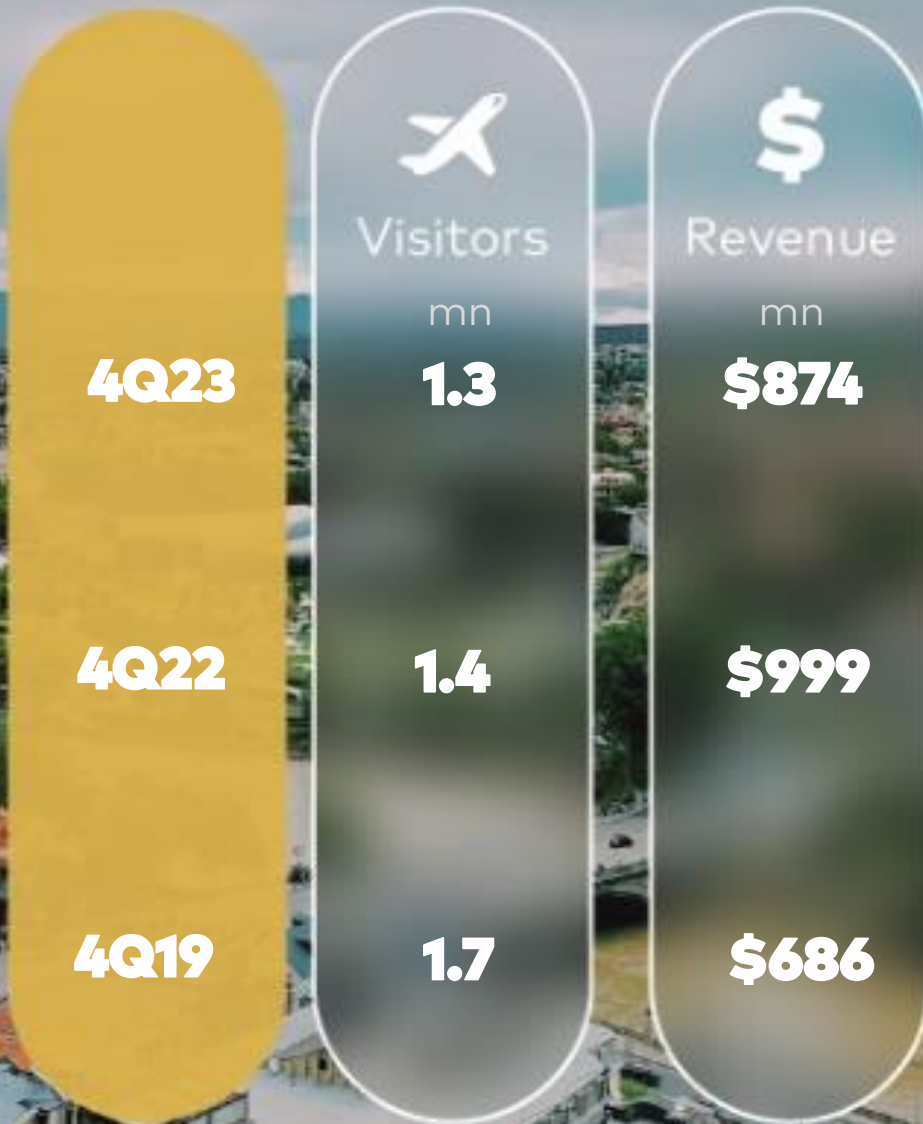




**GALT & TAGGART**  
CREATING OPPORTUNITIES



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### Visitors

- **In 4Q23, the number of international visitors were down 1.5% y/y to 1.3mn persons.** This reduction is attributed to a decrease in visitors from Turkey, Russia, Ukraine and Israel.
- **Overall, the total number of international visitors reached 6.2mn in 2023, equivalent to 79.9% of the 2019 levels.** Notably, Georgia's recovery lags behind the global, but global tourism itself has not fully recovered to 2019 levels, reaching 88% in 2023. The primary factor hindering full recovery in Georgia is the closed border with Azerbaijan, expected to remain shut until 2Q24. Additionally, ongoing conflicts and wars among the top contributing countries, including Ukraine-Russia, Armenia-Azerbaijan, as well as the Israel-Hamas conflict, have influenced the recovery trends in Georgia, with visitors from these countries still lagging behind 2019 levels.

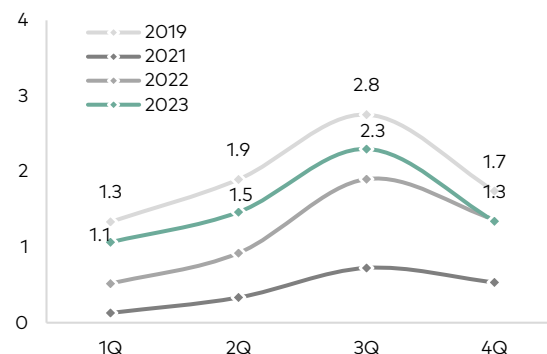
### Revenues

- **Tourism revenues in 4Q23 were down 12.6% y/y to US\$ 874mn.** This drop is mainly due to migrants who boosted revenues in 4Q22 transitioning to residents, resulting in their spending no longer being counted as tourism revenue.
- **For the full 2023, tourism revenues amounted to US\$ 4.1bn or 126.2% of 2019 level.** The growth in tourism revenues in 2023 vs 2019 can be attributed to several factors, including the inflation, GEL appreciation, a higher proportion of airport arrivals (typically high-spending visitors) and longer stays from certain top contributing countries. A shift in the tourist demographic also supported the revenue growth, with a decline in the share of budget-conscious Azeri tourists counterbalanced by higher spenders. Russia accounted for 22.7% of the total tourism revenues, followed by Turkey (15.3%) and EU (13.3%) in 2023.
- **We expect tourism revenues to reach US\$ 4.5bn in 2024** equivalent to 137% of the figures recorded in 2019.

### Accommodation

- **Hotel room stock** maintained its growth trajectory in 2023. The total number of hotels increased 3.4% y/y to 1,240 units in 2023, while room stock was up 6.0% y/y to 36,453 rooms. The majority of hotel rooms are concentrated in Tbilisi (36.3% of total) and Adjara (25.9%) as of 2023.
- **Hotel occupancy** in selected hotels in Tbilisi were still below 2019 levels in 3Q23, while regional occupancy has been gradually returning to 2019 figures. The ADR in selected hotels, both in Tbilisi and the regions continues to surpass 2019 figures, driven by the increased operating costs and GEL appreciation in 2023.
- **Airbnb demand** declined, with total nights booked down 6.5% y/y to 142.8k in 4Q23, but up 11.2% vs. 2019. Conversely, total nights booked in Batumi were down 35.3% y/y to 49.3k in 4Q23, but up 60.6% vs 2019.
- **Airbnb prices** were also down, with quarterly ADR standing at US\$ 56 (-3.4% y/y) in Tbilisi and at US\$ 37 (-12.3% y/y) in Batumi in 4Q23.

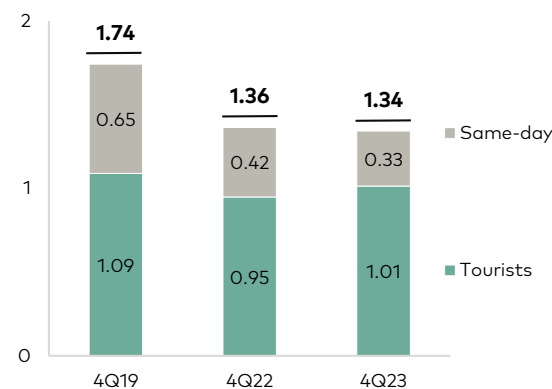
Figure 1: Int'l visitors, mn persons



Source: GNTA

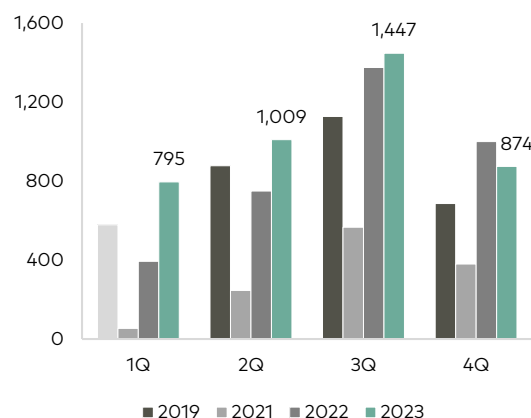
Note: Int'l visitors combine tourists (overnight stay) and same-day visits

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



Source: GNTA

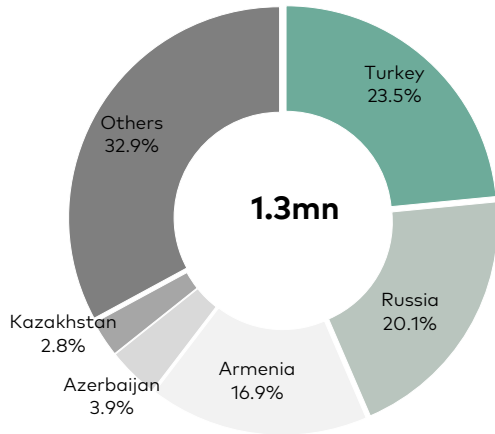
Figure 3: Tourism revenues, US\$ mn



Source: NBG

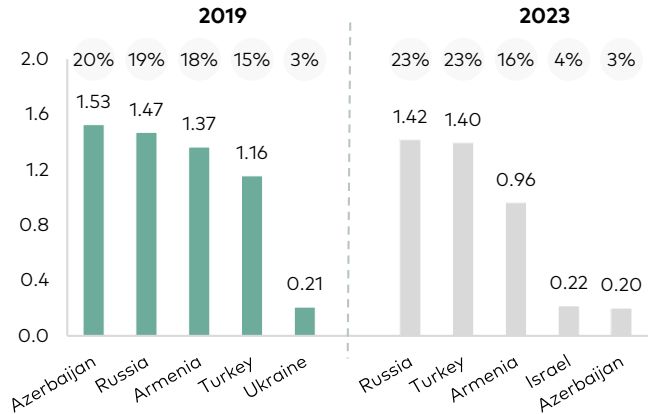


**Figure 4: Int'l visitors (tourists and same-day) by country, 4Q23**



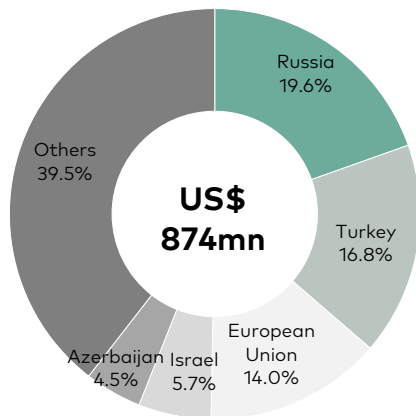
Source: GNTA

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



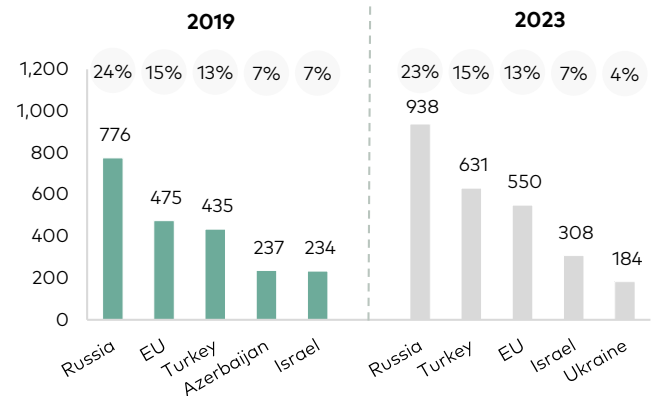
Source: GNTA

**Figure 6: Int'l tourism revenue by country, 4Q23**



Source: NBG

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



Source: NBG

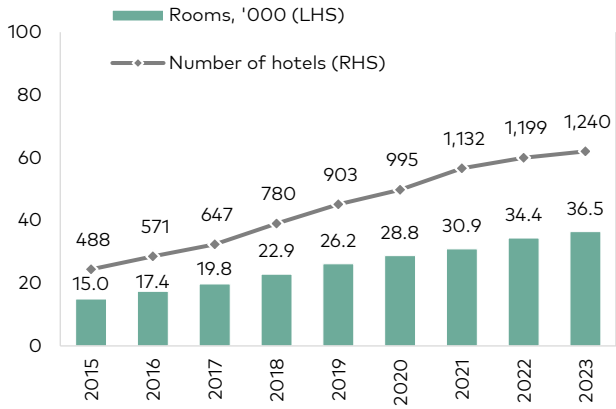
**Table 1: Tourism summary, 2023**

	2019	2020	2021	2022	2023
<b>Tourism revenues, US\$ mn</b>	<b>3,269</b>	<b>542</b>	<b>1,245</b>	<b>3,517</b>	<b>4,125</b>
<b>International visitors, persons</b>	<b>7,725,774</b>	<b>1,513,421</b>	<b>1,721,242</b>	<b>4,703,945</b>	<b>6,171,540</b>
<i>by type:</i>					
Tourists	5,080,478	1,087,093	1,577,463	3,652,949	4,669,467
Same-day	2,645,296	426,328	143,779	1,050,996	1,502,073
<i>by country:</i>					
Russia	1,471,558	208,677	212,979	1,087,257	1,418,464
Turkey	1,156,513	335,580	326,494	925,561	1,396,660
Armenia	1,365,048	260,965	164,698	742,593	962,540
Israel	205,051	25,731	100,686	210,178	217,065
Azerbaijan	1,526,619	295,132	82,718	152,969	199,835
Others	2,000,985	387,336	833,667	1,585,387	1,976,976

Source: NBG, GNTA  
Note: Sorted by 2023

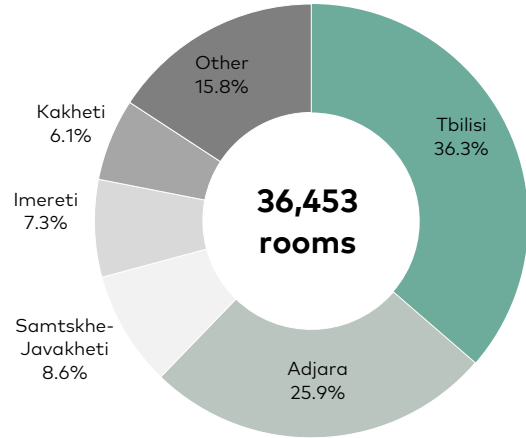


**Figure 8: Number of hotels and room stock**



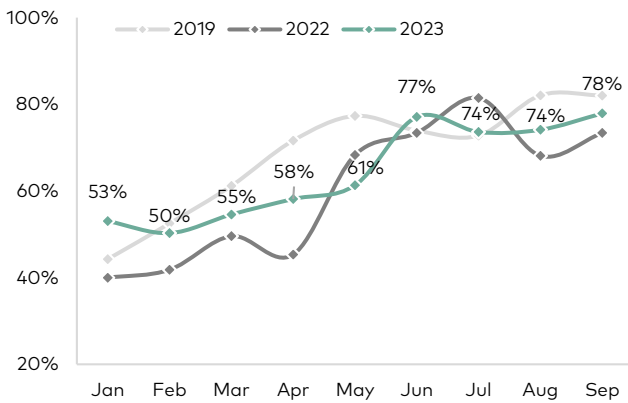
Source: GNTA, Galt & Taggart Research

**Figure 9: Hotel rooms by region, 2023**



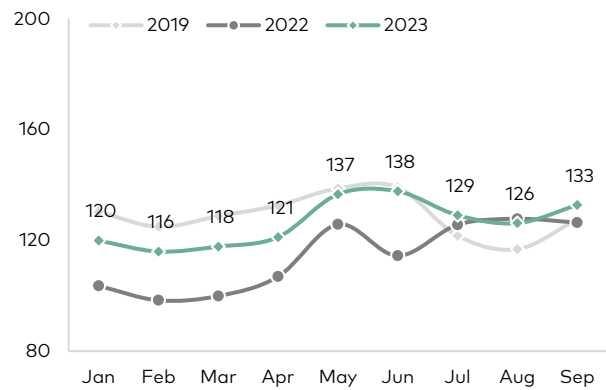
Source: GNTA, Galt & Taggart Research

**Figure 10: Occupancy of selected hotels in Tbilisi**



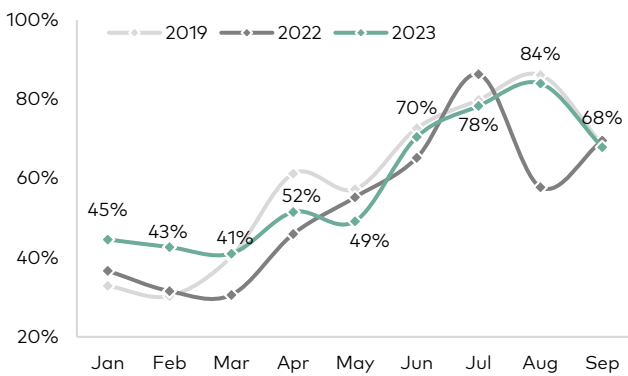
Source: BoG

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



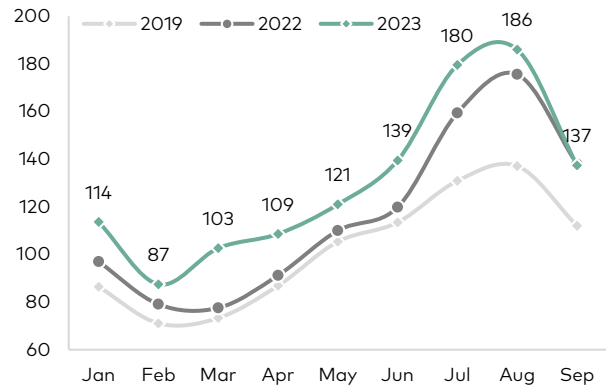
Source: BoG  
Note: net of VAT

**Figure 12: Occupancy of selected hotels in regions**



Source: BoG

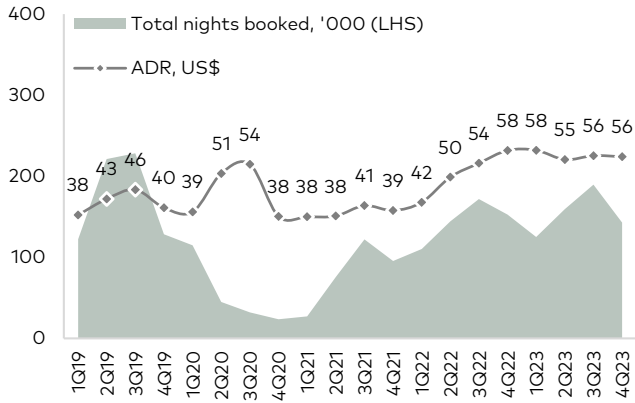
**Figure 13: ADR of selected hotels in regions, US\$**



Source: BoG  
Note: net of VAT

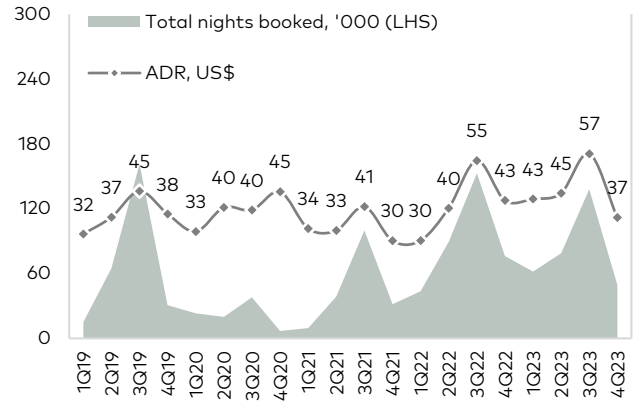


**Figure 14: Airbnb demand and prices in Tbilisi**



Source: Airdna

**Figure 15: Airbnb demand and prices in Batumi**



Source: Airdna



**Table 3: Key tourism statistics**

	2016	2017	2018	2019	2020	2021	2022	2023
<b>Tourism revenues, US\$ mn</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>	<b>4,125</b>
<i>As % of GDP</i>	<i>13.9%</i>	<i>16.6%</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>
<b>International visitors, persons</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>	<b>6,171,540</b>
<i>by type:</i>								
Tourists	3,297,275	4,069,354	4,756,820	5,080,478	1,087,093	1,577,463	3,652,949	4,669,467
Same-day	2,095,541	2,413,476	2,446,530	2,645,296	426,328	143,779	1,050,996	1,502,073
<i>by country:</i>								
Russia	849,265	1,135,057	1,404,757	1,471,558	208,677	212,979	1,087,257	1,418,464
Turkey	988,312	1,007,276	1,098,555	1,156,513	335,580	326,494	925,561	1,396,660
Armenia	1,152,234	1,287,168	1,268,886	1,365,048	260,965	164,698	742,593	962,540
Israel	85,398	115,040	156,922	205,051	25,731	100,686	210,178	217,065
Azerbaijan	1,075,820	1,301,556	1,424,610	1,526,619	295,132	82,718	152,969	199,835
Kazakhstan	40,895	47,241	58,955	103,611	13,779	66,787	120,494	167,492
Ukraine	151,630	169,862	177,058	207,667	42,414	144,901	168,915	146,931
Belarus	32,939	42,149	60,241	66,174	14,340	53,698	130,046	130,203
Other	1,016,323	1,377,481	1,553,366	1,623,533	316,803	568,281	1,165,932	1,532,350
<b>Airport arrivals</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>1,536,316</b>	<b>1,921,872</b>
Tbilisi	786,094	1,133,811	1,402,157	1,355,489	278,477	253,859	1,040,729	1,230,888
Kutaisi	91,905	112,179	147,009	215,556	46,693	87,156	231,566	436,902
Batumi	120,763	193,699	239,251	258,159	19,868	221,853	264,021	254,082
<b>Accommodation units</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>3,198</b>
<b>Accommodation rooms</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>53,759</b>
<b>Accommodation beds</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>	<b>128,015</b>

Source: GNTA, NBG, Geostat, Galt & Taggart



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