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Tourism Market Watch

3Q24 Update

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Highlights

Visitors

The number of international visitors grew by 2.5% y/y to 2.4mn in 3Q24, with tourists, the primary segment, rising by 8.3% y/y and same-day visitors down by 15.2% y/y. Overall, tourist arrivals in 9M24 reached 4.0mn recovering at 100.1% of 9M19 levels. This was driven by the over performance (106.4%) in 1Q, and a full recovery in 3Q (100.3%), offsetting a slower recovery in 2Q (95.2%) due to political instability in the country.

Visitor growth in 3Q24 was primarily fueled by non-neighboring markets. Most visitors came from Russia, followed by Turkey, Armenia, Israel, and Kazakhstan. Together, these top-5 countries accounted for 65.6% of total arrivals. Notably, from top countries arrivals from Israel experienced the largest growth at +36.0% y/y, while Turkey saw a decline of -12.5% y/y. From the remaining countries, which represented 34.4% of total arrivals, China, Iran, Belarus and Saudi Arabia were key contributors to growth in 3Q24. Meanwhile, arrivals from the EU were down by 1.2% y/y accounting for 7.0% of total.

Revenues

Tourism revenues hit a record US\$ 1.6bn in 3Q24, marking an 8.0% y/y growth from last year's high base. The top sources of tourism revenue were Russia, followed by the EU, Turkey, Israel, and Saudi Arabia. From these top countries, revenue growth was positively impacted by contributions from Russia (+3.3% y/y), Israel (+33.8% y/y), and Saudi Arabia (+13.1% y/y), while revenues from the EU (-0.9% y/y) and Turkey (-13.3% y/y) declined. Other non-traditional markets also played a significant role in revenue growth, aligning with the increase in visitor numbers.

We project tourism revenues to reach US\$ 4.4bn for 2024, up from US\$ 4.1bn in 2023. The strong growth in tourist numbers from Asian countries, along with an increase in direct flights, suggests sustained growth in tourism revenues for the full 2024.

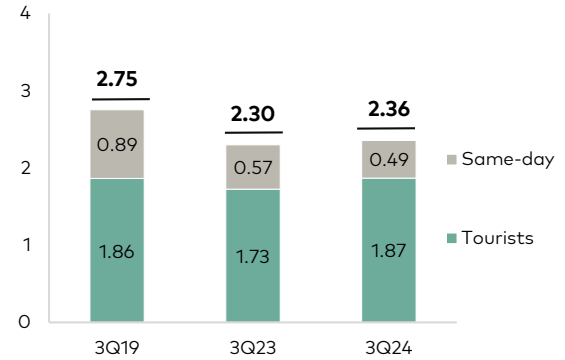
Accommodation

Hotel room stock maintained its growth trajectory in 9M24. The total number of hotels increased 1.0% YTD to 1,200 units in 9M24, while room stock was up 3.8% YTD to 36,742 rooms.

Hotel occupancy rates in Tbilisi slightly surpassed 2019 levels in 2Q24, driven by a reduction in ADRs to manage intensified competition and uncertainties in tourist demand tied to political instability in the city. Meanwhile, ADRs in the regions exceeded 2019 levels in 2Q24, while occupancy rates slightly lagged behind.

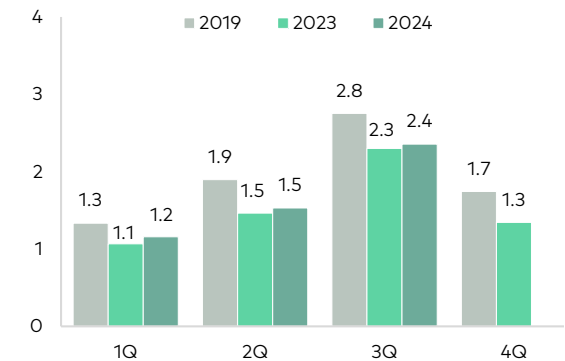
Airbnb demand was up 5.8% y/y to 195.4k total nights booked in Tbilisi in 3Q24. Meanwhile, total nights booked in Batumi grew 24.6% y/y to 168.6k in 3Q24. **Airbnb prices** were also up, with quarterly ADR standing at US\$ 55 (+2.0% y/y) in Tbilisi and at US\$ 55 (+1.5% y/y) in Batumi in 3Q24.

Figure 1: Int'l visitors by type, mn persons



Source: GNTA

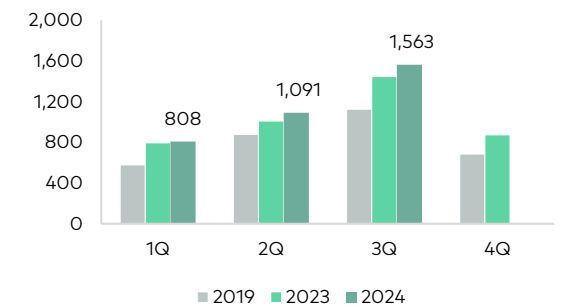
Figure 2: Int'l visitors, mn persons



Source: GNTA

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

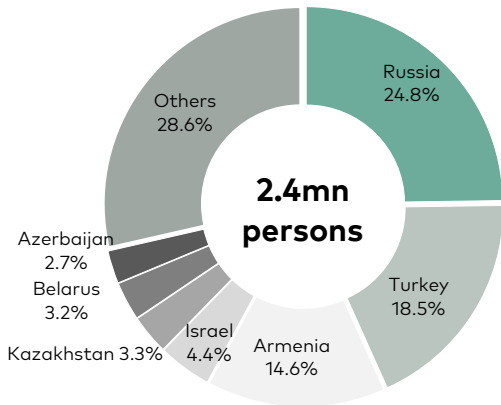
Figure 3: Tourism revenues, US\$ mn



Source: NBG

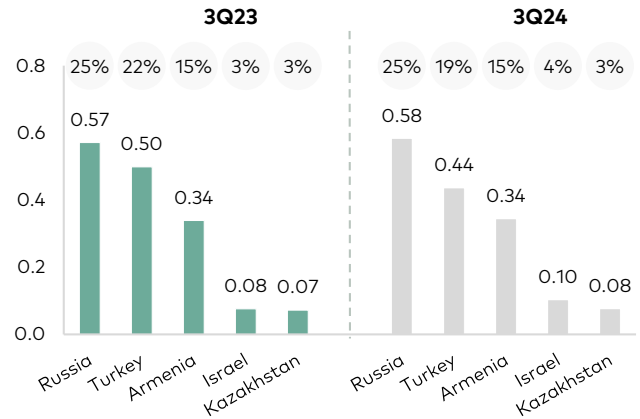


Figure 4: Int'l visitors (tourists and same-day) by country, 3Q24



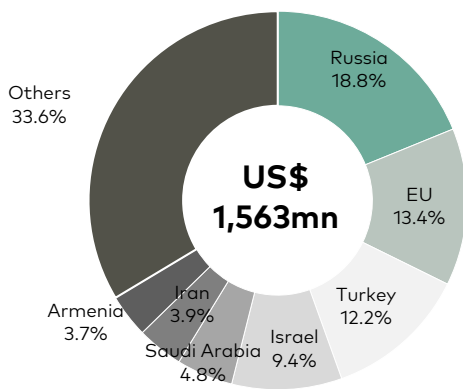
Source: GNTA

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



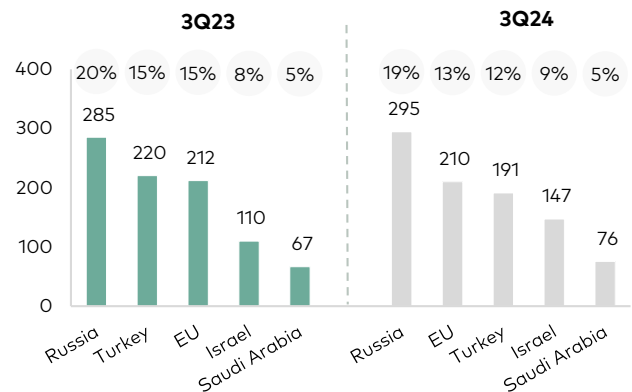
Source: GNTA

Figure 6: Int'l tourism revenue by country, 3Q24



Source: NBG

Figure 7: Int'l tourism revenue from top 5 countries and share in total, US\$ mn



Source: NBG

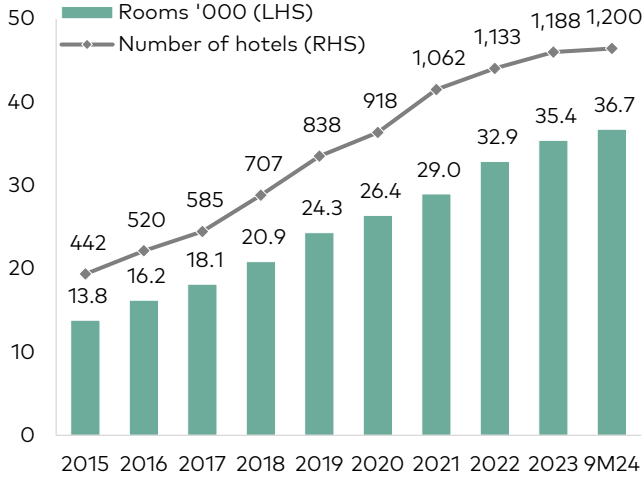
Table 1: Key tourism statistics for 3Q

	3Q19	3Q21	3Q22	3Q23	3Q24
Tourism revenues, US\$ mn	1,127	566	1,375	1,447	1,563
International visitors, persons	2,753,207	724,108	1,900,021	2,298,720	2,355,736
<i>by type:</i>					
Tourists	1,863,654	670,409	1,494,861	1,725,093	1,869,026
Same-day	889,553	53,699	405,160	573,627	486,710
<i>by country:</i>					
Russia	514,387	98,107	533,190	571,421	583,485
Turkey	407,718	102,173	281,327	498,892	436,313
Armenia	462,150	60,598	325,980	338,970	344,580
Israel	73,872	27,529	70,859	76,121	103,526
Kazakhstan	41,522	32,697	53,637	72,142	76,651
Others	1,253,558	403,004	635,028	741,174	811,181

Source: NBG, GNTA
Note: Sorted by 3Q24

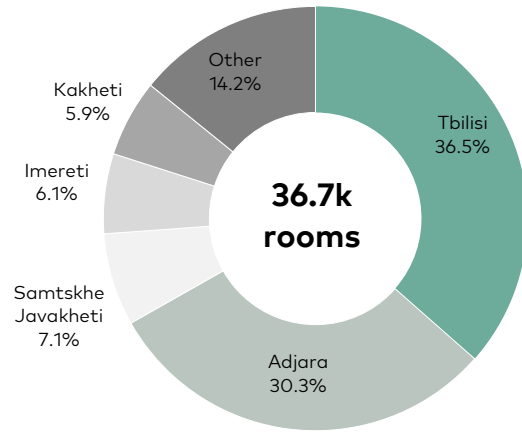


Figure 8: Number of hotels and room stock



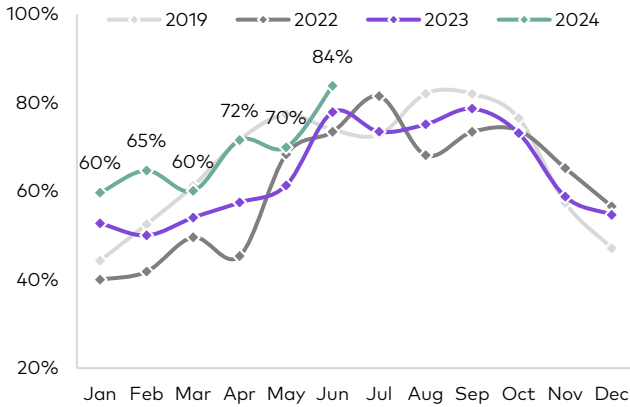
Source: GNTA, Galt & Taggart Research

Figure 9: Hotel rooms by region, 9M24



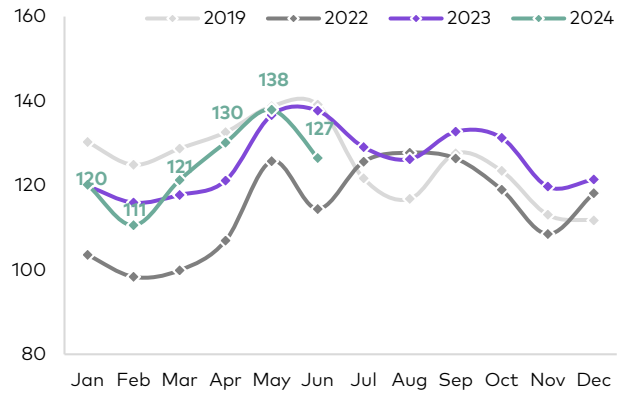
Source: GNTA, Galt & Taggart Research

Figure 10: Occupancy of selected hotels in Tbilisi



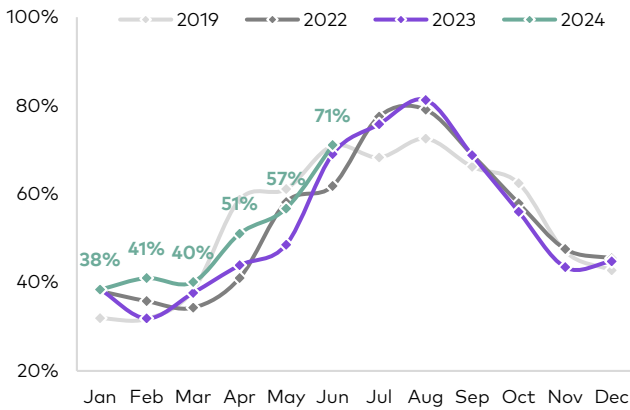
Source: BoG
Note: 2024 figures may slightly differ from earlier editions due to updated clarifications in the data

Figure 11: ADR of selected hotels in Tbilisi, US\$



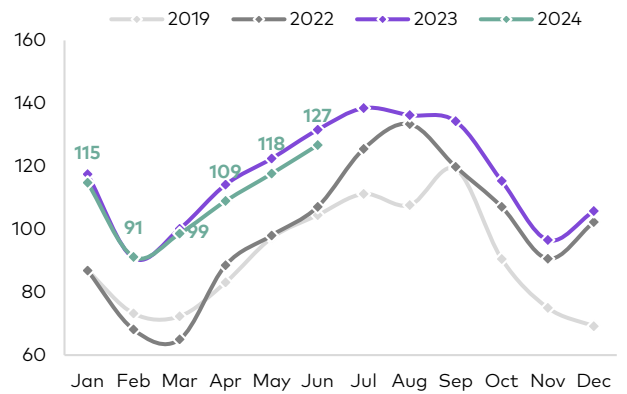
Source: BoG
Note: net of VAT

Figure 12: Occupancy of selected hotels in regions



Source: BoG
Note: The figures may vary slightly from earlier editions due to some updates in the data.

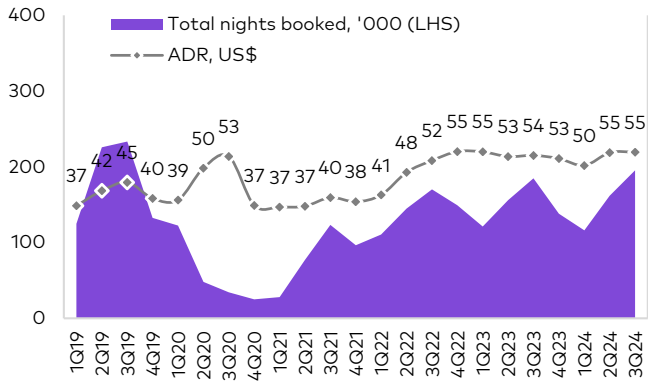
Figure 13: ADR of selected hotels in regions, US\$



Source: BoG
Note: net of VAT

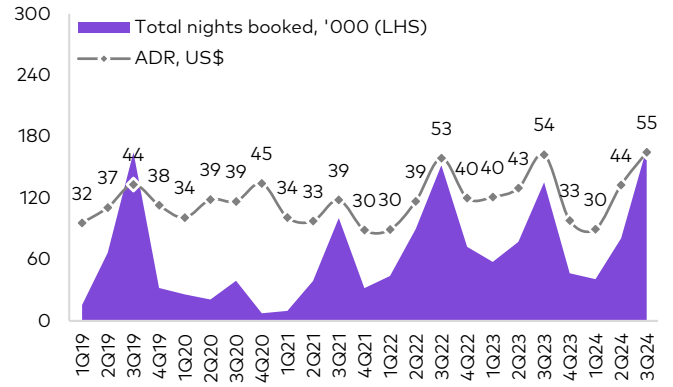


Figure 14: Airbnb demand and prices in Tbilisi



Source: Airdna

Figure 15: Airbnb demand and prices in Batumi



Source: Airdna



Table 2: Key tourism statistics

	2018	2019	2020	2021	2022	2023	9M23	9M24
Tourism revenues, US\$ mn	3,222	3,269	542	1,245	3,517	4,125	3,252	3,462
<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>14.8%</i>	<i>14.6%</i>
International visitors, persons	7,203,350	7,725,774	1,513,421	1,721,242	4,703,945	6,171,540	4,828,237	5,043,663
<i>by type:</i>								
Tourists	4,756,820	5,080,478	1,087,093	1,577,463	3,652,949	4,669,467	3,655,576	3,992,842
Same-day	2,446,530	2,645,296	426,328	143,779	1,050,996	1,502,073	1,172,661	1,050,821
<i>by country:</i>								
Russia	1,404,757	1,471,558	208,677	212,979	1,087,257	1,418,464	1,149,053	1,111,004
Turkey	1,098,555	1,156,513	335,580	326,494	925,561	1,396,660	1,081,419	1,060,285
Armenia	1,268,886	1,365,048	260,965	164,698	742,593	962,540	736,086	732,271
Israel	156,922	205,051	25,731	100,686	210,178	217,065	182,651	229,739
Azerbaijan	1,424,610	1,526,619	295,132	82,718	152,969	199,835	147,195	163,207
Kazakhstan	58,955	103,611	13,779	66,787	120,494	167,492	129,913	146,949
Iran	291,070	141,997	17,053	18,549	102,877	126,282	98,679	120,840
Belarus	60,241	66,174	14,340	53,698	130,046	130,203	109,178	118,192
Other	1,439,354	1,689,203	342,164	694,633	1,231,970	1,552,999	1,194,063	1,361,176
Airport arrivals	1,788,417	1,829,341	269,193	877,158	1,536,316	1,921,872	1,470,293	1,871,381
Tbilisi	1,402,157	1,355,489	278,477	253,859	1,040,729	1,230,888	921,979	1,217,532
Kutaisi	147,009	215,556	46,693	87,156	231,566	436,902	330,465	338,309
Batumi	239,251	258,159	19,868	221,853	264,021	254,082	217,849	315,540
Accommodation units	2,390	2,575	2,707	3,105	3,150	3,198	3,176	N/A
Accommodation rooms	34,608	38,915	42,214	46,819	49,515	53,759	51,850	N/A
Accommodation beds	85,314	94,438	101,286	112,820	118,824	128,015	124,034	N/A

Source: GNTA, NBG, Geostat, Galt & Taggart

Note: The GNTA is updating its accommodation database, with the updated version expected to be available by the end of 2024.



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