

## Winter tourism to slow as war distorted Georgia's peaceful image

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Tamar Khurtsia



With industry insiders looking at the sky and 2009 calendar for either more snow or more visitors, Georgia's winter tourism business is reporting a sharp slowdown.

At the beginning of the season, tour operators, hotel managers and experts predict Georgia's two ski resorts Gudauri and Bakuriani will hardly see any foreign holidaymakers enjoying Georgian snow. Instead, the business

will have to rest heavily on domestic visitors' pockets.

"Those foreigners who had booked rooms canceled reservations after the hostilities in August," says Vano Vashakmadze, the manager of Hotel Gudauri, widely known as Marco Polo Hotel. "From heli-skiing we had expected to get GEL 500,000 in revenue in December but we got none."

Among all economic sectors, tourism has been one of the most hard hit due to the August war. The study unveiled by the Georgian Young Economists' Association (GYEA) in November, says this industry has suffered most, saying "almost half of those interviewed from the tourism sector post from 80 % to 100% drop in sales."

The war, official statistics show, cut the number of foreign visitors in 2008 to 1.175 million from the predicted 2.5 million. According to the Tourism Department of Georgia, 20 percent of the whole number of visitors came for purely recreation purposes in 2008. Of these, the largest numbers came from Turkey, Azerbaijan, Ukraine, Russia, and Latvia.

Exotour, a local tourist company, is one of those which suffered a lot as a result of the Russian invasion. The company says bookings are down about 90 percent from foreign countries.

"This year the great interest is only from our neighboring Azerbaijan, while in the past years we had tourists from Poland, Ukraine, Great Britain, Russia and even from Japan," Nuca Jorbenadze, tour operator of Exotour told GBW.

In January of 2007, when the skiing season was in full swing, 10,000 tourists

visited the two resorts combined, meaning that Bakuriani saw 40% more visitors than at that time in 2006 and Gudauri saw 30% more, according to the Department of Statistics.

Despite the current plunge in the sector, an expert of the Department of Tourism is still upbeat about 2009 and expects that next year Georgia will host over 1.5 million foreigners, which she believes is “good” for a country like Georgia.

Medea Janiashvili, the Head of Domestic Tourism and Analysis Office of the Department, says: “We try to attract foreign tourists to Bakuriani and Gudauri and are developing a promotional campaign.” To this end, the department organizes Georgia’s participation in international tourism fares and forums.

Gudauri in the Greater Caucasus and Bakuriani in the Lesser Caucasus are precious resorts for Georgia’s tourism industry.

Under Communist rule, Bakuriani, which is about 200 km away from Tbilisi, was a popular winter destination and used to host Soviet competitions. Here the mountain slopes remain in snow for 4-5 months. However, the curative climate and coniferous forest landscapes make Bakuriani attractive in summertime as well.

Gudauri, 120 km away from the capital, emerged as a rival to Bakuriani only in the 90s. The resort offers slalom, giant slalom, speed skiing and heli-skiing for experienced skiers.

Presently both Bakuriani and Gudauri are rapidly developing sites with mushrooming hotels, guesthouses and lifts. There are fifteen hotels and 128 guesthouses in Bakuriani, and eight hotels and four guesthouses in Gudauri, according to the Tourism Department.

In Gudauri, the first, lower lift station is 1,990 metres above sea level and the top station, called Kudebi (“Tails”) is at 3,007 metres. At Bakuriani, the highest point used for skiing is Mount Kokhta (“Smart”), around 2,200 metres above sea level.

All these sites are crowded at the time and suggest little of a crisis in the field. But, locals explain these are only domestic visitors and this happy time will last at best until February when winter vacations for students and schoolchildren are over.

Hotel Gudauri’s manager says they hosted 2,800 holiday makers last year. Presently, 80% of the hotel rooms are booked by local Georgian visitors until January 20.

Zurab Nadareishvili, the Quality Manager of Ntour, a tourist agency, has similar information: “Nearly in all hotels 70% of the rooms are booked till the end of

January. But there will be a decrease in visitors after January.”

The perspective of a poor season, along with a gas price increase seems to drive prices high. Ann Ghudushauri, who has a guesthouse in Bakuriani, rents a bed for USD 50, double the price she charged last year. She, along with other locals, complains that an increase in gas price from 0.51 GEL to 0.82 GEL led them to raise the rental fees.

“Maybe it is due to [higher prices] that my guest house season opens with empty beds. But I hope that tourists will come in January,” she told GBW in late December.

The GYEA study concludes that tourism business is capable of recovering from the crisis in six months, but in case of external support, the recovery term may half. For this purpose, the government is considering providing cheap loans for the affected companies.

With the Russian tanks staying on parts of the Georgian soil, Prof. Marina Metreveli, an MP working on tourism-related issues, finds it hard to stay optimistic about the short-term perspective.

“There’s a saying that ‘when a gun fires off, the very first ones to get hit by the bullets are always the tourists’ - that’s what happened in Georgia’s case,” she said. “At the time, as Russian military remain on Georgian territory, it will take a long time to recover.”