

QUARTERLY TOURISM UPDATE

Georgia

Tourism Indicators in Q2 of 2024



Research

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Summary



Research

- **In Q2 of 2024, Georgia recorded 1.5 million international visits, marking a 5% increase compared to Q2 of 2023 but still only 81% of the corresponding quarter in 2019.** Notably, in Q2 of 2024, unlike the previous quarter, overnight visits did not fully recover to 2019 levels. Hotel representatives attributed this lag in recovery to civil protests and political instability in May over the Georgian government's passing of the "Law on Transparency of Foreign Influence."¹
- **Türkiye (24%) and Russia (20%) were the main source countries of international visits to Georgia.** In term of country of origin, the biggest increase in visits was recorded from China (127%), which is likely due at least in part to the number of direct flights between China and Georgia doubling.² Significant growth was also observed in the number of international visits from India (79%) and Saudi Arabia (51%).
- **In Q2 of 2024, income from international travel reached US\$1.1 billion, equating to an 8% increase compared to Q2 of 2023.** Russia (19%) and Türkiye (16%), the main source countries of visits to Georgia, also contributed most to the total international travel income. However, the highest income generated per visit was attributed to visitors from Saudi Arabia (US\$1,529), Israel (US\$1,381), and Ukraine (US\$1,339).
- **In Q2 of 2024, there were 5.1 million domestic visits in Georgia, denoting a 6% increase compared to Q2 of 2023.** Tbilisi remained the top destination for such visits (22%), followed by the regions of Imereti (20%) and Adjara (10%).
- **In Q2 of 2024, domestic tourism expenditure increased by 13% compared to Q2 of 2023, far exceeding the 3% increase in international visitors' expenditure over the same period.** For domestic visitors, the main spending categories were shopping, food and drink, and transportation. In contrast, international visitors primarily spent their money on accommodation, followed by shopping.

- In Q2 of 2024, there were 562,000 outbound visits made by Georgian residents, marking a 3% increase compared to Q2 of 2023. Türkiye (39%), Russia (18%), the EU (16%), and Armenia (12%) were the top destinations, albeit the number of visits declined to all four destinations except Russia, visits to which reported a notable increase (32%) over the same period.

Hotel Prices In Georgia

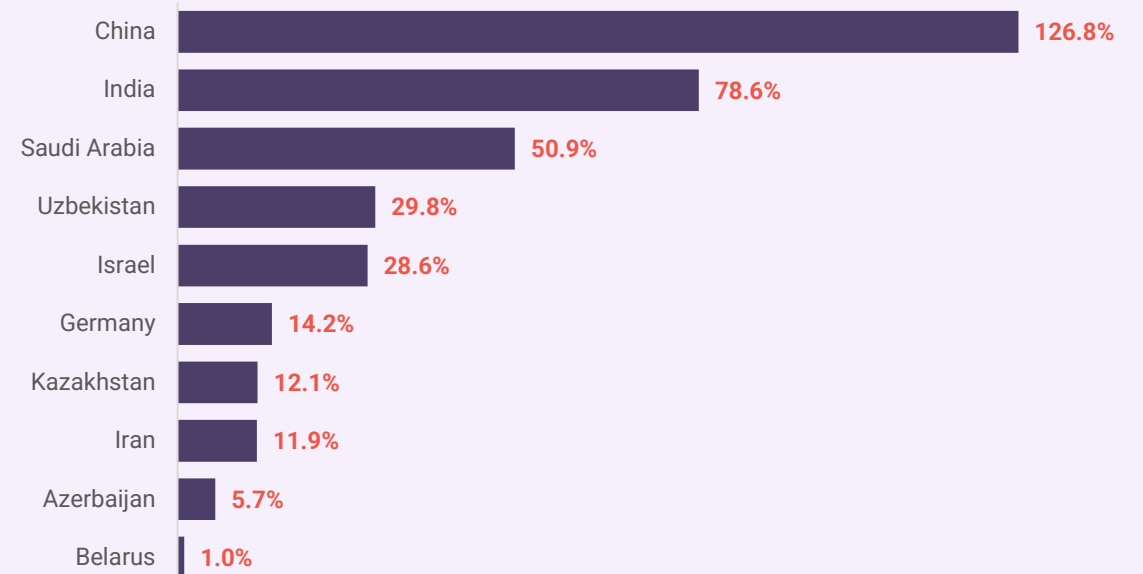
- **From April to August 2024, average hotel prices in Georgia declined for 3-star hotels (-1% YoY), 4-star hotels (-1% YoY), and guesthouses (-4% YoY), but rose significantly for 5-star hotels (10% YoY).**
- **In August 2024, the average price of a room in Georgia was GEL 184 for a 3-star hotel, GEL 272 for a 4-star hotel, GEL 114 for a guesthouse, and GEL 586 for a 5-star hotel.**
- **From April to August 2024, average hotel prices in Adjara increased for 3-star hotels (5% YoY), 5-star hotels (10% YoY), and guesthouses (13% YoY), while the average 4-star hotel price declined by 15% compared to the corresponding period in 2023.**
- **In Tbilisi, from April to August 2024, average hotel prices decreased for 3-star hotels (-2% YoY) and guesthouses (-24% YoY) due to the growth in the number of hotels outpacing the rise in tourist numbers, with a notable imbalance in non-branded hotels.³ In contrast, 5-star (23% YoY) and 4-star (7% YoY) hotel prices increased.**

International Tourism

Number of international visits (Q1 of 2022 – Q2 of 2024)



Countries with the highest growth rate in international visits in Q2 of 2024 compared to Q2 of 2023



- In Q2 of 2024, a total of 1.5 million international visits to Georgia were recorded, signaling a 5% increase compared to the corresponding period in 2023. However, the number of international visits has not yet fully recovered to pre-pandemic levels, reaching only 81% of the total for the corresponding period in 2019. It should be noted that in Q2 of 2024, unlike the previous quarter, overnight visits did not fully recover, reaching only 95% of the corresponding period in 2019. Hotel representatives attributed this lag in recovery to widespread civil protests and political instability in May in response to the Georgian government’s passing of the “Law on Transparency of Foreign Influence.”
- In Q2 of 2024, Türkiye was the main country of origin for international visits to Georgia, contributing 24% of total visits, followed by Russia, which accounted for 20%. However, compared to the corresponding period in 2023, visits from Russia declined (-3%), while visits from Türkiye increased slightly (1%).

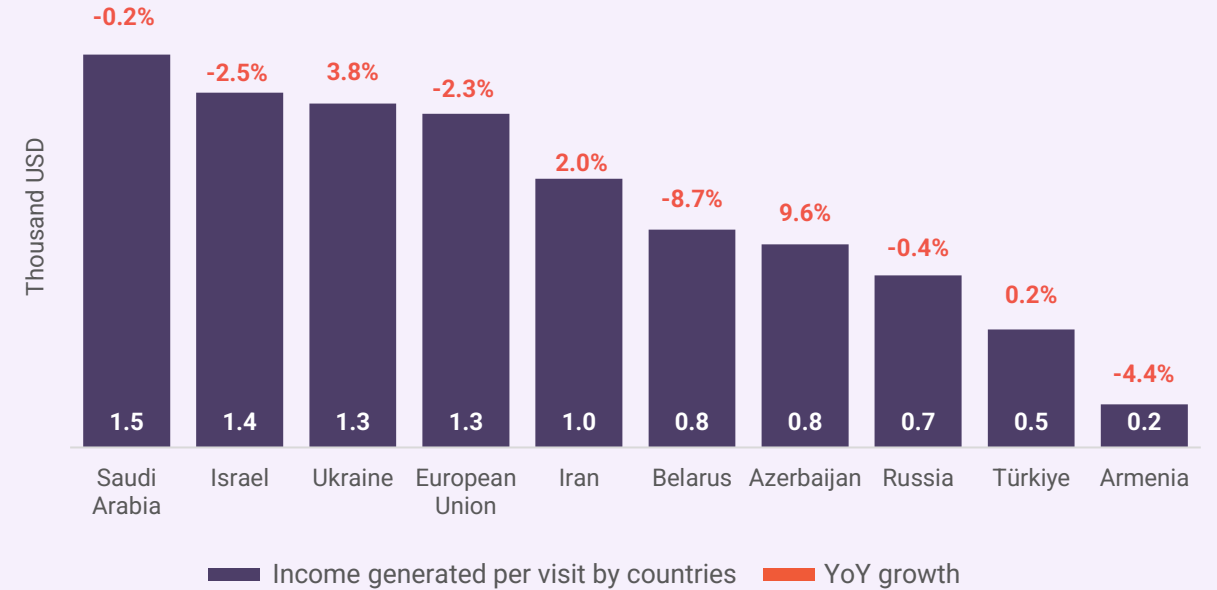
- In Q2 of 2024, among the top 15 countries of origin of international visits to Georgia, the highest growth was recorded from China, with a 127% increase compared to the same period in 2023. This rise appears to reflect the impact of the doubling of direct flights between China and Georgia. Significant increases were also observed in the number of visits from India (79%) and Saudi Arabia (51%). In contrast, the largest declines were seen in visits from Poland (-39%) and Ukraine (-24%).
- In Q2 of 2024, the primary purpose of international visits to Georgia was “holiday, leisure, and recreation,” accounting for 54% of total visits, followed by “visiting friends and relatives” (20%). The distribution of purposes of visit in Q2 of 2024 remained largely similar to Q2 of 2023, with the share of visits for “holiday, leisure, and recreation” purposes being only 2 percentage points higher than in the corresponding period.

International Tourism

Income from international travel (Q1 of 2019 - Q1 of 2024)



Income generated per visit by countries in Q2 of 2024



- In Q2 of 2024, income from international travel amounted to US\$1.1 billion, representing an 8% increase compared to Q2 of 2023.
- In terms of nationality, the highest proportion of income from international visitors in Q2 of 2024 came from Russia (19% of total income), followed by Türkiye (16%). However, in terms of income generated per visit, Saudi Arabia (US\$1,529 per visit), Israel (US\$1,381 per visit), and Ukraine (US\$1,339) were the top contributors.

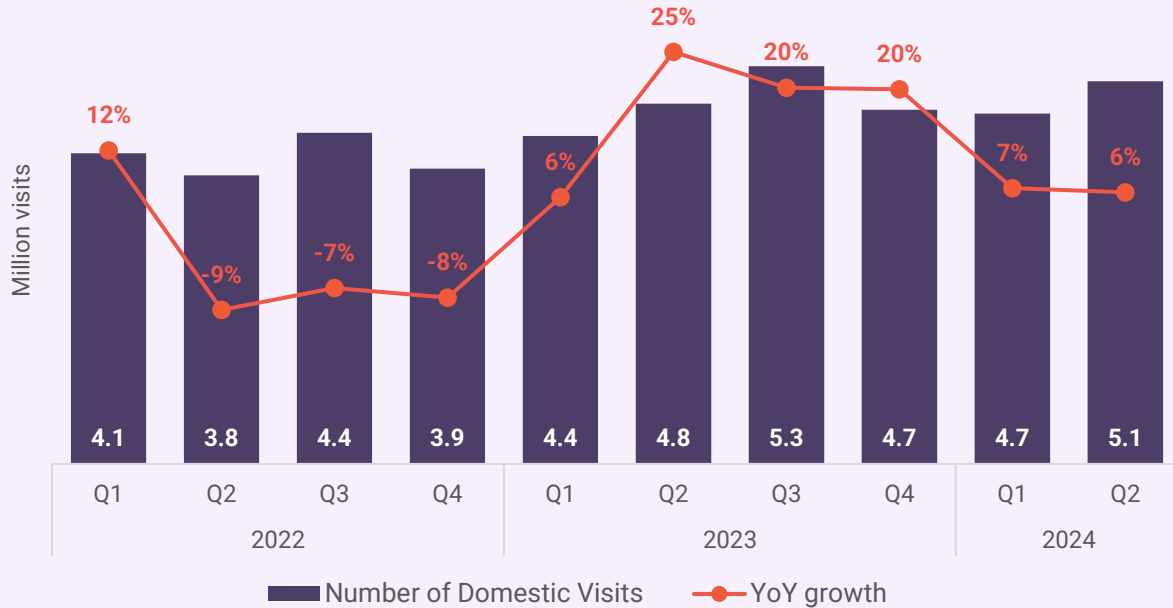
- In Q2 of 2024, international visitors spent most on accommodation (35%), followed by shopping (28%). While the overall distribution of expenditure categories remains relatively similar compared to the same period of 2023, notable changes include a decline in the share of accommodation (-8 pp) and an increase in the share of shopping (6 pp).

* According to the National Bank of Georgia, as of 31 March 2024, 17.0% of Russian citizens, 16.5% of Belarusian citizens, and 24.3% of Ukrainian citizens residing in Georgia were estimated to have been living in the country for one year or were intending to stay for more than one year.

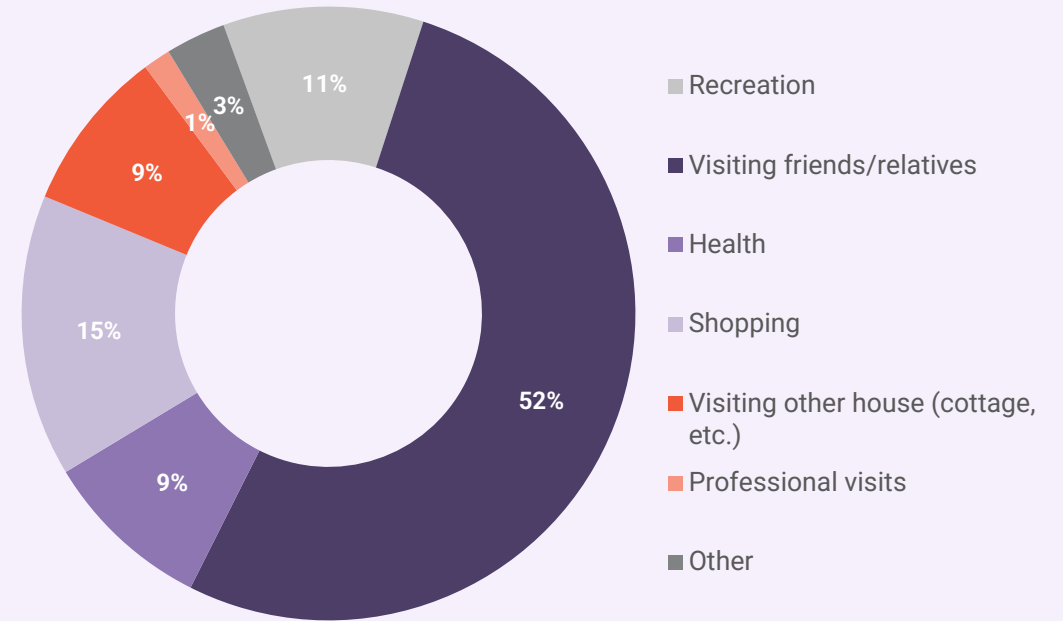
According to the International Monetary Foundation's (IMF) methodology, such individuals are treated as Georgian residents, and thus their spending is not included in the calculations of income from international travel.

Domestic Tourism

Domestic visits by Georgian residents (Q2 of 2021 - Q1 of 2024)



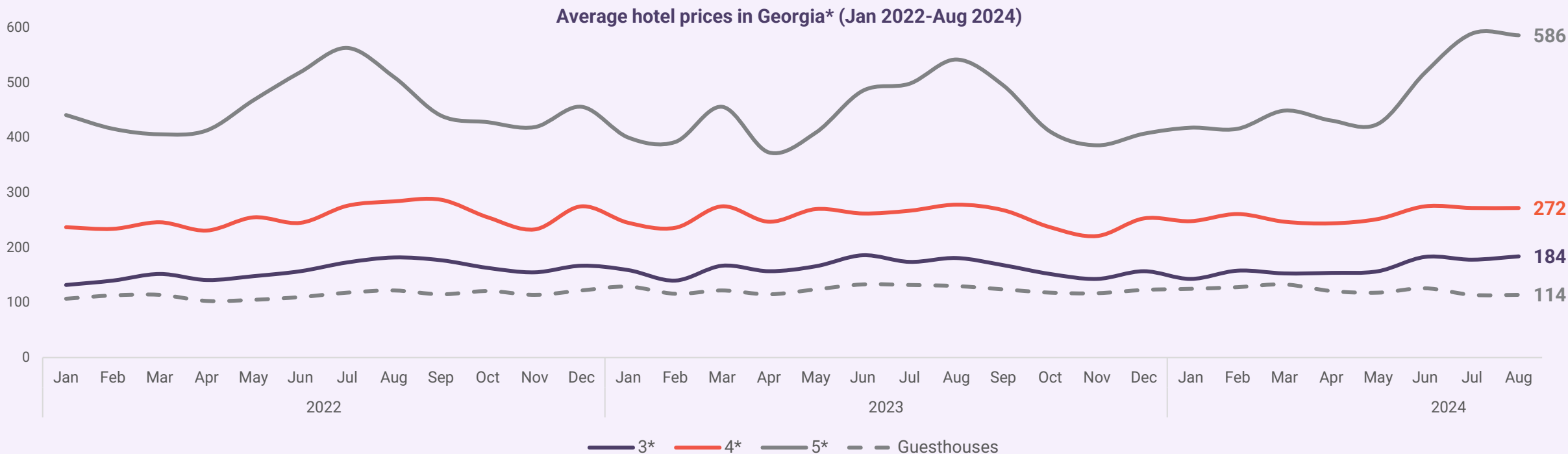
Purpose of visits by domestic visitors in Q2 of 2024



- In Q2 of 2024, the number of domestic visits amounted to 5.1 million, reflecting a 6% increase compared to the same period in 2023.
- The distribution of domestic visitors by region in Q2 of 2024 was similar to that of the corresponding period in 2023. Tbilisi remained the primary destination for domestic visits, accounting for 22% of total visits, followed by the regions of Imereti (20%) and Adjara (10%).
- Since Q1 of 2021, a clear pattern of a decreasing average duration per visit has been evident in the corresponding quarters of subsequent years. In Q2 of 2024, the average number of nights spent per visit was 1.11, marking a slight decrease compared to the same period in 2023 (1.23 nights) and 2022 (1.46 nights).

- The main purpose of visit for domestic visitors in Q2 of 2024 was “visiting friends and relatives” (52%), followed by “shopping” (15%) and “recreation” (11%). Notably, in Q2 of 2024, the share of visits to second or other homes decreased by 3 percentage points, while visits for “recreation” increased by 1 percentage point, surpassing the former category to become the third most popular purpose of domestic visit.
- In Q2 of 2024, domestic visitors’ total expenditure amounted to GEL 793 million, representing a 13% increase compared to Q2 of 2023. The distribution of total expenditure remained similar to the same period of the previous year, with shopping (37%), food and drink (23%), and transportation (22%) being the main categories.

Hotel Prices in Georgia



- Based on February 2024 data, there are 3,198 registered accommodation providers in Georgia, with the largest concentrations thereof in Samegrelo-Zemo Svaneti (19%), Tbilisi (17%), and Adjara (15%).
- In August 2024, the average price of a room in Georgia was GEL 184 per night for a 3-star hotel, which was 2% higher compared to the corresponding period in 2023. The average price was GEL 272 for a 4-star hotel (-2% YoY) and GEL 114 for a guesthouse (-12% YoY). For 5-star hotels, the average price was GEL 586 per night, which was 8% higher compared to August 2023.

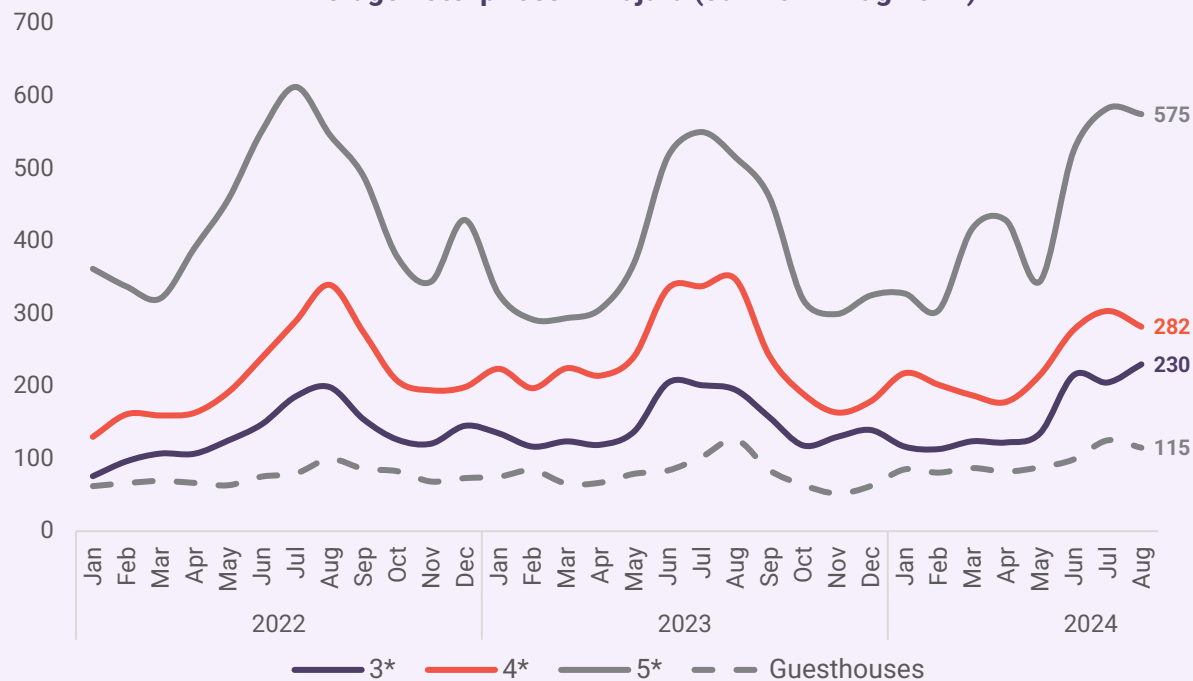
- During April to August 2024, trends in average hotel prices in Georgia differed across categories. Average prices declined for 3-star hotels (-1% YoY) and 4-star hotels (-1% YoY), with a slight increase only in summer months compared to the corresponding period in 2023. The most notable and consistent growth was observed in the 5-star hotel category (10% YoY). In contrast, prices for guesthouses declined (-4% YoY).

* 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

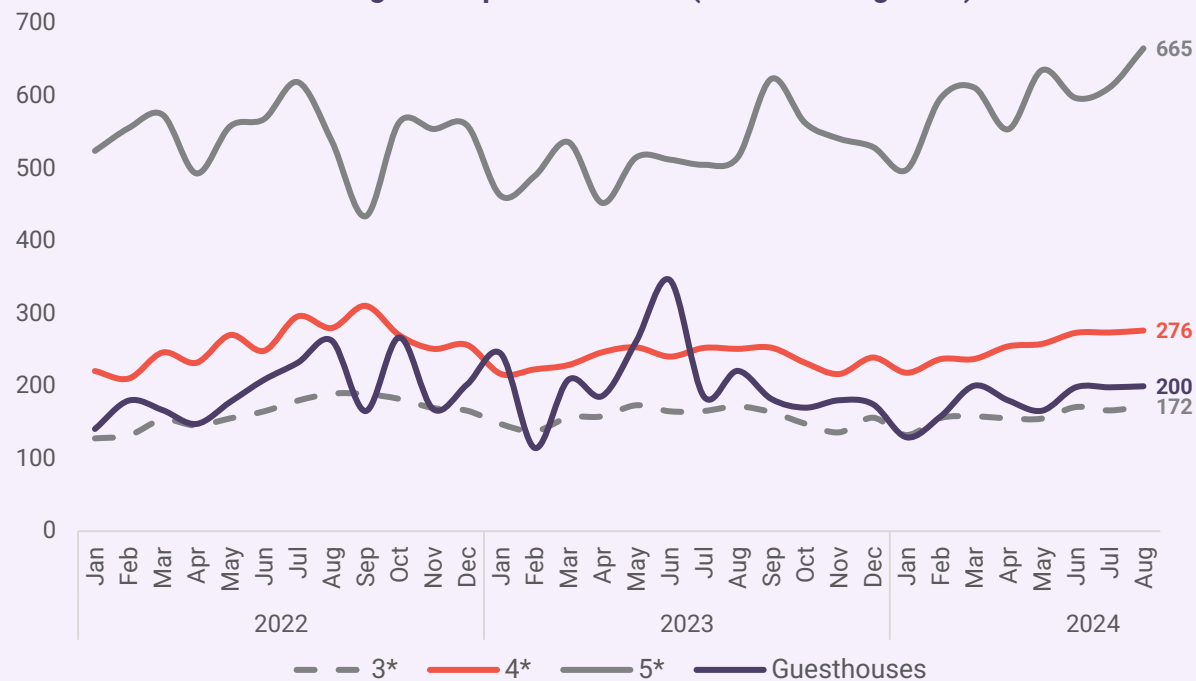
random sampling principle. The study contains 71% (312) of all 3, 4 and 5-star hotels and 25% (456 guesthouses) of all guesthouses registered on www.booking.com.

Hotel Prices in Georgia

Average hotel prices in Adjara (Jan 2022-Aug 2024)



Average hotel prices in Tbilisi (Jan 2022-Aug 2024)



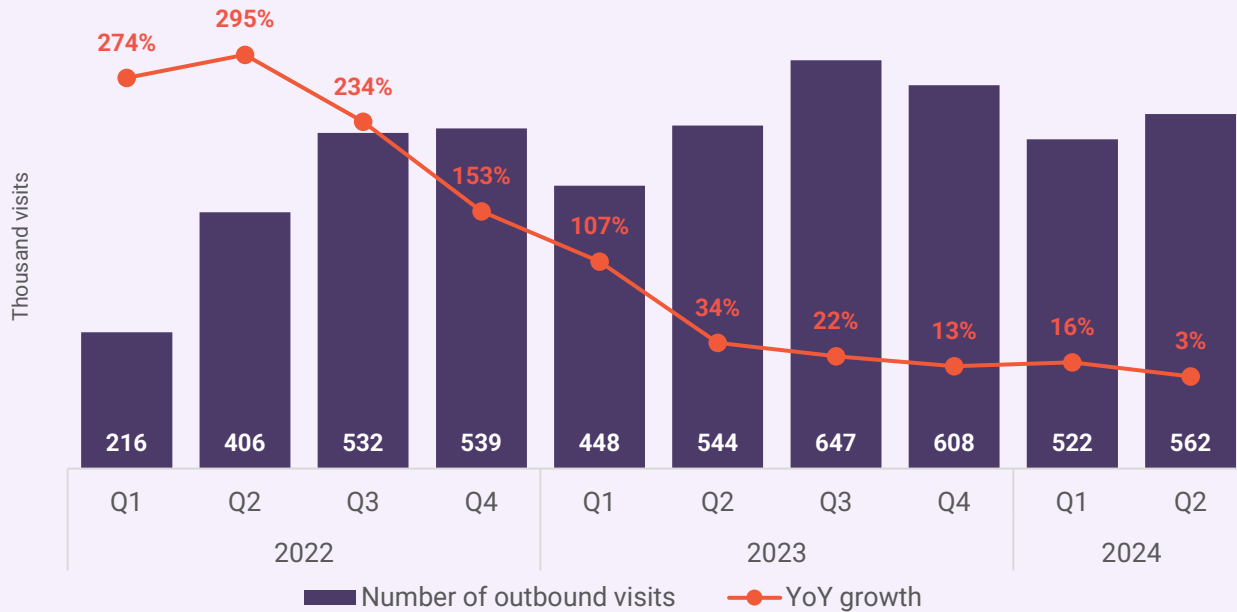
- In Adjara, from April to August 2024, average hotel prices increased for 3-star hotels (5% YoY), 5-star hotels (10% YoY), and guesthouses (13% YoY). In contrast, the average price for 4-star hotels declined by 15% YoY.
- Hotel prices in Adjara are characterized by significant seasonality across all categories, with a peak in the summer months (July and August) and the lowest prices in the winter months (January and February). Notably, 5-star hotels have the most significant price fluctuation, with sharp increases during the peak summer months, indicating high demand, while guesthouses exhibit the least fluctuation.
- In Tbilisi, from April to August 2024, average hotel prices declined for 3-star hotels (-2% YoY) and guesthouses (-24% YoY). This decline may be due to the growth in the number of

hotels, outpacing the rise in tourist numbers in Tbilisi. The demand-supply imbalance is particularly evident in non-branded hotels. In contrast, the most notable and consistent growth, similar to a trend observed for Georgia overall, was recorded in 5-star hotels, with the average price increasing by 23.4% YoY. The average price for 4-star hotels also rose, though at a lower rate of 7% YoY.

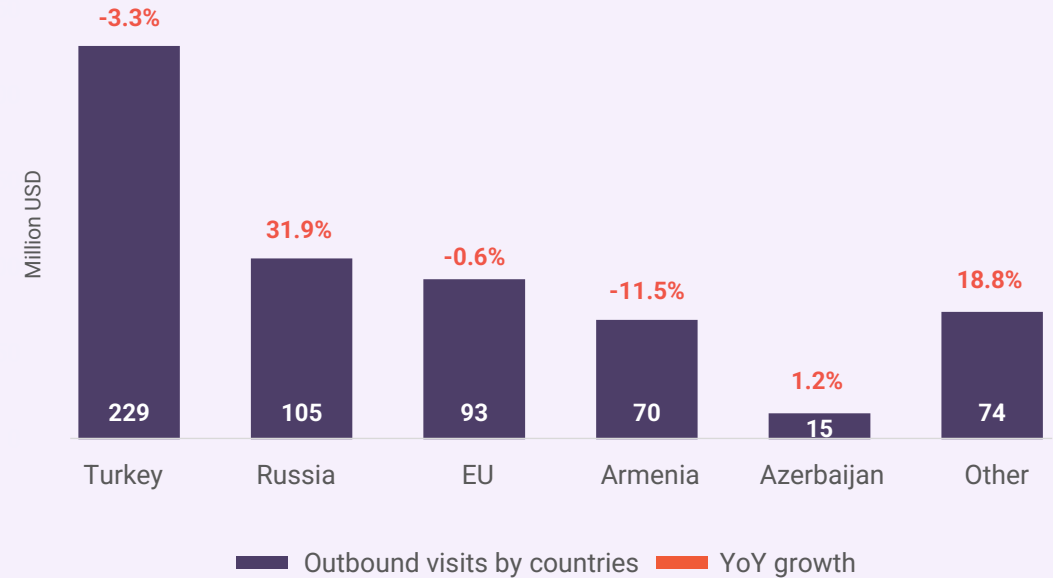
- Hotel prices in Tbilisi also show seasonal fluctuations, but less pronounced than those in Adjara. In addition, Tbilisi consistently has higher average hotel prices across all categories compared to Adjara, with the most pronounced differences observed in 5-star hotels and guesthouses.

Outbound Tourism

Outbound visits by Georgian residents (Q1 of 2022-Q1 of 2024)



Outbound visits by countries in Q2 of 2024



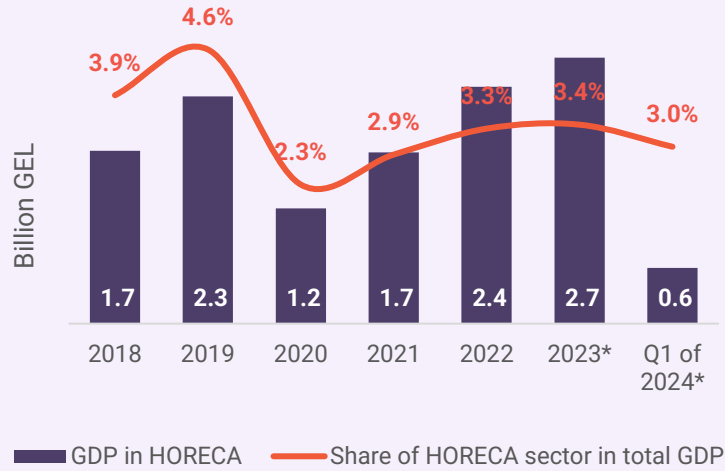
- In Q2 of 2024, the number of outbound visits made by Georgian residents amounted to 562,000, which is 3% higher than in the corresponding period of 2023.
- In Q2 of 2024, 39% of outbound tourists chose Türkiye as their destination, followed by Russia (18%), the EU (16%), and Armenia (12%). Notably, outbound visits to Russia increased significantly by 32%, while the number of such visits to Türkiye, Armenia, and the EU slightly decreased compared to the same period in 2023.
- In Q2 of 2024, the expenditure of outbound visitors reached GEL 594 million, representing a 16% increase compared to the same period in 2023. Most of their expenditure was spent on

shopping (38%), followed by food and drink (26%) and accommodation (15%).

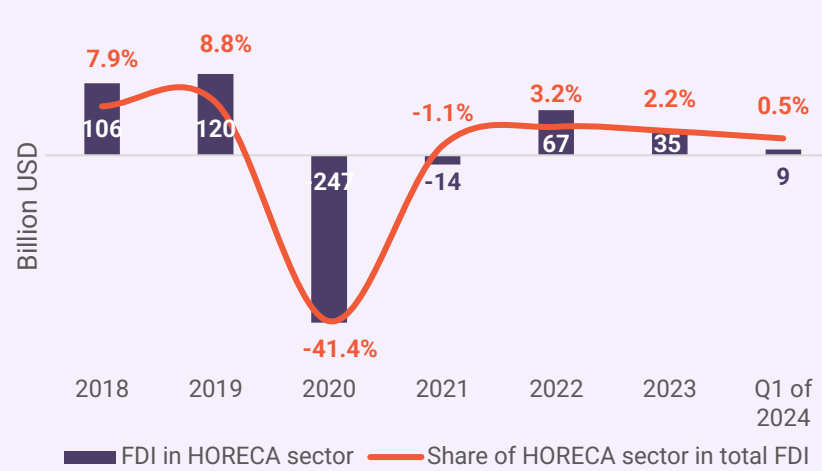
- In Q2 of 2024, the primary purpose of outbound visits made by Georgian citizens was “to visit friends or relatives” (34% of total visits), closely followed by “shopping” (33%). Compared to Q2 of 2023, the share of visitors citing “professional reasons” as their primary purpose decreased (-3 pp), while the proportion of those traveling for “recreation” increased (3 pp).

Economic Indicators in HORECA Sector

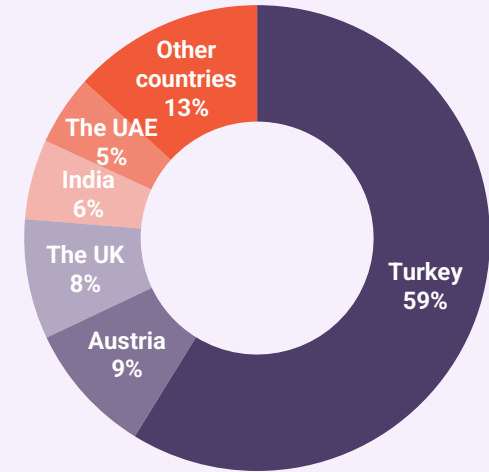
GDP in Current Prices for HORECA Sector



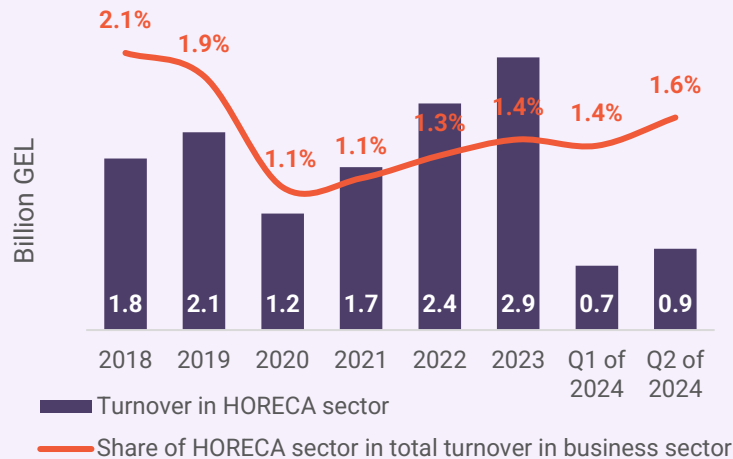
Foreign Direct Investment in HORECA Sector



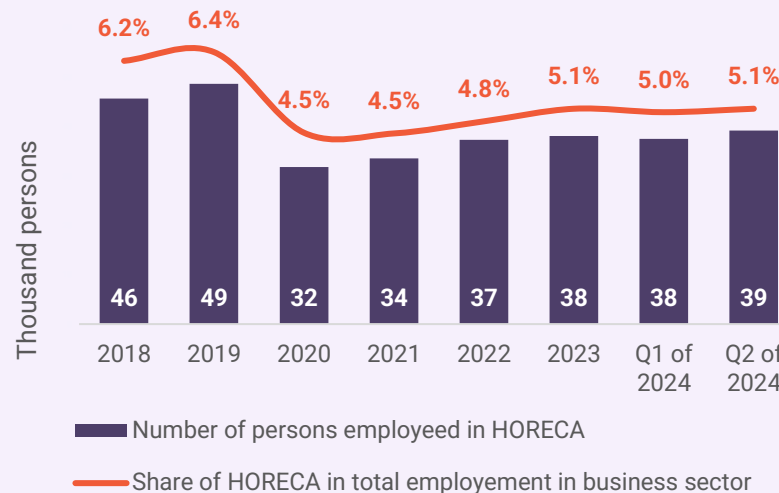
FDI in HORECA Sector in 2023 by Countries



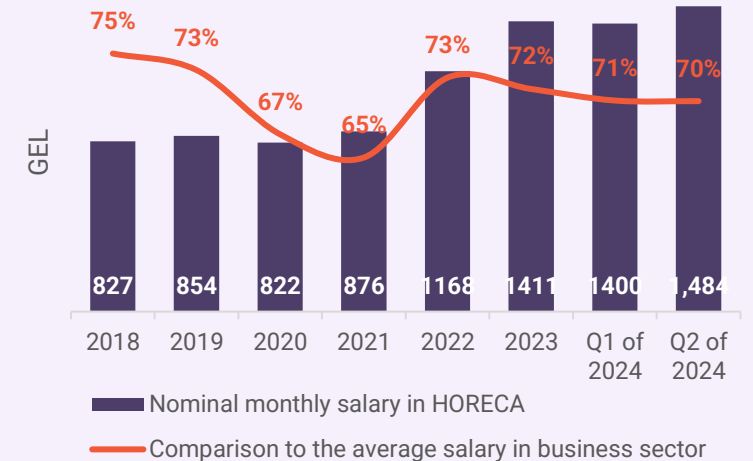
Turnover in HORECA Sector



Employment in HORECA Sector



Average Monthly Nominal Salary of Employees in HORECA Sector



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