



# Georgia's Tourism Market Watch May 2022

Georgia | Tourism  
Monthly Bulletin  
June 16, 2022

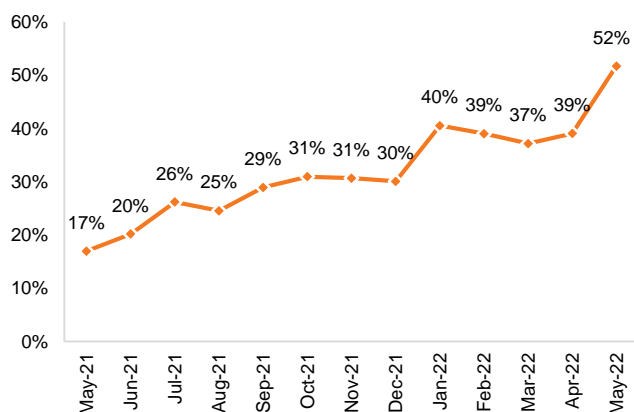
## Highlights, May 2022

Tourism recovery accelerated significantly in May-22, witnessed by all key indicators: number of visitors, tourism revenues, Airbnb and hotel demand.

**Total international visitors** stood at 319,796 persons – up 205.3% y/y and accounting for 51.7% of 2019 level, highest in two years. This growth was predominantly driven by increase in tourist arrivals recovering at 62.3% of 2019 level (up from 52.3% recovery in previous month). Recovery in same-day trips remained low, but slightly accelerated, recovering at 28.6% of 2019 level (up from 16.0% recovery in previous month) reflecting gradual easing of regulations of neighboring countries. Top country by arrivals was Turkey (18.8% of total), followed by Russia (16.1%), and Armenia (13.3%). While low, number of visitors from Israel, Kazakhstan, Belarus, Saudi Arabia, India, Iran and Uzbekistan surpassed 2019 levels.

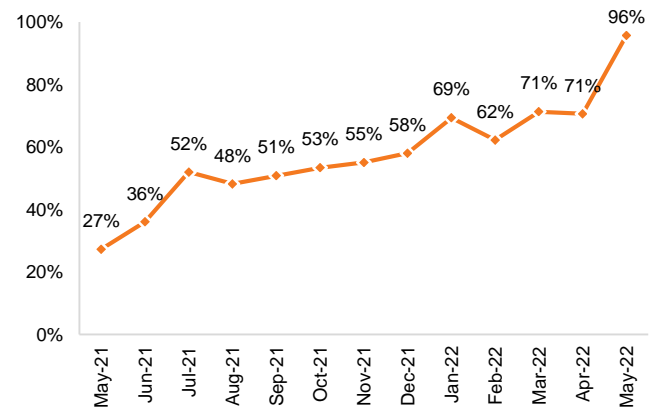
**Tourism revenues** stood at post-pandemic record high US\$ 258.6mn in May-22, up 3.5x y/y and accounting for 95.6% of 2019 level (up from 70.6% in previous month). Markedly, this tourism revenue figure captures also migrants impact (from Russia, Belarus, Ukraine), arriving in Georgia after Russia-Ukraine war started. We estimate, that around 80,000-120,000 visitors relocated in Georgia for longer term than regular tourists. Russia accounted for 17.9% of tourism revenues in May-22, followed by Belarus (11.1% of total), EU countries (9.7%), Turkey (9.7%) and Ukraine (9.4%). We expect tourism revenues to recover at 85% of 2019 level in a baseline scenario, however considering strong May-22 figure and migrant impact, full recovery is also likely.

Figure 1: Recovery of int'l visitors as % of 2019 level



Source: GNTA  
Note: 1) Total international visitors combine tourist (overnight stay) and same-day visits.  
Note: 2) Tourism arrivals (reported by GNTA) capture only visitors leaving Georgia in reporting month and do not include migrants, moving to Georgia since Russia-Ukraine war started.

Figure 2: Recovery of tourism revenue as % of 2019 level



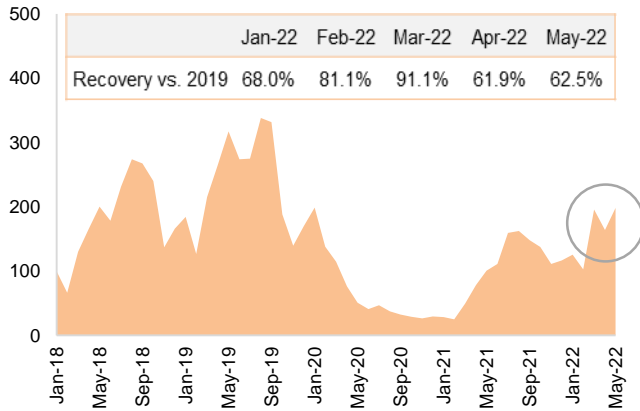
Source: NBG  
Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

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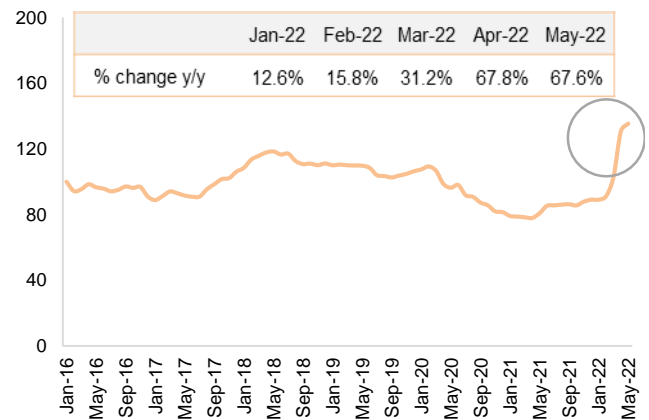
Airbnb demand recovery in May-22 (62.5% of May-19 levels) reflects tourism recovery dynamics like in previous month. Recovery in tourism along with migrant's impact drove rent spikes with NBG's Real Estate Rent Index up 67.6% y/y and 3.6% m/m in May-22, reflecting outsized demand on apartment rents.

Figure 3: Airbnb rental demand in Tbilisi, index Jan-18=100



Source: Airdna, Galt & Taggart Research

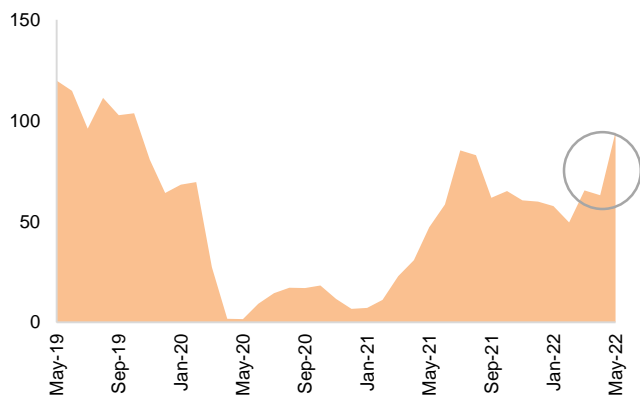
Figure 4: Real estate rent index in Tbilisi in US\$, Jan-16=100



Source: NBG, Galt & Taggart Research

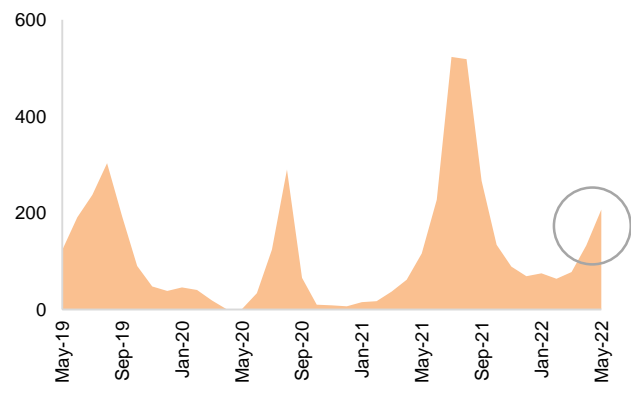
**Hotel** demand recovery also accelerated in May-22. Pos payments in Tbilisi medium and large hotels recovered at 78.6% of 2019 levels or up 199.9% y/y in May-22. Recovery in Tbilisi hotels is mostly attributable to tourism recovery rather migrant impact, because latter ones usually rent apartments for long-term residence. Recovery in hotel revenues was very solid in Adjara in May-22 (Pos payments in Adjara recovered at 167.6% of 2019 level or up 177.9% y/y), explained by seasonal demand, which usually starts acceleration in Apr-May period.

Figure 5: Pos payments in medium and large hotels in Tbilisi, index, Apr-19=100



Source: BoG, Galt & Taggart Research

Figure 6: Pos payments in medium and large hotels in Adjara, index, Apr-19=100



Source: BoG, Galt & Taggart Research

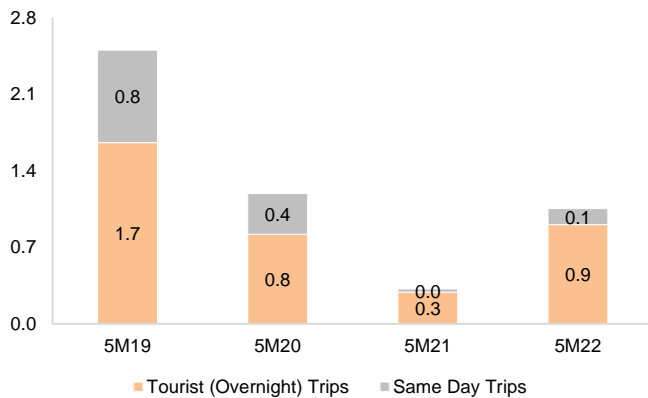


## Tourism sector in 5M22

Total international visitors stood at 1.0mn persons (+231.3% y/y or 42.0% of 2019 level) in 5M22. From top markets, Turkey was the largest contributor to arrival growth, followed by Russia and Armenia. Out of non-neighboring countries, notable recovery vs 2019 was observed from Israel (+13.5% vs 2019), Kazakhstan (+30.5%), Belarus (+128.3%), Saudi Arabia (+165.3%) and Uzbekistan (+140.5%).

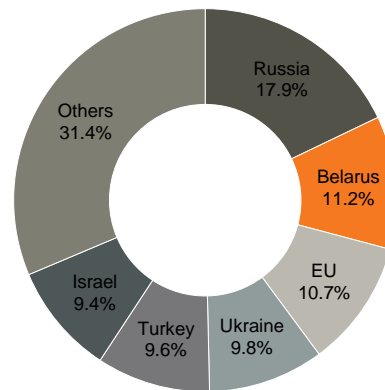
Total international tourism revenues stood at US\$ 840.9mn (+374.5% y/y or 75.2% of 2019 level) in 5M22. Highest revenue was sourced from Russia (17.9% of total), followed by Belarus (11.2%) EU countries (10.7%), Ukraine (9.8%), Turkey (9.6%) and Israel (9.4%).

Figure 7: Int'l visitors (tourists and same-day) by type, persons



Source: GNTA

Figure 8: Int'l tourism revenue by country, 5M22



Source: GNTA

Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

Table 1: Tourism monthly dynamics

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	2019	2020	2021
<b>Total int'l visitors, '000 persons</b>	<b>205.7</b>	<b>166.6</b>	<b>160.8</b>	<b>177.1</b>	<b>151.9</b>	<b>188.4</b>	<b>214.6</b>	<b>319.8</b>	<b>7,725.8</b>	<b>1,513.4</b>	<b>1,721.2</b>
% of 2019 level	30.9%	30.7%	30.1%	40.5%	39.0%	37.1%	39.0%	51.7%		19.6%	22.3%
<b>o/w tourists, '000</b>	<b>188.8</b>	<b>151.4</b>	<b>144.6</b>	<b>163.6</b>	<b>137.1</b>	<b>159.2</b>	<b>182.4</b>	<b>264.3</b>	<b>5,080.5</b>	<b>1,087.1</b>	<b>1,577.5</b>
% of 2019 level	43.0%	44.7%	46.3%	53.5%	55.4%	48.5%	52.3%	62.3%		21.4%	31.0%
<b>o/w same day, '000</b>	<b>16.9</b>	<b>15.2</b>	<b>16.2</b>	<b>13.5</b>	<b>14.7</b>	<b>29.2</b>	<b>32.3</b>	<b>55.5</b>	<b>2,645.3</b>	<b>426.3</b>	<b>143.8</b>
% of 2019 level	7.5%	7.4%	7.3%	10.3%	10.4%	16.3%	16.0%	28.6%		16.1%	5.4%
<b>Tourism revenue, US\$ mn</b>	<b>142.3</b>	<b>111.0</b>	<b>126.1</b>	<b>114.0</b>	<b>105.2</b>	<b>174.5</b>	<b>188.6</b>	<b>258.6</b>	<b>3,268.7</b>	<b>541.7</b>	<b>1,245.4</b>
% of 2019 level	53.3%	55.0%	58.0%	69.3%	62.2%	71.3%	70.6%	95.6%		16.6%	38.1%

Source: GNTA, NBG



Table 2: International tourism visitors by countries, monthly

	May-19	May-21	May-22	% change, 2022 vs 2019		5M19	5M20	5M22	% change, 2022 vs 2019
Turkey	71,563	21,855	60,184	-15.9%	Turkey	367,818	93,681	199,945	-45.6%
Russia	172,217	10,818	51,561	-70.1%	Russia	539,432	28,880	156,910	-70.9%
Armenia	98,572	9,863	42,606	-56.8%	Armenia	425,412	33,510	133,796	-68.5%
Georgia (Nonresident)	39,753	9,537	24,682	-37.9%	Georgia (Nonresident)	193,331	36,523	100,738	-47.9%
Israel	17,084	11,244	18,986	11.1%	Israel	56,422	22,016	64,022	13.5%
Ukraine	16,864	11,533	15,005	-11.0%	Ukraine	62,500	22,270	55,630	-11.0%
Azerbaijan	105,962	5,704	12,634	-88.1%	Azerbaijan	497,937	22,305	53,331	-89.3%
Kazakhstan	7,352	4,664	10,965	49.1%	Kazakhstan	23,730	8,147	31,028	30.8%
Belarus	4,099	2,349	9,780	138.6%	Belarus	12,994	5,289	29,671	128.3%
Saudi Arabia	632	450	8,559	1254.3%	Iran	48,117	3,378	27,775	-42.3%
India	3,381	1,496	7,452	120.4%	Saudi Arabia	7,308	485	19,391	165.3%
Iran	7,158	1,141	7,356	2.8%	Uzbekistan	6,917	9,659	16,635	140.5%
Uzbekistan	1,120	2,528	5,281	371.5%	India	20,267	2,503	16,150	-20.3%
USA	8,605	745	3,674	-57.3%	Germany	21,805	2,182	11,361	-47.9%
Poland	9,092	837	3,388	-62.7%	Poland	20,875	1,238	11,174	-46.5%
Others	55,255	9,991	37,683	-31.8%	Others	197,105	25,396	124,179	-37.0%
<b>Total</b>	<b>618,709</b>	<b>104,755</b>	<b>319,796</b>	<b>-48.3%</b>	<b>Total</b>	<b>1,883,261</b>	<b>212,707</b>	<b>731,940</b>	<b>-58.0%</b>

Source: GNTA

Table 3: Key tourism statistics, annual

	2015	2016	2017	2018	2019	2020	2021
<b>Tourism revenues, US\$ mn</b>	<b>1,936</b>	<b>2,111</b>	<b>2,704</b>	<b>3,222</b>	<b>3,269</b>	<b>542</b>	<b>1,245</b>
As % of GDP	12.9%	13.9%	16.6%	18.3%	18.7%	3.4%	6.4%
<b>International visitors, persons</b>	<b>5,255,999</b>	<b>5,392,816</b>	<b>6,482,830</b>	<b>7,203,350</b>	<b>7,725,774</b>	<b>1,513,421</b>	<b>1,721,242</b>
<i>by type*:</i>							
Tourists	3,011,663	3,297,275	4,069,354	4,756,820	5,080,478	1,087,093	1,577,463
Same-day	2,244,336	2,095,541	2,413,476	2,446,530	2,645,296	426,328	143,779
<i>by country:</i>							
Turkey	1,074,065	988,312	1,007,276	1,098,555	1,156,513	335,580	326,494
Russia	763,019	849,265	1,135,057	1,404,757	1,471,558	208,677	212,979
Armenia	1,191,777	1,152,234	1,287,168	1,268,886	1,365,048	260,965	164,698
Georgia (Nonresident)	441,260	429,343	456,132	476,389	488,841	140,351	151,559
Ukraine	127,344	151,630	169,862	177,058	207,667	42,414	144,901
Israel	55,439	85,398	115,040	156,922	205,051	25,731	100,686
Azerbaijan	1,156,183	1,075,820	1,301,556	1,424,610	1,526,619	295,132	82,718
Kazakhstan	30,931	40,895	47,241	58,955	103,611	13,779	66,787
Other	415,981	619,919	963,498	1,137,218	1,200,866	190,792	470,420
<b>Airport arrivals</b>	<b>737,660</b>	<b>998,762</b>	<b>1,439,689</b>	<b>1,788,417</b>	<b>1,829,341</b>	<b>269,193</b>	<b>877,158</b>
<i>of which:</i>							
Tbilisi	597,907	786,094	1,133,811	1,402,157	1,355,626	202,632	568,149
Kutaisi	78,900	120,763	193,699	239,251	258,159	19,868	221,853
Batumi	60,853	91,905	112,179	147,009	215,556	46,693	87,156
<b>Accommodation units</b>	<b>1,383</b>	<b>1,727</b>	<b>1,963</b>	<b>2,390</b>	<b>2,575</b>	<b>2,707</b>	<b>3,105</b>
<b>Accommodation rooms</b>	<b>21,511</b>	<b>24,640</b>	<b>27,907</b>	<b>34,608</b>	<b>38,915</b>	<b>42,214</b>	<b>46,819</b>
<b>Accommodation beds</b>	<b>51,517</b>	<b>59,236</b>	<b>67,660</b>	<b>85,314</b>	<b>94,438</b>	<b>101,286</b>	<b>112,820</b>

Source: GNTA, GCAA, NBG



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