

- The 3-star, 4-star and 5-star hotel price index increased by 2% in May 2018 compared to April 2018;
- For guesthouses, the price index decreased by 1.8% in May 2018 compared to April 2018;
- According to Airbnb, in May 2018, looking at the self-governing cities of Georgia the highest average cost of an apartment was recorded in Batumi-US\$48;
- In the first quarter of 2018, compared to the first quarter of 2017, the number of inbound visitors increased significantly in Imereti (by 67%) and Mtskheta-Mtianeti (by 47%).

Average Hotel Prices

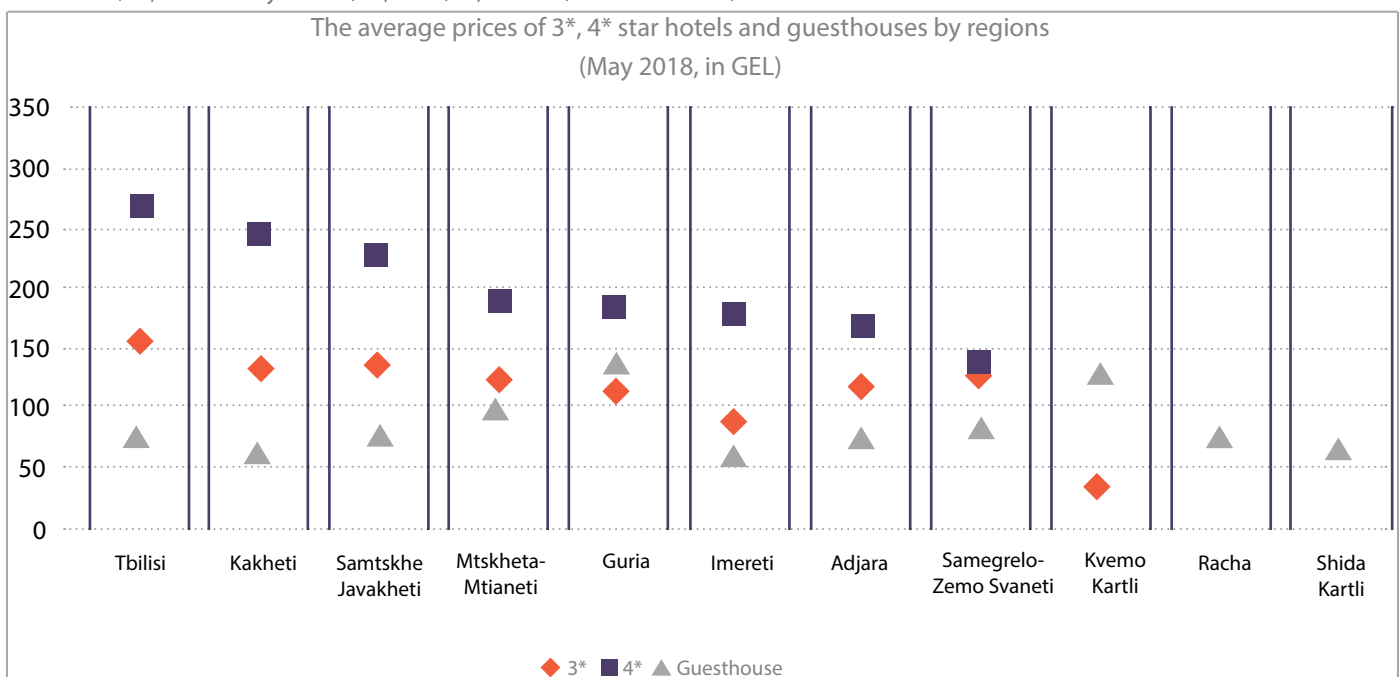
In Georgia, the average cost of a room¹ in a 3-star hotel was **GEL 137** per night in May 2018. The most expensive 3-star hotels in May in Georgia were found in Tbilisi (exceeding the average price by 15%).

The average cost of a room in a 4-star hotel in Georgia in May was **GEL 232** per night. The most expensive 4-star hotels in May were in Tbilisi (exceeding the average price by 13%).

The average cost of a room in a 5-star hotel in Georgia in May 2018 was **GEL 399** per night. In Tbilisi, the average price was GEL 610, followed by Kakheti- 358 GEL, Samtskhe-Javakheti-GEL 354, and Adjara-GEL 269.

In May 2018, the average cost of a room in a guesthouse² in Georgia was **GEL 72** per night. The highest daily rates for guesthouses like previous months were found in Kvemo Kartli and Guria.

In terms of apartments, on Airbnb in Georgia among self-governing cities the highest average cost of an apartment in May was recorded in Batumi-US\$48, followed by Tbilisi-\$44, Poti-\$42, Kutaisi-\$28 and Rustavi-\$20.



Graph 1: In the graph, average prices for standard double rooms in 3 and 4-star hotels and guesthouses are given by region. 5-star hotel prices are provided above.

Hotel Price Index

In May 2018, the hotel price index³ increased by 0.9% compared to April 2018. The daily rates for standard double hotel rooms increased mostly in Adjara (6.5%), while the daily rates decreased the most in Kakheti region (8.1%).

In May 2018, compared to April 2018 the number of international travelers increased by 6.1%, of these international travelers, the proportion who stayed in Georgia for 24 hours or more (classified as tourists) increased by 29.4%⁴.

The 3-star, 4-star and 5-star hotel price index increased by 2% in May 2018 compared to April 2018. In these types of hotels, the highest price increases were recorded in Adjara, whereas the prices for standard double hotel rooms decreased the most in Mtskheta-Mtianeti compared to the previous month.

For guesthouses, the price index decreased by 1.8% in May 2018 compared to April 2018. Among regions, in this type of accommodation, the biggest percentage price increase for standard double rooms was recorded in Guria, the biggest percentage price decrease in Kakheti region.

Region	Hotel	3*, 4*, 5*	Guesthouse
Adjara	6.5%	10.3%	0.0%
Kvemo Kartli	1.3%	2.1%	0.0%
Guria	1.1%	-1.4%	2.8%
Tbilisi	0.9%	1.3%	-1.2%
Shida Kartli	-0.5%		-0.5%
Racha	-0.8%		-0.8%
Samegrelo-Zemo Svaneti	-2.6%	4.8%	-5.5%
Mtskheta-Mtianeti	-3.3%	-7.6%	0.6%
Imereti	-4.4%	-6.7%	-3.0%
Samtskhe-Javakheti	-4.7%	-0.7%	-7.1%
Kakheti	-8.1%	-1.3%	-9.9%
Overall price % Change	0.9%	2.0%	-1.8%

Table 1: Percentage change of prices in May 2018 over April 2018.

Number of visits made by inbound visitors by region

Region	I 2017	I 2018
Tbilisi	161.1	217.5
Adjara	68.4	92.5
Imereti	10.4	17.3
Kakheti	15.7	20.0
Mtskheta-Mtianeti	56.4	83.1
Samtskhe-Javakheti	36.4	41.8
Kvemo Kartli	87.4	76.9
Other Regions	9.8	19.2

The National Statistics office of Georgia has published the breakdown of the monthly average number of visits made by inbound visitors aged 15 and older for each region. The results are based on a survey of inbound visitors conducted at border checkpoints. In the first quarter of 2018, the regions of Tbilisi, Adjara and Mtskheta-Mtianeti were the three most popular destinations for inbound visitors.

In the first quarter of 2018, compared to first quarter of 2017, the monthly average number of visits made by inbound visitors aged 15 and older increased in every region except Kvemo Kartli, which recorded a decrease of 12%. Although, it has to be noted that, during the first quarters in the last four years, the number of visits made in Kvemo Kartli by inbound visitors is quite high. This can partially be explained by the borders with Armenia and Azerbaijan. Many of the visits to this region are from people from these neighboring countries who are visiting family members⁵.

Table 2: Distribution of monthly average number of visits made by inbound visitors of age 15 and older by visited regions, thousand, Geostat

In the first quarter of 2018, compared to the first quarter of 2017, the number of inbound visitors increased significantly in Imereti (by 67%) and Mtskheta-Mtianeti (by 47%).

Of all visits to Georgia in the first quarter of 2018, only 3.4% were recorded in Samegrelo-Zemo Svaneti, Guria, Racha-Letchkhumi and Shida Kartli regions combined.

Basic Economic Indicators											
	II 2016	III 2016	IV 2016	2016	I 2017*	II 2017*	III 2017*	IV 2017 *	2017 *	I 2018*	
1	489.3	559.1	493.4	1978.3	458.7	549	647.7	579.9	2235.4		
2	1505	2245.1	1473.8	6360.5	1267	1730	2827	1732.1	7556.3	1463.6	
3	606.3	1146.6	559.6	2721	514.4	796.2	1473.6	695.3	3479.5	659.3	
4	515.4	817.2	481.2	2166.3	434.6	658.8	1081.1	576.8	2751.3		
5	103	107.8	92.4	386.3	81.4	109.5	152	120.7	463.6		
6	0.8	12.5	35.3	56.9	16.1	31.7	30.6	11.6	90	21.9	
* 1	Total Tourism Value Added (mIn Gel)			* 2	Number of International Travelers (thousand persons)			* 3	Number of Tourists (thousand persons)		
* 4	Revenue form International Tourism (mIn USD)			* 5	The Expenditures of Georgian tourists Abroad (mIn USD)			* 6	Foreign Direct Investment in Hotels and Restaurants Sector (mIn USD)		

1 The results are based on the surveying of standard double hotel room prices of 3, 4, 5-star hotels and guesthouses in 10 regions of Georgia. Hotels were chosen arbitrarily according to random sampling principle. The study contains 71% (312) of all 3, 4 and 5-star hotels and 25% (456 guesthouses) of all guesthouses registered on www.booking.com. The 3, 4 and 5-star hotel price data was collected by contacting hotels individually, while the prices of guesthouses were taken from booking.com. The average prices are arithmetic mean of standard double hotel room prices.

2 Guesthouse: a type of accommodation that is characterized by having a small number of rooms and services are usually offered by the resident family.

3 The calculation of the hotel price index is based on the recommendations given by the International Monetary Fund (IMF). The elementary aggregate price index is calculated by Jevons index (Consumer Price Index Manual-Theory and Practice (2004), Practical Guide to Producing Consumer Price Indices (2009)).

4 According to the Georgian National Tourism Administration,

in April 2018, 596,703 international travelers visited Georgia. Of these, 278,032 travelers stayed in Georgia for 24 hours or more. In March 2018, the number of international travelers was 578,514, of whom 292,017 travelers stayed in Georgia for 24 hours or more.

5 44.7% of Kvemo Kartli population are ethnic Georgians, 45.1% azeris, 6.4%-Armenians. Source: <http://kvemokartli.gov.ge>