



MONTHLY TOURISM UPDATE

March 2023

Georgia

Georgia: Domestic Tourism in 2022



Research



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Summary

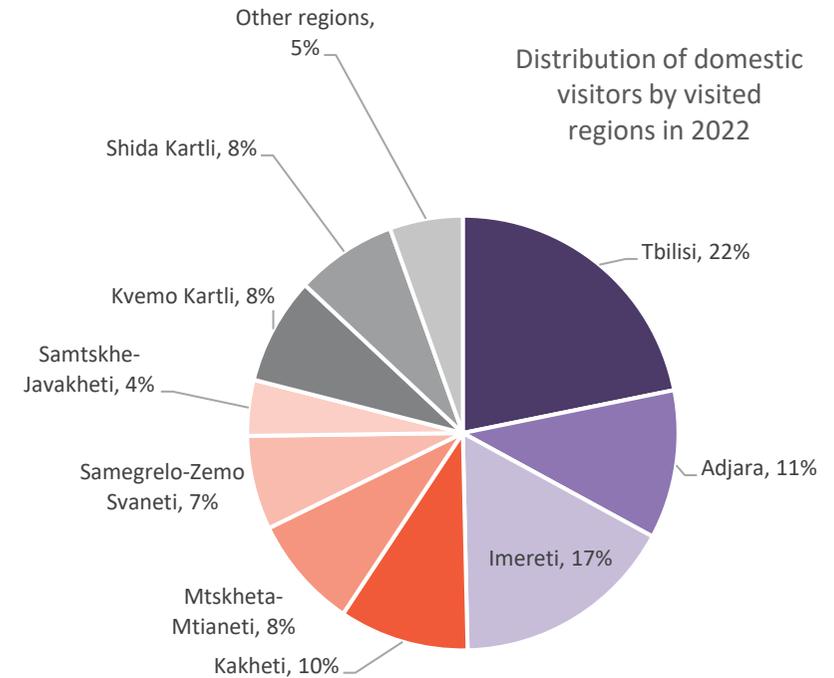
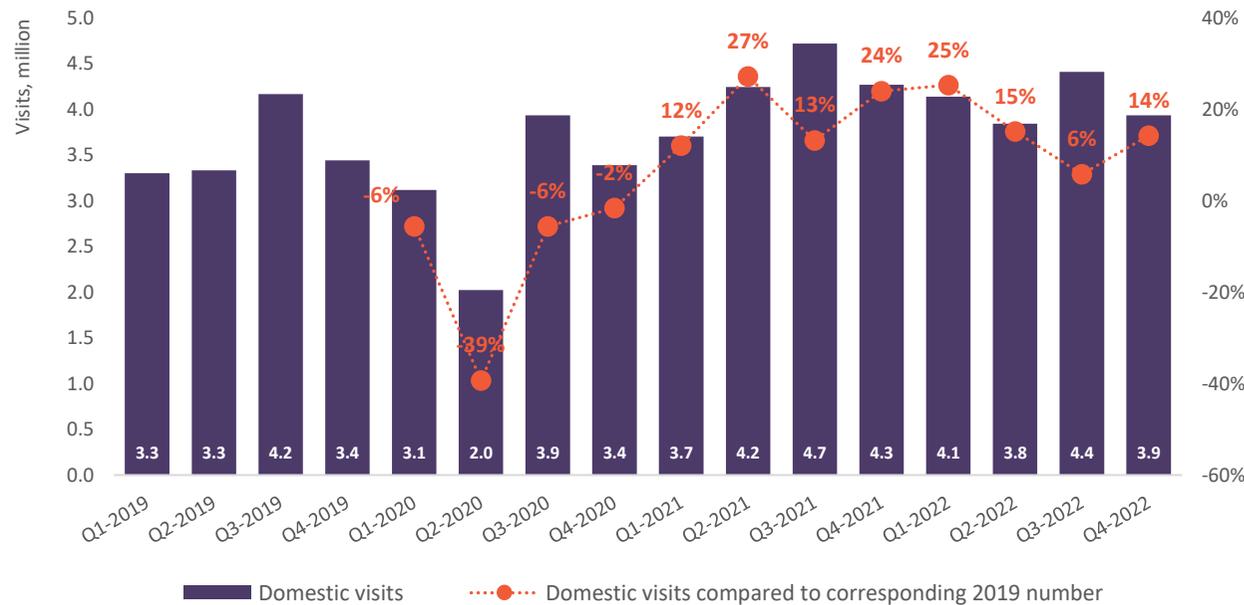
- ❏ In 2022, **the number of domestic visits amounted to 16.3 million visits**, which is 3.6% lower compared to 2021, and 14.6% higher compared to the pre-pandemic number, indicating continuing increased demand for tourist activities from domestic visitors, albeit at a decelerating rate.
- ❏ **By visited regions**, the number of visitors to Mtskheta-Mtianeti and Shida Kartli declined significantly, while visits to Tbilisi and Kakheti increased notably in 2022 compared to 2021.
- ❏ In 2022, **the average nights spent per visit** fully returned to the pre-pandemic number, showing the reversal of the behavior of domestic visitors after the growth in the length of stay in 2020 and 2021.
- ❏ **The expenditure of domestic visitors** reached GEL 3 billion, which is higher both compared to the previous year (by 9.8%) and 2019 (by 61.7%).
- ❏ In absolute values, in 2022, compared to 2021, the expenditures of domestic visitors on **transport** (by GEL 75.5 mln), **accommodation** (by GEL 43.7 mln), and **food and drinks** (by GEL 38 bln) increased significantly.
- ❏ In March 2023, in Georgia, **the Hotel Price Index (HPI)** increased by 5.0% compared to February 2023. The HPI increased by 14.9%, compared to March 2022, with the yearly HPI at its highest for the "guesthouses" category (20.4%).



DOMESTIC TOURISM DYNAMICS

In 2022, **the number of domestic visits** declined by 3.6% compared to the previous year and amounted to 16.3 million visits. However, although there was a YoY decline, the number of domestic visits still exceeded the pre-pandemic number by 14.6%, indicating continuing increased demand for tourist activities from domestic visitors, albeit at a decelerating rate.

Domestic visits by Georgian Residents and its comparison with corresponding pre-pandemic (2019) period, 2019-2022



Source: National Statistics Office of Georgia

In 2022, **the average nights spent per visit** was equal to 1.9, which is 10.6% lower compared to the previous year and 5% lower compared to 2019 (i.e. pre-pandemic). Notably, since the pandemic broke out, the average number of nights spent per visit showed an increase in 2020 and 2021.

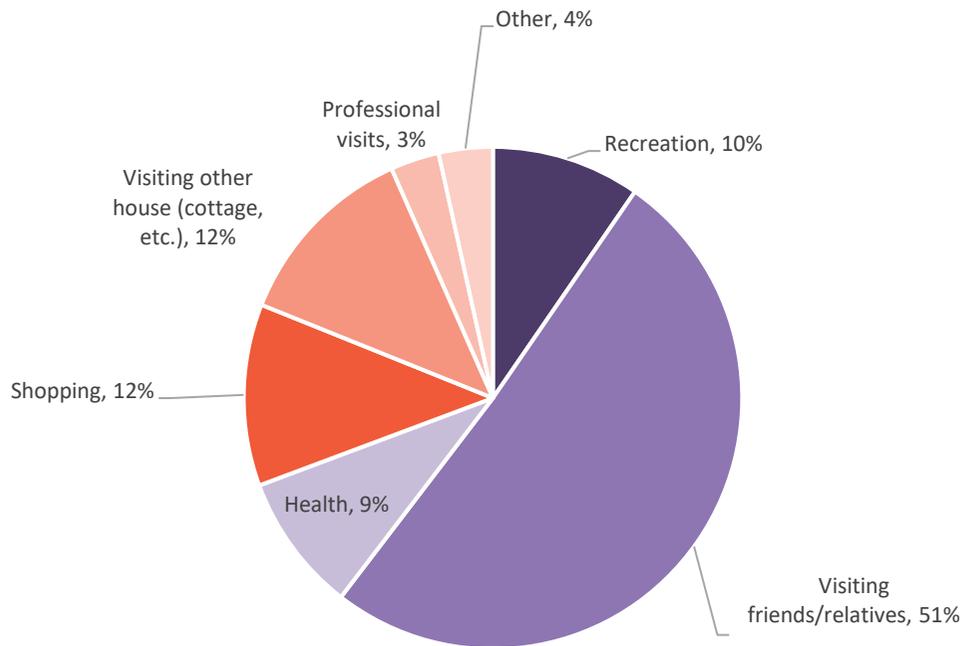
The distribution of domestic visitors by visited region in 2022 was similar to previous periods. In particular, **the main destination for domestic visits** was Tbilisi (22% of total visits), followed by Imereti (17%) and Adjara (11%). In absolute terms, the number of visitors to Mtskheta-Mtianeti declined significantly by 253,700 visitors, while in Shida Kartli this number dropped by 227,100. Meanwhile, visits to Tbilisi (140,600) and Kakheti (104,300) increased notably in 2022 compared to 2021.



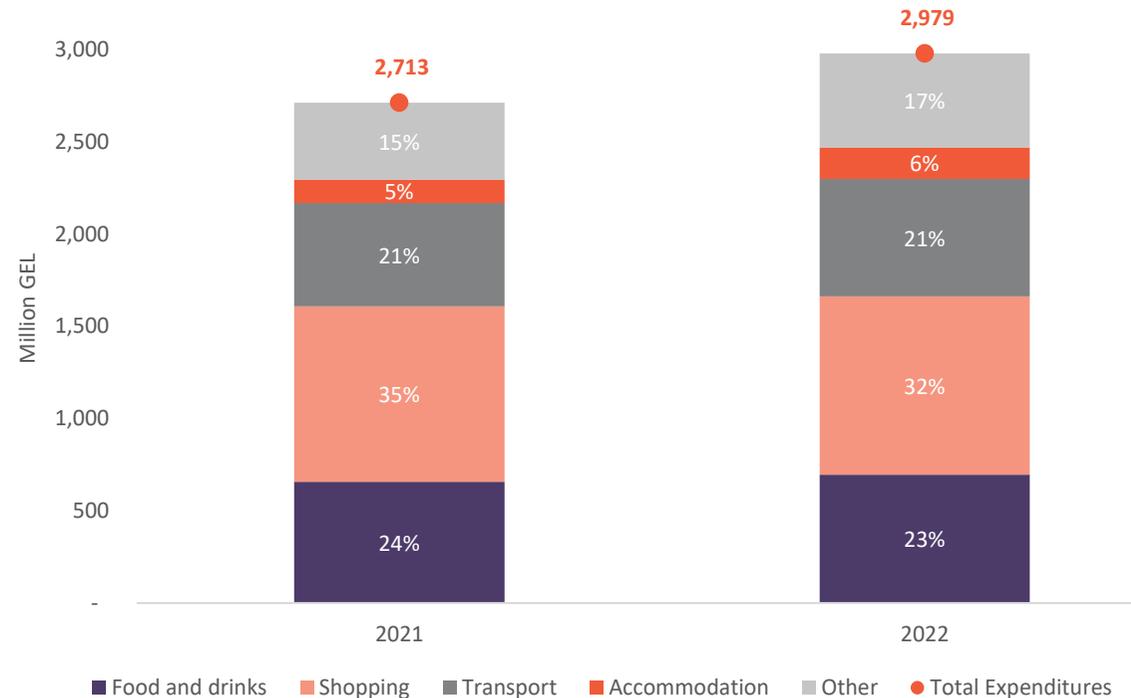
DOMESTIC TOURISM INDICATORS

In 2022, **the distribution of domestic visits** by the main purpose of the visit was similar to recent years. The main purpose for the majority of visits (51%) was visiting friends/relatives, followed by visiting their second/holiday home (12%), and shopping (12%). Among the main categories of visits, “professional” amounted to only 3% of total visits.

Distribution of domestic visitors by purpose of visit in 2022



Expenditures of domestic visitors in 2021 and 2022



Source: National Statistics Office of Georgia

The expenditure of domestic visitors reached GEL 3 billion, which is higher compared to the previous year (by 9.8%) and 2019 (by 61.7%).

The expenditure distribution in 2022 was similar to recent years with most expenditures going on shopping (32%), food and drink (23%), and transport (21%). In absolute values, in 2022, compared to 2021, the expenditure of domestic visitors on transport (by GEL 75.5 million), accommodation (by GEL 43.7 million), and food and drink (by GEL 38 million) increased significantly.



HOTEL PRICE INDEX IN GEORGIA

In March 2023, in Georgia the hotel price index¹ increased by 5.0% compared to February 2023. The 3-star, 4-star, and 5-star hotel price index increased by 7.9%, while for guesthouses, the price index by 5.4%.

The monthly HPI was the highest in Mtskheta-Mtianeti (25.2%) and lowest in Samegrelo-Zemo Svaneti (-14.9%)

In March 2023, compared to March 2022, hotel prices in Georgia increased by 14.9%. The prices of 3*, 4*, 5* hotels increased by 16.4% and the prices of guesthouses increased by 20.3%.

The yearly HPI was the highest in Shida Kartli (29.1%) and lowest in Imereti (0.9%) and Samegrelo-Zemo Svaneti (0.9%).

Region	Hotel		3*, 4*, 5*		Guesthouse	
	2023 Mar/ 2023 Feb	2023 Mar/ 2022 Mar	2023 Mar/ 2023 Feb	2023 Mar/ 2022 Mar	2023 Mar/ 2023 Feb	2023 Mar/ 2022 Mar
Kakheti	1.6%	8.3%	2.7%	3.5%	1.3%	10.4%
Imereti	0.4%	0.9%	2.2%	0.8%	-1.7%	0.9%
Guria	23.8%	19.7%	23.8%	19.7%	-	-
Kvemo Kartli	-4.0%	10.0%	-4.0%	10.0%	-	-
Adjara	12.3%	19.1%	15.6%	25.1%	-5.6%	-4.4%
Racha	-10.6%	8.2%	-	-	-10.6%	8.2%
Shida Kartli	21.2%	29.1%	0.0%	17.6%	33.4%	55.6%
Samegrelo-Zemo Svaneti	-14.9%	0.9%	-2.7%	0.1%	-24.1%	1.6%
Samtskhe-Javakheti	-1.1%	11.3%	19.5%	20.1%	-11.3%	3.1%
Mtskheta-Mtianeti	25.2%	9.4%	49.2%	24.4%	-0.8%	-13.4%
Tbilisi	1.3%	16.0%	-0.1%	14.4%	20.6%	46.8%
Overall Price % Change	5.0%	14.9%	7.9%	16.4%	5.4%	20.4%

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). 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.

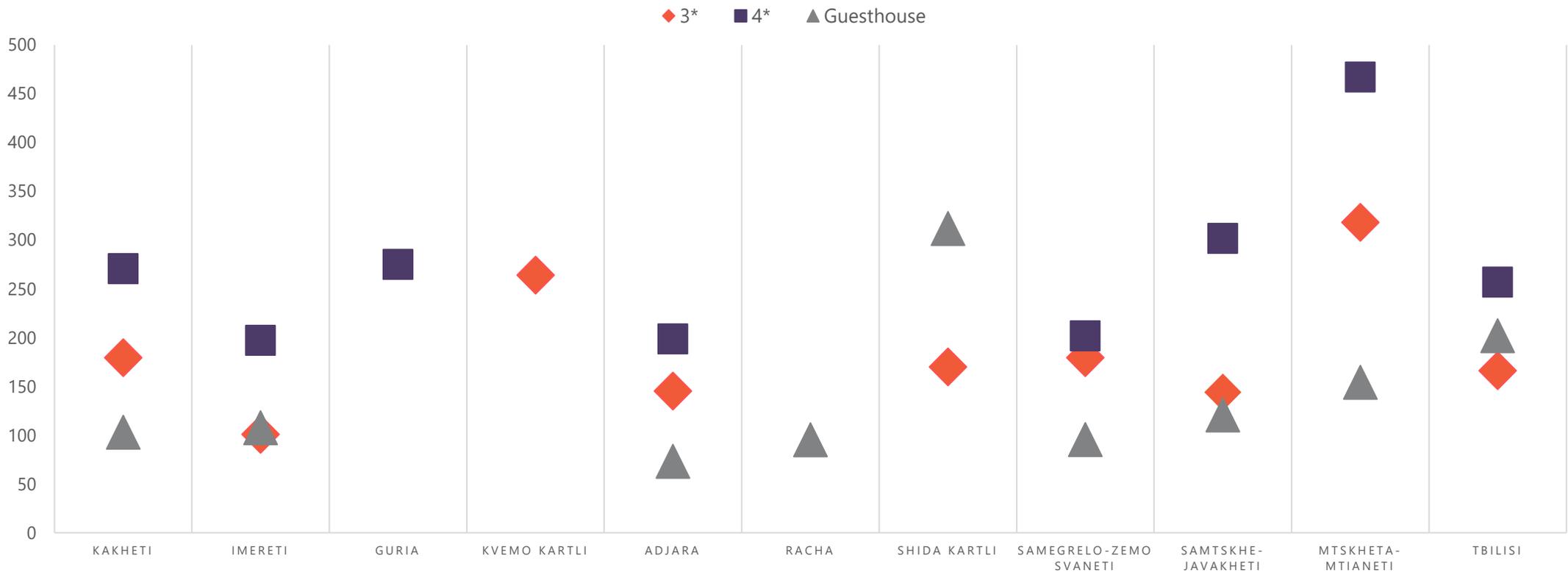


THE AVERAGE HOTEL PRICES IN GEORGIA

In Georgia, the average cost of a room² in a 3-star hotel was **167 GEL** per night in March 2023, while the average cost of a room in a 4-star hotel in Georgia was **275 GEL** per night and the average cost of a room in a guesthouse³ was **122 GEL** per night.

The average cost of a room in a 5-star hotel in Georgia in March 2023 was **456 GEL** per night. In Tbilisi, the average price was **559 GEL**, followed by Kakheti – **552**, Samtskhe-Javakheti – **458**, and Adjara – **429**.

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



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.



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	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*	646.2*	2374.5*
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	5426.9
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	3652.9
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*	3519.7*
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	184.7	72.2*	103.5*	118.6*	114.3*	408.6*
Foreign Direct Investment in Hotels and Restaurants Sector (mln USD)	118.1	111.4	106.0	119.3	-247.2	-1.0	-8.7	5.4	-3.0	-7.4	10.6*	6.9*	16.1*	-2.0*	31.5*

* Preliminary data



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