

January 2019

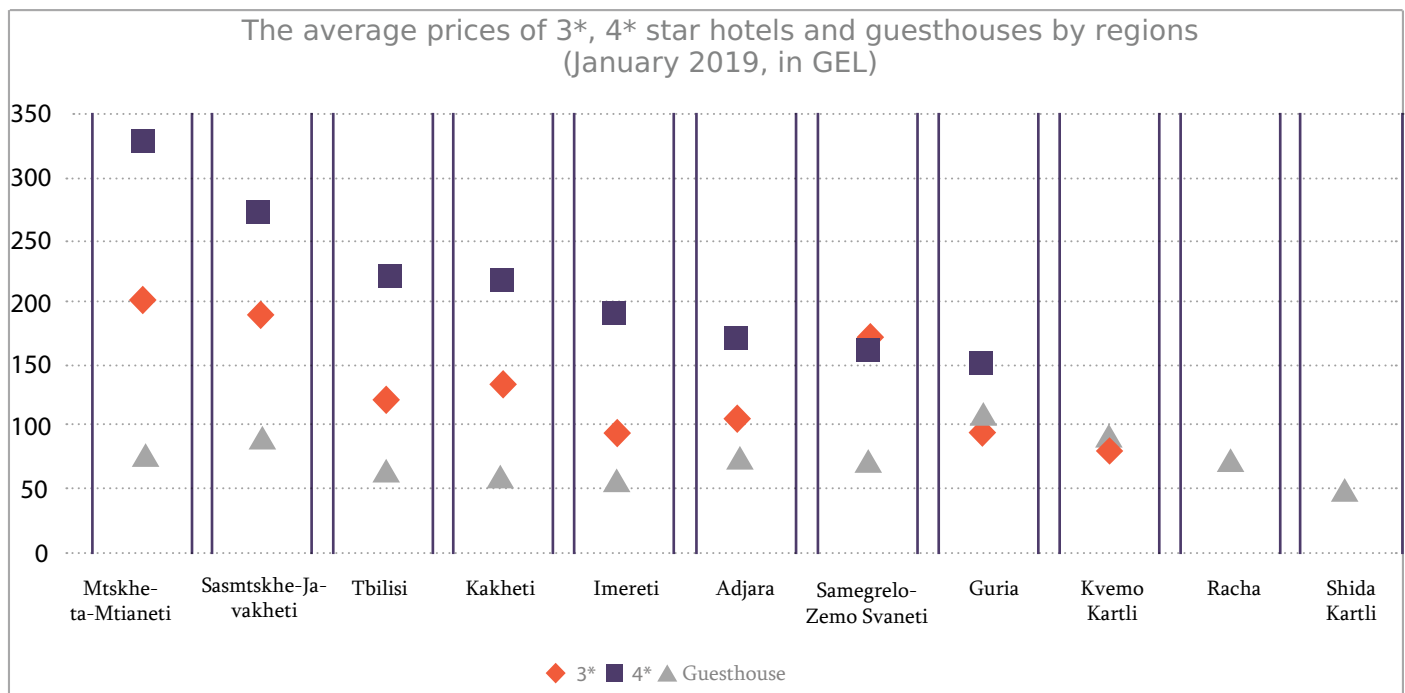
In January 2019, in Georgia the hotel price index decreased by 3.9% compared to December 2018. Among ten regions of Georgia and Tbilisi, in January 2019, compared to December 2018, the hotel prices increased only in Racha (1.3%). In Tbilisi, hotel prices decreased by 4.2%. In January 2019, compared to January 2018, in Georgia the hotel price index increased by 2.6%. The daily rates for standard double hotel rooms increased the most in Adjara (19.2%) and Samtskhe-Javakheti (6.2%).

It has to be noted, that the majority of the trips of international visitors in 2018 were made in Tbilisi and Batumi. In January 2019, compared to January 2018, in Tbilisi the hotel price index decreased by 4.6%, the prices of 3-star, 4-star and 5-star hotels decreased by 4.8%, while the prices of guesthouses decreased by 3.8%. For Batumi, in January 2019, compared to January 2018, the hotel prices increased by 23%, the prices of 3-star, 4-star and 5-star hotels increased by 34%, while the prices of guesthouses increased by 0.3%.

## Average Hotel Prices

In Georgia, the average cost of a room<sup>1</sup> in a 3-star hotel was **124 GEL** per night in January 2019. The most expensive 3-star hotels in January in Georgia were in Mtskheta-Mtianeti – 200 GEL.

The average cost of a room in a 4-star hotel in Georgia in January 2019 was **225 GEL** per night. The most expensive 4-star hotels in December was found in Mtskheta-Mtianeti– 324 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 January 2019 was **481 GEL** per night. In Tbilisi, the average price was 600 GEL, followed by Adjara – 480 GEL, Samtskhe-Javakheti - 385 GEL, and Kakheti - 285 GEL.

In January 2019, the average cost of a room in a guesthouse<sup>2</sup> in Georgia was **69 GEL** per night. The highest daily rates for guesthouses, were found in Guria – 109 GEL.

## Hotel Price Index

In January 2019, in Georgia the hotel price index<sup>3</sup> decreased by 3.9% compared to December 2018. The daily rates for standard double hotel rooms increased the most in Samegrelo-Zemo Svaneti (-5.4%) and Shida Kartli (-4.7%).

Among ten regions of Georgia and Tbilisi, in January 2019, compared to December 2018, the hotel prices increased only in Racha (1.3%).

The 3-star, 4-star and 5-star hotel price index decreased by 3.3% in January 2019, compared to December 2018. In these types of hotels, the highest price decreases were recorded in Tbilisi and Mtskheta-Mtianeti. In January 2019, compared to December 2018, the 3\*, 4\* and 5\* hotel prices increases was not recorded in any of the regions.

For guesthouses, the price index decreased by 4.5% in January 2019, compared to December 2018. In this type of accommodation, the biggest percentage price decreases for standard double rooms were recorded in Samegrelo-Zemo Svaneti and Adjara. The price increase of guesthouses was recorded only in Racha.

In the same period, in January 2018, compared to December 2017, in Georgia the hotel price index decreased by 6.4%, while in Tbilisi hotel prices decreased by 9.9%. During this period, the daily rates for standard double hotel rooms decreased the most in Tbilisi and Mtskheta-Mtianeti. Increases of hotel prices were recorded only in three regions.

In January 2019, compared to January 2018, in Georgia the hotel price index increased by 2.6%. The daily rates for standard double hotel rooms increased the most in Adjara (19.2%) and Samtskhe-Javakheti (6.2%).

Among the regions of Georgia, in January 2019, compared to January 2018, hotel prices decreased in six regions. In Tbilisi, in January 2019, compared to January 2018, the overall price level of hotels decreased by 4.6%.

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2019 Jan/ 2018 Dec	2019 Jan/ 2018 Jan	2019 Jan/ 2018 Dec	2019 Jan/ 2018 Jan	2019 Jan/ 2018 Dec	2019 Jan/ 2018 Jan
Samegrelo-Zemo Svaneti	-5.4%	-4.3%	-2.1%	6.0%	-6.6%	-9.5%
Shida Kartli	-4.7%	-10.6%			-4.7%	-10.6%
Mtskheta-Mtianeti	-4.5%	5.9%	-3.5%	4.9%	-5.3%	7.0%
Tbilisi	-4.2%	-4.6%	-4.0%	-4.8%	-5.0%	-3.8%
Adjara	-3.2%	19.2%	-1.5%	34.7%	-5.5%	-1.8%
Kakheti	-2.5%	-3.3%	-3.1%	-5.2%	-2.3%	-2.7%
Samtskhe-Javakheti	-2.2%	6.2%	-1.9%	15.2%	-2.4%	1.5%
Kvemo Kartli	-2.0%	-4.8%	-1.7%	3.9%	-2.3%	-15.3%
Guria	-1.7%	-6.5%	-3.0%	-11.8%	-1.1%	10.1%
Imereti	-1.1%	1.0%	-1.4%	-0.8%	-0.9%	2.3%
Racha	1.3%	3.3%			1.3%	3.3%
Overall Price % Change	-3.9%	2.6%	-3.3%	6.5%	-4.5%	-2.0%

**Table 1:** Percentage change of prices in January 2019 over December 2018 and over January 2018.

In Georgia, the 3-star, 4-star and 5-star hotel price index increased by 6.5% in January 2019, compared to January 2018. In these types of hotels, the highest price increases were recorded in Adjara and Samtskhe-Javakheti. During this period, in Tbilisi, the prices of these types of hotels decreased by 4.8%.

In January 2019, compared to January 2018, for guesthouses, the price index decreased by 2%. In this type of accommodation, the biggest percentage price decreases for standard double rooms were recorded in Kvemo Kartli and Shida Kartli. During this period, in Tbilisi the prices of guesthouses decreased by 3.8%.

Basic Economic Indicators										
	2016	I 2017	II 2017	III 2017	IV 2017	2017	I 2018	II 2018	III 2018	IV 2018
1	1978.3	450	544.3	642.6	569.8	2206.7	522.9	642.5	781.9	
2	6720	1378.1	1757	2969.9	1797.5	7902.5	1582.4	1979.6	3226.4	1891.1
3	3297.3	665	908.9	1629.9	865.7	4069.4	839.5	1094.2	1838.3	984.7
4	2166.3	425.7	629.9	1078.3	570.5	2704.3	550.7*	810*	1210.6*	
5	386.3	81.4	109.5	152	120.7	463.6	105.9*	126.4*	149.9*	
6	56.1	7.1	25.1	29.7	10.3	72.2	25.5*	-6.5*	36*	
1	Total Tourism Value Added (mln)			2 Number of International Travelers (thousand persons)			3 Number of Tourists (thousand persons)			
4	Revenue form 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 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 individ-

ually, 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 The calculation of the hotel price index is based on the recommendations given by the Interna-

tional 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)).  
4 \* Preliminary results