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Tourism Market Watch

4Q24/full 2024 review and
2025 outlook

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4Q24 highlights

Visitors

International visitors grew by 5.1% y/y to 1.4mn in 4Q24, with tourists, the primary segment, rising by 8.4% y/y, while same-day visitors down by 4.8% y/y. Tourist numbers fully recovered to 100.8% of 4Q19 level in 4Q24, bringing total 2024 tourist arrivals to 100.2% of 2019 level. Notably, the full-year tourist rebound was largely driven by 1Q24's (106.4% recovery) strong performance, as subsequent quarters were impacted by political instability, particularly affecting arrivals from high-spending markets such as the EU.

Visitor growth in 4Q24 was primarily fueled by strong arrivals from Israel and Russia, recording the growth of 136.1% y/y and 15.4% y/y, respectively, along with a notable rise from India & China (44.7% y/y). In contrast, visitor numbers from the EU declined by 3.5% y/y. The majority of visitors came from neighboring countries (60.9%), followed by the EU (6.4%), Israel (5.8%), India & China (4.2%) and Kazakhstan (2.3%).

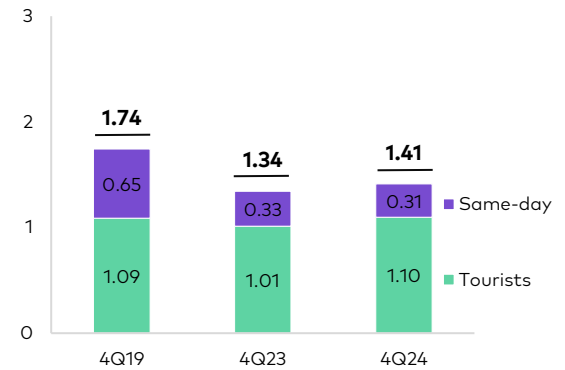
Revenues

Tourism revenues amounted to US\$ 963.7mn in 4Q24, marking a 10.3% y/y, driven by October-November growth, while political instability caused a 10.1% y/y drop in December revenues, according to our estimates. Overall, revenue growth was positively impacted by Israel (+128.0% y/y), other non-traditional markets (+18.9% y/y) and Russia (+2.5% y/y), while revenues from Turkey (-8.4% y/y) and the EU (-5.9% y/y) declined. The top sources of tourism revenue were Russia (18.2%), followed by the Turkey (13.9%), EU (11.9%), and Israel (11.8%) in 4Q24.

Accommodation

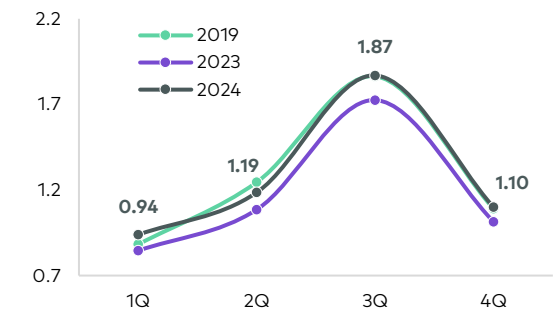
Hotel KPIs declined in Tbilisi in 4Q24, as rapid supply growth and sluggish tourist demand were compounded by political protests in the city center. As a result, average occupancy was down to 48.5% in 4Q24 from 51.4% in 4Q23, while ADR declined to US\$85 from US\$95 in 4Q23. In contrast, hotels in Batumi enjoyed higher performance, with the average occupancy rising to 52.5% in 4Q24 from 36.9% in 4Q23 and ADR being stable. This was supported by the strong arrival growth from Middle Eastern countries, which account for over half of total room nights sold in the city.

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



Source: GNTA

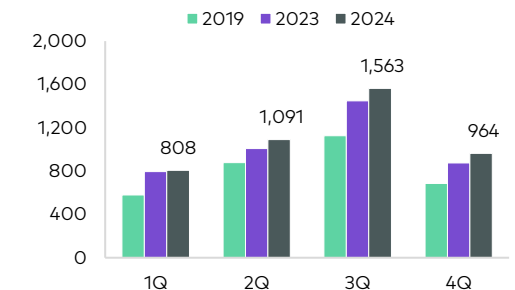
Figure 2: Int'l visitors, mn persons



Source: GNTA

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

Figure 3: Tourism revenues, US\$ mn



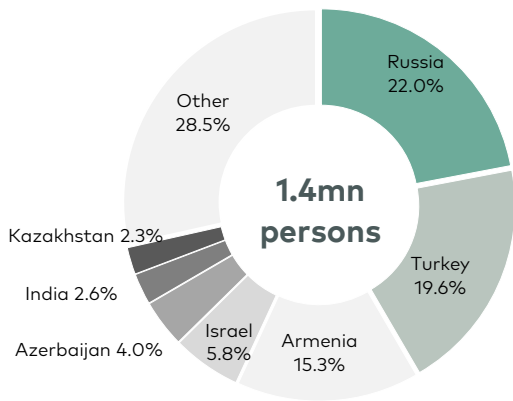
Source: NBG



Hotel room stock growth has slowed down, with the number of hotels increasing 2.4% y/y to 1,212 units and room stock rising 4.7% y/y to c. 37K in 2024.

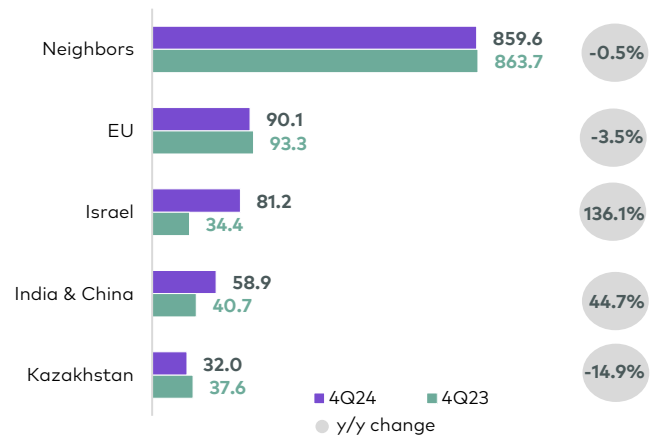
Airbnb demand was up 9.5% y/y to 151.3k total nights booked in Tbilisi in 4Q24, driven by the growing arrivals from new markets. Meanwhile, nights booked in Batumi grew by 20.8% y/y to 56.2k in 4Q24. **Airbnb prices** were down in Tbilisi, with quarterly ADR standing at US\$ 50 (-4.6% y/y) and increased in Batumi to US\$ 37 (+13.4% y/y) in 4Q24.

Figure 4: Int'l visitors (tourists and same-day) by country, 4Q24



Source: GNTA

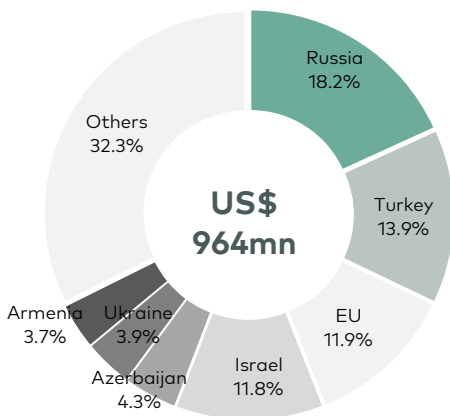
Figure 5: Int'l visitors from top 5 markets and y/y changes, '000 persons



Source: GNTA

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

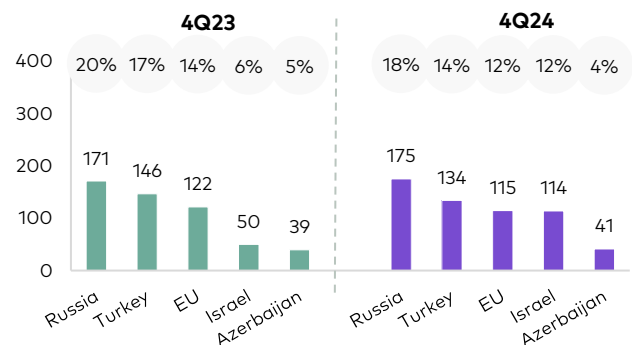
Figure 6: Int'l tourism revenue by country, 4Q24



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

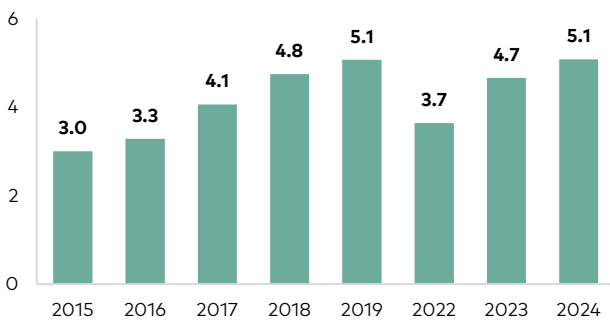


2024 full year review

The number of international visitors reached 6.5mn (+4.6% y/y) in 2024. Tourists (combining 78.9% of total visitors) grew 9.0% y/y to 5.1mn, while same-day visitors declined 9.2% y/y to 1.4mn. The rise in tourist arrivals was primarily driven by non-neighboring markets, including Israel, China, India, Iran, Saudi Arabia and central Asia. Arrival growth from Asian markets was supported by an increase in direct flights and visa liberalization with India and China.

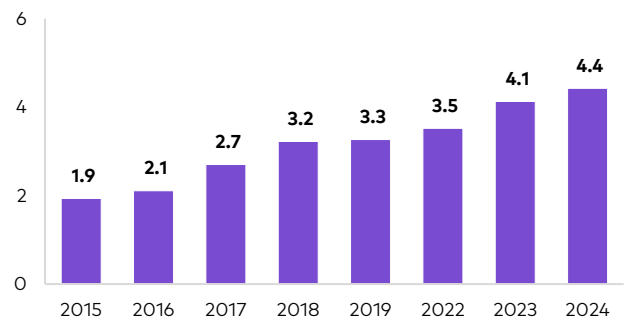
Tourism revenues¹ reached US\$ 4.4bn in 2024, up 7.3% y/y. Overall, revenue growth was driven by the Middle Eastern countries, particularly Israel (+41.6% y/y), Iran (+17.9% y/y) and Saudi Arabia (+21.2% y/y) as well as Asian markets, led by India and China. Meanwhile, revenues from most neighboring countries declined, with revenues from Russia, the largest contributor, down 2.1% y/y to US\$ 850mn in 2024.

Figure 8: Int'l tourists in Georgia, mn persons



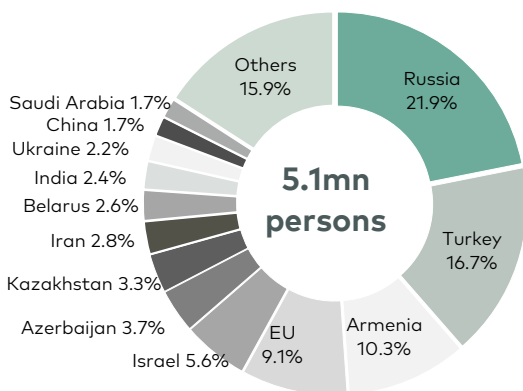
Source: GNTA

Figure 9: Tourism revenues, US\$ bn



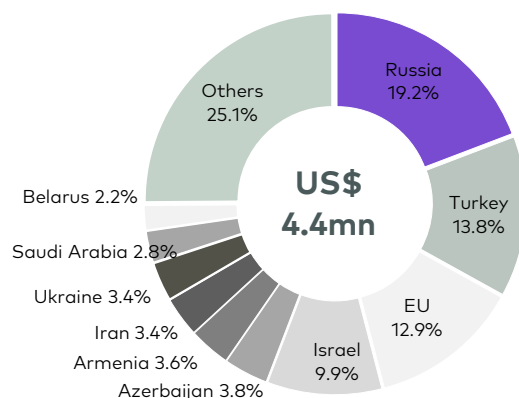
Source: NBG

Figure 10: Int'l tourists by country, 2024



Source: Geostat, Galt & Taggart
Note: The EU figure includes the UK

Figure 11: Tourism revenues by country, 2024



Source: NBG, Galt & Taggart
Note: The EU figure includes the UK

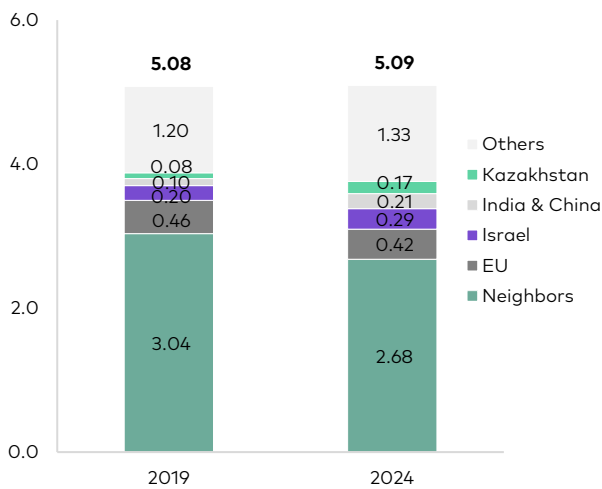
¹ Tourism revenues include spending from overnight visitors (representing the largest category) and same-day arrivals.



2025 outlook

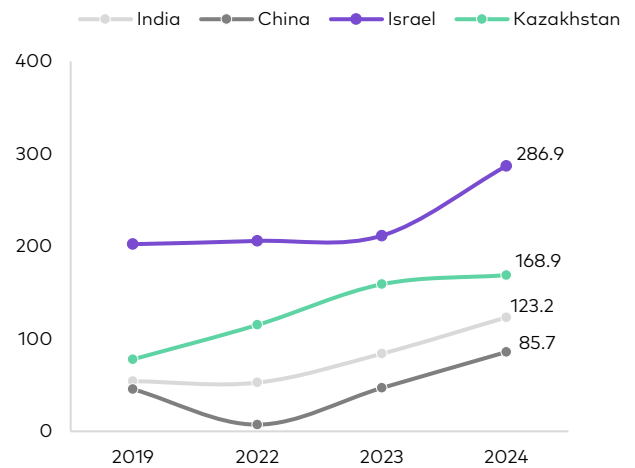
We expect 5.3mn tourists to visit Georgia in 2025 in our baseline scenario, up from 5.1mn in 2024, assuming political instability affects only 1Q25, with conditions normalizing thereafter. In a pessimistic scenario, we do not expect a sharp decline in tourist arrivals, as tourists from the Middle East and Asian countries are expected to continue growing, having already shown growth during the turbulent year of 2024. Additionally, possible reopening of the Azeri land border is upside for tourism. We project tourism revenues at \$4.5bn in 2025, up from \$4.4bn in 2024.

Figure 12: Int'l tourists, mn persons



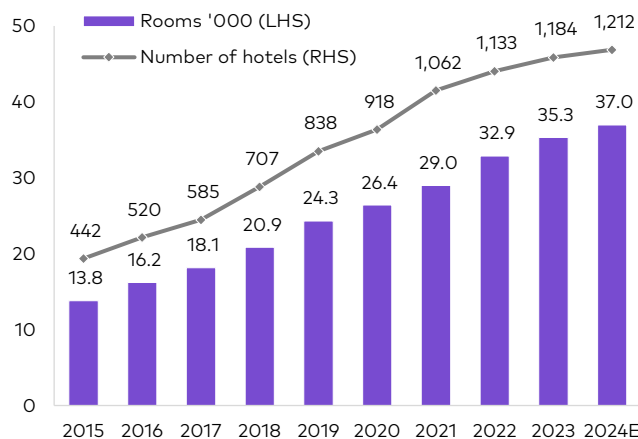
Source: Geostat, Galt & Taggart
Note: The EU figures include the UK; Neighbors include: Russia, Turkey, Azerbaijan and Armenia

Figure 13: Fastest growing tourist markets, '000 persons



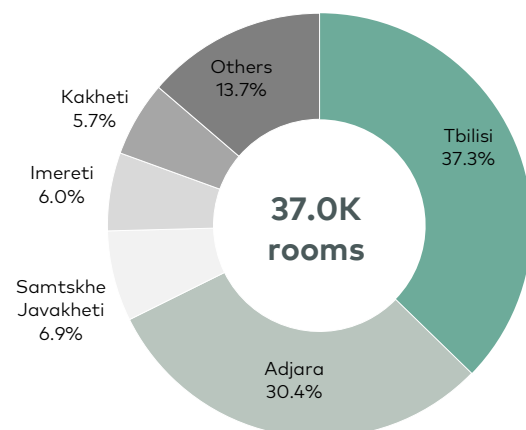
Source: Geostat

Figure 14: Number of hotels and room stock



Source: GNTA, Galt & Taggart

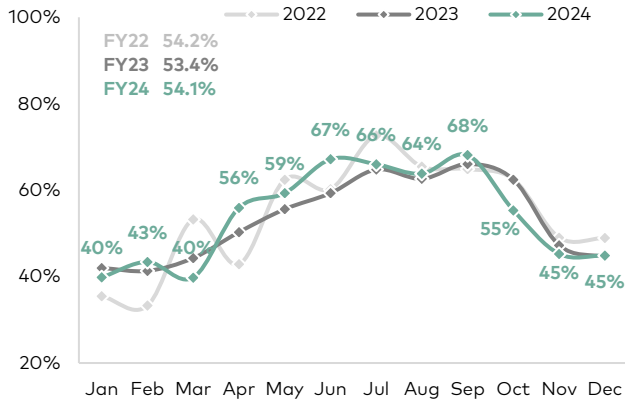
Figure 15: Hotel rooms by region, 2024E



Source: GNTA, Galt & Taggart

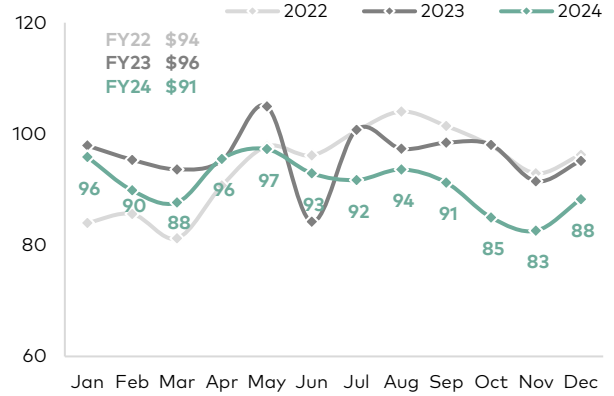


Figure 16: Occupancy of selected hotels in Tbilisi



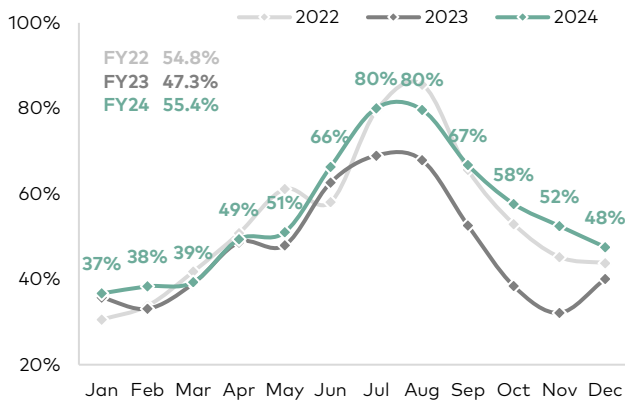
Source: Galt & Taggart, BoG
Note: Figures may vary from earlier editions due to updated sample

Figure 17: ADR of selected hotels in Tbilisi, US\$



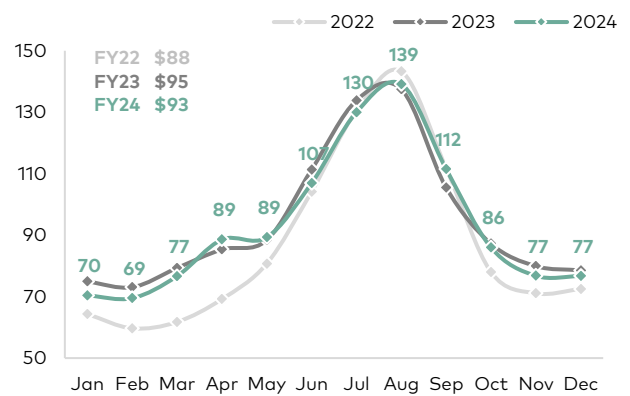
Source: Galt & Taggart, BoG
Note: net of VAT

Figure 18: Occupancy of selected hotels in Batumi



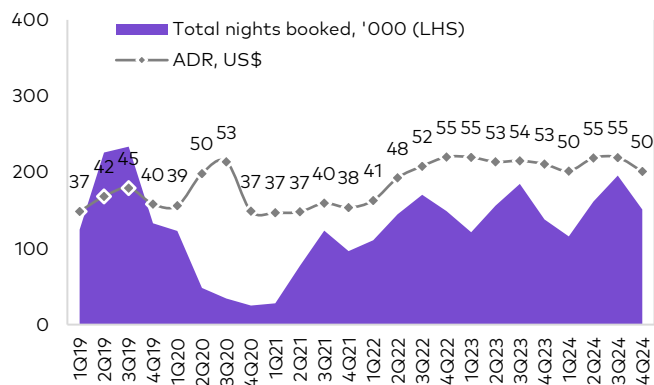
Source: Galt & Taggart, BoG
Note: Figures may vary from earlier editions due to updated sample.

Figure 19: ADR of selected hotels in Batumi, US\$



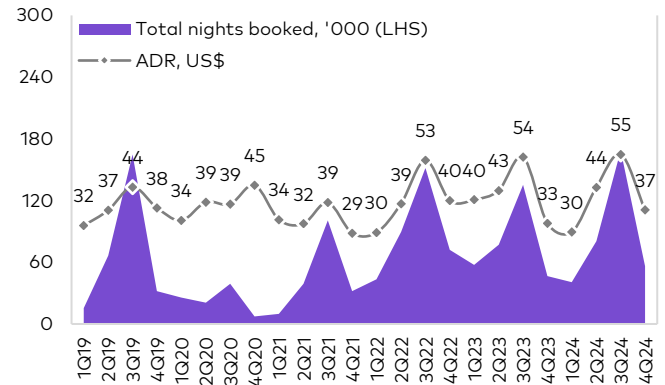
Source: Galt & Taggart, BoG
Note: net of VAT

Figure 20: Airbnb demand and prices in Tbilisi



Source: Airdna

Figure 21: Airbnb demand and prices in Batumi



Source: Airdna



Table 1: Key tourism statistics for 4Q24

	4Q19	4Q21	4Q22	4Q23	4Q24
Tourism revenues, US\$ mn	686	379	999	874	964
International visitors, persons	1,742,963	533,008	1,364,407	1,343,303	1,412,401
<i>by type:</i>					
Tourists	1,089,682	484,690	948,816	1,013,891	1,098,890
Same-day	653,281	48,318	415,591	329,412	313,511
<i>by country:</i>					
Russia	265,584	71,025	306,918	269,411	310,919
Turkey	249,163	101,034	382,097	315,241	276,549
Armenia	371,904	57,248	220,843	226,454	216,028
Israel	54,054	35,304	54,742	34,414	81,243
Azerbaijan	356,788	25,209	40,854	52,640	56,149
Others	445,470	243,188	358,953	445,143	471,513

Source: NBG, GNTA
Note: Sorted by 4Q24

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
Note: 2024 GDP is preliminary data



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