

# QUARTERLY TOURISM UPDATE

Georgia

## Tourism Indicators in 2023



Research

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# Content



Research

## Summery

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# Summary



- **In 2023, international visits to Georgia increased significantly (by 31%) compared to 2022, but still did not recover to pre-pandemic levels, reaching only 80% of the 2019 total.** In 2024, the number of international travelers is forecast to increase to 7.9 million. On that background, it must also be noted that the Georgian National Tourism Administration (GNTA) is working on some international events to promote tourism in Georgia, such as World Tourism Day and the M&I Forum.<sup>1</sup>
- **Despite the number of international visits being lower than in 2019, income from international travel now exceeds the pre-pandemic period, which could partly be attributed to the increased length of the average visit.** In 2024, revenues from tourism are expected to increase by 10%, compared to 2023, reaching USD 4.5 billion.<sup>2</sup>
- **In 2023, domestic tourism in Georgia continued to increase.** However, this does not necessarily mean there is an ongoing rise in the number of Georgians vacationing in their home country as a significant number of Russian, Belarusian, and Ukrainian immigrants are no longer counted as international visitors but as residents.

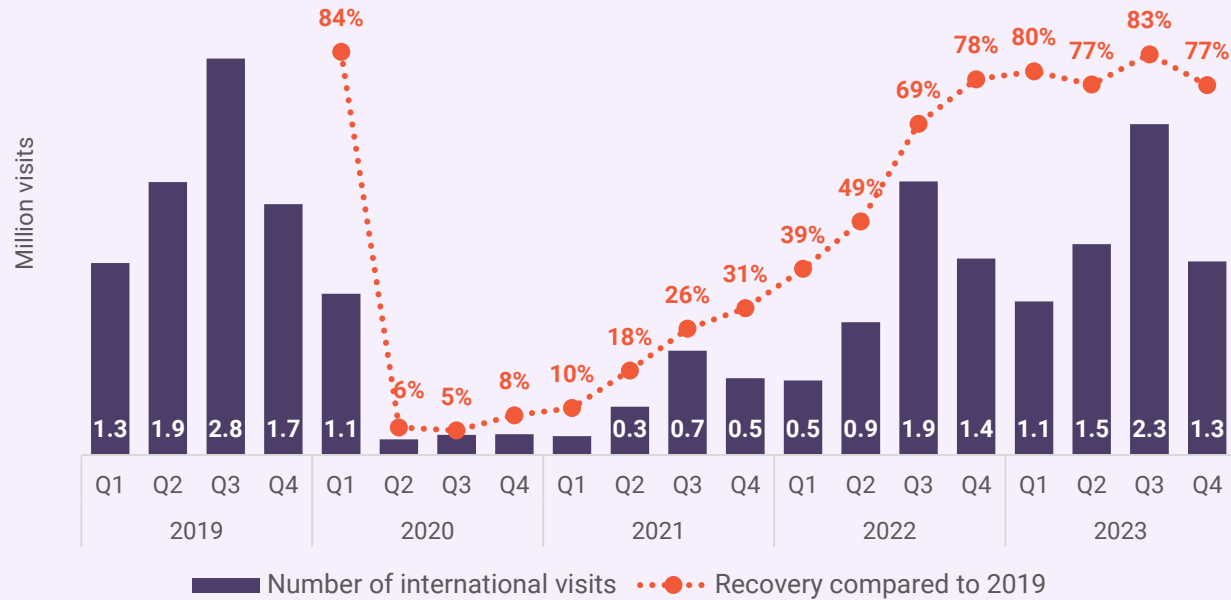
- **In 2023, outbound visits increased by 33% compared to 2022.** The top destinations remain Türkiye (43%), Armenia (15%), the EU (14%), and Russia (12%). However, shopping is now the number one purpose (overtaking visiting friends/relatives) for outbound trips (35%).

## Mountain Resorts in Georgia

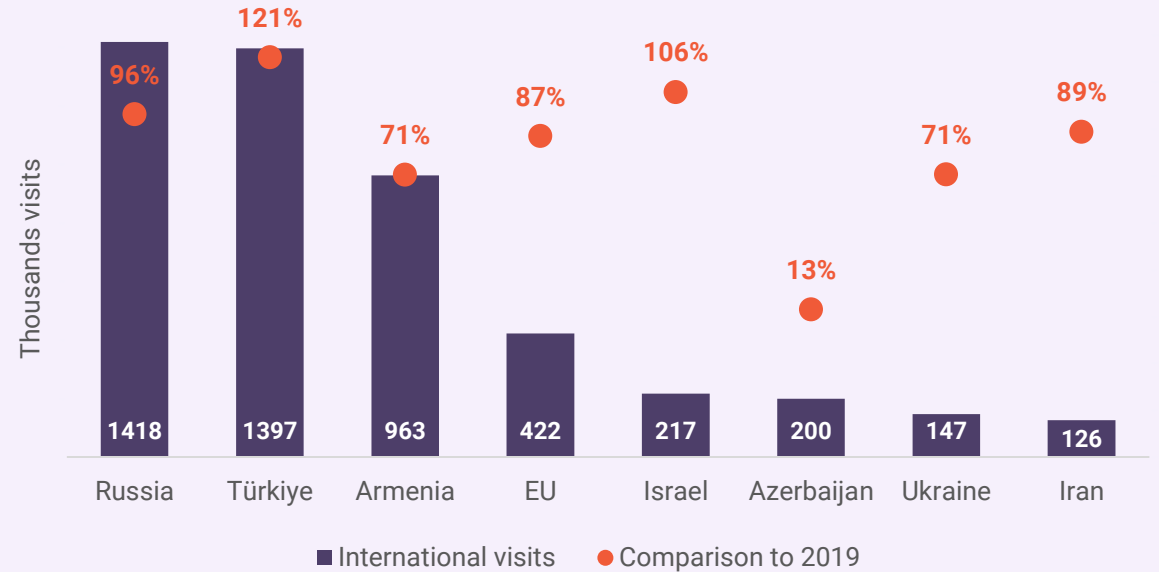
- **In 2023, international visits to Georgia's mountain resorts did not recover to pre-pandemic levels.** Gudauri was the most popular resort for international tourists (71% of 2023 visitors).
- **Domestic visits to Georgia's' mountain resorts in 2023 followed suit with the overall growing trend in domestic tourism.** For domestic visitors, Bakuriani is the primary such destination.
- **In 2023, average hotel prices in Georgia experienced a general decrease compared to 2022.** This decline was primarily influenced by a reduction in prices in the 5-star category, while average prices for lower budget options increased.

# International Tourism

Number of international visits and its recovery to pre-pandemic number



International visits by countries and its recovery to pre-pandemic number in 2023

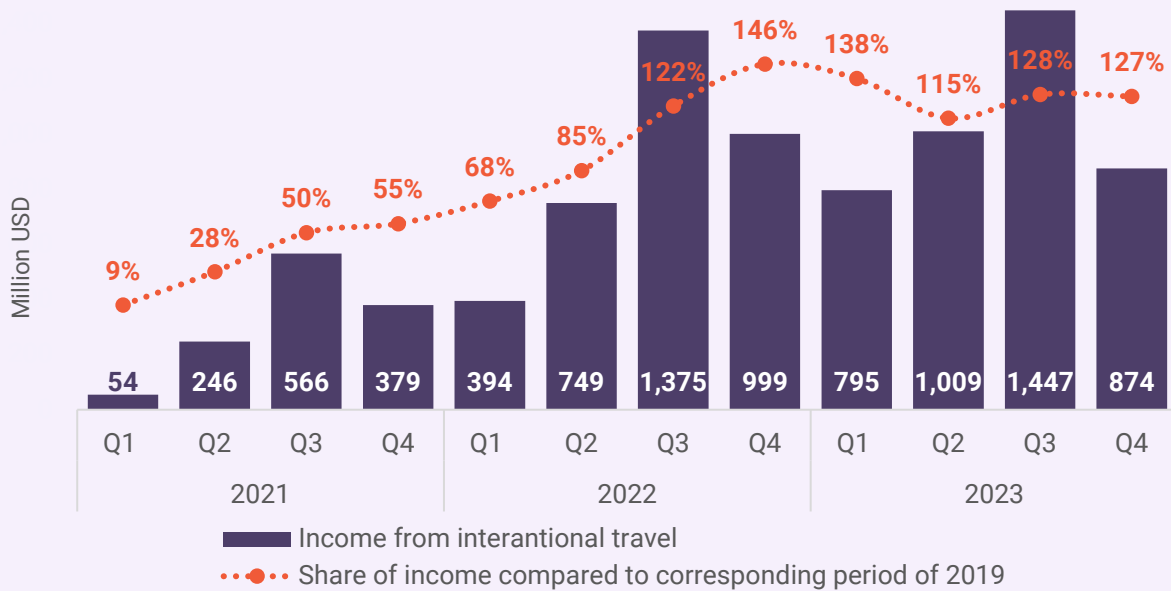


- In 2023, the number of international visits to Georgia reached 6.2 million, marking a significantly rise (31%) compared to 2022. However, the number of international visits remained below the pre-pandemic figure, reaching only 80% of the total for 2019. The slow recovery of international tourism in Georgia is frequently attributed to a disparity between price and quality of tourism services in the country, especially compared to neighboring Türkiye.<sup>3</sup>
- In 2023, Russia was the top country of origin for international visits to Georgia, contributing 23% of total visits. Among the other top countries of origin, the number of visits has recovered to pre-pandemic levels only from Türkiye (121%) and Israel (106%).

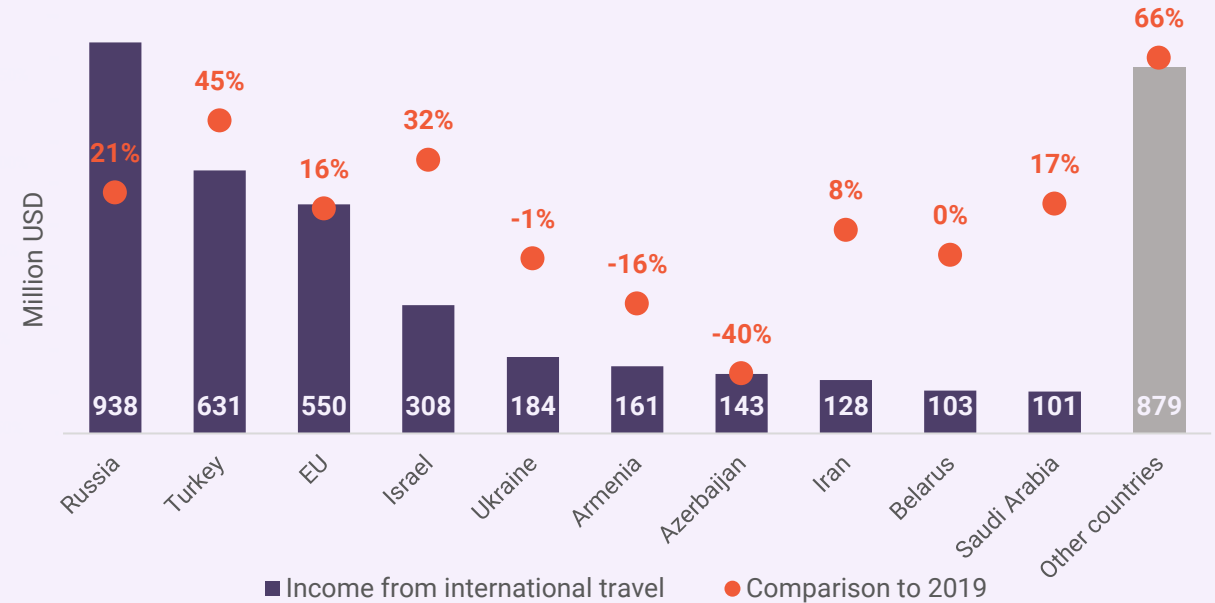
- Even though the number of visitors from Israel decreased in Q4 of 2023 (-37%, YoY) due to conflict in the Middle East, it is important to note that the overall number for 2023 still surpasses the pre-pandemic level. Looking ahead to 2024, it is expected that the war's impact will diminish, with a corresponding recovery in the number of Israeli tourists visiting Georgia.
- In 2023, compared to 2019, although there were fewer international visits overall, visitors tended to stay longer in Georgia. The average number of nights spent in Georgia by international visitors increased to 5.4 nights in 2023, compared to 4.1 nights in 2019.

# International Tourism

Income from international travel and its share compared to pre-pandemic values (2019-2023)



Income from international travel by countries in 2023 and its comparison to 2019



- In 2023, income from international visitors reached USD 4.1 billion, which significantly exceeds the corresponding pre-pandemic number by 26%. This can be attributed in part to the increased average length of stay compared to 2019.
- In terms of nationality, income from visitors from Russia was highest in 2023 (23% of total income from international travel), followed by Türkiye (15%). However, when considering income generated per visit, Israel (USD 1,420 per visit) and the EU (USD 1,302 per visit) were the top contributors.

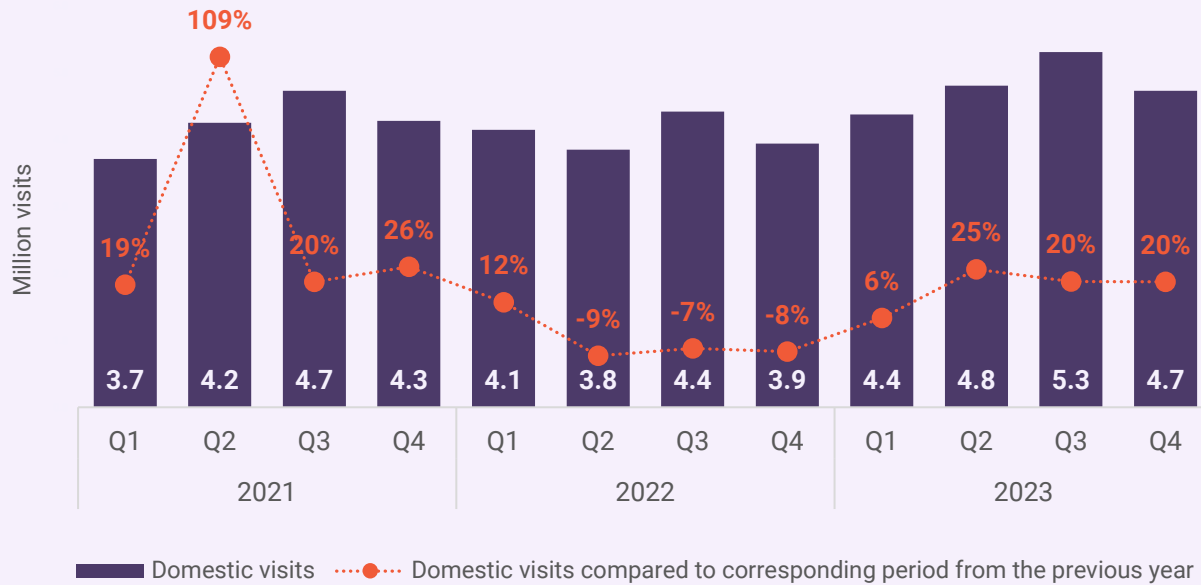
\*According to the National Bank of Georgia, as of 31 December 2023, 30.5% of Russian citizens, 42.5% of Belarusian citizens, and 30.3% of Ukrainian citizens residing in Georgia were estimated to have been living in the country for one year or intending to stay for more than one year.

- In 2023, most of international visitors' expenditure went on accommodation (36%). There were some noticeable changes in the distribution of expenditure by international visitors though. Notably, the share of accommodation increased by 5pp compared to 2022. Meanwhile, the share of spending on food and drink, which had been increasing for several years and had become the leading category for tourist expenditure, decreased by 11 pp YoY.

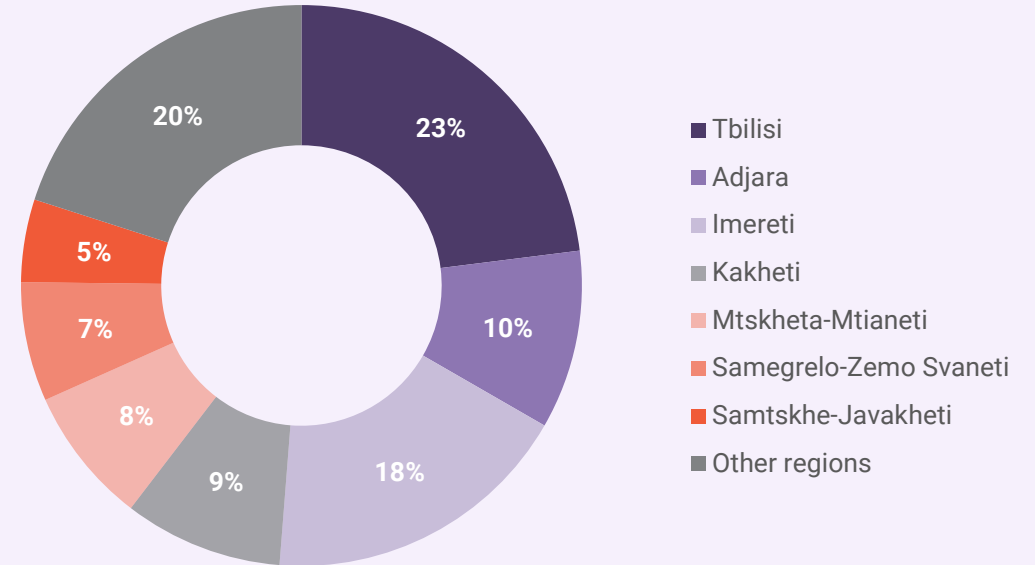
According to IMF methodology, such people are treated as Georgian residents, and their spending is not included in the calculations of income from international travel.

# Domestic Tourism

Domestic visits by Georgian Residents and its comparison with corresponding period from the previous year, 2021-2023



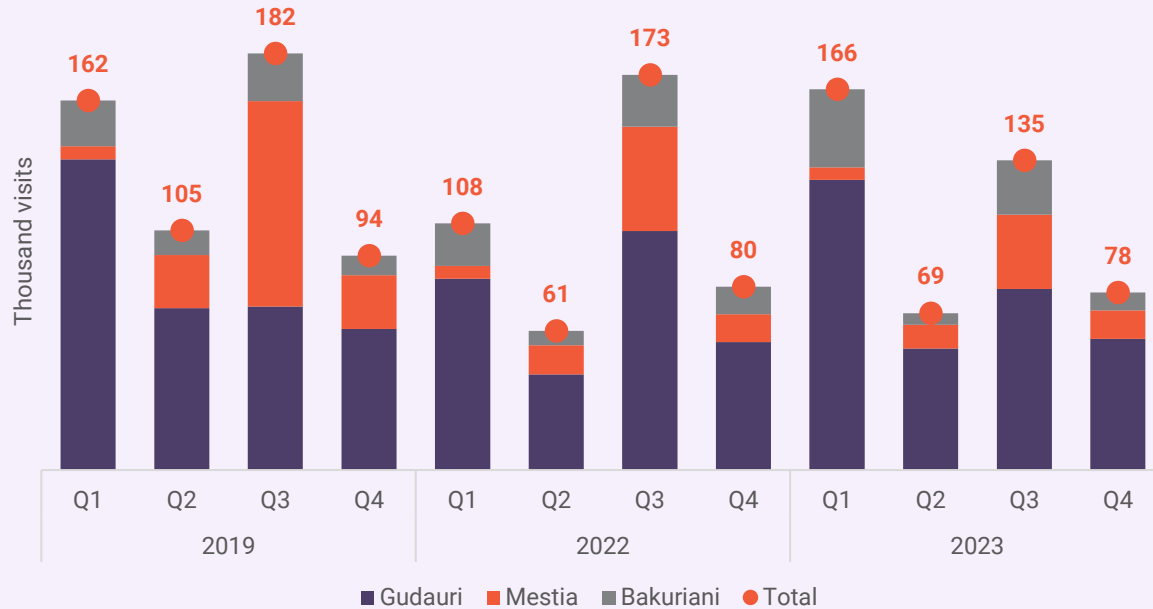
Distribution of domestic visitors by visited regions in 2023



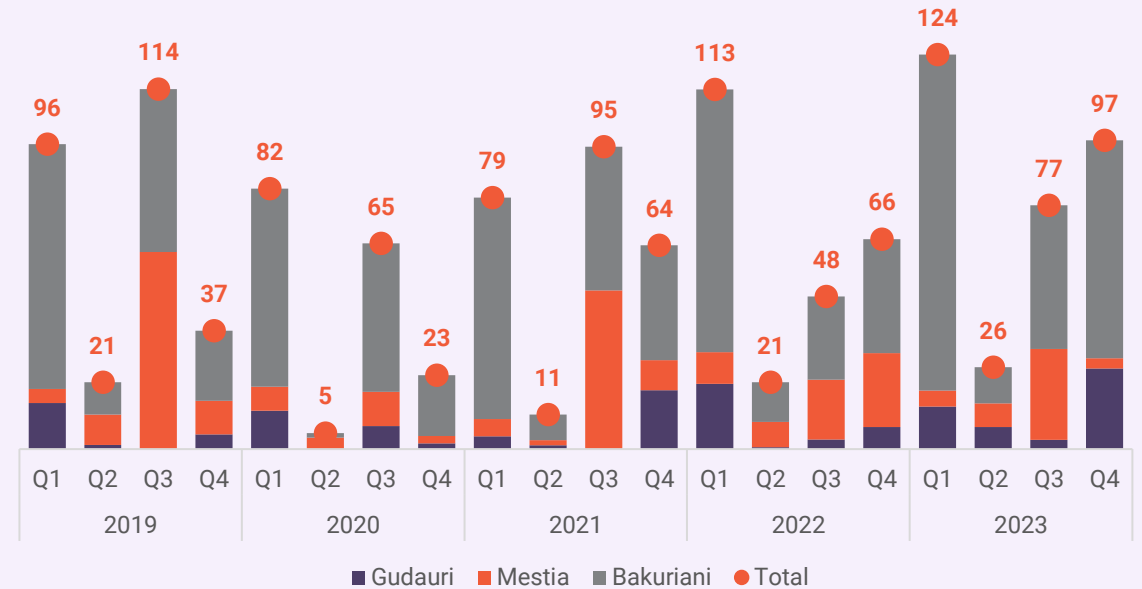
- **In 2023, the number of domestic visits amounted to 19.2 million**, an 18% increase compared to the corresponding period of 2022. The rising trend in domestic tourism compared to 2019 was at first fueled by the COVID-19 pandemic. Since 2022, as numerous Russian, Belarussian, and Ukrainian immigrants are no longer classified as international visitors but as residents, the increase reported here does not necessarily mean that more Georgians are vacationing domestically.<sup>4</sup>
- **The distribution of domestic visitors by visited region in 2023 was similar to previous years.** In particular, the main destination for domestic visits was Tbilisi (23% of total visits), followed by Imereti (18%), and Adjara (10%).
- **In 2023, the average number of nights spent per visit was equal to 1.54**, which is 18% lower than in 2022 (1.87 nights) and 22.1% lower than in 2019 (1.97 nights). Thus, the growth experienced initially after the COVID-19 pandemic gradually slowed in 2023.
- **In 2023, the total expenditure by domestic visitors amounted to GEL 3.3 million**, a 12% rise compared to 2022. The distribution of different categories in total expenditure was similar to previous years, with most expenditure going on shopping (35%), food and drink (25%), and transportation (20%).

# Mountain Resorts in Georgia

Visits to Mountain Resorts by International Visitors\*



Visits to Mountain Resorts by Domestic Visitors



- **The number of international visits to mountain resorts has not yet fully recovered to the pre-pandemic level.** In 2023, the total number of international visits to mountain resorts amounted to 83% of the 2019 figure. Of note, the number of such visits in Q1 of 2023 exceeded the figure for the corresponding quarter in 2019, which was attributed to the FIS Freestyle Ski and Snowboarding World Championships being held in Bakuriani.
- **Gudauri was the top mountain resort destination for international visitors to Georgia in 2023.** A total of 447,696 international visitors went to mountain resorts in Georgia in 2023, of which 71% visited Gudauri.
- **Bakuriani remains the primary mountain resort destination for domestic visitors.** In 2023, out of a total of 324,326 domestic visitors to mountain

resorts in Georgia, 71% chose Bakuriani. Mirroring the overall increasing trend in domestic tourism, in 2023, domestic visits to mountain resorts exceeded the pre-pandemic level by 21%.

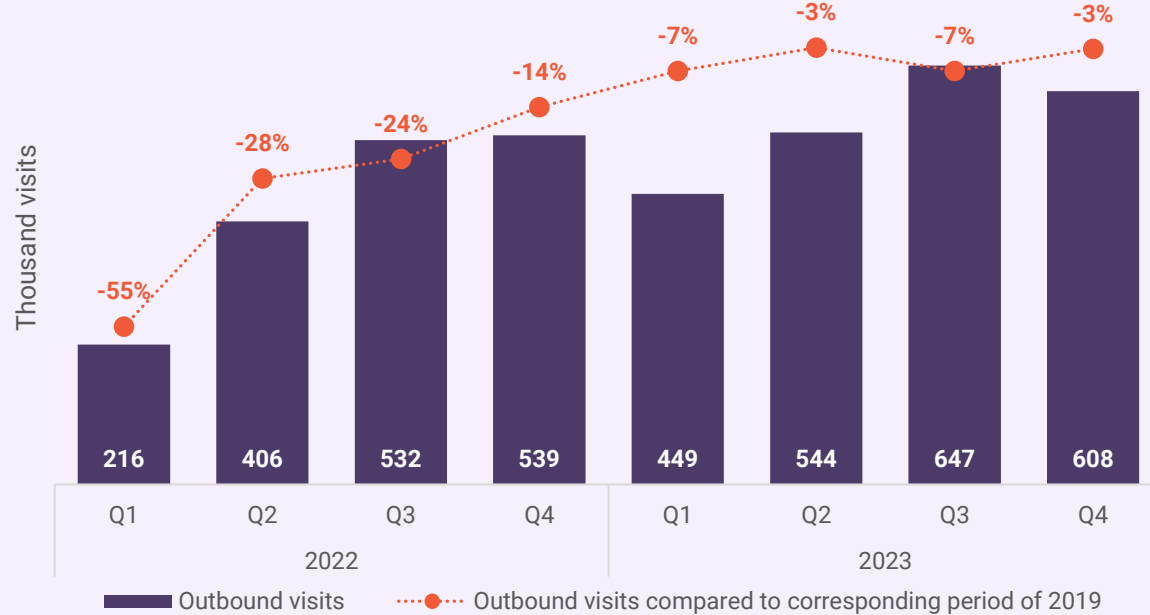
- **Mountain resorts in Georgia exhibit significant seasonality, with most visitors going there in the first and third quarters of the year.** Notably, the number of visitors to Mestia (Svaneti) is highest in the third quarter. In Mestia, the low activity in the first quarter is often attributed to issues concerning electricity, internet connectivity, and road infrastructure in winter that discourage both international and domestic visitors.<sup>5</sup>

\* Data for 2020 and 2021 is not available due to COVID-19 pandemic.

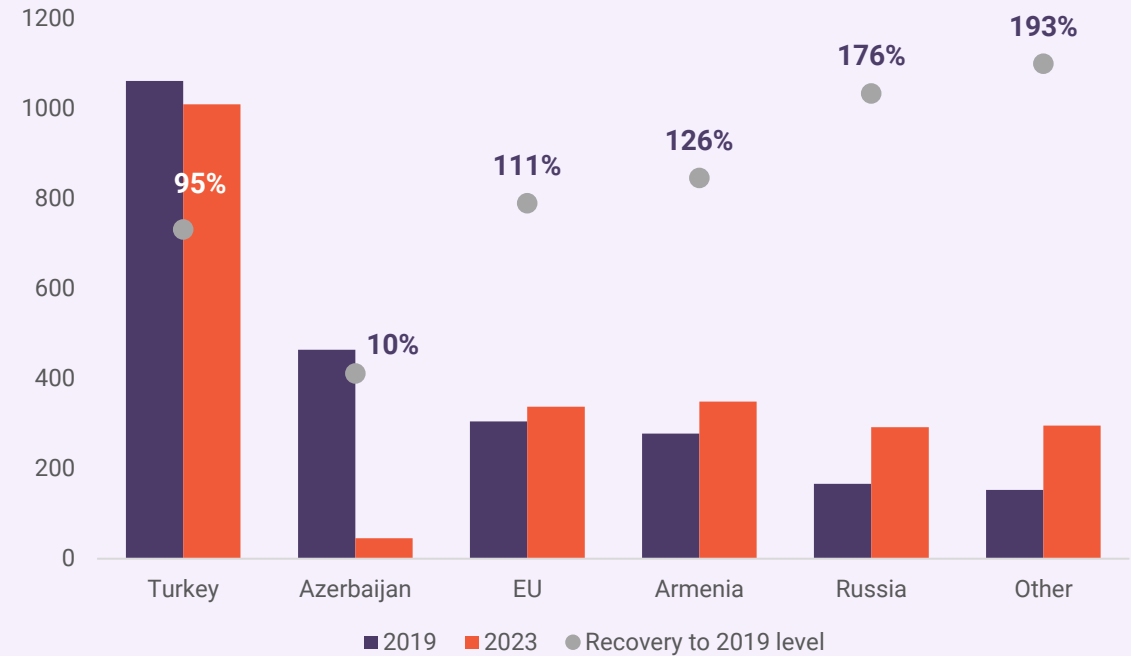
\*\* The data from Mountain Trails Agency (MTA) could not be obtained to conduct a more comprehensive analysis of mountain resorts tourism in Georgia.

# Outbound Tourism

Outbound visits by Georgian Residents and its comparison with corresponding pre-pandemic (2019) period, 2022-2023



Outbound visits by countries and its recovery to 2019 levels

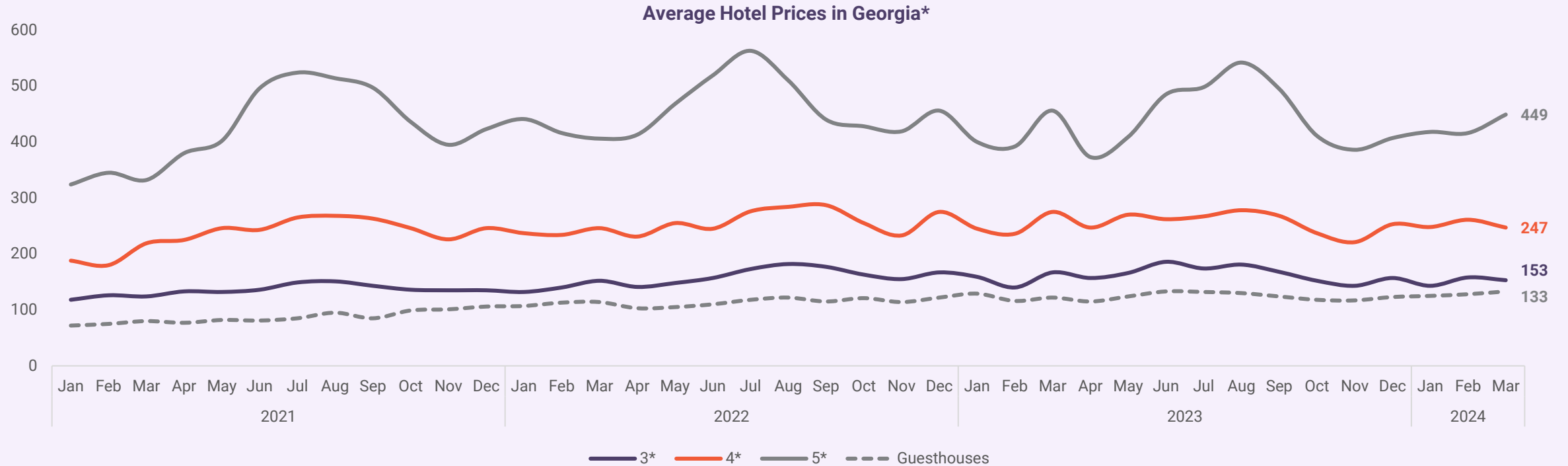


- In 2023, the number of outbound visits made by Georgian residents amounted to 2.2 million, which is 33% higher compared to 2022, and 5% lower than the corresponding figure for 2019.
- In 2023, nearly half of outbound visitors opted for Türkiye (43%) as their destination, followed by Armenia (15%), the EU (14%), and Russia (12%). The distribution of visits by destination country in 2023 was largely consistent with previous years.

- The expenditure of outbound visitors in 2023 reached GEL 2.0 billion, which is 2% lower than 2019. A shift was observed in the expenditure distribution, with a pronounced increase in the share of shopping (+11 pp) and a drop in the share of food and drink in total expenditure (-8 pp).
- In 2023, the primary purpose of outbound visit by Georgian citizens was shopping (35% of total visits). That was closely followed by visiting friends/relatives (32%). Compared to 2019, the share of visitors who cited professional visits (-6 pp) and visiting friends/relatives (-4 pp) as their main purpose decreased.



# Hotel Prices in Georgia



- **In Georgia, there are 3,198 registered accommodation providers**, the majority of which are concentrated in Samegrelo-Zemo Svaneti (19%), Tbilisi (17%), and Adjara (15%).
- **Throughout 2023, overall hotel prices in Georgia decreased compared to 2022.** However, this decline was mainly driven by a decrease in the 5-star category (-4% YoY). There was an increase in average prices for lower

budget options, particularly guesthouses (9%) and 3-star hotels (4%), though.

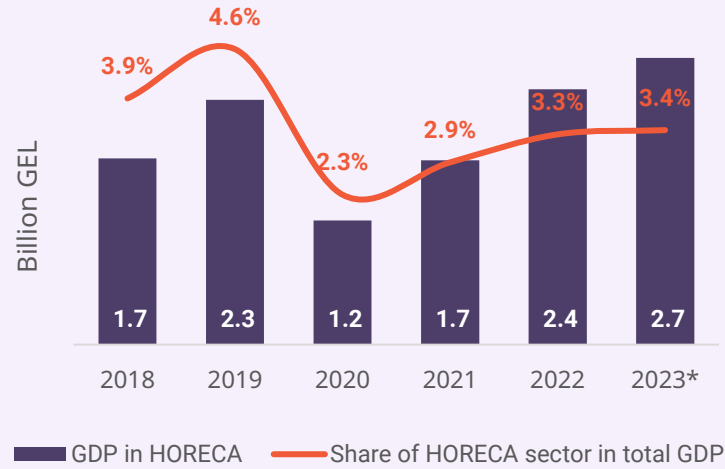
- **Hotel prices in Georgia are characterized by significant seasonality.** The average prices for all categories exhibit seasonal patterns, increasing from May to September in particular, and again from December to March (albeit to a smaller degree).

\* 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

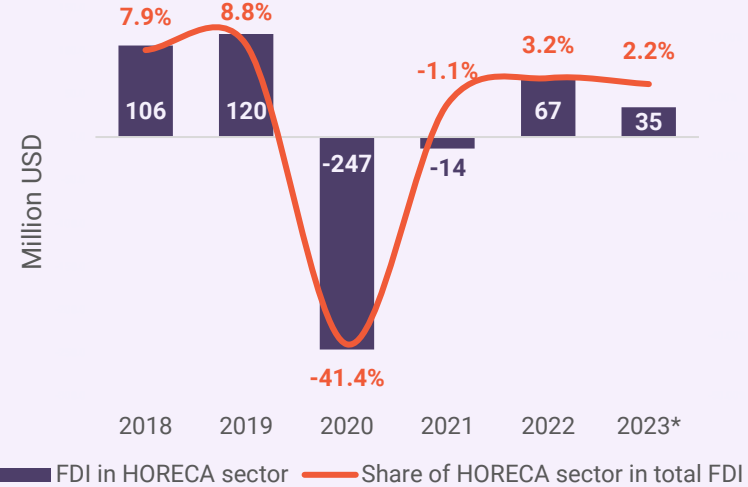
random sampling principle. The study contains 71% (312) of all 3, 4 and 5-star hotels and 25% (456 guesthouses) of all guesthouses registered on [www.booking.com](http://www.booking.com).

# Economic Indicators in HORECA Sector

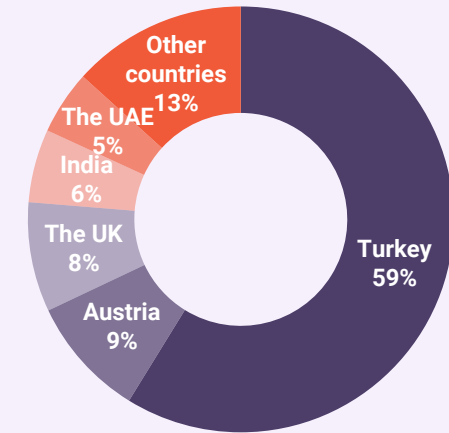
## GDP in Current Prices for HORECA Sector



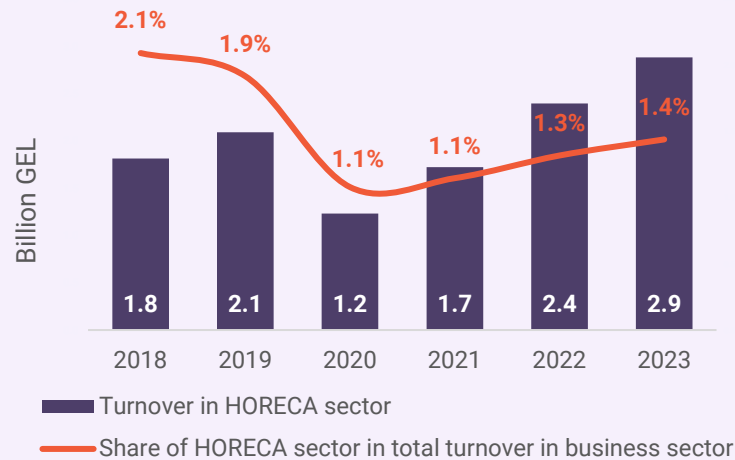
## Foreign Direct Investment in HORECA Sector



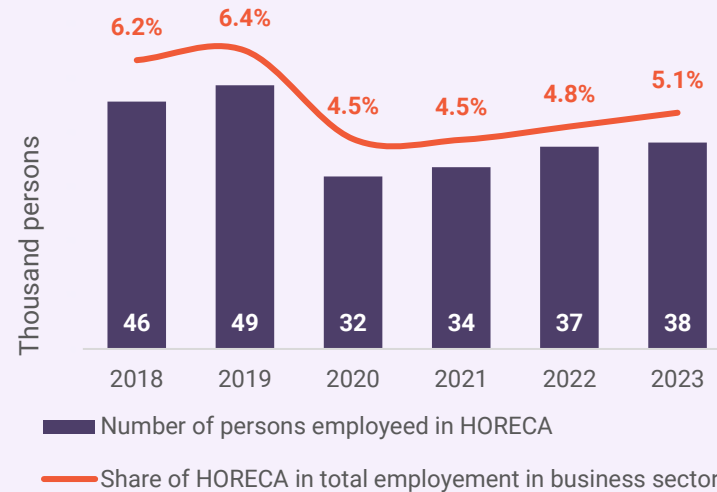
## FDI in HORECA Sector in 2023 by Countries



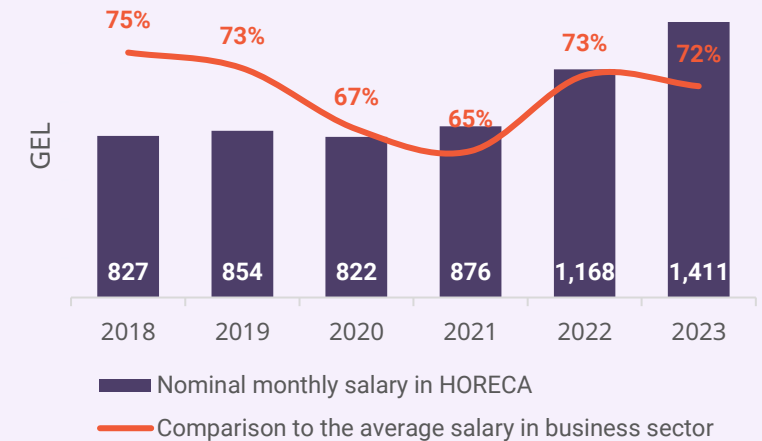
## Turnover in HORECA Sector



## Employment in HORECA Sector



## Average Monthly Nominal Salary of Employees in HORECA Sector



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## Additional Sources:

- 1 <https://gnta.ge/ge/tourism-sector-meeting/>
- 2 <https://bm.ge/news/turizmis-erovnuli-administratsia-2024-tsels-turizmidan-45-mlrd-is-shemosavals-elis-prognozi>
- 3 <https://1tv.ge/audio/biznespartniori-ramdenad-konkurentulia-fasebi-saqartvelos-turizmis-seqtorsshi-da-sad-aris-mtavari-gamowvevebi-i-22-09-2023/>
- 4 <https://pmcg-i.com/publication/sector-and-value-chain-analytics-2022/>
- 5 <https://bm.ge/news/gushin-tetnuldis-sabagirolebi-gamortuli-iyo-radgan-deni-ar-gvqonda-rogor-mimdinareobs-sezoni-mestiashi>

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