



MONTHLY TOURISM UPDATE

January 2023

Georgia

Income From International Travel to Georgia in 2022



Research



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Summary

- In 2022, **the number of international visitors** reached a total of 3.9 million, which is 176% higher compared to 2021 and amounts to 65% of the pre-pandemic (2019) total.
- In 2022, the highest number of visitors to Georgia came from **Russia**, amounting to 915,000. Russia was followed by neighboring countries: **Turkey** (711 thousand) and **Armenia** (531 thousand).
- In 2022, the **income from international travel** reached USD 3.5 billion, which is 8% higher compared to 2019. The recovery was gradual but by Q4 of 2022, it had exceeded the corresponding figure for Q4 of 2019 by 46%.

- In terms of nationality, the income from **Russian travelers** was the highest in 2022 and amounted to USD 891 million (25.3% of total income), which is 15% higher compared to 2019. Meanwhile, income from Ukrainian travelers exceeded the pre-pandemic number by 52% and reached USD 282 million.

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- In January 2023, in Georgia, **the Hotel Price Index (HPI)** decreased by 8.3% compared to December 2022. However, the HPI increased by 15.7%, compared to January 2022, with the yearly HPI being highest for **guesthouses (36.2%)**.

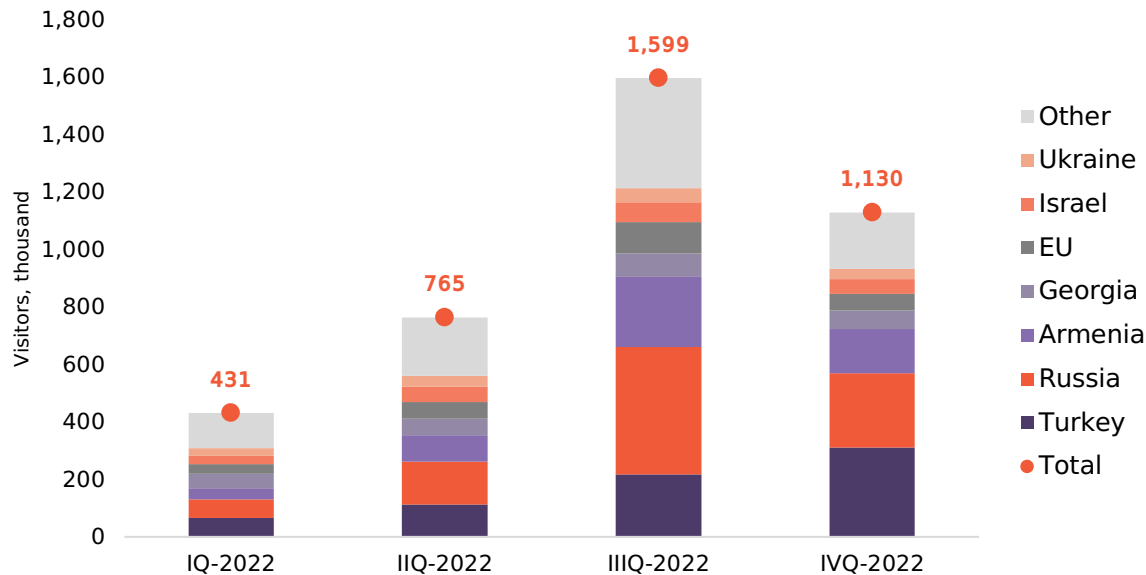
Note, that since the beginning of 2023, the statistics of international travel will not be published on the monthly basis due to a [new rule](#) of the Ministry of Internal Affairs on transitioning to quarterly publication of border crossing statistics. Therefore, our monthly analysis of international travelers, visitors, and tourists will be excluded from this and future publications considering the data limitations.



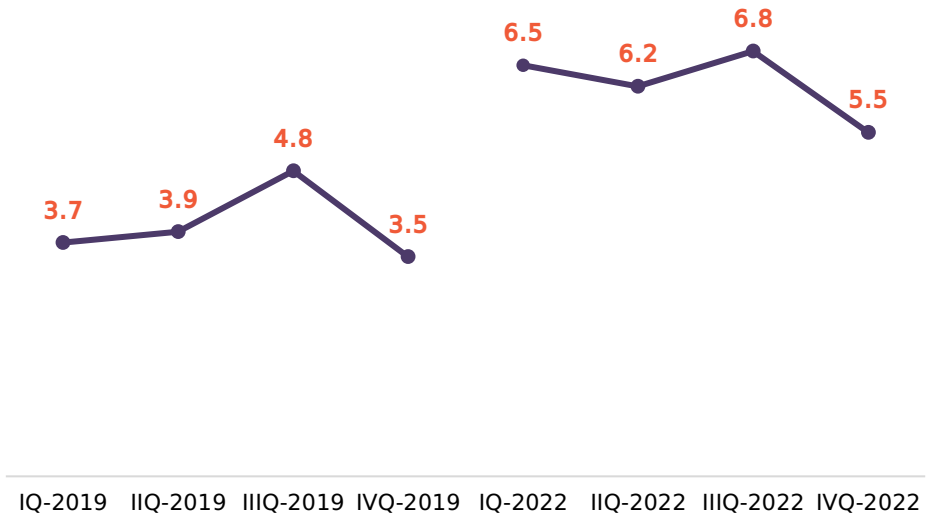
INTERNATIONAL VISITORS IN 2022

In 2022, the inflow of international visitors to Georgia showed a significant recovery compared to pre-pandemic numbers, which could be attributed to both tourism-related factors and non-tourism-related factors (primarily the large-scale migration/inflow of Russians, Ukrainians, and Belarusians since the beginning of the Russia-Ukraine war). **In particular, in 2022, the number of international visitors reached a total of 3.9 million, which is 176% higher compared to 2021 and amounts to 65% of the pre-pandemic (2019) total.**

Distribution of international visitors by citizenship in 2022



Average nights spent per visit of international visitors (2019, 2022)



Source: National Statistics Office of Georgia

In 2022, the highest number of visitors to Georgia came from Russia, amounting to 915,000, which is 75% of total number of visitors from Russia recorded in 2019. In second and third place were fellow neighboring countries Turkey (711,000) and Armenia (531,000). The high recovery rate in terms of the number of international travelers was among the main factors leading to an increase in income from international travel.

In 2022, the average length of stay significantly increased compared to the pre-pandemic number. In particular, the average length of stay per visit increased by 2.3 nights in 2022 compared to 2019, which also quickened the recovery in income from international travel.

Notably, for the purpose of visit, recreation increased by 10pp in 2022 compared to 2019, while the shares of shopping, transit, and business in total visits declined.

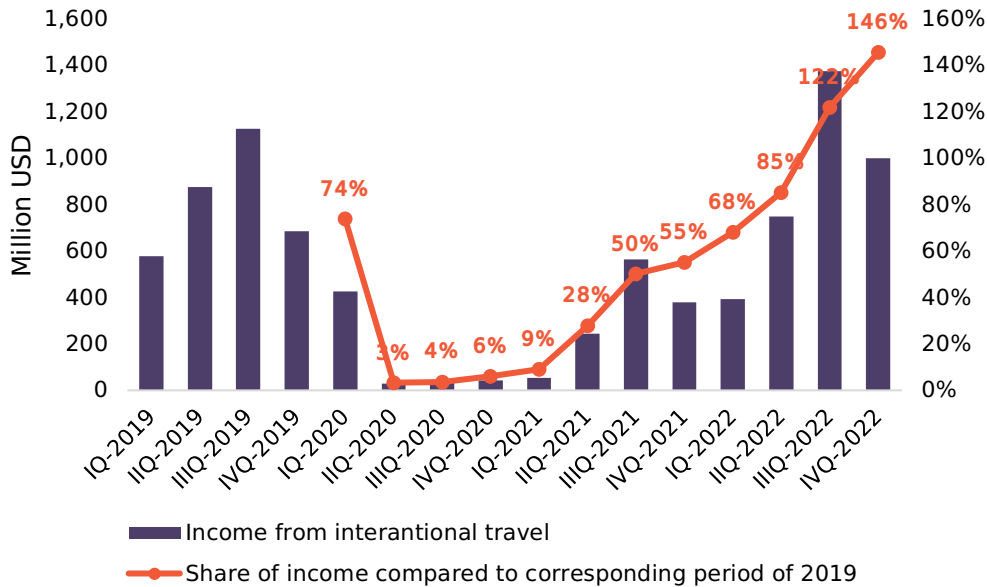


INCOME FROM INTERNATIONAL TRAVEL IN 2022

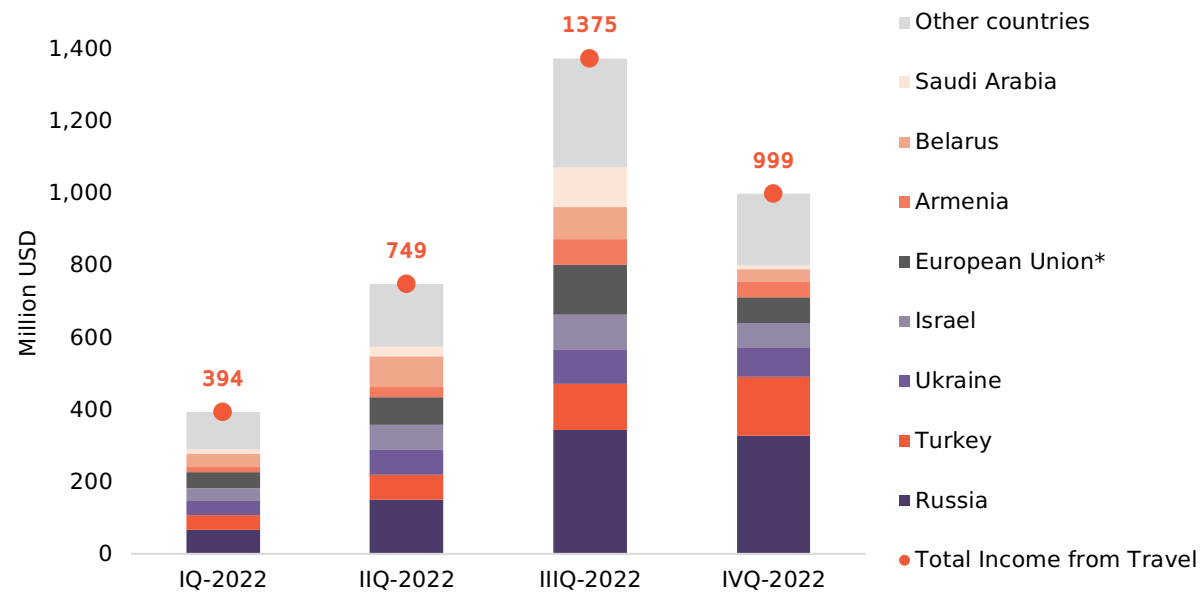
Despite only a partial recovery in the number of international visitors in 2022, the income from international travel exceeded the pre-pandemic level significantly. This can in part be attributed to the fact that the statistics on income from international travel also consider those staying in Georgia long term (migrants) who are not counted in the international visitor statistics. In addition, factors such as increased length of stay and the relative recovery of international tourism also played a role in this rapid increase in income.

In particular, in 2022, the income from international travel reached USD 3.5 billion, which is 8% higher compared to 2019. The recovery was gradual but by Q4 of 2022, it had exceeded the corresponding figure for Q4 of 2019 by 46%.

Income from international travel and its share compared to pre-pandemic values (2019-2022)



Distribution of income from international travel in 2022 by countries



Source: National Bank of Georgia

In terms of nationality, the income from Russian travelers was the highest in 2022 and amounted to USD 891 million (25.3% of total income), which is 15% higher compared to 2019. Meanwhile, income from Ukrainian travelers exceeded the pre-pandemic number by 52% and reached USD 282 million. Income from Israeli travelers also exceeded the pre-pandemic number significantly (16%), while income from the EU (-30%) and Armenia (-19%) remained below the pre-pandemic levels. Notably, income from Turkish travelers recovered to 92% of the pre-pandemic number after the rapid monthly increase (85.7%) in December 2022, which could be attributed to the surge of inflow of travelers from Turkey for purchasing iPhones¹.

¹ <https://batumelebi.netgazeti.ge/news/450970/>



HOTEL PRICE INDEX IN GEORGIA

In January 2023, in Georgia the hotel price index² decreased by 8.3% compared to December 2022. The 3-star, 4-star, and 5-star hotel price index decreased by 10.0%, while for guesthouses, the price index increased by 15.0%.

The monthly HPI was the highest in Samegrelo-Zemo Svaneti (14.6%) and the lowest in Guria (-20.5%).

In January 2023, compared to January 2022, hotel prices in Georgia increased by 15.7%. The prices of 3*, 4*, 5* hotels increased by 12.9% and the prices of guesthouses increased by 36.2%.

The yearly HPI was the highest in Shida Kartli (29.4%) and the lowest in Racha (0.0%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2023 Jan/ 2022 Dec	2023 Jan/ 2022 Jan	2023 Jan/ 2022 Dec	2023 Jan/ 2022 Jan	2023 Jan/ 2022 Dec	2023 Jan/ 2022 Jan
Kakheti	0.9%	28.1%	1.1%	14.8%	0.9%	35.1%
Imereti	0.3%	17.5%	-0.3%	13.6%	1.0%	23.2%
Guria	-20.5%	24.0%	-20.5%	24.0%	-	-
Kvemo Kartli	0.0%	10.0%	0.0%	10.0%	-	-
Adjara	-11.8%	28.2%	-13.1%	24.2%	11.1%	62.4%
Racha	0.0%	0.0%	-	-	0.0%	0.0%
Shida Kartli	2.9%	29.4%	0.0%	6.4%	4.4%	73.8%
Samegrelo-Zemo Svaneti	14.6%	13.1%	11.1%	10.9%	17.3%	14.7%
Samtskhe-Javakheti	3.0%	6.8%	-5.6%	-0.8%	8.2%	20.8%
Mtskheta-Mtianeti	-6.0%	6.1%	-9.2%	13.6%	-1.5%	-5.9%
Tbilisi	-10.7%	10.6%	-11.3%	9.6%	27.5%	38.8%
Overall Price % Change	-8.3%	15.7%	-10.0%	12.9%	15.0%	36.2%

² 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). Note, that for the selected regions, the sample size is relatively low compared to other regions (ex. Shida Kartli, Racha). Therefore, the calculations of Hotel Price Indices for those regions the HPI may

stand for changes in the prices for only a small number of enterprises, therefore lacking the ability to show the general pattern of the hotel price change in these regions.

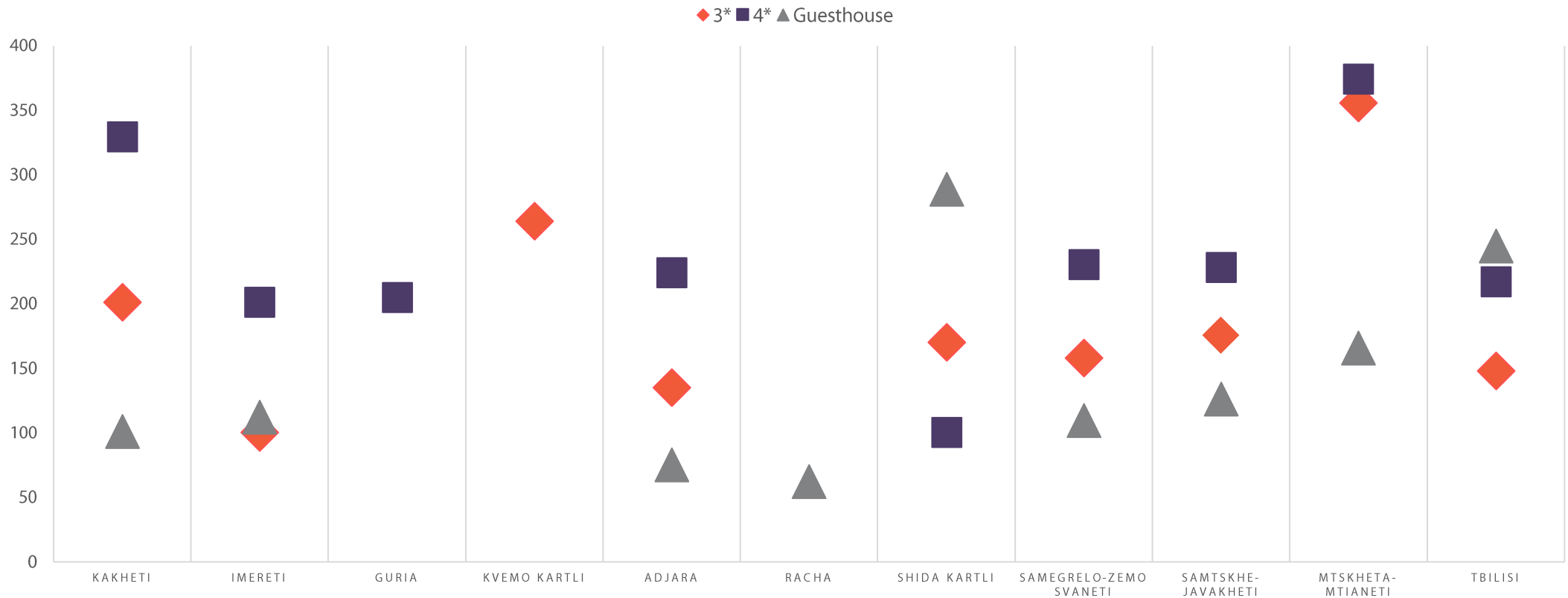


THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room³ in a 3-star hotel was **159 GEL** per night in January 2023, while the average cost of a room in a 4-star hotel in Georgia was **245 GEL** per night and the average cost of a room in a guesthouse⁴ was **129 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in January 2023 was **400 GEL** per night. In Kakheti, the average price was **545 GEL**, followed by Tbilisi – **462**, Samtskhe-Javakheti – **447**, and Guria – **340**.

THE AVERAGE PRICES OF 3*, 4* STAR HOTELS AND GUESTHOUSES BY REGIONS (JANUARY 2023, IN GEL)



³ 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.

⁴ 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	II 2022	III 2022	IV 2022
GDP in current prices for Accommodation and Food Service Activities (mln)	1054.1	1437.5	1800.0	2223.0	1204.5	213.1	439.2	604.4	527.0	1783.6	360.9*	536.2*	831.1*	-
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	1049.4	2266.7	1534.3
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	749.3	2082.6	948.8
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*	748.8*	1377.8*	999.4*
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	184.7	72.2*	103.5*	118.6*	-
Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)	120.0	112.4	105.2	130.4	-248.0	-1.0	-5.6	6.4	-2.7	2.9	11.3*	11.0*	16.5*	-

* Preliminary data



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