

Development Potential of MICE Tourism in Georgia: A Case Study of Tbilisi and Batumi

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Abstract

This scientific article explores the promising landscape of Meetings, Incentives, Conferences, and Exhibitions (MICE) tourism in Georgia, with a specific focus on the vibrant cities of Tbilisi and Batumi. The research endeavours to assess the scale of hotel and conference infrastructure in these two cities. Furthermore, it examines the evolution of economic indicators in the MICE tourism sector in Georgia, both before and after the COVID-19 pandemic. Geographic Information System (GIS) tools and Adobe Illustrator for data visualization round out the study's foundational social research techniques, which also include document analysis and statistical investigation. The key findings of the study are that the MICE tourism sector in Georgia, particularly in Tbilisi and Batumi, has experienced growth and transformation, showcasing resilience in the face of challenges posed by the COVID-19 pandemic. Georgia's proactive measures, evolving infrastructure, and diverse attractions position it as a competitive player in the global MICE tourism industry, with the country on an upwards trajectory and ambitious plans for further growth.

Keywords: MICE Tourism; Tbilisi, Batumi; Post-Pandemic Recovery

Introduction

MICE tourism is a rapidly growing and transformative segment within the global tourism industry, recognized for its significant economic contributions and its role in promoting connectivity, innovation, and diversification in the tourism sector. MICE tourism provides substantial revenue to local economies, creating a ripple effect that strengthens sectors such as hospitality, transport, and catering. Business travellers, known for their propensity to spend more than leisure travellers, are emerging as important players in sustaining these industries. Furthermore, the MICE sector plays a crucial role in establishing a stable labour market.

Over the past decade, Georgia has undergone a remarkable transformation from a little-known destination to a competitive regional hotspot that attracts visitors from the post-Soviet space and the Middle East. It is worth noting that Europe and parts of Asia are increasingly sustainable tourist markets, which helps Georgia find its place in the global tourism landscape.

MICE tourism is a rapidly growing sector with development potential in Georgia. Notably, the tourism sector in Georgia recovered quickly after the pandemic. In the first half of 2023, the recovery of international visitor travel reached 78% of pre-pandemic levels in 2019 [1]. There was also a noticeable increase in international visitors to Georgia during the first half of 2023, exceeding 2.5 million visits and increasing by 76% compared to the same period in 2022. [2][3]. The country's rapid recovery from the pandemic, along with strategic investments in hosting and event facilities, will help position Georgia as a promising destination for business events and conferences. [4]

In 2019, Georgia had a stated goal of improving its MICE tourism infrastructure by introducing 15 international brand hotels in the coming years. These hotels would collectively add 12,537 square metres of event spaces and accommodate 8,485 guests in Tbilisi's MICE market. The spread of high- and mid-level hotel brands in Georgia, especially in Tbilisi and Batumi, offers new perspectives for the development of the MICE sector in the regional context. [5]

In Tbilisi and Batumi, the primary urban areas of the country, a self-organized chain of hotel brands has emerged, which frequently host conferences, business meetings, exhibition events, and "workshops."

This scientific article delves into the analysis of hotel and conference infrastructure within the vibrant cities of Tbilisi and Batumi, Georgia. Utilizing statistics, the research aims to investigate the dynamic effectiveness of hosting and event facilities, specifically focusing on how these initiatives contribute to positioning Georgia as an attractive destination for business events and conferences. The study seeks to

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quantify and qualify the scale of facilities dedicated to meetings, incentives, conferences, and exhibitions (MICE) and assess their impact on the overall tourism sector.

What are the key factors influencing the sustained growth and recovery of MICE tourism in Georgia following the COVID-19 pandemic?

What is the current state of hotel and conference infrastructure in Tbilisi and Batumi, and how has it evolved in the postpandemic period?

How do statistics reflect the dynamic effectiveness of hosting and event facilities in Tbilisi and Batumi?

Methods and Materials

In our pursuit of analysing the burgeoning field of MICE tourism in Georgia, we adopted a methodology that combines social research methods and data analysis. A meticulous examination of documents and statistical data was conducted to gather comprehensive insights into the MICE tourism landscape in Georgia. The National Statistical Service of Georgia and the National Tourism Administration of Georgia served as primary sources for valuable information.

National Statistical Service Data: The official statistical data provided by the National Statistical Service of Georgia offered a reliable foundation for our analysis, encompassing various aspects of tourism and economic indicators.

National Tourism Administration Data: Insights from the National Tourism Administration of Georgia contributed to a nuanced understanding of the tourism landscape, providing details on visitor trends, preferences, and sector-specific developments.

To enhance the clarity and accessibility of our findings, we employed data visualization tools such as Adobe Illustrator and Microsoft Excel. Through these platforms, we transformed raw data into visually compelling graphics, charts, and diagrams, allowing for a more intuitive understanding of trends and patterns.

By amalgamating these research methods and materials, we aim to explore the dynamic MICE tourism sector in Georgia, shedding light on its role in economic development and recovery postpandemic.

Small Hotel Sector of Ajara and The Main Challenges of the COVID-19 Pandemic

Pavliashvili et al meticulously investigated the challenges faced by the Ajara Autonomous Republic's small hotel sector during the tumultuous 2020-2021 period [6], aiming to provide a nuanced understanding of the adversities amid the global upheaval caused by the COVID-19 pandemic. The focus is on the significant role played by small hotels and guesthouses in Ajara, particularly in employment metrics. With approximately 70% of Georgia's tourism revenues depending on international visitors, the study aims to discern the profound economic repercussions within the region.

The research explores governmental policies formulated to mitigate the impact of COVID-19 during this biennium, revealing a pivotal shift in 2021 toward economic considerations. The article sheds light on how these policy shifts have shaped the trajectory of Ajara's small hotel sector.

Emphasizing the critical role of the restoration of international travel in revitalizing the tourism sector, the article underscores the symbiotic relationship between global travel dynamics and the resilience displayed by Ajara's small hotel businesses.

Within the broader context of Georgia's hospitality sector, the article highlights Ajara's significance, ranking second only to Tbilisi and representing nearly half of the country's total hotel rooms and beds. The aim is to underscore Ajara's noteworthy position in Georgia's hospitality mosaic. In Georgia's hospitality sector, Ajara is crucial, with 3,117 facilities, 47,832 rooms, and 114,910 beds. Ranked second to Tbilisi, it represents nearly half of the country's total hotel capacity, highlighting its noteworthy position in Georgia's hospitality mosaic.

MICE Market in Georgia (By Colliers Georgia)

In this comprehensive exploration of the Meetings, Incentives, Conferences, and Exhibitions (MICE) industry in Georgia, Colliers Georgia sheds light on the evolving landscape of the MICE sector, with a particular focus on Tbilisi and Batumi [7]. The aim of this research, as outlined in the article "MICE

Market in Georgia," is to dissect the challenges, opportunities, and dynamics influencing the MICE market in the country.

The article highlights the instrumental role played by international upscale and midscale hotel brands, particularly in Tbilisi and Batumi. Notably, the Panorama Sololaki Hotel and upcoming developments are discussed as key contributors poised to address existing venue capacity challenges.

Addressing the underutilization of MICE facilities in both Tbilisi and Batumi, the research emphasizes the importance of a balanced growth rate in business tourism to align with the anticipated increase in supply.

Delving into Tbilisi's central role in hosting MICE events, the article analyses its net exhibition space in comparison to other cities. It also brings attention to the growing number of local events at convention centers and the competitive landscape with neighboring countries, such as Azerbaijan.

As the research concludes, strategic insights are provided to ensure the sustainable growth of the MICE sector in Georgia. The article emphasizes the significance of strategic planning and alignment with international standards to position Georgia as a formidable player in the global MICE tourism landscape.

In summary, the "MICE Market in Georgia" by Colliers Georgia offers valuable insights and recommendations, presenting a holistic view of the MICE sector in the country and charting a course for its sustainable development within the broader context of Georgia's tourism industry.

Results

In the context of Georgia, the source of tourists in the tourism sector has undergone a significant transformation in the wake of the pandemic. It is noted that the commencement of the 2020 summer season, which experienced a delay, played a role in the reduction of tourist influx [8]. Prior to the pandemic in 2019, the number of arrivals for MICE (meetings, incentives, conferences, and exhibitions) tourism from EU countries was 9% higher than that in 2022. Similarly, arrivals from CIS (Commonwealth of Independent States) countries saw a notable decline of 20.1% from 2019 to 2022 (please refer to Fig. 1 and Fig. 2 for visual representations of these data). This shift in tourist demographics suggests a substantial reconfiguration of Georgia's tourism landscape, underscoring the need for adaptive strategies within the industry.

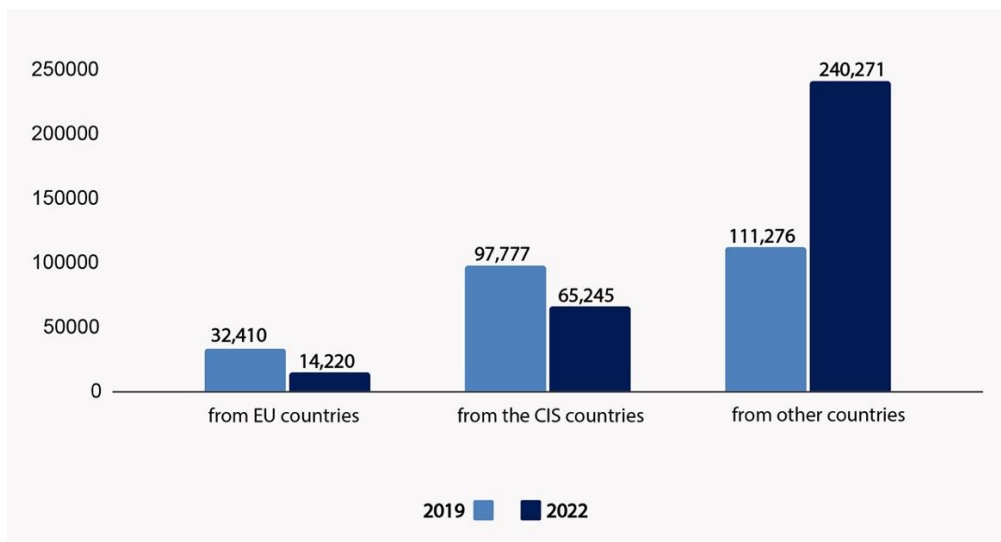


Figure 1. Number of guests in hotels and hotel-type establishments by country of citizenship (purpose of visit: MICE tourism). (Source: National Statistics Office of Georgia)

The distribution of the number of visits made by nonresident visitors to Georgia in 2022 according to the purpose of the trip shows that 6.6% were made for professional/economic purposes [9]. In 2019, the reported rate was 10.7%. This year, 69.2 thousand people entered Georgia for professional and business interests (Fig. 3), indicating significant growth in this trend. In general, during the prepandemic period, we can observe a positive and accelerating trend in the number of foreign visitors who come for

MICE (meetings, incentives, conferences, and exhibitions) tourism year after year (Fig. 4). Most of the visits were made in Tbilisi and Adjara AR [10].

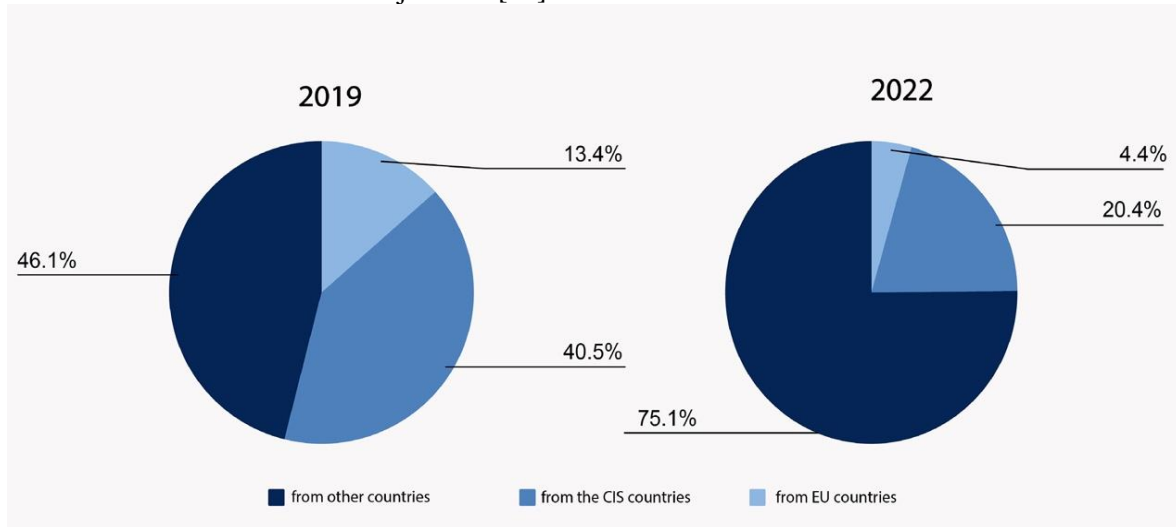


Figure 2. The number of guests in hotels and hotel-type establishments categorized by the percentage share of guests' countries of citizenship (for the purpose of MICE tourism) (source: National Statistics Office of Georgia)

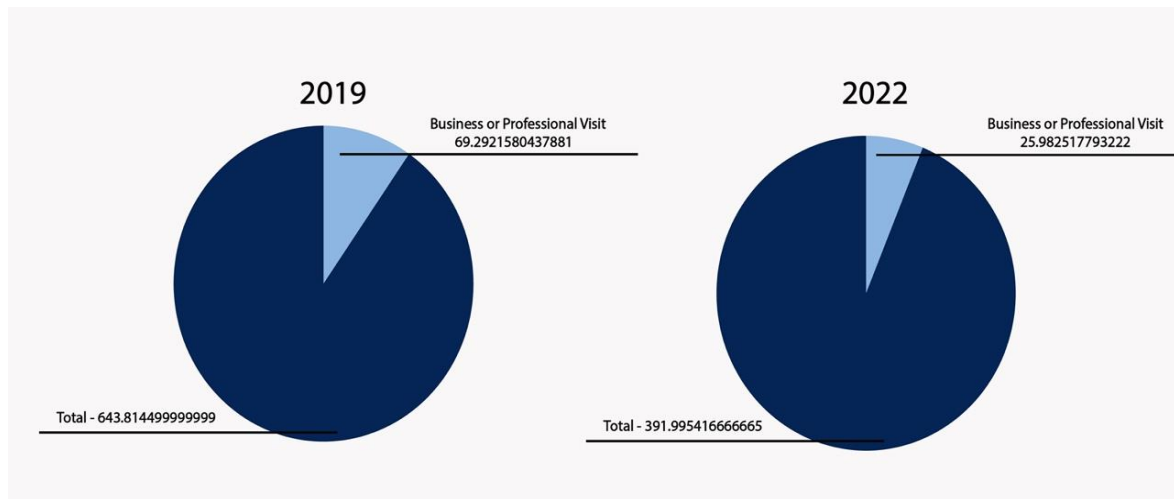


Figure 3. Distribution of the average monthly number of visits made by nonresident visitors of Georgia aged 15 and older according to the purpose of the business or professional visit in the overall index (thousands). (Source: National Statistics Office of Georgia)

It is significant that 51.1% of the mentioned indicators included corporate/business meetings, seminars, "workshops," or presentations in 2022. The Exhibition/Trade Fair is less attractive, 7.2% (Fig. 5).

This trend underscores the concentration of business tourism in urban areas, with Tbilisi and Batumi being the primary focal points. These cities have experienced rapid and extensive development, particularly in the construction of high-rise hotels, apartments, and office spaces. This urbanization trend is driven by several factors, including the growth of international conferences and exhibitions and attracting professionals and business travelers to these cities. In addition, the development of high-quality accommodations, such as luxury hotels and modern apartments, has contributed to the appeal of Tbilisi and Batumi as key destinations for business travellers. This phenomenon is not unique to Georgia but reflects a global trend of urbanization in the context of business and professional tourism. It is interesting that in the case of Tbilisi, high-class hotels are situated in the central, historical part of the city. In contrast, Batumi has torn down its historical district in favor of the newly built section of the city, known as the "New Boulevard."

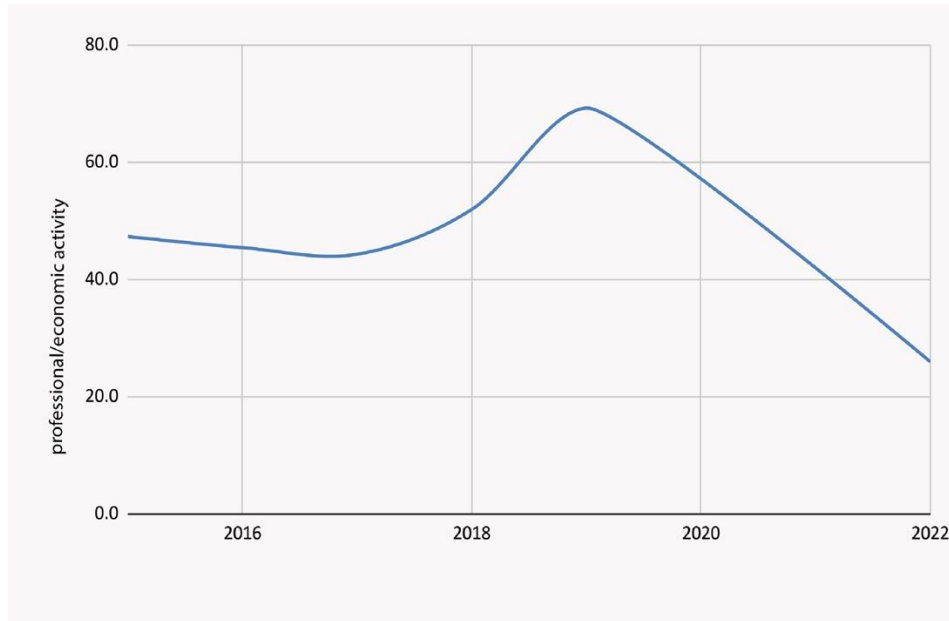


Figure 4. Average monthly number of visits made by nonresident visitors of Georgia aged 15 and older, annual number (for the purpose of MICE tourism) (thousands).

In 2019, which was a year prior to the onset of the global pandemic, Tbilisi emerged as a central hub for Georgia's MICE (meetings, incentives, conferences, and exhibitions) sector. This vibrant city hosted the majority of the country's conference and meeting facilities, contributing significantly to the growth of the MICE industry, not only in Tbilisi but also in the charming coastal city of Batumi.

In 2019, MICE (meetings, incentives, conferencing, exhibitions) tourism emerged as a vital component of Georgia's hospitality industry. This period marked a significant boom in MICE tourism before the global pandemic, providing Georgia with an opportunity to position itself as a year-round destination.

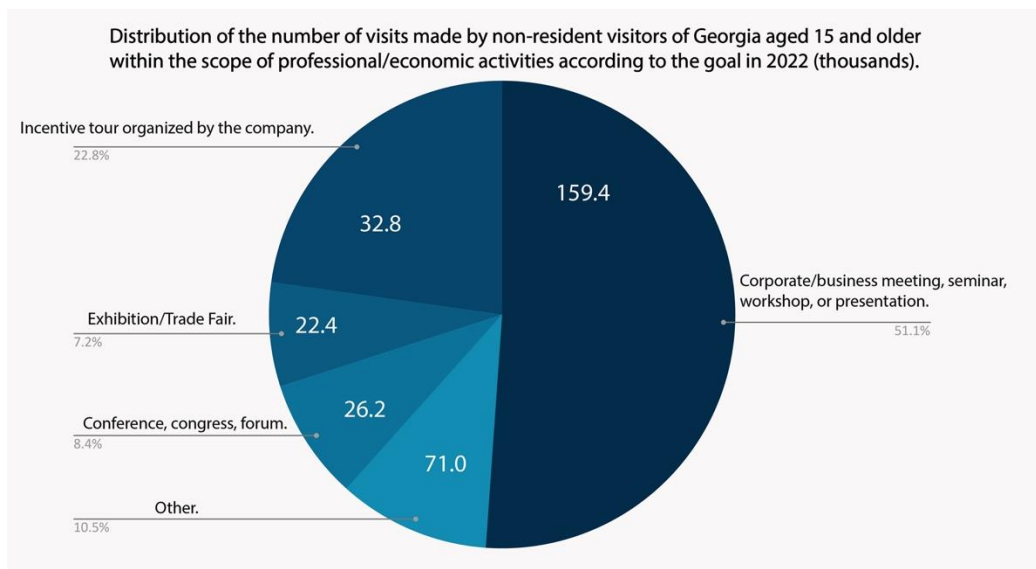


Figure 5. Distribution of the number of visits made by nonresident visitors of Georgia aged 15 and older within the scope of professional/economic activities according to the goal in 2022 (thousands) (source: National Statistics Office of Georgia)

The remarkable appeal of Georgia as a MICE destination rested on various pillars. The country boasted a substantial supply of high-end internationally branded hotels. Additionally, its safe environment, visa-free access to over 100 countries, direct flights to 28 countries, rich cultural diversity,

and an array of attractions collectively created an enticing environment for attracting international business visitors.

Table 1. Hotels opened in 2020-2023 (Tbilisi) (source: Georgian National Tourism Administration)

Name	year of completion	Number of rooms	Bed places
Taberne Boutique Hotel Tbilisi	2020	36	50
Hilton Garden Inn	2020	170	340
Pullman Hotels & Resort	2020	226	400
Golden Tulip Design Tbilisi Hotel	2022	77	154
Clocks Hotel Tbilisi	2022	65	130
Bazzar Boutique Hotel	2022	20	40
Address Boutique Hotel	2022	28	60
Monograph Freedom Square	2020	36	72
Biography Tbilisi	2021	103	206
Communal Hotel Plekhanovi	2021	13	26
New Tiflis	2021	38	80
Ibis Hotel Tbilisi	2022	153	300
Ibis Tbilisi Stadium	2021	158	350
Ramada by Wyndham Tbilisi Old City	2021	107	200
Holiday inn Express Tbilisi Avlabari	2023	122	240
Onyx Hotel	2022	97	180
Pine Atoria	2022	125	240
Ramada Tbilisi	2022	125	190

In the years leading up to 2019, the supply of conference facilities witnessed significant growth in both Tbilisi and Batumi. Tbilisi, as the capital, was home to 48% of Georgia's total supply of conference and meeting facilities, offering a total capacity for hosting approximately 7,500 delegates. Meanwhile, Batumi's conference facilities had the capacity to accommodate up to 5,600 guests. The remainder of the MICE facilities were spread across various regions of the country, with a combined capacity of 2,600 guests. This growth in supply was primarily driven by the increasing presence of internationally branded hotels in Tbilisi and Batumi. [9]

During this flourishing period in 2019, an average of 5-7% of hotel guests in Georgia were MICE tourists. Tbilisi, being the epicenter of MICE events, stood out prominently.

Batumi also emerged as an attractive MICE destination, with approximately 100,000 delegates attending conferences and meetings in 2017.

Georgia, in the prepandemic year of 2019, exhibited immense potential to become a premier MICE destination, particularly for countries within the CIS, Middle East, and Central Asia regions. The extensive growth in infrastructure and facilities, combined with the country's unique attractions and a business-friendly environment, positioned Georgia as a promising choice for international events and conferences.

During that prepandemic period, Tbilisi's international upscale and midscale hotels collectively offered an impressive array of conference facilities. This included a total of 81 halls equipped to accommodate no less than 9,262 delegates, making it a bustling center for business events. Notably,

Sheraton Grand Tbilisi was a standout among these venues, boasting the largest MICE facility capacity among the city's international hotels [7].

Table 2. Hotels opened in 2020-2023 (Batumi) (source: Georgian National Tourism Administration)

Name	Year of completion	Number of rooms	Bed places
New Wave Hotel Batumi	2021	81	162
Courtyard by Marriott	2020	157	315
Le Meridien Batumi	2020	105	210
Orbi Twin Towers	2021	350	600

Furthermore, Expo Georgia, the country's exclusive dedicated conference center, played a crucial role in shaping Georgia's MICE landscape. In the years leading up to the pandemic, Expo Georgia saw a significant uptick in the number of international and local exhibitions, conferences, and festivals hosted within its facilities. Along with Expo Georgia, the importance of the exhibition spaces Silk Factory Studio and Funicular Complex is significant.

Table 3. Hotels under construction and planned 2023/2025 (Tbilisi) (source: Georgian National Tourism Administration)

International brand	Year of completion	Number of rooms	Bed places
Holiday Inn Express	2023	110	220
Hilton Tbilisi	2024	200	350
Tabori Ridge Recreation & Golf Resort	2023	183	366
Offices & Hotels at Erekle II Square	2023	150	300
Paragraph Golf & Spa Resort Tabori Hill	2024	177	354
Marriott Autograph Collection-Panorama Sololaki	2023	210	420
Paragraph Hotel Freedom Square	2023	220	440
Hotel Sololaki Hills	2023	190	380
Swissotel	2023	150	300

These 2019 data, reflecting the situation before the pandemic, highlight Tbilisi's pivotal role in Georgia's MICE sector, showcasing the city's significant development in conference and event facilities.

Over the span of four years, from 2020 to 2023, Tbilisi witnessed the grand opening of a noteworthy 18 high-class hotels, collectively contributing an impressive sum of 1,699 rooms and an accommodation capacity of 3,258 beds. In the same time frame, the vibrant city of Batumi welcomed the inauguration of four hotels, adding a total of 693 rooms and enhancing its hospitality capacity with 1,287 beds.

Table 4. Hotels under construction and planned 2023/2025 (Batumi) (source: Georgian National Tourism Administration)

International brand	Year of completion	Number of rooms	Bed places
Babylon Tower	2025	168	336
Swiss-Belhotel	2023	186	360
Wellness Resort and Spa Mtsvane Kontskhi	2024	120	240
Ibis Style Batumi	2023	107	214
Novotel Living Batumi	2023	167	334

In the period of 2023 to 2025, there are ambitious plans in the works. Tbilisi is poised for substantial growth in its hotel industry, with a remarkable 66 hotels on the drawing board. This visionary expansion

translates to the potential addition of a staggering 10,531 beds to accommodate the increasing influx of visitors. Meanwhile, Batumi is also gearing up for further developments, with plans in place for the construction of 13 new hotels, offering the promise of an extra 1,496 beds to cater to the growing demand.

These exciting developments demonstrate a thriving and dynamic hospitality sector in both Tbilisi and Batumi, reflecting a keen commitment to providing top-notch accommodations for travelers and meeting the evolving needs of these vibrant cities.

Conclusion

The MICE tourism sector in Georgia, with a specific focus on Tbilisi and Batumi, has experienced significant growth and transformation in recent years. Despite the challenges posed by the COVID-19 pandemic, Georgia has demonstrated resilience in its recovery and a strong commitment to becoming a prominent MICE destination. The evolving infrastructure, international brand hotels, and an increasing number of conference facilities have positioned Georgia to attract business travelers and host a wide range of events.

As the data and developments from 2019 to the present suggest, Georgia's MICE sector is on an upwards trajectory, with Tbilisi and Batumi leading the way. The diverse attractions, accessibility, and proactive measures taken to enhance the MICE infrastructure underscore Georgia's potential as a year-round MICE destination.

The promising landscape of MICE tourism in Georgia highlights the country's emergence as a competitive player in the global tourism industry, offering economic opportunities and fostering connectivity and innovation. With ambitious plans for further growth on the horizon, Georgia is well positioned to continue its journey toward becoming a premier destination for international meetings, incentives, conferences, and exhibitions.

Competing interests

The authors declare that they have no competing interests.

Authors' contribution

E.T. and M.B. contributed to the design and implementation of the research, to the analysis of the results and to the writing of the manuscript.

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