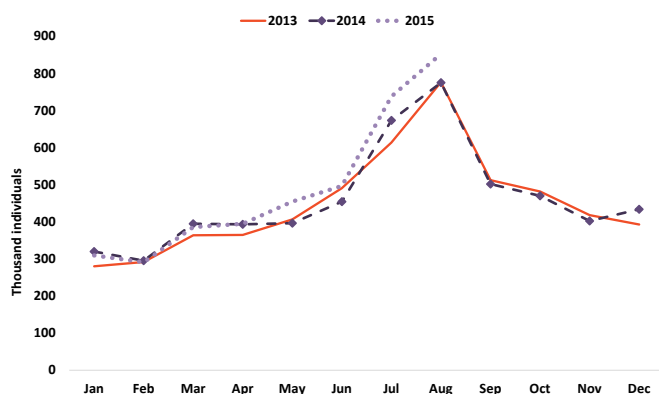


The growing number of visitors (tourists, one-day visits, and transit) to Georgia is important for the further development of the country's tourism sector, as well as for increasing the inflow of foreign currency.

In January-August 2015, 3 922 376 international arrivals were registered in Georgia. This indicator exceeds the corresponding indicator for the same period in 2014 by 5.9%. During previous years, July-September has been the busiest period in this regard. A similar tendency is visible in 2015, as 40.5% of international arrivals have been registered in the period of July-August and with September's statistics still to be added, this figure is likely to mirror the pattern of previous years.

The Dynamics of International Arrivals, 2013-15



In January-August 2015, 219 699 more individuals visited Georgia compared to the corresponding period in 2014. The number of visitors had decreased in the first quarter of 2015, compared to the corresponding period of 2014, but started to increase in April and during June-August this indicator increased by 9.7% (183 950 individuals).

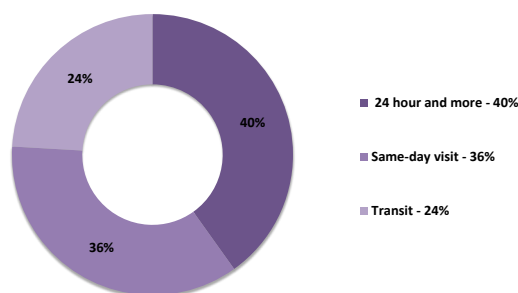
In 2015, similar to 2014, the busiest month in terms of visitors entering is August (21.7%; 852 400 individuals).

Source: Georgian National Tourism Administration

During January-August 2015, 40.1% of visitors stayed in Georgia for 24 hours and more, 35.8% left the same day and 24.1% arrived for transit. From these categories, the number of transit visitors increased (34.7%), while the number of visitors staying 24 hours and more and visitors leaving on the same day both decreased slightly (-0.1% and -1.5% respectively).

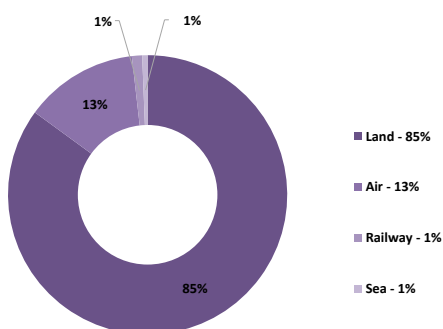
In July-August 2015, the number of visitors in all categories increased. Those who stayed 24 hours and more rose by 2.1%; those who left the same day increased by 2.6%, and those who arrived for transit soared by 39.3%.

Arrivals by Visit Types, January-August, 2015



Source: Georgian National Tourism Administration

Visits by Border Types, January-August, 2015

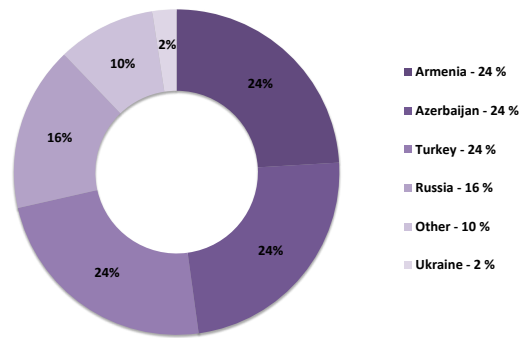


In January-August 2015, the breakdown of visitors according to border type remained similar to 2014. In this period, 85% of visitors arrived by land, 13.2% by air, 1.2% by railway and 0.6% by sea transportation. The number of arrivals by land and air transportation increased by 5.3% and 13.5%, respectively, while the number of arrivals via railway and sea declined (-11.8% and -13.4% respectively).

In this period, the highest number of visitors entered by land from Sarpi (24.2%; 949 218 individuals), by air from Tbilisi international airport (10.7%; 419 519 individuals), by sea - Batumi port (0.3%; 12 066 individuals) and by railway - Gardabani railway station (0.6%; 24 706 individuals).

Source: Georgian National Tourism Administration

Top 5 Countries by the Number of Visitors, January-August, 2015



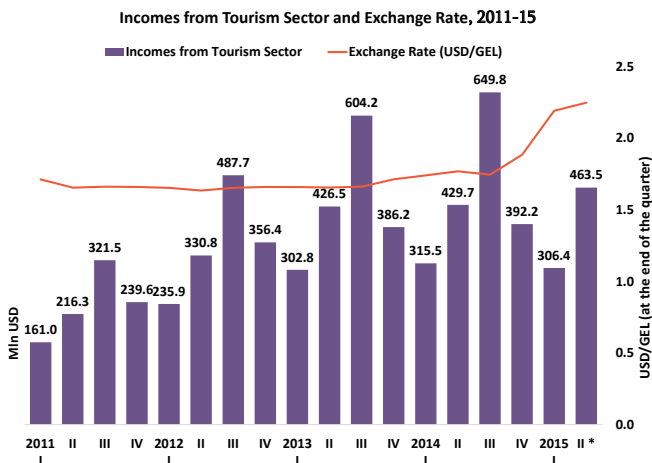
Source: Georgian National Tourism Administration

The money spent by visitors to Georgia is one of the most important sources of foreign currency inflow in the country.

In the first quarter of 2015, the indicator of incomes from export sector decreased by 2.9% compared to the first quarter of 2014, due to the declining number of visitors in the corresponding period. Considering the trend of previous years and the growing number of visitors, in the second quarter of 2015, this indicator is expected to increase by 7.9%. Hence, in I-II quarters, the expected growth rate of the incomes from tourism sector is 3.3% (US \$769.9 mln).

In January-August 2015, the structure of top five countries by the number of visitors is the following: 24.1% from Armenia, 23.8% from Azerbaijan, 23.6% from Turkey, 16.4% from Russia and 2.4% from Ukraine. Among them, the number of visitors from Armenia increased by 14.4%, from Azerbaijan by 8.4% and from Russia by 14.7%, while the number of visitors from Turkey and Ukraine declined by 6.3% and by 5.4% respectively.

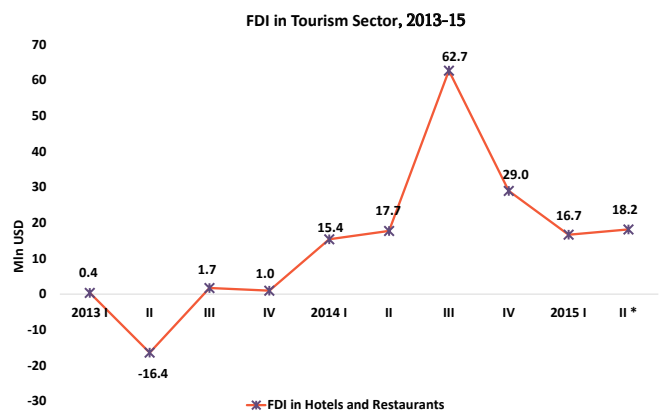
Taking into account that the largest number of visitors (3.3 mln individuals) entered the country from the land border, it is not surprising, that in the structure of visitors by countries, the highest shares (87.9%) have the neighbouring countries.



Source: National Bank of Georgia

In the first two quarters of 2015, the total Foreign Direct Investment (FDI) in the fields relating to the tourism sector (hotels, restaurants etc.), increased by 5.2% (US \$1.7 mln) and amounted to \$34.9 mln.

In this period, compared to the corresponding indicator in 2014, the share of this indicator in the total FDI increased slightly (0.3%) and reached 6.6%.



Source: National Statistics Office of Georgia

Basic Economic Indicators	2012	2013	I 2014	II 2014	III 2014	IV 2014	2014	I 2015	II 2015
Nominal GDP (mln USD)	15846.8	16139.9	3605.3*	4064.1*	4320.4*	4527.8*	16528.5*	3298.9*	3406.5*
Per capita GDP (USD)	3523.4	3599.6	802.9*	905.0*	962.1*	1 008,3*	3680.8*	884.5*	913.4*
GDP real growth (%)	6.4%	3.3%	7.2%*	5.2%*	5.6%*	1.8%*	4.8%*	3.2%*	2.5*
Consumer Price Index (annual average)	99.1	99.5					103.1		
Foreign Direct Investment (USD)	911.6	941.9	309.5	196.2	726.0	526.7	1 758.4	175.3*	354.7*
Unemployment Rate (%)	15%	14.6%					12.4%		
External Public Debt (mln USD)	4739	4202	4145	4082	4074		4200	3989	4181
Poverty level (registered)	9.7%	9.7%					11.6%		

Source: National Statistics Office of Georgia  
Ministry of Finance of Georgia  
National Bank of Georgia

\* Forecasted