



# Georgia's Tourism Sector Tourism Market Watch

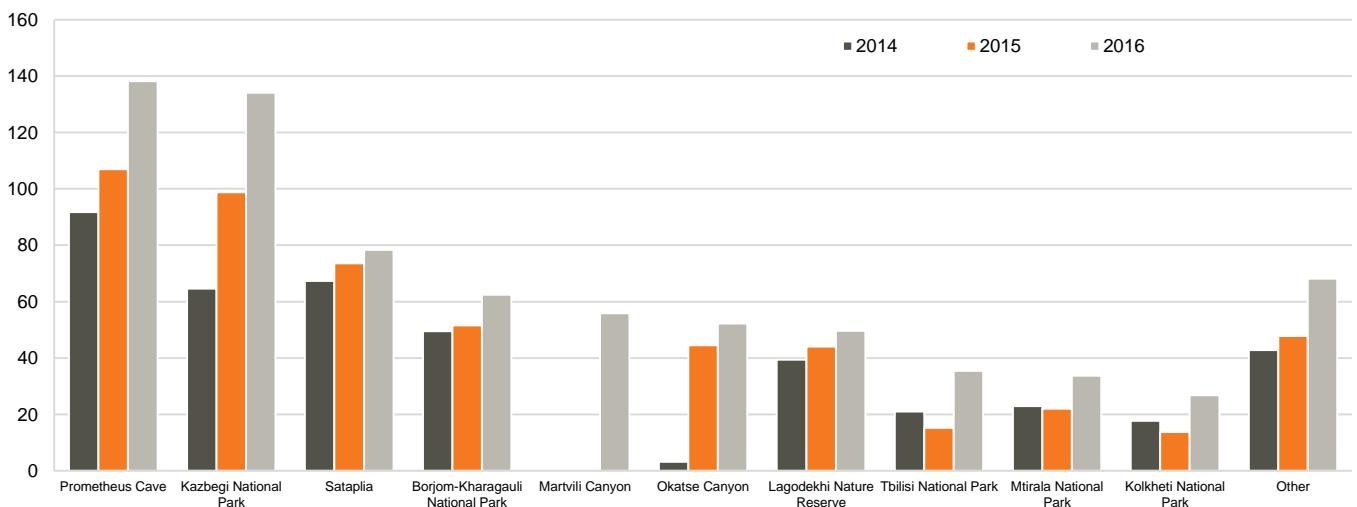
Georgia | Tourism  
Monthly Bulletin  
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The Agency of Protected Areas has published annual visitor statistics for 2016. The number of visitors to protected areas was up 41.8% y/y to nearly 735,000. The number of domestic visitors increased 25.7% y/y to 423,000, while the number of international travelers was up an impressive 71.8% y/y to nearly 312,000. Russia (24.8% of total), Israel (15.5%), and Poland (7.5%) were the top drivers of growth. Most popular destinations in 2016 were the Prometheus Cave and Kazbegi National Park, each hosting over 130,000 visitors, while Martvili Canyon hosted more than 55,000 visitors. Furthermore, the Agency of Protected Areas is working on a project to establish a national park between Oni and Ambrolauri in the Racha region. According to preliminary details of the project, the park will be located on 70,000ha, increasing the total protected area in Georgia by approximately 12%.

Further diversification of air travel destinations is expected in 2017. As of January 2017, there were 31 carriers servicing 56 direct flight routes out of Georgia. New destinations in the Middle East and Central Asia will further increase air connectivity, as several companies that are already present on the Georgian market are expanding their offering. Georgian Airways plans to reestablish direct flights to Tehran to match the increased demand from Iranian visitors (+485.3% y/y in 2016). Qatar Airways announced the launch of direct flights from the Tbilisi International Airport to Doha. New brands are also entering the Georgian market. Gulf Air, the national airline of Bahrain, is launching flights from Tbilisi to Manama, to be carried out three times a week, while Hualing Group plans to establish a carrier to operate flights from Georgia to European and Asian cities. On the back of an increasing number of visitors from India, the Georgian government signed a memorandum with the Civil Aviation Ministry of India, granting permission to launch direct flights from Georgian airports to major Indian cities. The number of Indian visitors was up 198.9% y/y to 36,000 in 2016.

The National Agency for Cultural Heritage Preservation of Georgia announced that the Enguri hydropower plant will become a tourism destination. The Enguri dam was included on the list of national cultural heritage in 2015 and is located on the road to Svaneti, one of the top tourist destinations in Georgia. The Enguri project entails creating a museum of science, open air concert space, cableways, and a glass elevator that will take visitors to a lookout point at the top of the dam. Project implementation will start in 2017 and Enguri will be included in various tour offerings.

Figure 1: Visitors to protected areas, '000 persons



Source: Agency of Protected Areas

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Key indicators	
International arrivals, 2016	6,350,825
Tourist arrivals, 2016	2,714,773
Tourism receipts to GDP, 2015	13.9%
Visa-free regime	94 countries
Direct flight routes out of Georgia	56
Carriers servicing Georgia	31
Accommodation units	1,765
Rooms	24,297

Source: NBG, GNTA, Ministry of Foreign Affairs, Georgian Civil Aviation Agency

Table 1: Visitors by country, '000

Country	January 2017	y/y growth
Azerbaijan	116	7.1%
Turkey	79	-0.8%
Armenia	78	31.4%
Russia	62	40.3%
Ukraine	10	28.2%
Iran	8	616.7%
India	3	158.0%
Kazakhstan	2	31.9%
Philippines	2	54.7%
USA	2	7.5%
Israel	2	83.3%
Germany	2	32.0%
Uzbekistan	1	230.7%
Belarus	1	24.9%
United Kingdom	1	22.8%
Others	19	43.0%
<b>Total</b>	<b>387</b>	<b>19.8%</b>

Source: GNTA

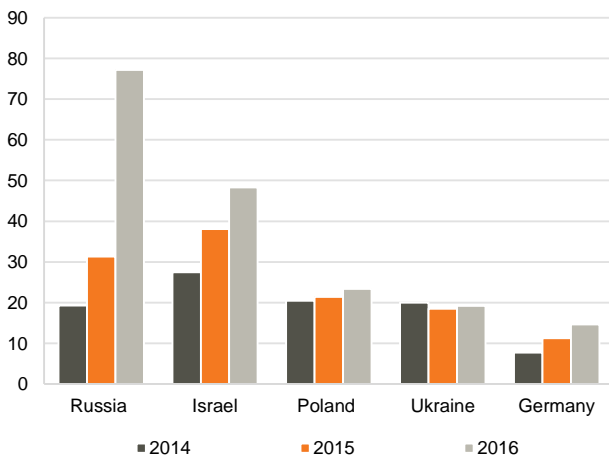


### International Arrivals to Georgia

The number of international arrivals was up 19.8% y/y to 0.39mn in January 2017. Out of the top four source markets, there was strong growth from Russia (+40.3% y/y), Armenia (+31.4% y/y), and Azerbaijan (+7.1% y/y), while the number of visitors from Turkey was flat (-0.8% y/y).

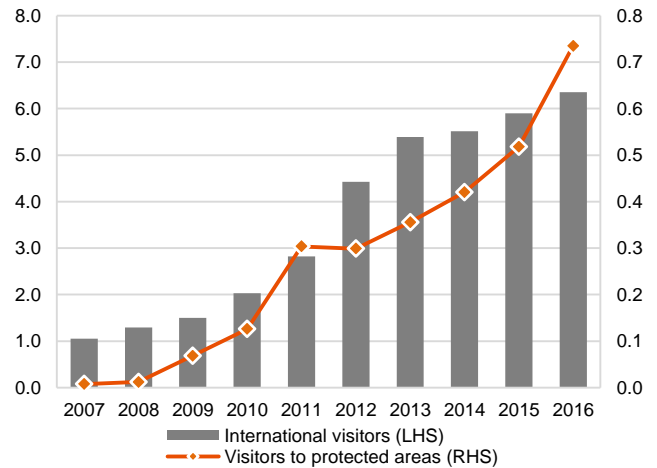
While the top four source markets accounted for 86.3% of international arrivals in January 2017, secondary source markets also posted robust performances. Ukraine, the 5<sup>th</sup> largest source market, posted a 28.2% y/y increase in January 2017, while the number of Iranian visitors was up over 7x to 8,000 visitors, albeit from the low base in January 2016, as visa-free regime with Iran was reinstated in February 2016. After growing 8.6% y/y in 2016, arrivals from the EU posted 26.1% y/y growth to over 10,500 visitors in January 2017, with Poland (+24.9% y/y), Germany (+32.0% y/y) and United Kingdom (+22.8% y/y) the top contributors to growth.

Figure 2: Visitors to protected areas by country, '000



Source: Agency of Protected Areas

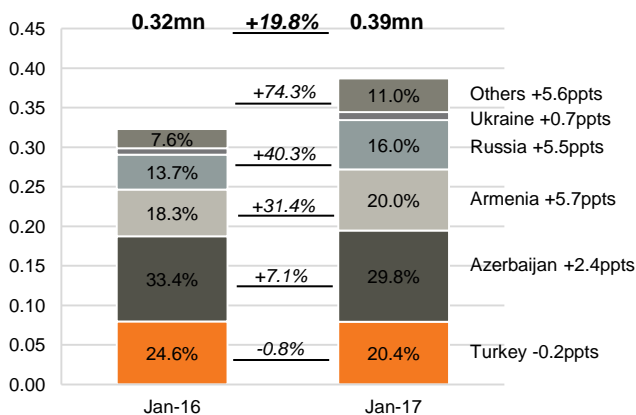
Figure 3: Visitors to protected areas, mn



Source: Agency of Protected Areas, GNTA

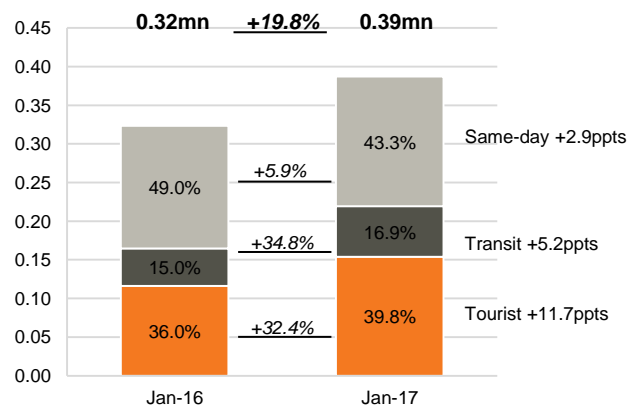
The tourist category continues to drive arrival growth in January 2017, after posting a 19.0% y/y growth rate in 2016. The number of overnight visitors ('tourist' category) was up 32.4% y/y and accounted for 39.8% of total international arrivals in January 2017. Same-day arrivals posted modest growth of 5.9% y/y, while the number of transit visitors was up 34.8% y/y in January 2017, after declining 5.7% y/y in 2016.

Figure 4: Visitors by country, mn



Source: GNTA

Figure 5: Visitors by type, mn



Source: GNTA



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