



Georgia's Tourism Market Watch October 2022

Tourism Monthly Bulletin | Georgia
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Highlights, October 2022

Total international visitors stood at 442,603 persons – up 115.2% y/y and recovering at 66.6% of 2019 level. This growth was predominantly driven by the increase in tourist arrivals recovering at 78.5% of 2019 level (down from 83.8% recovery in previous month). Recovery in same-day trips stood at 43.3% of 2019 level (down from 44.0% recovery in previous month). Top country by arrivals was Russia (24.7% of total), followed by Turkey (18.3%) and Armenia (16.5%). Number of visitors from Belarus, Saudi Arabia, Thailand and India surpassed 2019 levels.

Tourism revenues stood at US\$ 337.3mn in October-22, up 2.4x y/y and surpassing 2019 level by 26.4%. It should be noted that this figure also captures the impact of migrants (from Russia, Belarus and Ukraine) arriving in Georgia since Russia-Ukraine war started. We estimate that about 120-200k visitors (migration wave increased at the end of September due to "partial mobilization" of military reservists by Russia) from these countries relocated to Georgia for longer term than regular tourists. Russia accounted for 33.9% of tourism revenues in October-22, followed by Turkey (10.0%) and Ukraine (8.7%), while revenues from EU was 10.0% of total. We expect full recovery of tourism in 2022 compared to pre-pandemic levels and tourism revenues to increase by 10-15% y/y in 2023.

Table 1: Key stats

	10M21	10M22
International visitors, persons:	1,393,914	3,782,141
Tourists	1,281,524	3,048,728
Same-day	112,390	733,413
Tourism revenues, US\$ mn	1,008	2,855

Source: GNTA, NBG

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

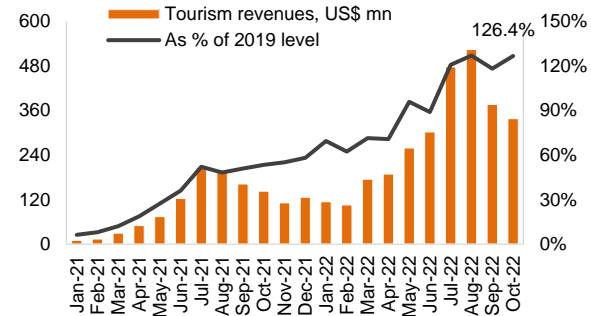
Figure 1: International visitors



Source: GNTA

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

Figure 2: Tourism revenues



Source: NBG

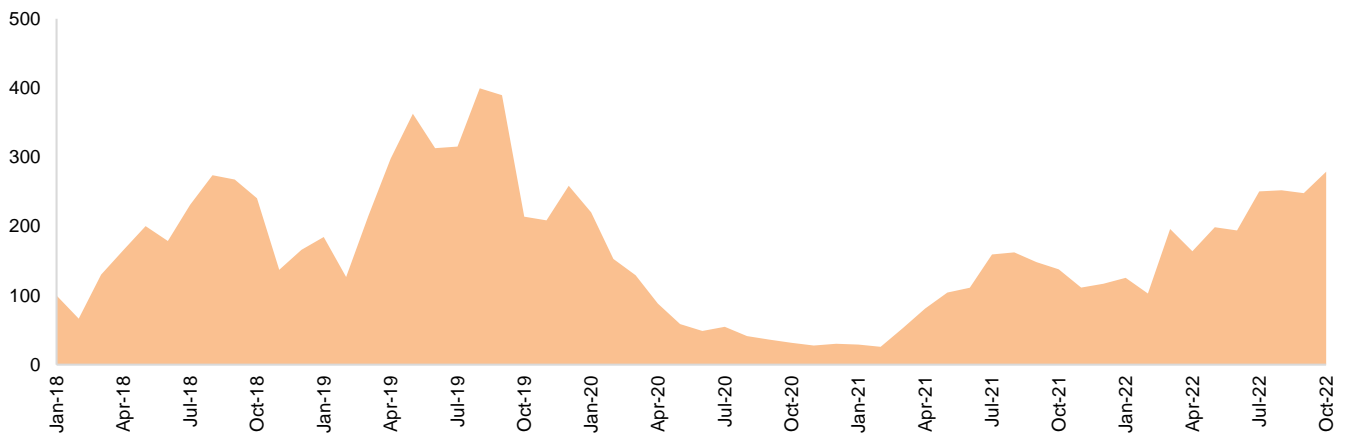
Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

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Airbnb demand recovery strengthened in October-22 and surpassed October-19 level by 30.3%, reflecting tourism growth dynamics.

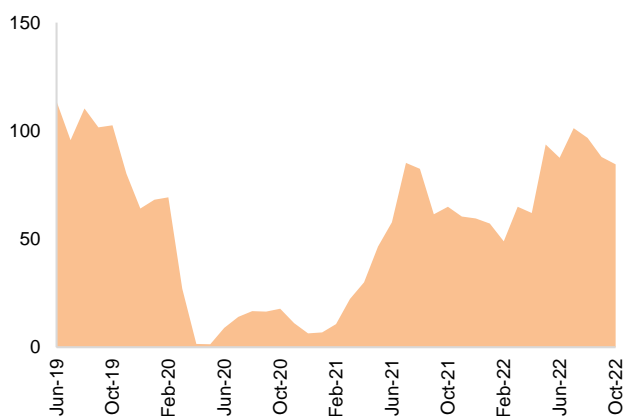
Figure 3: Airbnb rental demand in Tbilisi, index Jan-18=100



Source: Airdna, Galt & Taggart Research

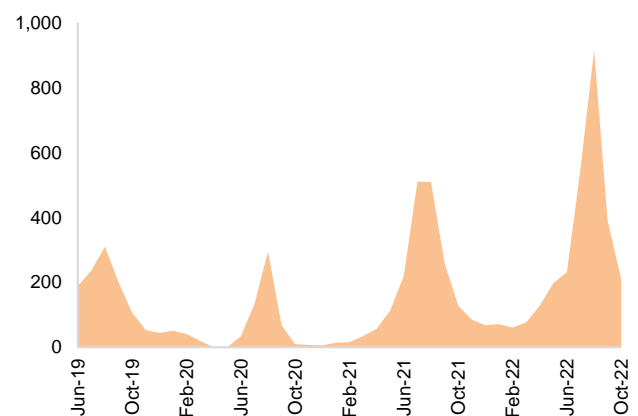
Hotel demand recovery also accelerated in October-22. Pos payments in Tbilisi medium and large hotels increased by 30.2% y/y (but was 17.6% lower than 2019 level). Recovery in Adjara hotel revenues continued to outperform Tbilisi - pos payments in Adjara surpassed 2019 level by 96.7% and was up 64.3% 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



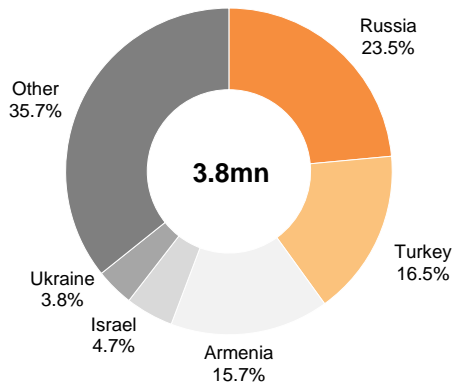
Tourism sector in 10M22

In 10M22, tourist arrivals stood at 3.0mn persons (+137.9% y/y, 68.8% of 10M19 level) and tourism revenues reached US\$ 2.9bn (+183.2% y/y, slightly surpassing (+0.2%) 10M19 level).

Russia was the largest contributor to arrival growth, followed by Turkey and Armenia. Out of non-neighboring countries, notable recovery vs 2019 was observed from Uzbekistan (+185.2% vs 2019), Belarus (+95.9%), and Saudi Arabia (+59.7%).

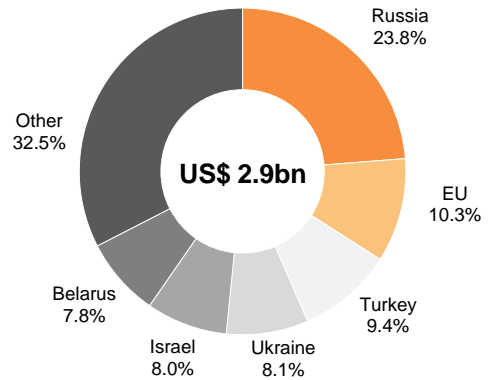
Highest revenue was sourced from Russia (23.8% of total), followed by EU (10.3%), Turkey (9.4%) and Ukraine (8.1%).

Figure 6: Int'l visitors (tourists and same-day) by country, 10M22



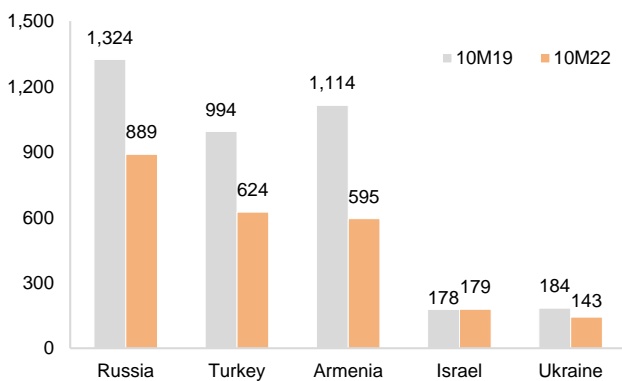
Source: GNTA

Figure 7: Int'l tourism revenue by country, 10M22



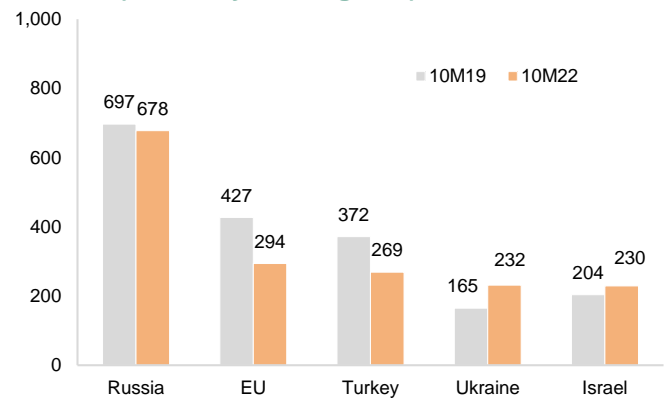
Source: NBG Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

Figure 8: Int'l visitors from top 5 countries, '000 persons (sorted by 2022 figures)



Source: GNTA

Figure 9: Int'l tourism revenue from top 5 countries, US\$ mn (sorted by 2022 figures)



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



Table 2: Tourism monthly dynamics

	22-Mar	22-Apr	22-May	22-Jun	22-Jul	22-Aug	22-Sep	22-Oct	2019	2020	2021
Total int'l visitors, '000 persons	188.4	214.6	319.8	387.8	597.9	742.2	559.9	442.6	7,725.8	1,513.4	1,721.2
% of 2019 level	37.1%	39.0%	51.7%	53.3%	67.8%	68.3%	71.4%	66.6%		19.6%	22.3%
o/w tourists, '000	159.2	182.4	264.3	302.6	459.7	583.0	452.2	344.6	5,080.5	1,087.1	1,577.5
% of 2019 level	48.5%	52.3%	62.3%	64.1%	80.6%	77.4%	83.8%	78.5%		21.4%	31.0%
o/w same day, '000	29.2	32.3	55.5	85.2	138.2	159.3	107.7	98.0	2,645.3	426.3	143.8
% of 2019 level	16.3%	16.0%	28.6%	33.3%	44.3%	47.8%	44.0%	43.3%		16.1%	5.4%
Tourism revenue, US\$ mn	174.5	188.6	258.6	301.7	476.1	522.9	375.6	337.3	3,268.7	541.7	1,245.4
% of 2019 level	71.3%	70.6%	95.6%	88.7%	120.4%	126.7%	117.9%	126.4%		16.6%	38.1%

Source: GNTA, NBG

Table 3: International visitors by countries

Country	Oct-19	Oct-21	Oct-22	% Change 2022/2019	Country	10M19	10M21	10M22	% Change 2022/2019
Russia	118,252	29,159	109,158	-7.7%	Russia	1,324,226	171,113	889,497	-32.8%
Turkey	86,726	35,829	81,033	-6.6%	Turkey	994,076	261,289	624,497	-37.2%
Armenia	120,978	19,301	72,877	-39.8%	Armenia	1,114,122	126,751	594,627	-46.6%
Georgia (Nonresident)	41,390	16,437	28,305	-31.6%	Georgia (Nonresident)	413,092	123,224	245,229	-40.6%
Israel	27,319	13,944	23,761	-13.0%	Israel	178,316	79,326	179,197	0.5%
Ukraine	19,452	14,567	15,133	-22.2%	Ukraine	184,277	129,159	142,854	-22.5%
Azerbaijan	119,540	8,358	13,719	-88.5%	Azerbaijan	1,289,371	65,867	125,834	-90.2%
Kazakhstan	11,367	8,843	9,461	-16.8%	Belarus	60,186	48,664	117,924	95.9%
Belarus	4,088	4,792	9,066	121.8%	Saudi Arabia	72,078	53,947	115,078	59.7%
Iran	12,792	1,812	8,012	-37.4%	Kazakhstan	86,161	57,015	108,494	25.9%
Germany	11,187	3,005	5,679	-49.2%	Iran	121,894	11,753	89,549	-26.5%
Poland	10,994	5,398	5,269	-52.1%	Germany	83,261	18,243	44,252	-46.9%
Saudi Arabia	3,004	8,748	5,004	66.6%	Uzbekistan	14,265	28,214	40,682	185.2%
Thailand	3,110	73	4,474	43.9%	India	43,788	17,836	39,831	-9.0%
India	3,793	2,367	4,219	11.2%	Poland	80,918	28,125	38,337	-52.6%
Other	71,063	33,047	47,433	-33.3%	Other	587,835	173,388	386,259	-34.3%
Total	665,055	205,680	442,603	-33.4%	Total	6,647,866	1,393,914	3,782,141	-43.1%

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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