

In Q3 of 2023, in terms of country of origin, the highest number of visitors to Georgia came from **Russia**, amounting to 571,421 visits, marking an 11% rise compared to Q3 of 2019. Russia was followed by **Turkey** with 498,892 visits, reflecting a 22% increase compared to the pre-pandemic number. Among the top 10 countries of origin for international visitor trips, the number of visits increased most from **Belarus** (77% higher compared to Q3 of 2019), and **Kazakhstan** (74%), similar to the first half of 2023. Meanwhile, visits from Armenia, Ukraine, and Azerbaijan stayed well below the pre-pandemic number.

Notably, in Q3 of 2023, the visits from Iran, Israel, and Saudi Arabia were similar to the pre-pandemic figures. However, considering ongoing geo-political instability in **Israel** and the consequent suspension of flights, in Q4 of 2023 the number of visits from Israel is expected to decline significantly. On the other hand, due to the introduction of a visa-free regime, the visits from China are expected to increase gradually, continuing the trend of surpassing the pre-pandemic level (in Q3 of 2023, the number of visits from **China** was 19% higher compared to Q3 of 2019). Similarly, **India**, another high-priority tourism market, recorded a 46% YoY increase in Q3 of 2023 and an 84% increase compared to Q3 of 2019, despite challenges of border crossing for some visitors noted by tourism sector representatives.

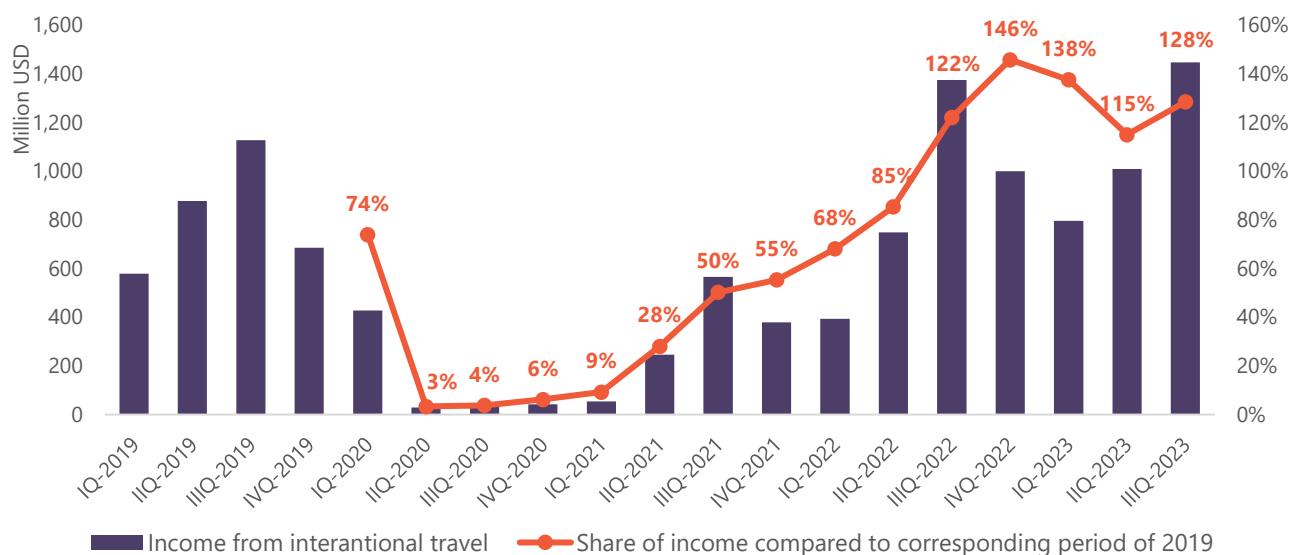


# INCOME FROM INTERNATIONAL TRAVEL IN Q3 of 2023

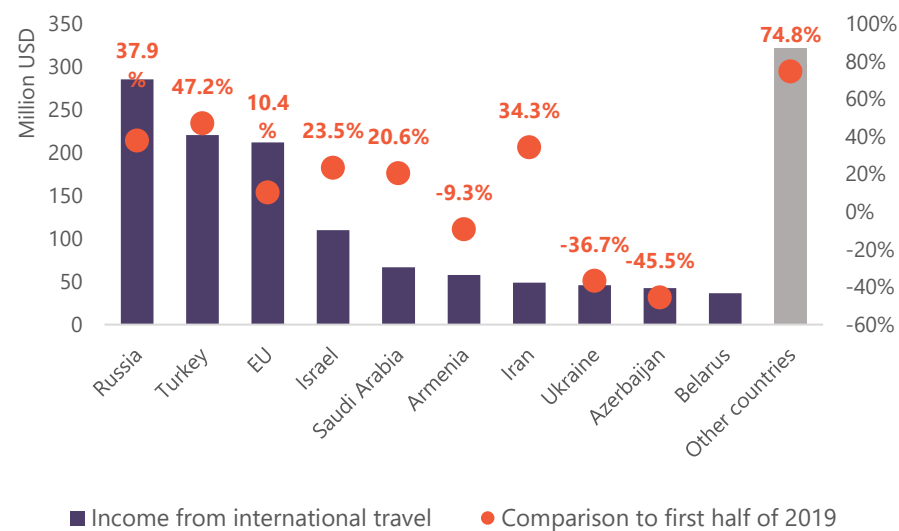
**In Q3 of 2023, income from international travel reached USD 1.4 billion**, which significantly exceeds the pre-pandemic number by 28%, and represents a modest 5% rise compared to Q3 of 2022.

**In terms of nationality,** income from Russian travelers was highest in Q3 of 2023 (20% of total income from international travel) and amounted to USD 285.3 million, which is 38% higher compared to the corresponding quarter of 2019, but 17% lower compared to Q3 of 2022, showing a declining trend in income from Russian visitors. Russia was followed by Turkey, which recorded a significant YoY rise of 75% and a 47% increase compared to Q3 of 2019.

Income from international travel and its share compared to pre-pandemic values



Income from international travel by countries in Q3 of 2023 and its comparison to Q3 of 2019\*



Source: National Bank of Georgia

**Among the top 10 countries of origin,** compared to pre-pandemic figures, the recovery in this regard was lowest for Azerbaijan (46% lower compared to Q3 of 2019) and Ukraine (37% lower), respectively. Meanwhile, a significant increase compared to the pre-pandemic numbers was reported for income from visitors from Iran, Israel, and Saudi Arabia. Notably, the highest YoY increases were reported for Turkey (74%) and the EU (52%). Meanwhile, the highest YoY declines were recorded for Belarus (-58%), Ukraine (-52%), and Saudi Arabia (-40%).

\*According to the National Bank of Georgia, as of 30 September 2023, 42.5% of Russian citizens, 45.1% of Belarusian citizens, and 30.1% of Ukrainian citizens residing in Georgia were estimated to have been living in the country for one year or intending to stay for more than one year. According to IMF methodology, such people are treated as Georgian residents, and their spending is not included in the calculations of income from international travel.



# HOTEL PRICE INDEX IN GEORGIA

In October 2023, in Georgia the hotel price index<sup>1</sup> decreased by 11.3% compared to September 2023. The 3-star, 4-star, and 5-star hotel price index decreased by 13.2%, while for guesthouses, the price index decreased by 10.9%.

The monthly HPI was the highest in Samegrelo-Zemo Svaneti (-2.6%) and lowest in Adjara (-25.0%)

In October 2023, compared to October 2022, hotel prices in Georgia decreased by 11.1%. The prices of 3\*, 4\*, 5\* hotels decreased by 10.9% and the prices of guesthouses decreased by 18.7%.

The yearly HPI was the highest in Kvemo Kartli (26.0%) and lowest in Tbilisi (-18.3%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2023 Oct/ 2023 Sep	2023 Oct/ 2022 Oct	2023 Oct/ 2023 Sep	2023 Oct/ 2022 Oct	2023 Oct/ 2023 Sep	2023 Oct/ 2022 Oct
Kakheti	-3.0%	4.5%	-1.2%	8.0%	-3.8%	3.1%
Imereti	-5.8%	5.4%	-3.9%	12.6%	-7.3%	-0.3%
Guria	-23.0%	14.2%	-29.9%	14.2%	-15.5%	-
Kvemo Kartli	-	26.0%	-	0.0%	-	58.7%
Adjara	-25.0%	-8.6%	-24.3%	-6.9%	-28.0%	-14.0%
Racha	-6.9%	8.5%	-	-	-6.9%	8.5%
Shida Kartli	-3.5%	-8.9%	-19.4%	-13.7%	0.0%	-6.3%
Samegrelo-Zemo Svaneti	-2.6%	3.3%	2.6%	0.8%	-5.8%	5.4%
Samtskhe-Javakheti	-14.1%	-5.6%	-38.7%	-11.5%	0.4%	-0.3%
Mtskheta-Mtianeti	-4.9%	-5.9%	-8.1%	-5.7%	-0.6%	-6.2%
Tbilisi	-6.5%	-18.3%	-6.4%	-17.9%	-6.7%	-28.1%
<b>Overall Price % Change</b>	<b>-11.3%</b>	<b>-11.1%</b>	<b>-13.2%</b>	<b>-10.9%</b>	<b>-10.9%</b>	<b>-18.7%</b>

<sup>1</sup> 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.

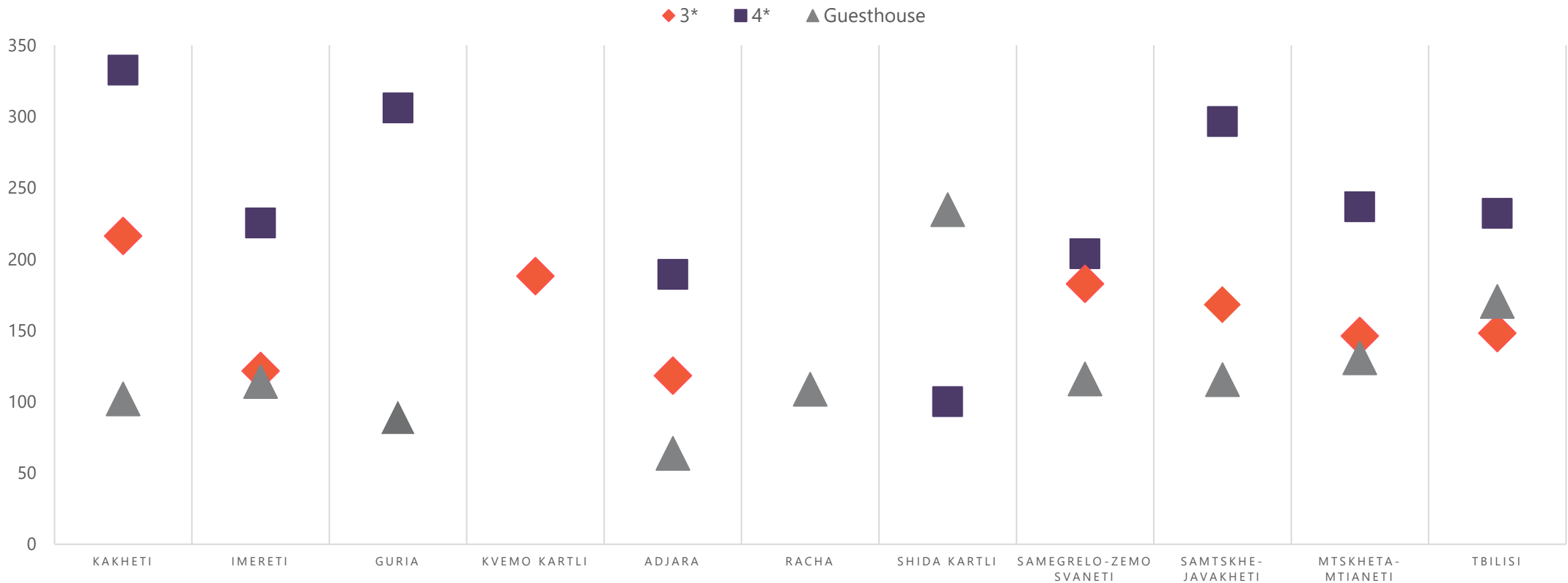


# THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room<sup>2</sup> in a 3-star hotel was **152 GEL** per night in October 2023, while the average cost of a room in a 4-star hotel in Georgia was **237 GEL** per night and the average cost of a room in a guesthouse<sup>3</sup> was **118 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in October 2023 was **411 GEL** per night. In Tbilisi, the average price was **562 GEL**, followed by Guria – **530**, Kakheti – **517**, and Adjara – **319**.

THE AVERAGE PRICES OF 3\*, 4\* STAR HOTELS AND GUESTHOUSES BY REGIONS (OCTOBER 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](http://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](http://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	III 2023
<b>GDP in current prices for Accommodation and Food Service Activities (mln)</b>	1800.0	2223.0	1204.5	1783.6	360.9*	536.2*	831.1*	646.2*	2374.5*	436.8*	638.6*	-
<b>Number of International Travelers (thousand persons)</b>	8679.5	9357.9	1747.1	1881.3	576.5	1049.4	2266.7	1534.3	5426.9	1208.5	1651.70	2706.9
<b>Number of Tourists (thousand persons)</b>	4756.8	5080.5	1087.0	1577.5	456.0	749.3	2082.6	948.8	3652.9	845.3	1085.2	1725.1
<b>Revenue from International Travel (mln USD)</b>	3222.1	3268.7	541.7	1244.9	393.7*	748.8*	1374.7*	999.5*	3516.6*	795.4*	1009.1	1447.1
<b>The Expenditures of Georgian Travelers Abroad (mln USD)</b>	524.7	657.2	180.5	184.7	72.2*	103.5*	118.6*	114.3*	408.6*	105.0*	883.1*	-
<b>Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)</b>	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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