



## Baku-Tbilisi rail reopening supports 2026 tourism outlook

Georgia | Tourism  
May 22, 2026

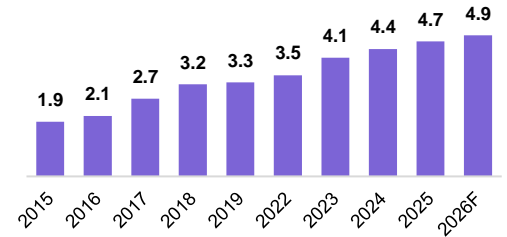
### We maintain our 2026 tourism revenue forecast at US\$ 4.9bn; rail resumption offsets temporary Middle East softness

We maintain our 2026 tourism revenue forecast at US\$ 4.9bn. While the Middle East escalation has temporarily weighed on arrivals from the region, we expect the resumption of the Baku-Tbilisi rail service to fully offset this shortfall. By our estimates, the loss of tourism revenues from the Middle East amounted to c.US\$ 150mn in Mar-Apr 2026, but the reopened Azeri rail channel will fully compensate, as we project an additional US\$ 200mn in tourism revenues from this route in 2H26. Azerbaijan's share of Georgia's total tourist arrivals declined from 15% in 2019 to just 4% in 2025, driven by pandemic-era restrictions on the land border crossing including Baku-Tbilisi rail link. The restoration of daily rail service should help reverse this trend.

### Baku-Tbilisi rail adds a timely new channel

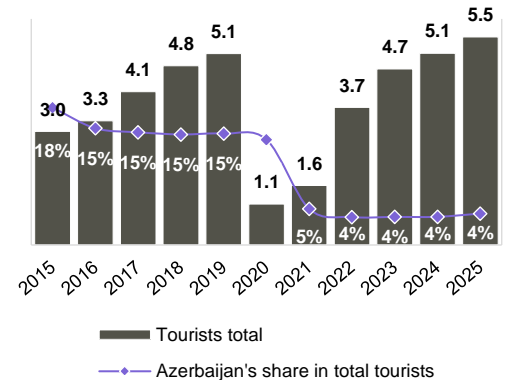
On 18 May 2026, Georgia and Azerbaijan agreed to resume daily passenger rail on the Baku-Tbilisi route, with services restarting on 26 May. We expect the resumption to generate an additional US\$ 200mn in tourism revenues from Azeri arrivals, bringing the total Azerbaijan-origin revenue projection to US\$ 435mn for the whole 2026. This rail route handled c.19k tourists in 2019 before being suspended in 2020; notably, 47% of those arrivals originated from third countries, with China the third-largest source market. We therefore expect third-country nationals to further support tourism growth to Georgia through this route. The reopening provides a well-timed boost that offsets temporary Middle Eastern softness and underpins our full-year outlook.

Figure 1: Int'l tourism revenues, US\$ bn



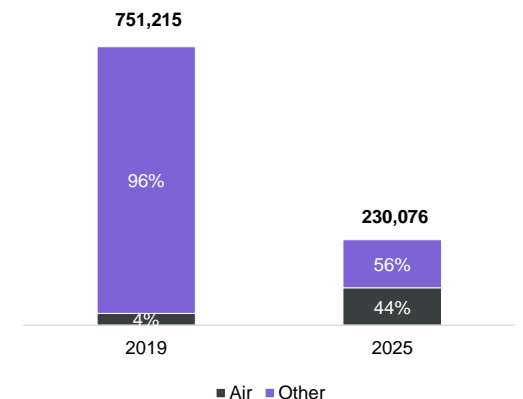
Source: NBG, Galt and Taggart

Figure 2: Int'l tourists, mn



Source: GNTA

Figure 3: Azeri tourists to Georgia by transport mode



Source: GNTA



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