



Georgia's Tourism Market Watch August 2022

Tourism Monthly Bulletin | Georgia
September 16, 2022

Highlights, August 2022

Tourism recovery strengthened further in Aug-22, with revenues hitting another record high monthly figure, surpassing 2019 level by 26.7%.

Total international visitors stood at 742,247 persons – up 178.5% y/y and recovering at 68.3% of 2019 level. This growth was mainly driven by the increase in tourist arrivals up 135.8% y/y and accounting for 77.4% of 2019 level. Recovery in same-day trips also accelerated, up 724.2% y/y, recovering at 47.8% of 2019 level. Top country by arrivals was Russia (28.7% of total), followed by Armenia (18.7%) and Turkey (14.0%). Notably, number of visitors from Russia, Saudi Arabia, Belarus, Kazakhstan and Uzbekistan surpassed 2019 levels.

Tourism revenues stood at record high US\$ 522.9mn in Aug-22, up 1.6x y/y and surpassing 2019 level by 26.7%. It should be noted that this figure also captures migrants-related spending (from Russia, Belarus and Ukraine) arriving in Georgia since Russia-Ukraine war started. We estimate that about 100-120k visitors from these countries relocated to Georgia for longer term than regular tourists. Russia accounted for 25.5% of tourism revenues in Aug-22, followed by Saudi Arabia (10.4% of total), Turkey (9.0%), Israel (6.7%), while revenues from EU was 9.8% of total. Considering strong revenues of recent months, we expect full recovery of tourism in 2022 compared to pre-pandemic levels.

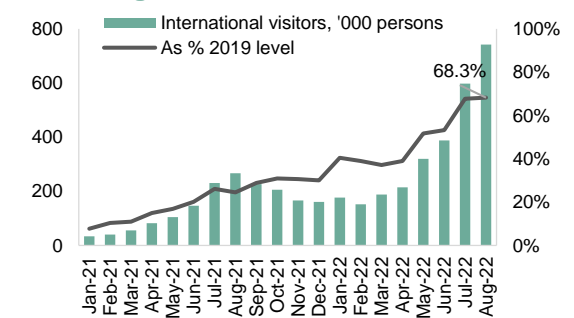
Table 1: Key stats

	8M21	8M22
International visitors, '000 persons:	961.6	2,779.7
Tourists	883.1	2,252.0
Same-day	78.4	527.7
Tourism revenues, US\$ mn	703.8	2,141.5

Source: GNTA, NBG

Note: International visitors combine tourists (overnight stay) and same-day visits.

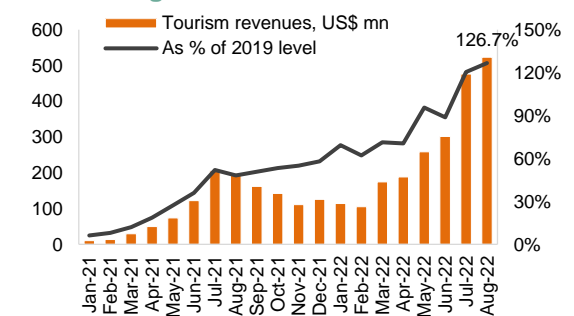
Figure 1: International visitors



Source: GNTA

Note: International visitors combine tourists (overnight stay) and same-day visits.

Figure 2: Tourism revenues



Source: NBG

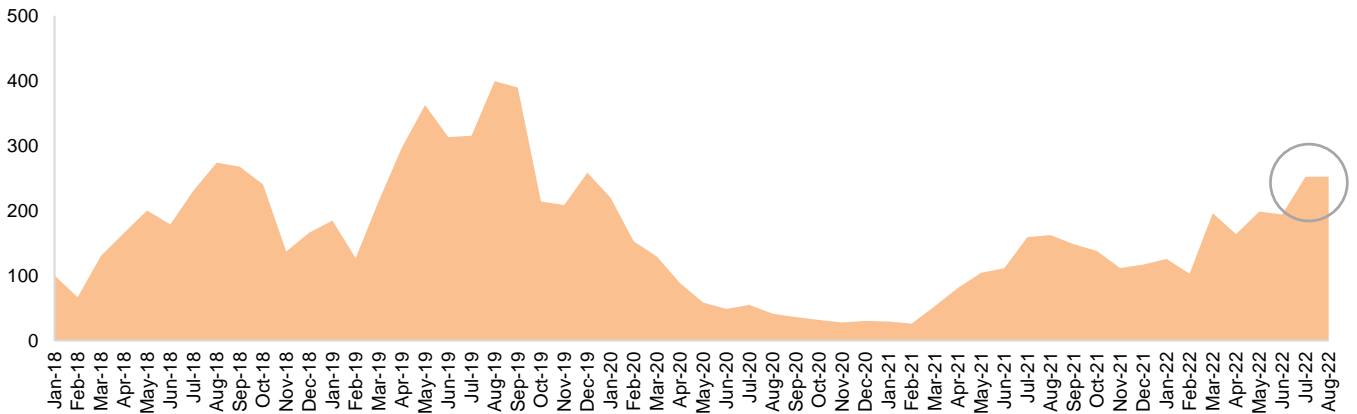
Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

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Airbnb demand recovery strengthened in Aug-22 at 63.2% of Aug-19 level, reflecting tourism dynamics.

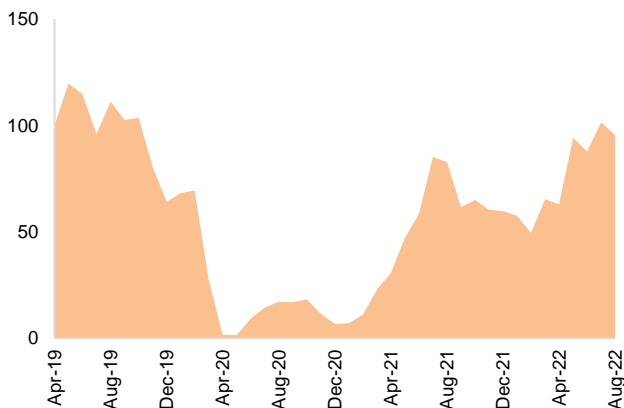
Figure 3: Airbnb rental demand in Tbilisi, index Jan-18=100



Source: Airdna, Galt & Taggart Research

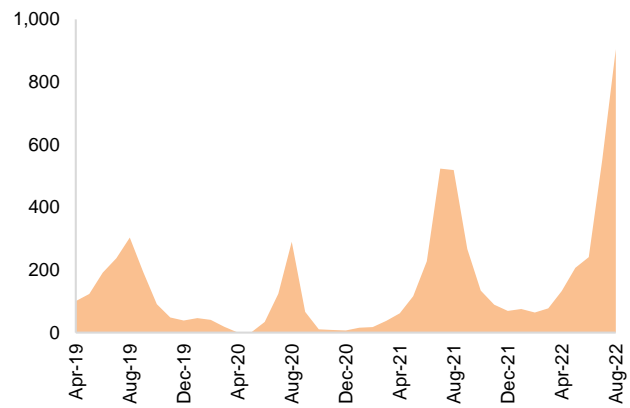
Hotel demand recovery softened in Tbilisi and accelerated further in Batumi in Aug-22. This reflects seasonal trends. Pos payments in Tbilisi medium and large hotels increased 15.4% y/y, however recovery softened and accounted for 85.8% of 2019 level, down from 105.8% recovery in previous month. Recovery in Adjara hotel revenues continued to outperform Tbilisi - pos payments in Adjara surpassed 2019 level by 3x and was up 74.4% y/y.

Figure 4: Pos payments in medium and large hotels in Tbilisi, index, Apr-19=100



Source: BoG, Galt & Taggart Research

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



Source: BoG, Galt & Taggart Research



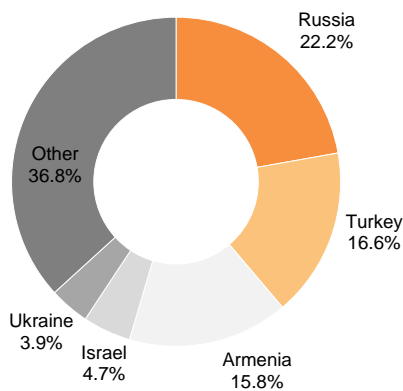
Tourism sector in 8M22

In 8M22, tourist arrivals stood at 2.25mn persons (+155% y/y, 65.3% of 8M19 level) and tourism revenues reached US\$ 2.1bn (+204.3% y/y, 94.6% of 8M19 level).

From top markets, Russia was the largest contributor to arrival growth, followed by Armenia and Turkey. Out of non-neighboring countries, notable recovery vs 2019 was observed from Uzbekistan (+184.9% vs 2019), Saudi Arabia (+59.4%), Belarus (+93.8%) and Kazakhstan (+34.6%).

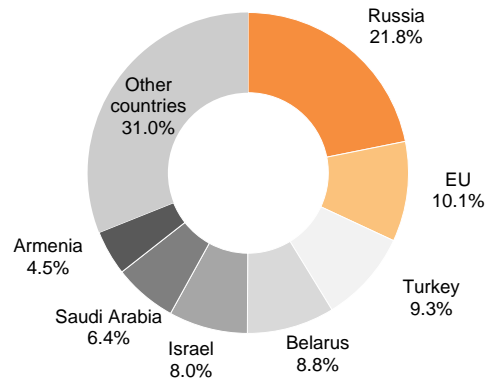
Highest revenue was sourced from Russia (21.8% of total), followed by EU (10.1%), and Turkey (9.3%).

Figure 6: Int'l visitors (tourists and same-day) by country, 8M22



Source: GNTA

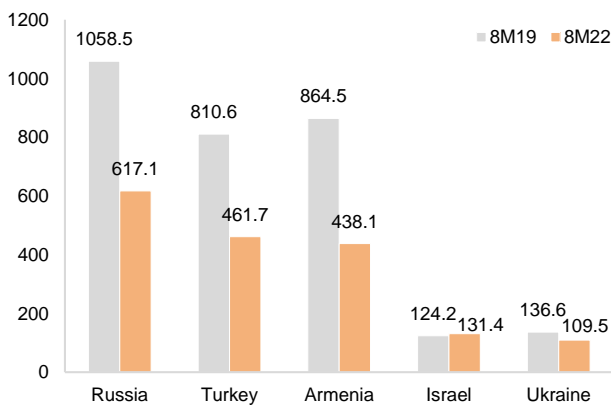
Figure 7: Int'l tourism revenue by country, 8M22



Source: NBG

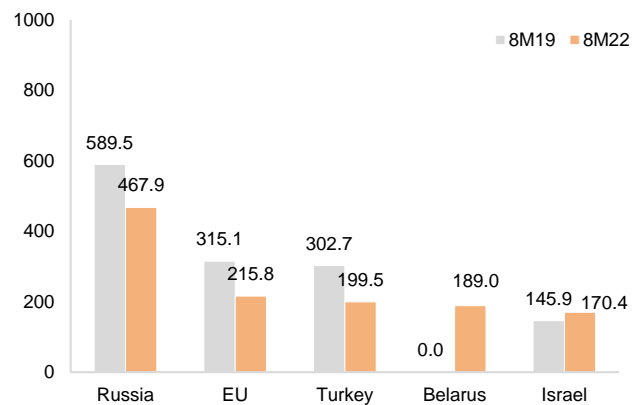
Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

Figure 8: Int'l visitors from top-5 countries, persons



Source: GNTA

Figure 9: Int'l tourism revenue from top-5 countries, US\$ mn



Source: NBG

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



Table 2: Tourism monthly dynamics

	22-Jan	22-Feb	22-Mar	22-Apr	22-May	22-Jun	22-Jul	22-Aug	2019	2020	2021
Total int'l visitors, '000 persons	177.1	151.9	188.4	214.6	319.8	387.8	597.9	742.2	7,725.80	1,513.40	1,721.20
% of 2019 level	40.5%	39.0%	37.1%	39.0%	51.7%	53.3%	67.8%	68.3%		19.6%	22.3%
o/w tourists, '000	163.6	137.1	159.2	182.4	264.3	302.6	459.7	583.0	5,080.50	1,087.10	1,577.50
% of 2019 level	53.5%	55.4%	48.5%	52.3%	62.3%	64.1%	80.6%	77.4%		21.4%	31.0%
o/w same day, '000	13.5	14.7	29.2	32.3	55.5	85.2	138.2	159.3	2,645.30	426.3	143.8
% of 2019 level	10.3%	10.4%	16.3%	16.0%	28.6%	33.3%	44.3%	47.8%		16.1%	5.4%
Tourism revenue, US\$ mn	114	105.2	174.5	188.6	258.6	301.7	476.1	522.9	3,268.70	541.7	1,245.40
% of 2019 level	69.3%	62.2%	71.3%	70.6%	95.6%	88.7%	120.4%	126.7%		16.6%	38.1%

Source: GNTA, NBG

Table 3: International visitors by countries

Country	Aug-19	Aug-21	Aug-22	% Change 2022/2019	Country	8M19	8M21	8M22	% Change 2022/2019
Russia	207,899	39,909	213,261	2.6%	Russia	1,058,549	108,815	617,147	-41.7%
Armenia	191,817	22,733	138,471	-27.8%	Armenia	864,474	89,292	438,147	-49.3%
Turkey	154,834	34,847	103,548	-33.1%	Turkey	810,602	193,179	461,674	-43.0%
Saudi Arabia	21,570	16,436	41,913	94.3%	Saudi Arabia	62,350	35,861	99,388	59.4%
Georgia (Nonresident)	53,561	23,117	34,870	-34.9%	Georgia (Nonresident)	323,677	85,465	182,029	-43.8%
Belarus	13,844	13,494	26,486	91.3%	Belarus	46,024	32,014	89,214	93.8%
Israel	24,344	2,079	24,125	-0.9%	Israel	124,156	57,486	131,386	5.8%
Ukraine	28,562	29,372	19,838	-30.5%	Ukraine	136,594	91,620	109,452	-19.9%
Kazakhstan	16,107	12,221	19,509	21.1%	Kazakhstan	62,508	37,242	84,163	34.6%
Azerbaijan	226,133	11,181	16,623	-92.6%	Azerbaijan	1,024,349	48,783	97,303	-90.5%
Iran	17,075	1,791	15,244	-10.7%	Iran	91,859	8,227	64,260	-30.0%
Germany	12,557	4,567	8,055	-35.9%	Germany	56,357	11,342	30,433	-46.0%
Poland	13,301	6,954	5,893	-55.7%	Poland	55,633	15,698	26,705	-52.0%
India	6,321	3,085	5,467	-13.5%	India	36,698	13,743	31,810	-13.3%
Uzbekistan	1,805	4,455	4,823	167.2%	Uzbekistan	11,474	20,316	32,694	184.9%
Other	96,866	40,303	64,121	-33.8%	Other	433,227	112,489	283,769	2819.5%
Total	1,086,596	266,544	742,247	-31.7%	Total	5,198,531	961,572	2,906,542	-44.1%

Source: GNTA



Table 4: Key tourism statistics, annual

	2015	2016	2017	2018	2019	2020	2021
Tourism revenues, US\$ mn	1,936	2,111	2,704	3,222	3,269	542	1,245
<i>As % of GDP</i>	12.9%	13.9%	16.6%	18.3%	18.7%	3.4%	6.4%
International visitors, persons	5,255,999	5,392,816	6,482,830	7,203,350	7,725,774	1,513,421	1,721,242
<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
Airport arrivals	737,660	998,762	1,439,689	1,788,417	1,829,341	269,193	877,158
<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
Accommodation units	1,383	1,727	1,963	2,390	2,575	2,707	3,105
Accommodation rooms	21,511	24,640	27,907	34,608	38,915	42,214	46,819
Accommodation beds	51,517	59,236	67,660	85,314	94,438	101,286	112,820

Source: GNTA



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