



GALT & TAGGART
CREATING OPPORTUNITIES



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Visitors

- **In 2Q24, the number of international visitors were up 4.6% y/y to 1.5mn persons.** Overall, tourist arrivals fully recovered in 1H24, reaching 99.8% of 1H19 levels. However the recovery rate decelerated in 2Q24, achieving 95.2% of 2019 level compared to 106.4% recovery in 1Q24. This slowdown was attributed to political instability at the end of May, which affected arrivals from almost all source markets in 2Q24, especially from Europe.
- **Middle East & Central Asian countries** continued to maintain the strongest recovery levels, with significant visitor growth from Israel and Kazakhstan. Arrivals from Asia, particularly India and China also grew rapidly, increasing by 78.6% and 126.8% y/y to 37.1k (2.4% of total) and 22.9k (1.5% of total) visitors in 2Q24, respectively. This growth was supported by visa liberalization and improved air connectivity with these countries.

Revenues

- **Tourism revenues reached a record high US\$ 1.1bn in 2Q24,** marking an 8.1% y/y growth from last year's high base. Growth was positively influenced by Middle Eastern markets, particularly Israel, Saudi Arabia, and Iran, as well as Asian markets, Turkey, and Azerbaijan. In contrast, certain traditional markets such as Russia, Ukraine, the EU, and Armenia contributed negatively in 2Q24.
- **We project tourism revenues to reach US\$ 4.3bn for 2024, up from US\$ 4.1bn in 2023.** The strong growth in tourist numbers from the Middle East and Asia, along with the ongoing plans to increase direct flight frequencies to these markets, suggest sustained growth in tourism revenues for the full 2024.

Accommodation

- **Hotel room stock** maintained its growth trajectory in 1H24. The total number of hotels increased 0.5% YTD to 1,194 units in 1H24, while room stock was up 1.9% YTD to 36,064 rooms. The majority of hotel rooms are concentrated in Tbilisi (36.5% of total) and Adjara (30.3%) as of 1H24.
- **Hotel occupancy rates** in Tbilisi surpassed 2019 levels in 1Q24, achieved through reduced ADRs to handle intensified competition. Meanwhile, both occupancy rates and ADR in the regions exceeded 2019 levels in 1Q24.
- **Airbnb demand** was up 3.9% y/y to 161.8k total nights booked in Tbilisi in 2Q24. Similarly, total nights booked in Batumi grew 4.8% y/y to 80.6k in 2Q24.
- **Airbnb prices** were also up, with quarterly ADR standing at US\$ 56 (+1.4% y/y) in Tbilisi and at US\$ 45 (+0.9% y/y) in Batumi in 2Q24.

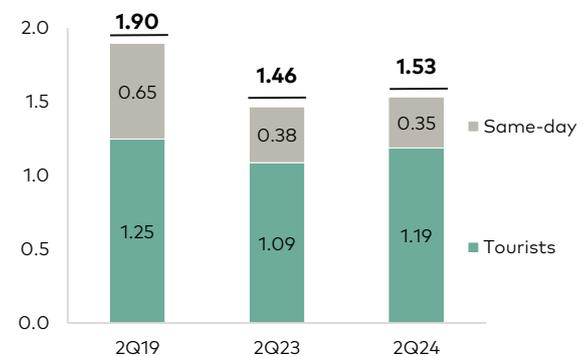
Figure 1: Int'l visitors, mn persons



Source: GNTA

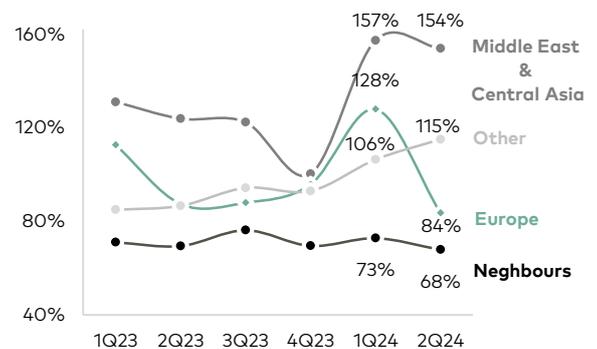
Note: Int'l visitors combine tourists (overnight stay) and same-day visits

Figure 2: Int'l visitors by type, mn persons



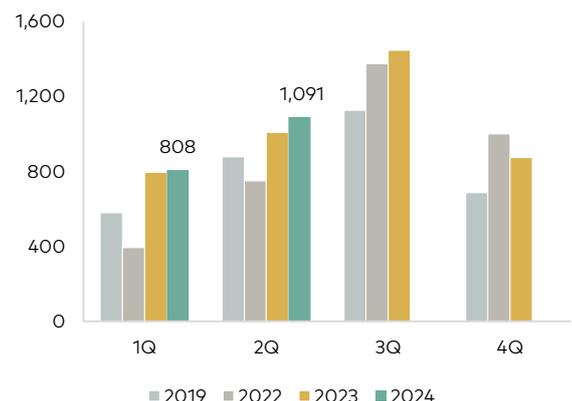
Source: GNTA

Figure 3: Int'l visitor recovery to 2019 level



Source: GNTA, Galt & Taggart

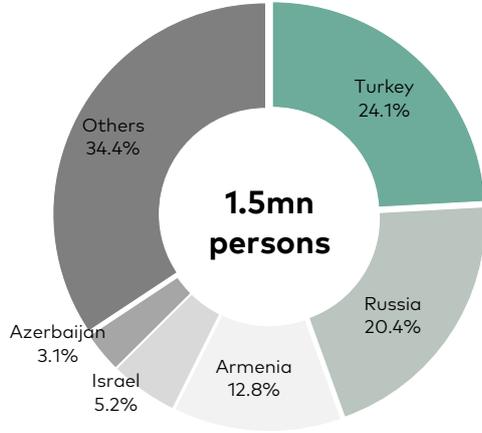
Figure 4: Tourism revenues, US\$ mn



Source: NBG

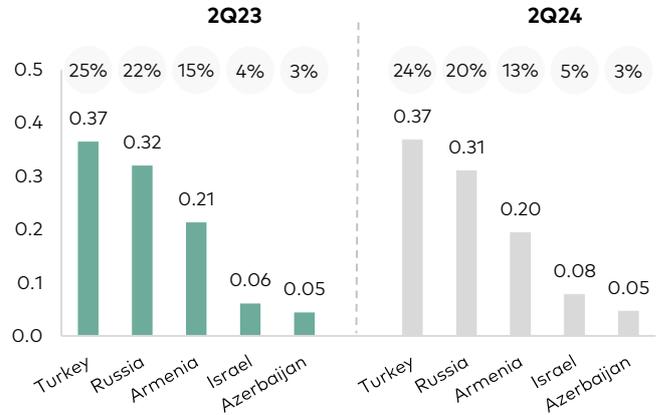


Figure 5: Int'l visitors (tourists and same-day) by country, 2Q24



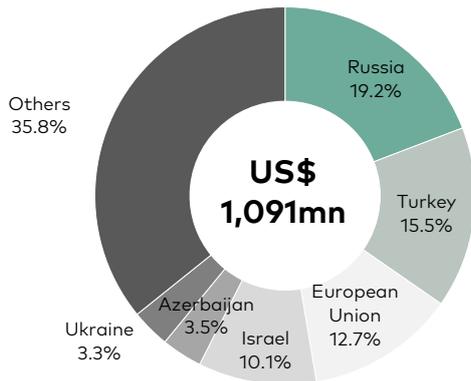
Source: GNTA

Figure 6: Int'l visitors from top 5 countries and share in total, mn persons



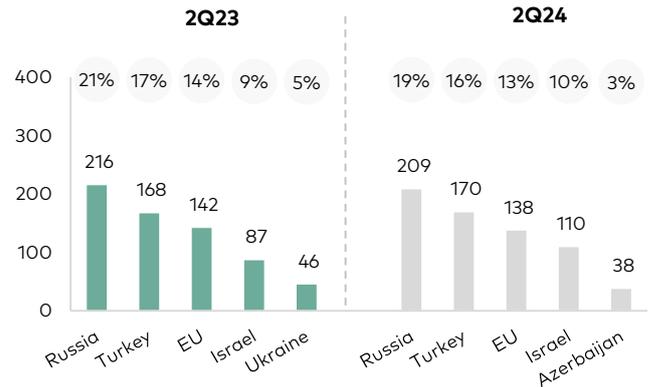
Source: GNTA

Figure 7: Int'l tourism revenue by country, 2Q24



Source: NBG

Figure 8: Int'l tourism revenue from top 5 countries and share in total, US\$ mn



Source: NBG

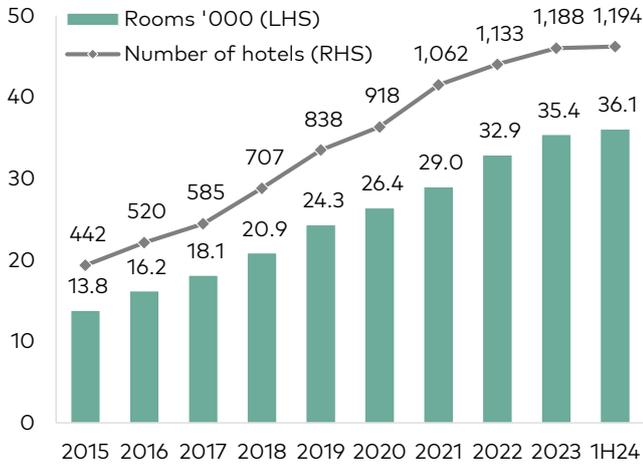
Table 1: Key tourism statistics for 2Q

	2Q19	2Q21	2Q22	2Q23	2Q24
Tourism revenues, US\$ mn	878	246	749	1,009	1,091
International visitors, persons	1,896,104	333,938	922,221	1,463,838	1,530,580
<i>by type:</i>					
Tourists	1,245,012	305,798	749,310	1,085,151	1,185,172
Same-day	651,092	28,140	172,911	378,687	345,408
<i>by country:</i>					
Turkey	298,440	72,567	158,335	366,136	369,395
Russia	437,510	34,303	175,356	320,845	312,051
Armenia	298,545	31,536	136,808	214,573	195,861
Israel	52,130	37,179	55,250	61,742	79,424
Azerbaijan	329,815	17,891	37,061	45,424	48,006
Others	479,664	140,462	359,411	455,118	525,843

Source: NBG, GNTA
Note: Sorted by 2Q24

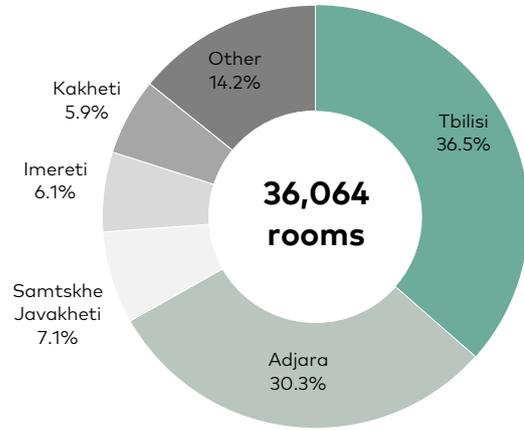


Figure 9: Number of hotels and room stock



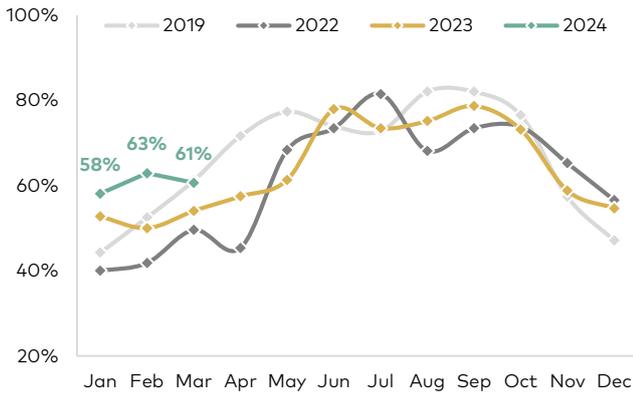
Source: GNTA, Galt & Taggart Research
Note: Based on active hotels as of 1H24

Figure 10: Hotel rooms by region, 1H24



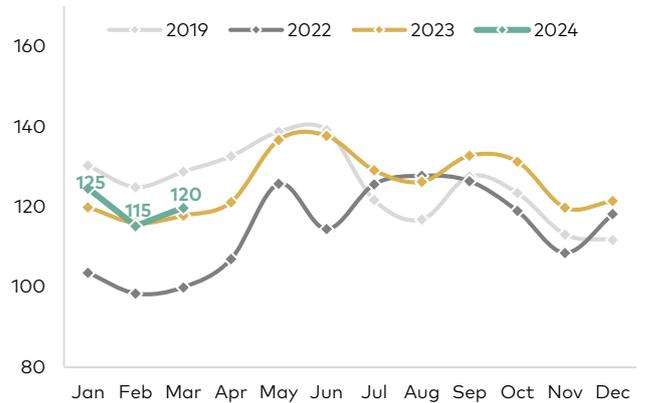
Source: GNTA, Galt & Taggart Research

Figure 11: Occupancy of selected hotels in Tbilisi



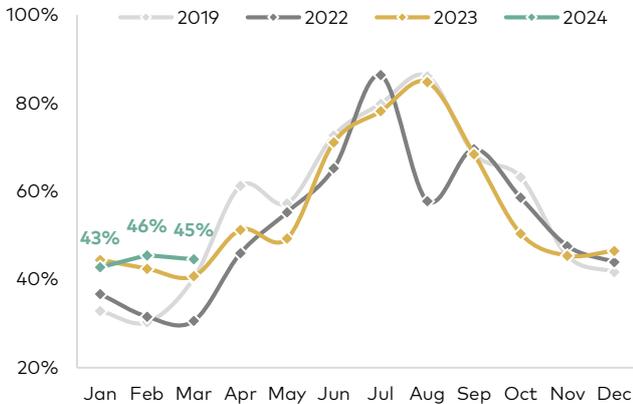
Source: BoG

Figure 12: ADR of selected hotels in Tbilisi, US\$



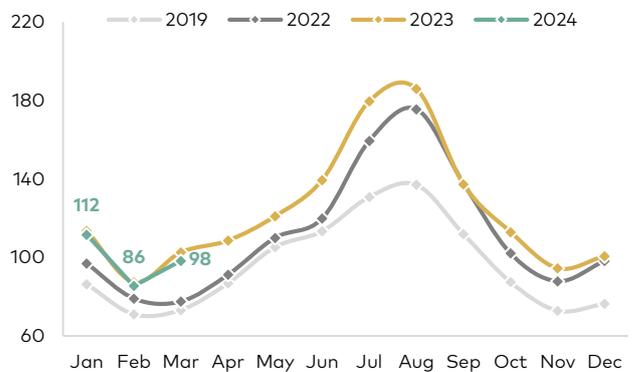
Source: BoG
Note: net of VAT

Figure 13: Occupancy of selected hotels in regions



Source: BoG

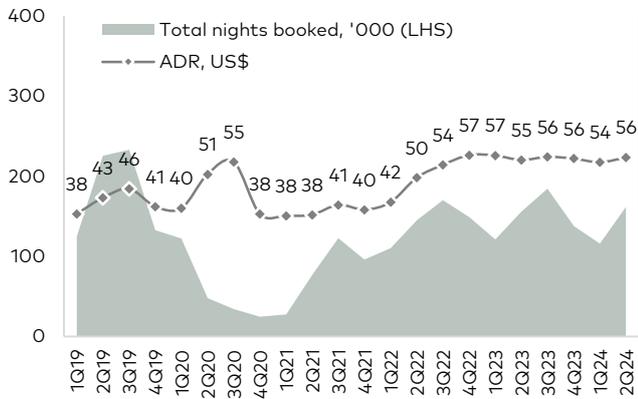
Figure 14: ADR of selected hotels in regions, US\$



Source: BoG
Note: net of VAT

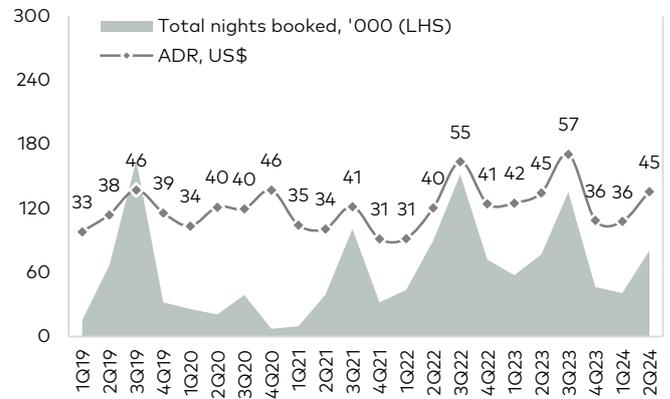


Figure 15: Airbnb demand and prices in Tbilisi



Source: Airdna

Figure 16: Airbnb demand and prices in Batumi



Source: Airdna



Table 2: Key tourism statistics

	2018	2019	2020	2021	2022	2023	1H23	1H24
Tourism revenues, US\$ mn	3,222	3,269	542	1,245	3,517	4,125	1,804	1,898
<i>As % of GDP</i>	<i>18.3%</i>	<i>18.7%</i>	<i>3.4%</i>	<i>6.7%</i>	<i>14.2%</i>	<i>13.6%</i>	<i>13.0%</i>	<i>12.5%</i>
International visitors, persons	7,203,350	7,725,774	1,513,421	1,721,242	4,703,945	6,171,540	2,529,517	2,687,927
<i>by type:</i>								
Tourists	4,756,820	5,080,478	1,087,093	1,577,463	3,652,949	4,669,467	1,930,483	2,123,816
Same-day	2,446,530	2,645,296	426,328	143,779	1,050,996	1,502,073	599,034	564,111
<i>by country:</i>								
Turkey	1,098,555	1,156,513	335,580	326,494	925,561	1,396,660	582,527	623,972
Russia	1,404,757	1,471,558	208,677	212,979	1,087,257	1,418,464	577,632	527,519
Armenia	1,268,886	1,365,048	260,965	164,698	742,593	962,540	397,116	387,691
Israel	156,922	205,051	25,731	100,686	210,178	217,065	106,530	126,213
Azerbaijan	1,424,610	1,526,619	295,132	82,718	152,969	199,835	85,777	99,472
Kazakhstan	58,955	103,611	13,779	66,787	120,494	167,492	57,771	70,298
Iran	291,070	141,997	17,053	18,549	102,877	126,282	50,932	61,961
India	50,910	54,606	8,364	24,992	52,841	84,688	35,140	57,747
Other	1,448,685	1,700,771	348,140	723,339	1,309,175	1,598,514	636,092	733,054
Airport arrivals	1,788,417	1,829,341	269,193	877,158	1,536,316	1,921,872	786,148	1,022,582
Tbilisi	1,402,157	1,355,489	278,477	253,859	1,040,729	1,230,888	518,037	704,890
Kutaisi	147,009	215,556	46,693	87,156	231,566	436,902	170,467	180,423
Batumi	239,251	258,159	19,868	221,853	264,021	254,082	97,644	137,269
Accommodation units	2,390	2,575	2,707	3,105	3,150	3,198	3,181	N/A
Accommodation rooms	34,608	38,915	42,214	46,819	49,515	53,759	52,016	N/A
Accommodation beds	85,314	94,438	101,286	112,820	118,824	128,015	124,720	N/A

Source: GNTA, NBG, Geostat, Galt & Taggart

Note: GNTA will update accommodation statistics in the second half of 2024.



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