

Trends of Increases of Georgia's Attractiveness for EU Countries

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Abstract.

Tourism is one of the important sectors of the Georgian economy that has great potential. It is one of the most important sources of income and employment growth. Tourism is flourishing, progressing in Georgia and as the matter of fact the exemption of visa limitations has exert a significant influence on the growth of tourist flows. The liberal visa policy increased flows of European citizens to Georgia in recent years.

Research methodology: methods of statistical observation, grouping and analysis were used in the research process.

Results. The number of total visitors to the country and that from the European Union increases annually. As the data of 2018 suggest, the visits to Georgia for 72.9% of the international visitors were recurring, while 27.1% of the visitors were on their first visit in Georgia. Visits from the EU are most common in the III quarter of the year, i.e. in summer. EU visitors are mostly from Poland, Germany, UK, France, Lithuania and other countries. Most visitors are of the 26-35 age group. Most visited place is Tbilisi.

Conclusions. Although the number of tourists is increasing systematically, however, the number of international visitors has reached its historic maximum in 2018. In general, tourists come to Georgia mainly by land. However, the number of air entrants is increasing every year. The visits from the EU show a generally increasing trend, with the greatest increase fixed in 2018 as compared to the previous year; Men dominate among the international visitors. The EU countries show a similar regularity; As of the age categories, 31-50 age group dominates among the international visitors and 26-65 age group dominates among the EU visitors; A leading country with most number of visits from the EU is Poland; The degree of satisfaction is high, with only 1.7% of the international inbound visitors being discontent.

Keywords: Tourism, visitors, Trend, Statistics, Analysis

1. Introduction

Today, the globalization has become a crucial issue in the everyday political, economic and social and cultural life. [Abesadze, N., 2015)] From the strategic point of view, it is very important for Georgia to enhance the world trade - economic, financial and other kinds of relations, especially when it is in the foreign interests of the country to share the ad-vanced European values and experiences and join the European Union. [Abesadze, N., Abesadze, O. 2016)]

In order to form the right economic policy of the country it is necessary to conduct a theoretical and practical research in the area of the integration of Georgia into the world economic area, to study the foreign economic contacts quantitatively, to reveal the main tendencies of the development, to calculate their forecasting indexes, to estimate the results correctly and to work out appropriate political-economic proposals and preventive measures.(Abesadze.,N.2015)

Georgia's integration with the European Union is clearly linked to tourism development. Tourism is one of the important sectors of the Georgian economy that has great potential. It is one of the most important sources of income and employment growth. In 2018, Georgia hosted 8,679 544 international travelers, which is a historic maximum for our country. Tourism revenue also increased significantly. As tourism develops, competition in the tourism industry grows. Countries are trying different types of traditional or innovative marketing PR campaigns to attract tourists. Practice shows that with good PR the results can be achieved very quickly.

The point is that, Georgia has also many natural heritage products, such as the mountain resorts such as Borjomi, Abastumani, Tskaltubo, Sairme and so on. People often visit these places not only for the unique nature, but for the exceptional air and water quality, which some believe can cure different deceases. Another popular destination is the sea resort Ureki with its course dark sands with magnetic properties which are also said to treat health problems. (Abesadze,N.,Kinkladze, R., Paresashvili.N.,2019) The country also has winter resorts such as Gudauri and Bakuriani, with abundant annual snowfalls, which are popular destination or tourists and skiers, as well as natural gorges and delightful waterfalls, attracting local and international trekkers and nature-lovers [4]. This is why year after year the number of foreign visitors to Georgia is growing. (Nino Abesadze, Marine Mindorashvili, Nino Paresashvili, 2017) The fact is that Tourism needs more support to use its full potential. One main promoting factor can be developing tourism destination management, including understanding importance of stakeholders and their cooperation. (N.Paresashvili, T. Maisuradze, 2016). So it is mportant to estimate events in a tourism field, detect trends and determine statistical rules. For this purpose we need objective information that requires perfect adaptation of international techniques of statistical accounting of tourism and practical implementation of these techniques on-site. (Abesadze,N.,Mindorashvili,M., Paresashvili, N.2016)

Today, in the modern era of economic development, tourism is a very important source of development and economic growth. Therefore, its improvement plays a crucial role and is considered to be the the pre-condition for developing Georgian economy and reaching high economic growth rate.

Research methodology: The methods of statistical observation, grouping and analysis were used in the research process. The graphical expression method is widely used. Apart from them, the methods of induction, deduction, analysis and synthesis, and selective observation were also used. Relative indicators of structure, dynamics, and comparison were calculated.

Main text

Tourism in Georgia is one of the priorities for country's economic development. Georgia has a lot to offer visitors because of its great tourism potential. (Abesadze N. 2018) In the modern way of understanding, tourism for Georgia is more than just its social and economic impact. Tourism combines the transport, service and social spheres, which, due to its multifaceted variety, have a significant impact on the country's economic development.(EU-Georgia Relations: Challenges and Opportunities in a New Global Context.2017)

The development of tourism as one of the specific sectors of the national economy requires the development of right state policy. Its specificity is that the economy and tourism of the country itself tightly interact with each other. There is a direct link between them, namely, the growth of the country's high economic potential and stability is a prerequisite for the rapid development of the tourism business, and vice versa. Tourism development also strengthens and enhances the economic potential of the country.(Georgia and EU. Short Guide.2016)

This is indisputable as the increase in the number of tourists brings in additional foreign currency to the country, the number of employees increases, the infrastructure and vehicles improve, the quality of service improves, new business opportunities develop and most importantly, the unique opportunity for regional development creates. It should be noted that tourism is a very important issue for the country, especially if the country is rich in natural resources and important, interesting cultural heritage. Georgia has always been in the spotlight of tourists in this regard and many foreigners visit our country today as well. (Georgia and its future in Europe.2012)

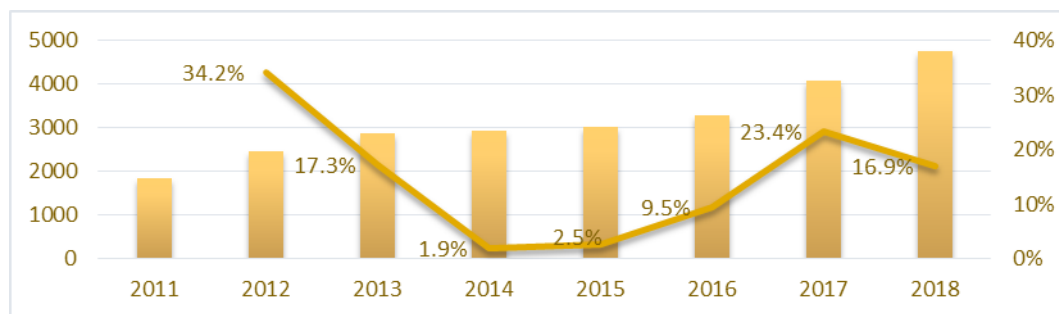
Before making a statistical analysis of tourism flows directly from the EU to Georgia, let us briefly review the basic statistical data of tourism. However, it does not mean that every challenge has been handled. Problems in the tourism sector truly exist, solving these problems are the part of country's economic policy. Therefore, analysis of the factors and problems which affect tourism is significant. Based on the studies, the following factors are hindering tourism development in Georgia: tourism infrastructure; quality of service; high price level; lack of tourism product diversity low country awareness and inadequate image; sustainable development and state support; lack of coordination, etc. The long-term success of tourism depends on the development of the mentioned areas. The removal of visa restrictions has had a significant impact on the growth of tourist flows. Georgia has launched its own liberal visa policy since June 1, 2006, when the „Georgian Law on the Legal Status of Foreigners“ came into force. Under this law, citizens of the European Union and many other countries have been waived visa restrictions and were allowed to enter and move freely within Georgia for 90 days. (Timeline of important events in Georgia-EU relations,2016) Later, the 90-day limit has increased to 360 days and today citizens of more than 80 countries can freely enter the country and stay in Georgia for about a year without additional documents or permits. (Prospects for Visa-Free Travel. 2019) That is

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why it will be interesting to look at the dynamics of EU citizens entering Georgia in Georgia for two periods: before 2006 and after 2006 till today. As 2006 is an important year because of Georgia's unilateral visa liberalization with the European Union.

In general the dynamics of the total number of visitors is increasing.

Figure 1. The dynamics of increasing rates of visitors to Georgia in 2011-2018



Source: National Statistics Office

In 2018, the number of visitors was 4756.8 thousand, which is 16.9% more than the previous year. The graph shows that the growth trend of visitors since 2011 is evident, with the growth rate ranging from 1.9% to 34.2%. It is interesting to note that in 2018, 72.9% of international visits were repeat visits, and 27.1% visited Georgia for the first time. That totaled 1,949,053. For most of the residents of the neighboring country, the visit to Georgia was not their first time.

Repeat visits are the most frequent within Armenia with 99.1%, followed by Azerbaijan with 95.6%, Turkey with 71.4% and Russia with 66%. Most residents of other non-neighboring countries visited Georgia for the first time (Central and Eastern Europe - 58.7%; "Other Europe" - 60.6%, "Other Countries" - 71.4%). The highest number of new visits to Georgia was in July-August 2018 (14.9% and 17.6%, respectively), while the fewest new visits (3.3%) occurred in February.

It is interesting how the geographical structure of the visitors is?

As it turns out, the neighboring countries are in the top three. Compared to the previous year, the number of arrivals from Germany has almost doubled by -49.0% (See Table 1).

Table 1. Geographical structure of the visitors

	Country	2017	2018	change	Percentage change
1	Russia	825 437	1 083 874	258 437	31.3%
2	Azerbaijan	608 682	697 782	89 100	14.6%
3	Turkey	547 983	589 340	41 357	7.5%
4	Armenia	466 449	510 542	44 093	9.5%
5	Georgia(non-resident)	404 584	424 597	20 013	4.9%
6	Iran	273 842	280 735	6 893	2.5%
7	Ukraine	147 389	158 160	10 771	7.3%
8	Israel	112 827	154 764	41 937	37.2%
9	Poland	47 604	65 361	17 757	37.3%
10	Germany	41 217	61 422	20 205	49.0%

Source: National Statistics Office

It seems that international visitors prefer Tbilisi Airport - its share is 19.5%, Kutaisi Airport is in the last place, though the highest growth rate compared to the previous year was 31% at Kutaisi Airport.

Table 2. Distribution of visitors by international Airports (%)

Airport	2017	2018	change	Change %	Share%
Tbilisi Airport	1,133,811	1,402,157	268,346	23.7%	19.5%
Batumi Airport	193,699	239,251	45,552	23.5%	3.3%
Kutaisi Airport	112,179	147,009	34,830	31.0%	2.0%

Source: National Statistics Office

As the number of visitors from neighboring countries is the highest, it is natural that land transport is the leader among the types of transport, with a significant share of - 73.8%, followed by air -24.8%, which improved by 24.2% compared to the previous year. Railway use also increased significantly, with a recent rise of 26.3%. (See Table 3)

Table 3. Distribution of visitors by vehicles

Type	2017	2018	Change	Change %	Share %
land	4,958,039	5,314,984	356,945	7.2%	73.8%
air	1,439,689	1,788,417	348,728	24.2%	24.8%
railway	53,416	67,478	14,062	26.3	0.9%

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				%	
Navy	31,686	32,471	785	2.5%	0.5%

Source: National Statistics Office

Given the systematic increase in the number of visitors, it is logical that international tourism revenues have increased. In 2011-2018, revenues increased by an average of \$ 323 880.8 thousand annually. In 2018, revenues increased by 19% compared to the previous year and by 237% compared to 2011.

What are the statistics of tourist flows from EU countries?

We should highlight that, Georgia's government and Georgian people should abate their outlook about full membership in the Union very soon and alternately focus on further immediate goals such as: completing Georgia's integration into the EU single market by implementing labor mobility with the EU; and establishing and deepening institutional relationships with EU military and security structures. (Georgia's European Integration: What comes after the Eastern Partnership? 2017)

Finally, it will conclude to the progress of tourism.

According to official data of the Ministry of Internal Affairs, the total number of citizens coming to Georgia from the EU member states in 2004-2011 is 653 344, the highest of which is distributed in the following countries: Germany - 109 457, Greece - 94 581, Great Britain - 74 258, France - 50 625, Bulgaria - 47 902. In this case, Cyprus (1774), Malta (615), and Luxemburg (615) have the lowest rates.

In 2004-2006, the highest number of tourists were presented from EU countries (Great Britain, Greece, Germany, France and Bulgaria). In all mentioned countries, the rate was a little but still rising from 2004 to 2005. The number of visitors has grown sharply since 2006, in comparison with 2005. It is the similar for other EU member states too. Georgia has a little different, negative change with only 2 countries: Slovenia (260 citizens in 2005, 244 citizens in 2007) and Luxembourg (53 citizens in 2005, 26 citizens in 2007).

With 2 out of Great Britain, Greece, Germany, France and Bulgaria in 2007-2011 Greece and France has a clear upward trend, while a decrease for Germany, the UK and Bulgaria is obvious. In conclusion, the number of citizens arriving in Georgia during the mentioned time is still exceeding the number from the previous period.

In 2004-2005, 82 044 people arrived in Georgia from the EU, while in 2007-2008, because of one-way visa liberalization, the number doubled and reached 172 096. The number of visitors increased by 76.0% in 2004-2007 compared to 2005. There is an analogous trend remained in the upcoming years. Overall, the number of visitors from all European Union countries has considerably increased in Georgia. For instance, if in 2005 there were 48 508 visitors, in 2011 the number increased to 136 975.

The significant increase in the flow of EU citizens in Georgia in recent years has been the result the result of liberal visa policy.

As it is known, on March 8, 2017, the Official Journal of the European Union published a change to the EU Council Regulation, according to which Georgia has moved to the list of countries having visa-free regime with the EU. Consequently, as of March 28, 2017,

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Georgian citizens holding a biometric passport are able to travel to the EU / Schengen countries without a visa.

It is interesting to see how the dynamics of tourist arrivals and departures from Georgia to the EU have changed since visa liberalization.

For the statistical analysis of tourism flows, the data from three different sources have been examined: data from the Ministry of Internal Affairs, National Tourism Administration and National Statistics Office.

The number of tourists arriving from the EU is generally characterized by an upward trend. In 2011-2018, the number of tourists increased by an average of 19%. In 2018 alone 36% more tourists came from EU countries than in the previous year.

Table 4. Dynamics of tourists from EU entering Georgia in 2011-2018

	2011	2012	2013	2014	2015	2016	2017	2018
All	1 832,8	2 459,8	2 884,3	2 938,9	3 011,7	3 297,3	4 069,4	4 756,8
EU countries (thousand)	108,5	136,4	163,9	183,9	198,2	219,5	269,9	368,1

Source: National Statistics Office

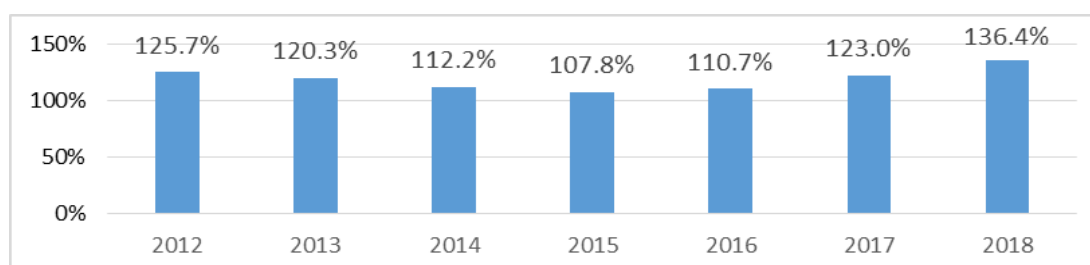
However, data from years of analysis show that absolute growth is not characterized by a growth trend for all years. (See Figure 2)

Figure 2. The dynamics of absolute increase of tourists from EU entering Georgia in 2011-2018

Source: National Statistics Office

The highest growth rate was 136.4% in 2018, as expected. Whereas the lowest 107.8% was in 2015. The growth rate is 28.6%. The range of growth rate was 28.6%.

Figure 3. Dynamics of growth rates of tourists from EU entering Georgia in 2011-2018



Source: National Statistics Office

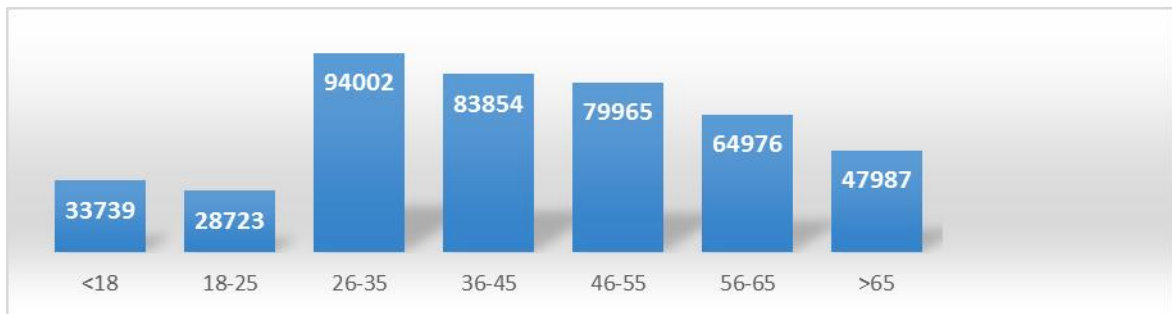
The number of visitors from the EU increases by 37,000 annually during the study period.

What is the demographic profile of the visitors?

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In 2018, the number of male traveling from the EU is greater than the number of women. Analogous consequences have been examined in all EU countries exclude Belgium, Luxembourg, and Italy where conversely, the number of females exceeds that of males. The biggest proportion of visitors coming from the EU in 2018 are 26-35 years old, which is 21.7% of the total EU visitors. This percentage is followed by 19.4% 36-45 years old. It should be mentioned that a remarkable share of visitors over the age of 65 is - 11.1%, while the lowest share has 18-25 year old visitors, whose share is only 6.6%. (See Fig.4)

Figure 4. Tourists from EU in 2018 by age

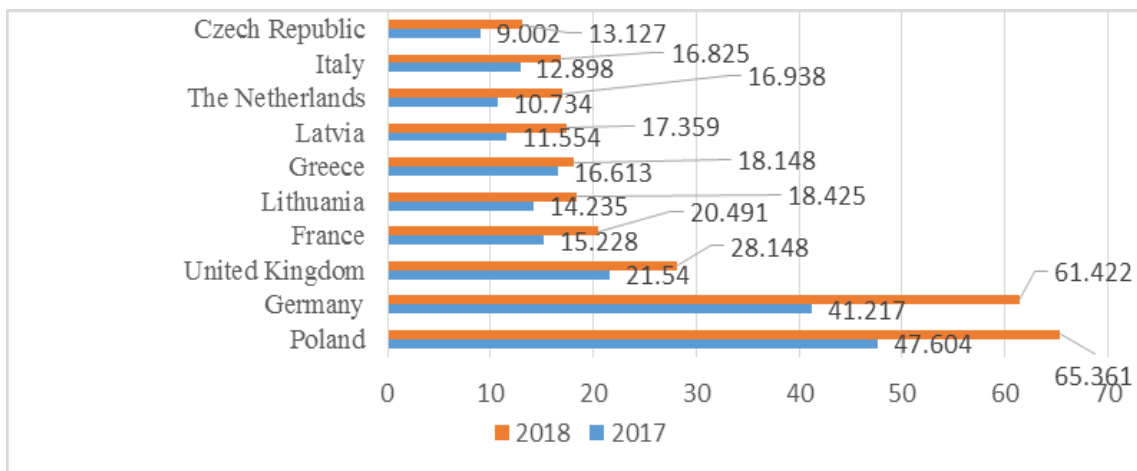


Source: National Statistics Office

Let's consider the table below in detail by EU countries, with 28 countries in the 2011-2018 dynamics that are ranked in the top ten by 2018. Regarding the geographical structure of visitors, in 2018, visitors from the European Union mainly came from Poland (65 361 people) from Germany -61 422, from the United Kingdom -28 148, from France -20 491, from Lithuania -18 425.

In 2017, the same trends were observed, except for Lithuania, which was replaced by Greece. (See Fig.5)

Figure 5. Geographical structure of the visitors



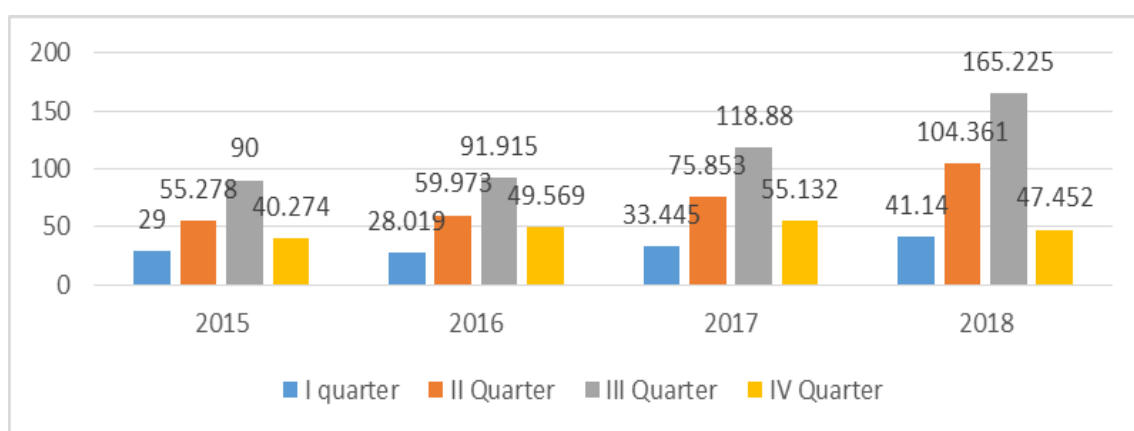
Source: National Statistics Office

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Germany has always been at the forefront in 2011-2018, however, the number of tourists coming from Poland is truly interesting, which has significantly increased. In 2011, their number was 10 906, and in 2018 it reached 65 361 and outstripped Germany. (Abesadze,N.,Kinkladze, R., Paresashvili.N.,2019)

EU visits are mainly in the III quarter, respectively in the summer, with the least visits in the I quarter - during the winter. The number of visits in the III quarter increased by 40% compared to the same period last year.(See Fig.6)

Figure 6. Visits from EU by Quarters (National Statistics Office).

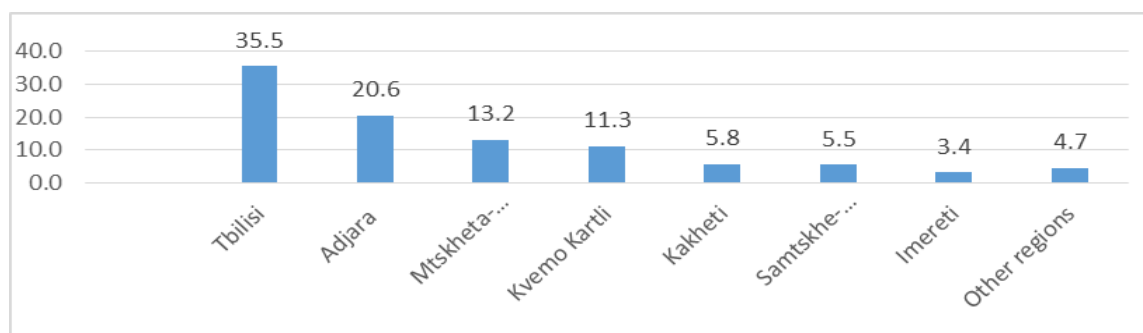


Source: National Statistics Office

It should be noted that in 2018, 72.9% of international visits were repeat visits and 27.1% for the first time. This indicates that tourists are satisfied with their visit to Georgia and that is why there is a large share of repeat visits. As a result, the quality of tourist satisfaction is high, with only 1.7% of international visitors being dissatisfied with visiting Georgia.

Which regions are the most attractive for tourists anyway? Visitors mainly visit Tbilisi, Adjara, Mtskheta-Mtianeti, Kvemo Kartli, Kakheti, Samtskhe-Javakheti, Imereti.

Fig.7.Distribution of tourists by places of interest



Source: National Statistics Office

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The Association Agreement "recognizes" Georgia as an Eastern European country and its European aspirations and Recognizes the European choice.

(Georgia's way to EU membership.(2017) Therefore, we expect the increase in tourist arrivals. (Abesadze,N.,Kinkladze, R., Paresashvili.N.,2019)

Conclusion

- Tourism development in Georgia is characterized by a growing trend, which is evidenced by the fact that the growth rates of tourist flows are systematically increasing.
- The geographical structure of tourism is varied, but leading position take the place neighboring countries.
- Although the number of tourist flows has been steadily increasing since 2011, the number of international visitors has reached its historic maximum in 2018.
- The third quarter of the year is active in dynamics.
- In general, tourists come to Georgia mainly by land. However, the number of air entrants is increasing every year.
- The main part of visits by air arrives in Tbilisi International Airport.
- The number of visitors to the country as a whole and from the EU states increases every year, and therefore the percentage of EU visitors to the total number of visitors is increasing.
- In 2018, 72.9% of international visits were repeat visits and 27.1% for the first time. This indicates that tourists are happy to visit Georgia and that is why there is a large share of repeat visits.
- Tbilisi, Adjara and Mtskheta-Tianreti are the main attraction for EU visitors.
- Among international visitors, male gender prevails over female, a similar pattern is depicted in EU countries.
- EU visits are characterized by an increasing trend, with the highest increase in 2018 compared to the previous year.
- The age group leading in the international visitors is between 31-50, whereas from the EU is 26-65.
- Poland is the leader in visits from EU.
- Satisfaction level is high: Only 1.7% of international visitors are dissatisfied.

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