



2020

GEORGIAN TOURISM IN FIGURES

STRUCTURE &
INDUSTRY DATA

Summary

This yearbook provides statistical information on the Georgian tourism sector during the pandemic in 2020 and details the Georgian National Tourism Administration endeavors developed to mitigate the negative effects.

The Covid crisis has led to an unprecedented decline in international travel around the world, and Georgia was no exception in 2020. According to the United Nations World Tourism Organization, international tourist arrivals decreased by one billion (-74%) globally. In economic terms, this translated to the loss of 1.3 trillion dollars in international travel receipts and two trillion dollars in global GDP, while 100-120 million jobs were also at risk. International traveler trips in Georgia amounted to a record low of 1,747,110, reverting to the levels prior to 2011. Moreover, the foreign exchange income from international travel to Georgia amounted to 542 million USD, which is 83.4% lower than in 2019. Between 2019 and 2020, due to reduced demand caused by Covid-19, total value added in the tourism sector fell by 29.8% and reached 2.55 billion GEL. As a result, the gross value from tourism industries as a proportion of GDP decreased from 8.4% to 5.9%.

According to STR Global, the occupancy rate in Georgian hotels equaled 21.2% in 2020; a decrease of 62.3% compared to the previous year. The highest occupancy rates were registered in January (35.5%), February (34.4%), and August (32.5%), with the lowest in June (8.8%), March (12%), and November (13.2%). The great-

est occupancy among cities was recorded in the “other Georgia” category (32.4%), followed by Batumi (26.9%) and Tbilisi (16.3%).

In 2020, the number of visitors entering protected areas was recorded at 240,268, and compared to the previous year this showed a decline of 80%. The number of foreign visitors in protected areas was 26,432, a decrease of 97.5% in comparison to the previous year. This reduction in visitors translated to less income from tourism services in protected areas, amounting to 899,076 GEL, a fall of 90.4% since 2019.

The activities GNTA instigated to mitigate the negative effects of the pandemic included: supporting the private sector and adapting their operations by active communication, conducting training, giving recommendations, planning a future action plan, developing the “Work from Georgia” project, and deepening international relations.

To support the private sector and help modify their operations, the following training courses were conducted: “How to establish general recommendations concerning Covid-19 in accommodation and food objects”; “About Covid-19 prevention and the existing regulations”; “How to conduct events safely in a closed environment, taking Covid-19 recommendations into consideration”, amongst others.

Since March of 2020, updated information concerning Covid-19 prevention was

sent on a daily basis to private sector representatives. More than 20 meetings were also organized with tourism industry representatives to discuss and resolve the various problems caused by the pandemic. As a result of these meetings, a recovery plan and different stimulating projects were elaborated. The Ministry of Health and the National Center for Disease Control, in close cooperation with the Georgian National Tourism Administration, established Mandatory Safety Guidelines (health protocols & sanitary norms) for the tourism industry, including hotels, restaurants, transport, travel companies, and guides. These standards thus ensured the safety of international visitors as well as local citizens.

To support the private sector and popularize domestic tourism, informational tours were conducted in different regions, which served to increase awareness toward Georgian destinations. Furthermore, international marketing campaigns were also conducted to identify Georgia as a safe world destination.

The Georgian National Tourism Administration “Work from Georgia” project enables high budget foreign citizens to work remotely from Georgia. The Georgian government currently offers global company employees from 95 nations the opportunity to work distantly for around a year. The project triggered notable interest around the world, especially in the USA, the UK, Canada, Turkey, and certain other countries.

Georgia additionally hosted the 112th Session of the Executive Council of the United Nations World Tourism Organization (UNWTO) on 15-17 September. The event was attended by various high-level guests, including the Secretary General, Zurab Pololikashvili, the tourism ministers from 24 UNWTO executive council member countries, and more than 200 further delegates. The agenda included a discussion of the main issues surrounding the tourism industry, including overcoming the recent challenges and devising a future action plan.

International Trips to Georgia

The Covid crisis has led to an unprecedented decline in international travel around the world, and in 2020 Georgia was hardly an exception. Notably, international traveler trips amounted to a record low of 1,747,110, returning to the levels prior to 2011.

Such international trips include those made by international visitors – 1,513,421 (-80.4%) – and other (non-tourist) trips – 233,689 (-85.7%). From the total number of international visitor trips, 1,087,093 (-78.6%) were tourist trips and 426,328 (-83.9%) were same-day trips.

The largest numbers of international visitors were registered in the first quarter: in January 523,689 (+19.8%), February 386,859 (-0.6%), and in March 209,945 (-58.6%). During this period, the sum of these equaled 74% of the total annual international visitor trips. While the fewest trips were recorded in April 34,321 (-93.8%), May 36,358 (-94.1%), and in June 37,915 (-94.8%).

The majority of trips conducted by international (excluding non-resident Georgian citizens) visitors, 80.1% (1,100,354), were from neighboring countries; only 19.9% (272,716) originated from other countries. Turkey held the lead in terms of international travel to Georgia, at 335,580.

The largest share of international visitors, 1,218,259 (80.5%), came via land transport, followed by air 269,193 (17.8%). Trips by rail and sea were 12,640 (0.9%) and 13,329 (0.8%), respectively. The busiest border was Tsiteli Khidi (from Azerbaijan), which saw 301,033 crossings in 2020, amounting to 19.9% of all trips to Georgia. This was followed by Sarpi (Turkish border) at 18.4%, Kazbegi (Russian border) at 18.1%, Tbilisi Airport at 13.4%, and Sadakhlo (Armenian border) at 12.2%. The sum of visitors from these five border crossings accounted for 81.9% of all trips.

In 2020, 70,742 (-85.4%) trips were conducted by EU visitors, with the largest number derived from Poland 10,691 (-87.9%) and Germany 9,338 (-89.5%).

The majority of trips to Georgia were conducted by male visitors 1,166,555 (77.1%), while female visits amounted to 346,866 (22.9%). The largest number of which were within the 31-50 age category – 788,553 (52.1%), followed by the 51-70 age group – 380,514 (25.1%), and the 15-30 age segment – 330,885 (21.9%). The fewest trips were conducted by the 71+ age group, at 13,469 (0.9%).

The pandemic, and subsequent regulations, also had a significant effect on international tourism flows and its structure, particularly:

The share of international visitor trips increased in international traveler trips, while the share of (overnight) tourist trips increased in international visitor trips. The share of international visitor trips increased from 83% to 87%, mainly caused by decreasing number of travelers aged less than 15. The increased share of tourist trips from 66% to 77% is the result of mandatory quarantine rules.

The share of trips from neighboring countries from the total number of international trips increased. In the total number of international visitor trips, the share of trips from neighboring countries increased from 75% to 80%. The share from neighboring countries rose for the first time in the recent years.

The structure of the top 15 countries changed, with significant repositioning in the rankings. Among Georgia's neighboring countries, Turkey increased its ranking and moved up three (+3) positions to lead by number of trips. Azerbaijan lost its leadership and moved into second position (-1). Armenia retained its old third position (0). While Russia moved down to fourth position (-2). Saudi Arabia and China each lost their positions in the top 15 countries, replaced by Uzbekistan and the Philippines. Among the countries whose rankings increased were Belarus (+3) and the USA (+1). Additionally, the following countries lost their positions: Germany (-3), Kazakhstan (-2), and Poland (-1). Whereas the countries that retained their places were Ukraine, Israel, and Iran.

The share of trips via land transport increased, and the Tsiteli Khidi border moved into first place by the number of international visitor trips. The share of trips by land transport increased from 75% to 80%, due to decreased air travel (24% to 18%). The largest number of trips came via Tsiteli Khidi, replacing Tbilisi Airport as the leader, which subsequently moved into fourth place in the rankings.

The visitor group aged 51-70 outstripped the 15-30 segment by number of international trips, although the largest number of trips was still conducted by the 31-50 age group. The proportion of trips within the 15-30 aged group decreased from 26% to 22%, and as a result the 51-70 segment rose to second position, without changing its share. The 31-50 segment maintained first place, with an increased share (48% to 52%).

The share of male visitors increased significantly. The share of male visitors equaled 77%, compared to the 65% in the last year, revealing considerable growth. However, the share of female visitors decreased from 35% to 23%.

Basic Information

International travel statistics are provided by the Information-Analytical Department of the Ministry of Internal Affairs of Georgia.

Methodology

The international travel statistics describe the dynamics of inbound travelers registered at 21 border checkpoints.

The Main Indicators

In line with UNWTO recommendations, an international traveler is someone who moves between different geographic locations for any purpose and any duration. It excludes foreign citizens who are Georgian residents and includes Georgian citizens who are foreign residents.

An international visitor is a traveler taking a trip to a main destination outside their usual environment, for less than a year, for any purpose (business, leisure, or another personal purpose) other than to be employed by a resident entity in the country or place visited.

The usual environment of an individual, a key concept in tourism, is defined as the geographical area within which an individual conducts their regular life routines. To define the “usual environment” in Georgia, travelers conducting eight or more trips are excluded from the data.

A visitor (domestic, inbound, or outbound) is classified as a tourist (or overnight visitor) if their trip includes an overnight stay, or otherwise as a same-day visitor (or excursionist).

Others (non-tourists) are characterized under the reason they have been excluded from being defined as visitors: either being less than 15 years old or being within their usual environment.

More detailed information can be found on the Georgian National Tourism Administration website: www.gnta.ge

International Travel by Residence (XSL):
<https://bit.ly/3CHXR3g>

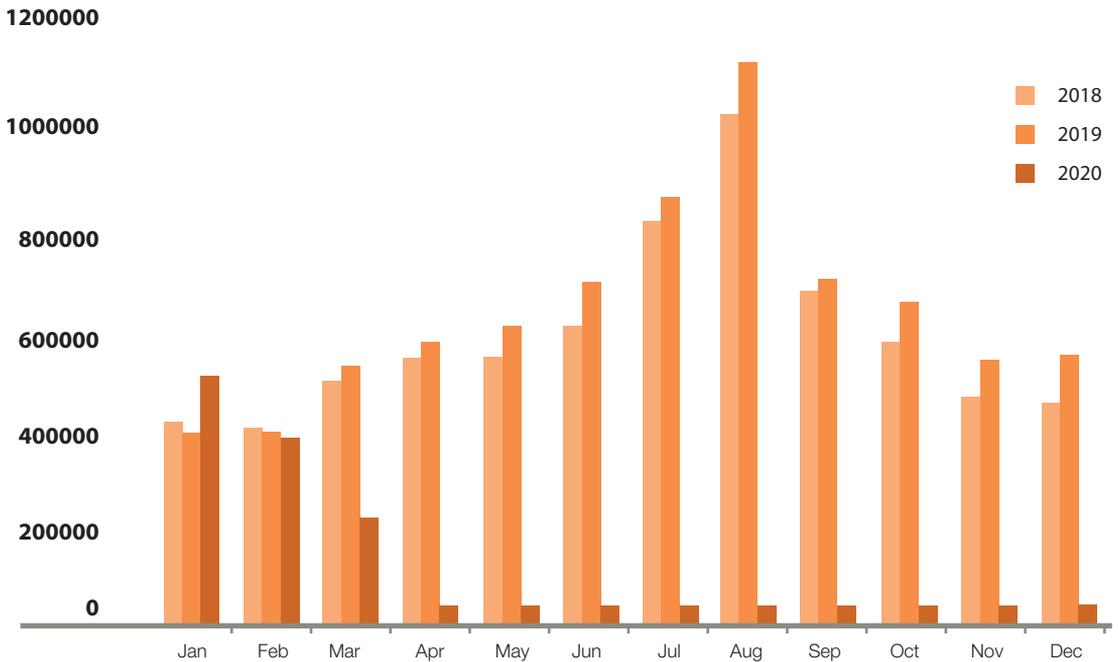
International Travel Classification



| Trip Type | 2019 | 2020 | Change | Change % | Share % |
|-------------------------------|-----------|-----------|------------|----------|---------|
| International Traveller Trips | 9,357,964 | 1,747,110 | -7,610,854 | -81.3% | 100.0% |
| International Visitor Trips | 7,725,774 | 1,513,421 | -6,212,353 | -80.4% | 86.6% |
| Tourist (Overnight) Trips | 5,080,478 | 1,087,093 | -3,993,385 | -78.6% | 71.8% |
| Same Day Trips | 2,645,296 | 426,328 | -2,218,968 | -83.9% | 28.2% |
| Other (non-tourism) | 1,632,190 | 233,689 | -1,398,501 | -85.7% | 13.4% |

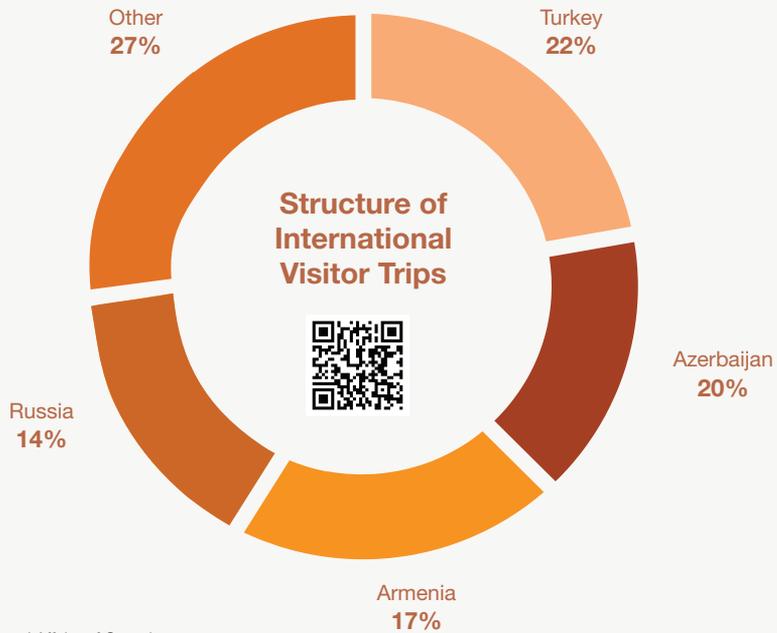
Source: The Ministry of Internal Affairs of Georgia

International Visitor Trips by Month



Source: The Ministry of Internal Affairs of Georgia





Source: The Ministry of Internal Affairs of Georgia



Source: The Ministry of Internal Affairs of Georgia

International Visitor Trips by Borders



| Border name | Border with | 2019 | 2020 | Change | Change% | Share% |
|-------------------|-------------|-----------|-----------|------------|---------|--------|
| Total | ↓ | 7,725,774 | 1,513,421 | -6,212,353 | -80.4% | 100% |
| Including | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| Tsiteli Khidi | Azerbaijan | 1,235,802 | 301,033 | -934,769 | -75.6% | 19.9% |
| Sarpi | Turkey | 1,355,489 | 278,477 | -1,077,012 | -79.5% | 18.4% |
| Kazbegi | Russia | 1,256,631 | 273,553 | -983,078 | -78.2% | 18.1% |
| Airport Tbilisi | | 1,355,626 | 202,632 | -1,152,994 | -85.1% | 13.4% |
| Sadakhlo | Armenia | 1,211,590 | 184,388 | -1,027,202 | -84.8% | 12.2% |
| Ninotsminda | Armenia | 167,157 | 48,244 | -118,913 | -71.1% | 3.2% |
| Airport Kutaisi | | 215,556 | 46,693 | -168,863 | -78.3% | 3.1% |
| Tsodna | Azerbaijan | 219,626 | 39,838 | -179,788 | -81.9% | 2.6% |
| Vale | Turkey | 92,089 | 35,338 | -56,751 | -61.6% | 2.3% |
| Kartsakhi | Turkey | 97,911 | 29,911 | -68,000 | -69.5% | 2.0% |
| Airport Batumi | | 258,159 | 19,868 | -238,291 | -92.3% | 1.3% |
| Vakhtangisi | Azerbaijan | 69,403 | 14,691 | -54,712 | -78.8% | 1.0% |
| Guguti | Armenia | 69,835 | 12,701 | -57,134 | -81.8% | 0.8% |
| Railway Gardabani | Azerbaijan | 46,677 | 9,343 | -37,334 | -80.0% | 0.6% |
| Port Batumi | | 19,291 | 7,534 | -11,757 | -60.9% | 0.5% |
| Port Poti | | 19,362 | 5,271 | -14,091 | -72.8% | 0.3% |
| Railway Sadakhlo | Armenia | 32,652 | 2,360 | -30,292 | -92.8% | 0.2% |
| Railway Kartsakhi | Turkey | 573 | 937 | 364 | 63.5% | 0.1% |
| Port Kulevi | | 1,895 | 524 | -1,371 | -72.3% | 0.0% |
| Samtatskaro | Azerbaijan | 317 | 74 | -243 | -76.7% | 0.0% |
| Akhkerpi | Armenia | 133 | 11 | -122 | -91.7% | 0.0% |

Source: The Ministry of Internal Affairs of Georgia

International Visitor Trips top 10 Countries



| | Country | 2019 | 2020 | Change | Change % |
|----|-----------------------|-----------|---------|------------|----------|
| 1 | Turkey | 1,156,513 | 335,580 | -820,933 | -71.0% |
| 2 | Azerbaijan | 1,526,619 | 295,132 | -1,231,487 | -80.7% |
| 3 | Armenia | 1,365,048 | 260,965 | -1,104,083 | -80.9% |
| 4 | Russia | 1,471,558 | 208,677 | -1,262,881 | -85.8% |
| 5 | Georgia (Nonresident) | 488,841 | 140,351 | -348,490 | -71.3% |
| 6 | Ukraine | 207,667 | 42,414 | -165,253 | -79.6% |
| 7 | Israel | 205,051 | 25,731 | -179,320 | -87.5% |
| 8 | Iran | 141,997 | 17,053 | -124,944 | -88.0% |
| 9 | Uzbekistan | 16,785 | 14,410 | -2,375 | -14.1% |
| 10 | Belarus | 66,174 | 14,340 | -51,834 | -78.3% |

Source: The Ministry of Internal Affairs of Georgia

International Tourist Trips Top 10 Countries



| | Country | 2019 | 2020 | Change | Change % |
|----|-----------------------|-----------|---------|----------|----------|
| 1 | Turkey | 637,100 | 257,671 | -379,429 | -59.6% |
| 2 | Russia | 1,077,395 | 154,881 | -922,514 | -85.6% |
| 3 | Azerbaijan | 751,215 | 152,025 | -599,190 | -79.8% |
| 4 | Armenia | 569,437 | 137,205 | -432,232 | -75.9% |
| 5 | Georgia (Nonresident) | 436,241 | 127,964 | -308,277 | -70.7% |
| 6 | Ukraine | 189,210 | 38,690 | -150,520 | -79.6% |
| 7 | Israel | 202,370 | 25,491 | -176,879 | -87.4% |
| 8 | Iran | 137,223 | 16,556 | -120,667 | -87.9% |
| 9 | Uzbekistan | 12,315 | 13,713 | 1,398 | 11.4% |
| 10 | Belarus | 62,710 | 12,361 | -50,349 | -80.3% |

Source: The Ministry of Internal Affairs of Georgia



Source: The Ministry of Internal Affairs of Georgia



Source: The Ministry of Internal Affairs of Georgia

Tourism - an Important Sector of the Economy

Global tourism suffered its worst year on record in 2020, with international tourist arrivals dropping by 74% according to the World Tourism Organization (UNWTO). Due to the unprecedented fall in demand and widespread travel restrictions, tourism reverted back to the 1990 levels, and worldwide destinations welcomed 1 billion fewer international tourist arrivals in 2020 than the previous year. As a comparison, there was a 4% decline during the 2009 global economic crisis. The recent collapse in international travel represents an estimated loss of 1.3 trillion USD in export revenue – more than 11 times the loss recorded during the 2009 economic crisis. This plunge in international tourism further resulted in an estimated economic loss of over 2 trillion dollars in global GDP. The crisis has also placed between 100 and 120 million direct tourism jobs at risk, many of which are from small and medium-sized enterprises.

Tourism - an Invisible Export

The expenditures of foreign guests in Georgia have a huge effect on the national balance of payments. On the asset side, the balance of payments denotes Georgia's income from foreign visitors; on the liabilities side, it shows the expenditure of Georgian residents while abroad. In 2020, the foreign exchange income from international travel to Georgia amounted to 542 million USD, which is 83.4% lower than in 2019. The foreign exchange expenditure of Georgian residents abroad amounted to 180 million USD; this indicator fell by 72.5% compared to 2019. In 2020, the balance of international travel equated to 361 million USD, a 86.2% decrease over 2019. This decline resulted in a significantly reduced share of tourism, from 71% to 23%, in Georgia's service export revenues. In 2020, the foreign card operations of international travelers amounted to 1.1 billion GEL, a decrease of 58.9% in comparison to 2019.

Gross Value Added of Tourism Industries

Between 2019 and 2020, due to decreased demand caused by Covid-19, the total value added in the tourism sector declined by 29.8% and reached 2.55 bil-

lion GEL. As a result, the gross value added of tourism industries as a proportion of GDP decreased from 8.4% to 5.9%. In 2020, the value added in the tourism industry was mainly driven by transport (47%), accommodation (30%), food and beverage services (21%), and travel companies (1%).

The pandemic, and subsequent regulations, had a significant effect on economic indicators, particularly: **International travel receipts leveled with the amount registered in 2010.** International travel receipts totaled 542 million dollars, 2.7 billion dollars less compared to the previous year. The largest share of income flow was registered in the first quarter of 2020, before the first case of Covid-19 in Georgia.

Among tourism industries, the largest losses in gross value added were registered in accommodation, travel agencies, and food and beverage services. The 1.1 billion GEL decrease was mostly attributed to losses in the following tourism-related industries: accommodation -50.4%, travel agencies -82.9%, and food and beverage service -17.5%.

The Main Indicators

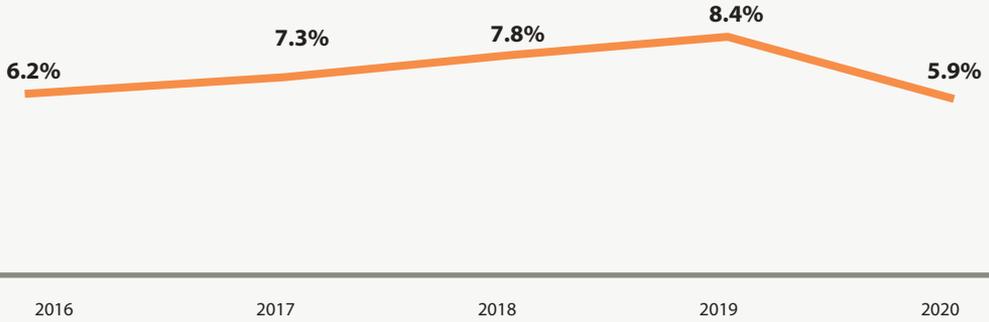
- Share of tourism in GDP
- Share of tourism in total output
- Foreign currency income from international travel
- Foreign currency expenses for foreign travel
- Balance of international travel
- Foreign card operations of international travelers

More detailed information about the contribution of tourism to the economy can be found on the National Statistics Office website – www.geostat.ge, the National Bank of Georgia website – www.nbg.ge, and the Georgian National Tourism Administration website www.gnta.ge.

Economic Indicators (XSL): <https://bit.ly/3D4pfHU>



Share of Tourism in GDP



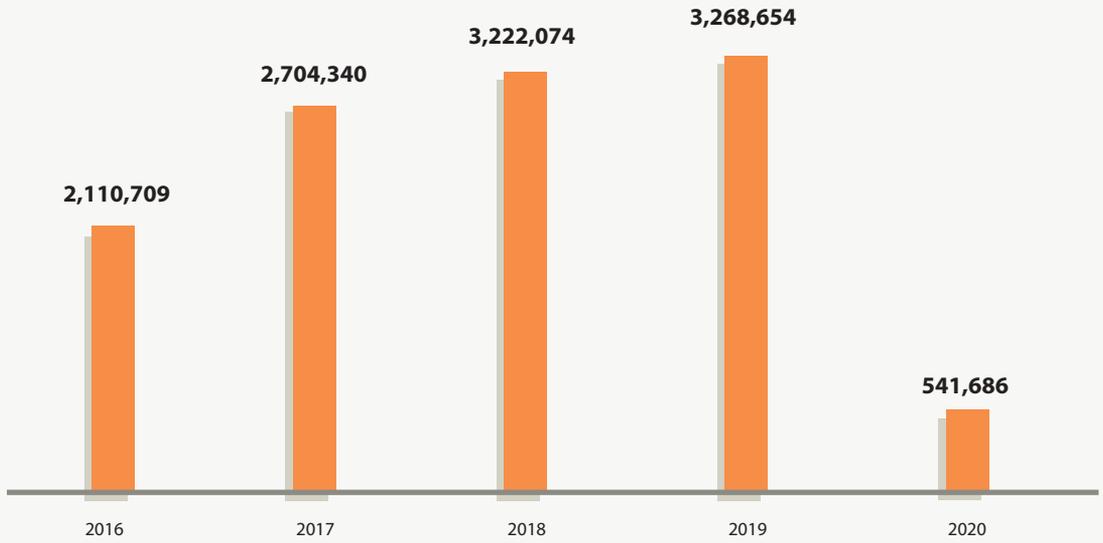
Source: National Statistics Office of Georgia

Tourism Value Added 2017-2020 (Thousands of GEL)

| | 2017 | 2018 | 2019 | 2020 | Change % 2019-2020 |
|----------------------------|-----------|-----------|-----------|-----------|-----------------------|
| Total | 2,597,493 | 3,015,937 | 3,629,700 | 2,547,504 | -29.8% |
| Including | ↓ | ↓ | ↓ | ↓ | ↓ |
| Accommodation Units | 861,031 | 1,185,401 | 1,559,500 | 773,658 | -50.4% |
| Food Establishments | 576,437 | 614,601 | 663,500 | 547,211 | -17.5% |
| Transport | 1,050,362 | 1,095,931 | 1,252,300 | 1,200,273 | -4.2% |
| Travel Companies | 109,662 | 120,004 | 154,400 | 26,362 | -82.9% |

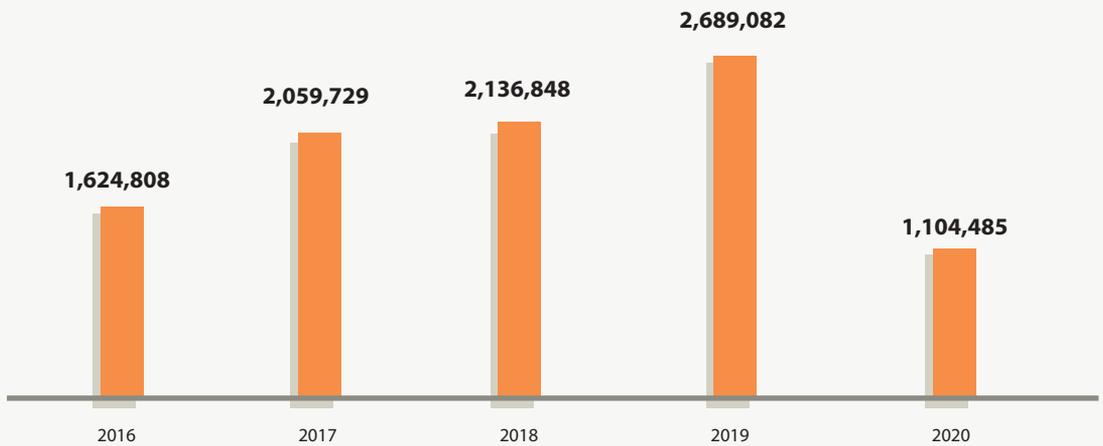
Source: National Statistics Office of Georgia

International Tourism Receipts (Thousands of USD)



Source: National Bank of Georgia

Foreign Card Operations of International Travelers (Thousands of GEL)

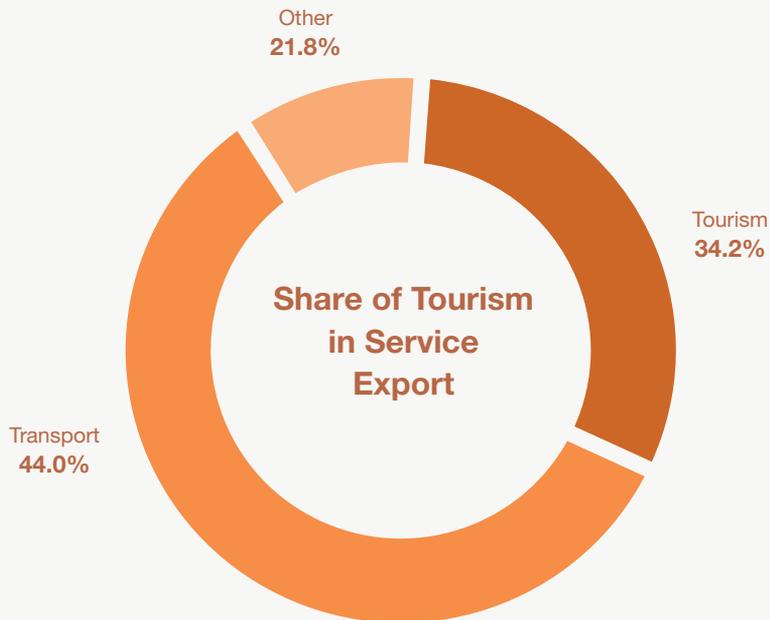


Source: National Bank of Georgia

Foreign Currency Revenues from Incoming Tourism 2017 – 2020 (Thousands of USD)

| | 2017 | 2018 | 2019 | 2020 | Change % 2019-2020 |
|------------------|-----------|-----------|-----------|---------|-----------------------|
| Total | 2,704,340 | 3,222,074 | 3,268,654 | 541,686 | -83.4% |
| Including | ↓ | ↓ | ↓ | ↓ | ↓ |
| I Q | 425,673 | 550,730 | 578,442 | 427,699 | -26.1% |
| II Q | 629,854 | 809,969 | 877,626 | 28,842 | -96.7% |
| III Q | 1,078,274 | 1,210,561 | 1,126,771 | 42,534 | -96.2% |
| IV Q | 570,538 | 650,814 | 685,814 | 42,611 | -93.8% |

Source: National Bank of Georgia



Source: National Bank of Georgia

Travel Behavior of Domestic Visitors

In 2020, the number of domestic trips within Georgia amounted to 12.5 million, which is 12.5% less compared to the previous year. The majority of trips were from Tbilisi (36.8%), and most visits were to large cities. The pandemic had a mixed effect on domestic tourism, where on the one hand the closed border contributed to an increased number of domestic trips (due to the outbound tourism substitution effect), while on the other hand internal regulations had a negative effect. The latter proved to be the stronger. In general, the pandemic had a minor effect on the travel characteristics of domestic visitors.

Duration and Purpose of Travel

The average visitor trip length was two nights, which varied by place of residence. Visitors from Tbilisi tended to stay for longer periods (3.2 nights on average), while other visitors spent one or two nights, on average, away from their usual environment.

The majority of domestic trips (45.9%) were carried out by local residents visiting friends or relatives. While visiting second homes was the main reason for 15.8% of travelers, and 14.4% traveled for shopping. Other frequently observed purposes were: health and medical care (8.6%), leisure and recreation 7.7%, and business and professional purposes (3.9%)

Travel Destinations

Around 22.7% of total domestic trips were made to the capital, followed by 8.1% to Batumi and 6.2% to Kutaisi. The other destinations included: Rustavi (3.1%), Mtskheta (2.1%), Kashuri (1.8%), Gori (1.5%), and Zugdidi (1.4%). From a regional perspective, the most popular locations were Imereti (17.3%), Ajara (11.9%), and Kakheti (8.7%).

Accommodation

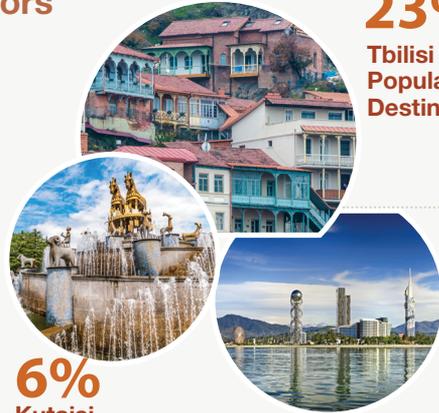
During this period, the total number of overnight stays was 27.3 million; including 46.5% of domestic travelers who stayed in the private homes of friends and relatives. This is partially due to the dominant influence of the "visiting friends and relatives" segment. A considerable number of domestic visitors, 41.6%, stayed in their own homes, while 3.2% used hotels.

Expenditure

The total expenditure from domestic visitors during the estimation period was 1.7 billion GEL, while the average expenditure per visit was 141.6 GEL. The largest share of visitors' expenditure, 36.6%, was registered for shopping.

23%

Tbilisi - Most Popular Destination



8%
Batumi

6%
Kutaisi

Basic Information

The National Statistics Office of Georgia conducted this research to determine the structure of domestic visits within Georgia.

Methodology

The results of this report are based on in-person, face-to-face interviews with respondents living in households throughout the territory of Georgia. The survey was designed to collect information from a representative sample of the resident population, aged 15 and above, who had travel experience within the country over the last month.

In line with UNWTO Recommendations on Tourism Statistics, domestic tourism refers to trips of residents within Georgia to a location outside of their usual environment.

In the context of tourism statistics, two simultaneous methods are used for the classification of a domestic visit: location and frequency. The location method takes into consideration the municipal structure of the country. For defining the usual environment, it is crucial whether the domestic traveler made a visit out of their municipality. The second criterion defines the specific frequency of visits that are considered regular. If a Georgian domestic traveler visits another municipality less than once every two weeks, it is not considered regular and is therefore classified as a domestic visit.

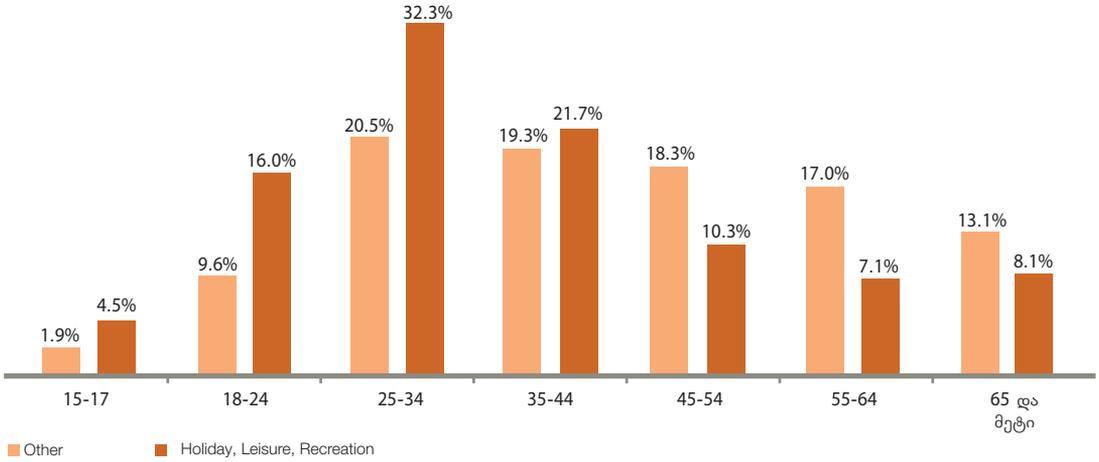
The Main Indicators

The main published indicators include: place of permanent residence, purpose of visit and frequency, length of stay, places visited, accommodation, source of information, means of transport, satisfaction level, and expenditure.

Further, more detailed information can be found at www.gnta.ge and www.geostat.ge.
Domestic Trip Characteristics (XSL):
<https://bit.ly/3q6JWz>

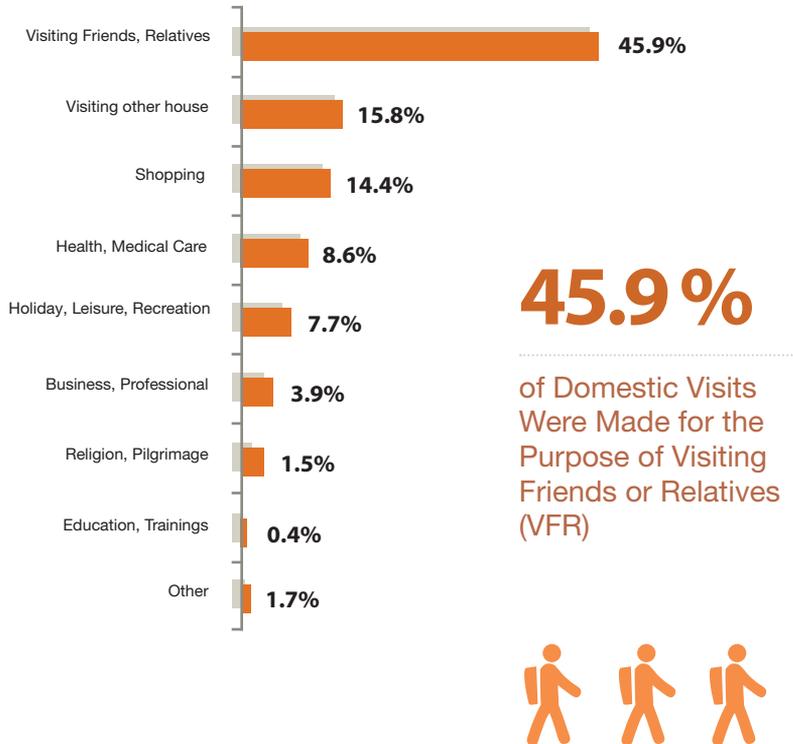
Report on Domestic Trip Characteristics (PDF):
<https://bit.ly/3lb3mdY>

Age Groups



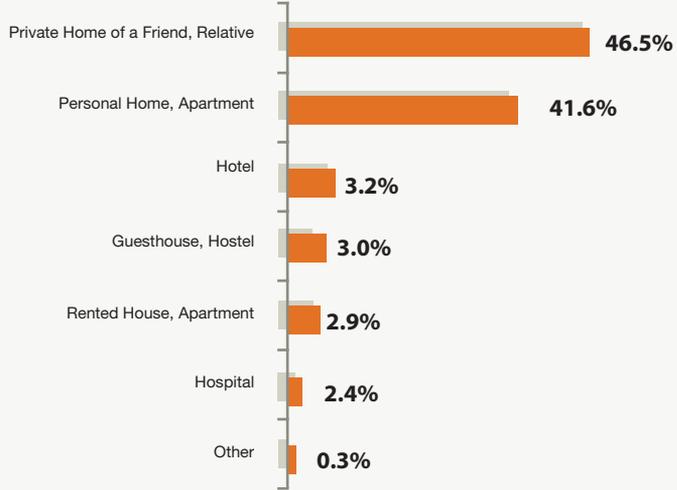
Source: The Ministry of Internal Affairs of Georgia

Main Purpose of Trip



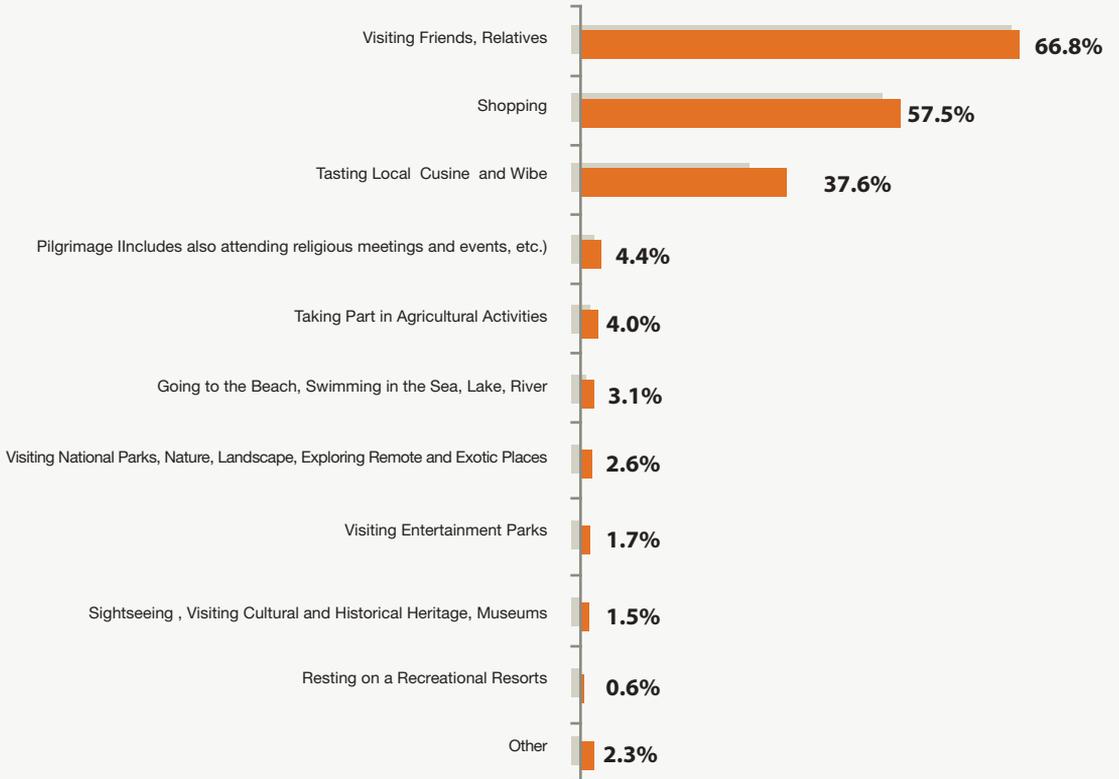
Source: The Ministry of Internal Affairs of Georgia

Nights Spent



Source: The Ministry of Internal Affairs of Georgia

Popular Tourism Activities



Source: The Ministry of Internal Affairs of Georgia

Expenditure Structure

| Components | Total Expenditure GEL (x1000) | Share of Total Expenditure |
|-------------------------------------|-------------------------------|----------------------------|
| Shopping | 646,388 | 36.6% |
| Served Food and Drinks | 427,107 | 24.2% |
| Local Transport | 329,425 | 18.7% |
| Accommodation | 83,773 | 4.7% |
| Cultural and Entertainment Services | 15,500 | 0.9% |
| Other Expenditures | 263,576 | 14.9% |

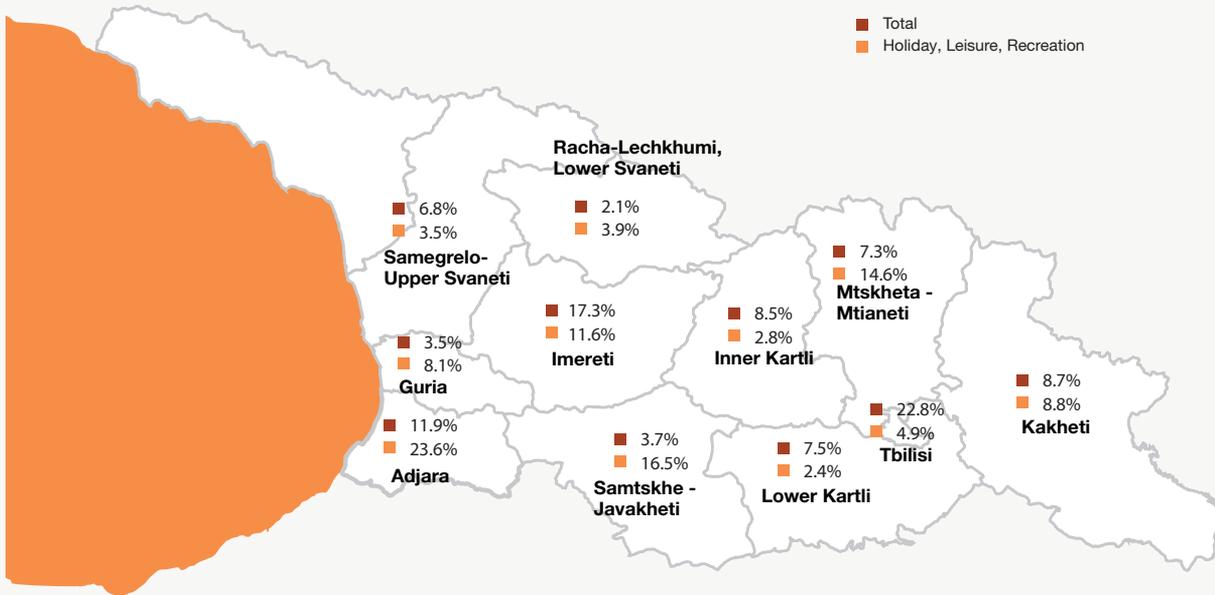
Source: The Ministry of Internal Affairs of Georgia

Average Length of Stay

| Region | Average Overnights |
|----------------------------------|--------------------|
| Tbilisi | 1.5 |
| Ajara | 2.1 |
| Guria | 3.8 |
| Imereti | 2.1 |
| Kakheti | 2.8 |
| Mtskheta - Mtianeti | 1.5 |
| Racha - Lechkhumi, Lower Svaneti | 6.8 |
| Samegrelo - Upper Svaneti | 2.8 |
| Samtskhe - Javakheti | 3.7 |
| Lower Kartli | 1.7 |
| Inner Kartli | 1.7 |

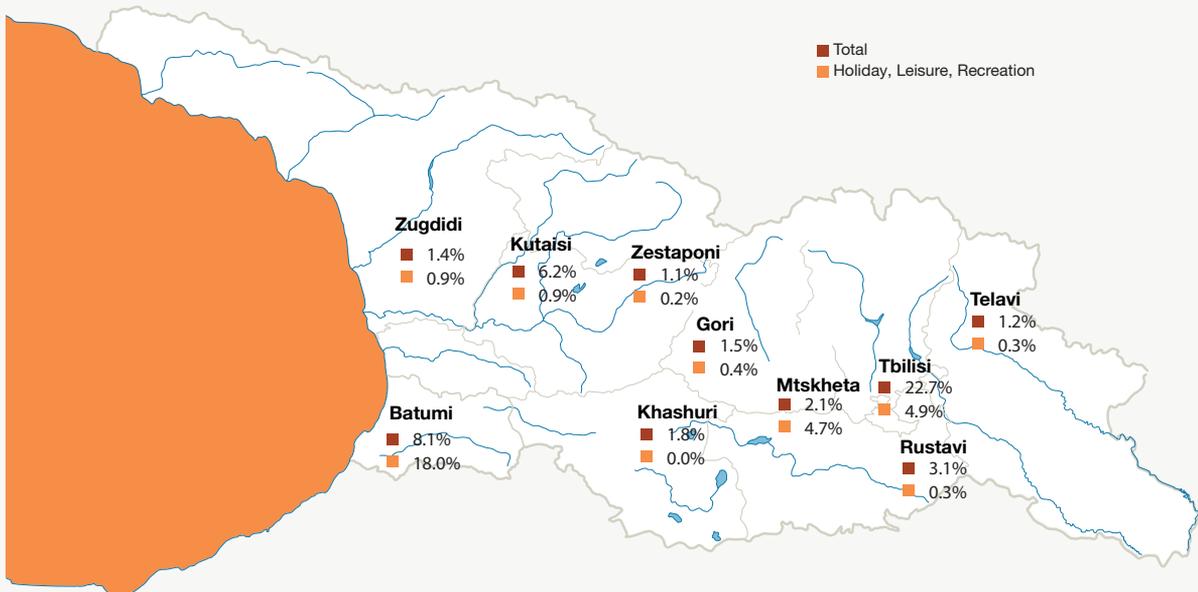
Source: The Ministry of Internal Affairs of Georgia

Most Visited Regions



Source: The Ministry of Internal Affairs of Georgia

Most Visited Destinations



Source: The Ministry of Internal Affairs of Georgia

The Aviation Market

Due to the outbreak of the Covid pandemic, 2020 was an unprecedentedly restrictive year, and challenging for the aviation industry, leaving a vast impact on flight and passenger numbers.

Since March 2020, restrictions on scheduled air travel were imposed, and from April 2020 until the end of the year repatriation flights were mostly performed. To maintain strategic air transportation during the April-December period, a limited number of scheduled flights were operated by Georgian Airways, Lufthansa, Air Baltic, and Air France, and from November Qatar Airways also resumed certain scheduled flights.

Considering the abovementioned factors, total passenger traffic for all Georgian international airports was only 829,840, which equates to the passenger numbers for the year of 2008.

According to the Georgian Civil Aviation agency, by the number of carried passengers, Wizz Air Hungary is the largest airline operating on the Georgian aviation market. In 2020, Wizz Air carried 172,012 passengers, that is 23.1% of total passenger traffic. Turkish Airlines was the second largest airline with 86,562 passengers (11.6%), followed by Georgian Airways – 43,106 passengers (5.8%); Belavia – 39,858 (5.4%); Pegasus Airlines – 36,050 (4.9%); Sky-up Airlines – 34,383 (4.6%); Fly Dubai – 32,232 (4.3%); Lufthansa – 26,197 (3.5%); and Air Arabia – 26,073 (3.5%).

In light of the Covid pandemic, after various research it became clear that, due to the state-of-the-art filtration and ventilation systems in modern aircraft, air travel is the safest means of transportation, with the least risk of spreading the virus. Consequently, air travel became one of the only options for foreign citizens entering Georgia during the pandemic lockdown.

Basic Information

Currently three international and two domestic airports operate in Georgia, all of which fully comply with International Civil Aviation Organization standards. There is an ongoing study into old, inactive airports to evaluate prospects for future exploitation. As such, the number of airports in Georgia is expected to grow in the future.

Tbilisi and Batumi International Airports are run by the Turkish TAV Airports Holding Company. They started operations in February and May 2007, respectively. Mestia's Queen Tamar Airport officially opened in 2011, while the construction of Kutaisi's King David the Builder International Airport was completed in September 2012. In 2017, an additional domestic airport was constructed in Ambrolauri.

The annual capacities of Tbilisi and Batumi International Airports are 6.1 million and 600,000 passengers, respectively. Other airports hold the following capacity: Kutaisi International Airport, 600,000; Ambrolauri, 50,000; and Mestia, 50,000 passengers/year.

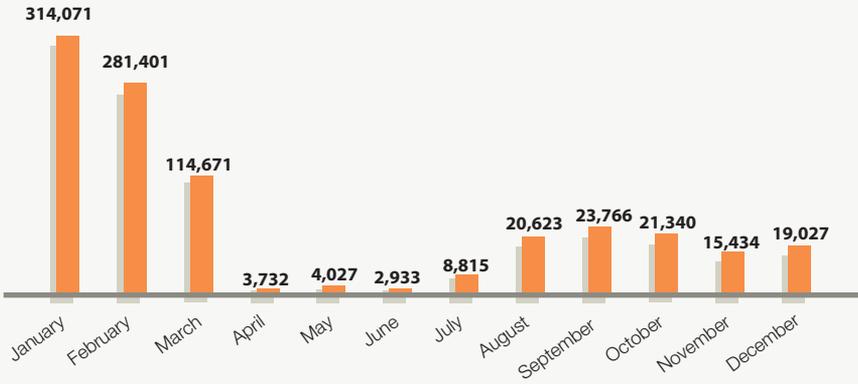
Following airports included:

Tbilisi International Airport, Kutaisi David the Builder International Airport, Batumi International Airport, Mestia Queen Tamar Airport, and Ambrolauri Airport.


-70.7%
7,134
Flights

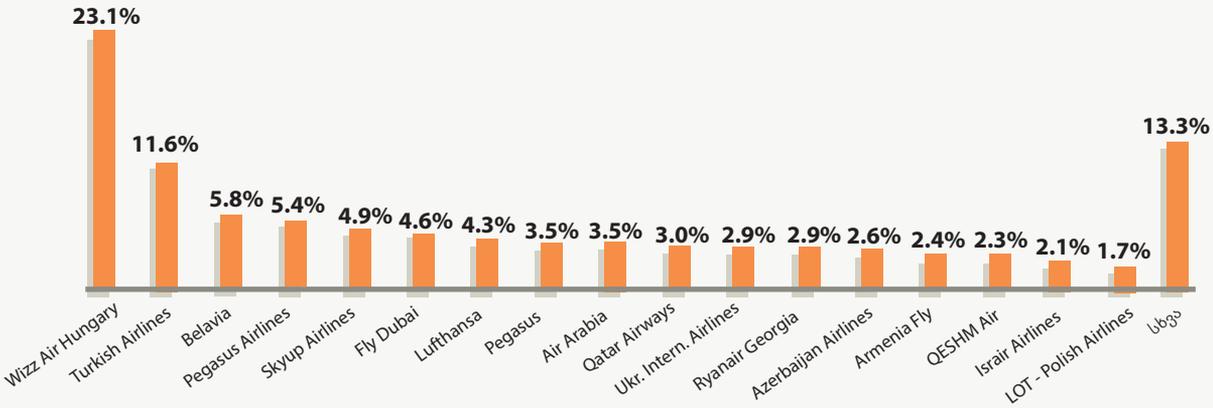

-84%
829,840
Passengers

Passenger Distribution by Months

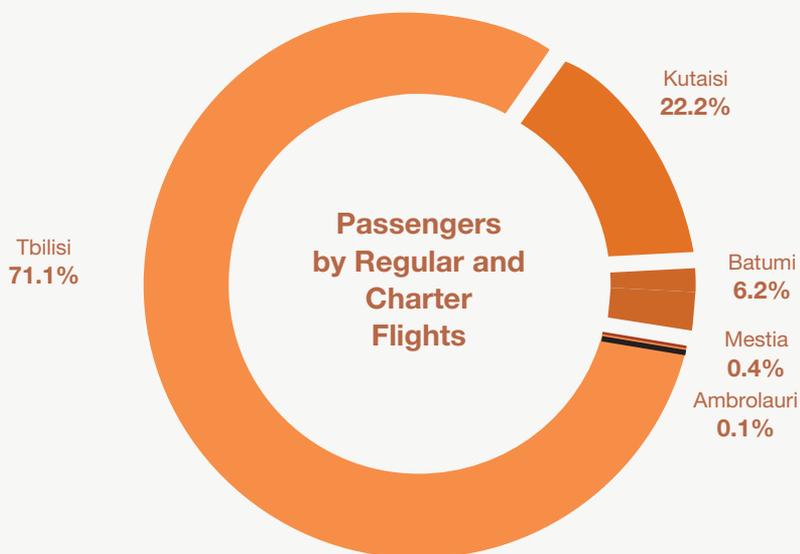


Source: Georgian Civil Aviation Agency

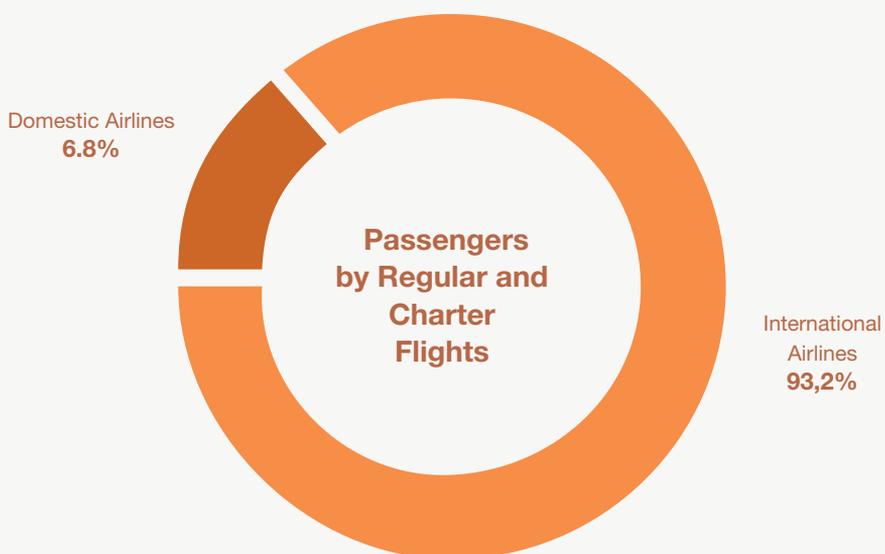
Share of Airlines



Source: Georgian Civil Aviation Agency

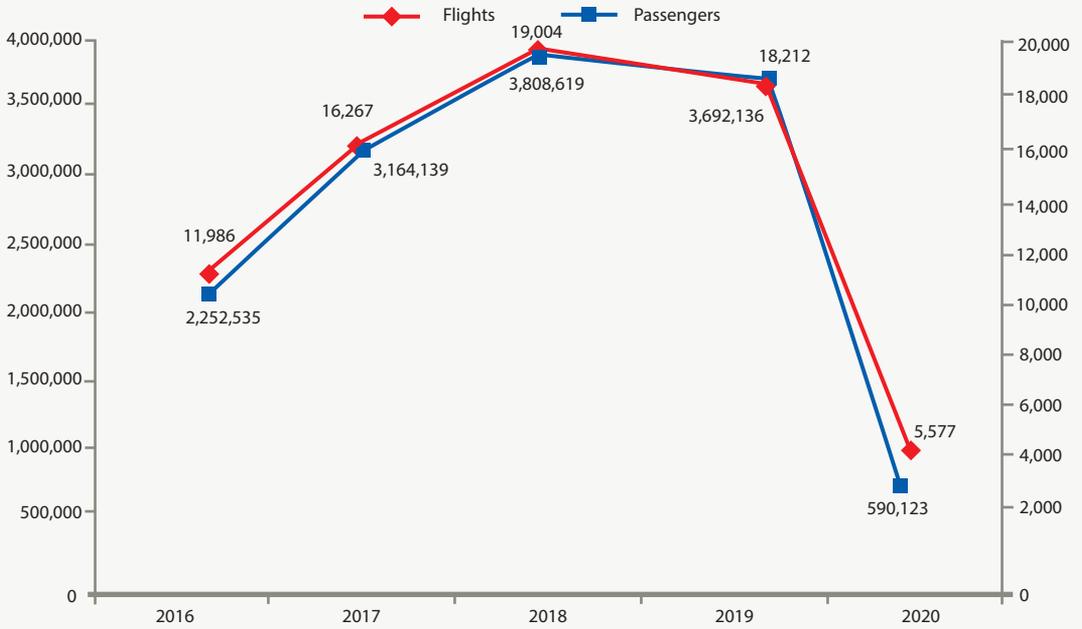


Source: Georgian Civil Aviation Agency



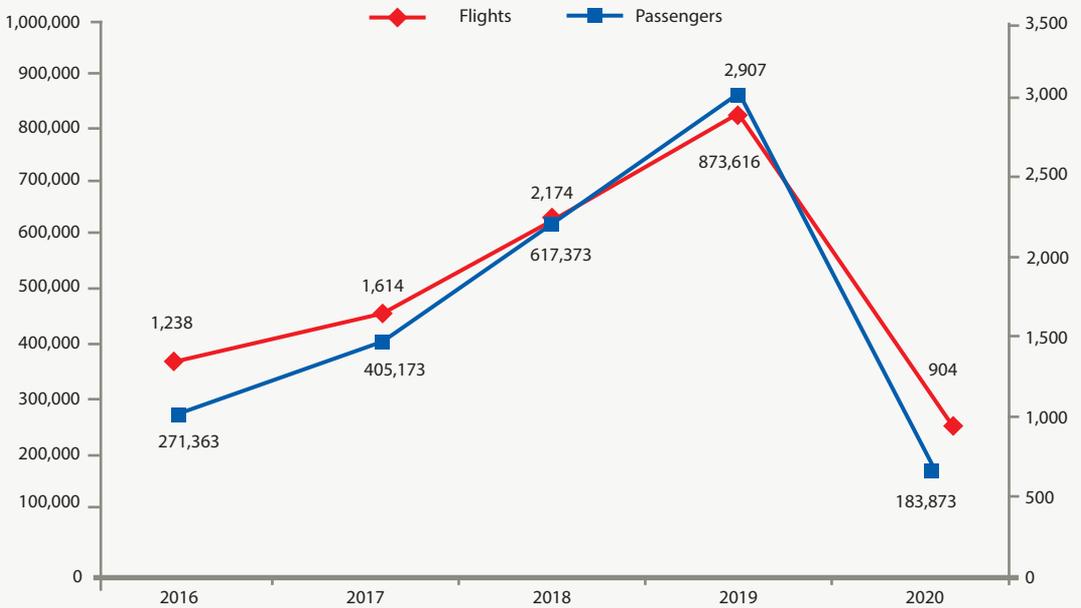
Source: Georgian Civil Aviation Agency

Tbilisi International Airport: Passengers and Flights



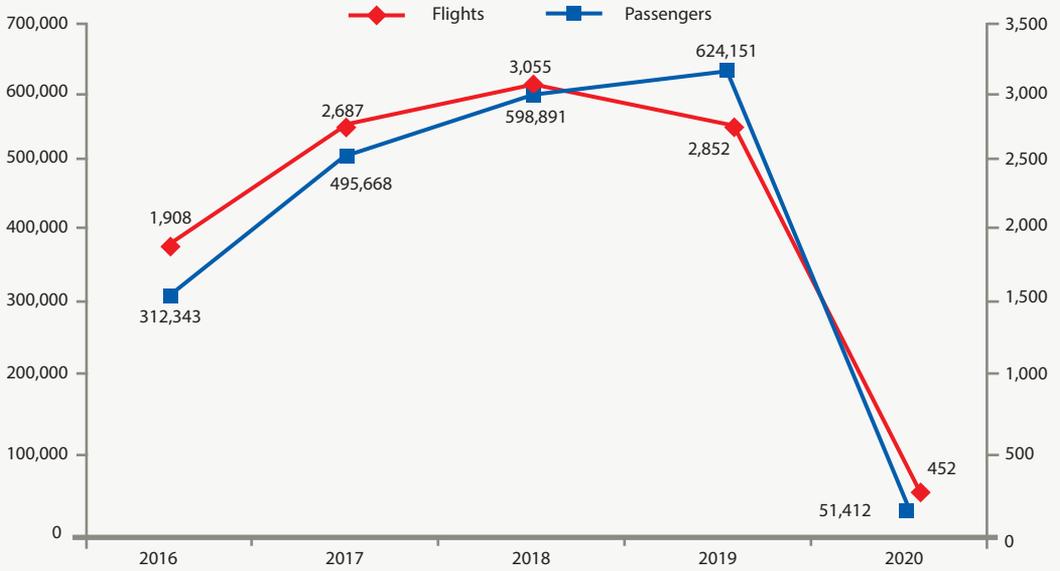
Source: Georgian Civil Aviation Agency

Kutaisi International Airport: Passengers and Flight



Source: Georgian Civil Aviation Agency

Batumi International Airport: Passengers and Flight



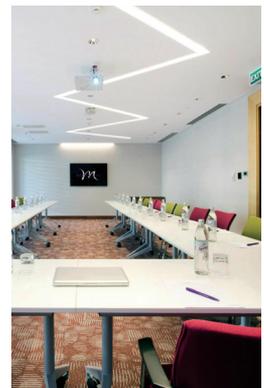
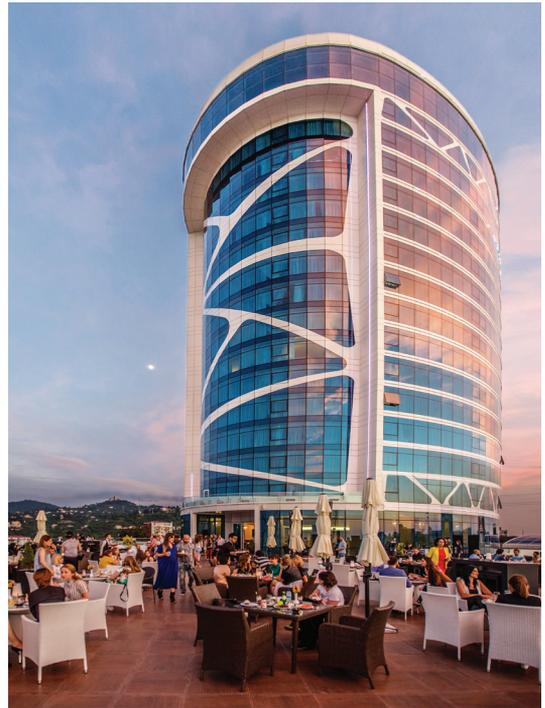
Source: Georgian Civil Aviation Agency



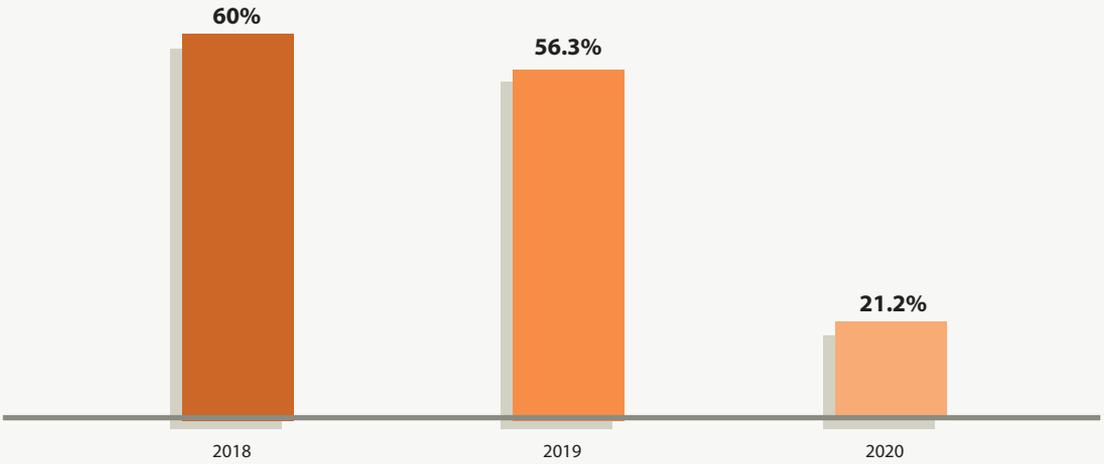
Accommodation Market

STR Global estimates that the occupancy rate in Georgian hotels equaled 21.2%; a decrease of 62.3% compared to the previous year.

The highest occupancy rates were registered in January (35.5%), February (34.4%), and August (32.5%), while the lowest were in June (8.8%), March (12%), and November (13.2%). The highest occupancy rate among cities was recorded in the "other Georgia" category (32.4%), followed by Batumi (26.9%) and Tbilisi (16.3%).



Occupancy Rate in Brand Hotels



Source: STR Global

The occupancy rate is calculated based on the data of the following hotels:

Crowne Plaza Borjomi, Divan Suites Batumi, Golden Tulip Borjomi, JRW Welmond Hotel Spa Casino, Ambassadors Tbilisi Hotel, Citadines City Centre Tbilisi, Courtyard Tbilisi, Ibis Styles Tbilisi Center, Mercure Tbilisi Old Town, Hotel Citrus, Marriott Tbilisi Hotel, Millennium The Biltmore Tbilisi, Radisson Blu Iveria Hotel Tbilisi, ROOMS HOTEL Tbilisi, The Shota Hotel, The Shota Hotel, ibis Tbilisi Stadium, Cron Palace Hotel Tbilisi, Ramada Encore Tbilisi, Ameri Plaza, Best Western Tbilisi Art Hotel, Holiday Inn Tbilisi, Best Western Tbilisi City Center, Hotel Hotels & Preference Hualing Tbilisi, Wyndham Batumi, Holiday Inn Telavi, Radisson Collection Hotel Tsinandali Estate Georgia, Paragraph Resort & Spa Shekvetili Autograph Collection, Rooms Hotel Kazbegi, Radisson Blu Hotel Batumi, Sheraton Hotel Batumi, The Grand Gloria Hotel, Batumi Hotel, Hilton Batumi, Hotel Boulevard Batumi, Georgia Palace Hotel & Spa, Golden Tulip Borjomi, MOXY Tbilisi, Iota Hotel Tbilisi, Sheraton Grand Tbilisi Metechi Palace, Sole Palace, Tiflis Palace, Wyndham Grand Tbilisi, Radius Hotel Tbilisi.

Protected Areas

The number of visitors registered in protected areas reached 240,268 in 2020. Compared to the previous year this showed a decline of 80%. The number of foreign visitors in such protected areas was 26,432, representing a fall of 97.5% in comparison to the previous year. The majority of international visitors were Russian (18.7%), German (10.3%), Israeli (8%), Polish (6.7%), and Latvian (6.1%).

Of these protected areas, Tbilisi National Park (61,890; 25.8%), Kazbegi National Park (28,515; 11.9%), and Martvili Canyon (21,489; 8.9%) held the greatest visitor numbers. While the largest number of foreigners visited Prometheus Cave (7,090; 26.8%), Martvili Canyon (3,401; 12.9%), and Kazbegi National Park (3,390; 12.8%).

The overall decrease in visitor numbers translated into less income from tourism services in protected areas, amounting to 899,076 GEL; a decrease of 90.4% over the previous year. When calculated by income, Prometheus Cave was the leader at 290,589 GEL, followed by Martvili Canyon (255,644 GEL), Sataplia (98,569 GEL), and Okatse Canyon (91,756 GEL).

The pandemic, and subsequent regulations, had a significant effect on protected areas, including:

The share of foreign visitors in protected areas decreased from 51% to 11%. The decrease in foreign visitors equaled 95.7%, while the number of Georgian visitors fell by 63.6%. As a result, from total visitor numbers the share of foreigners in protected areas shrank significantly.

The number of Russian visitors decreased the most among foreigners. Russian visitors showed the greatest decline, amounting to -120,345, followed by Israel -72,402, and Poland -46,646.

Martvili Canyon, Kazbegi National Park, and Prometheus Cave were the most affected by the reduced number of visitors. The decrease in the total number of visitors to Martvili Canyon amounted to -168,405, Kazbegi National Park to -166,713, and Prometheus Cave to -164,919. The largest reduction in international visitors was registered in the following protected areas: Prometheus Cave (-135,756), Martvili Canyon (-124,630), and Kazbegi National Park (-76,500). While the largest decrease in Georgian visitors was found at Kazbegi National Park (-90,213), Martvili Canyon (-43,775), and the Lagodekhi protected areas (-39,081).

The largest losses in income were registered at Prometheus Cave, Martvili Canyon, and Okatse Canyon. The total loss of income from protected areas equaled -8,464,371 GEL in 2020; out of which -3,447,437 was registered at Prometheus Cave (a 41% contribution to the loss), followed by Martvili Canyon at -2,665,656 (a 31% contribution), and Okatse Canyon at -1,060,755 (a 13% contribution).

Basic Information

Protected areas are designated to protect and recover important national heritage, unique, rare, and typical ecosystems, plants and animal species, natural creations, and cultural resources. These areas can be used for scientific, educational, and recreational purposes.

The main function of protected areas is to safeguard Georgia's natural heritage. Additionally, they have other functions, one of which is to contribute to the development of ecotourism. Over time, it has become clear in Georgian society that protected areas are not banned territories, rather they can also be used for touristic purposes.

There are 86 different protected areas in Georgia: 14 Strict Nature Reserves, 12 National Parks, 40 Natural Monuments, 20 Managed Natural Reserves, and one Protected Landscape. The total size of all protected areas is 665,664 ha, which comprises 9.56% of the total territory of the country.

The Agency of Protected Areas is the organization responsible for the development of protected areas. Its main function is the management of Strict Nature Reserves, National Parks, Natural Monuments, Managed Nature Reserves, and Protected Landscapes.

Methodology

Visitors fill in registration forms at visitor centers (including age, gender, nationality, etc.). This data is thereafter collected by territorial administrations and the Agency of Protected Areas.

There are five categories of protected area in Georgia:

Strict Nature Reserves - designed mainly for science or wilderness protection; where tourist activities are not allowed.

National Parks - created mainly for the conservation of ecosystems, education, and ecotourism development.

Natural Monuments - promoted mainly for the conservation of specific natural features (the protection of all small-size territories).

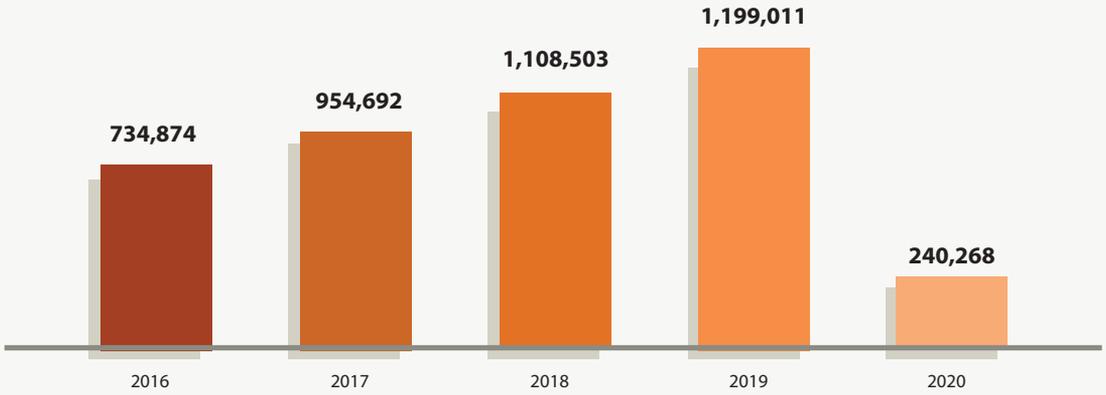
Managed Natural Reserves - dedicated mainly to conservation through management intervention.

Protected Landscapes - managed primarily for landscape/seascape protection and recreation.

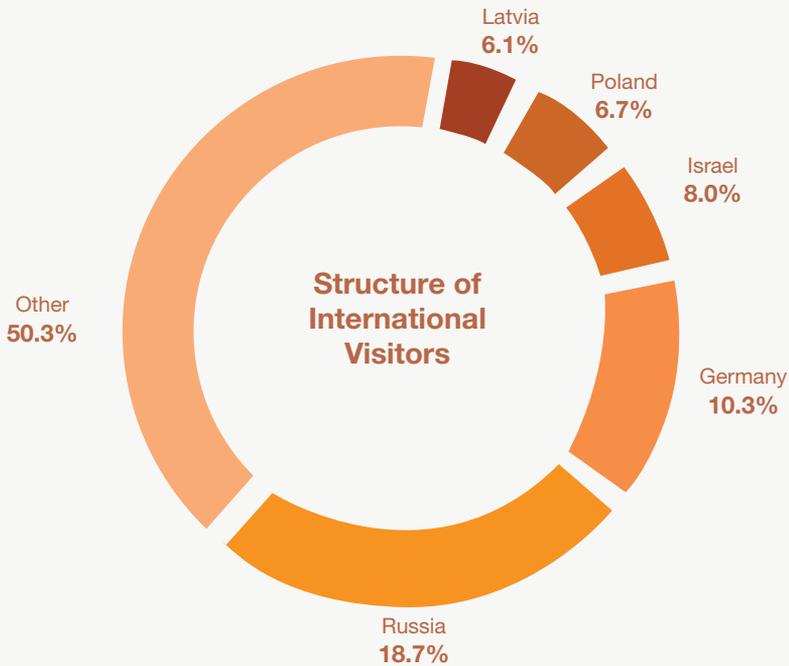
More detailed information is available from: www.apa.gov.ge

Statistics of Protected Areas (XSL): <https://bit.ly/3FSiTxc>

Visitors of Protected Areas by Year



Source: Agency of Protected Areas



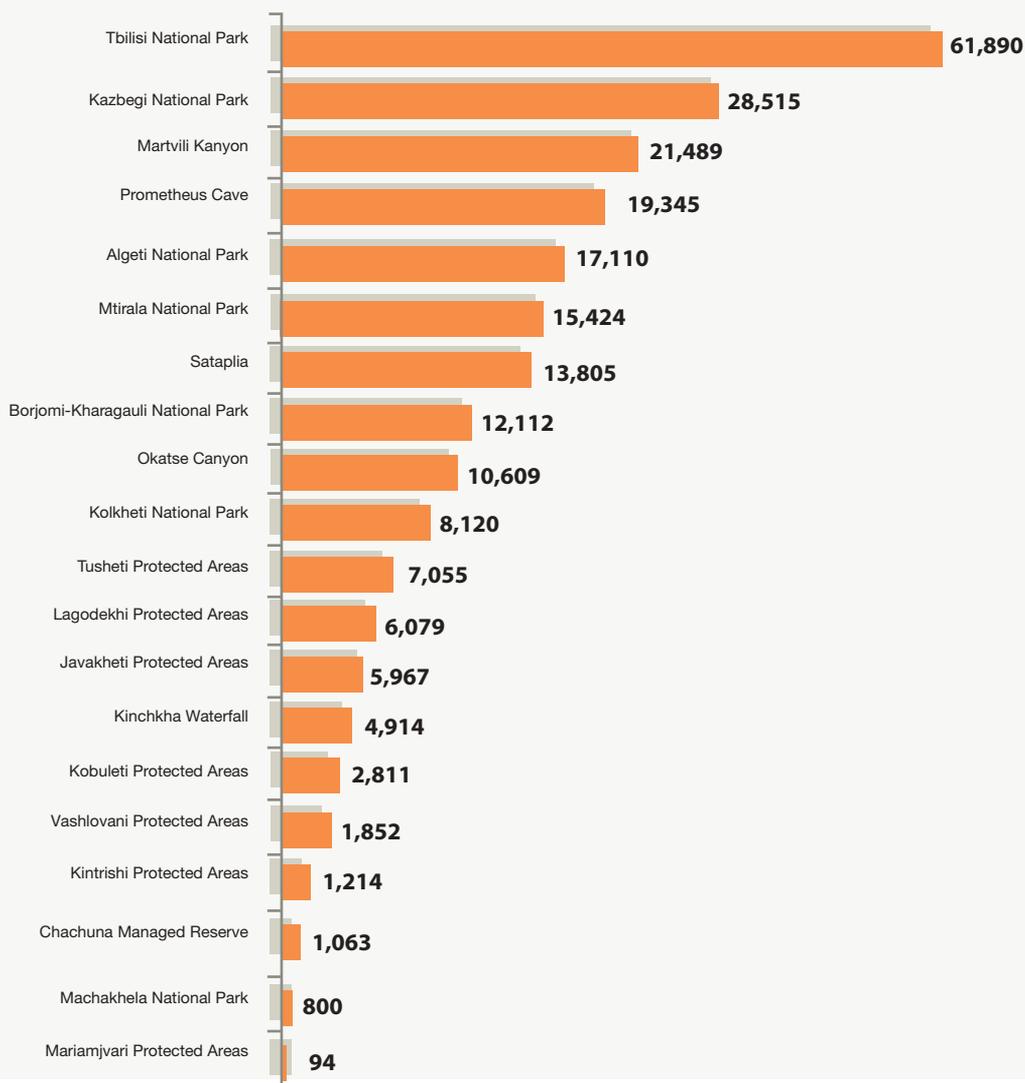
Source: Agency of Protected Areas

Visitors of Protected Areas by Nationalities

| | 2017 | 2018 | 2019 | 2020 | Change % 2019-2020 |
|-------------------|---------|-----------|-----------|---------|-----------------------|
| Total | 954,692 | 1,108,503 | 1,199,011 | 240,268 | -80% |
| Foreigners | 412,529 | 529,023 | 611,989 | 26,432 | -95.7% |
| Georgians | 542,163 | 579,480 | 587,022 | 213,836 | -63.6% |

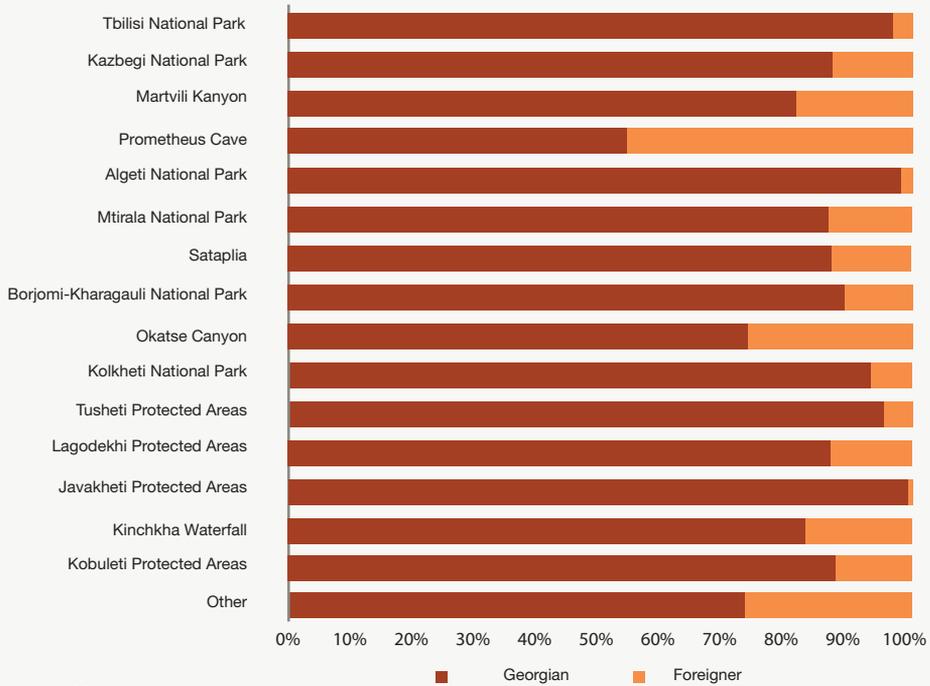
Source: Agency of Protected Areas

Visitors by Protected Areas



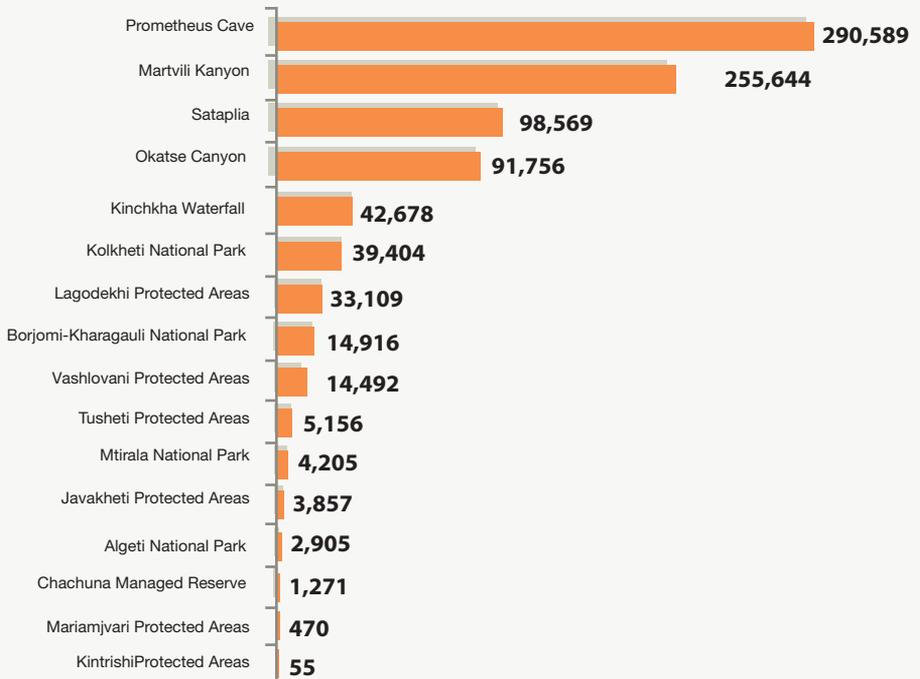
Source: Agency of Protected Areas

Georgian and Foreign Visitors in Protected Areas



Source: Agency of Protected Areas

Revenues by Protected Areas (GEL)



Source: Agency of Protected Areas



Definitions

Agent - A person or company that sells the product on the owner's behalf, including ITOS, wholesalers retail agents.

Business Tourism - Incorporates visitors travelling for conventions, conferences, seminars, workshops, symposiums, incentives, exhibitions and special events.

Business Visitor - A business visitor is a visitor whose main purpose for a tourism trip corresponds to the business and professional category of purpose.

Commission - The fee paid agents for them to market, distribute and sell the product.

Country of Residence - The country of residence of a household is determined according to the center of predominant economic interest of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/ her center of economic interest (for example, where the predominant amount of time is spent), he/she is considered as a resident of this country.

Destination - A destination is a geographical area consisting of all the services and infrastructure necessary for the stay of a specific tourist or tourism segment.

Distribution - The channels or places through which a consumer may purchase the product.

Domestic Tourism - Domestic tourism comprises the activities of residents of a given country travelling to and staying in places inside their residential country, but outside their usual environment for not more than 12 consecutive months for leisure, business or other purposes.

Fully Independent Travelers (FIT)- Travelers who plan their own travel arrangements. There are a number of types of FIT including visiting friends and relatives, backpacking and partially packaged travel.

Inbound Tour Operator (ITO) - Country based agent that specializes in developing programs and itineraries for distributors, also known as ground operators and destination management companies (DMC).

Inbound Tourism - International tourist traffic coming into a country. Also referred to as export tourism.

Incentive Travel - Incentive travel is a trip offered as a prize or reward, for top performing employers or sales agents.

Industry - All businesses that are involved in tourism including distribution agents and product suppliers.

International Traveler - An international traveler is someone who moves between different geographic locations for any purpose and any duration. It excludes foreign citizens who are Georgian residents and includes Georgian citizens who are foreign residents.

International Tourism - International tourism comprises inbound tourism and outbound tourism, that is to say, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities of non- resident visitors within the country of reference on inbound tourism trips.

International Visitor - An international visitor is a traveler taking a trip to a main destination outside his/her usual environment, for less than a year, for any purpose (business, leisure or other personal purpose) other than to be employed by resident entity in the country or place visited.

Long Haul Travel - International travel to a destination, generally more than 5 hours from the point of origin, i.e. Australia is a long haul destination for travelers from Europe and America.

Meeting and Incentive Planners - Organize and manage all aspects of meetings, incentives and events.

National Tourism - National tourism comprises domestic tourism and outbound tourism, that is to say, the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips.

Online Distribution - Using the internet and web portals to distribute or promote the product to consumers.

Operator - The owner and/or manager of the tourism product.

Outbound Tourism - Residents travelling out of their country to an international destination.

Purpose of a Tourism Trip (main) - The main purpose of a tourism trip is defined as the purpose in the absence of which the trip would not have taken place.

Same Day Visitor - A visitor (domestic, inbound or outbound) is classified as a same-day visitor (or excursionist) if his/her trip does not include an overnight stay.

Short Haul Travel - International travel to a destination, generally less than 5 hours from the point of origin, i.e. Australia is a short haul destination for travelers from New Zealand.

Survey - An investigation about the characteristics of a given population by means of collecting data from a sample of that population and estimating their characteristics through the Sample: A subset of a frame where elements are selected based on a process with a known probability of selection.

Travel Distribution System - A global network of independent businesses which allow international consumers to research and book travel.

Tourism Expenditure - Tourism expenditure refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid or reimbursed by others.

Tourism Industries - The tourism industries comprise all establishments for which the principal activity is a tourism characteristic activity. Tourism industries (also referred to as tourism activities) are the activities that typically produce tourism characteristic products. The term tourism industries is equivalent to tourism characteristic activities and the two terms are sometimes used synonymously.

Tourism Sector - The tourism sector, as contemplated in the TSA, is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. Such industries are called tourism industries because visitor acquisition represents such a significant share of their production of these would case to exist in meaningful quantity.

Tourist - A visitor (domestic, inbound or outbound) is classified as a tourist (or overnight visitor) if his/ her trip includes an overnight stay, or as a same-day visitor (or excursionist) otherwise.

Usual Environment - The usual environment of an individual, a key concept in tourism, is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his /her regular life routines.

Usual Residence - The Place of usual residence is the geographical place where the enumerated person usually resides.

Visiting Friends and Relatives (VFR) - Visitors whose main purpose is to visit friends and relatives.



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www.gnta.ge/publications

Research and Planning Department



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Acknowledgments



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www.apfa.gov.ge



Agency of Protected Areas



Georgian Civil Aviation Agency

ISSET

International School of Economics at TSU
Policy Institute

ISET Policy Institute - ISET-PI

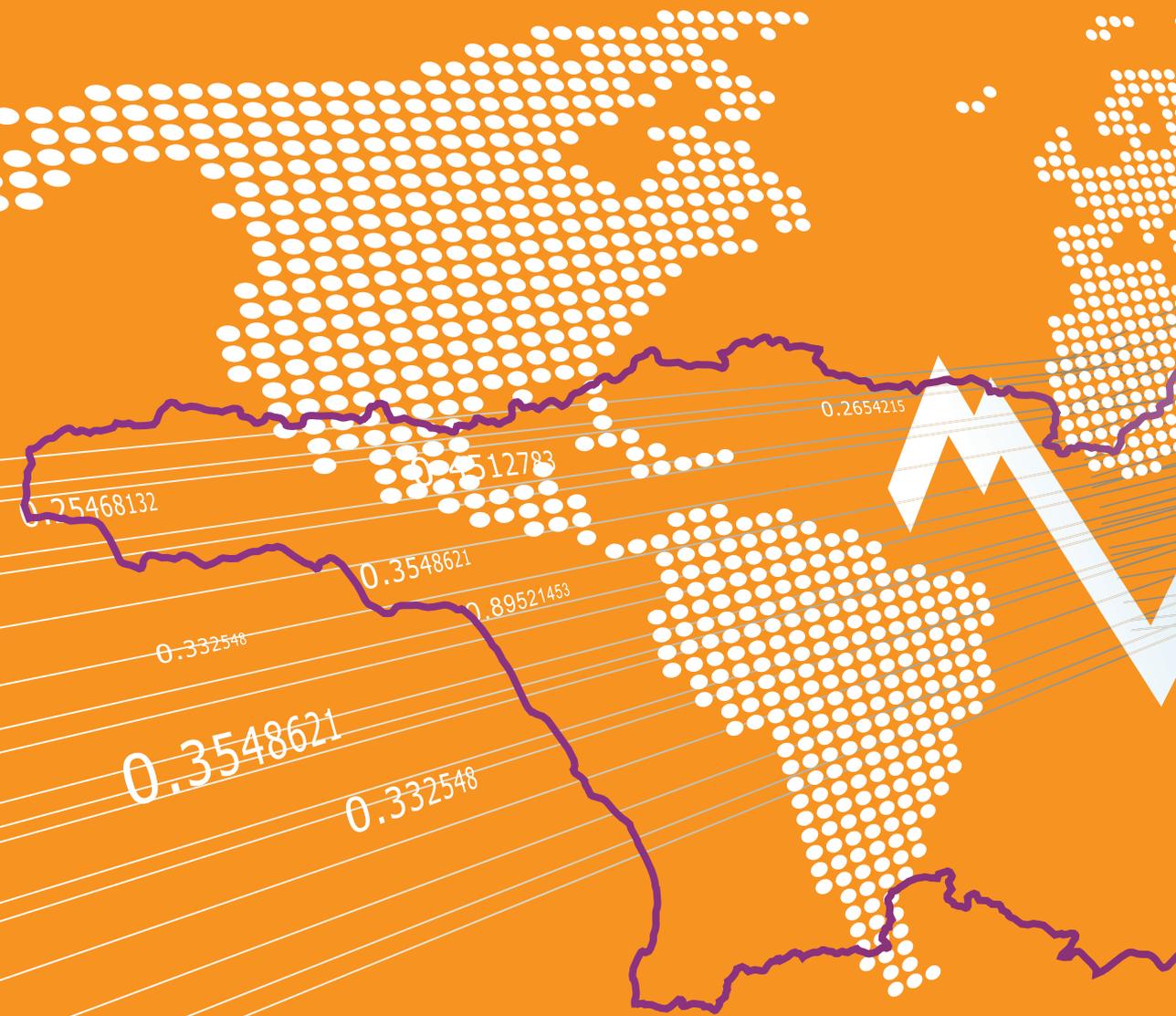


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