

CHALLENGES OF COVID PANDEMIC AND TOURISM OPPORTUNITIES OF GEORGIA

კოვიდ პანდემის გამოწვევები და საქართველოს ტურისტული შესაძლებლობები

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Abstract

Today's reality is that both the whole world and Georgia are struggling with the spread of the COVID19 infection and the catastrophic consequences caused by it. With a complete economic recession and economic collapse, which primarily concerns the tourism sector, all the economic entities involved in it.

Georgia is not famous for its energy resources, but it is one of the most unique tourist destinations in the world for visitors and new discovery with its great tourism potential and diversity. The development of sustainable tourism and the position of Georgia as a unique tourist country in the international tourism market is directly proportional to the development of the country's economy.

The main goal of the research paper is to study and analyze the growing opportunities for tourism development in Georgia and to analyze the catastrophic results caused and revealed by the invisible enemy, the recently identified enemy, COVID19 Pandemia, and to set further prospects. There are analyzed: The statistics of tourism growth and financial income in Georgia, the perspective of tourism development in Georgia, and the relevance and impact of the COVID19 pandemic, which can cause irreparable damage, or at best, to the viability of tourism in the long run, as well as the opportunity for vital economic development for the development of the country.

Keywords: Tourism in Georgia; Tourist potential; Tourism opportunities; COVID19 pandemic; Tourism and Economics.

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აბსტრაქტი

დღევანდელი რეალობაა ის, რომ როგორც მთელი მსოფლიო, ისე საქართველოც ებრძვის კოვიდ ინფექციის გავრცელებას და მისგან გამოწვეულ კატასტროფულ შედეგებს, პირველი რიგის პრობლემა იმაში მდგომარეობს, რომ ჯერ არაფერია ცნობილი რა შეიძლება იყოს და როგორ ვებრძოლოთ უხილავ მტერს, რომელიც მსოფლიო კაცობრიობას ემუქრება არა მარტო სიცოცხლის მოსპობით, არამედ სრული ეკონომიკური რეცესიით და ეკონომიკური კოლაფსით, რაც პირველ რიგში ეხება ტურიზმის სექტორს ყველა მასში ჩართულ ეკონომიკურ სუბიექტებს.

ნაშრომის ძირითადი მიზანია, შევისწავლოთ და გამოვიკვლიოთ საქართველოში ტურიზმის განვითარების მზარდი შესაძლებლობების ანალიზი და ბოლო პერიოდში გამოვლენილი უხილავი მტრის, კოვიდ პანდემიის მიერ გამოწვეული და მიყენებული კატასტროფული შედეგების გაანალიზება და შემდგომი პერსპექტივების დასახვა. გაანალიზებულია საქართველოში ტურიზმის ზრდის და ფინანსური შემოსავლების სტატისტიკური მონაცემები, საქართველოში ტურიზმის განვითარების პერსპექტივა და კოვიდ პანდემიის შესაბამისობა და გავლენა, რომელმაც შეიძლება

გამოუსწორებელი ზიანი მიაყენოს, ან საუკეთესო შემთხვევაში წლების მანძილზე არსებულ მდგომარეობამდე დაბრუნების შესაძლო პერსპექტივით, ტურიზმის სიცოცხლისუნარიანობას. ასევე, ქვეყნის განვითარებისათვის სასიცოცხლოდ აუცილებელი ეკონომიკური განვითარების შესაძლებლობას.

საკვანძო სიტყვები: ტურიზმი საქართველოში; ტურისტული პოტენციალი; კოვიდ პანდემია; ტურიზმი და ეკონომიკა.

INTRODUCTION:

The development of tourism and territorial expansion is a solid basis for the development of Georgia's economic environment. Georgia's tourism sector has great potential to contribute to the development of the economy in Georgia and the formation of financial revenues for the country. But, a few months ago, nobody could imagine that the biggest problem would arise out of almost nowhere, which would almost completely change the existing reality on earth through economic, political and social terms. We would especially like to draw your attention to the tourism sector and the problems that Georgia (and not only Georgia)'s tourism sector faces in the first place.

- Is it possible to maintain the tourism sector at all in the conditions of the Covid Pandemic?
- Is it possible to sustain the growth of tourism simultaneously in the conditions of the Covid pandemic?

Georgia is a unique place where tourists and visitors have the opportunity to feel the ancient culture and enjoy the wild, almost untouched nature. Georgia is known not only for its standard tourist opportunities, but also for its interesting natural, historical and cultural values. We have to mention that it is an ancient mythological country, ancient Colchis and the country of the Golden Fleece, which has a history of thousands of years. It is still distinguished by the diversity of flora and fauna and unique endemic species. In addition to natural resources, Georgia has many unique historical and cultural values, which are illustrated by the ancient buildings, artefacts and unique cuisine, which is based on the ancient traditions of agriculture. 'CNN Travel' has dedicated a special section to these issues: nine reasons to visit Georgia now. "9 reasons to visit Georgia now". "National Geographic" has just published an article: 11 things you can see only in Georgia " 11 Things you can see only in Georgia ". Only-in-Georgia/Another important issue, why we want to draw your attention to the tourist opportunities of Georgia, is their uniqueness, which is manifested in the fact that both historical-cultural and natural values are gathered here at the same time. The tourism potential of Georgia's protected areas is evidenced by the fact that in 2011 it was ranked 3rd in the top ten best unknown places in the world published by "Yahoo travel". And in the top ten of the best unknown places in the world published by "CNN", it took the 5th place.

Methodology

The paper covers the impact of a new and unknown Covid pandemic on Georgia's tourism sector, their interdependence and interaction. Both quantitative and qualitative approaches are used in the study to

determine the existing problematic reality. It is based on statistical materials, data obtained from various governmental organizations, non-governmental organizations and international organizations. The motivations and actions of government agencies and the World Health Organization in relation to the existing problem, the socio-economic reality of the local population and psychological factors. Verbal interviews with representatives of the Georgian government and international organizations are used. Conclusion and recommendations are based on quantitative and qualitative analysis of existing and received data on the current situation and international experience.

Georgia's tourism potential: AN OVERVIEW

after Georgia regained its independence, the tourism sector faced major problems, mainly due to the country's difficult socio-economic and political situation. No attention was paid and no complex and systematic approach to tourism. Due to the new reality, the goals of establishing tourism were incorrectly identified and there was also no established legal basis. Due to this, the Georgian tourism sector was characterized by low efficiency.

During the last ten to fifteen years, the tourism sector in Georgia has become particularly large and has been characterized by growing and dynamic development. It is especially noteworthy that this country of all four seasons is rich in mountainous, maritime, lowland, protected areas, unique national-historical and cultural heritage and unique tourism ecosystems, the use and development opportunities, which are crucial.

Particular attention to the tourism sector has led to a whole chain of positive factors and the emergence of long-term prospects for the further development of tourism. One of the positive factors is the relatively developed tourism infrastructure; The number of both international and local visitors has increased; Favorable conditions for the development of medium, small, and micro businesses have been created; More people were employed and the involvement of people reached a record high and amounted to much more than 100,000 people, including the particularly notable employment and involvement of the local population; Tourism revenues increased as well as state financial revenues; Greater attention was paid to the ecological status of tourist sites and infrastructure, biodiversity, flora and fauna. Scientific research is underway, Georgia and its tourism potential have become much more recognizable and attractive, as evidenced by the support of the governments of other countries, the great interest and involvement of international organizations, donor organizations, various charities, foundations and agencies.

Statistical data and results

Based on statistics, the annual increase in the number of visitors who traveled to the territories of Georgia is noteworthy. The growth is significant, but modest given Georgia's tourism potential. According to the statistics of the Georgian National Tourism Administration, the number of international visitors to Georgia in 2010-2020 looks like this:

Table 1. Comparative graphs of the number of visits of foreign citizens and growth percentage rates compared to the previous year 2010-2020

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of international visitors in Georgia	2031717	3115527	4741346	5734898	5888709	6305635	6719975	7902509	8679544	9357964	1747110
Percentage increase	35,5%	38,9%	52,2%	21%	2,7%	7.1%	6.6%	17.6%	9.8%	7.8%	-81,3%

If we look at the growth of the number of visitors to Georgia, in parallel financial revenues from tourism services have been increased. In 2010-2019, the financial revenues received from Georgia's tourism services amounted to more than GEL 3.5 billion from GEL 1.3 billion. There is also a significant increase in the share of tourism in GDP and it amounted to 8.1% in 2019. The diagram clearly shows the growth dynamics of these data. Although the 2020 pandemic has drastically changed the situation in the tourism sector, the number of visits by foreign nationals decreased by 81.3%, while financial revenues from tourism services and the share of tourism in GDP fell to 5.9%.

Table 2. Financial revenues from tourism services and share of tourism in GDP by according to 2010-2020 years

Share of tourism in GDP (million GEL)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
In total	1370	1579	1683	1660	1737	1956	1968	2597	3016	3630	2548
Among them:											
Georgia GDP at basic prices	19286	22622	24252	25538	27661	30197	31556	35348	38779	43138	43266
Share of tourism in GDP	7.1%	7.0%	6.9%	6.5%	6.3%	6.5%	6.2%	7.3%	7.8%	8.4%	5.9%

Statistical data and the dynamics of their growth clearly show the scale of work carried out by Georgia over the years. However, factors such as the world pandemic and its epidemiological and economic consequences cause complete uncertainty for any country in the world, including Georgia.

DISCUSSION

Everything is being done and every project serves to attract tourists to the territories of Georgia, which in turn is directly proportional to the growth of financial income for the country, which is the result of colossal work done by Georgia over the years. The Covid Pandemic has already had an irreparable and catastrophic impact on both local and global levels.

Within the country itself, there are discussions between various governmental and non-governmental agencies about the compatibility of the tourism industry and the Covid Pandemic.

Although Georgia's tourism potential has not lost its charm and attractiveness, it is noteworthy that the tourism potential of the Covid Pandemic is not diminishing, but its lifespan is approaching zero. Which ultimately poses the problem of maintaining economic security to the country.

Covid Pandemic has already been able to cause serious damage to Georgia, both in the field of tourism and the economy as a whole. 100,000 people in the tourism sector were left unemployed and without any income. At the same time, the global economic forecast is getting worse, according to which up many people will still be unemployed. And the economy will lose approximately 2 billion GEL, which in turn will lead to a decline in the economy by 4-5.5%.

The problem is no longer how to develop tourism and look for ways to further growth and development, but how to ensure that things are maintained at all. It is vital to be aware of the negative impacts that are characteristic of a mass pandemic and that may lead to its further development, as well as appropriate actions and finding specific ways.

But, despite the difficult situation in the world and even worse consequences, due to the current reality, Georgia has been able to successfully deal with this large-scale problem and according to international publications, it is among the top three internationally recognized countries along with Switzerland and Singapore. Which in the future may be an opportunity for additional impetus in terms of further development of tourism in the near future. At the same time, the Georgian government, in parallel with the successful fight against the pandemic, has already taken important steps in terms of survival and further development of the tourism sector, which has already been implemented several stages.

The first phase of the emergency benefits and assistance package looks like this: Tourism-related business entities have deferred 4 months of property and income taxes until November 1, 2020, which covered 6,118 business entities, with a budget of \$ 113 million.

The state subsidizes small hotels with 80% of the 6-month interest rate on the bank loan. Which was used by 2,200 hotels and the budget amounted to 10 million GEL. At the same time, the possibility of loan restructuring arose.

The benefits and assistance package implemented in the second phase, which applies to employees in the tourism industry, looks like this: Hired employees who have lost their job or missed unpaid leave

will receive 1200 GEL for 6 months. Even the self-employed who have lost their income will receive a one-time assistance in the amount of 300 GEL.

The employer of the tourism industry will receive a state subsidy for each retained job: a salary of 750 GEL for 6 months will be fully exempt from income tax. And a salary of 750 GEL up to 1500 GEL will be exempt from income tax.

The third phase of the benefits and assistance package for accommodation, food, travel companies and guides look like this.

Facilities: property tax exemption of 2020 year; Deferred income tax until the end of 2020; Subsidizing loans for accommodation facilities; Subsidizing the amount of participation in tourism exhibitions; Facilitate the implementation of UNWTO recommendations.

Food facilities: property tax exemption of 2020 year; Deferred income tax until the end of the year; Use of credit-guarantee scheme; Facilitate the implementation of UNWTO recommendations.

Travel companies and guides: property tax exemption of 2020 year; Deferred income tax until the end of 2020; Bank guarantee interest subsidy for 6 months (IATA & GSA); Subsidizing the amount of participation in tourism exhibitions; Facilitate the implementation of UNWTO recommendations; Guide training program; Guide support - free visit to museums, protected areas, etc.

The budget was: Abolition of property tax for the tourism industry in 2020 - 45 million GEL; Exemption from tax revenue of the tourism industry and deferral - GEL 90 million; Subsidizing hotel loans - 60 million GEL (3,000 hotels); Support for travel companies and guides - 5 million GEL.

Today, Georgia is in the 4th stage of fighting the pandemic, which envisages the gradual removal and adaptation of restrictions. Which in turn includes an anti-crisis plan to launch tourism.

A 3-stage plan for the launch of the tourism industry has already been defined, according to which the industry will be prepared to operate in new conditions. Phase 1 envisages preparatory work for the introduction of safety standards. The opening is planned in the 2nd stage, which envisages the creation of safe tourist zones and the launch of domestic tourism, which took place on June 15. International tourism is planned to be launched in the 3rd stage, starting from July 1, which in turn includes the opening of land and air borders in accordance with safe corridors and the gradual resumption of flights. Although Georgia is not yet an economically and financially strong country, the plan which was carried out and announced by it, is quite impressive. Authorities have been able to successfully fight against the Covid pandemic and achieved serious results, as well as took large-scale steps for the further development of sustainable tourism. Georgia has emerged as a safe destination: with new competitive advantages, infrastructure readiness, new opportunities and, most importantly, internationally recognized successful status in the fight against pandemics.

As of today, 4 stages of tourism implementation have already been set and are being implemented, on which there is a great difference of opinion between governmental, non-governmental and various agencies and the society itself. Although the achievement of sustainable tourism and tourism in the country is considered a priority, important and promising issue for Georgia and is of national interest and vital interest to the country, the further growth of Georgia's tourism potential has a serious positive impact on the well-being of citizens. But if we consider what irreparable consequences can be brought to the country by reckless and inconsistent steps in the conditions of the world pandemic, we must think again and think about finding a solution. The state must protect its population and show the developed world that this is a priority for it. At the same time, take care of the further economic development of the country. In terms of tourism development and development of financially profitable tourism projects

in Georgia, great importance is attached to the assistance, involvement and sharing of their vast experience of governments, international organizations, donor organizations, various charities, foundations and agencies, and various international projects are already successfully implemented. The involvement and support of the European Union and the United States in these matters is particularly noteworthy. Georgia is a rich country in terms of tourism, so the protection of its tourist environment and natural resources is one of their main tasks. The European Union and the United States assist Georgia in implementing specific tourism projects, as well as in implementing environmental policies and legislation.

"I thank the European Union for its assistance today in the fight against this invisible enemy, which manifests itself, both materially and financially. The European Union was the first among our strategic partners to express its desire and take concrete steps to assist Georgia, both financially and medically, in exchanging information and many other areas," said Georgian Prime Minister. The European Union, the United States and other donor organizations are providing \$ 3.5 billion in assistance to Georgia, which will help Georgia's tourism sector and economy in general, and alleviate some of the negatives caused by the Covid Pandemic.

As we have mentioned, in the 4th stage of the fight against the pandemic, Georgia opens its borders and launches domestic and international tourism, which could put the 4th wave of the pandemic and pose a serious threat to the country, both in terms of health and life, as well as the Georgian economy. In our view, raising the issue imperatively, or protecting the population by closing the country, or promoting tourism and economic advancement, is wrong. It is necessary to formulate a coherent, concrete strategy and a whole set of measures that will ensure a relatively harmonious combination of the country's economy, population protection and tourism development.

CONCLUSION

The solid foundation of Georgia's economic development is the development of tourism and territorial expansion. Georgia's tourism sector has great potential to contribute to the development of the economy in Georgia and the formation of financial revenues for the country. Today, both the whole world and Georgia are struggling with the Covid Pandemic and its catastrophic consequences, which threaten the world humanity not only with the loss of life, but also with a complete economic recession and economic collapse, which primarily affects the tourism sector and all economic entities involved.

It is clear what problem we are facing and it is clear that we are not against the further development of tourism even in the conditions of the Covid Pandemic, however, given the irreparable consequences that can befall the country in a world pandemic, we need to think again and again. We should think about finding a solution. It is necessary to find the golden mean and it should be a consistent, logical and concrete strategy and a whole set of measures that will ensure a relatively harmonious combination of the country's economy, population protection and tourism development in general. The state must protect its population and show the developed world that this is a priority for it. At the same time, take care of the further economic development of the country without the Covid pandemic, or with it.

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