



MONTHLY TOURISM UPDATE

March 2022

Georgia

**Latest trends of international travel
from Russia, Belarus, and Ukraine**



Research



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Summary

- ❗ In March 2022, the number of Russian, Belarusian and Ukrainian **travelers entering country** increased significantly and reached 45.1 thsd, 20 thsd and 16.9 thsd, respectively. The month over month (MoM) increase was especially high for Belarus (281%) and Russia (69%). Meanwhile, the **exit from Georgia** by Belarusian and Russian visitors has also shown a significant MoM increase.
- ❗ In March 2022, **remarkable differences can be noticed between the number of entries and exits**, indicating that significant part of the travelers, especially from Russia and Belarus, have not left the country.

- ❗ In March 2022, **the travel receipts** from Belarus and Russia showed MoM increase of 551% and 133%, respectively, which again strengthens the observation of the rapid inflow of travelers from Russia and Belarus.

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- ❗ In March 2022, in Georgia **the Hotel Price Index** increased by 8.5% compared to February 2022, with the most prominent price increase in Tbilisi.
- ❗ The **YoY HPI** index in Georgia was equal to 14.9%, with the highest yearly price increase in Adjara.

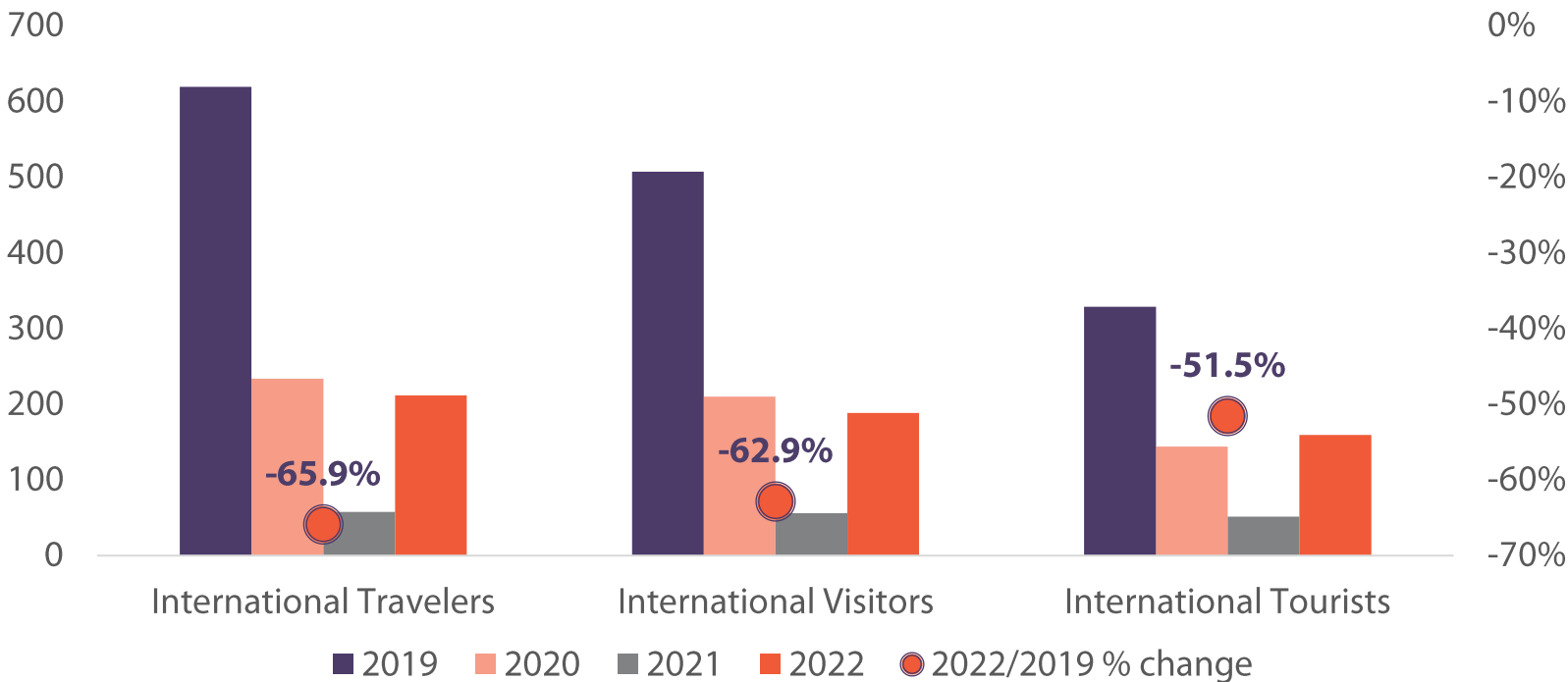


INTERNATIONAL TRAVEL DYNAMICS

✚ The number of **international travelers**¹ increased by 266.3% in March 2022, compared to the same period of 2021, and declined by 65.9% compared to the same period in 2019.

✚ Meanwhile, the number of **international visitors**² increased by 236.9% (2022/2021) and declined by 62.9% (2022/2019), and the number of **international tourists**³ increased by 210.6% (2022/2021) and declined by 51.5% (2022/2019).

International travel dynamics in March (2019-2022)



Source: Georgian National Tourism Administration (GNTA)

0%
-10%
-20%
-30%
-40%
-50%
-60%
-70%

✚ In March 2022⁴, the top countries of origin of international visits were **Turkey** (42 421 visits), **Russia** (22 536 visits), and **Armenia** (21 990 visits).

✚ For each of these countries, **the recovery** in number of visits was most significant for Armenia (56.4% of the March 2019 figure), followed by Turkey (48%) and Russia (22.9%).

1 An international traveler is someone who moves between different geographic locations for any purpose and any duration. This excludes foreign citizens who are Georgian residents and includes Georgian citizens who are foreign residents.

2 An international visitor is a traveler taking a trip to a main destination outside his/her usual environment, for less than a year, for any purpose (business, leisure or other personal purpose) other

than to be employed by a resident entity in the country or place visited. The usual environment of an individual, a key concept in tourism, is defined as the geographical area within which an individual conducts his/her regular life routines. For the purposes of defining "usual environment" in Georgia, travelers conducting 8 or more trips are excluded from the data.

3 A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor) if his/her trip includes an overnight stay.

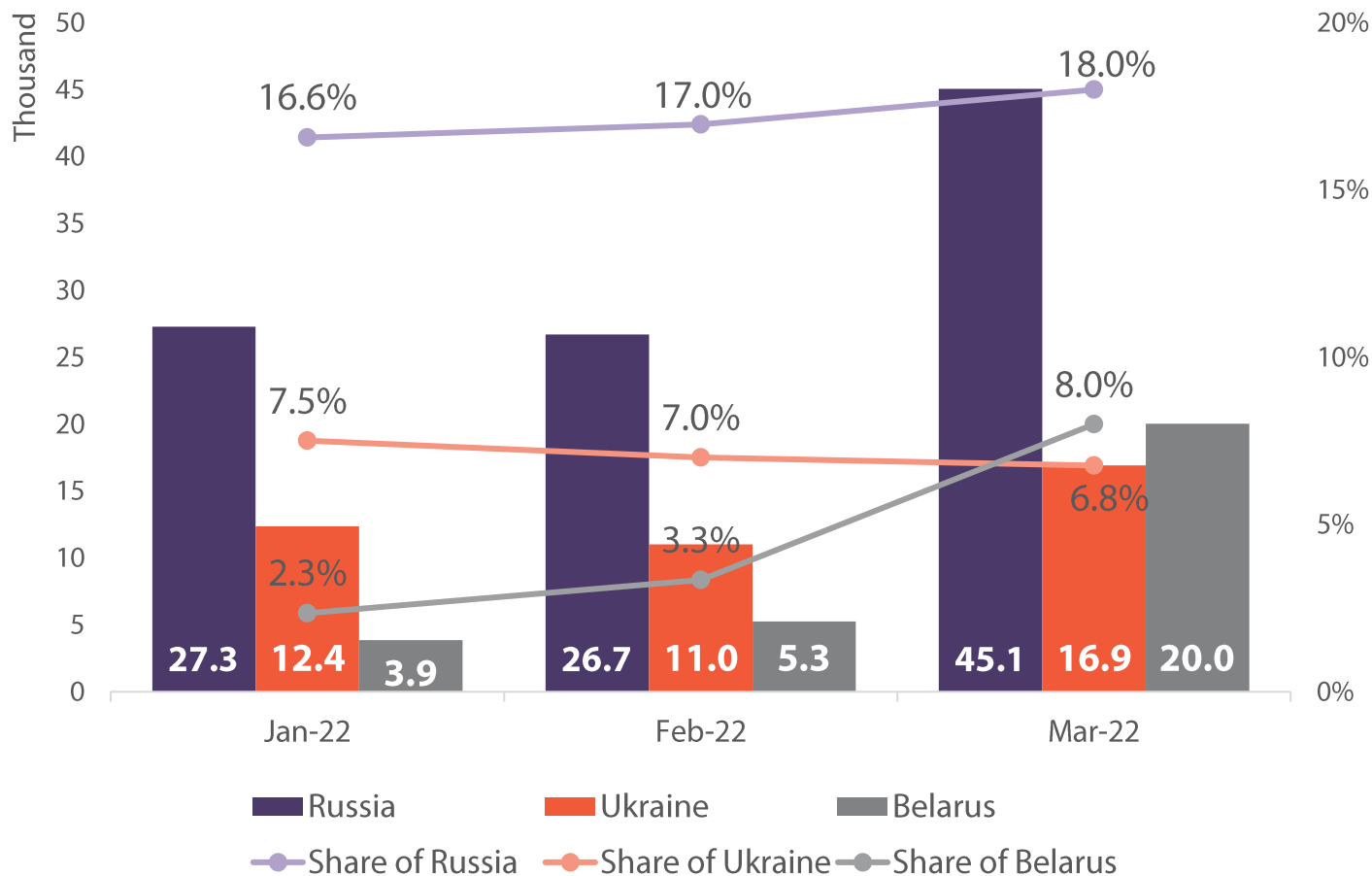
4 Note, that international visitor statistics are counted as the number of international visitors leaving the country, thus the data does not represent the number of total visitor inflow in March 2022.



ENTRIES BY RUSSIANS, BELARUSIANS, AND UKRAINIANS

Since the Russian invasion of Ukraine on 24 February 2022 and the consequent imposition of sanctions on Russia and Belarus, a **rapid inflow of international travelers** into Georgia from Russia, Belarus, and Ukraine has been evident.

Entry (border crossing) by Russian, Ukrainian and Belarusian citizens and their share in total entries (Q1 2021)



Source: Ministry of Internal Affairs of Georgia

According to data collected by the Ministry of Internal Affairs, in March 2022 **the number of Russian citizens to enter Georgia reached 45 100**, which amounted to 18% of total entries into Georgia. Moreover, compared to the previous month, the number of entries by Russian citizens increased by 68.8%.

Meanwhile, **entries by Belarusian citizens saw a dramatic 281.1% month-on-month increase**, reaching 20 000 and amounting to 8% of total entries into Georgia.

The entries by Ukrainian citizens increased by 53.5% compared to February 2022 and reached 16 900, accounting for 6.8% of total entries.

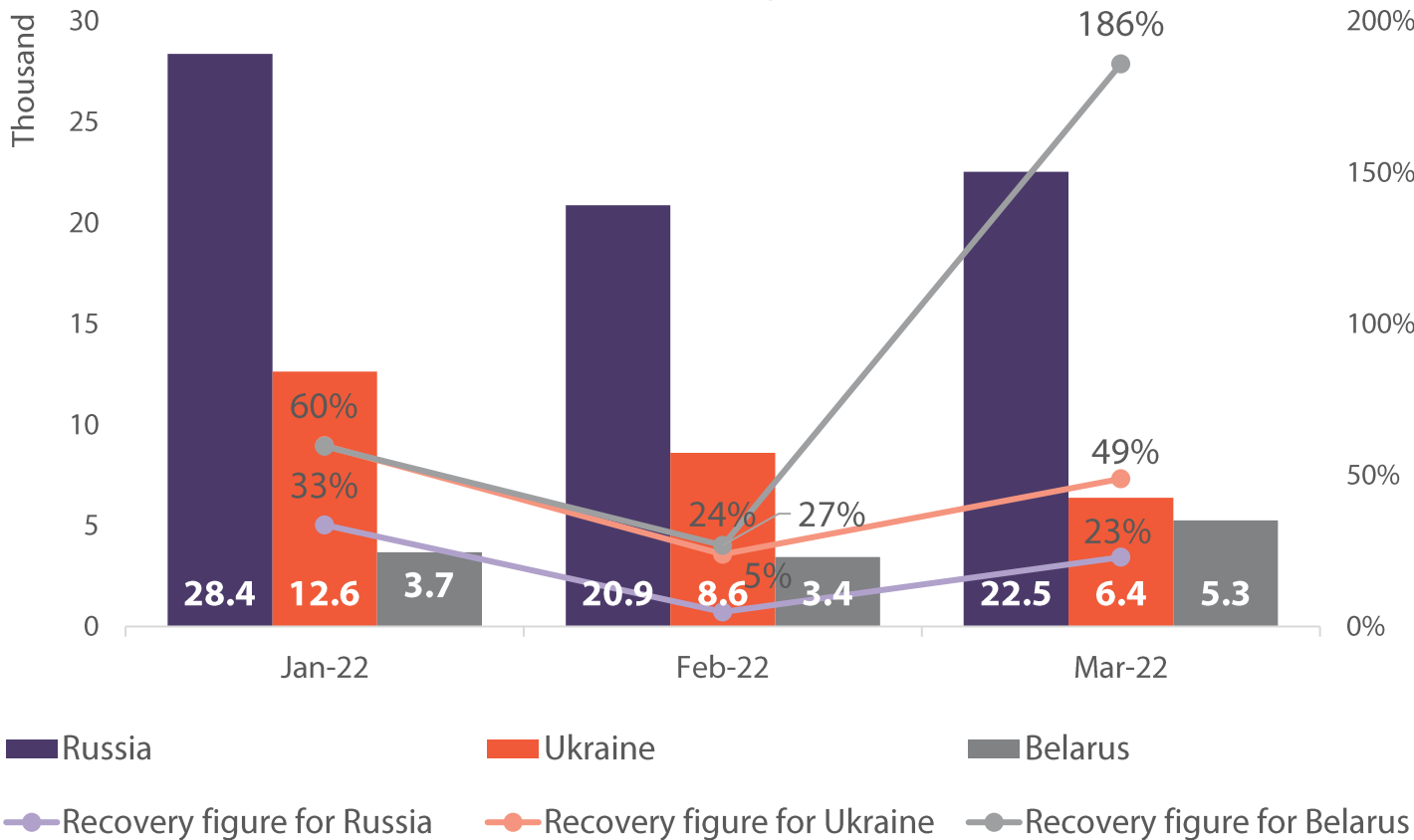
However, the provided data does not cover how many citizens of given countries have crossed the border to leave the country (transit).



EXITS BY RUSSIANS, BELARUSIANS, AND UKRAINIANS

For the further analysis, **the number of exits by international visitors⁵** for the first quarter of 2021 should also be taken into consideration, as the statistics from the National Statistics Office of Georgia are counted as international visitors leaving the country.

Number of exits by international visitors from Russia, Ukraine, Belarus and their recovery compared to 2019 figures (Q1 2022)



From the beginning of 2021, the number of exits by Russians, Ukrainians and Belarusians showed **significant recovery**. In January 2021, the exits by Russians reached 33% the January 2019 figure, while for both Ukrainians and Belarusians this figure was equal to 60%.

However, in March 2022 **the number of exits by Belarusians reached 5 300** (86% higher than March 2019), while the number of exits by **Ukrainians reached 6 400** (51% lower than March 2019). Meanwhile, the number of exits by **Russians reached 22 500** (77% lower than March 2019).

An observation of the **monthly dynamics** revealed that the exits by Ukrainians in March 2022 declined significantly by 26%, compared to February 2022. Meanwhile, the corresponding figure for Belarus increased by 53%, and there was an 8% rise for Russia.

Source: Georgian National Tourism Administration (GNTA)

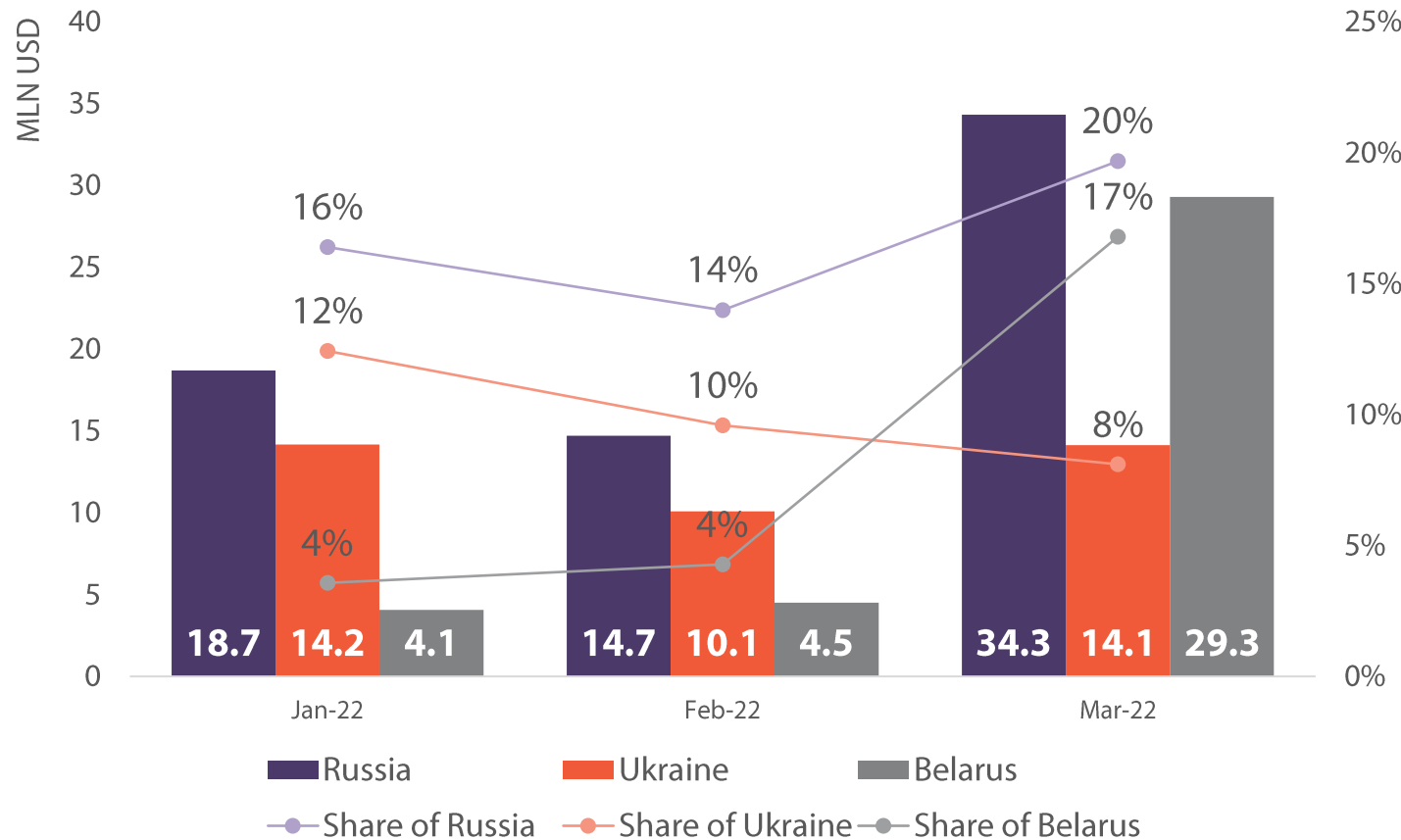
⁵ Throughout the report the number of exits by international visitors will be referred as exits.



TRAVEL RECEIPTS FROM RUSSIANS, BELARUSIANS, AND UKRAINIANS

Another indicator which can be used to measure the inflow from the selected countries is **the travel receipts from Russians, Belarusians and Ukrainians**.

Travel receipts from Russians, Ukrainians and Belarusians and their share in total travel receipts (Q1 2022)



Source: National Bank of Georgia (NBG)

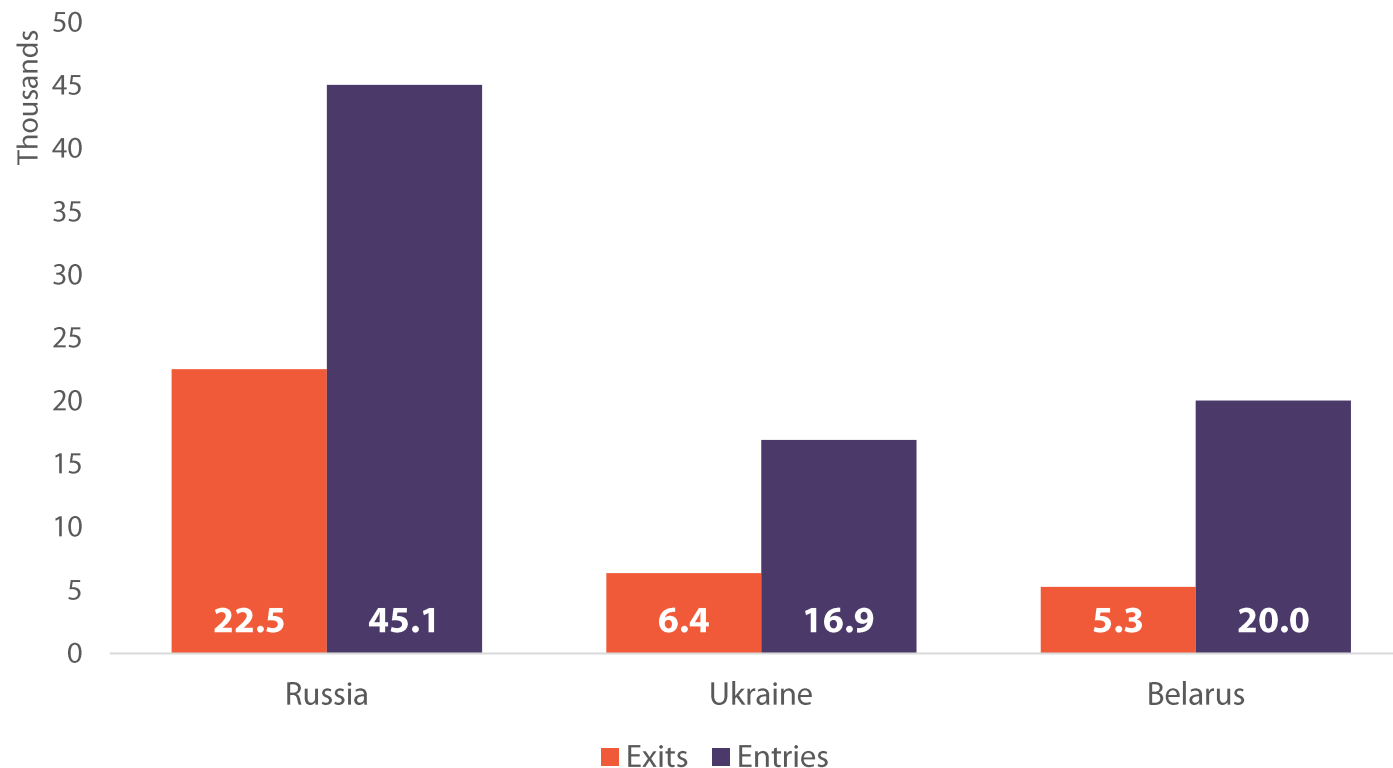
- In March 2022, travel receipts from **Russians showed a significant increase (133%)** compared to the previous month, reaching USD 34.3 mln.
- For Belarusians, the increase was even higher (551%),** with income from receipts reaching USD 29.3 mln.
- The share of travel receipts from Russians (+6 pp) and Belarusians (+13 pp) also showed a significant month-on-month increase.
- In total, citizens of **these two countries accounted for 37% of total travel receipts**.
- Meanwhile, despite the increased receipts (by 40%) from Ukrainians, **the share of Ukrainians in total travel receipts declined to 8%.**



DIFFERENCES IN EXITS AND ENTRIES

After the beginning of the war in Ukraine, the border crossing statistics have revealed **significant differences in the number of entries and exits by Russians, Belarusians, and Ukrainians.**

The number of entries and exits by Russians, Belarusians and Ukrainians (March 2022)



Source: Ministry of Internal Affairs of Georgia, GNTA

- Conceding that there may be some possible statistical discrepancies⁶, the number of entries into Georgia in March 2022 from the selected countries was considerably higher compared to the exits in the same month.
- The **difference is especially high for Russia, followed by Belarus** and Ukraine. It should also be noted that March 2022 was the only month in Q1 2022 where such substantial differences could be observed.
- Complementing this trend, the receipts from international travelers have risen, with significant monthly rises for Belarus and Russia, followed by Ukraine.

⁶ Statistical discrepancies could be caused by the fact that the data on the number of exits reflect the exit of international visitors only, while the number of entries are counted for all citizens of given countries.



HOTEL PRICE INDEX IN GEORGIA

- In March 2022, in Georgia the hotel price index⁷ increased by 8.5% compared to February 2022. The 3-star, 4-star and 5-star hotel price index increased by 7.5%, while for guesthouses, the price index increased by 4.0%.
- The monthly price increase was most prominent in Tbilisi (14.6%). Meanwhile, in Mtsketa-Mtianeti prices has shown the most significant decline (-12.6%).

- In March 2022, compared to March 2021, hotel prices in Georgia increased by 14.9%. The prices of 3*, 4*, 5* hotels increased by 16.6% and the prices of guesthouses increased by 19.0%.
- The yearly price increase was the highest in Adjara (25.8%). While, the yearly decline was only noticed in Samegrelo-Zemo Svaneti (-3.4%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2022 Mar/ 2022 Feb	2022 Mar/ 2021 Mar	2022 Mar/ 2022 Feb	2022 Mar/ 2021 Mar	2022 Mar/ 2022 Feb	2022 Mar/ 2021 Mar
Kakheti	-3.0%	16.5%	-1.5%	23.6%	-4.1%	11.2%
Imereti	2.5%	19.3%	2.0%	13.3%	3.1%	24.7%
Guria	-4.6%	7.2%	-4.6%	-22.6%	-	-
Kvemo Kartli	0.0%	13.4%	-	28.6%	0.0%	0.0%
Adjara	9.0%	25.8%	5.9%	31.2%	19.1%	13.0%
Racha	-4.2%	8.5%	-	-	-4.2%	8.5%
Shida Kartli	0.0%	13.6%	0.0%	35.6%	0.0%	-4.8%
Samegrelo-Zemo Svaneti	-1.1%	-3.4%	-8.6%	-11.0%	4.6%	3.7%
Samtskhe-Javakheti	-3.0%	5.3%	0.7%	25.5%	-5.1%	-11.6%
Mtskheta-Mtianeti	-12.6%	16.9%	-15.3%	27.8%	-8.4%	5.3%
Tbilisi	14.6%	11.3%	16.0%	9.3%	3.5%	26.2%
Overall Price % Change	8.5%	14.9%	7.5%	16.6%	4.0%	19.0%

⁷ 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).

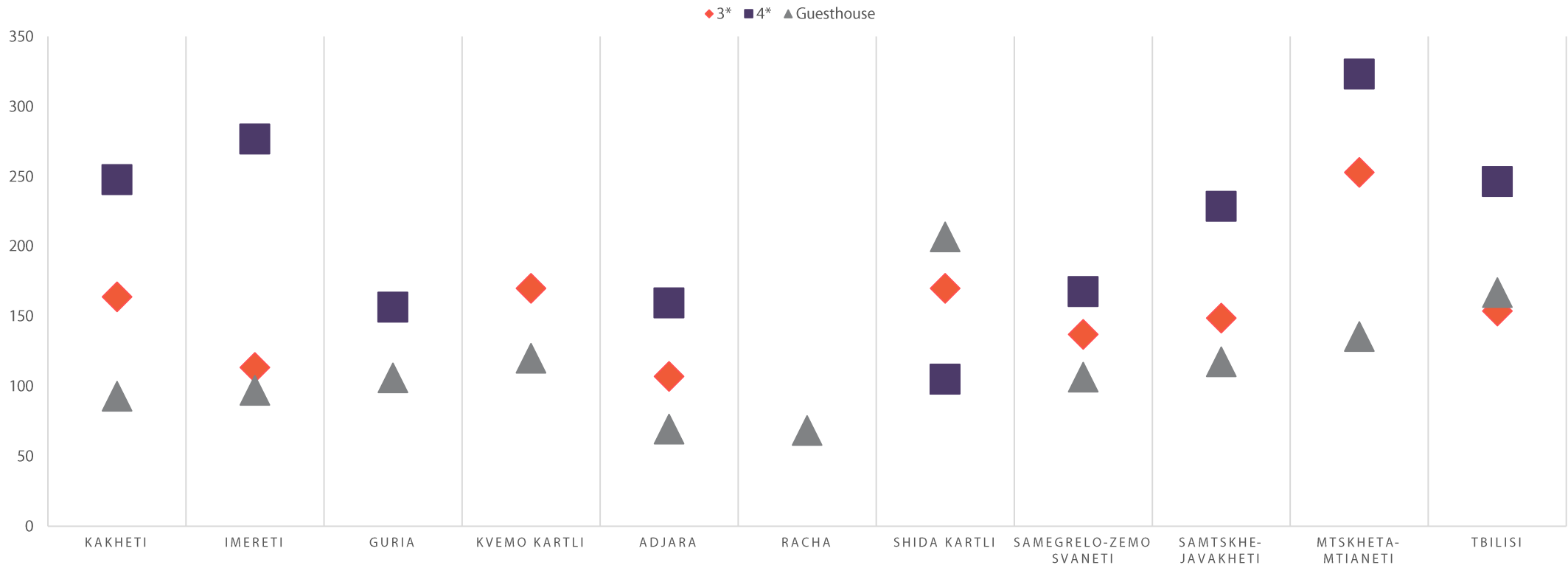


THE AVERAGE HOTEL PRICES IN GEORGIA (March 2022)

In Georgia, the average cost of a room⁸ in a 3-star hotel was 152 GEL per night in March 2022, while the average cost of a room in a 4-star hotel in Georgia was 246 GEL per night and the average cost of a room in a guesthouse⁹ was 114 GEL per night.

The average cost of a room in a 5-star hotel in Georgia in March 2022 was 406 GEL per night. In Tbilisi, the average price was 574 GEL, followed by Kakheti - 451 GEL, Samtskhe-Javakheti - 373 GEL and Guria - 352 GEL.

THE AVERAGE PRICES OF 3*, 4* STAR HOTELS AND GUESTHOUSES BY REGIONS (MARCH 2022, IN GEL)



⁸ 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.

⁹ 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

	2016	2017	2018	2019	2020	I 2021	II 2021	III 2021	IV 2021	2021	I 2022
GDP in current prices for Accommodation and Food Service Activities (mln)	1054.1	1437.5	1800.0	2223.0	1204.5	197.8*	452.2*	602.3*	472.0*	1724.4*	-
Number of International Travelers (thousand persons)	6720.0	7902.5	8679.5	9357.9	1747.1	134.7	351.3	815.4	579.8	1881.3	576.5
Number of Tourists (thousand persons)	3297.3	4069.4	4756.8	5080.5	1087.0	116.6	305.8	670.4	484.7	1577.5	456.0
Revenue from International Travel (mln USD)	2110.7	2704.3	3222.1	3268.7	541.7	53.6*	246.1*	566.0*	379.3*	1244.9*	393.7*
The Expenditures of Georgian Travelers Abroad (mln USD)	386.3	463.6	524.7	657.2	180.5	19.7*	37.1*	62.6*	64.5*	184.1*	-
Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)	120.0	109.5	82.3	123.4	-249.5	-0.9*	-1.4*	10.7*	0.7*	7.7*	-

* Preliminary data



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