



# Georgia's Tourism Market Watch December 2022

Tourism Monthly Bulletin | Georgia  
January 24, 2023

## Highlights, December 2022

**International visitors almost fully recovered in Dec-22, and we expect this trend to continue.**

**Total international visitors** stood at 504,620 persons in Dec-22, up 213.9% y/y and recovering at 94.4% of 2019 level. This growth was predominantly driven by the increase in tourist arrivals recovering at 97.6% of 2019 level (up from 88.4% recovery in previous month). Recovery in same-day trips also accelerated, recovering at 89.8% of 2019 level (up from 57.5% recovery in previous month). Top country by arrivals was Turkey (39.5% of total), followed by Russia (17.7%) and Armenia (15.1%). Notably, number of visitors from Turkey, Russia, Israel, Ukraine, India, Belarus, Philippines, Thailand, Uzbekistan and Saudi Arabia surpassed 2019 levels in December 2022.

We expect international arrivals at 7.7mn persons in 2023, which is full recovery vs 2019 and 64% y/y growth.

**Tourism revenues continued strong growth, surpassing 2019 level since Jul-22 (explained by migration).**

**Tourism revenues** stood at US\$ 363.3mn in Dec-22, up 2.9x y/y and surpassing 2019 level by 67.2%. 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 150-200k 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 30.1% of tourism revenues in Dec-22, followed by Turkey (23.3%) and Ukraine (6.7%), while revenues from EU was 5.3% of total. We expect tourism revenues to increase by 15% y/y to US\$ 4.0bn in 2023.

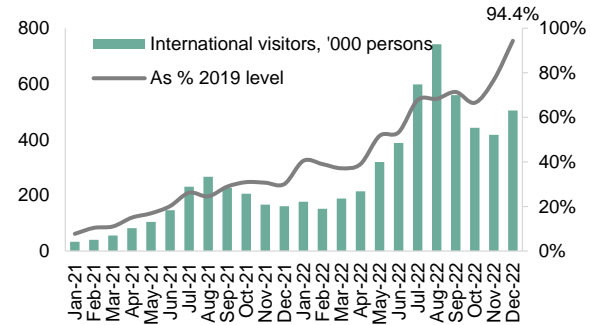
Table 1: Key stats

	2021	2022
International visitors, persons:	1,721,242	4,703,945
Tourists	1,577,463	3,652,949
Same-day	143,779	1,050,996
Tourism revenues, US\$ mn	1,245	3,517

Source: GNTA, NBG

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

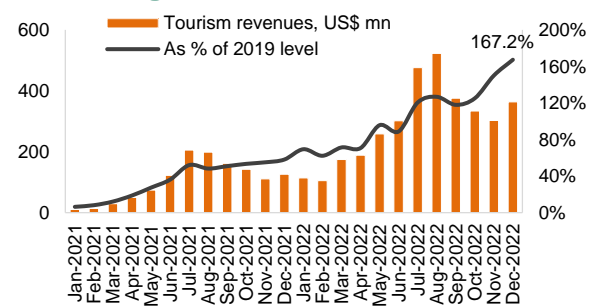
Figure 1: International visitors



Source: GNTA

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

Figure 2: Tourism revenues



Source: NBG

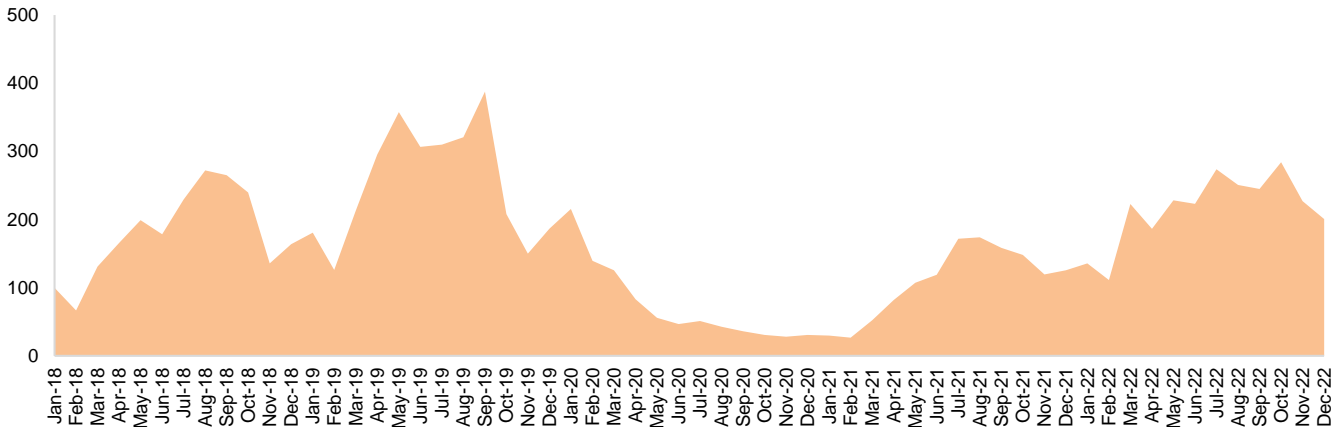
Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

**Eva Bochorishvili**  
 Head of Research | evabochorishvili@gt.ge | +995 322 401 111 ext.8036  
**Kakhaber Samkurashvili**  
 Senior Associate | ksamkurashvili@gt.ge | +995 322 401 111 ext.4298  
**Giga Nozadze**  
 Analyst | gnozadze@gt.ge | +995 322 401 111 ext.7018



**Airbnb** demand recovery weakened in Dec-22 and surpassed Dec-19 level by only 7.6% (compared to 51.4% in previous month), as demand switched to hotels (see below).

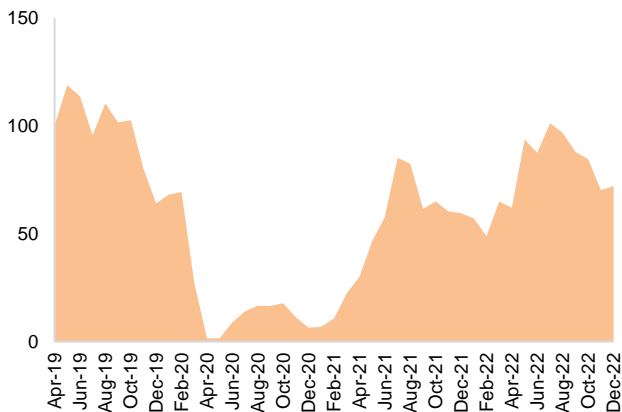
Figure 3: Airbnb rental demand in Tbilisi, index Jan-18=100



Source: Airdna, Galt & Taggart Research

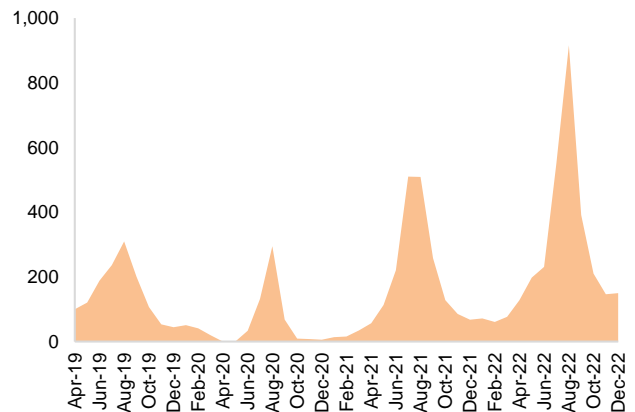
**Hotel** demand recovery accelerated m/m in Dec-22. Pos payments in Tbilisi medium and large hotels increased by 21.1% y/y (12.4% higher than 2019 level). Recovery in Adjara hotel revenues continued to outperform Tbilisi - pos payments in Adjara surpassed 2019 level by 237.6% and was up 120.5% y/y.

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



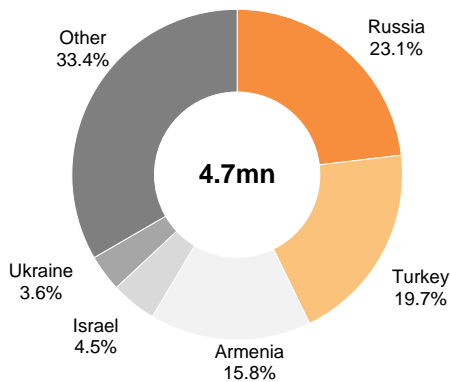
### Tourism sector in 2022

In 2022, tourist arrivals stood at 3.7mn persons (+131.6% y/y, 71.9% of 2019 level) and tourism revenues reached US\$ 3.5bn (+182.5% y/y and surpassing 2019 level by 7.6%).

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 (+185.7% vs 2019), Azerbaijan (+96.5%), and Saudi Arabia (+59.6%).

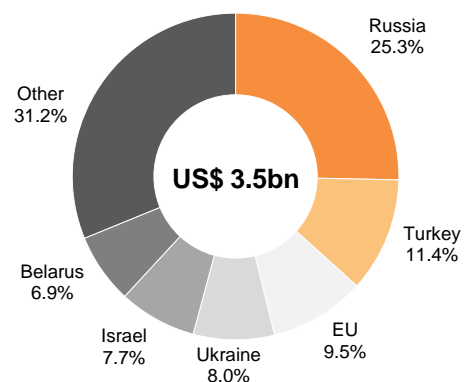
Highest revenue was sourced from Russia (25.3% of total), followed by Turkey (11.4%), EU (9.5%) and Ukraine (8.0%).

Figure 6: Int'l visitors (tourists and same-day) by country, 2022



Source: GNTA

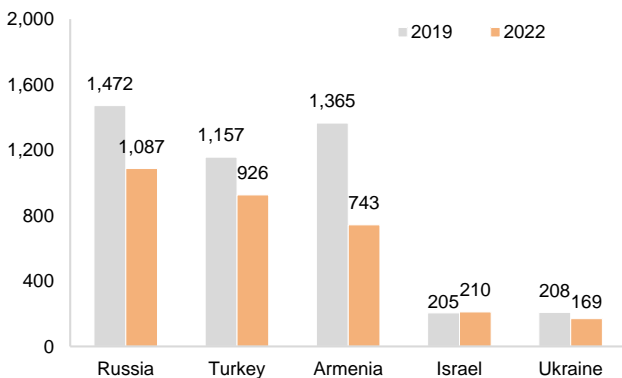
Figure 7: Int'l tourism revenue by country, 2022



Source: NBG

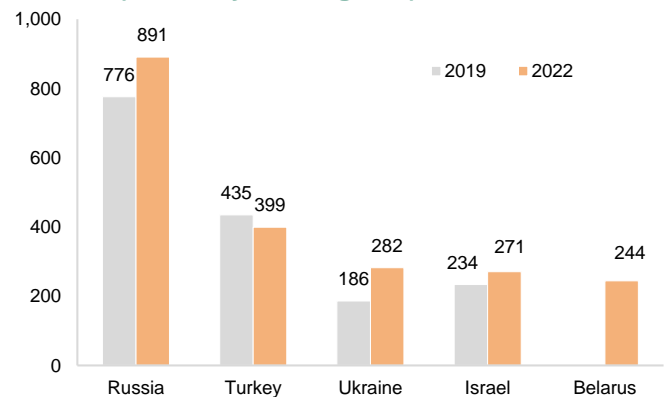
Note: Data include migrants' (from Russia, Belarus and Ukraine) spending from March 2022.

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-Jun	22-Jul	22-Aug	22-Sep	22-Oct	22-Nov	22-Dec	2019	2020	2021	2022
<b>Total int'l visitors, '000 persons</b>	<b>387.8</b>	<b>597.9</b>	<b>742.2</b>	<b>559.9</b>	<b>442.6</b>	<b>417.2</b>	<b>504.6</b>	<b>7,725.8</b>	<b>1,513.4</b>	<b>1,721.2</b>	<b>4,703.9</b>
% of 2019 level	53.3%	67.8%	68.3%	71.4%	66.6%	76.8%	94.4%		19.6%	22.3%	60.9%
<b>o/w tourists, '000</b>	<b>302.6</b>	<b>459.7</b>	<b>583.0</b>	<b>452.2</b>	<b>344.6</b>	<b>299.6</b>	<b>304.6</b>	<b>5,080.5</b>	<b>1,087.1</b>	<b>1,577.5</b>	<b>3,652.9</b>
% of 2019 level	64.1%	80.6%	77.4%	83.8%	78.5%	88.4%	97.6%		21.4%	31.0%	71.9%
<b>o/w same day, '000</b>	<b>85.2</b>	<b>138.2</b>	<b>159.3</b>	<b>107.7</b>	<b>98.0</b>	<b>117.6</b>	<b>200.0</b>	<b>2,645.3</b>	<b>426.3</b>	<b>143.8</b>	<b>1,051.0</b>
% of 2019 level	33.3%	44.3%	47.8%	44.0%	43.3%	57.5%	89.8%		16.1%	5.4%	39.7%
<b>Tourism revenue, US\$ mn</b>	<b>301.7</b>	<b>476.1</b>	<b>522.9</b>	<b>375.6</b>	<b>333.6</b>	<b>302.5</b>	<b>363.3</b>	<b>3,268.7</b>	<b>541.7</b>	<b>1,244.9</b>	<b>3,516.6</b>
% of 2019 level	88.7%	120.4%	126.7%	117.9%	125.0%	149.9%	167.2%		16.6%	38.1%	107.6%

**Table 3: International visitors by countries**

Country	Dec-19	Dec-21	Dec-22	% Change 2022/2019	Country	2019	2021	2022	% Change 2022/2019
Turkey	80,701	32,628	199,124	146.7%	Russia	1,471,558	212,979	1,087,257	-26.1%
Russia	65,303	18,442	89,513	37.1%	Turkey	1,156,513	326,494	925,561	-20.0%
Armenia	134,214	18,656	76,181	-43.2%	Armenia	1,365,048	164,698	742,593	-45.6%
Israel	13,448	9,331	15,595	16.0%	Israel	205,051	100,686	210,178	2.5%
Azerbaijan	122,591	8,787	14,716	-88.0%	Ukraine	207,667	144,901	168,915	-18.7%
Ukraine	10,390	7,044	12,430	19.6%	Azerbaijan	1,526,619	82,718	152,969	-90.0%
India	6,740	4,993	8,921	32.4%	Belarus	66,174	53,698	130,046	96.5%
Iran	9,149	3,851	6,820	-25.5%	Kazakhstan	103,611	66,787	120,494	16.3%
Kazakhstan	8,236	4,624	5,747	-30.2%	Saudi Arabia	75,155	63,437	119,921	59.6%
Belarus	2,369	2,286	5,447	129.9%	Iran	141,997	18,549	102,877	-27.5%
Philippines	4,156	4,830	4,276	2.9%	India	54,606	24,992	52,841	-3.2%
Thailand	2,309	97	4,003	73.4%	Germany	89,051	21,194	48,548	-45.5%
Uzbekistan	1,268	4,014	3,822	201.4%	Uzbekistan	16,785	36,384	47,953	185.7%
Saudi Arabia	994	4,917	2,731	174.7%	Poland	88,300	30,988	41,917	-52.5%
United States of America	2,006	1,488	1,955	-2.5%	United States of America	46,558	19,470	35,319	-24.1%
Other	70,858	34,775	53,339	-24.7%	Other	1,111,081	353,267	716,556	-35.5%
<b>Total</b>	<b>534,732</b>	<b>160,763</b>	<b>504,620</b>	<b>-5.6%</b>	<b>Total</b>	<b>7,725,774</b>	<b>1,721,242</b>	<b>4,703,945</b>	<b>-39.1%</b>

Source: GNTA



**Table 4: Key tourism statistics, annual**

	2015	2016	2017	2018	2019	2020	2021	2022
<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>	<b>3,517</b>
<i>As % of GDP</i>	12.9%	13.9%	16.6%	18.3%	18.7%	3.4%	6.4%	14.2%
<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>	<b>4,703,945</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	3,652,949
Same-day	2,244,336	2,095,541	2,413,476	2,446,530	2,645,296	426,328	143,779	1,050,996
<i>by country:</i>								
Russia	763,019	849,265	1,135,057	1,404,757	1,471,558	208,677	212,979	1,087,257
Turkey	1,074,065	988,312	1,007,276	1,098,555	1,156,513	335,580	326,494	925,561
Armenia	1,191,777	1,152,234	1,287,168	1,268,886	1,365,048	260,965	164,698	742,593
Israel	441,260	429,343	456,132	476,389	205,051	25,731	100,686	210,178
Ukraine	55,439	85,398	115,040	156,922	207,667	42,414	144,901	168,915
Azerbaijan	127,344	151,630	169,862	177,058	1,526,619	295,132	82,718	152,969
Belarus	1,156,183	1,075,820	1,301,556	1,424,610	66,174	14,340	53,698	130,046
Kazakhstan	25,724	32,939	42,149	60,241	103,611	13,779	66,787	120,494
Other	421,188	627,875	968,590	1,135,932	1,623,533	316,803	568,281	1,165,932
<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>	<b>877,158</b>
<i>of which:</i>								
Tbilisi	597,907	786,094	1,133,811	1,402,157	1,355,489	278,477	253,859	1,059,151
Kutaisi	60,853	91,905	112,179	147,009	215,556	46,693	87,156	231,566
Batumi	78,900	120,763	193,699	239,251	258,159	19,868	221,853	264,021
<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>3,150</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>49,515</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>	<b>118,824</b>

Source: GNTA



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### Head of Research

Eva Bochorishvili | evaboshorishvili@gt.ge

**Address:** 3 Pushkin Street, Tbilisi 0105, Georgia

**Tel:** + (995) 32 2401 111

**Email:** research@gt.ge

### Head of Macroeconomic Analysis and Forecasting

Lasha Kavtaradze | lkavtaradze@gt.ge

### Head of Analytics

Giorgi Iremashvili | giremashvili@gt.ge

### Head of Sector Research

Bachana Shengelia | bshengelia@gt.ge

### Senior Associate

Mariam Chakhvashvili | mchakhvashvili@gt.ge

### Senior Associate

Kakhaber Samkurashvili | ksamkurashvili@gt.ge

### Associate

Tatia Mamrikishvili | tmamrikishvili@gt.ge

### Associate

Nino Peranidze | ninoperanidze@gt.ge

### Analyst

Giga Nozadze | gnozadze@gt.ge

### Analyst

Giorgi Tskitishvili | g.tskitishvili@gt.ge

### Analyst

Zurab Tavkelishvili | ztavkelishvili@gt.ge