TBC CAPITAL

TOURISM SECTOR OVERVIEW

May 2026

Quarterly Watch

Tatia Khidasheli
Research Associate

Irina Kvakhadze
Senior Vice President, Research

TBC CAPITAL

1Q 2026

International Visitor Trips	Tourist Trips	Same Day Trips	Tourism Revenue mln USD
1 170 362	**997 529**	**172 833**	**830**
1Q 2026	1Q 2026	1Q 2026	1Q 2026
-0.2%	**4.0%**	**-19.0%**	**+0.5%**
Annual Change, %	Annual Change, %	Annual Change, %	Annual Change, %

51%

Average Occupancy Rate

129 USD

Average Daily Rate

International Visitor Trips

In the first quarter of 2026, international visitor trips decreased slightly by 0.2% YoY, standing at 1.2 million visits. While tourist trips increased by 4%, same-day trips declined sharply by 19% over the same period.

The decline in same-day trips is mainly linked to weaker flows from neighboring markets, which are typically more associated with short-duration travel. Although trips from Türkiye and Russia increased, visits from Armenia and Azerbaijan declined by 11.2% and 8.1%, respectively, driving the overall drop in same-day visits.

In 1Q 2026, Türkiye became Georgia's largest source market, accounting for 20.4% of total international visitor trips. Russia followed closely with a 19.7% share, while Armenia ranked third at 13.7%.

Annual growth dynamics differed across major source markets. Visitor trips from Türkiye and Russia increased by 6% and 5%, respectively, supporting overall flows. Meanwhile, visits from Israel declined by 17.5% YoY, reflecting the impact of the conflict in the Middle East. Still, Israel remained the fourth-largest source market.

FIGURE 1 **International visitors by type (mln. visits)**

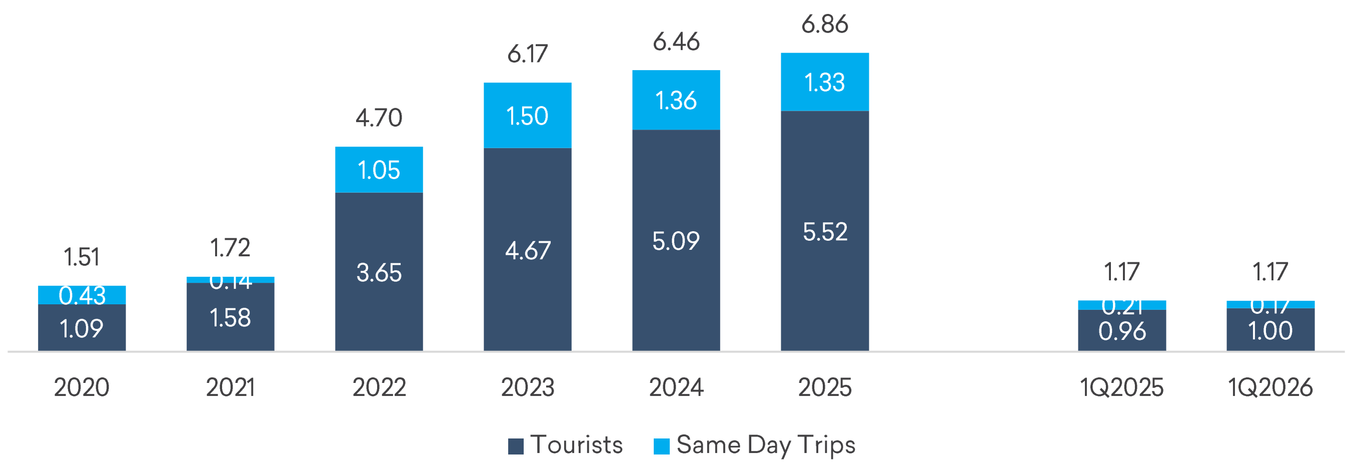
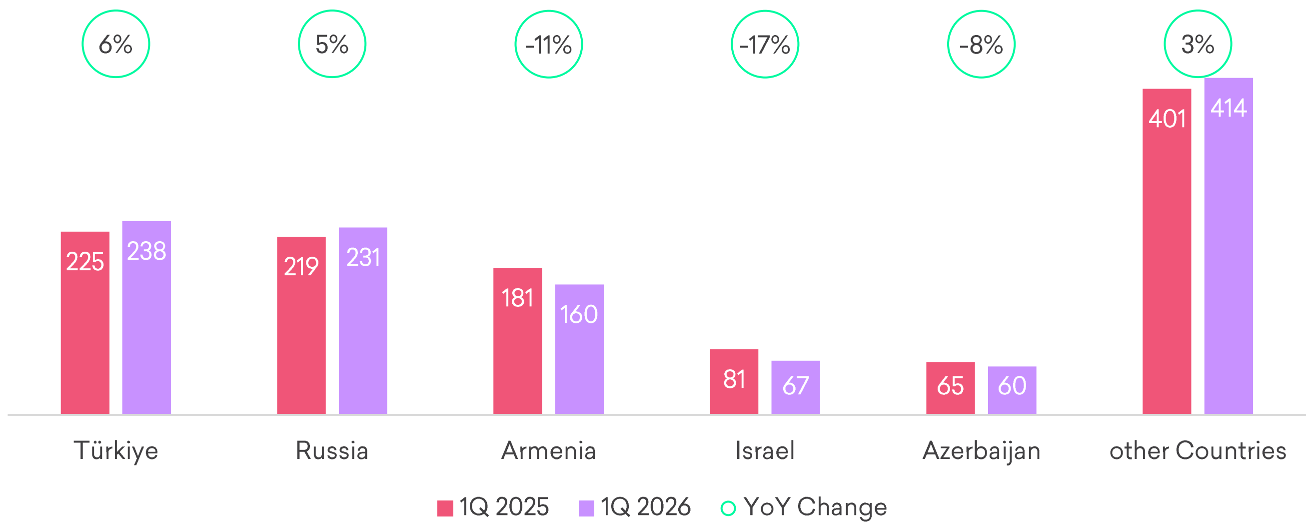


FIGURE 2 **Top source countries for international visitors (000 visits)**



Source: GNTA

International Visitor Trips

While individual European countries lag behind Georgia's neighbors in terms of the number of international visits, the EU and UK together accounted for 8.2% of total visits in the first quarter of 2026, surpassing both Israel and Azerbaijan.

The largest contributors from the EU and UK were Germany (15%), Poland (14%), and the UK (10%). Notably, visits from all major European source markets continued to increase in the first quarter of 2026, underlining Georgia's growing popularity among European visitors.

Notable positive developments included higher visitor trips from Ukraine and China, increasing by 24% and 47%, respectively. In contrast, visitor trips from India declined sharply by 30%,, reflecting the suspension of IndiGo flights to Tbilisi amid the Middle East conflict.

	1Q2025	1Q2026
EU & UK	73,886	96,226
Share in total	6.3%	8.2%
Increase in EU & UK		30.2%

FIGURE 3 **International visitor trips from EU and UK (000 visits)**

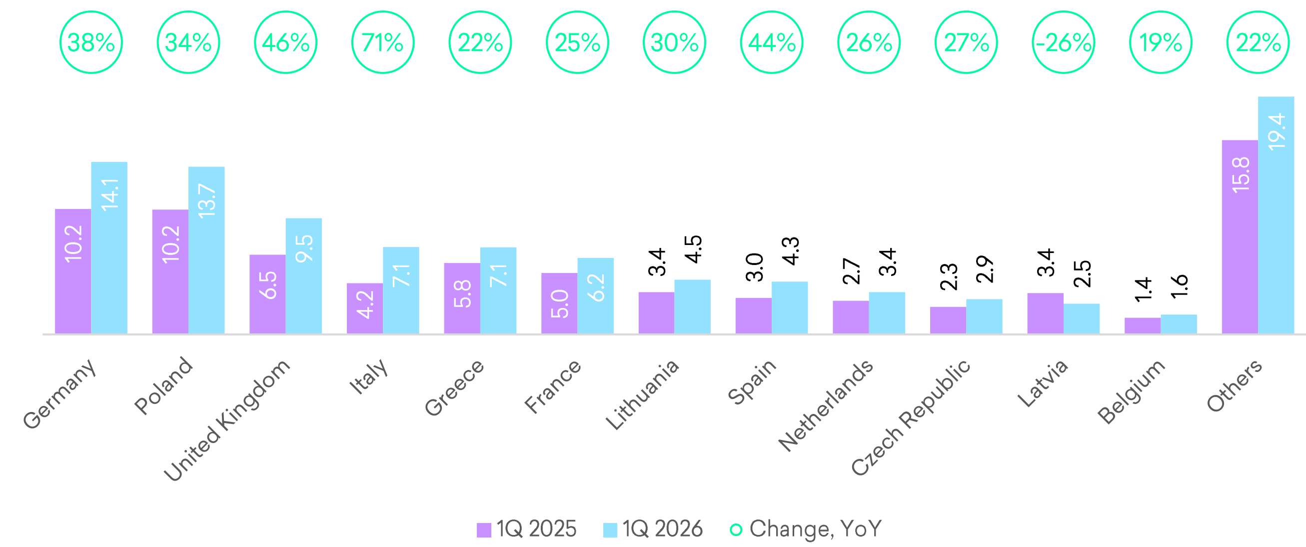
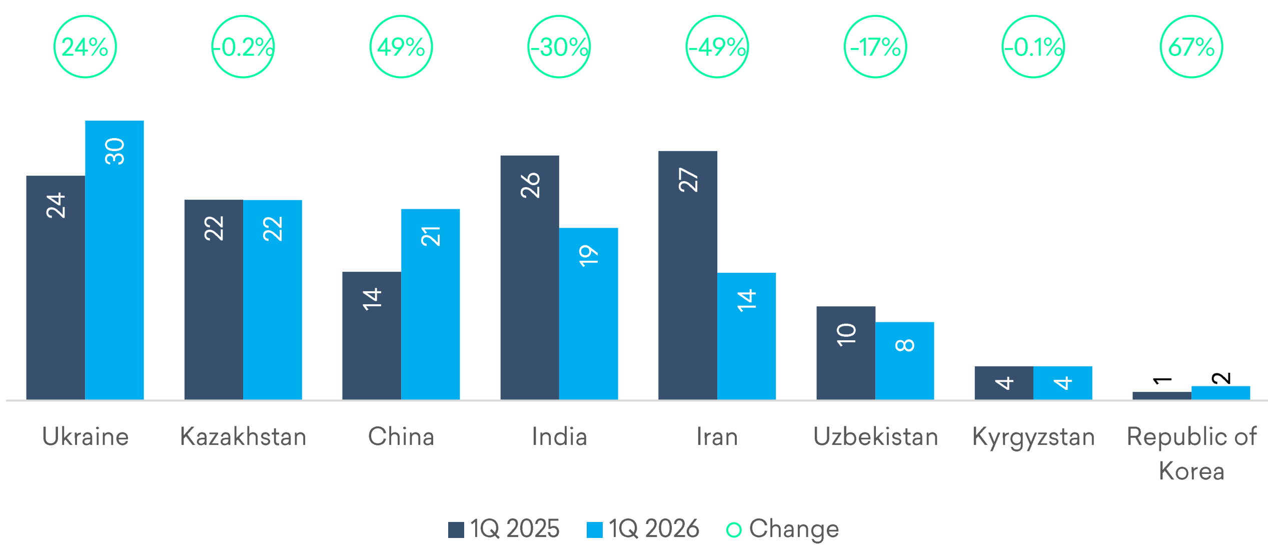


FIGURE 4 **International visitor trips from selected source markets (000 visits)**



Source: GNTA

Income From Foreign Travel

In the first quarter of 2026, revenues from foreign travel reached USD 830 million, up by 0.5% YoY.

The EU and the UK were the largest revenue contributors, accounting for 17% of total tourism revenue despite ranking only fourth by visitor numbers. This suggests higher average spending per visitor compared to Georgia's key neighboring source markets.

Despite sharp declines in visitor flows from Armenia and Azerbaijan, the main revenue pressure came from other key source markets, namely Russia and Israel, where spending declined by 12% and 13%, respectively.

At the same time, growth from the EU and the UK, Türkiye, and Ukraine helped offset these declines and supported a modest increase in total tourism revenue.

Middle East-related markets remained important from a tourism revenue perspective. Despite weaker visitor flows, Israel remained a significant contributor, ranking third in total revenue. Meanwhile, Saudi Arabia recorded the strongest growth among the top contributors, up by 48% YoY.

FIGURE 5 **Revenue from international visitor trips (mln. USD)**

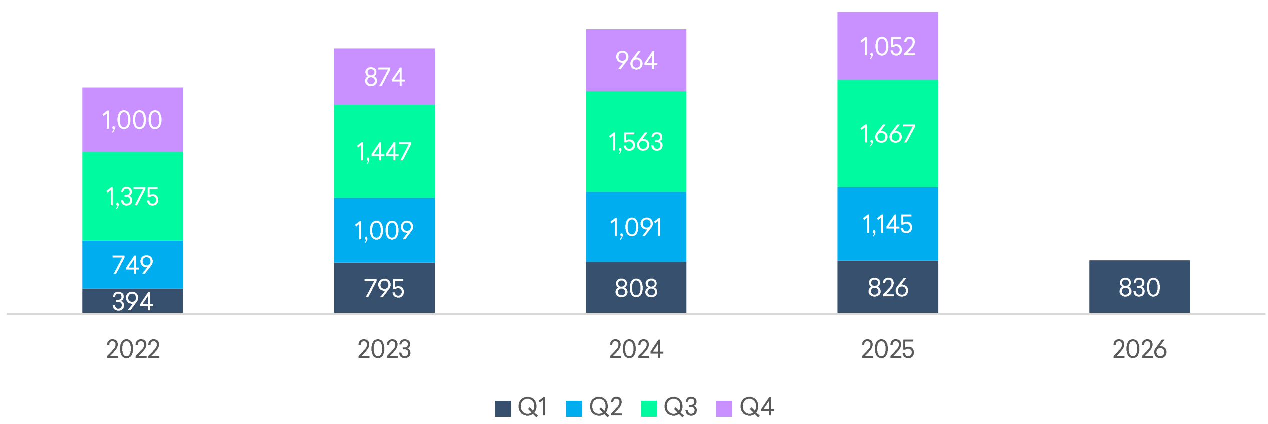
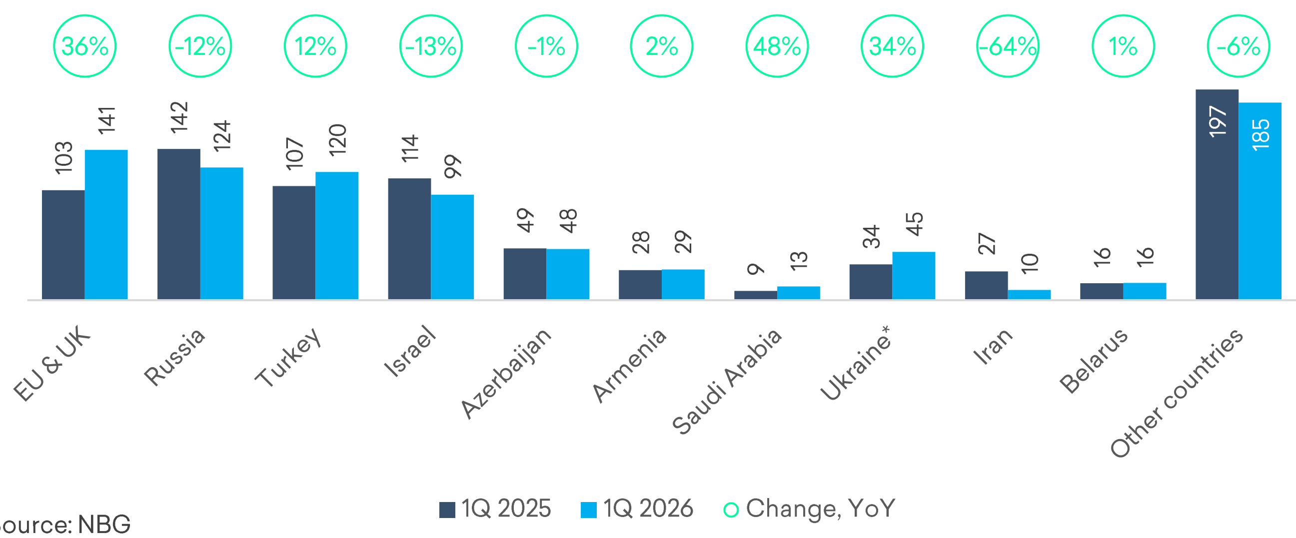


FIGURE 6 **Revenue breakdown by countries (mln. USD)**



Source: NBG

Occupancy and ADR in large branded hotels

Occupancy in large branded hotels increased YoY in the first quarter of 2026, averaging 51%, up by 6 percentage points compared to the same period of the previous year. The strongest improvement was recorded in January, while February and March saw more moderate increases.

The positive occupancy dynamics are aligned with the increase in tourist trips. However, the more moderate gains observed in February and March point to the impact of flight cancellations and broader Middle East-related shocks on hotel performance.

Average Daily Rate (ADR) also increased year-on-year in USD terms throughout the first quarter. ADR averaged USD 129 in 1Q 2026, up by 10% YoY, with higher rates recorded across all three months compared to the same period of 2025.

FIGURE 7 **Occupancy in large branded hotels, national average**

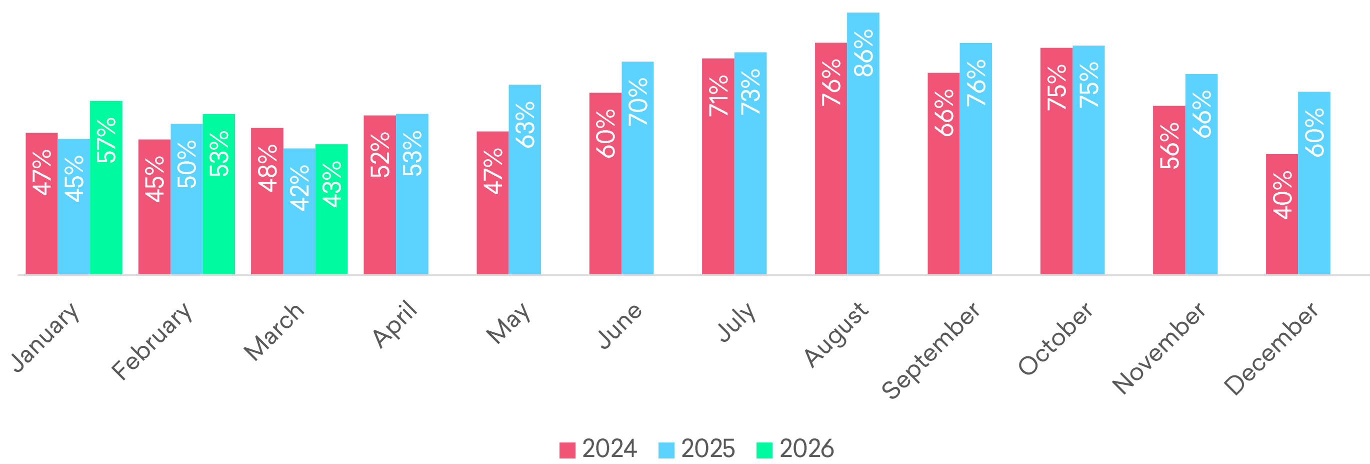
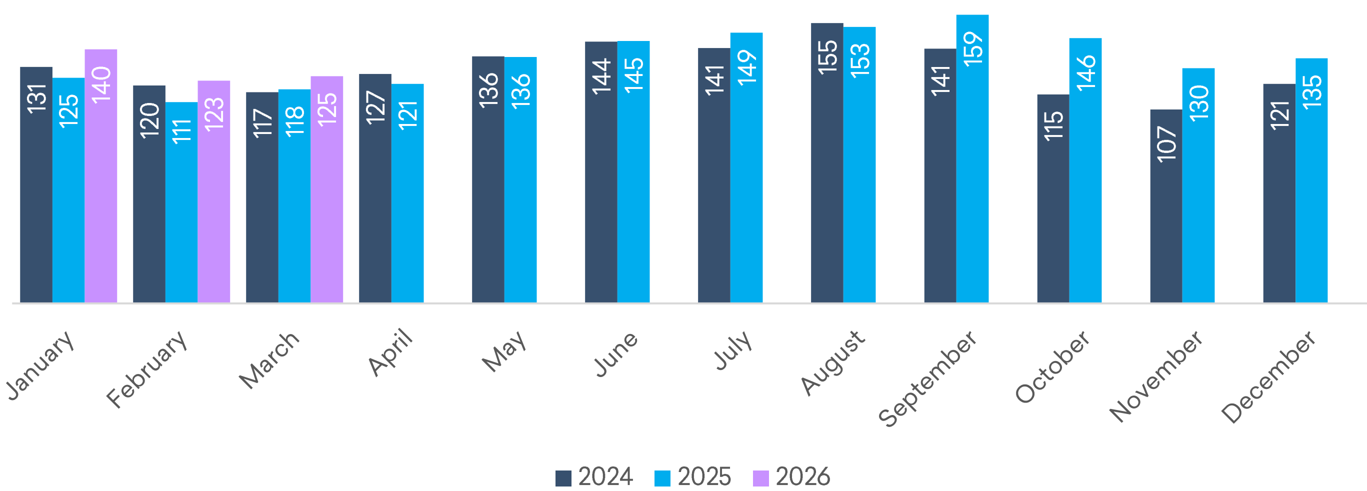


FIGURE 8 **ADR in large branded hotels, national average, USD, excl. VAT**



Source: TBC Capital

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