



MONTHLY TOURISM UPDATE

May 2022

Georgia

Outbound Tourism Recovery

1st Quarter of 2022



Research



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Georgia

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Summary

Throughout March and April of 2022, **remarkable differences were noticed between the number of entries and exits** of internationals from selected countries, indicating that a significant proportion of persons to have entered Georgia, especially from **Russia and Ukraine**, had not yet left the country.

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Following the easing of travel restrictions by many countries, **the outbound international visits** by residents of Georgia have shown a significant recovery, reaching almost half of the pre-pandemic level by Q1 2022.

The main destination for outbound Georgian visitors was Turkey, followed by Russia, Armenia, and EU countries.

In Q1 2022, **the expenditure of outbound visitors** reached GEL 285 mln, which is 14% lower compared to Q1 2020, and 21% lower compared to Q1 2019.

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In May 2022, in Georgia **the Hotel Price Index (HPI)** increased by 8.1% compared to April 2022, while compared to May 2021, the HPI showed an increase of 8.9%.

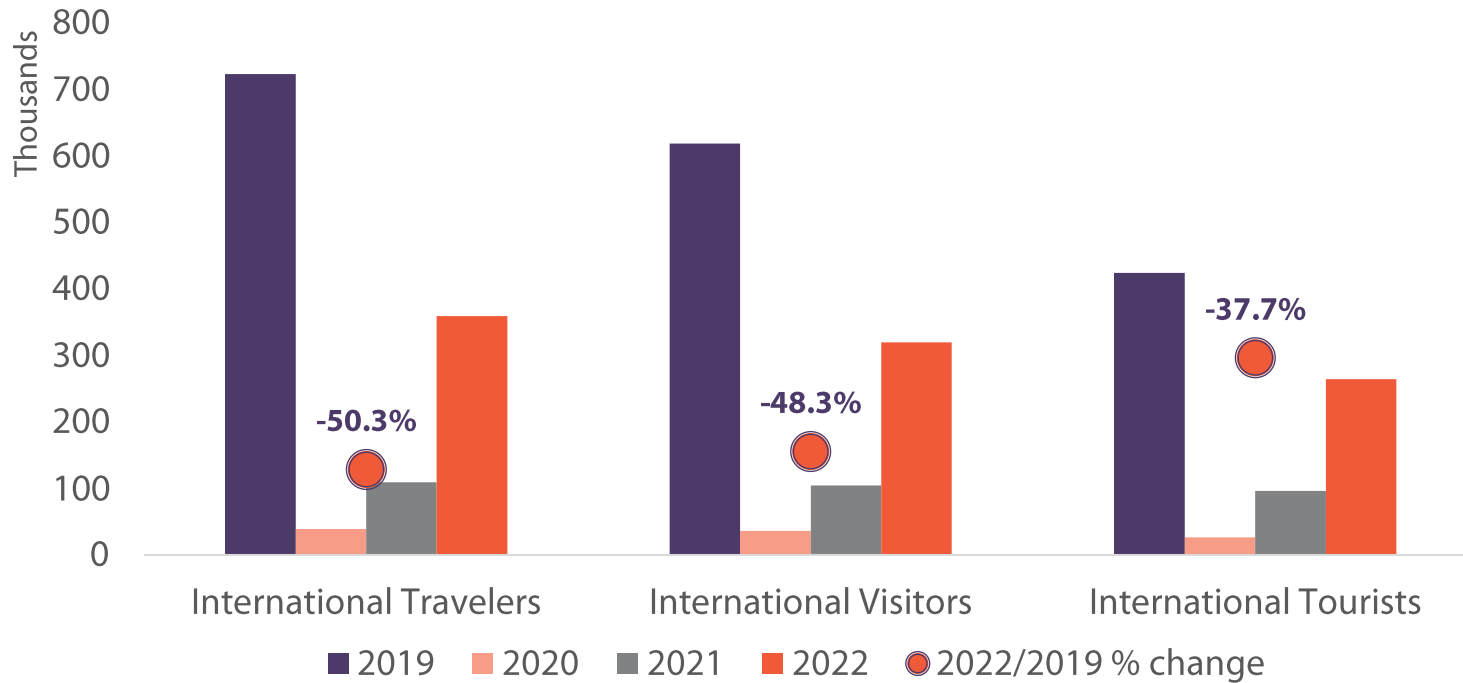


INTERNATIONAL TRAVEL DYNAMICS

The number of **international travelers**¹ increased by 228.5% in May 2022, compared to the same period of 2021, and declined by 50.3% compared to the same period in 2019.

Meanwhile, the number of **international visitors**² increased by 205.3% (2022/2021) and declined by 48.3% (2022/2019), and the number of **international tourists**³ increased by 173.9% (2022/2021) and declined by 37.7% (2022/2019).

International travel dynamics in May (2019-2022)



Source: Georgian National Tourism Administration (GNTA)

- In May 2022⁴, the top countries of origin of international visits were **Russia** (40 743 visits), **Turkey** (38 329 visits), and **Armenia** (32 743 visits).
- Among the major tourism markets, the number of international visits from **Saudi Arabia**⁵ (1254%), **Uzbekistan** (372%), **Belarus** (139%), **India** (120%), and **Kazakhstan** (49%) significantly exceeded the pre-pandemic figure (May 2019).

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 the corresponding month.

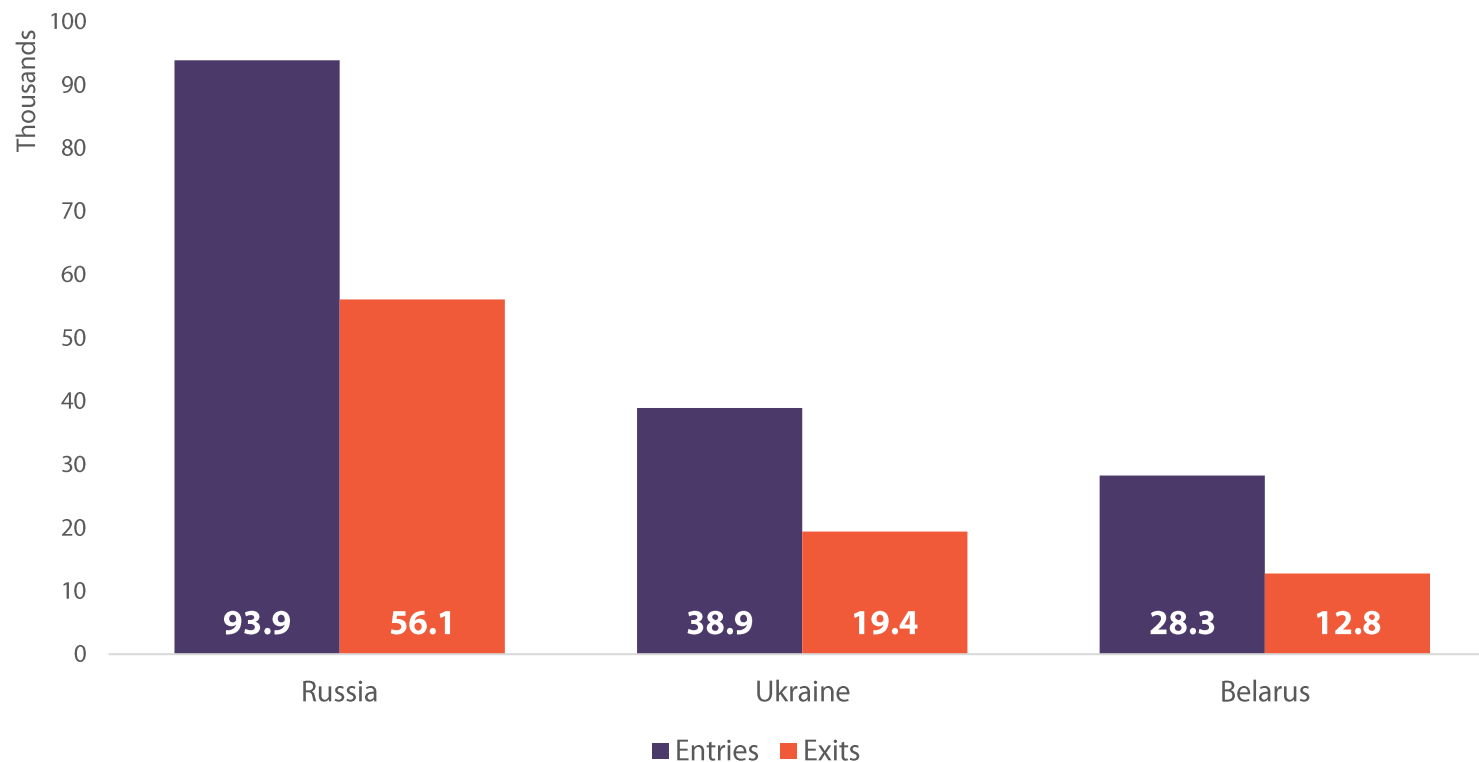
5 <https://businessformula.ge/News/8697>



ENTRIES AND EXITS OF RUSSIANS, BELARUSIANS, AND UKRAINIANS

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

The number of entries and exits by Russian, Belarusian and Ukrainians (sum of March-April 2022)



Source: Georgian National Tourism Administration (GNTA), Ministry of Internal Affairs

Conceding that some statistical discrepancies are possible⁶, throughout March and April of 2022, the number of entries into Georgia by Russians, Ukrainians, and Belarusians was considerably higher compared to the number of exits in the same period.

The difference is especially high for Russians, followed by Ukrainians and Belarusians, indicating that a significant proportion of travelers from those selected countries have not left Georgia since arriving.

It should be noted that in 2022, such substantial differences were only noticed in March and April of this year.

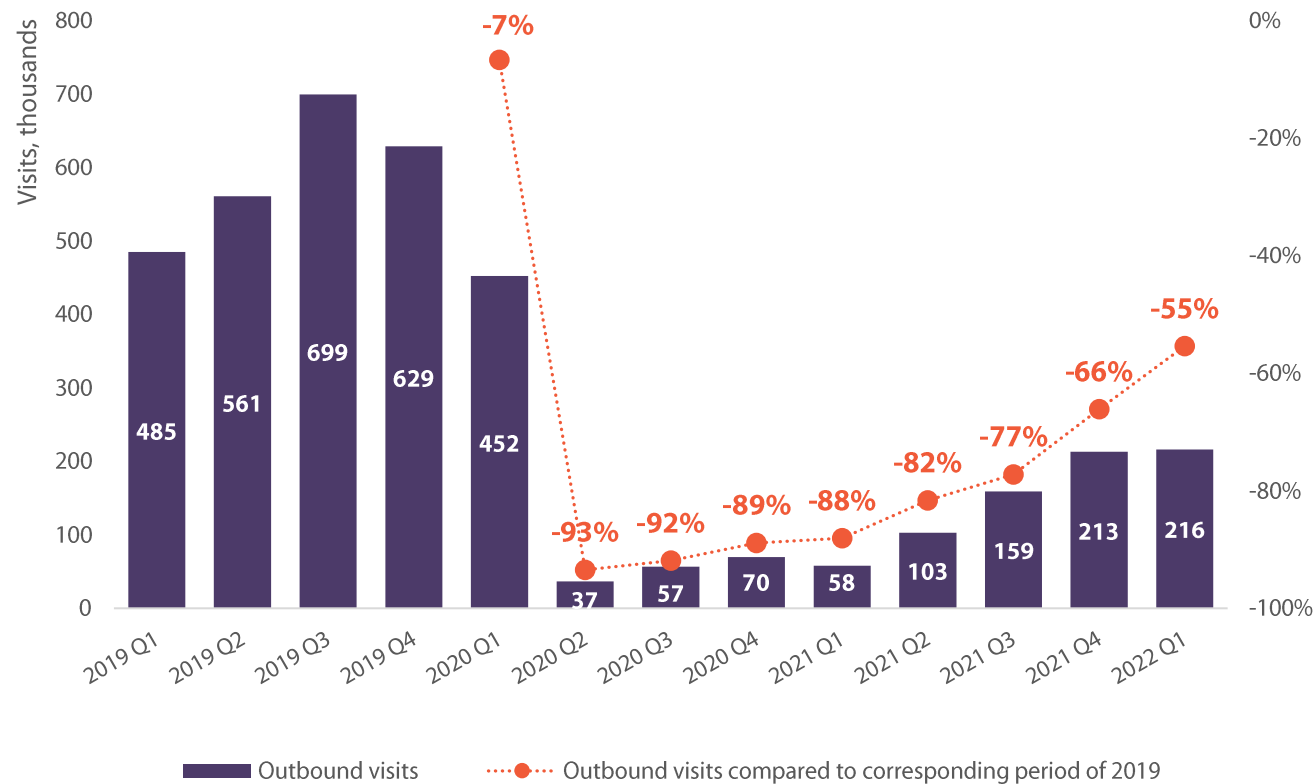
⁶ Statistical discrepancies could be caused by the fact that the data on the number of exits reflects the exit of international visitors only (please, refer to footnote 2) and is provided by the National Tourism Administration (GNTA). While the number of entries is counted for all citizens of given countries and is provided by the Ministry of Internal Affairs.



OUTBOUND TOURISM DYNAMICS

Since the beginning of 2021, a growing number of countries around the world have eased their travel restrictions. Therefore, **international tourism's recovery** has gained momentum. Globally, in Q1 2022, tourist destinations welcomed almost three times as many international arrivals as in the same period of 2021⁷.

Outbound visits by Georgian residents and its comparison with corresponding pre-pandemic (2019) period, 2019-2022 Q1



Source: Geostat

In Q1 2022, **the number of outbound visits** made by Georgian residents showed a drastic increase of 274% compared to Q1 2021.

The recovery of outbound tourism from Georgia has been gradual. In Q1 2022, the number of outbound visits reached almost half of the pre-pandemic figure (55% lower compared to Q1 2019).

The top destination countries for outbound visitors from Georgia were similar to the pre-pandemic breakdown. In Q1 2022, a significant proportion of the outbound visitors chose **Turkey** (46%) as their destination, followed by **Russia** (12%), **Armenia** (12%), and the **EU** (12%).

Meanwhile, in Q1 of 2022, **Azerbaijan** represented a standout case taking only 1% of Georgian outbound visits, significantly lower compared to 23% in Q1 2019. This could be almost entirely explained by the strict land entry restrictions maintained by Azerbaijan⁸.

⁷ UNWTO World Tourism Barometer
<https://www.unwto.org/news/tourism-recovery-gains-momentum-as-restrictions-ease-and-confidence-returns>

⁸ <https://www.geoconsul.gov.ge/HtmlPage//html/View?id=2152>



OUTBOUND TOURISM INDICATORS

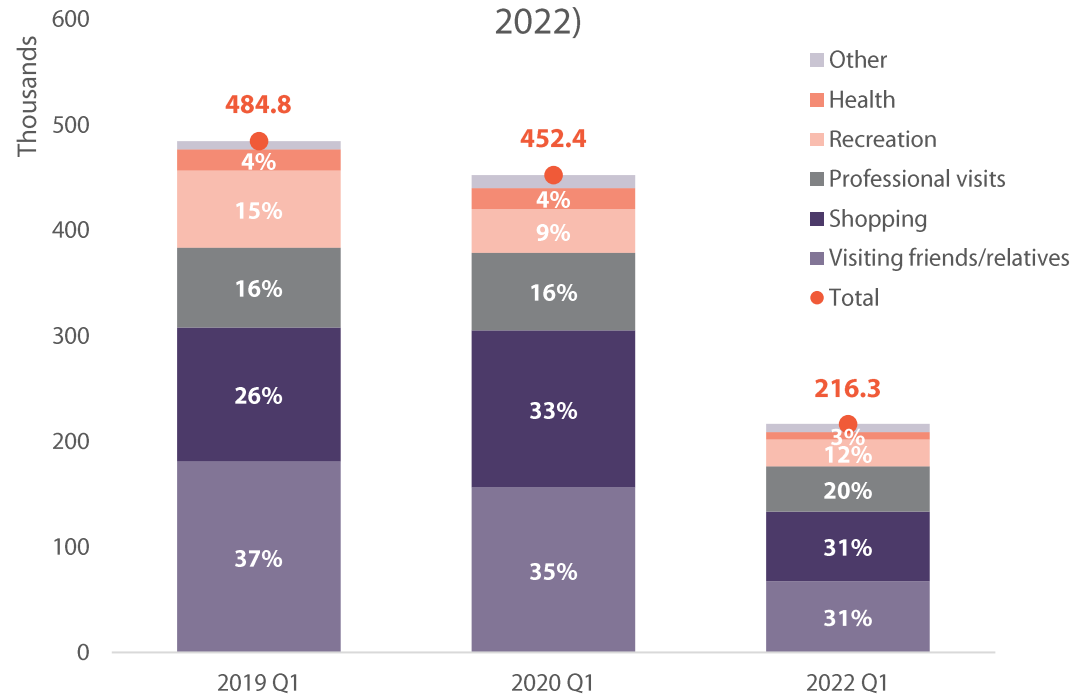
The distribution of outbound visits by **the main purpose of visit** in Q1 2022 shows a similar pattern to those of Q1 2020 and Q1 2019. In Q1 2022, the main purposes of visit were visiting friends/relatives (31% of total visits) and shopping (31%), followed by professional (20%) and recreational (12%) purposes.

The expenditures of outbound visitors in Q1 2022 reached GEL 285 mln, which is 14% lower compared to Q1 2020 and 21% lower compared to Q1 2019.

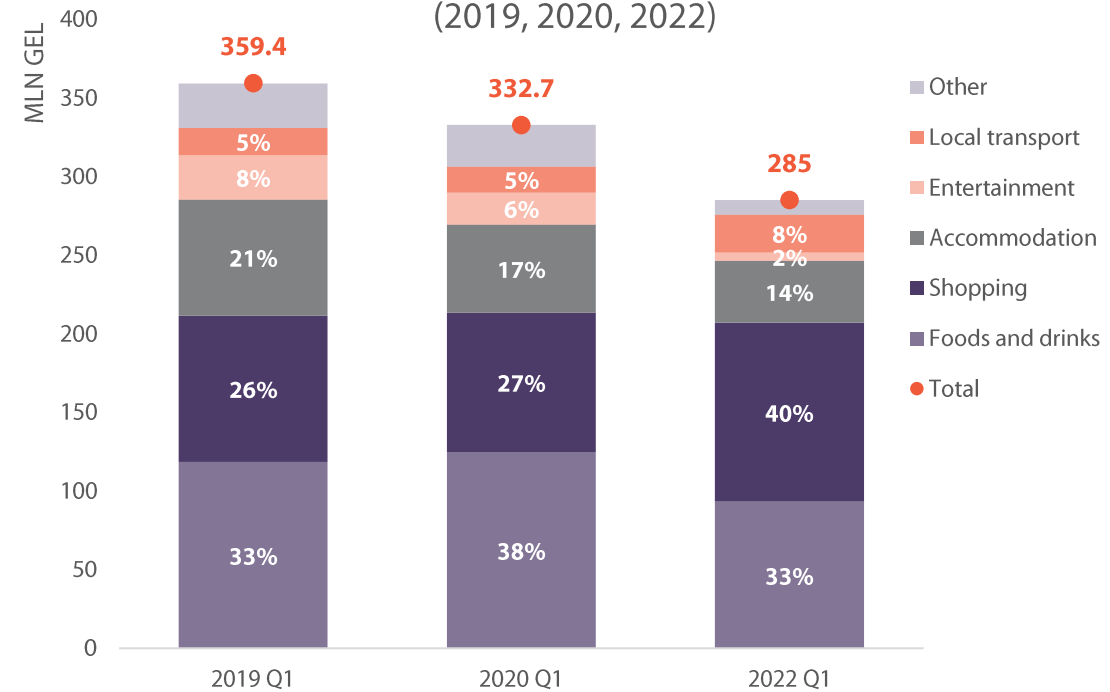
The considerable recovery of expenditures could be partially attributed to an increase in **the average nights spent** on visits. In Q1 2022, the average number of nights spent was equal to 6.5 nights, which is 2.5 and 3.1 nights higher compared to Q1 2020 and Q1 2019 respectively.

The expenditure distribution is similar to previous periods (Q1 2019 and Q1 2020), with the exception of a significant increase in the share of shopping (40% of total expenditures) and a decline in the share of recreation (2%) in Q1 2022.

Main purpose of outbound visits in Q1 (2019, 2020, 2022)



Expenditure distribution of outbound visitors in Q1 (2019, 2020, 2022)



Source: Geostat

*Note that the outbound visitor survey was suspended from Q2 of 2020 to Q1 of 2022 due to the pandemic, therefore the detailed data regarding the main characteristics of outbound visits throughout this period is missing



HOTEL PRICE INDEX IN GEORGIA

In May 2022, in Georgia the hotel price index⁹ increased by 8.1% compared to April 2022. The 3-star, 4-star and 5-star hotel price index decreased by 9.1%, while for guesthouses, the price index decreased by 6.5%.

The monthly HPI was the highest in Guria (22.3%) and Adjara (10.9%) and the lowest in Racha (-15.6%).

In May 2022, compared to May 2021, hotel prices in Georgia increased by 8.9%. The prices of 3*, 4*, 5* hotels increased by 8.1% and the prices of guesthouses increased by 13.5%.

The yearly HPI was the highest in Shida Kartli (28.8%) and Kakheti (21.4%) and the lowest in Adjara (-9.8%)

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2022 May/ 2022 Apr	2022 May/ 2021 May	2022 May/ 2022 Apr	2022 May/ 2021 May	2022 May/ 2022 Apr	2022 May/ 2021 May
Kakheti	5.6%	21.4%	10.7%	21.2%	2.4%	21.4%
Imereti	1.4%	12.4%	1.0%	-1.8%	1.7%	25.3%
Guria	22.3%	-4.1%	30.7%	-1.0%	0.0%	-12.8%
Kvemo Kartli	0.0%	-9.8%	0.0%	13.4%	0.0%	-42.9%
Adjara	10.9%	12.6%	13.4%	13.3%	8.3%	10.7%
Racha	-15.6%	28.8%	-	-	-15.6%	28.8%
Shida Kartli	4.6%	1.7%	0.9%	4.6%	6.5%	-6.5%
Samegrelo-Zemo Svaneti	7.0%	0.0%	6.5%	-7.0%	7.5%	6.1%
Samtskhe-Javakheti	-1.1%	0.2%	2.4%	7.4%	-3.6%	-6.5%
Mtskheta-Mtianeti	2.7%	2.5%	-0.1%	-1.9%	5.2%	6.7%
Tbilisi	9.3%	8.5%	9.6%	7.4%	6.5%	18.7%
Overall Price % Change	8.1%	8.9%	9.1%	8.1%	5.5%	13.5%

⁹ 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).



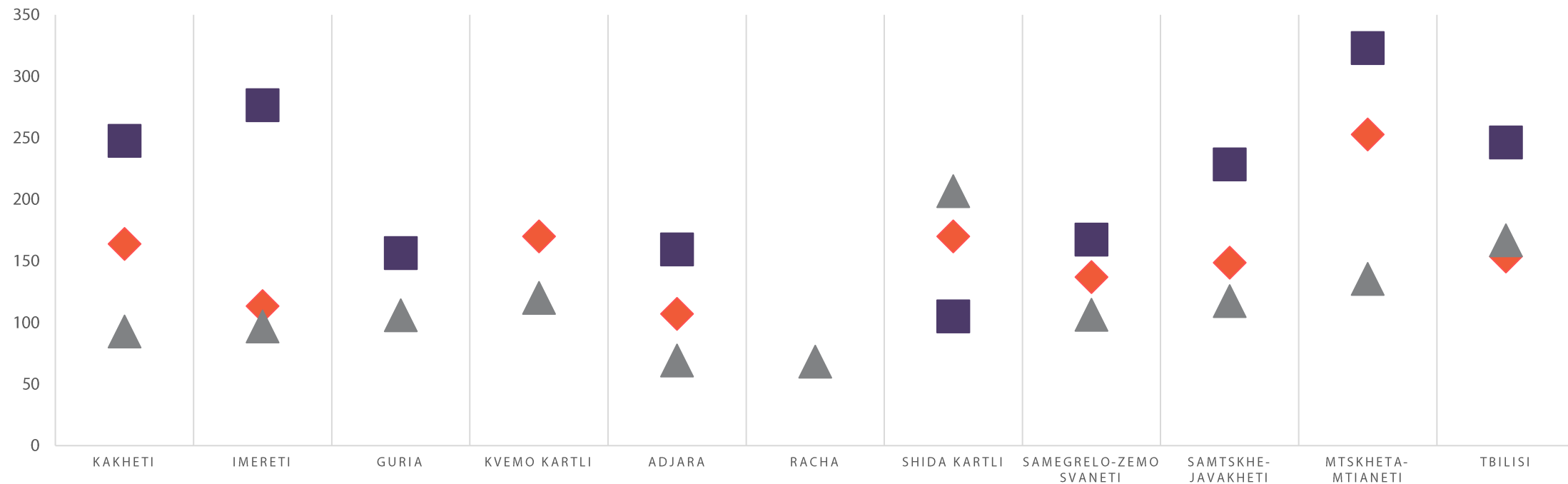
THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room¹⁰ in a 3-star hotel was **148 GEL** per night in May 2022, while the average cost of a room in a 4-star hotel in Georgia was **255 GEL** per night and the average cost of a room in a guesthouse¹¹ was **105 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in May 2022 was **468 GEL** per night. In Kakheti, the average price was 581 GEL, followed by Tbilisi – 558, Guria – 474 GEL, and Adjara – 457 GEL.

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

◆ 3* ■ 4* ▲ Guesthouse



¹⁰ 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.

¹¹ 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*	12.1*

* Preliminary data



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