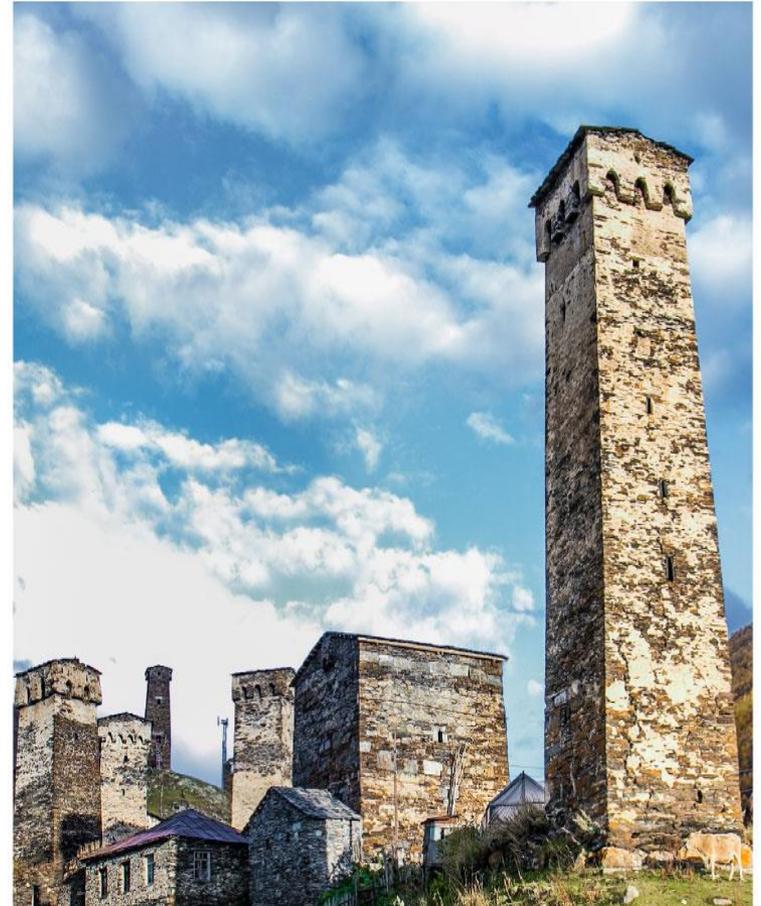




**GALT & TAGGART**  
CREATING OPPORTUNITIES

# Tourism in Georgia Monthly Market Watch

■ November 2019



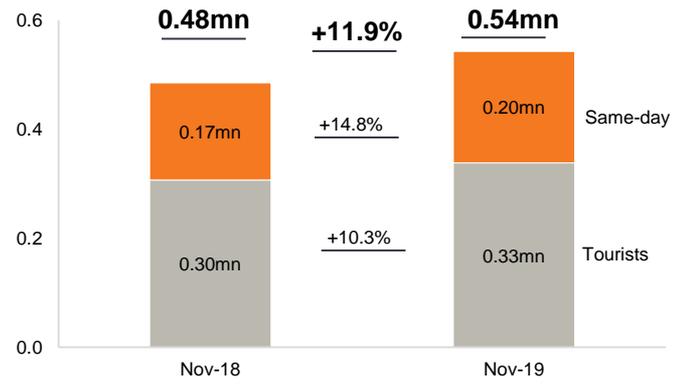
# Nov-19: total arrivals up 11.9% y/y, tourists up 10.3% y/y

## International visitors (tourists and same-day) by country

	Nov-18	Nov-19	Growth y/y
Armenia	98,831	116,712	18.1%
Azerbaijan	106,105	114,657	8.1%
Russia	92,055	82,029	-10.9%
Turkey	65,237	81,736	25.3%
Georgia (Nonresident)	38,026	40,245	5.8%
Israel	9,749	13,287	36.3%
Ukraine	11,216	13,000	15.9%
Iran	16,541	10,954	-33.8%
Kazakhstan	3,422	9,214	169.3%
Poland	2,639	4,760	80.4%
Others	41,498	56,582	36.3%
<b>Total</b>	<b>485,319</b>	<b>543,176</b>	<b>11.9%</b>

Source: GNTA

## International visitors (tourists and same-day) by type



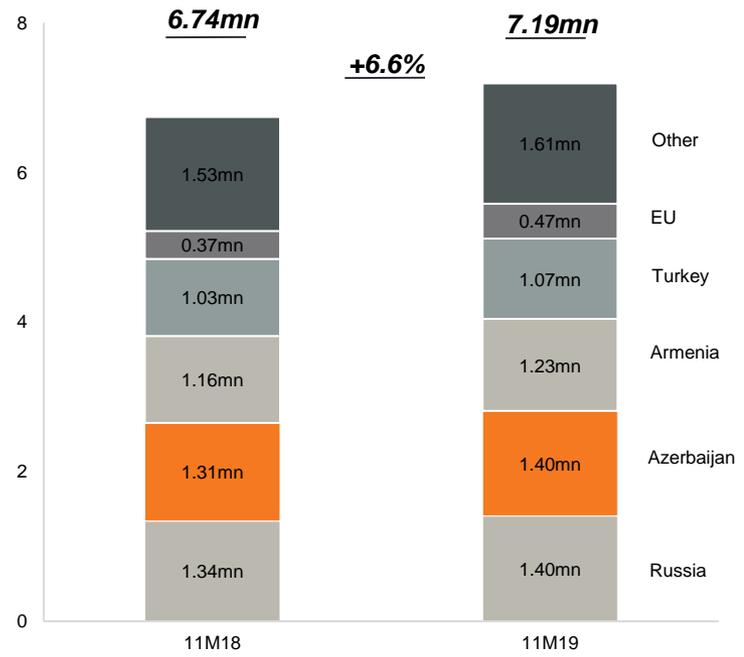
Source: GNTA

- In November 2019, total international visitor (tourists and same-day combined) growth accelerated to 11.9% y/y after growing 8.8% y/y in October. Out of total 0.54mn visitors, Georgia hosted 0.33mn tourists (up 10.3% y/y) and 0.2mn same-day visitors (up 14.8% y/y) in November.
- Strengthened tourist arrivals (+10.3% y/y) in November was supported by significantly increased visitors from Israel, Kazakhstan and EU countries (+38.5% y/y) .
- Meanwhile, arrivals from neighbors (Azerbaijan, Armenia and Turkey) also continued solid growth, reflected in elevated same-day arrivals (+14.8% y/y).
- Importantly, significantly reduced arrivals from largest source markets - Russia and Iran, were fully offset by strong arrival growth from other countries.
- In 11M19, total international arrivals stood at 7.2mn persons (up 6.6% y/y), of which tourist arrivals reached 4.8mn, up 6.3% y/y.
- In 11M19, tourism revenues reached US\$ 3.1bn (up 1.3% y/y).



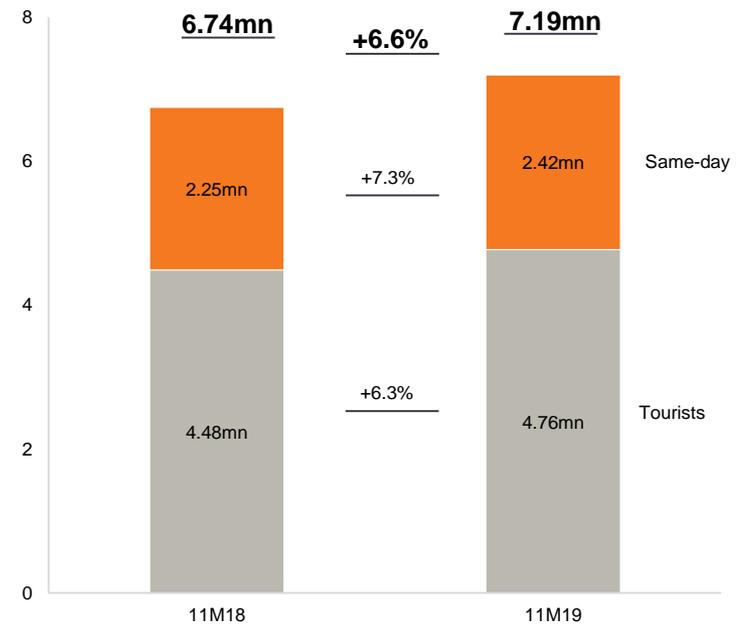
# 11M19: Tourist arrivals up 6.3% y/y

## International visitors (tourists and same-day) by country



Source: GNTA

## International visitors (tourists and same-day) by type



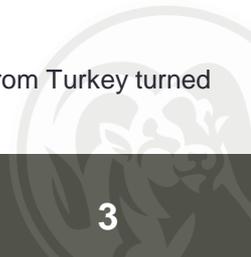
Source: GNTA

### Total international visitors stood at 7.2mn (+6.6% y/y) persons in 11M19:

- From top markets, EU was the largest contributor to arrival growth, followed by Azerbaijan and Russia.
- Visitors from EU increased 25.7% y/y to over 467k persons

### In 11M19:

- Tourist trips increased 6.3% y/y, accounting for 66.3% of total arrivals, down 0.2pts y/y.
- Same-day arrivals were up 7.3% y/y, as arrivals from Turkey turned positive after falling during Sep-18 to May-19



# Monthly dynamics of visitors and revenues

	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	2016	2017	2018
Total int'l visitors, '000	1,041	764	611	485	460	437	389	507	550	619	728	882	1,087	784	665	543	5,393	6,483	7,203
y/y growth	10.7%	5.7%	8.5%	5.8%	0.2%	-0.6%	-1.2%	4.6%	3.7%	14.2%	19.9%	4.3%	4.4%	2.7%	8.8%	11.9%	2.6%	20.2%	11.1%
o/w tourists, '000	737	536	407	307	270	306	248	328	349	425	472	570	754	539	438	339	3,297	4,069	4,757
y/y growth	13.9%	9.1%	15.1%	14.0%	11.6%	5.9%	5.1%	4.3%	4.2%	18.0%	18.0%	1.0%	2.3%	0.6%	7.8%	10.3%	9.5%	23.4%	16.9%
Tourism revenues, US\$ mn	443	335	254	191	206	165	169	245	267	270	340	395	413	319	267	206	2,111	2,704	3,222
y/y growth	12.4%	9.2%	17.8%	13.5%	10.5%	5.0%	4.4%	5.3%	11.8%	10.1%	4.5%	-8.6%	-6.8%	-4.9%	5.1%	7.7%	13.0%	28.1%	19.1%
Per visitor spending, US\$	426	439	416	394	448	376	434	482	486	437	467	448	380	406	401	379	391.4	417.2	447.3
y/y growth	1.6%	3.2%	8.5%	7.3%	10.2%	5.7%	5.8%	0.8%	7.8%	-3.6%	-12.8%	-12.4%	-10.7%	-7.4%	-3.5%	-3.7%	10.1%	6.6%	7.2%

Source: GNTA, NBG, Galt & Taggart

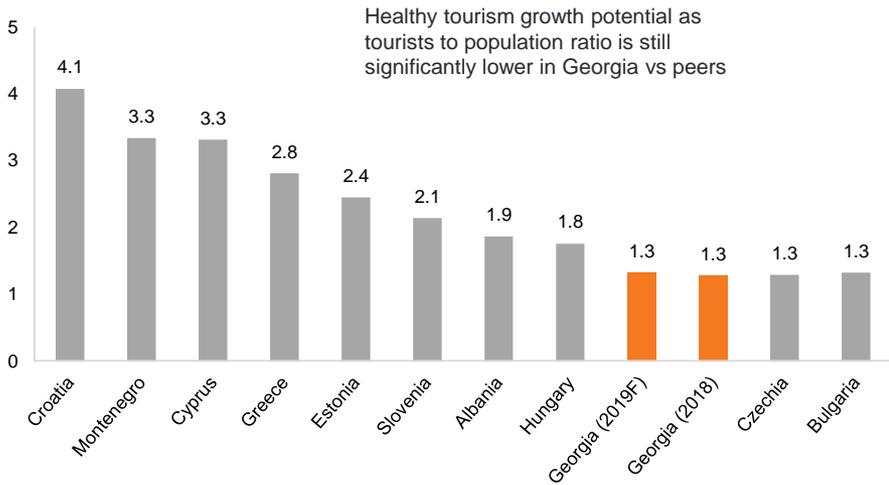
Note 1: Total international visitors combine tourist (overnight stay) and same-day visits; Tourist revenue monthly statistics subject to revisions by NBG

# Expectations for 2019

- We forecast 1mn tourists to visit Georgia in 4Q19 bringing total tourist arrivals to 5mn persons (+5.2% y/y) in 2019.

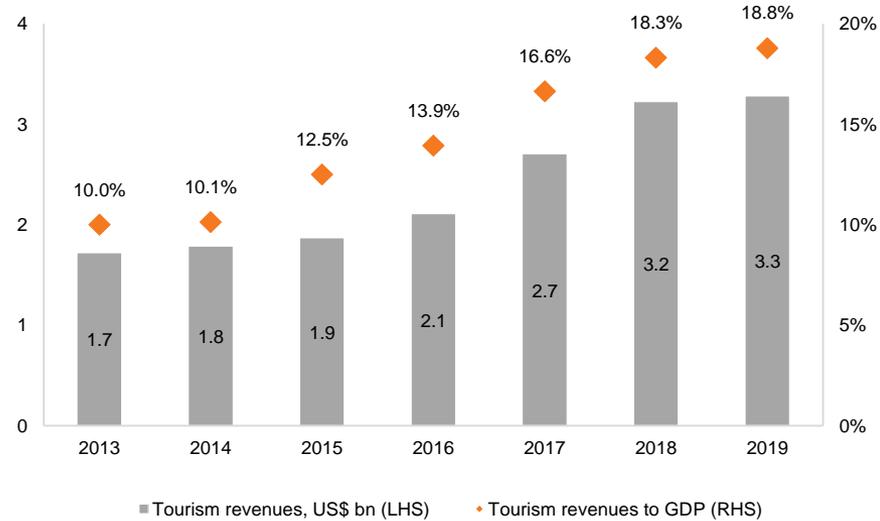
- We forecast tourism revenues at US\$ 3.3bn (+1.8% y/y) in 2019 vs. our revised forecast of US\$ 3.4bn.

## Tourists to population ratio, 2018



Source: UNWTO, WB, G&T Research

## Tourism revenues in Georgia



Source: NBG, Geostat, G&T Research  
 Note: Tourism revenues to GDP reflects GDP recalculation by Geostat from 2010 to 2018



# Key figures

	2013	2014	2015	2016	2017	2018	11M19
<b>Tourism revenues, US\$ mn</b>	<b>1,720</b>	<b>1,787</b>	<b>1,868</b>	<b>2,111</b>	<b>2,704</b>	<b>3,222</b>	<b>3,056</b>
<i>As % of GDP</i>	10.0%	10.1%	12.5%	13.9%	16.6%	18.3%	
<b>International visitors, persons</b>	<b>4,954,448</b>	<b>5,004,331</b>	<b>5,255,999</b>	<b>5,392,816</b>	<b>6,482,830</b>	<b>7,203,350</b>	<b>7,191,042</b>
<i>by type*:</i>							
Tourists	2,884,295	2,938,892	3,011,663	3,297,275	4,069,354	4,756,820	4,768,432
Same-day	2,070,153	2,065,439	2,244,336	2,095,541	2,413,476	2,446,530	2,422,610
<i>by country:</i>							
Russia	606,668	651,282	763,019	849,265	1,135,057	1,404,757	1,406,255
Azerbaijan	940,129	1,103,408	1,156,183	1,075,820	1,301,556	1,424,610	1,404,028
Armenia	1,049,911	1,065,970	1,191,777	1,152,234	1,287,168	1,268,886	1,230,834
Turkey	1,292,275	1,136,703	1,074,065	988,312	1,007,276	1,098,555	1,075,812
Georgia (Nonresident)	499,132	482,038	441,260	429,343	456,132	476,389	453,337
Ukraine	115,281	131,951	127,344	151,630	169,862	177,058	197,277
Israel	36,683	38,646	55,439	85,398	115,040	156,922	191,603
Iran	67,944	33,803	22,019	129,933	282,549	291,070	132,848
Other	346,425	360,530	424,893	530,881	728,190	905,103	1,099,048
<b>Airport arrivals</b>	<b>584,601</b>	<b>639,919</b>	<b>737,660</b>	<b>998,762</b>	<b>1,439,689</b>	<b>1,788,417</b>	<b>1,737,776</b>
<i>of which:</i>							
Tbilisi	460,587	489,803	597,907	786,094	1,133,811	1,402,157	1,286,958
Batumi	56,031	67,423	78,900	120,763	193,699	239,251	248,015
Kutaisi	67,983	82,693	60,853	91,905	112,179	147,009	202,803
<b>Accommodation units</b>	<b>875</b>	<b>1004</b>	<b>1,383</b>	<b>1,727</b>	<b>1,963</b>	<b>2,390</b>	<b>2,474</b>
<b>Accommodation rooms</b>	<b>14,491</b>	<b>16,547</b>	<b>21,511</b>	<b>24,640</b>	<b>27,907</b>	<b>34,608</b>	<b>36,613</b>
<b>Accommodation beds</b>	<b>34,194</b>	<b>39,055</b>	<b>51,517</b>	<b>59,236</b>	<b>67,660</b>	<b>85,314</b>	<b>89,481</b>

Source: GNTA, GCAA, NBG, G&T research

\*A visitor is classified as a tourist if his/her trip includes an overnight stay, while a same-day visitor (or excursionist) trip does not include an overnight stay

Note 1: Tourism revenues in 2019 subject to monthly revisions

Note 2: Tourism revenues to GDP reflects GDP recalculation by Geostat from 2010 to 2018

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