

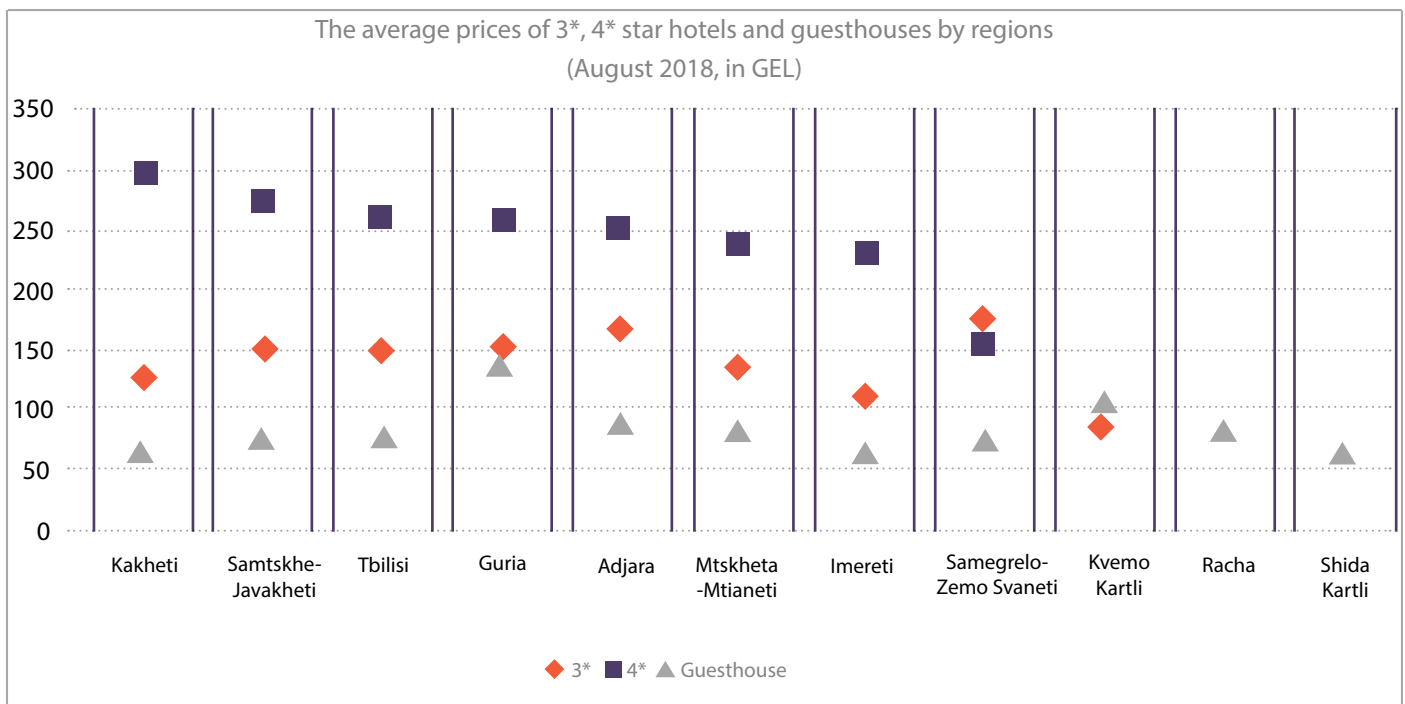
August 2018

- In August 2018, the hotel price index increased only by 0.01% compared to July 2018;
- In August 2018, the daily rates for standard double hotel rooms increased the most in Guria (7.6%), while the hotel prices decreased mostly in Samtskhe-Javakheti (-1.6%);
- In August 2018, the 3-star, 4-star and 5-star hotel price index decreased by 0.9% compared to July 2018;
- In Guria the 3-star, 4-star and 5-star hotel price increased by 18.4%, such price increase was primarily due to 3, 4 and 5 star hotel price increases in Ureki;
- In August 2018, in Tbilisi, the 3-star, 4-star and 5-star hotel prices decreased by 0.3% compared to July 2018;
- In August 2018, the average cost of a room in each category was as follows: 3-star hotel room - 147 GEL per night; 4-star hotel room - 253 GEL; 5-star hotel room - 455 GEL; guesthouse room- 74 GEL.

## Average Hotel Prices

In Georgia, the average cost of a room<sup>1</sup> in a 3-star hotel was **147 GEL** per night in August 2018. The most expensive 3-star hotels in August in Georgia were in Samegrelo-Zemo Svaneti - 177 GEL and Adjara – 164 GEL. The cheapest 3-star hotels in August in Georgia were found in Kvemo Kartli- 89 GEL and Imereti – 103 GEL.

The average cost of a room in a 4-star hotel in Georgia in August 2018 was **253 GEL** per night. The most expensive 4-star hotels for this month were found in Kakheti – 299 GEL and Samtskhe-Javakheti – 274 GEL. The cheapest 4-star hotels in August in Georgia were found in Samegrelo-Zemo Svaneti – 155 GEL and Imereti – 233 GEL.



Graph 1: In the graph, average prices for standard double rooms in 3 and 4-star hotels and guesthouses are given by region. 5-star hotel prices are provided above.

The average cost of a room in a 5-star hotel in Georgia in August 2018 was **455 GEL** per night. In Tbilisi, the average price was 619 GEL, followed by Adjara – 393 GEL, Samtskhe-Javakheti - 383 GEL, and Kakheti - 357 GEL.

In August 2018, the average cost of a room in a guesthouse<sup>2</sup> in Georgia was **74 GEL** per night. The highest daily rates for guesthouses were found in Guria – 138 GEL and Kvemo Kartli-107 GEL. The cheapest guesthouses in August in Georgia were found in Kakheti – 61 GEL, Imereti and Shida Kartli – 62 GEL.

In terms of apartments, on Airbnb in Georgia the average cost of an apartment in August was US\$45. On Airbnb in Georgia, the price distribution among most visited destinations by international visitors is the following (in 2017)<sup>3</sup>: Tbilisi – US\$42, Batumi - US\$46, Kazbegi - US\$50, Mtskheta - US\$37, Gudauri - US\$89, Kutaisi - US\$31, Sighnaghi - US\$27, Borjomi - US\$32, Kobuleti - US\$46.

# Hotel Price Index

In August 2018, the hotel price index<sup>4</sup> increased by 0.01% compared to July 2018. The daily rates for standard double hotel rooms increased the most in Guria – 7.6% and Imereti – 1.4%. Such price increase in Guria was mainly due to hotel price increases in Ureki (14%). The price increase in Imereti was mainly due to hotel price increases in Kutaisi (1.5%).

Among ten regions of Georgia and Tbilisi, in August 2018, compared to July 2017, hotel prices decreased in six regions. The prices decreased the most in Samtskhe-Javakheti and Mtskheta-Mtianeti, by 1.6% and 1.3% respectively. Price decrease in Samtskhe-Javakheti was mainly due to hotel price decreases in Bakuriani (4.7%). Price decrease in Mtskheta-Mtianeti was mainly due to hotel price decreases in Gudauri (10%).

Region	Hotel	3*, 4*, 5*	Guesthouse
Guria	7.6%	18.4%	0.9%
Imereti	1.4%	-2.7%	4.1%
Samegrelo-Zemo Svaneti	1.0%	-0.1%	1.3%
Adjara	0.7%	-0.2%	2.2%
Kvemo Kartli	0.0%	0.0%	0.0%
Tbilisi	-0.3%	-0.3%	0.0%
Kakheti	-0.6%	0.1%	-0.9%
Racha	-0.7%		-0.7%
Shida Kartli	-0.9%		-0.9%
Mtskheta-Mtianeti	-1.3%	-4.1%	1.0%
Samtskhe-Javakheti	-1.6%	-3.4%	-0.3%
Overall price % Change	0.01%	-0.9%	0.7%

Table 1: Percentage change of prices in August 2018 over July 2018.

The 3-star, 4-star and 5-star hotel price index decreased by 0.9% in August 2018 compared to July 2018. In these types of hotels, the highest price decreases were recorded in Mtskheta-Mtianeti (4.1%) and Samtskhe-Javakheti (3.4%). Price decrease in Mtskheta-Mtianeti was mainly due to 3, 4 and 5 star hotel price decreases in Gudauri, in Samtskhe-Javakheti – because of 3, 4 and 5 star hotel price decreases in Borjomi. The 3-star, 4-star and 5-star hotel price increased only in Guria and Kakheti, by 18.4% and 0.1% respectively. Price increase in Guria was primarily due to 3, 4 and 5 star hotel price increases in Ureki, in Kakheti – because of 3, 4 and 5 star hotel price increases in Telavi and Lagodekhi.

For guesthouses, the price index increased by 0.7% in August 2018 compared to July 2018. In this type of accommodation, the biggest percentage price increases for standard double rooms were recorded in Imereti (4.1%) and Adjara (2.2%). The price increase in Imereti was mainly due to price increase of guesthouses in Kutaisi, in Adjara because of price increases of guesthouses in Kobuleti and Makhinjauri. In this type of accommodation, the prices decreased the most in Kakheti and Shida Kartli in both by 0.9%. The price decrease in Kakheti was mainly due to price decrease of guesthouses in Telavi and Signaghi, in Shida Kartli because of price decreases of guesthouses in Surami.

Basic Economic Indicators											
	III 2016	IV 2016	2016	I 2017	II 2017	III 2017	IV 2017	2017	I 2018	II 2018	
1	559,1	493.4	1978.3	458.7*	549*	647.7*	579.9*	2235.4*	534.8*		
2	2245.1	1473.8	6720	1378.1	1757	2927	1832.1	7902.5	1582.3	1979.6	
3	1146.6	559.6	3297.3	665	908.9	1473.6	695.3	4069.4	839.5	1094.2	
4	817.2	481.2	2166.3	434.6	658.8	1081.1	576.8	2751.3	550.8*		
5	107.8	92.4	386.3	81.4	109.5	152	120.7	463.6	105.9*		
6	12.5	34.7	56.1	7.1	25.1	29.7	14.4	76.2	23.8*	7.6*	
* 1	Total Tourism Value Added (mIn Gel)			* 2	Number of International Travelers (thousand persons)			* 3	Number of Tourists (thousand persons)		
* 4	Revenue from International Tourism (mIn USD)			* 5	The Expenditures of Georgian tourists Abroad (mIn USD)			* 6	Foreign Direct Investment in Hotels and Restaurants Sector (mIn USD)		

1 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.  
2 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family.  
3 Source : Georgian National Tourism Administration  
4The calculation of the hotel price index is based on the rec-

ommendations 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)).  
5 \* Preliminary results