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ASSESSING THE VALUE CHAIN IMPACTS OF THE UKRAINE WAR ON THE TOURISM INDUSTRY OF GEORGIA

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ABSTRACT. This paper explores the effects of the Ukraine conflict on Georgia's tourism industry and its implications through a value chain analysis. The study examines various perspectives, including the effects of the war on Georgian tourism with and without migration and the subsequent effect of migration on the country's economy. The paper highlights the economic and safety-related effects that led to a slow recovery of visitors after the war. Additionally, the paper discusses the positive impact of migration on future tourism flows, stimulating domestic tourism and regional exploration. However, the influx of Russian migrants also increased short-term accommodation rental prices, affecting vulnerable groups and potentially contributing to inequality and poverty. Furthermore, the paper addresses the global implications of the Ukraine conflict on international tourism, with Georgia being vulnerable due to its dependence on Russian tourists. The analysis also identifies key findings regarding the effects of Russian migrants on various agents within the tourism value chain, including travel agencies, international transportation, accommodation, food and beverage, local transportation, culture, sports, recreation, and tourism-related products. The study concludes by outlining potential solutions to mitigate the negative impact of the conflict on Georgia's tourism industry, such as marketing campaigns, introducing new and more affordable flights, economy-related incentives, and improvements in service quality. This paper provides a comprehensive evaluation that offers valuable insights into the complex impacts of the Ukraine conflict on Georgia's tourism industry and its broader significance for the global tourism economy.

KEYWORDS: TOURISM AND MIGRATION, EFFECT OF UKRAINE WAR, VALUE CHAIN MODEL.

INTRODUCTION

Tourism is one of the main contributors to the economic development of Georgia, with a complex value-creation system. Some authors call tourism the umbrella industry as it covers many sectors of the economy. In contrast, others define tourism as an economic activity related to several industries, which is the demand side definition. Tourism's vulnerability to external shocks is a critical issue in the field. External shocks, such as natural disasters, political instability, economic crises, pandemics, and wars, can severely impact the tourism industry. These shocks disrupt

travel patterns, decrease tourist demand, damage infrastructure, disrupt supply chains, and negatively affect the economy.

Due to the war in Ukraine, individuals from the conflicting sides sought refuge in Georgia for various motives, such as Ukrainian families seeking safety from the conflict and Russians evading military service. Migration generally has positive social and economic contributions to the country, including cultural enrichment, tourism industry enhancement, and labor provision for the travel, tourism, hospitality, and catering sectors. However, considering Russia's occupant status in Georgia and its experience of using economic tools to exert

political pressure on Georgia, migration from Russia poses several risks.

This paper investigates the effects of the Ukraine war and subsequent migration on Georgia's tourism industry. The study employs a combination of qualitative and quantitative research methodologies to provide comprehensive insights. Quantitative data is sourced from the statistics office of Georgia and private agencies, offering statistical perspectives. At the same time, qualitative Research involves conducting in-depth face-to-face interviews with 15 key stakeholders across the tourism industry's value chain. The study employs a value chain framework to analyze the wide-ranging effects of the Ukraine war and migration on different tourism industry sectors, including accommodation, transportation, travel agencies, and other hospitality services. The research findings aim to enhance the understanding of the specific consequences of the Ukraine war and migration and thereby support policymakers and industry stakeholders in devising strategies to mitigate risks, strengthen resilience, and ensure the long-term sustainability of the tourism sector.

UNWTO (2009) identifies two concepts, namely "Tourism-led Migration" (TLM) and "Migration-led Tourism" (MLT), to illustrate different scenarios where migration and tourism interact. TLM occurs when international tourism growth leads to migration, such as young people moving from central Europe to fill employment gaps in Western Europe. Conversely, MLT involves migration directly and indirectly stimulating tourism in both origin and destination countries, particularly in the "Visiting Friends and Relatives" (VFR) sector, and promoting the development of tourism infrastructure and transportation routes within and between countries. Georgia has already experienced migration-led tourism due to ethnic Azerbaijani and Armenian populations living in the Kvemo Kartli and Samtskhe Javakheti, respectively, where visits from friends and relatives have contributed to the tourism industry for years.

Most of the literature indicates that Migration and visiting friends and relatives (VFR) tourism are interconnected phenomena. Migration acts as a pre-condition for VFR tourism, and VFR tourism can be classified as a form of Migration-Led Tourism (MLT) (King & Dwyer, 2015). The researchers treat the benefits of the VFR segment differently. According to Munoz et al. (2017), the economic benefits of visiting friends and relatives positively affect the community's social and cultural development. This type of tourist not only engages in ac-

tivities such as attending festivals and exploring attractions and neighborhoods but also indirectly enhances the quality of life for residents, making the destination more appealing and authentic. Other authors argue that VFR tourism, characterized by unpaid accommodation and personal motives unaffected by marketing, is often perceived as having low market value. It may not contribute significantly to the financial aspects of the tourism industry (Backer, 2012).

Müller & Hoogendoorn (2013) emphasize the close connection and overlap between tourism and migration through the concept of the second home phenomenon. This phenomenon involves individuals or families owning a second property in a different location from their primary residence. It blurs the boundaries between tourism and migration by combining a long-term commitment to a specific destination, similar to migration, with leisure and recreational tourism elements. The second home phenomenon has implications for understanding the effects of migration, particularly in the context of Russia and its impact on Batumi. It is noteworthy that even before the war in Ukraine, many Russians were purchasing residencies in Batumi. Russians' ownership of second homes is essential when analyzing migration effects.

Another effect of migration is the tourism business related. Business opportunities may emerge through the communication of the immigrant and their business partners in the homeland, stimulating business travel to Georgia. According to Dwyer et al. (2014), permanent migrants who maintain or establish business connections with their country of origin can positively impact international trade and related business travel.

The various dimensions through which migration can impact tourism can significantly reshape Georgia's tourism landscape. Policymakers must remain vigilant of potential developments to adapt their strategies accordingly, especially considering the pre-war approach of the Georgian Tourism Strategy, focusing on high-value visitors and delivering quality services. Additionally, given the political situation and Russia's occupant status, it is crucial to differentiate between Ukrainian and Russian migrants when formulating policies to minimize negative impacts and maximize the benefits of migration-led tourism in Georgia.

TABLE 1: The Effects of the Ukraine War

THE EFFECT OF THE UKRAINE WAR ON TOURISM WITHOUT MIGRATION	THE EFFECT OF MIGRATION ON TOURISM	THE EFFECT OF MIGRATION ON THE ECONOMY OF GEORGIA
Slow Recovery	The expected increase in VFR and Business Visitors	Increased Prices on long-term Accommodation Rentals and Residential Flats
Worsened Economic Climate in the World Affecting MSMEs	Domestic Tourism Boosted	Effect on Exchange and Employment Rate
The short-term conflict resolution – boost in international visitor trips	Increased Prices on short-term accommodation rentals and short-lasting positive effects on Hotels	Increased Investment from the Conflict Zone Countries

EVALUATING THE EFFECTS OF THE UKRAINE CONFLICT ON GEORGIA'S TOURISM INDUSTRY AND ITS GLOBAL IMPLICATIONS

To fully comprehend the impacts of the Ukraine war on Georgian tourism and the tourism-related economic sectors, it is essential to examine it from different perspectives, including considering the effects of the war on Georgian tourism without migration, the effects of the war on Georgian tourism with migration, and the subsequent effect of migration on the economy of Georgia (see Table 1).

The impacts of the Ukraine war on Georgian tourism without migration can be divided into economic and safety-related effects that led to slow visitors' recovery. The economic impact included reduced income for Russian residents due to sanctions, leading to a decline in Russian tourists visiting Georgia. Financial constraints during the war also affected the ability of visitors from Ukraine to travel, resulting in a decrease in tourist arrivals from Ukraine. Safety concerns emerged for tourists from distant countries due to the instability and proximity to the conflict zone, potentially deterring travel to Georgia. Additionally, the worsened global economic climate has put pressure on businesses in the travel industry, notably Micro, Small, and Medium Enterprises (MSMEs). Factors such as increased oil prices, inflation, and interest rates have contributed to higher travel costs for consumers, creating additional business challenges.

Moreover, it is essential to mention that a short-term resolution of the conflict may boost international visitor trips. If a conflict resolution occurs, people from

the conflict zone are expected to leave Georgia, increasing international visitor trips. Methodologically, "international visitor trips" refers to the number of foreign citizens residing in Georgia for less than 182 days who depart from the country within a given timeframe.

The inclusion of migration effects in the analysis provides valuable insights. Scientific papers reviewed above demonstrated that migration positively impacts future tourism flows as more visitors travel to Georgia to visit friends and relatives who have already settled there. Additionally, business tourism can be stimulated through communication between immigrants and business partners in their home countries. Moreover, immigrants from conflict zones who settle in Georgia eventually become residents and are classified as domestic visitors according to the international methodology. Their spending during travel to different regions contributes to stimulating domestic tourism. Research indicates a strong interest among newly immigrated individuals in exploring regional tourism offerings. At the same time, due to political reasons, the high concentration of Russian visitors may have negative implications for visitors from Europe, the USA, and Ukraine.

The immediate and significant adverse effect on tourism of migration was increased short-term accommodation rental prices due to high demand. The impact on the Airbnb market is evident from the surge in bookings and higher occupancy rates in March when the migration began. However, later data showed decreased occupancy rates and the number of listings as migrants moved to more traditional renting agreements and landlords opted for long-term rentals (Mackenzie, 2021). The shift of migrants to the long-term rental

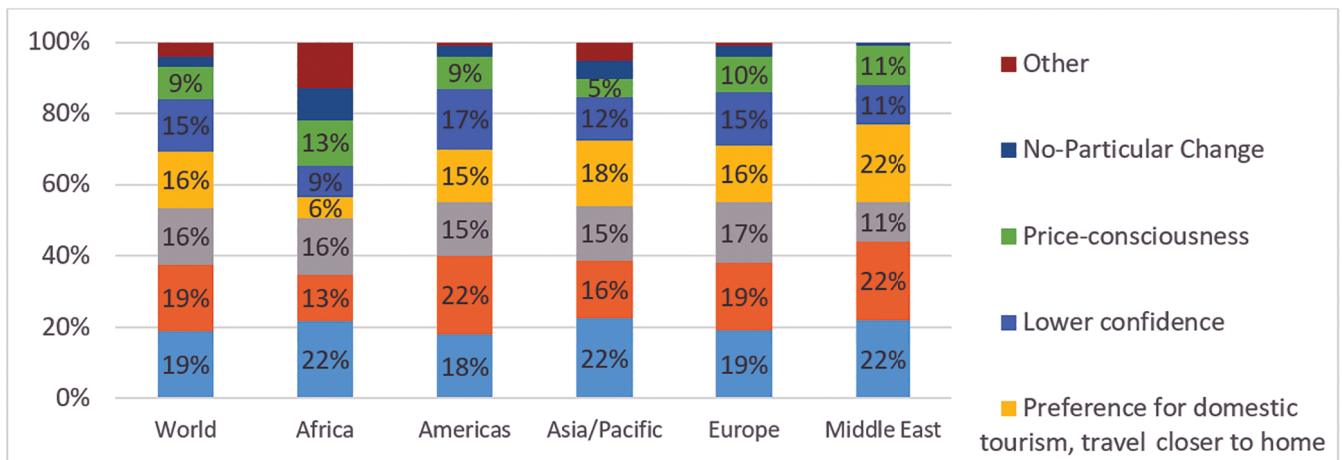


FIGURE 1: Changes in Consumer Behavior in the World

market has boosted rental prices, leading to negative implications for various segments of society. Particularly vulnerable groups include people without homes who rent apartments and students from regions studying in the capital. With the additional pressure of high inflation and increased oil prices, the rising cost of living in the capital becomes burdensome for these groups. The affordability of education, especially for regional students with limited budgets, becomes a concern. These negative impacts on Georgian society can contribute to increased inequality and poverty in the country. After experiencing high rental prices, several migrants were observed purchasing residential flats. Statistics from Colliers support this, showing a significant increase in the number of residential flat transactions in Tbilisi during 2022, reflecting a 21% year-on-year growth. The average prices of newly built and old flats also experienced notable increases.¹

Migration and other factors (money transfer, Export) can be responsible for appreciating the GEL. Furthermore, it may impact the longer-term employment rate as more immigrants compete with the locals for vacancies. Moreover, migrants often bring their businesses to their new country of residence, stimulating investment.

UNWTO, in its series of publications, shows us a global perspective of the Ukraine war. Their publication "Impact of the Russian Offensive in Ukraine International Tourism" assessed the Ukraine war's impact on global tourism. As Russia and Ukraine represent the source markets of many countries, UNWTO estimates that the

prolonged conflict would lead to a loss of 14 billion for the tourism economy. UNWTO also stresses the importance of both markets for their neighboring and nearby countries. Georgia was the fifth most dependent country on Russian Tourism in 2019 and moved to the third in 2021/2022, making it more vulnerable to future provocations from Russia than other countries. According to Edgell (2018), visitors from other countries can create an economic reliance on the host country. This reliance can impact the foreign policy of the host country towards the countries from which tourists originate. This is particularly significant for nations that require foreign exchange or hard currency to foster economic growth.

UNWTO (2022) also surveyed experts from different countries to identify the impact of the Ukraine war on international tourism. Most of them replied that conflict in Ukraine would, by different sizes, affect international tourism in their destinations. One of the main questions that have important implications for Georgia was about the changes in consumer behavior triggered by the offensive in Ukraine. The high share of the response "fear of traveling to conflict areas" and "preferences for destinations perceived as safe" (from the main high-value source markets of Georgia – Europe, and the Middle East) has to be addressed seriously in the marketing efforts to position Georgia as a safe destination (see Fig. 1²).

The table below summarizes the main effects of the Ukraine War on international tourism identified by UNWTO and its impact on tourism and economic indicators (see Table 2).

1 Colliers. (2022 September) Number of Transactions and Weighted Average Prices retrieved from: <https://recov.ge/en>

2 UNWTO Panel of Experts survey of the impact of the Ukraine Conflict on international Tourism (April 2022).

TABLE 2: Assessment of the Impact on Tourism by UNWTO

Increased risk poses challenges to vulnerable markets and hinders the uneven recovery of the tourism industry	The outbound travel from Russia and Ukraine has been disrupted
Consumer confidence has decreased, especially in markets characterized by risk-aversion	Both traditional and emerging destinations have been impacted
Slower Economic Growth and High Inflation: Higher oil prices + inflation + interest rates = higher travel costs for consumers & pressure on businesses, especially MSMEs	The situation poses a threat to tourism-related jobs and businesses, impacting people's livelihoods

SOURCE: UNWTO Tourism Market Intelligence and Competitiveness Department Issue 4 · 16 May 2022

VALUE CHAIN ANALYSIS OF THE TOURISM INDUSTRY OF GEORGIA

Value chain analysis is a strategic management tool that analyzes the various activities and processes that create value for a company or industry. When applied to the tourism industry, a value chain analysis helps identify the key components and stakeholders involved in the value creation process. The tourism value chain consists of related activities and participants working together to deliver tourism products and services.

The framework shown in Figure 2 overviews the tourism value chain of Georgia from various perspectives. From the functional perspective, value chain analysis identifies three types of agents. The agents in the first category indicated in blue directly add value to the tourism industry and include all the main businesses of tourism: accommodation, transportation, etc. Agents indicated in green help businesses generate value-added and comprise GNTA and DMOs. Finally, agents whose primary responsibility is not tourism but fulfill specific tourism-related functions include MRDI, MDF, Enterprise Georgia, APA, MRDC, etc.

The figure below also comprises visitor activities during their trip. The activities may include booking using a tour operator or without, arriving by international transport, moving around by local transport, staying at the accommodation, shopping, and engaging in cultural, rest, and recreational activities. Furthermore, it also shows the economic impact perspective distinguishing direct and indirect economic impacts.

The analysis from the different perspectives helps to understand the structures and processes of the value chain system in Georgia, leading to the development of specific projects focused on overcoming the recent chal-

lenges. The focus of the paper is the effects of Russian Migrants on the Georgian Tourism Industry (see Fig.2.).

For our paper, we will analyze the agents directly adding value to tourism, in other words, firm-level category. Unlike the other two levels, **the firm level** includes all functions that create direct value added through tourism. The firm-level comprises enterprises selling the products to visitors directly. They provide services to visitors to satisfy their needs during their trip. The qualitative study involving 15 tourism stakeholders of different tourism industries resulted in the following key findings:

Travel Agencies and Reservation services – Tour operators in Georgia are increasingly worried about the growing presence of Russian tour operators in the country. They fear that Russians will gain control over every aspect of tours, with minimal contribution to the Georgian economy. This shift could lead to lower spending per visit and a decline in service quality, compromising the reputation of Georgian tourism. The focus on the CIS market might also divert attention from Georgia's goal of offering exceptional service and decreasing the overall quality of the tourism experience and economic contribution.

International Transportation – The establishment of direct flights between Georgia and Russia, despite international sanctions, can have negative impacts on international transportation. It violates sanctions, weakens international norms, risks economic isolation, damages Georgia's reputation, and raises security concerns. These consequences extend beyond economic considerations and can affect diplomatic relations, global norms, and regional security.

Accommodation – The impact of migration on the hospitality sector can be seen through the lower Aver-

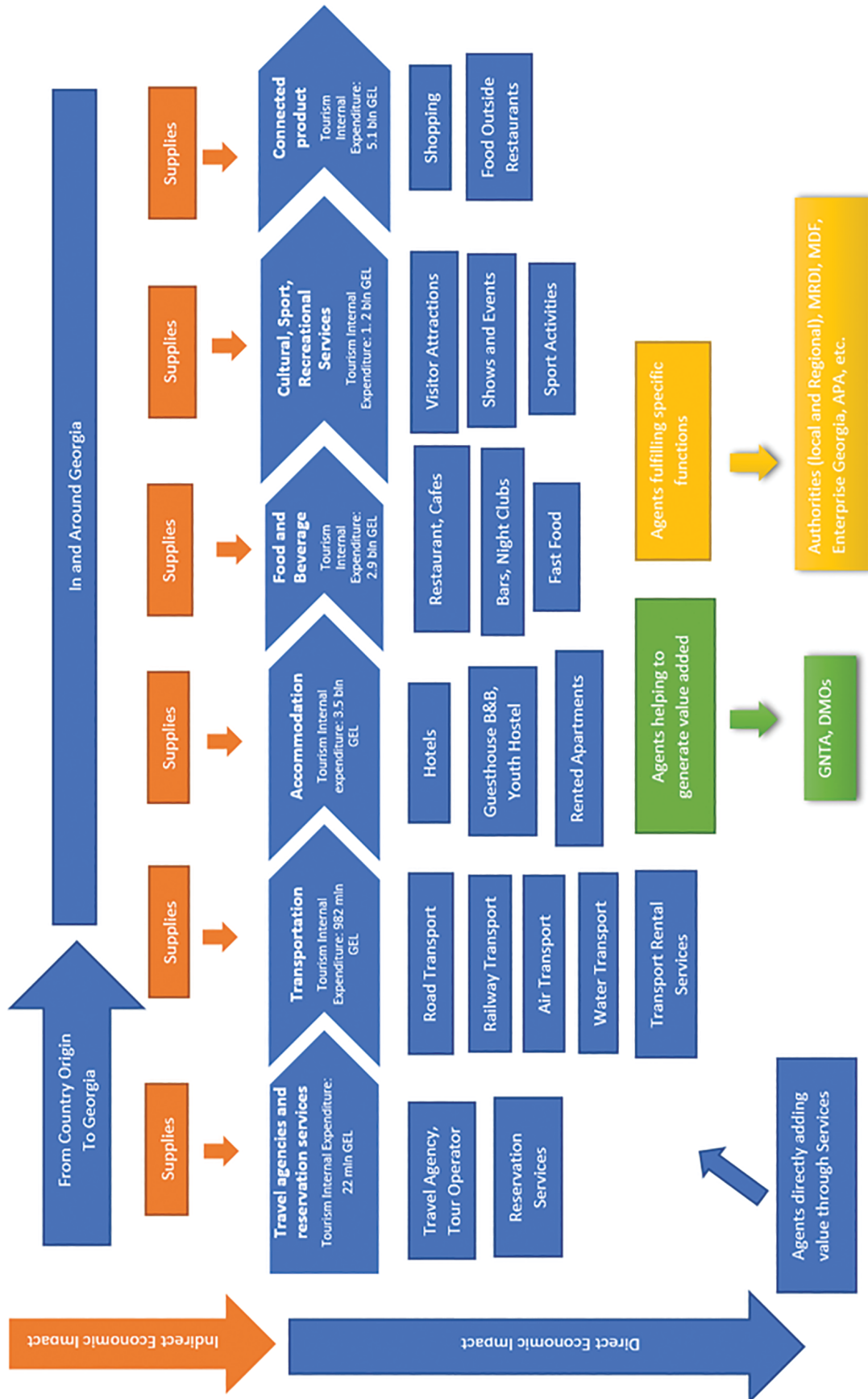


Table produced by the Author based on Reports – Sustainable Tourism for Development, (UNWTO 2013); Tourism Value Chain: Analysis and Practical Approaches for Development Cooperation Projects (GIZ, 2020), Experimental Tourism Satellite Account of Georgia, (Geostat, 2022).

FIGURE 2: Tourism Value Chain.

age Daily Rate (ADR). Despite a swift recovery of visitor numbers post-Covid-19, the demand for hotel services remains low. Representatives from the industry attribute this decline to the preference for migrants for alternative accommodation options such as long-term rental flats or staying with relatives and friends who already have apartments. Additionally, accommodations have observed an increase in input prices following Covid-19. Some attribute this rise to the high demand generated by migration. The rising costs, low demand, and intense market competition have compelled hotels to reduce their prices to maintain competitiveness.

Food and Beverage – Migration significantly impacts expenditure in the restaurant sector of the tourism industry. Migrants allocate a significant portion of their spending to dining out, as restaurant services are essential during their stay in Georgia. Data from the International Visitor Survey reveals a notable increase in food and beverage expenditure, amounting to 1.2 billion Georgian Lari (GEL) between 2019 and 2022. This rise can be attributed to the allure of Georgia's culinary traditions and diverse gastronomy, attracting migrants who wish to explore and indulge in local cuisine. Moreover, the convenience and accessibility of restaurant services make them a preferred choice

for migrants who may lack the means or inclination to cook their meals.

Local Transportation – Russian migrants in Georgia negatively impact local transportation, specifically causing traffic congestion. The increased traffic volume from migrants leads to longer travel times and delays, negatively affecting tourism experiences. Insufficient parking infrastructure arises as more migrants use private vehicles, making parking spaces difficult.

Culture, Sport, and Recreation – Immigrants from Russia who become residents of Georgia will soon be considered domestic visitors according to the international methodology. This means that their expenditure during travel to different regions within Georgia will be classified as domestic expenditure, stimulating expenditure on culture, sport, and recreation.

Tourism-Connected Product-Migration can positively and negatively affect shopping and other tourism-connected products in Georgia. On the positive side, it can increase consumer demand and boost sales and revenue. However, it can intensify economic competition, affect pricing and affordability, and impact local products.

The effects of migration on value chain players are summarized in the Table 3.

TABLE 3: Effect of Russian Migrants on Agents on Firm Level

VISITOR JOURNEY	EFFECT OF RUSSIAN MIGRATION
Travel Agencies and Reservation services	Concerns arise regarding the dominance of Russian tour operators in the market, which can result in lower spending by tourists and compromised service quality.
International Transportation	Direct flights to Russia violate sanctions, damaging Georgia's reputation and raising security concerns.
Accommodation	The Average Daily Rate experiences a decline as migrants increasingly choose alternative accommodations and input prices continue to rise.
Food and Beverage	Migrants allocate significant spending to dining out, boosting food and beverage expenditures.
Local Transportation	It has increased traffic congestion and parking issues due to more migrants using private vehicles.
Culture, Sport, and Recreation	Migrants become domestic visitors, stimulating cultural, sports, and recreation expenditure.
Tourism Connected Product	Migration impacts consumer demand, economic competition, pricing, and local products in shopping and tourism-related sectors.

SOURCE: Table produced by the Author based on Reports *Tourism Value Chain: Analysis and Practical Approaches for Development Cooperation Projects* (GIZ, 2020). The information regarding the problems was obtained from the 15 respondents in the tourism industries

TABLE 4: Identified Solutions to the Recent Challenges among the Respondents

<p>Marketing Campaigns</p> <ul style="list-style-type: none"> • Emphasize and position Georgia as a secure and peaceful destination for travelers. • Increase advertising efforts targeting eastern-European countries to promote Georgia as an attractive tourist destination. • Implement continuous efforts and informational campaigns to spread the message worldwide that Georgia is a safe country, and the possibility of war is non-existent. • Focus on improving the international image of the country through various initiatives. • Implement non-stop marketing campaigns to promote Georgia as a desirable travel destination. • Take additional PR marketing steps in European countries to increase awareness and positive perception of Georgia. 	<p>New and Less Expensive Flights</p> <ul style="list-style-type: none"> • Focus on recovering and establishing new direct flights to high-income destinations. • Address the high flight ticket rates, as they deter visitors from our target market. Introduce flights to new destinations to expand the reach of tourism. • Explore options to offer more affordable flight options for visitors. • Although it is currently not possible, work towards opening air travel to Ukraine in the future. • Simplify the visa regime with India and introduce new flights to cater to the increasing demand from this country. • Increase the number of flights from China to attract more visitors from this market.
<p>Economy Related</p> <ul style="list-style-type: none"> • Focus on stabilizing inflation and exchange rates to ensure a stable economic environment. • Implement measures to stabilize the overall price level, including goods and services relevant to tourism. • Exercise price control over government tourism service providers, particularly in museums and national parks, where prices have significantly increased. • Enhance and improve the infrastructure to support tourism. 	<p>Service Quality</p> <ul style="list-style-type: none"> • Establish a visa regime for Russia as the quality of services has suffered, and European and high-spending markets knowing about Russian immigration may decrease demand for Georgia. • Enhance the service quality in hotels and wineries to ensure visitors' positive and satisfactory experiences.

SOURCE: Statistics Office of Georgia.

The tourism value chain representatives were also asked about the activities to mitigate the negative impact of the Ukraine war in Georgia. We grouped the respondents' ideas into the following categories: Marketing Campaigns, New and Less Expensive Flights, Economy-Related incentives, and service quality (see Table 4.).

The tourism value chain framework offers an economic perspective for analyzing the impacts of the Ukraine war, mainly focusing on the direct effects of tourism. The System of National Accounts 2008 recommends using Tourism Satellite Accounts (TSAs) to measure the direct effect of tourism. TSAs provide an integrated system that separates and quantifies the demand and supply sides of tourism, enabling a comprehensive understanding of the economic aspects of tourism within the broader context of the economy (OECD et al., 2017). This framework was effectively used by Bregadze (2021), who, based on the experimental TSA tables 1-4, identified the most affected tourism sectors of Georgia from Covid 19 based on

three criteria structure of internal tourism expenditure, the share of internal expenditure in the total output and the share of domestic expenditure in internal expenditure (see Fig. 3).

The data comparison of inbound tourism expenditure shows a significant increase in consumption of Accommodation and food and beverage services. Furthermore, the international visitor survey indicates an increase in the length of stay from 4.1 in 2019 to 6.2 in 2022.³ The tourism sector representatives during the interview were asked to comment on the improvement in tourism-related indicators. The tourism industry representatives agreed that two effects were in place – price and quality effects. However, they differed in their position on the size of these effects.

According to them, the above-increasing indicators could result from economic factors – inflation and exchange rate, in other words, the "Price Effect." On

3 Statistics Office of Georgia.

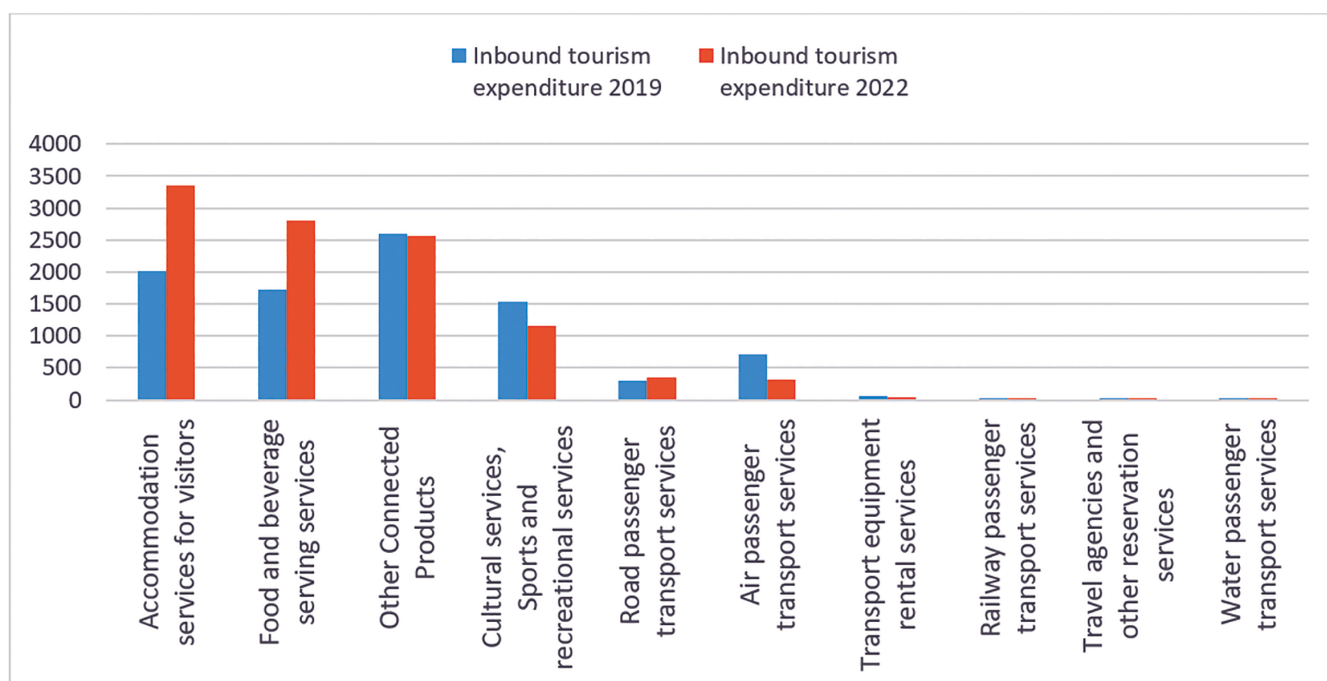


FIGURE 3: Internal Tourism Consumption By-products 2019 vs 2022 (Mil. GEL)

the one hand, the devaluated GEL could stimulate increased expenditure from Eurozone and USA. On the other hand, the high inflation might have increased visitor expenditure from all countries. The significant expenditure increase on food and beverage without quantity effect further supports the "price effect" argument. The hospitality industry representatives confirmed the increase in price in restaurants by 70-80%.

On the other hand, the increase in the average length of stay is the supporting argument for "Visitor quality improvement." To support this argument, industry representatives mentioned the changed behavior of some visitor segments. E.g., Gulf countries and Russians. Russia, a large country comprising different segments, including high spenders, was left with a limited choice of destinations to travel to. With the limited choice, many high-spending segments chose Georgia as a travel destination. Some respondents think the increase in airline prices led to a more extended stay of visitors, which later translated into higher spending.

Furthermore, tourism industry representatives report a sharp drop in business travelers as many meetings are now held online. As this segment stayed in the country for one or two days, their exclusion from visitors led to an increased average length of stay. Lastly, in their opinion, the foreign citizens from the conflict zone choosing to leave the country after the extended stay

in Georgia could be the essential driver of expenditure increase. The challenge is identifying which factors to "blame" more for increased expenditure, as both arguments seem logical.

CONCLUSION

The paper investigates the effects of the Ukraine war and subsequent migration on Georgia's tourism industry. It combines qualitative and quantitative research methodologies to provide comprehensive insights. The findings reveal that the Ukraine war has significantly impacted Georgian tourism, both with and without migration effects. The economic impact includes reduced income for Russian residents, safety concerns for European tourists, and a worsened global economic climate, all leading to a slow recovery in visitor numbers. The inclusion of migration effects highlights the positive impacts on tourism, such as increased visits from friends and relatives and business tourism stimulated through communication between immigrants and their business partners. However, the concentration of Russian visitors in the country poses challenges for visitors from other regions. The paper also highlights the potential implications of the Ukraine war on international tourism, with decreased consumer confidence and slower economic growth being significant concerns.

Based on the research findings, we elaborated on several recommendations to mitigate the negative impacts and maximize the benefits of migration-led tourism in Georgia:

- **Conduct Research:** the research on immigrants will enable policymakers to understand their long-term plans and business goals, thereby minimizing potential risks from migrants from the occupant country in the different fields of the economy. The research will also aid in identifying potential sociocultural impacts and designing programs for social cohesion. By understanding the immigrant population comprehensively, policymakers can make informed decisions to maximize the positive economic impacts and mitigate potential risks.
- **Differentiate policies:** Given the political situation and Russia's occupant status, it is crucial to differentiate between Ukrainian and Russian migrants when formulating policies. This approach will help minimize the negative impacts of Russian Migrants on Tourism and the Economy and ensure policies are tailored to Ukraine migrants' needs.
- **Enhance marketing efforts:** In light of the changes in consumer behavior triggered by the Ukraine war, it is essential to invest in marketing efforts to position Georgia as a safe destination. Emphasize the country's safety measures, cultural offerings, and unique experiences to build confidence among potential visitors, particularly from key source markets.
- **Diversify visitor markets:** Reduce dependence on Russian tourism by diversifying visitor markets. Focus on attracting visitors from Europe, the USA, and other regions to balance the tourism market and reduce vulnerability to future provocations from Russia.
- **Strengthen quality control:** Monitor and regulate the presence of Russian tour operators in Georgia to ensure that they contribute to the economy and maintain high service quality. Collaborate with industry stakeholders to establish standards and enforce regulations that promote equal rights among stakeholders.
- **Improve affordability and accessibility:** Address the increasing rental prices by implementing measures to improve affordability and accessibility to accommodation for vulnerable groups, such as people without homes and students. Consider incentives for building student dorms to accommodate students with affordable rent prices.
- **Foster regional tourism:** Recognize the interest among newly immigrated Ukrainian individuals in exploring regional tourism offerings. Invest in developing and promoting regional tourism products and experiences to capitalize on this potential market segment and distribute the benefits of tourism more evenly across the country.
- **Monitor economic indicators:** Continuously monitor economic indicators, such as exchange and employment rates, to assess the impact of migration on the economy. Implement measures to address any adverse effects, such as supporting local businesses affected by increased competition from immigrants and ensuring fair employment opportunities for locals and migrants.
- **Collaborate with international organizations:** Engage with international organizations like UN-WTO to stay updated on global trends and best practices in managing the impacts of conflicts on tourism. Collaborate with neighboring and nearby countries to share knowledge, experiences, and resources to enhance resilience and overcome common challenges.

Implementing these recommendations will enable policymakers and industry stakeholders to mitigate risks, strengthen resilience, and ensure the long-term sustainability of Georgia's tourism sector in the face of the consequences of the Ukraine war and resulting migration.

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