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CREATING OPPORTUNITIES



Tourism Market Watch

1Q25 overview

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1Q25 Highlights

Visitors

International visitors increased by 1.3% y/y to 1.2mn in 1Q25. The growth was solely driven by tourists, the main segment, which rose by 2.2% y/y to 1.0mn. In contrast, the number of same-day visitors declined by 2.4% y/y to 0.2mn. The modest growth in 1Q25 points to a slowdown in momentum, particularly from EU.

The overall increase in international visitors was supported by strong growth of arrivals from Azerbaijan¹ (+25.9% y/y) and Asian markets, including Israel (+72.9% y/y), India (+27.7% y/y), and China (+40.1% y/y). Meanwhile arrivals declined from traditional source markets such as Turkey (-11.5% y/y), Armenia (-5.7% y/y), Kazakhstan (-22.4% y/y), and EU (-4.1% y/y), weighing on overall growth.

For the full year 2025, we project international tourist arrivals to reach 5.3mn (up from 5.1mn in 2024), driven mainly by arrival growth from Asian markets. Potential reopening of Azeri land border is also an upside.

Revenues

Tourism revenues stood at US\$826.0mn in 1Q25, marking a 2.3% y/y increase. Russia remained the top source of tourism revenue in 1Q25 (17.2% of total), despite a 17.2% y/y decline. Israel recorded the highest 73.7% y/y growth in revenue (13.8% of total) total, becoming the 2nd-largest source), overtaking Turkey (-8.9% y/y, 13.0% of total) following a sharp drop in Turkish visitors. Revenues from EU also declined (-4.8% y/y, 12.5% of total), reflecting reduced arrival numbers.

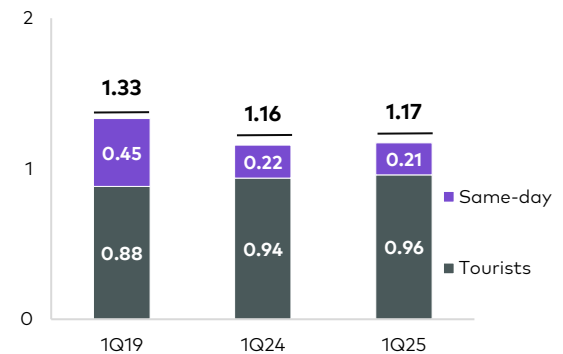
We expect tourism revenues to reach US\$ 4.5bn in 2025, up from US\$ 4.4bn in 2024.

Accommodation

Hotel KPIs in Tbilisi remained under pressure in 1Q25. The average ADR declined to US\$ 82 in 1Q25 from US\$ 88 in 1Q24, while occupancy stayed flat at 39.7%. In contrast, Batumi hotels showed strong momentum, supported by a sharp rise in Israeli arrivals—a key source market for the city. The average occupancy in Batumi increased to 49.8% in 1Q25 from 40.1% in 1Q24 and ADR reaching US\$ 78 vs US\$75 in 1Q24.

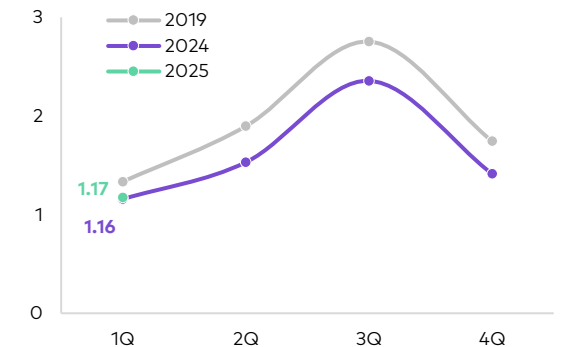
Airbnb data further underscores diverging trends between the two cities. In Tbilisi, nights booked rose marginally by 0.8% y/y to 115.5k in 1Q25, but ADR declined 3.9% y/y to US\$ 48. Meanwhile, Batumi saw both increased demand (+3.8% y/y to 41.9k nights booked) and rising ADRs (+12.0% y/y to US\$34) in 1Q25.

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



Source: GNTA

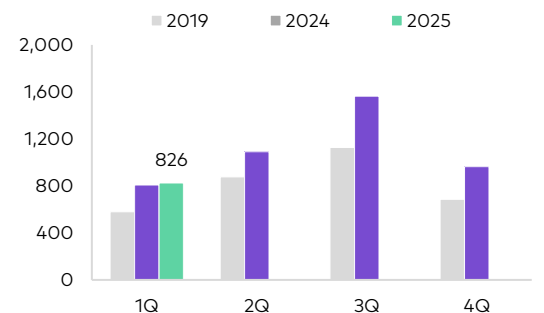
Figure 2: Int'l visitors, mn persons



Source: GNTA

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

Figure 3: Tourism revenues, US\$ mn

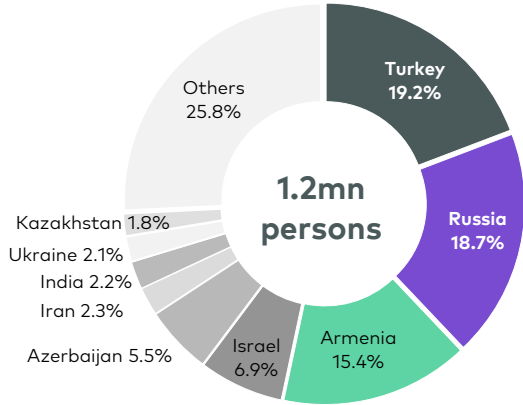


Source: NBG

¹ Despite strong visitor growth from Azerbaijan in 1Q25, this increase may stem from non-tourism related visits. Azeri land border remains closed for travel-related purposes since pandemic, making air travel the only entry option for Azeri tourists. In 2024, only 43.4% of Azeri arrivals came by air to Georgia which can be classified as tourists. The rest might be transit visitors, which are also classified as international arrivals. We assume this trend continued in 1Q25 also.

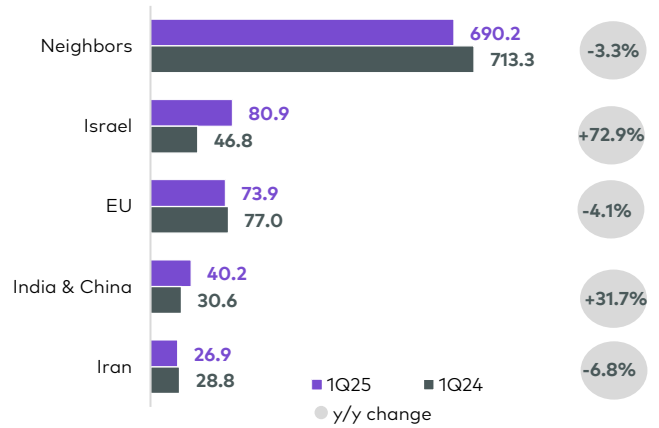


Figure 4: Int'l visitors (tourists and same-day) by country, 1Q25



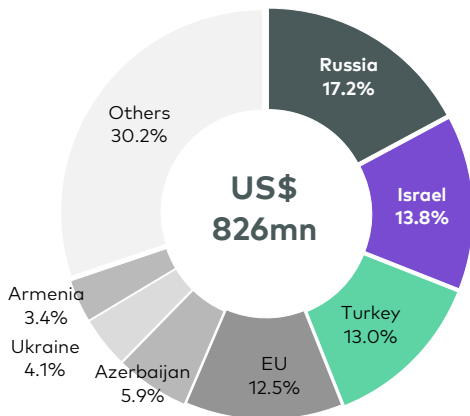
Source: GNTA

Figure 5: Int'l visitors from top 5 markets and y/y changes, '000 persons



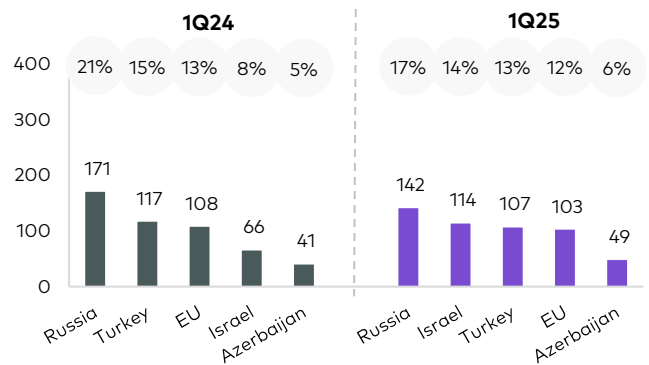
Source: GNTA
Note: The EU figures include the UK; Neighbors include Russia, Turkey, Azerbaijan and Armenia

Figure 6: Int'l tourism revenue by country, 1Q25



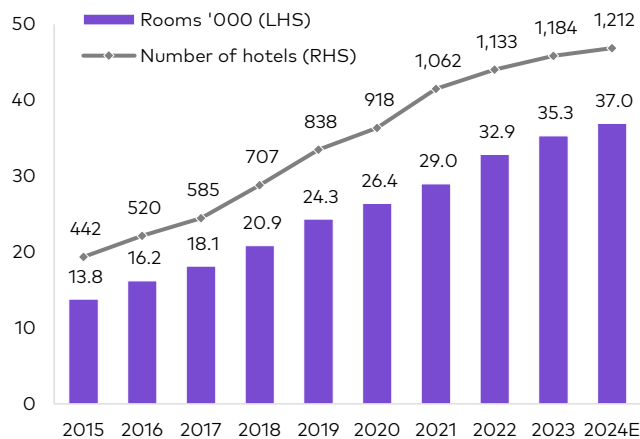
Source: NBG
Note: The EU figure includes the UK

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



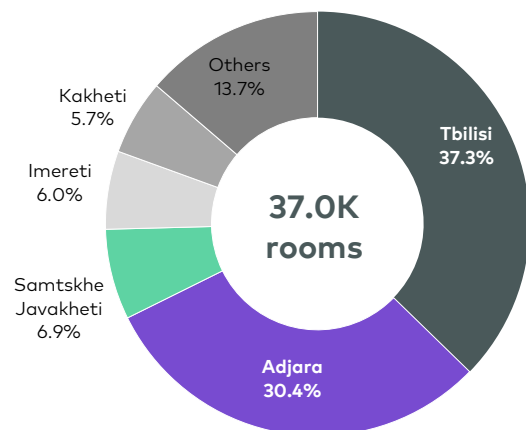
Source: NBG
Note: The EU figures include the UK

Figure 8: Number of hotels and room stock



Source: GNTA, Galt & Taggart

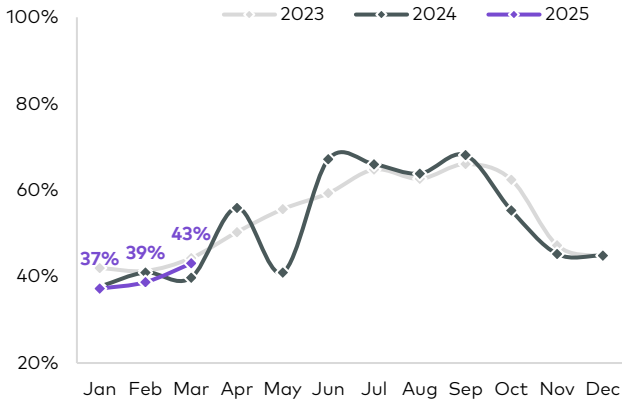
Figure 9: Hotel rooms by region, 2024E



Source: GNTA, Galt & Taggart

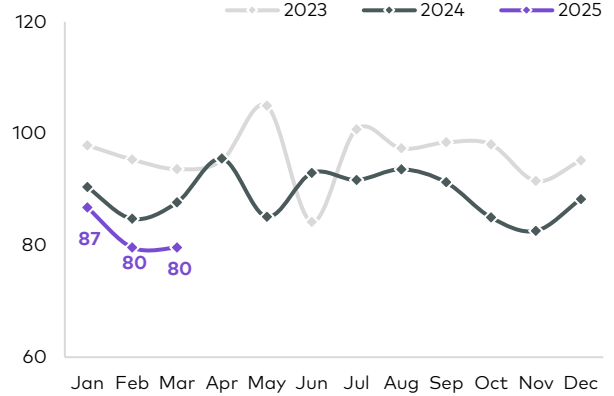


Figure 10: Occupancy of selected hotels in Tbilisi



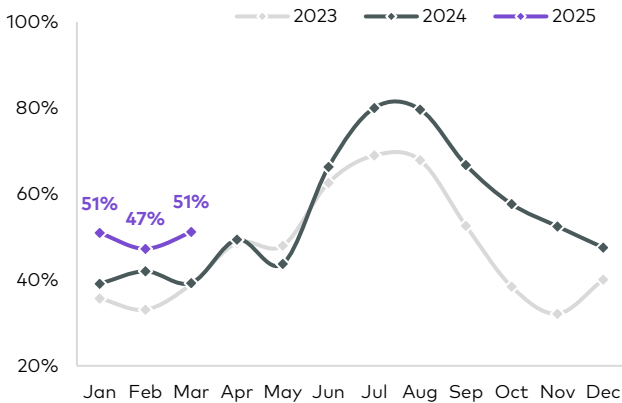
Source: Galt & Taggart
Note: Figures may vary from earlier editions due to updated sample

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



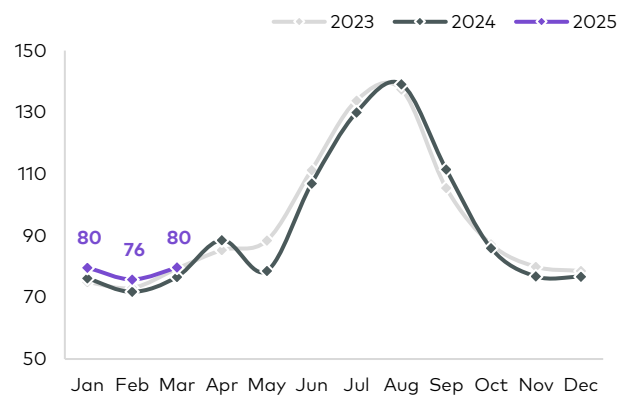
Source: Galt & Taggart
Note: net of VAT

Figure 12: Occupancy of selected hotels in Batumi



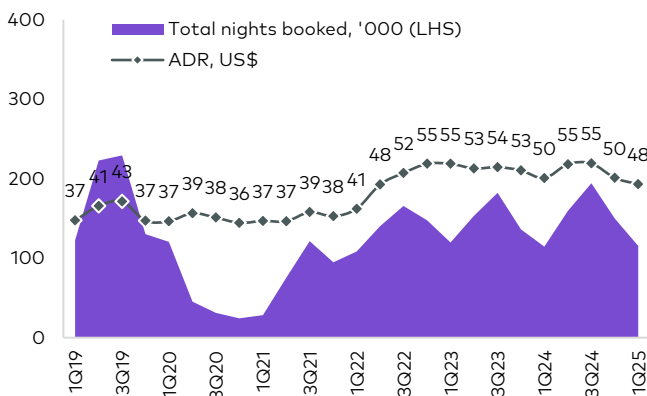
Source: Galt & Taggart
Note: Figures may vary from earlier editions due to updated sample.

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



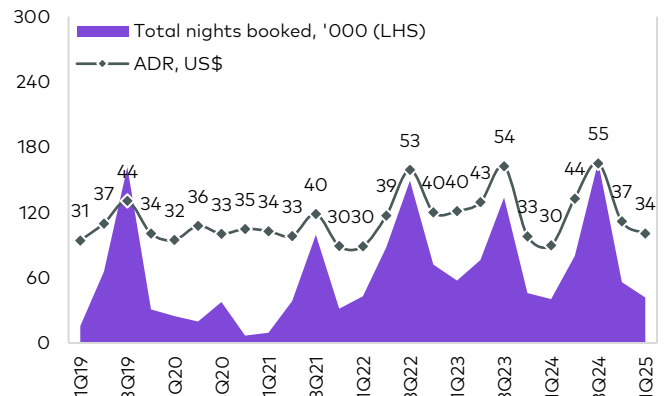
Source: Galt & Taggart
Note: net of VAT

Figure 14: Airbnb demand and prices in Tbilisi



Source: Airdna

Figure 15: Airbnb demand and prices in Batumi



Source: Airdna



Table 1: Key tourism statistics for 1Q25

	1Q19	1Q22	1Q23	1Q24	1Q25
Tourism revenues, US\$ mn	578.4	393.7	795.4	807.7	826.0
International visitors, persons	1,333,500	517,296	1,065,679	1,157,347	1,172,336
<i>by type:</i>					
Tourists	882,130	459,962	845,332	938,644	958,947
Same-day	451,370	57,334	220,347	218,703	213,389
<i>by country:</i>					
Turkey	201,192	103,802	216,391	254,577	225,265
Russia	254,077	71,793	256,787	215,468	219,264
Armenia	232,449	58,962	182,543	191,830	180,805
Israel	24,995	29,327	44,788	46,789	80,896
Azerbaijan	292,902	29,337	40,353	51,466	64,818
Others	327,885	224,075	324,817	397,217	401,288

Source: NBG, GNTA
Note: Sorted by 1Q25

Table 2: Key tourism statistics, annual

	2018	2019	2020	2021	2022	2023	2024
Tourism revenues, US\$ mn	3,222	3,269	542	1,245	3,517	4,125	4,425
<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>13.1%</i>
International visitors, persons							
	7,203,350	7,725,774	1,513,421	1,721,242	4,703,945	6,171,540	6,456,064
<i>by type:</i>							
Tourists	4,756,820	5,080,478	1,087,093	1,577,463	3,652,949	4,669,467	5,091,732
Same-day	2,446,530	2,645,296	426,328	143,779	1,050,996	1,502,073	1,364,332
<i>by country:</i>							
Russia	1,404,757	1,471,558	208,677	212,979	1,087,257	1,418,464	1,421,923
Turkey	1,098,555	1,156,513	335,580	326,494	925,561	1,396,660	1,336,834
Armenia	1,268,886	1,365,048	260,965	164,698	742,593	962,540	948,299
Israel	156,922	205,051	25,731	100,686	210,178	217,065	310,982
Azerbaijan	1,424,610	1,526,619	295,132	82,718	152,969	199,835	219,356
Kazakhstan	58,955	103,611	13,779	66,787	120,494	167,492	124,335
Iran	291,070	141,997	17,053	18,549	102,877	126,282	178,930
Belarus	60,241	66,174	14,340	53,698	130,046	130,203	118,528
Other	1,439,354	1,689,203	342,164	694,633	1,231,970	1,552,999	1,796,877
Airport arrivals							
	1,788,417	1,829,341	269,193	877,158	1,536,316	1,921,872	2,438,796
Tbilisi	1,402,157	1,355,489	278,477	253,859	1,040,729	1,230,888	1,599,984
Kutaisi	147,009	215,556	46,693	87,156	231,566	436,902	439,188
Batumi	239,251	258,159	19,868	221,853	264,021	254,082	399,624

Source: GNTA, NBG, Geostat, Galt & Taggart



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