



2021

GEORGIAN TOURISM IN FIGURES

STRUCTURE &
INDUSTRY DATA

Summary

This yearbook provides statistical information on the Georgian tourism sector during the pandemic in 2021 and activities undertaken by Georgian National Tourism Administration to mitigate the negative impact on the industry. In 2010, the Georgian National Tourism Administration was established as a Legal Entity of Public Law under the Ministry of Economy and Sustainable Development. The Administration plays an essential role in the development of the tourism industry in Georgia. The goals of the administration are to establish and implement the state policy of Tourism Development in Georgia, promote sustainable tourism, increase export income in the country on the basis of improving Tourism revenues and encourage the creation of new jobs.

The travel and tourism industry is one of the fastest recovering sectors among services. According to the World Travel and Tourism Council (WTTC), In 2021, the contribution of this sector to the total GDP amounted to 5.8 trillion US dollars (increase to the same indicator of the previous year +21.7%) and facilitated the creation of 289 million jobs. After taking into account its direct and side effects, tourism contribution to the development of the world economy is as follows: 6.1% of the world's GDP, one workplace out of every 11 jobs.

International traveler trips in Georgia amounted to 1,881,281 - Recovery rate compared to 2019 - 20.1%. The previous year's data shows remarkably positive growth (+7.7%). Income from foreign travelers to Georgia amounted to 1.24 billion US dollars (growth +129.8%); Recovery rate compared to 2019 - 38.1%. According to preliminary data, due to the increasing demand, the total added value compared to the previous year increased by 32.3% and amounted to 3.38 billion GEL. As a result, added value of tourism-related industries as a share of GDP increased from 5.9% to 6.4%.

According to STR Global, the occupancy rate in Georgian hotels equaled 45.7% in 2021; representing 106.8% increase compared to the previous year. The highest occupancy rates were registered in July (73.1%), August (65%) and June (58.4%), while the lowest rates were recorded in January (16.1%), February (18.8%) and March (23.9%).

Despite the impact of the covid pandemic, the aviation market was significantly busier than the previous year. In 2021, the total passenger traffic of all air-

ports of Georgia amounted to 2,489,368 passengers, which is twice as much as the same data of the previous year. It should be noted that the international airports of Georgia showed +200% increase in passenger traffic compared to 2020 and 47.9% recovery compared to the pre-pandemic period.

In 2021, the number of visitors entering protected areas was recorded at 589,089, compared to the previous year showing 145.2% increase and the recovery rate compared to 2019 is 49.1%. The number of foreign visitors in protected areas was 311,014, increase of -1,077% in comparison with the previous year and the recovery rate as of 2019 is 50.8%. Increased number of visitors were reflected in the revenues of protected areas. Revenues from tourist services of protected areas amounted to 5,832,764 GEL, an increase compared to the previous year - 548.8%, recovery rate - 62.3%.

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

Due to the spread of the new coronavirus, Georgian citizens and international visitors entering from areas named by WHO as a high-risk zone have been provided with mandatory quarantine during 2021; a total of 43,310 people. These services include accommodation, transportation, meals, cleaning, security and various services related to the creation of appropriate conditions during quarantine, also, daily communication with the commercial quarantine hotels involved in the project "Work from Georgia" (registration of foreign citizens arriving in the state within the framework of the project, sending the data about the guests and the vehicles to the border police, solving the problems, etc.)

In the third quarter of 2021, a technical support package for the recovery of tourism in the post-covid-19 period was introduced. The package was proposed and financed by the European Bank for Reconstruction and Development (EBRD) and the UN World Tourism Organization (UNWTO). Within the framework of the project, the main emphasis is made on economic recovery, marketing and institutional development. In order to implement the project, the relevant memo-

randum was signed. Within the framework of the project, the (UNWTO) academy conducted 5 special trainings for the representatives of the private sector of tourism, which focused on digital marketing and product development in the post-pandemic period.

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. During the year, daily information letters were sent to all incoming and outbound travel companies, airlines, guides, catering and accommodation facilities about various online seminars, webinars and conferences; As well as news in the field of Tourism (Exhibitions, trainings, festivals, new objects, informational tours and various events).

2021 was outstanding in terms of stimulating domestic tourism. A number of info and gastro tours were held throughout the country, the main purpose of which is to further develop and popularize local tourism resources. Also it is worth to mention the gastro tours conducted by GNTA, which is of great interest to both domestic and international visitors. Another evidence of this is the exhibition **Bocus D'or Sirha 2021** held in Lyon, France, where Georgian National Tourism Administration together with the Georgian Gastronomy Association participated with action plan of the current year. Georgia's unique products and wines were presented at the stand. Visitors had the oppor-

tunity to get familiar with Georgia as a gastronomic culture and get information about the country as an attractive tourist destination.

In 2021, Georgia won the elections of the executive membership of the World Tourism Organization and became the executive member of UNWTO for 4 years. Georgia has achieved great success in terms of international projects and cooperation. GIZ project was initiated to support sustainable tourism development in Georgia. The aim of the project is to support the creation and development of sustainable and competitive products and services and their diversification in Racha, Guria and Kvemo Kartli regions.

In 2021, with the support of the National Tourism Administration and Economic Security program of the US Agency for International Development (USAID), tourism support fund was created to promote the private sector in Tourism industry. The main task of the fund is to support companies involved in tourism in the implementation of digital marketing campaigns. Within the framework of the initiative, companies working in the tourism sector in different regions of Georgia will be selected based on the competition and pre-established criteria.

In 2021, Tbilisi became a member of the „Nordic Tourism Collective - Tourist Union of Scandinavian Countries.“ The main activity of the organization is to promote cooperation between the members, increase awareness about tourism products and organize thematic meetings.

International Trips to Georgia

In 2021, despite the impact of the pandemic, the tourism industry in Georgia is steadily returning to the old performance.

The number of visits of international travelers amounted to 1,881,271 (+7.7%). Such international trips include those made by international visitors – 1,721,242 (+13.7%) – and other (non-tourist) trips – 160,029 (-31.5%). From the total number of international visitor trips, 1,577,463 (+45.1%) were tourist trips and 143,779 (-66.3%) were same-day trips.

The largest numbers of international visitors were registered in the third quarter: in August 308,674 (share 16.4%), July 259,641 (13.8%) and September 247,105 (13.1%). The share of third quarter equaled to 43.3% of the total annual international visitor trips. While the lowest number of trips were recorded in January 34,909 (1.9%), February 42,075 (2.2%) and March 57,728 (3.1%).

The share of neighboring countries and other countries in international visits was almost equal (excluding non-resident Georgian citizens). 50.1% (786,889) were from neighboring countries, while 49.9% (782,794) originated from other countries. Turkey held the lead in terms of international travel to Georgia, at 326,494 trips.

The largest share of international visitors, 877,158 (51%), came via air transport, followed by land 826,355 (48%). Trips by rail and sea were 10,879 (0.6%) and 6,850 (0.4%), respectively. The busiest border was Tbilisi airport 568,149 (33%), followed by Sarpi (Turkish border) at 253,859 (14.7%), Batumi airport 221,853 (12.9%), Kazbegi (Russian border) 220,788 (12.8%) and Sadakhlo (Armenian border) 125,047 (7.3%). The number of trips from these five border crossings accounted for 80.7% of all trips.

In 2021, 139,157 (+96.7%) trips were conducted by EU visitors, with the largest number derived from Poland 30,988 (+189.9%), Germany 21,194 (+127%) and France 10,646 (+103.9%).

The majority of trips to Georgia were conducted by male visitors 1,186,831 (69%), while female visits amounted to 534,411 (31%). The largest number of which were within the 31-50 age category – 885,473

(51.4%), followed by the 51-70 – 428,309 (24.9%), and the 15-30 age groups – 385,563 (22.4%). The fewest trips were conducted by the 71+ age group, at 21,897 (1.3%).

The share of international visitor trips increased in international traveler trips, as well the share of tourist visits increased in the number of international visits. The share of international visitor trips increased from 86.6% to 91.5%, mainly caused by decreasing number of travelers aged less than 15, while the share of tourist trips increased from 71.8% to 91.6%.

The share of trips from neighboring countries decreased, while the share of other countries increased in total number of international trips. In the total number of international visitor trips (excluding non-resident Georgian citizens), the share of trips from neighboring countries decreased from 80.1% to 50.1%. Decreasing trend was recorded for the first time in recent years. Accordingly, the share of non-neighboring countries increased from 19.9% to 49.9%. These structural changes are also envisaged by the tourism strategy of Georgia.

The structure of the top 15 countries (excluding non-resident Georgian citizens) changed, with significant repositioning in the rankings. Among Georgia's neighboring countries, Turkey retains the first place by the number of visits. Russia increased its ranking and moved up (+2) position and took the second place. Armenia retained its old third position (0). While Azerbaijan moved down to sixth position (-4). Among the countries, whose rankings increased, were Ukraine (+1), which replaced Azerbaijan and took the fourth position, followed by Israel (+1), Kazakhstan (+3) and India (+1). Additionally, the following countries lost their positions: Iran (-8), Uzbekistan (-2), Germany (-1). Whereas the countries that retained their places were Belarus, Poland and the United States. The Philippines lost its place in the top 15, which was replaced by Saudi Arabia and took eighth place.

The share of trips via air transport increased, and the Tbilisi airport moved into first place by the number of international visitor trips and last year leader, the Tsiteli Khidi dropped to sixth place. The

share of trips via air transport increased from 18% to 51%, due to decreased land travel (80% to 48%). The largest number of trips came via Tbilisi airport (share 33%), replacing Tsiteli Khidi as a leader.

The share distribution by age segment has not changed significantly. 31-50 age segment takes the first place with 51% share, followed by 51-70 age groups (share 25%) and 15-30 age segments (share 22%).

The share of male visitors in international visits decreased significantly compared to the previous year. The share of male visitors equaled 69%, compared to the 77% in the last year. The share of female visitors increased from 23% to 31%, respectively.

A significant part of the number of international visits from non-neighboring countries (excluding non-resident Georgian citizens) falls into the category of tourist visits. The structure of international visits to neighboring and non-neighboring countries differs significantly from each other. Only 84.1% of visits from neighboring countries are tourist visits (662,011), the same figure in case of non-neighboring countries reached to 97.9%. (766, 011).

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):

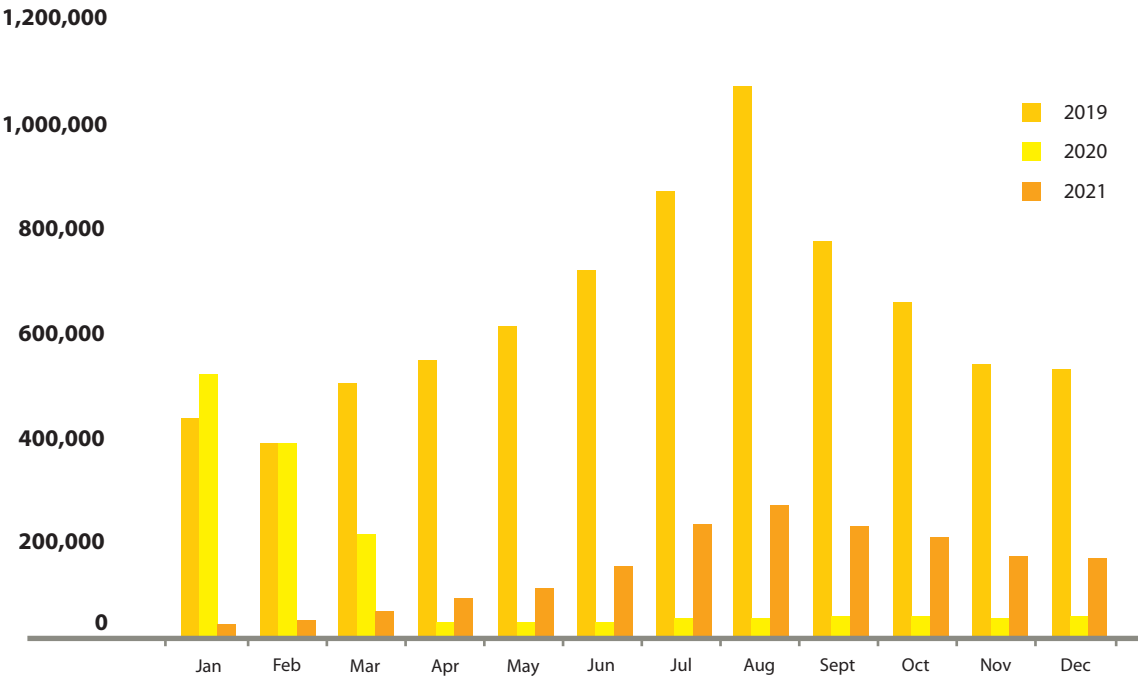
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International Travel Classification

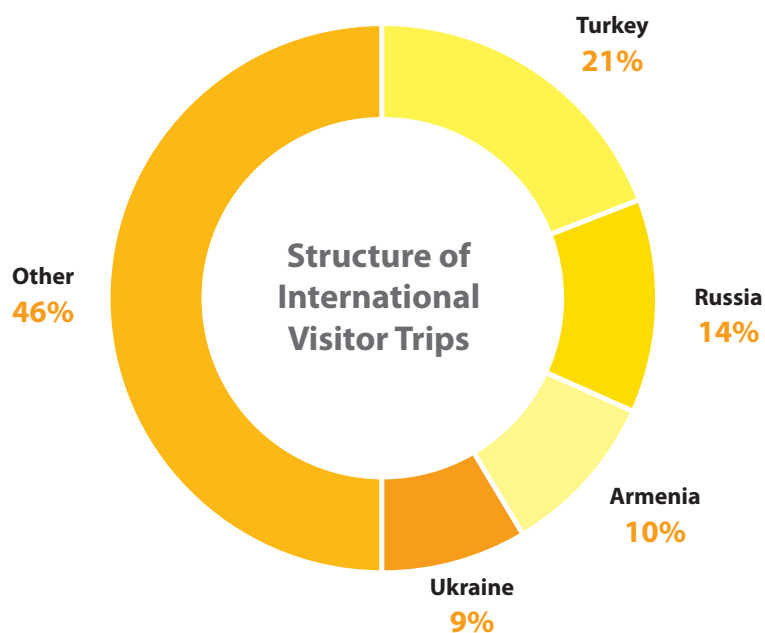
| Trip Type | 2020 | 2021 | Change | Change % | Share % |
|-------------------------------|-----------|-----------|----------|----------|---------|
| International Travelers Trips | 1,747,110 | 1,881,271 | 134,161 | 7.7% | 100.0% |
| International Visitor Trips | 1,513,421 | 1,721,242 | 207,821 | 13.7% | 91.5% |
| Tourist (Overnight) Trips | 1,087,093 | 1,577,463 | 490,370 | 45.1% | 91.6% |
| Same Day Trips | 426,328 | 143,779 | -282,549 | -66.3% | 8.4% |
| Other (non-tourism) | 233,689 | 160,029 | -73,660 | -31.5% | 8.5% |

Source: The Ministry of Internal Affairs of Georgia

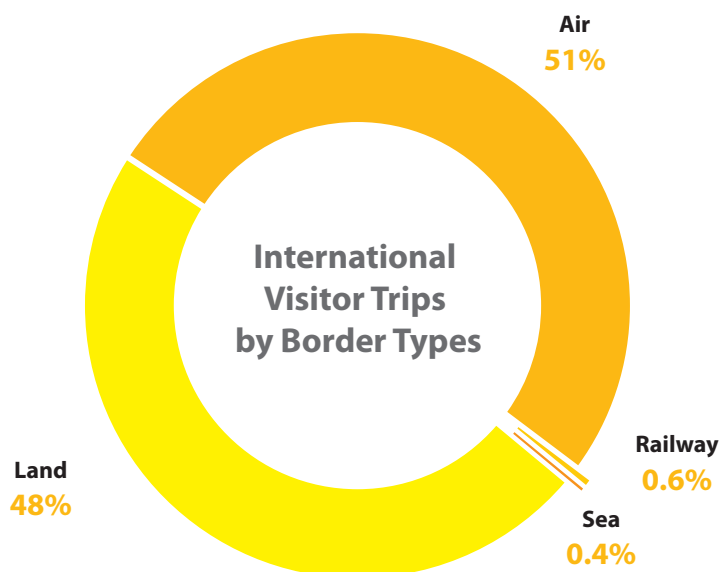
International Visitor Trips by Months



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 | 2020 | 2021 | Change | Change % | Share % |
|-------------------|-------------|-----------|-----------|----------|----------|---------|
| Total | ↓ | 1,513,421 | 1,721,242 | 207,821 | 13.7% | 100% |
| Including | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| Airport Tbilisi | | 202,632 | 568,149 | 365,517 | 180.4% | 33.0% |
| Sarpi | Turkey | 278,477 | 253,859 | -24,618 | -8.8% | 14.7% |
| Airport Batumi | | 19,868 | 221,853 | 201,985 | 1016.6% | 12.9% |
| Kazbegi | Russia | 273,553 | 220,788 | -52,765 | -19.3% | 12.8% |
| Sadakhlo | Armenia | 184,388 | 125,047 | -59,341 | -32.2% | 7.3% |
| Tsiteli Khidi | Azerbaijan | 301,033 | 111,744 | -189,289 | -62.9% | 6.5% |
| Airport Kutaisi | | 46,693 | 87,156 | 40,463 | 86.7% | 5.1% |
| Vale | Turkey | 35,338 | 33,495 | -1,843 | -5.2% | 1.9% |
| Kartsakhi | Turkey | 29,911 | 28,511 | -1,400 | -4.7% | 1.7% |
| Ninotsminda | Armenia | 48,244 | 26,808 | -21,436 | -44.4% | 1.6% |
| Guguti | Armenia | 12,701 | 17,791 | 5,090 | 40.1% | 1.0% |
| Railway Sadakhlo | Armenia | 2,360 | 8,486 | 6,126 | 259.6% | 0.5% |
| Tsonda | Azerbaijan | 39,838 | 8,312 | -31,526 | -79.1% | 0.5% |
| Port Batumi | | 7,534 | 3,626 | -3,908 | -51.9% | 0.2% |
| Port Poti | | 5,271 | 3,164 | -2,107 | -40.0% | 0.2% |
| Railway Kartsakhi | | 937 | 1,246 | 309 | 33.0% | 0.1% |
| Railway Gardabani | Azerbaijan | 9,343 | 1,147 | -8,196 | -87.7% | 0.1% |
| Port Kulevi | | 524 | 60 | -464 | -88.5% | 0.0% |
| Akhkerpi | Armenia | 11 | 0 | -11 | -100.0% | 0.0% |
| Vakhtangisi | Azerbaijan | 14,691 | 0 | -14,691 | -100.0% | 0.0% |
| Samtatskharo | Azerbaijan | 74 | 0 | -74 | -100% | 0.0% |

Source: The Ministry of Internal Affairs of Georgia

International Visitor Trips top 10 Countries

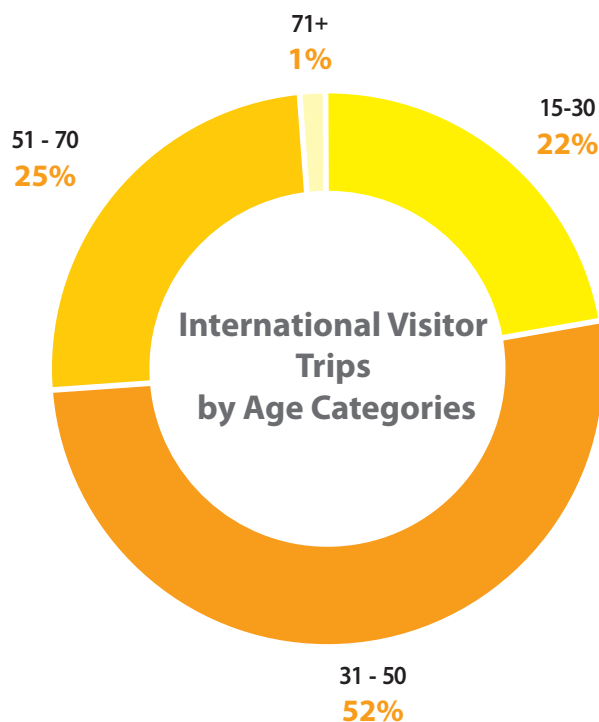
| | Country | 2020 | 2021 | Change | Change % |
|----|--------------|---------|---------|----------|----------|
| 1 | Turkey | 335,580 | 326,494 | -9,086 | -2.7% |
| 2 | Russia | 208,677 | 212,979 | 4,302 | 2.1% |
| 3 | Armenia | 260,965 | 164,698 | -96,267 | -36.9% |
| 4 | Ukraine | 42,414 | 144,901 | 102,487 | 241.6% |
| 5 | Israel | 25,731 | 100,686 | 74,955 | 291.3% |
| 6 | Azerbaijan | 295,132 | 82,718 | -212,414 | -72.0% |
| 7 | Kazakhstan | 13,779 | 66,787 | 53,008 | 384.7% |
| 8 | Saudi Arabia | 4,960 | 63,437 | 58,477 | 1179.0% |
| 9 | Belarus | 14,340 | 53,698 | 39,358 | 274.5% |
| 10 | Uzbekistan | 14,410 | 36,384 | 21,974 | 152.5% |

Source: The Ministry of Internal Affairs of Georgia

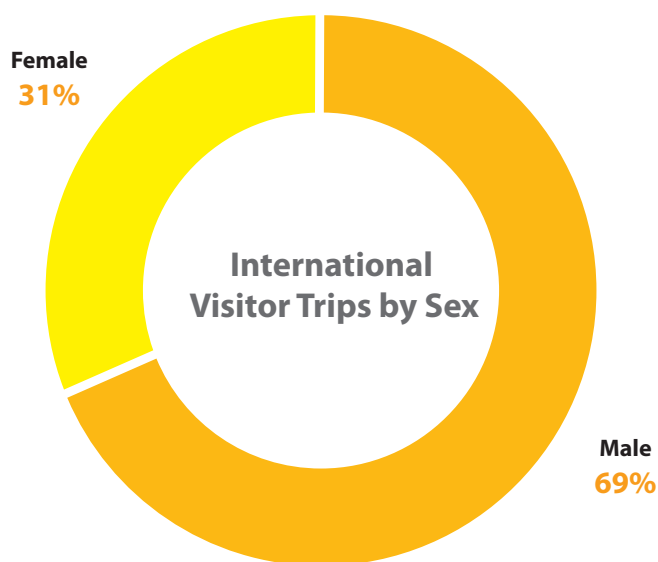
International Tourist Trips Top 10 Countries

| | Country | 2020 | 2021 | Change | Change % |
|----|--------------|---------|---------|---------|----------|
| 1 | Turkey | 257,671 | 284,909 | 27,238 | 10.6% |
| 2 | Russia | 154,881 | 191,005 | 36,124 | 23.3% |
| 3 | Ukraine | 38,690 | 142,456 | 103,766 | 268.2% |
| 4 | Armenia | 137,205 | 110,632 | -26,573 | -19.4% |
| 5 | Israel | 25,491 | 99,351 | 73,860 | 289.7% |
| 6 | Azerbaijan | 152,025 | 75,465 | -76,560 | -50.4% |
| 7 | Kazakhstan | 12,110 | 63,817 | 51,707 | 427.0% |
| 8 | Saudi Arabia | 4,887 | 62,971 | 58,084 | 1188.5% |
| 9 | Belarus | 12,361 | 51,798 | 39,437 | 319.0% |
| 10 | Uzbekistan | 13,713 | 35,537 | 21,824 | 159.1% |

Source: The Ministry of Internal Affairs of Georgia



Source: The Ministry of Internal Affairs of Georgia



Source: The Ministry of Internal Affairs of Georgia

Travel Behavior of Domestic Visitors

In 2021, the number of domestic trips within Georgia amounted to 16.9 million, which is +35.8% more compared to the previous year. The majority of trips were from Tbilisi (41.8%), and most visits were to large cities.

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 (2.9 nights on average), while other visitors spent one night, on average, away from their usual environment.

The majority of domestic trips (46.9%) were carried out by local residents visiting friends or relatives. While visiting second homes was the main reason for 15.9% of travelers, and 13.2% traveled for shopping. Other frequently observed purposes were: health and medical care (8.9%), leisure and recreation (8.1%), and business and professional purposes (3.5%).

Travel Destinations

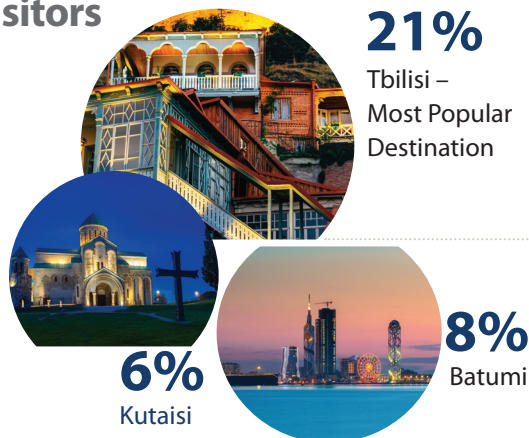
21.2% of total domestic trips were made to the capital, followed by 7.7% to Batumi and 5.8% to Kutaisi. The other destinations included: Rustavi (3.1%), Mtskheta (2.9%), Gori (1.6%), Khashuri (1.6%) and Zugdidi (1.4%). From a regional perspective, the most popular locations were Imereti (17.1%), Adjara (11.6%), and Kakheti (8.4%).

Accommodation

During this period, the total number of overnight stays was 35.5 million; including 46.4% of domestic travelers who stayed in the private homes of friends and relatives. A considerable number of domestic visitors, 41.5%, stayed in their own homes, while 4.3% used hotels.

Expenditure

The total expenditure from domestic visitors during the estimation period was 2.7 billion GEL, while the average expenditure per visit was 160.1 GEL. The largest share of visitor expenditure, (35%), was registered for shopping.



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.

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/3q6JvWz>

Report on Domestic Trip Characteristics (PDF):

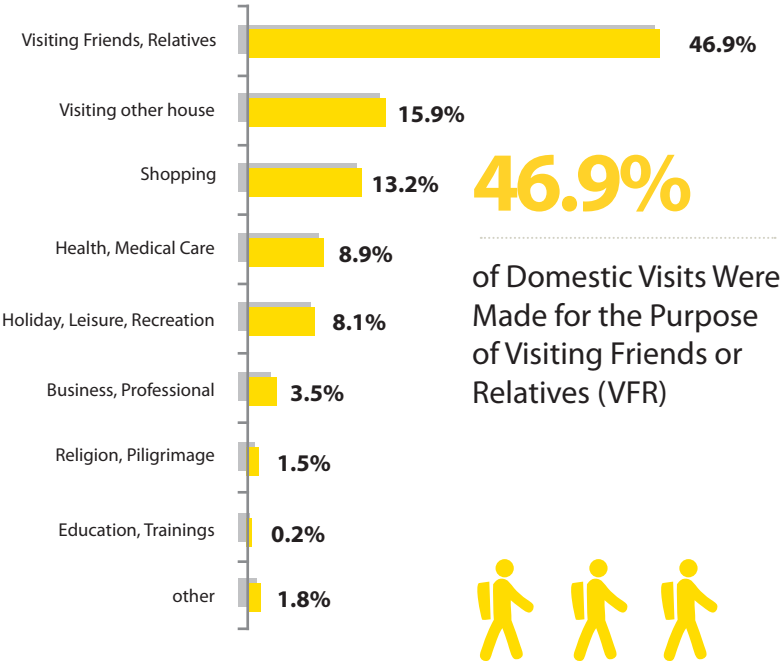
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Age Groups



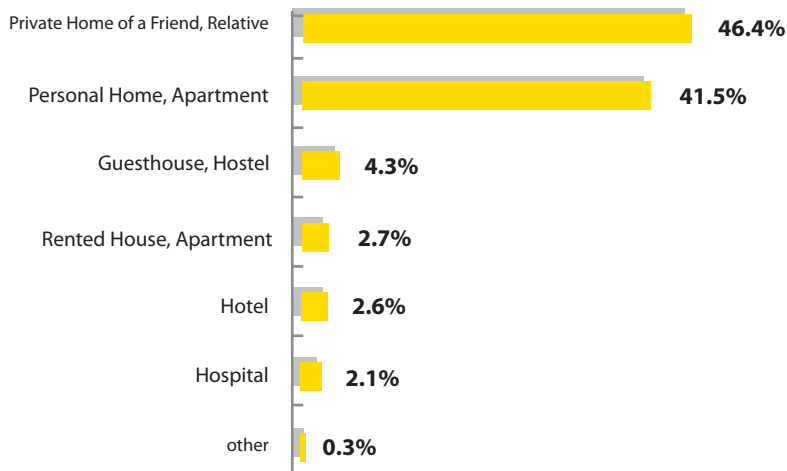
Source: National Statistics office of Georgia

Main Purpose of Trip



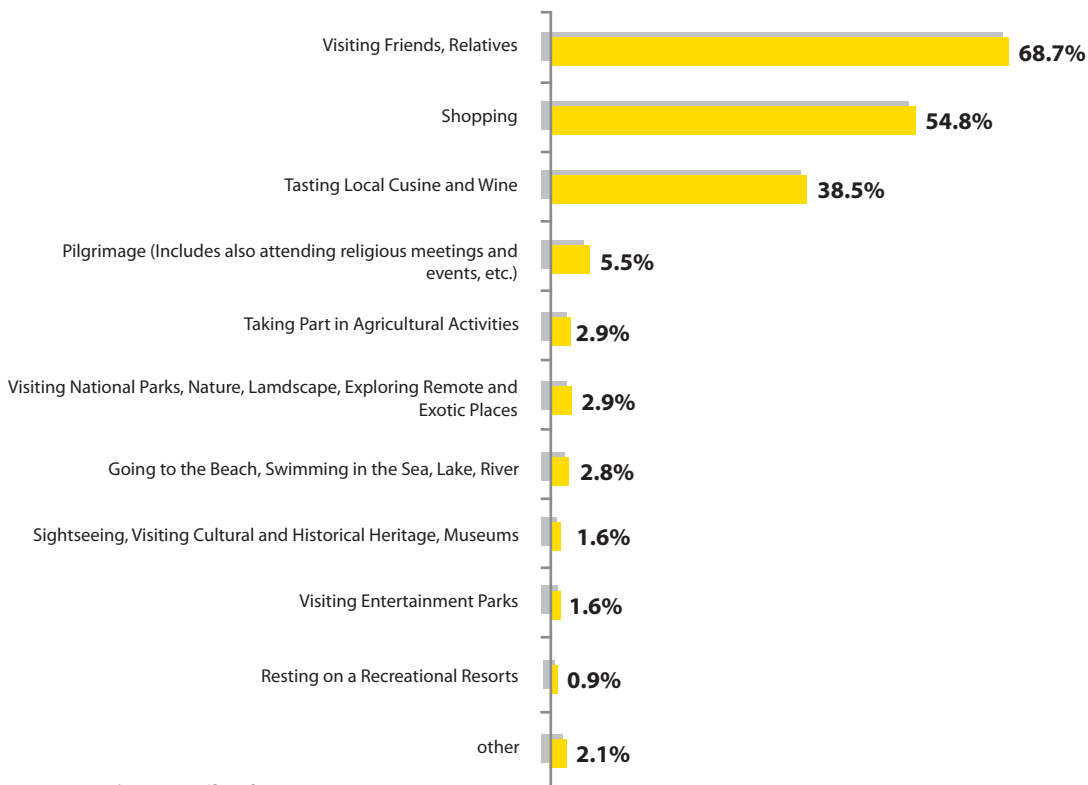
Source: National Statistics office of Georgia

Nights Spent



Source: National Statistics office of Georgia

Popular Tourism Activities



Source: National Statistics office of Georgia

Expenditure Structure

| Components | Total Expenditure GEL (x1000) | Share of Total Expenditure |
|-------------------------------------|-------------------------------|----------------------------|
| Shopping | 950,132 | 35% |
| Served Food and Drinks | 657,154 | 24.2% |
| Local Transport | 561,045 | 20.7% |
| Accommodation | 126,797 | 4.7% |
| Cultural and Entertainment Services | 18,285 | 0.7% |
| Other Expenditures | 399,144 | 14.7% |

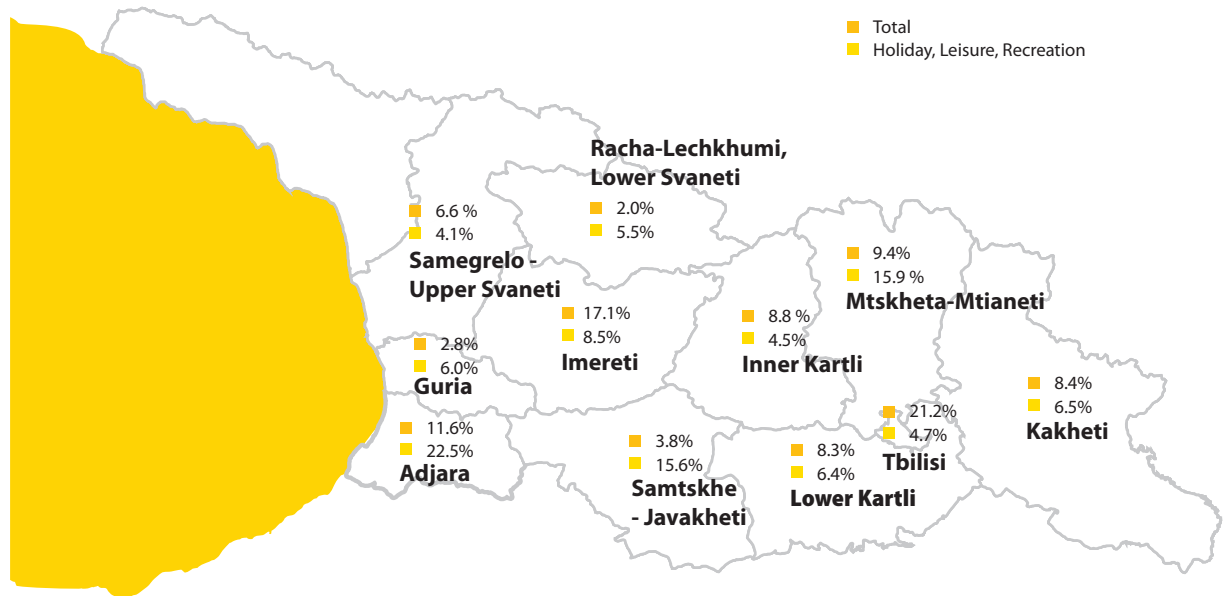
Source: National Statistics office of Georgia

Average Length of Stay

| Region | Average Overnights |
|----------------------------------|--------------------|
| Tbilisi | 1.5 |
| Adjara | 2.1 |
| Guria | 3.2 |
| Imereti | 2.3 |
| Kakheti | 2.4 |
| Mtskheta-Mtianeti | 1.4 |
| Racha – Lechkhumi, Lower Svaneti | 5.5 |
| Samegrelo – Upper Svaneti | 2.7 |
| Samtskhe – Javakheti | 3.7 |
| Lower Kartli | 1.3 |
| Inner Kartli | 1.8 |

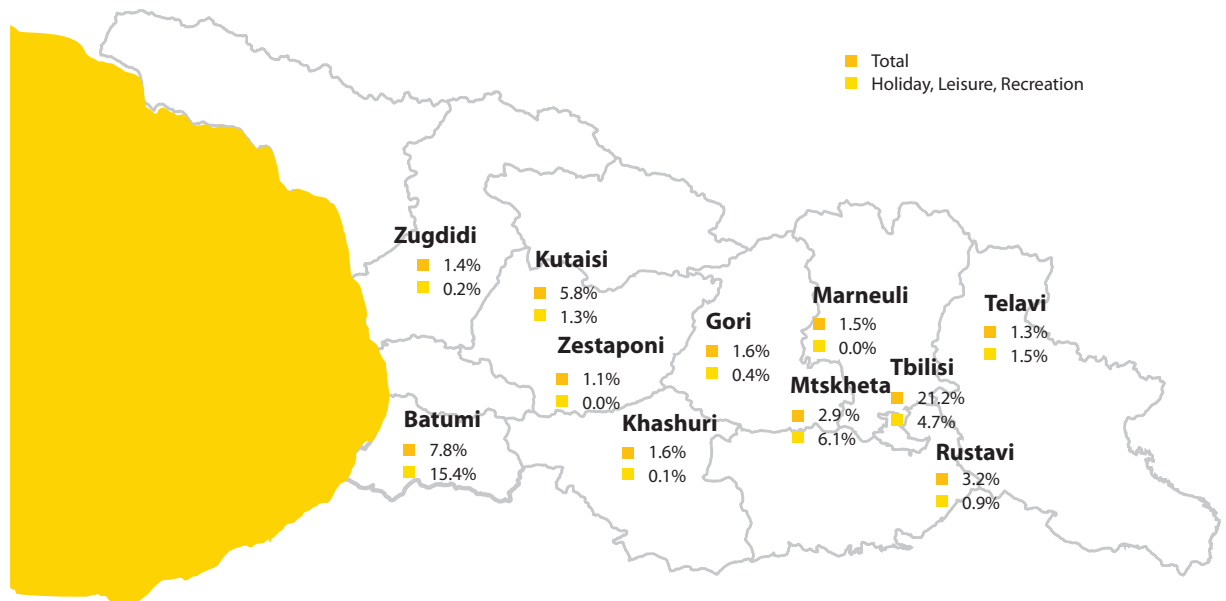
Source: National Statistics office of Georgia

Most Visited Regions



Source: National Statistics office of Georgia

Most Visited Destinations



Source: National Statistics office of Georgia

Tourism - an Important Sector of the Economy

The travel and tourism industry is one of the fastest recovering sectors among services. According to the World Travel and Tourism Council (WTTC), in 2021 the contribution of this sector to the total GDP amounted to 5.8 trillion US dollars (Increase compared to the previous year +21.7%) and supported the creation of 289 million jobs. After taking into account its direct and side effects, the contribution of the sector to the development of the world economy is as follows: 6.1% of the world's GDP, one workplace out of every 11 jobs. (Economic Impact of Travel and Tourism 2022, Annual Update, WTTC).

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 2021, the foreign exchange income from international travel to Georgia amounted to 1.24 billion USD (growth +129.8%). The foreign exchange expenditure of Georgian residents abroad amounted to 184.7 million USD; (growth +2.4%). In 2021, the balance of international travel equated to 1.03 billion USD (growth +193.5%). This growth was reflected in the share of international travel in service exports, which increased from 34.3% to 48.9%.

In 2021, transactions with foreign payment cards by international travelers amounted to 2.26 billion GEL, +104.7% increase compared to the previous year. It is important that this indicator almost equaled to 2019 figure and the recovery rate amounted to 84.1%.

Share of tourism related industries in the economy

According to preliminary data in 2021, due to the increasing demand, the total added value in the tourism sector increased by 32.3% and amounted to 3.38 billion GEL. As a result, the added value of tourism-related industries as a share of GDP increased from 5.9% to 6.4%. In 2021, the value added in the tourism industry was mainly driven by transport (53%), accommodation (25%), food and beverage services (21%), and travel companies (1%).

The Main Indicators

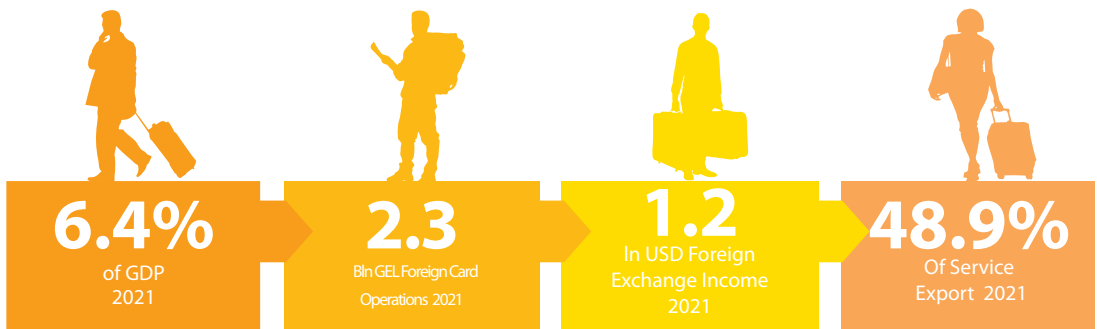
- Share of tourism in GDP
- Share of tourism in total output
- Foreign currency income from international travel
- Foreign currency expenses for foreign travel
- Balance of international travel
- Foreign card operations of international travelers

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

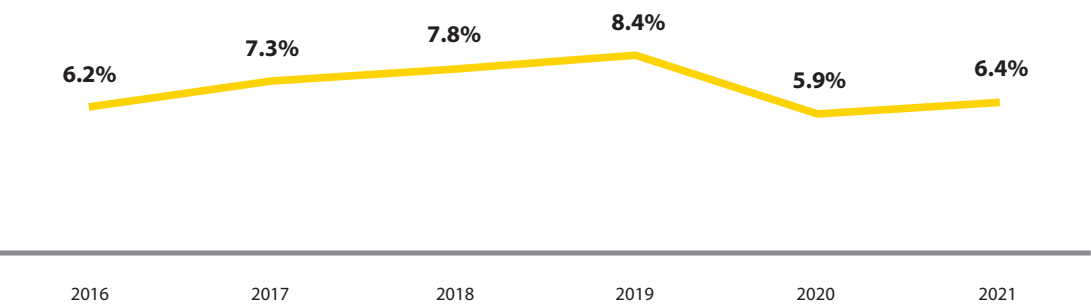
Economic Indicators (XSL):

<https://bit.ly/3D4pfHU>

www.gnta.ge



Share of Tourism in GDP



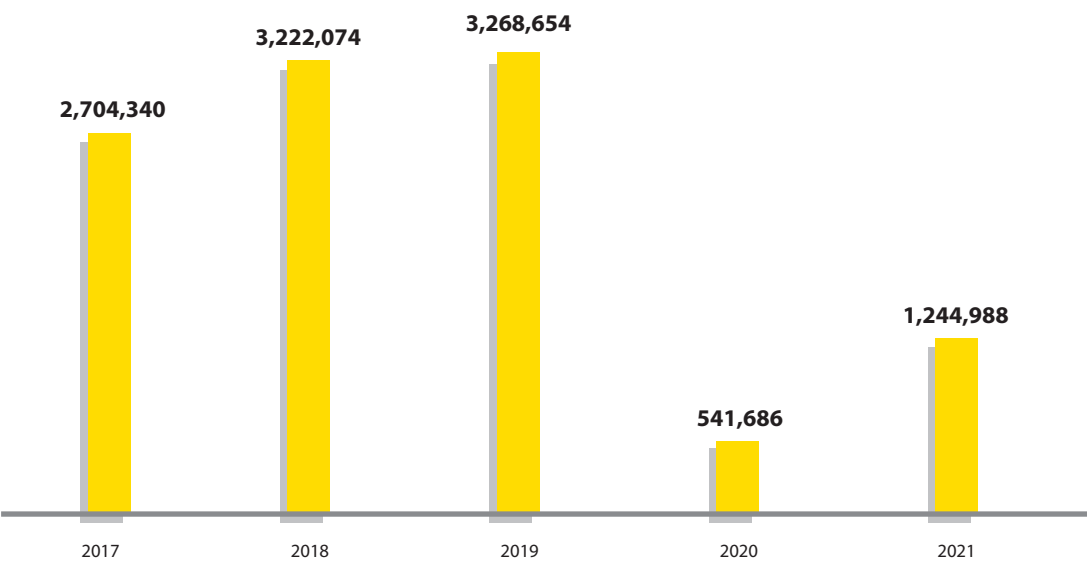
Source: National Statistics Office of Georgia

Tourism Value Added 2018-2021 (Thousands of GEL)

| | 2018 | 2019 | 2020 | 2021 | Change % 2020 - 2021 |
|---------------------|-----------|-----------|-----------|-----------|-------------------------|
| Total | 3,015,937 | 3,629,700 | 2,547,504 | 3,384,888 | 32.3% |
| Including | ↓ | ↓ | ↓ | ↓ | ↓ |
| Accommodation Units | 1,185,401 | 1,559,500 | 773,658 | 1,017,847 | 59.9% |
| Food Establishments | 614,601 | 663,500 | 547,211 | 706,523 | 24.4% |
| Transports | 1,095,931 | 1,252,300 | 1,200,273 | 1,617,217 | 22.3% |
| Travel Companies | 120,004 | 154,400 | 26,362 | 43,301 | 37.1% |

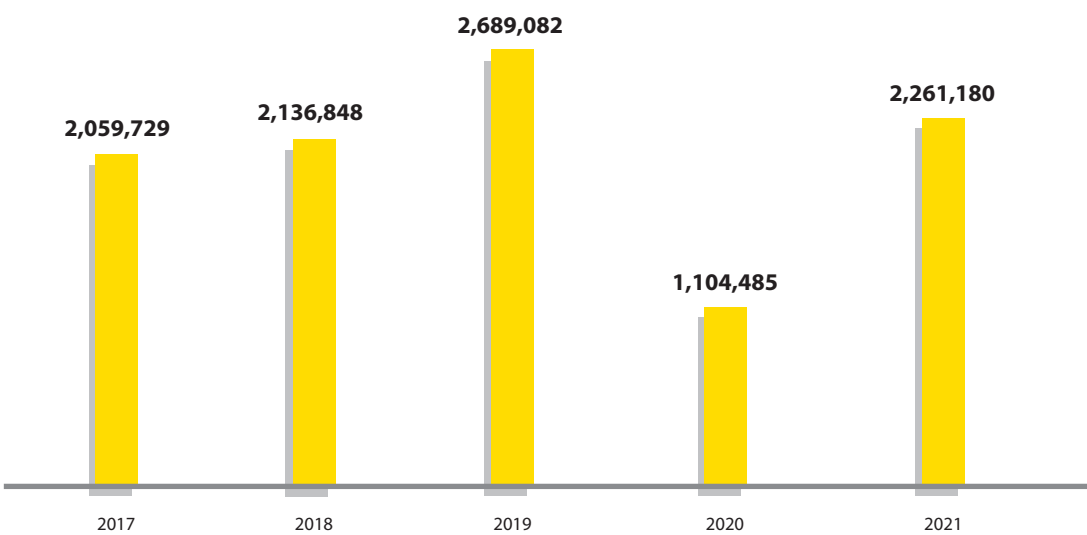
Source: National Statistics Office of Georgia

**International Tourism Receipts
(Thousands of USD)**



Source: National Bank of Georgia

**Foreign Card Operations of International Travelers
(Thousands of GEL)**



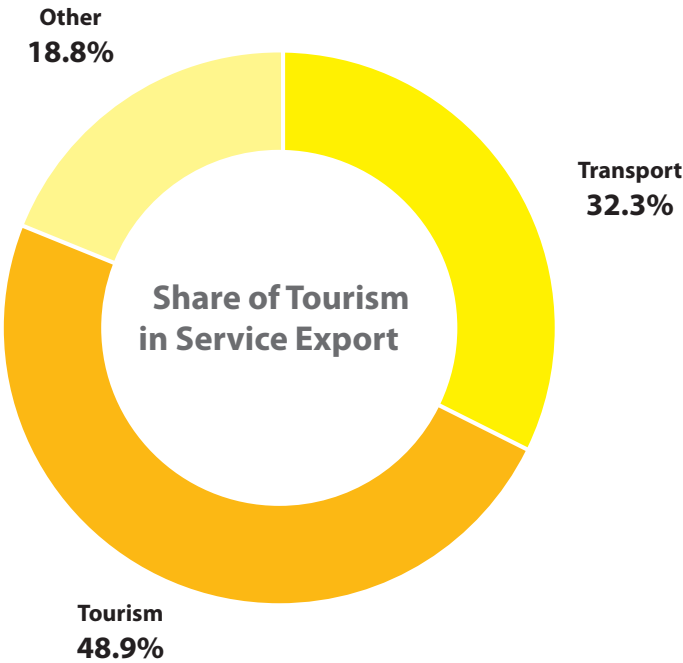
Source: National Bank of Georgia

Foreign Currency Revenues from Incoming Tourism 2018 – 2021

(Thousands of USD)

| | 2018 | 2019 | 2020 | 2021 | Change% 2020 - 2021 |
|-----------|-----------|-----------|---------|-----------|------------------------|
| Total | 3,222,074 | 3,268,654 | 541,686 | 1,244,988 | +129.8% |
| Including | ↓ | ↓ | ↓ | ↓ | ↓ |
| I Q. | 550,730 | 578,442 | 427,699 | 53,551 | -87.5% |
| II Q. | 809,969 | 877,626 | 28,842 | 246,123 | 753.3% |
| III Q. | 1,210,561 | 1,126,771 | 42,534 | 565,981 | 1,230.7% |
| IV Q. | 650,814 | 685,814 | 42,611 | 379,333 | 790.2% |

Source: National Bank of Georgia



Source: National Bank of Georgia

The Aviation Market

2021, despite the impact of the covid pandemic, was significantly busier in the direction of the aviation market. As in Georgia, as well as around the world, due to the pandemic, quite strict and complex restrictions were in force. In comparison with the previous year, a sharp increase is observed in the amount of flights as well as in the number of passengers.

In 2021, the total passenger traffic of all airports of Georgia amounted to 2,489,368 passengers, which is almost twice as much as the same data of the previous year. It should be noted that the international airports of Georgia showed +200% increase in passenger traffic compared to 2020 and 47.9% recovery compared to the pre-pandemic period.

In 2021, Georgia was named as the world's leading country by "Eurocontrol" with the fastest dynamics of recovery in the aviation industry. According to the Georgian Civil Aviation agency, by the number of carried passengers, Turkish Airlines is the largest airline operating on the Georgian aviation market. In 2021, Turkish Airlines carried 274,404 (11.5%) passengers. Wizz Air Hungary was the second largest airline with 202,286 passengers (8.4%), followed by Skyup Airlines – 192,921 passengers (8.1%); Pegasus Airlines – 191,794 (8%); Belavia – 188,438 (7.9%); Fly Dubai – 135,059 (5.6%); Flynas – 124,717 (5.2%); Isair Airlines – 98,098 (4.1%); Georgian Airways – 72,923 (3%) and Air Arabia – 72,344 (3%)

In 2021, the following – budget airlines were operating flights to Georgia: Pegasus Airlines, Air Arabia, Air Arabia-Abu Dhabi, Air Baltic, Buta Airways, Bees Airlines, Air Cairo, Flynas, Fly Aristan, Jazzira Airways, Fly Dubai, Skyup Airlines, Ukraine International Airlines, Wizz Air Hungary, Wizz Air Abu Dhabi and Eurowings.

In 2021, seven new international airlines entered the Georgian aviation market, including: Eurowings, Bees Airlines, Fly Arystan, Airmanas, Air Arabia Abu Dhabi, Wizz Air Abu Dhabi, Smartlynx Airlines. It is worth mentioning additional flights to new directions: Eurowings started flights to Tbilisi-Dusseldorf, Bees Airlines to Tbilisi-Kiev and Batumi to Kiev, Air Arabia started flights Abu Dhabi to Tbilisi-Abu Dhabi, LOT Polish Airlines to Batumi-Warsaw, Air Astana to Batumi-Almaty, Smartlynx Airlines to Batumi-Tallinn, Airmanas to Batumi-Bishkek, Ukraine International Airlines to Batumi-Kiev, Flyarystan to Kutaisi-Nur Sultan, Kutaisi-Aktau, Kutaisi-Atyrau and Kutaisi-Shymkent and Belavia to Kutaisi-Minsk.

In total, 36 international and two domestic airlines offered passengers comfortable flights from Georgia, while one Georgian airline (Ak-Air Georgia) offered domestic flights on the territory of Georgia.



+110.5 %

15,014
Flights



+200 %

2,489,368
Passengers

Basic Information

Currently three international and three domestic airports operate in Georgia, all of which fully comply with International Civil Aviation Organization (ICAO) 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 1.5 million passengers, respectively. Kutaisi airport is the second largest international airport in Georgia with an unprecedented annual growth of 35%. The area of the renovated airport terminal is about 6 times larger than the area of the old terminal and is 30,000 square meters in total. The airport has 7 exits and its annual capacity, even under severe peak loads, will be more than 2,500,000 passengers. As for Mestia and Ambrolauri airports, their load is 50,000 and 50,000 passengers per year, respectively.

Following airports included:

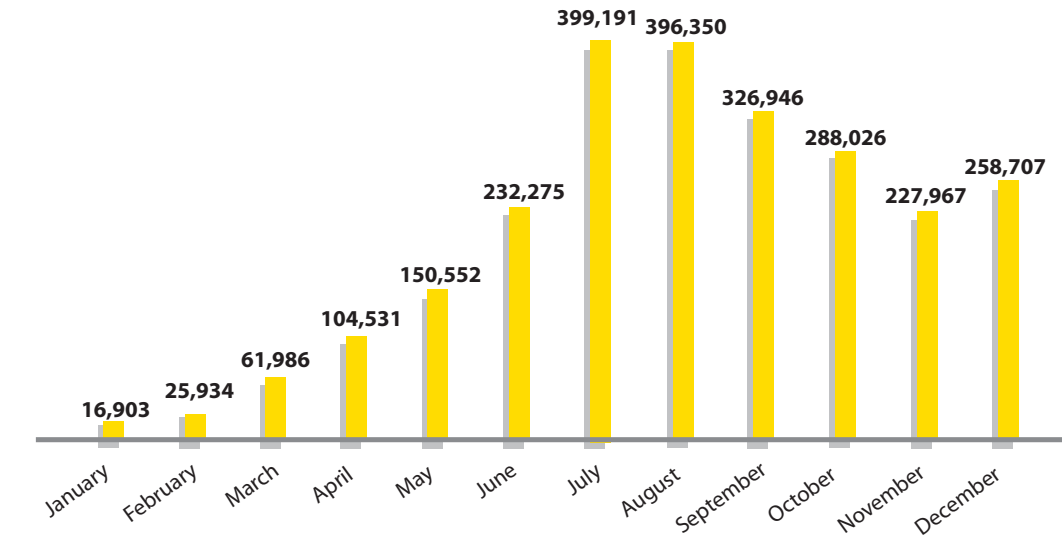
Tbilisi International Airport, Kutaisi David the Builder International Airport, Batumi International Airport, Mestia Queen Tamar Airport, and Ambrolauri Airport.

Aviation statistics are provided by the Georgian Civil Aviation Agency. For detailed information please visit Georgian Civil Aviation Agency website:

<https://gcaa.ge/>

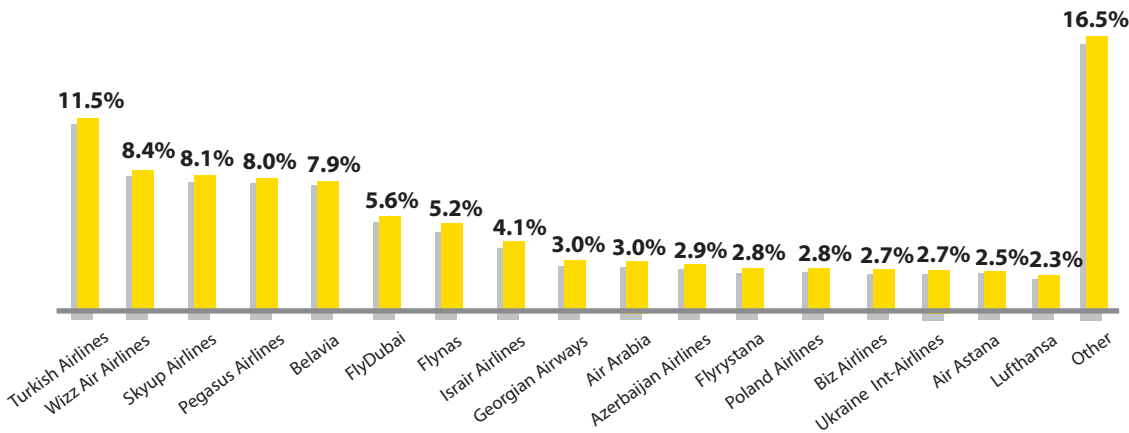
Aviation statistics
(xsl) - **<https://bit.ly/3zOzYXo>**

Passenger Distribution by Months

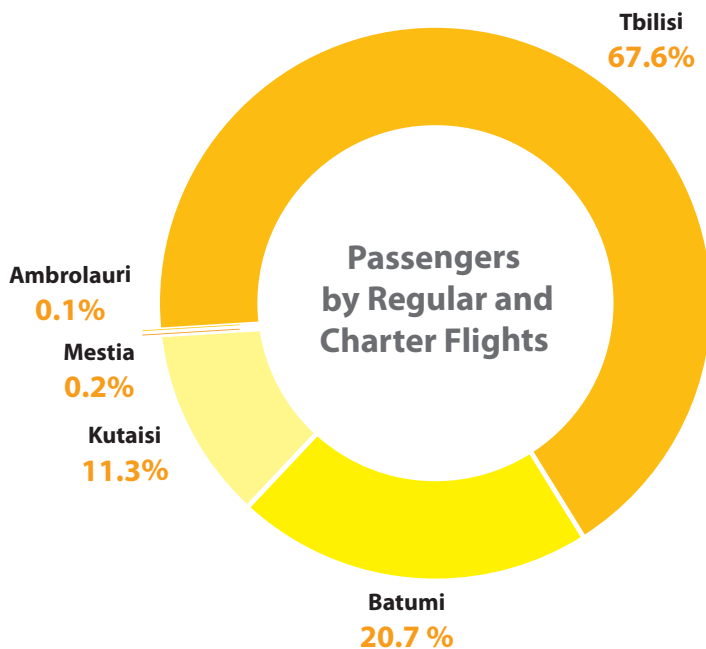


Source: Georgian Civil Aviation Agency

Share of Airlines



Source: Georgian Civil Aviation Agency

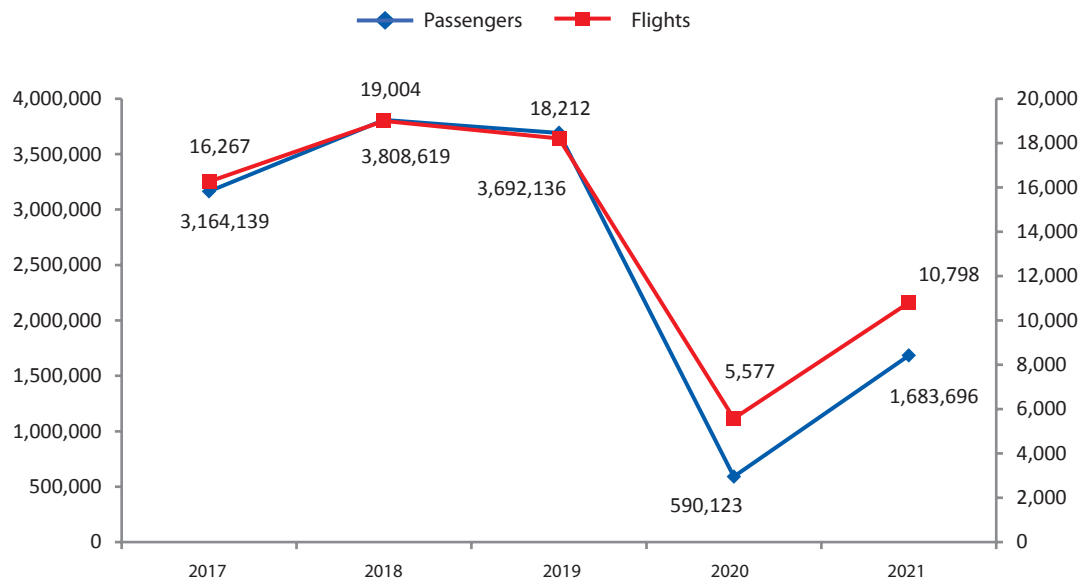


Source: Georgian Civil Aviation Agency



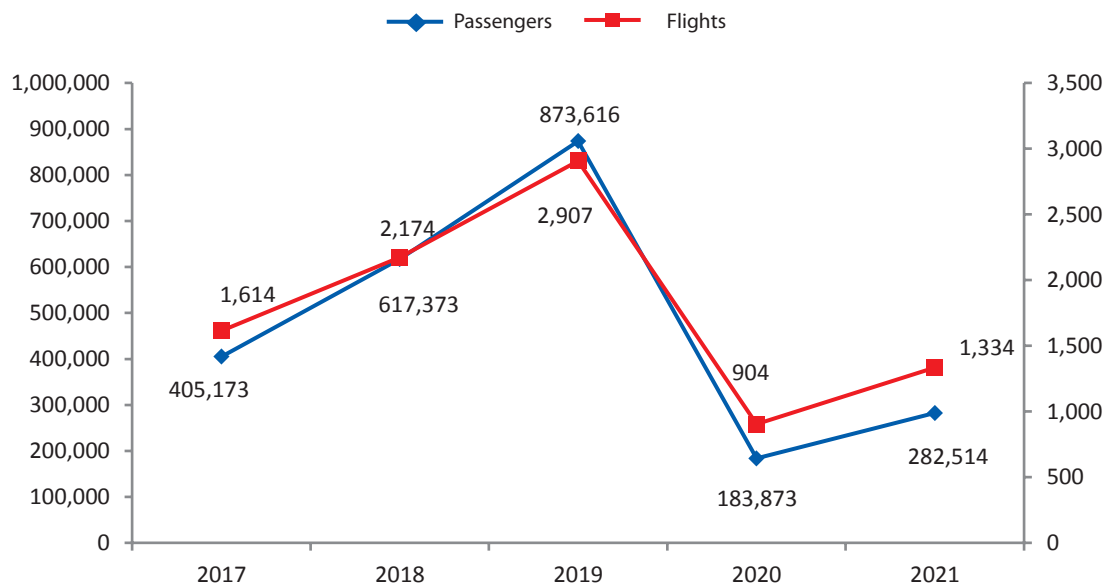
Source: Georgian Civil Aviation Agency

Tbilisi International Airport: Passengers and Flights



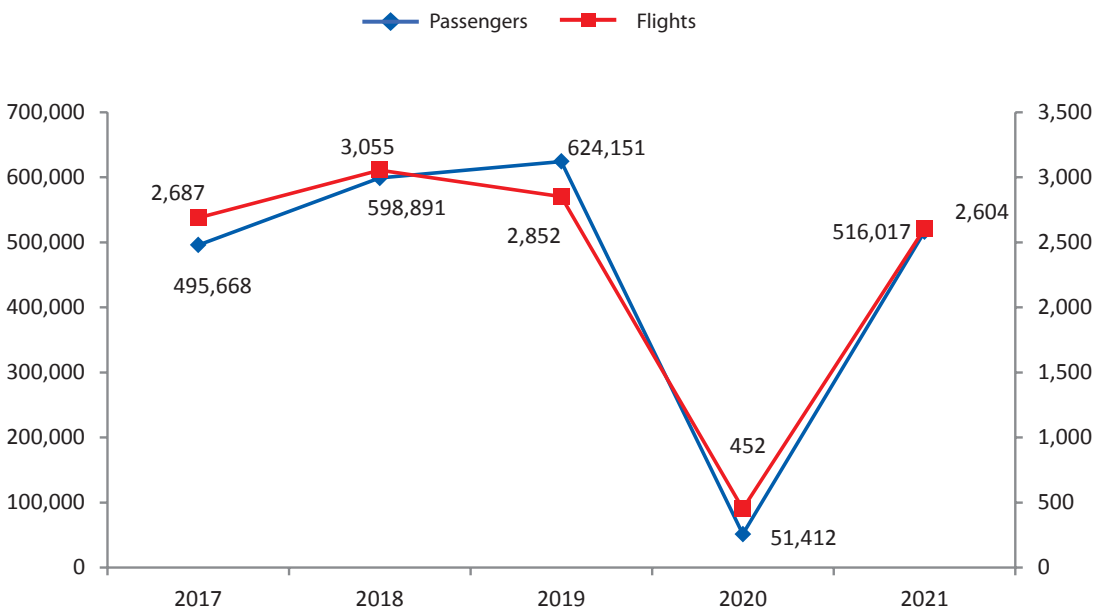
Source: Georgian Civil Aviation Agency

Kutaisi International Airport: Passengers and Flights



Source: Georgian Civil Aviation Agency

Batumi International Airport: Passengers and Flights



Source: Georgian Civil Aviation Agency

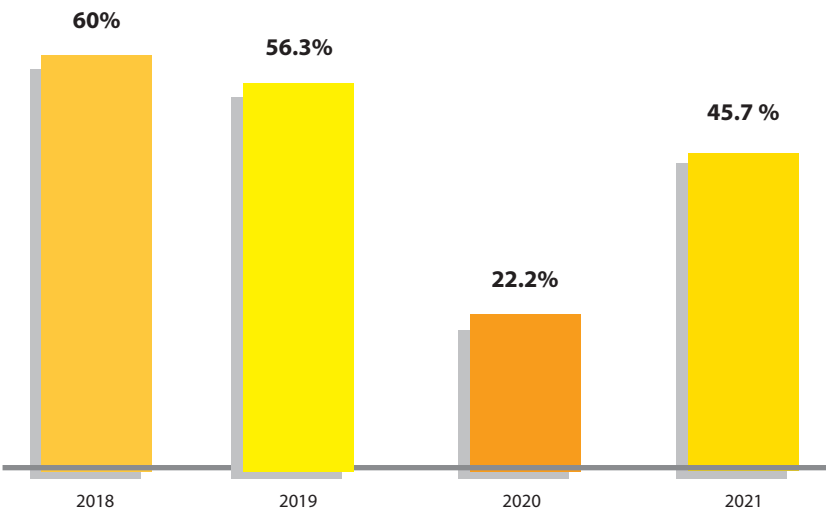


Accommodation Market

STR Global estimates that the occupancy rate in Georgian hotels in 2021 equaled to 45.7%; representing +106.8% increase compared to the previous year. The highest occupancy rates were registered in July (73.1%), August (65%), and June (58.4%), while the lowest number were in January (16.1%), February

(18.8%) and March (23.9%). The data of STR Global allows analysis of three categories: Tbilisi, Batumi and the rest of Georgia. The highest occupancy rate among cities was recorded in Batumi category (55.4%), followed by "other Georgia" (50.2%) and Tbilisi (41%).

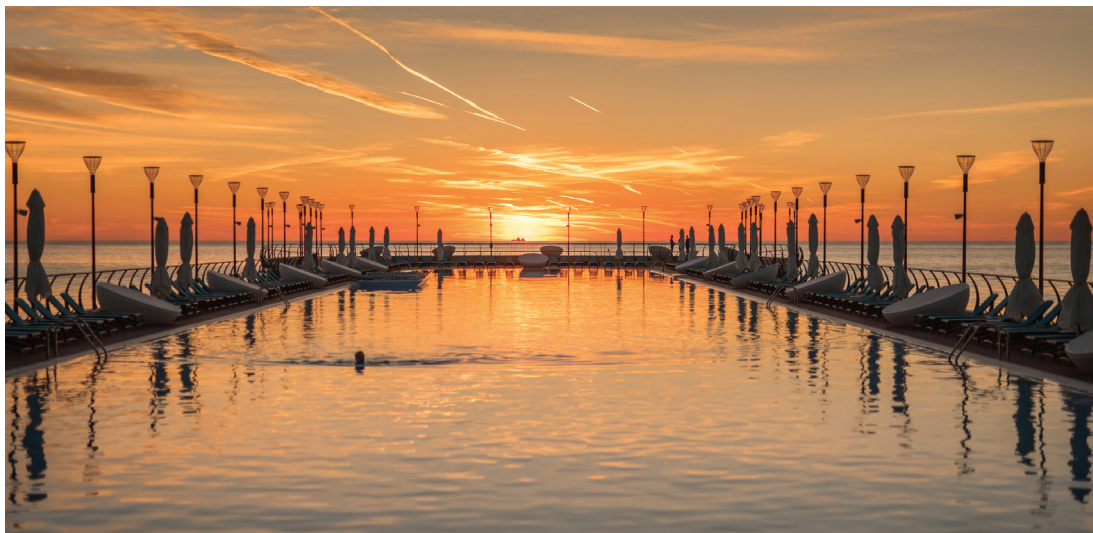
Occupancy Rate in Brand Hotels



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, Ambassador 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, ibis Tbilisi Stadium, Ramada Encore Tbilisi, 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, Hilton Batumi, Hotel Boulevard Batumi, Georgia Palace Hotel & Spa, Golden Tulip Borjomi, MOXY Tbilisi, Iota Hotel Tbilisi, Sheraton Grand Tbilisi Metechi Palace, Wyndham Grand Tbilisi, Radius Hotel Tbilisi, Stamba Hotel, ibis Tbilisi Stadium, Hilton Garden Inn Tbilisi Chavchavadze, Bellevue Residence Batumi, Le Meridien Batumi.



Protected Areas

The number of visitors registered in protected areas reached to 589,098 in 2021. Compared to the previous year showing the growth rate of 145.2%. The number of foreign visitors in such protected areas was 311,014, representing a growth rate of 1,077% in comparison with the previous year. The majority of international visitors were from Ukraine (13.7%), Israel (13.3%), Russia (12.1%), Belarus (11.3%) and Latvia (9.5%).

Martvili Canyon (116,420; 19.8%), Prometheus Cave (104,112; 17.7%), and Kazbegi National Park (67,419; 11.4%) had the highest number of visitors. While the largest number of foreigners visited Prometheus Cave (82,410; 26.5%), Martvili Canyon (81,436; 26.2%), and Okatse Canyon (38,746; 12.5%).

In 2021, income from tourism services in protected areas was 5,832,764 GEL, with growth rate of 548.8% compared to the previous year. Calculated by amount of income, Prometheus Cave was the leader with 2,365,460 GEL, followed by Martvili Canyon (1,850,180 GEL), Okatse Canyon (650,076 GEL), and Sataplia (351,428 GEL).

The share of foreign visitors in protected areas increased from 11% to 53%. Increase in foreign visitors equaled to +1,077%, while the number of Georgian visitors increased by +30%. As a result, the share of foreign visitors in the number of total visits to protected areas increased.

The largest increase in number of visitors was observed in Martvili Canyon, Prometheus cave and Okatse Canyon. In Martvili Canyon, the growth of visitors amounted to +94,931, in Prometheus Cave +84,767, and in Okatse Canyon +40,438. The largest number of foreign visitors were observed in Martvili Canyon +78,035, Prometheus Cave +75,320 and Okatse Canyon +36,464, while the largest number of Georgians visited Martvili Canyon +16,896, Kazbegi National Park +13,912 and Sataplia +9,918.

Prometheus cave had the largest increase in income of protected areas. The total revenue growth of protected areas amounted to 4,933,688 GEL. The increase was mainly contributed by Prometheus cave +2,074,871 (42.1% - contribution in the growth), Martvili Canyon +1,594,536 (32.3% - contribution in the growth) and Okatse Canyon +558,319 (11.3% - contribution in the growth).

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, 13 National Parks, 40 Natural Monuments, 24 Managed Natural Reserves, and 3 Protected Landscape. (According to the criteria of the IUCN) 94 protected areas of five different categories occupy 792,244 ha of all protected areas, which comprises 11.37% 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.

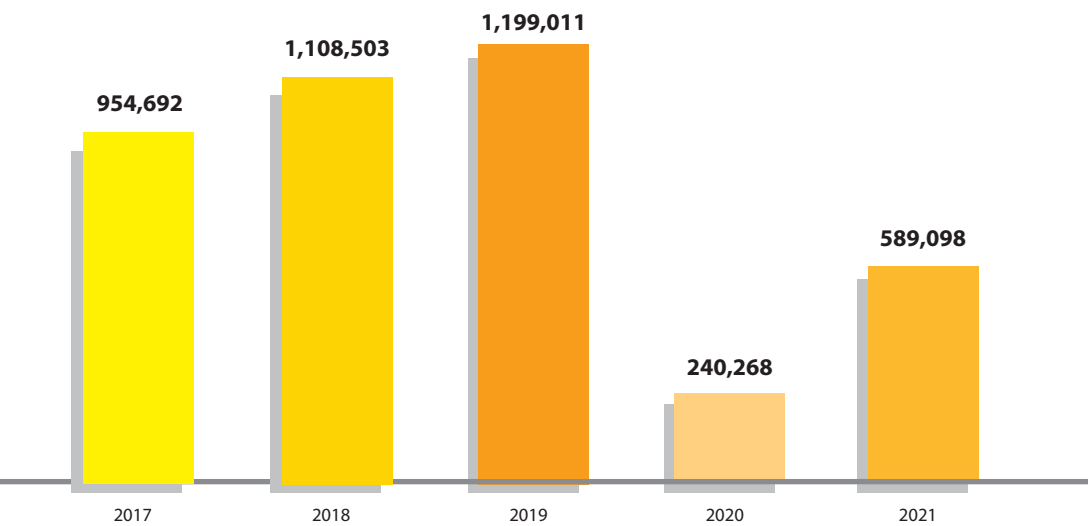
Natural Monuments - promoted mainly for the conservation of specific natural features (the protection of all small-size territories).

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

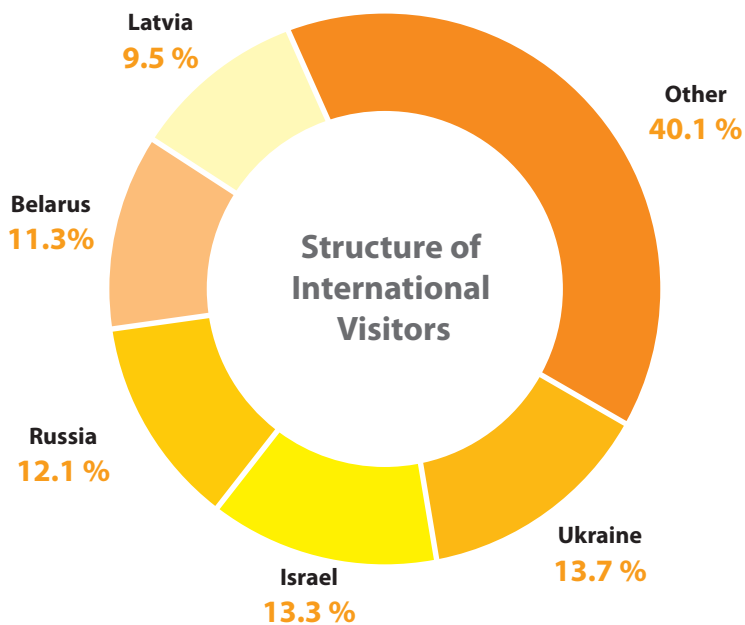
Protected Landscapes - managed primarily for landscape/seascape protection and recreation. More detailed information is available from: www.apa.gov.ge

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

Visitors of Protected Areas by Year



Source: Agency of Protected Areas



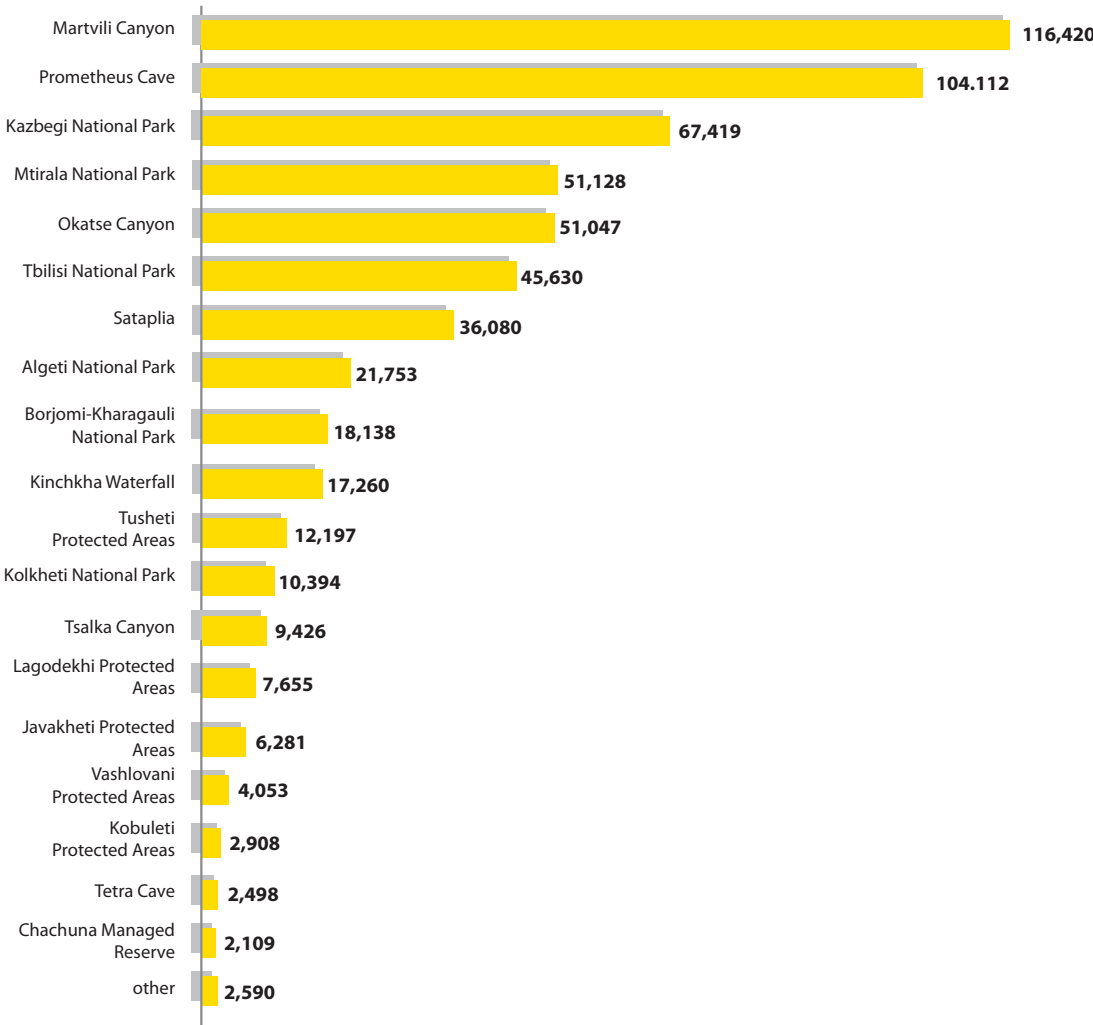
Source: Agency of Protected Areas

Visitors of Protected Areas by Nationalities

| | 2018 | 2019 | 2020 | 2021 | Change % 2020-2021 |
|------------|-----------|-----------|---------|---------|-----------------------|
| Total | 1,108,503 | 1,199,011 | 240,268 | 589,098 | 145.2% |
| Foreigners | 529,023 | 611,989 | 26,432 | 311,014 | 1,077% |
| Georgians | 579,480 | 587,022 | 213,836 | 278,084 | 30% |

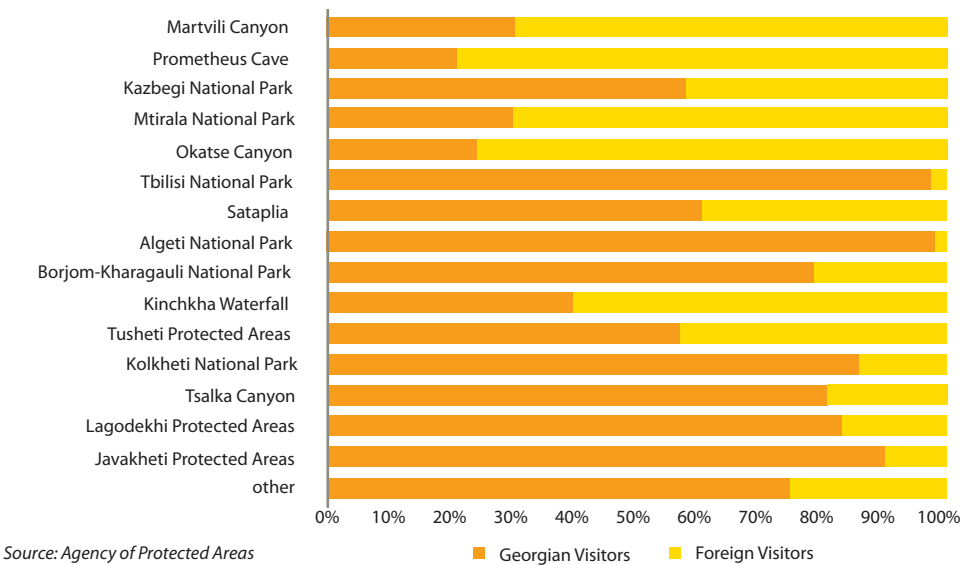
Source: Agency of Protected Areas

Visitors by Protected Areas

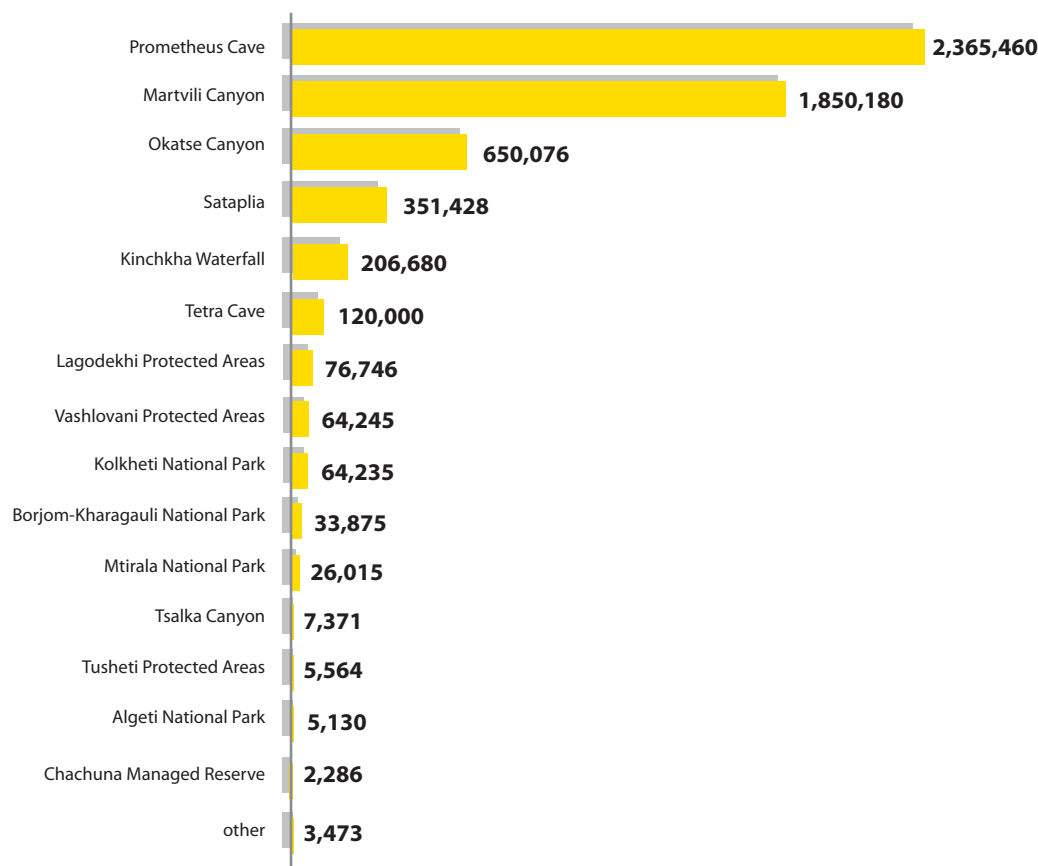


Source: Agency of Protected Areas

Georgian and Foreign Visitors in Protected Areas



Revenues by Protected Areas (GEL)



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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National Bank of Georgia



Agency of Protected Areas



Georgian Civil Aviation Agency

ISET

International School of Economics at TSU
Policy Institute

ISET Policy Institute - ISET-PI



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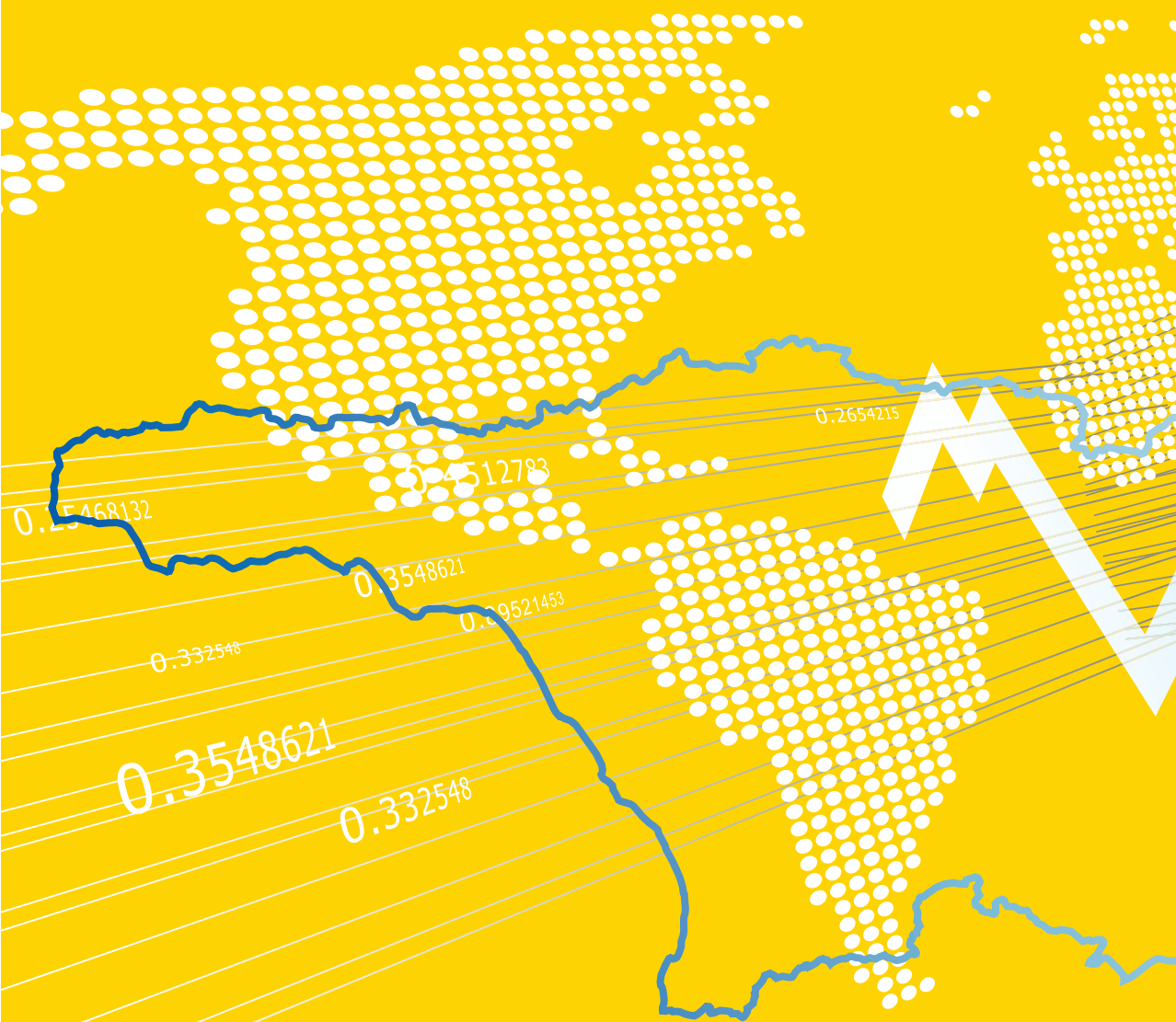
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