



Research

Monthly Tourism Update

November 2019

- In 2018 73.8% of incoming international visitor trips into Georgia were made through land passes, 24.8% was made via air, 0.94% by railways and only half a percentage by sea.
- Kutaisi airport served 80% less passengers compared to Tbilisi airport in 2018, and hosted 90% less international visitors.
- The biggest country by incoming air travel in Georgia is Russia: in 2018 almost 530 thousand Russians travelled in Georgia via Air transportation. Iran and Israel follow Russia with 216 and 170 thousand trips respectively.
- In the first 11 months of 2019, 7.2 million international visitor trips were made in Georgia, which is 6.6% higher compared to the last year's respective period.
- In November 2019, compared to October 2019, hotel price index decreased by 6.4%;
- In November 2019, compared to the same period of 2018, hotel price index decreased by 0.5%;

Incoming International Travels and Borders

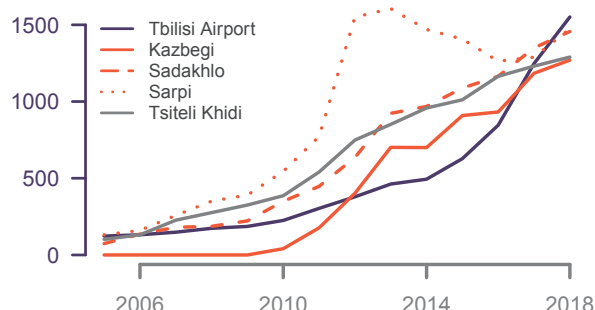
In 2018 there were 8.7 million international traveler trips made in Georgia. In the first 11 months of 2019, number of international traveler trips has exceeded that of a previous year by 48 thousand. The number of foreign travelers in airports has been increasing rapidly: compared to 130 thousand foreign travelers using Georgian airports in 2005 the number has increased more than 13 times and reached 1.79 million in last year.

There is a noticeable difference between two main airports in Kutaisi and Tbilisi. On the one hand, Tbilisi International Airport has already served more than 3.8 million total passengers last year. Through the same 2018 year more than 1.4 million incoming international trips were made in the abovementioned airport. On the other hand, Kutaisi served 617 thousand travelers last year, out of which only 147 thousand were incoming international traveler trips.

However, airports account only for 24.8% of international traveler trips. Most of the travelers use land passes. Some of those passes like Kazbegi, Sadakhlo, Tsiteli Khidi and Sarpi are used for more than a million trip annually (each) to enter the country. Kazbegi especially has experienced a remarkable growth, as in last eight years number of international travelers using the pass to enter the country has increased more than 30 times. In total, land borders accounts for 73.8% of incoming international traveler trips.

The rest 1.4% is divided between railways and ports. In 2018, more than 67 thousand incoming traveler trips were made via railways and this number has been increasing steadily. Meanwhile, sea transportation is two times less popular and is becoming less attractive to foreigner travelers year by year.

International Arrivals by Major Borders
In Thousands (2005 - 2018)



Graph 1: Incoming International Travelers by border in thousands.
Source: Georgian National Tourism Administration.

Sources : Georgian National Tourism Administration; Tbilisi Airport - Airport Statistics; Civil Aviation Agency of Georgia.

Hotel Price Index

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2019 Nov/ 2019 Oct	2019 Nov/ 2018 Nov	2019 Nov/ 2019 Oct	2019 Nov/ 2018 Nov	2019 Nov/ 2019 Oct	2019 Nov/ 2018 Nov
Kvemo Kartli	-7.3%	-31.0%	-5.0%		-4.6%	-31.0%
Shida Kartli	-4.8%	0.3%			-4.3%	0.3%
Guria	-1.7%	10.1%	-2.8%		-1.0%	10.1%
Mtskheta-Mtianeti	-7.5%	1.2%	-9.1%	6.1%	-10.6%	-2.2%
Adjara	-5.8%	36.4%	-4.6%	51.1%	-7.7%	8.7%
Tbilisi	-7.0%	-15.2%	-5.5%	-15.9%	-5.5%	-13.1%
Samtskhe-Javakheti	-6.2%	0.4%	-6.3%	14.6%	-4.8%	-7.1%
Samegrelo-Zemo Svaneti	-6.4%	-1.5%	-5.0%	-11.4%	-6.8%	2.5%
Imereti	-4.7%	-9.6%	-5.4%	-10.6%	-6.2%	-8.8%
Kakheti	-4.6%	-2.8%	-4.6%	-2.0%	-5.9%	-3.0%
Racha	-5.5%	29.3%			-11.5%	29.3%
Overall Price % Change	-6.4%	0.5%	-6.0%	2.0%	-9.4%	-5.7%

Table 1 : Percentage change of prices in November 2019 over October 2019 and over November 2018.

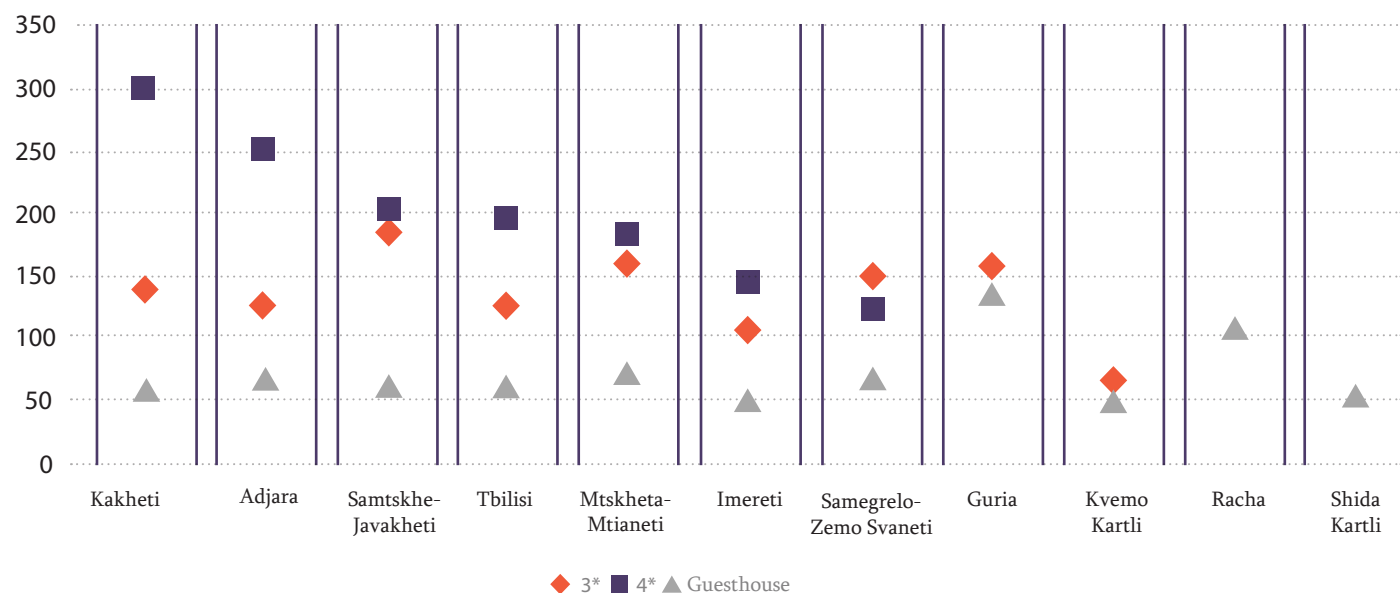
In November 2019, in Georgia the hotel price index³ decreased by 6.4% compared to October 2019. The 3-star, 4-star and 5-star hotel price index decreased by 6.0%, while for guesthouses, the price index decreased by 9.4%.

In November 2019, compared to November 2018, hotel prices in Georgia increased by 0.5%. The prices of 3*, 4*, 5* hotels increased by 2.0%, while the prices of guesthouses decreased by 5.7%.

Average Hotel Prices

In Georgia, the average cost of a room¹ in a 3-star hotel was 129 GEL per night in November 2019. While the average cost of a room in a 4-star hotel in Georgia was 202 GEL per night and the average cost of a room in a guesthouse² was 64 GEL per night.

The average prices of 3*, 4* star hotels and guesthouses by regions (November 2019, in GEL)



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 November 2019 was 441 GEL per night. In Tbilisi, the average price was 516 GEL, followed by Adjara – 420 GEL, and Kakheti - 390 GEL and Samtskhe-Javakheti - 350 GEL.

Basic Economic Indicators

	IV 2017	2017	I 2018	II 2018	III 2018	IV 2018	2018	I 2019	II 2019	III 2019
1	569.8	2206.7	522.9	642.5	781.9	734.5	2681.8	600.6	794	-
2	1797.5	7902.5	1582.4	1979.6	3226.4	1891.1	8679.5	1617.5	2244.8	3375.1
3	865.7	4069.4	839.5	1094.2	1838.3	984.7	4756.8	882.1	1245	1863.6
4	570.5	2704.3	550.7	810	1210.6	650.8	3222.1	578.4	877.6	1126.8
5	120.7	463.6	105.9	126.4	149.9	142.4	524.7	131.3	167.9	-
6	21.6	106.8	25.3	-8.2	44.9	15.7	77.8	66.2*	28.8*	45.7*

1	Total Tourism Value Added (mln)	2	Number of International Travelers (thousand persons)	3	Number of Tourists (thousand persons)
4	Revenue from International Tourism (mln USD)	5	The Expenditures of Georgian tourists Abroad (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