



April 2020

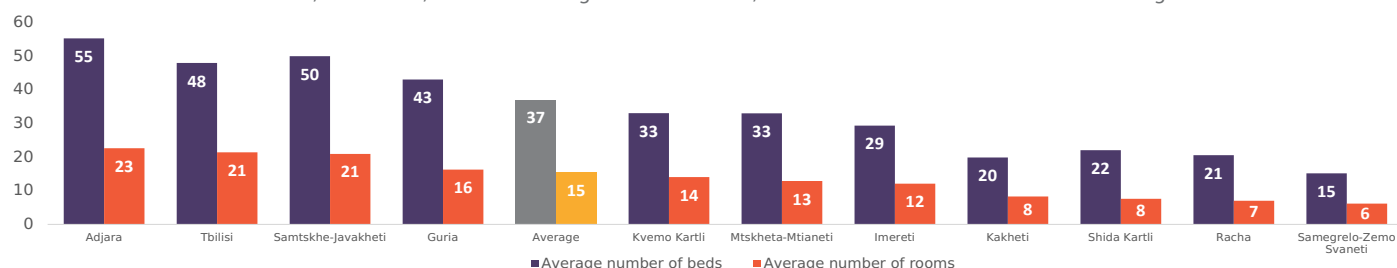
- Number of international travelers decreased by 612 273 (-94.5%), compared to the same period previous year, while number of visitors decreased by 515 440 (-93.8%) and the number of tourists decreased by 321 643 (-92.3%)
- Based on GNTA database, in an average registered accommodation facility in Georgia, there are 15 rooms and 37 beds. There are on average 23 rooms and 55 beds in Adjara (highest) and 6 rooms and 15 beds in Samegrelo-Zemo Svaneti (lowest). There are on average 2.4 beds per one room in Georgia. This ratio equals 2.24 in Tbilisi (lowest) and 2.91 in Racha (highest).
- Hotel prices do not provide an accurate guide of situation in accommodation market due to the fact that the market for accommodations is almost non-existent due to the COVID-19 pandemic.

International Travel statistics in April 2020

April, May and June of 2020 will be remembered in Georgian tourism industry as the months with record-low number of visitors, as the borders are officially closed in these three months for international travelers due to COVID-19 pandemic. Still, despite this, there were 35 497 foreign travelers in April (94.5% decrease year over year), which seems quite surprising at first. However, according to GNTA, the traveler is counted only when the visit comes to an end and the foreigner leaves Georgia, thus, the figures of travelers imply that in April 2020, 35 497 travelers who had come in March left Georgia. This explanation seems logical as many people would prefer waiting a little rather than rush back to their countries. Moreover, it was probably impossible to bring all of them back home simultaneously. The top country in terms of visitors in April was Turkey with 14 219 visitors.

Capacity of Accommodation Industry in Georgia

In order to analyse the impacts of the pandemic and the process of the recovery, a snapshot of accommodation industry before the start of the pandemic would be useful. As of March 2020, 2 054 active accommodation facilities were identified on Geostat's business register and 2 690 entities were identified in GNTA's accommodation database. Based on the GNTA database there are approximately 42 thousand rooms and 100 thousand beds in total in 2 690 facilities. Unsurprisingly, Adjara and Tbilisi dominate, as in combination they amount more than half of total number of both, rooms and beds in Georgia. It is more interesting to look at the average number of rooms and beds in Georgian regions. On average, there are 15 rooms and 37 beds in a registered accommodation entity in Georgia. Adjara, Tbilisi, Samtskhe-Javakheti and Guria boast a higher than average figure in both. The regions where the average number of rooms is lower than 10 are Kakheti, Shida Kartli, Racha and Samegrelo-Zemo Svaneti, with the lowest number of 6 rooms on average in the latter.



It is also worthwhile to observe the number of beds per available room by region, as it measures how "hostel-concentrated" is the region. If the indicator is much higher than 2, which is the number of beds in standard double room, it means that there are more facilities offering hostel and guesthouse-like accommodations. The indicator ranges from 2.24 beds per room in Tbilisi to 2.91 beds per room in Racha. Indeed, based on GNTA's database, 69.6% of accommodations in Tbilisi are hotels, while in Racha corresponding figure is just 13.9%.

	Average	Tbilisi	Kvemo Kartli	Samtskhe-Javakheti	Kakheti	Imereti	Adjara	Samegrelo-Zemo Svaneti	Mskheta-Mtianeti	Guria	Shida Kartli	Racha
Beds per room	2.40	2.24	2.35	2.38	2.39	2.42	2.44	2.44	2.56	2.64	2.88	2.91

As COVID-19 pandemic implies social distancing, it is likely that the number of such accommodations that allow more than 2-3 people in one room, is going to decrease. The future analysis of beds per room ratio can provide useful insights about how the pandemic affected hostels and guesthouses.

Hotel Price Index

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2020 Apr/2020 Mar	2020 Apr/2019 Apr	2020 Apr/2020 Mar	2020 Apr/2019 Apr	2020 Apr/2020 Mar	2020 Apr/2019 Apr
Kakheti	4.9%	7.1%	12.6%	16.8%	2.8%	5.2%
Imereti	3.4%	1.9%	6.1%	4.5%	1.9%	0.5%
Guria	0.0%	-27.0%		9.1%	0.0%	-40.2%
Shida Kartli	1.2%	20.4%	2.5%	-18.8%	0.0%	26.5%
Adjara	8.1%	-24.3%	18.9%	-18.3%	-5.6%	-32.4%
Racha	-1.4%	3.3%			-1.4%	3.3%
Kvemo Kartli	-1.3%	12.7%	-5.1%	5.1%	0.0%	20.8%
Samegrelo-Zemo Svaneti	1.0%	10.9%	4.1%	7.1%	-0.5%	12.8%
Samtskhe-Javakheti	13.8%	0.2%	0.0%	-10.5%	17.1%	4.1%
Mtskheta-Mtianeti	2.7%	4.7%	1.2%	21.4%	4.0%	-5.6%
Tbilisi	19.9%	10.8%	25.5%	15.7%	-6.6%	-12.6%
Overall Price % Change	13.5%	0.2%	16.5%	4.9%	-3.0%	-14.0%

Table 1 : Percentage change of prices in April 2020 over March 2020 and over April 2019.

In April 2020, in Georgia the hotel price index³ increased by 13.5% compared to March 2020. The 3-star, 4-star and 5-star hotel price index increased by 16.5%, while for guesthouses, the price index decreased by 3%.

In April 2020, compared to April 2019, hotel prices in Georgia increased by 0.2%. The prices of 3*, 4*, 5* hotels increased by 4.9%, while the prices of guesthouses decreased by 14%.

Average Hotel Prices

In Georgia, the average cost of a room¹ in a 3-star hotel was 128 GEL per night in April 2020. While the average cost of a room in a 4-star hotel in Georgia was 209 GEL per night and the average cost of a room in a guesthouse² was 68 GEL per night.

The average prices of 3*, 4* star hotels and guesthouses by regions (April 2020, in GEL)



Graph 2: 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 April 2020 was 343 GEL per night. In Tbilisi, the average price was 566 GEL, followed by Kakheti - 320 GEL, Adjara - 258 GEL and Samegrelo-Zemo Svaneti - 199 GEL.

Basic Economic Indicators

	I 2018	II 2018	III 2018	IV 2018	2018	I 2019	II 2019	III 2019	IV 2019	2019	I 2020
1	363.6	433.3	534.5	468.6	1800	426	498.5	605.7	541.9	2072.1	-
2	1582.4	1979.6	3226.4	1891.1	8679.5	1617.5	2244.8	3375.1	2120.4	9357.9	1333.1
3	839.5	1094.2	1838.3	984.7	4756.8	882.1	1245	1863.6	1089.7	5080.5	765.3
4	550.7	810	1210.6	650.8	3222.1	578.4	877.6	1126.8	685.8	3 268.7	-
5	105.9	126.4	149.9	142.4	524.7	131.3	167.9	181.6	176.2	657.2	-
6	25.3	-8.2	44.9	15.7	77.8	66.2*	28.8*	45.7*	16.4*	157.5*	-

1 GDP in current prices from Accommodation and Food Service activities (mln)

2 Number of International Travelers (thousand persons)

3 Number of Tourists (thousand persons)

4 Revenue from International Tourism (mln USD)

5 The Expenditures of Georgian tourists Abroad (mln USD)

6 Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)

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)). 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 contact-

ing 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. 4 * Preliminary results