

Monthly Tourism Update

September 2019

- During the I-III quarters of 2019, compared to the I-III quarters of 2018, the hotel prices in Georgia on average decreased by 0.3%;
- During the I-III quarters of 2019, compared to the I-III quarters of 2018, in Georgia the prices of 3*, 4* and 5* decreased on average by 1.9%. While in the same period, the average increase of the guesthouse prices amounted 4.9%;
- During the I-III quarters of 2019, compared to the corresponding period of 2018, on average the hotel prices in Tbilisi decreased by 7.8%. Among them the prices of 3*, 4* and 5* hotels decreased on average by 11.1%, while the prices of guesthouses increased on average by 4.8%;
- During the I-III quarters of 2019, compared to the same period of 2018, the average monthly growth rate of number of tourists amounted 6.6%;
- In September 2019, compared to September 2018, hotel prices in Georgia increased by 0.5%. The prices of 3*, 4*, 5* hotels decreased by 1.6%, while the prices of guesthouses increased by 4.9%;
- In September 2019, compared to August 2019, in Georgia the hotel price index decreased by 3.5%. The 3-star, 4-star and 5-star hotel price index decreased by 3.8%, while for guesthouses, the price index decreased by 4.4%.

Hotel Industry, January-September 2019

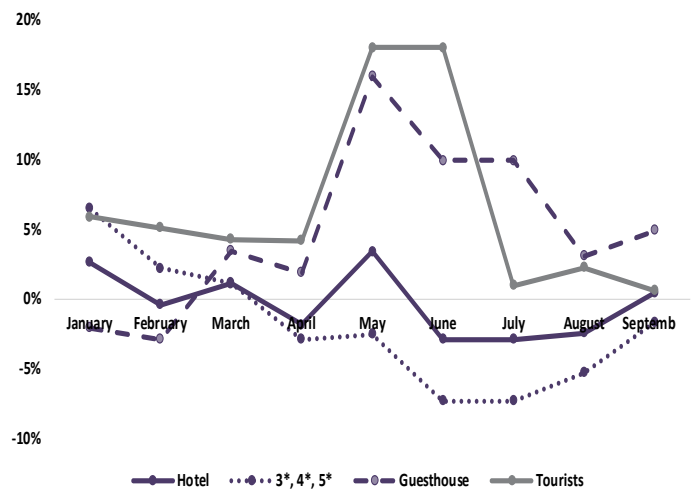
During the first three quarters of 2019, compared to the same period of the previous year, the monthly hotel prices in Georgia mainly were decreasing. On average the hotel prices decreased by 0.3%.

The main contributor to this decrease were the 3*, 4* and 5* hotels. During the I-III quarters of 2019, compared to the I-III quarters of 2018, the 3*, 4* and 5* decreased on average by 1.9%. While in the same period, the average increase of the guesthouse prices amounted 4.9%.

During the first three quarters of 2019, compared to the corresponding period of 2018, on average the hotel prices in Tbilisi decreased by 7.8%. Among them the prices of 3*, 4* and 5* hotels decreased on average by 11.1%, while the prices of guesthouses increased on average by 4.8%.

During the first three quarters of 2019, compared to the same period of 2018, the number of tourists in Georgia were increasing, on average monthly growth rate of number of tourists amounted 6.6%. The highest increase was recorded in May 2019, compared to May 2018 - 18%. It has to be mentioned that during I-III quarters of 2019, May 2019 was the period, when prices of guesthouses increased the most - by 18%, compared to May 2018.

Therefore, with the rise of the tourist number, the prices of 3*, 4* and 5* hotels decreased, while prices of guesthouses increased. This can partially be explained by the growth rate of number of hotels, the number of registered 3*, 4*, 5* hotels on booking.com website is 60% higher compared to the number of such hotels in the beginning of 2018. While during this period, the number of guesthouses only increased by 3.1%.



Graph1: Price changes in 2019, compared to the corresponding months in 2018

Hotel Price Index

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2019 Sep/ 2019 Aug	2019 Sep/ 2018 Sep	2019 Sep/ 2019 Aug	2019 Sep/ 2018 Sep	2019 Sep/ 2019 Aug	2019 Sep/ 2018 Sep
Kvemo Kartli	-14.4%	-15.2%	-20.8%	-13.1%	-3.9%	-18.4%
Shida Kartli	-9.6%	2.1%			-9.6%	2.1%
Guria	-5.6%	15.5%	-6.3%	45.6%	-5.1%	0.5%
Mtskheta-Mtianeti	-4.0%	14.9%	-3.0%	19.7%	-5.1%	10.0%
Adjara	-3.8%	14.6%	-4.2%	13.6%	-3.2%	16.3%
Tbilisi	-3.6%	-8.6%	-3.1%	-11.1%	-5.1%	-0.3%
Samtskhe-Javakheti	-3.3%	1.2%	-1.8%	-2.1%	-4.3%	3.4%
Samegrelo-Zemo Svaneti	-2.5%	14.1%	-5.9%	-10.8%	-1.6%	21.7%
Imereti	-2.4%	-0.3%	-1.1%	1.7%	-3.2%	-1.4%
Kakheti	-0.8%	3.0%	-2.7%	-5.0%	-0.3%	5.2%
Racha	0.4%	17.8%			0.4%	17.8%
Overall Price % Change	-3.5%	0.5%	-3.8%	-1.6%	-4.4%	4.9%

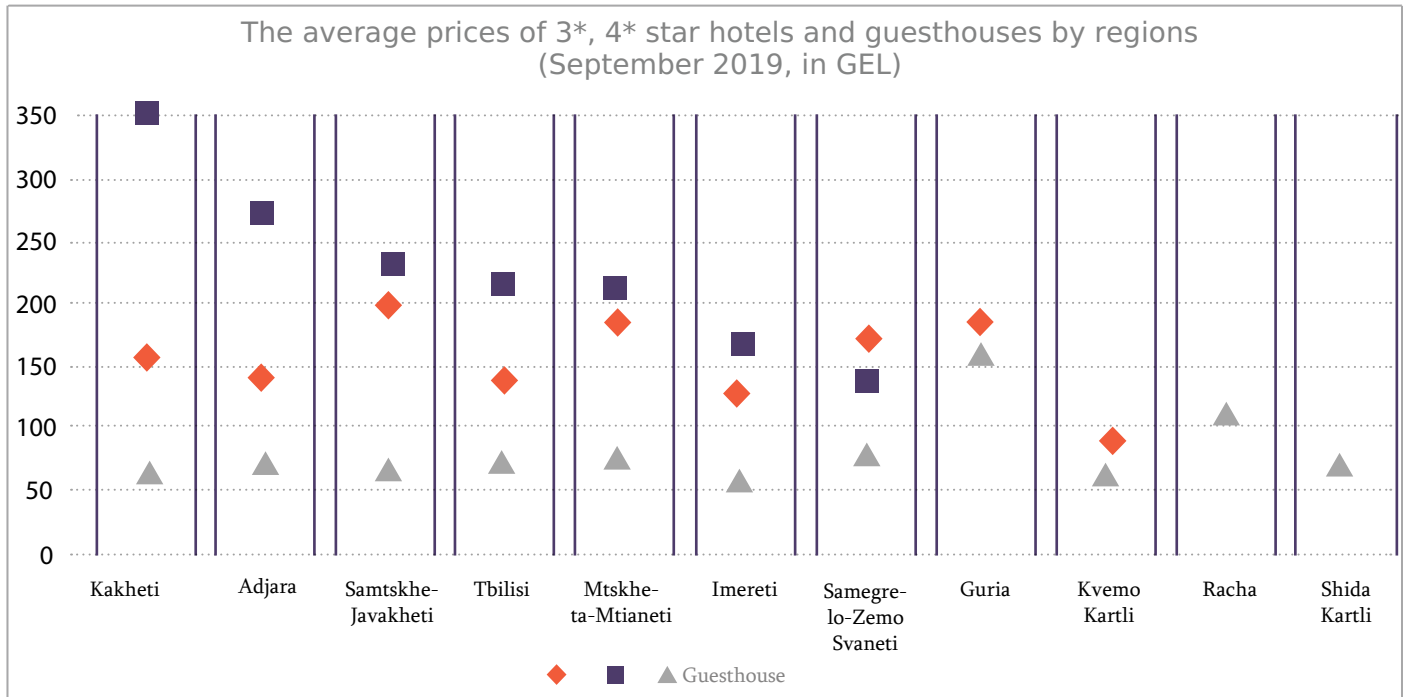
Table 1: Percentage change of prices in September 2019 over August 2019 and over September 2018.

In September 2019, in Georgia the hotel price index¹ decreased by 3.5% compared to August 2019. The 3-star, 4-star and 5-star hotel price index decreased by 3.8%, while for guesthouses, the price index decreased by 4.4%.

In September 2019, compared to September 2018, hotel prices in Georgia increased by 0.5%. The prices of 3*, 4*, 5* hotels decreased by 1.6%, while the prices of guesthouses increased by 4.9%.

Average Hotel Prices

In Georgia, the average cost of a room² in a 3-star hotel was 145 GEL per night in September 2019. While the average cost of a room in a 4-star hotel in Georgia was 227 GEL per night and the average cost of a room in a guesthouse³ was 73 GEL per night.



Graph 2: 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 September 2019 was 477 GEL per night. In Tbilisi, the average price was 598 GEL, followed by Adjara – 440 GEL, and Kakheti - 390 GEL and Samtskhe-Javakheti - 380 GEL.

Basic Economic Indicators										
	III 2017	IV 2017	2017	I 2018	II 2018	III 2018	IV 2018	2018	I 2019	II 2019
1	642.6	569.8	2206.7	522.9	642.5	781.9	734.5	2681.8	600.6	794
2	2969.9	1797.5	7902.5	1582.4	1979.6	3226.4	1891.1	8679.5	1617.5	2244.8
3	1629.9	865.7	4069.4	839.5	1094.2	1838.3	984.7	4756.8	882.1	1245
4	1078.3	570.5	2704.3	550.7	810	1210.6	650.8	3222.1	578.4	877.6
5	152	120.7	463.6	105.9	126.4	149.9	142.4	524.7	131.3	167.9
6	65.5	21.6	106.8	25.3	-8.2	44.9	15.7	77.8	58.5*	28*
1	Total Tourism Value Added (mln)			2			Number of International Travelers (thousand persons)			
2	Number of International Travelers (thousand persons)			3			Number of Tourists (thousand persons)			
3	Number of Tourists (thousand persons)			4			Revenue form International Tourism (mln USD)			
4	Revenue form International Tourism (mln USD)			5			The Expenditures of Georgian tourists Abroad (mln USD)			
5	The Expenditures of Georgian tourists Abroad (mln USD)			6			Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)			
6	Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)									

1 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)).

2 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.

3 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family.

4 * Preliminary results