Tourism Market Watch

1Q26 overview

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1Q26 Highlights

Visitors

International visitor arrivals decreased marginally by -0.2% y/y to 1.2mn in 1Q26, with tourists rising by 4.0% y/y to 1.0mn, while same-day visitors declined by 19.0% y/y to 0.2mn. Visitor growth from Russia (+5.2% y/y), Türkiye (+5.8% y/y), Ukraine (+24.5%), China (+48.6%), and the EU (+30.2% y/y) offset sharp declines from Middle East, India, Armenia and Azerbaijan in 1Q26. Visitors from Israel fell 17.5% y/y and from Iran 48.8% y/y, reflecting the ongoing Iran escalation and its impact on regional air routes. Arrivals from India dropped 29.5% y/y, driven by two factors: IndiGo's suspension of Tbilisi flights on Feb-4, following drone strikes near the Iran-Iraq border, and disrupted air connectivity to Kutaisi via Middle Eastern hubs.

We project low single-digit growth in international tourist arrivals for the full year 2026. War-related headwinds, including rising aviation costs and reduced air connectivity, are expected to persist through 1H26, shifting the growth mix toward land-based arrivals from neighboring markets. Sustained momentum from China, the EU, and Russia in air arrivals is expected to support full-year growth. A potential reopening of the Azerbaijani land border ahead of the Jul-26 deadline also remains a meaningful upside.

Revenues

Tourism revenues rose marginally by 0.5% y/y to US$829.8mn in 1Q26. Growth was led by the EU (+36.4% y/y), Türkiye (+12.2% y/y), Ukraine (+34.2% y/y), and Saudi Arabia (+47.6% y/y), broadly in line with visitor trends, while other Middle Eastern markets contributed negatively in 1Q26.

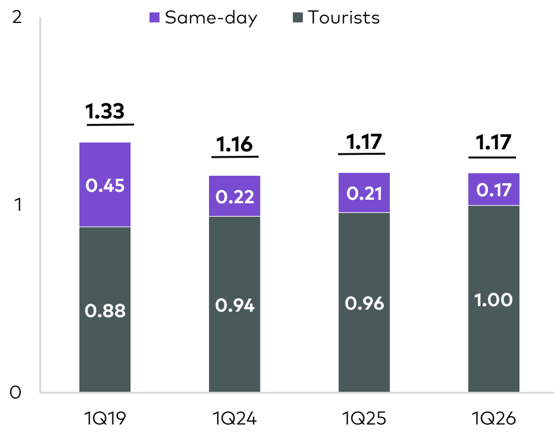
We forecast tourism revenues at US$ 4.9bn in 2026, revised downwards from the previous estimate of US$ 5.0bn, assuming that the Iran escalation proves short-lived.

Accommodation

Hotel KPIs in Tbilisi improved, with average occupancy rising to 43% from 39% in 1Q25 and ADR increasing to US$89 from US$83 in 1Q25, supported by strong EU arrivals and solid growth in the first two months of the year. Hotel performance in Batumi weakened sharply in 1Q26, with average occupancy falling to 31% from 47% in 1Q25, though ADR was up to US$81 from US$74 in 1Q25, reflecting Batumi's high exposure to Middle Eastern visitors.

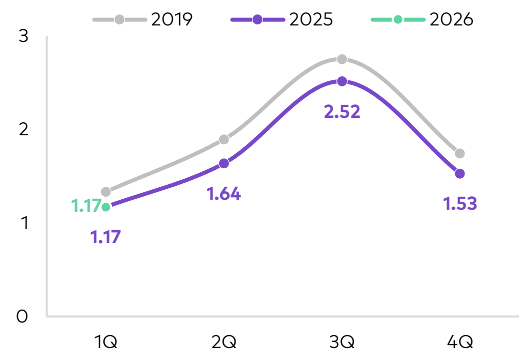
Airbnb demand in Tbilisi grew by 24% y/y to 319k nights booked in 1Q26, while ADR was broadly stable at US$41 vs US$40 in 1Q25. In Batumi, Airbnb demand grew by 7% y/y to 157k nights booked, while ADR declined to US$28 in 1Q26 from US$31 in 1Q25.

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



Source: GNTA

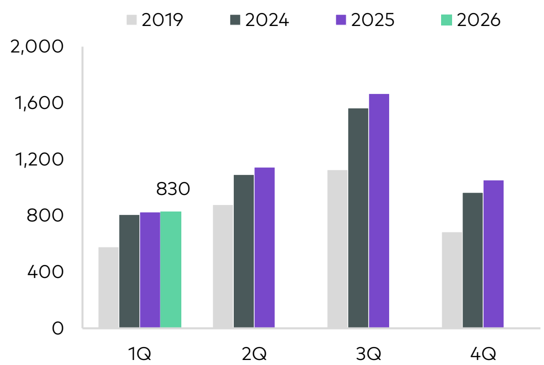
Figure 2: Int'l visitors, mn visits



Source: GNTA

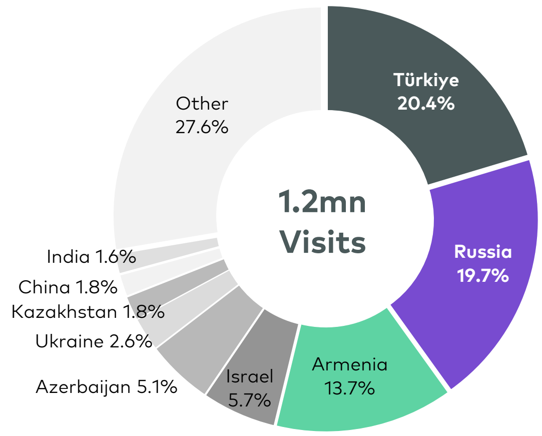
Note: Int'l visitors combine tourists (overnight stay) and same-day visits

Figure 3: Tourism revenues, US$ mn



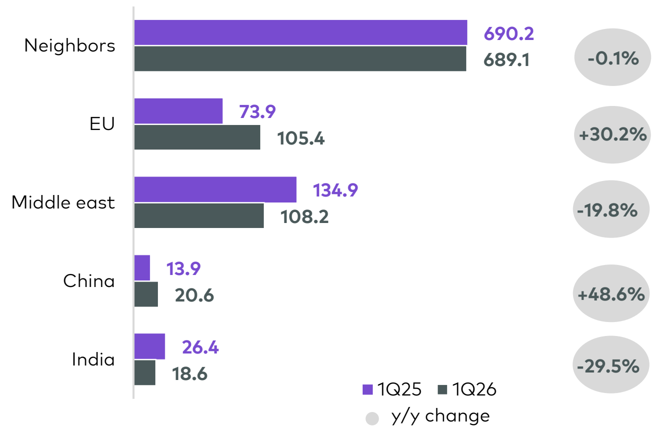
Source: NBG

Figure 4: Int'l visits (tourists and same-day) by country, 1Q26



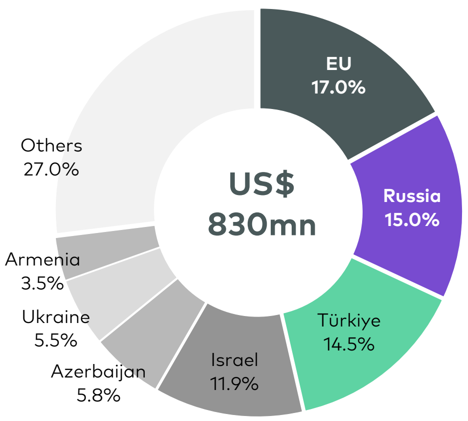
Source: GNTA

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



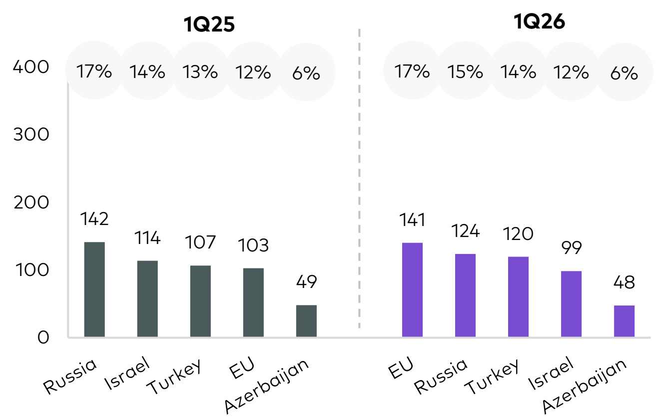
Source: GNTA
Note: The EU figures include the UK; Neighbors include Russia, Türkiye, Azerbaijan and Armenia

Figure 6: Int'l tourism revenue by country, 1Q26



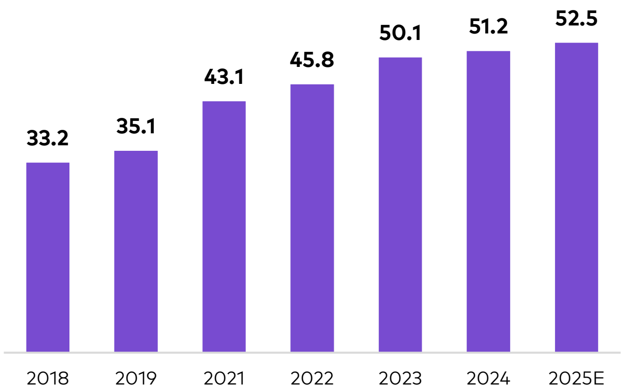
Source: NBG
Note: The EU figure includes the UK

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



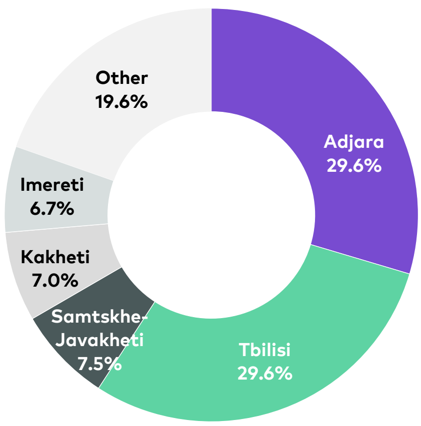
Source: NBG
Note: The EU figures include the UK

Figure 8: Accommodation supply in Georgia, rooms '000



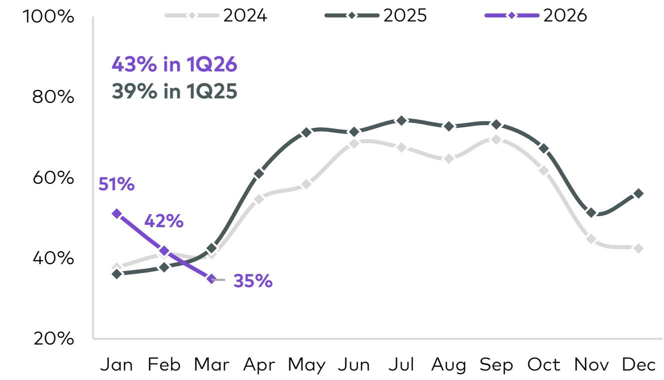
Source: GNTA, Galt & Taggart

Figure 9: Accommodation supply in Georgia by regions, 2025E



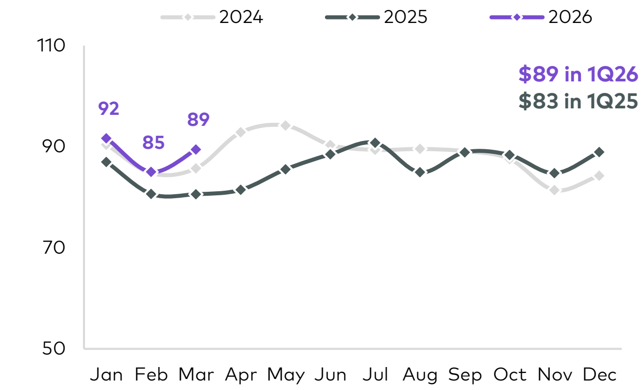
Source: GNTA, Galt & Taggart

Figure 10: Occupancy of selected hotels in Tbilisi



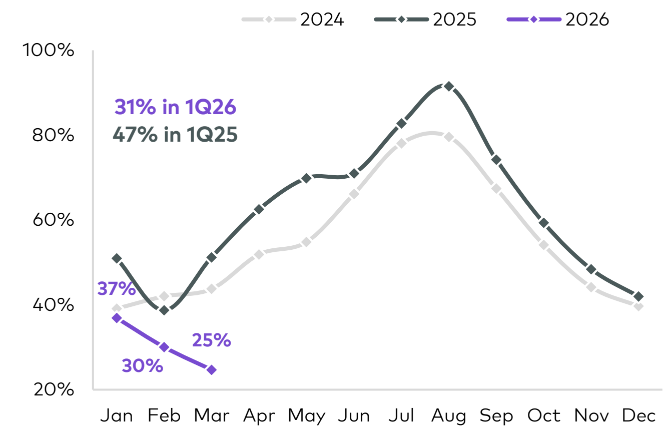
Source: Galt & Taggart, BoG
Note: Figures may vary from earlier editions due to updated sample

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



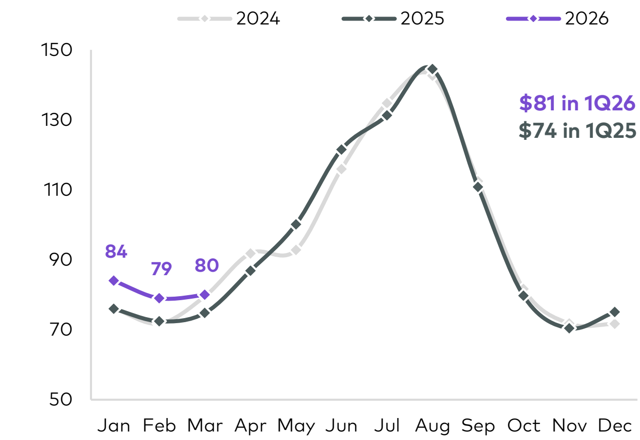
Source: Galt & Taggart, BoG
Note: net of VAT

Figure 12: Occupancy of selected hotels in Batumi



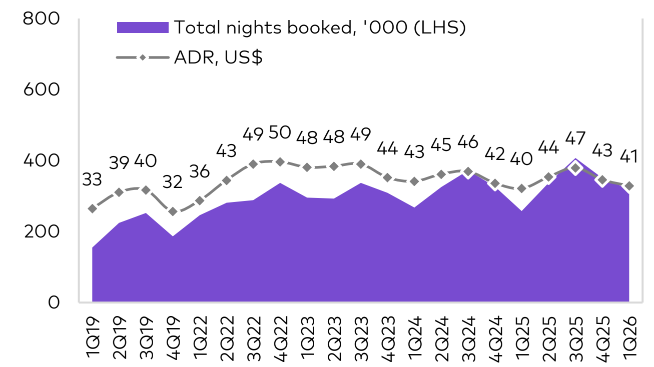
Source: Galt & Taggart, BoG
Note: Figures may vary from earlier editions due to updated sample.

Figure 13: ADR of selected hotels in Batumi, US$



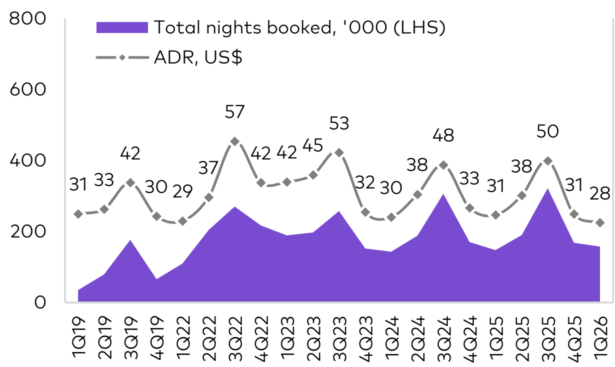
Source: Galt & Taggart, BoG
Note: net of VAT

Figure 14: Airbnb demand and prices in Tbilisi



Source: AirDNA
Note: Figures differ from previously reported editions due to a methodology update from AirDNA, improving reservation detection accuracy and providing greater fidelity to actual market trends.

Figure 15: Airbnb demand and prices in Batumi



Source: AirDNA

Table 1: Key tourism statistics for 1Q26

	1Q19	1Q23	1Q24	1Q25	1Q26
Tourism revenues, US$ mn	**578.4**	**795.4**	**807.7**	**826.0**	**829.8**
International visitors, persons	**1,333,500**	**1,065,679**	**1,157,347**	**1,172,336**	**1,170,362**
by type:					
Tourists	882,130	845,332	938,644	958,947	997,529
Same-day	451,370	220,347	218,703	213,389	172,833
by country:					
Türkiye	201,192	216,391	254,577	225,265	238,368
Russia	254,077	256,787	215,468	219,264	230,717
Armenia	232,449	182,543	191,830	180,805	160,473
Israel	24,995	44,788	46,789	80,896	66,744
Azerbaijan	292,902	40,353	51,466	64,818	59,571
Others	327,885	324,817	397,217	401,288	414,489

Source: NBG, GNTA
Note: Sorted by 1Q26

Table 2: Key tourism statistics, annual

	2018	2019	2020	2021	2022	2023	2024	2025
Tourism revenues, US$ mn	**3,222**	**3,269**	**542**	**1,245**	**3,517**	**4,125**	**4,425**	**4,690**
As % of GDP	*18.30%*	*18.70%*	*3.40%*	*6.70%*	*14.20%*	*13.40%*	*12.90%*	*12.30%*
International visitors, persons	**7,203,350**	**7,725,774**	**1,513,421**	**1,721,242**	**4,703,945**	**6,171,540**	**6,456,064**	**6,856,809**
by type:								
Tourists	4,756,820	5,080,478	1,087,093	1,577,463	3,652,949	4,669,467	5,091,732	5,521,866
Same-day	2,446,530	2,645,296	426,328	143,779	1,050,996	1,502,073	1,364,332	1,334,943
by country:								
Russia	1,404,757	1,471,558	208,677	212,979	1,087,257	1,418,464	1,421,923	1,579,764
Türkiye	1,098,555	1,156,513	335,580	326,494	925,561	1,396,660	1,336,834	1,248,881
Armenia	1,268,886	1,365,048	260,965	164,698	742,593	962,540	948,299	948,242
Israel	156,922	205,051	25,731	100,686	210,178	217,065	310,982	402,426
Azerbaijan	1,424,610	1,526,619	295,132	82,718	152,969	199,835	219,356	292,149
India	50,910	54,606	8,364	24,992	52,841	84,688	124,335	142,476
Ukraine	177,058	207,667	42,414	144,901	168,915	146,931	118,528	136,826
China	31,855	48,071	4,363	3,468	7,380	48,304	88,583	127,895
Others	1,589,797	1,690,641	332,195	660,306	1,356,251	1,697,053	1,887,224	1,978,150
Airport arrivals	**1,788,417**	**1,829,341**	**269,193**	**877,158**	**1,536,316**	**1,921,872**	**2,438,796**	**2,854,412**
Tbilisi	1,402,157	1,355,489	278,477	253,859	1,040,729	1,230,888	1,599,984	1,867,086
Batumi	239,251	258,159	19,868	221,853	264,021	254,082	399,624	521,325
Kutaisi	147,009	215,556	46,693	87,156	231,566	436,902	439,188	466,001

Source: GNTA, NBG, Geostat, Galt & Taggart

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