Economic Policy of Tourism and the Development Tendencies of Medical Wellness Resorts in Georgia

G. Erkomaishvili, E. Kharaisvili, M. Chavleishvili, N. Sagareishvili

Abstract—This paper discusses the current condition of tourism and its economic policy in Georgia. It analyzes and studies wellness tourism, as one of the directions of tourism; the newest niche in the wellness industry – triggering wellness resorts with medical ideology. The paper discusses the development tendencies of medical wellness resorts in Georgia and its main economic preferences. The main finding of the research is that Georgia is a unique place in the world according to the variety of medical resources. This makes the opportunity to create and successfully operate medical wellness resorts, as well as develop it as a brand for Georgia in the world. The research represents the development strategies of tourism and its medical wellness resorts in Georgia, and offers recommendations based on the relevant conclusions.

Keywords—Economic policy of tourism, medical wellness resorts, tourism, wellness industry.

I. INTRODUCTION

TOURISM is one of the largest, most profitable and dynamically developing fields of the modern economy. Recently, global tourism industry faced many changes. This industry has helped travelers to discover not only Europe and North America, but also other places in the world.

Tourism income increases every year, and international tourism income, especially, has increased by a tremendous amount from 1950 to 2014. Tourism income was recorded at 2 billion USD in 1950 and climbed to 104 billion USD by 1980, and by 1995 it had reached 415 billion USD, while in 2014 tourism revenues were 1245 billion USD [1].

Europe hosted 582 million international tourists in 2014, rising by 11 million in 2015. In 2014, the United States was visited by 181 million tourists, while in 2015 this number increased by 13 million, while 265 million tourists visited Asia, and 51 million went to the Middle East. The data of 2015 shows the growing potential of the tourism industry in Asia and Pacific Oceania, as well as Africa and near East [2].

To develop tourism every country needs elaborated tourism policy; tourism resources; developed infrastructure; qualified resources and relevant legislative framework. Violation of one of these points will slow down the development.

Elaboration of appropriate tourism policy will stimulate tourism and encourage joint functioning of related fields. This will create work places, increase foreign currency inflows, grow residents’ revenues, generate taxes; overall, it will a stimulate country’s economic growth.

Georgia is a country with tourism traditions. According to the experts’ data, the highest number of tourist in Georgia was in 1988 (4.5-5 million). At this time, there were a lot of sanatoriums and tourist facilities. Georgia has natural-geographic resources to develop domestic and international tourism [3].

Right now, international tourism has a negative tendency in Georgia - Georgian travelers visit other countries more frequently than international travelers visit Georgia. Development of international tourism has started in Georgia since 1995.

Between 2005-2007, the number of tourists was increasing by 70%-80%. According to the data of the Tourism and Resort Department, 983,114 tourists visited Georgia in 2006, with 1,051,769 in 2007; however, war in August in 2008 reduced this figure significantly. The situation greatly diminished the number of seaside tourists and tour operators tried to attract travelers with low prices (special discounts from 10% to 40%) [3].

Despite the difficult situation in 2008, 1,290,107 travelers were registered in Georgia. Most travelers were from Turkey (27.2%), Azerbaijan (26.7%), Armenia (21.8%), Russia (8.9%), Ukraine (2.6%), Israel (1.3%), USA (1.2%), Germany (1.02%), Greece (1%) etc. The main reason for visiting Georgia was business and professional activities – 39%; visiting friends and relatives – 26%; leisure and recreation – 20%; transit – 4%; education and trainings – 2%; treatment – 2%; others – 7% [2].

According to the Tourism Department, in 2010 every fourth foreigner arrived in Georgia for leisure. Others arrived in the country to work or to visit relatives. Research held in February showed that in winter, Georgia was visited not only by tourists from neighboring countries, but, also, by American, German, British and French tourists. The reason for visiting was business – 30%, visiting friends – 25%, leisure – 23%. Most tourists visited Tbilisi, Batumi, Sighnaghi, Bakuriani, Gudauri, etc. [4].

In 2011, most travelers came to Georgia for leisure and recreation (40%). The share of tourists visiting friends and relatives remained the same (25%), with only 8% visiting...
Georgia for business activities, while 8% of tourists arrived for shopping and 12% for other purposes. [4].

In 2011, the number of foreign visitors increased by 39\% compared to the previous year, and resulted in 2,822,363 visitors, while in 2012, this number increased by 56\% to reach 4,389,256 tourists [2]. The reasons for such a huge change were:

- Fast development of tourism infrastructure;
- Worldwide advertisement of tourism offerings of Georgia;
- Appointment of direct charter flights;
- Organization of different cultural activities (festivals, concerts, etc.);

Visiting places of untouched nature is becoming a more popular holiday and relaxation alternative, and Georgia has an abundance of such places, with many types of tourism-recreational resources and biodiversity of resources available in the country.

According to data provided by the Georgian National Tourism Administration, in 2014, the tourism industry continued to grow, with international arrivals reaching 5,151,559 tourists, making it a record year. This represents a 1.88\% increase on the previous record set in 2013. Revenues from international tourism were increasing; as a result, it exceeded 1.79 billion USD in 2014, while the share of tourism in GDP was 6\% [3].

In 2014, Georgia was among the top 50 tourist destinations listed by “National Geographic Traveler”. It underlined Georgian cuisine, wine and culture. Georgia was listed next to countries such as France, Italy, Portugal, Switzerland, Scotland, Sweden and Denmark. Aside from this, Georgia was listed in the top 10 safest countries to travel in several international ratings. And success in international relations saw the country host the fourth meeting of the Silk Road working group [4].

According to data from 2014, tourists from neighboring countries were the main visitors to Georgia. The highest number of visitors was from Turkey – 1,435,822, which is 10\% less than in previous year, while the number of visitors from Armenia increased by 2\% and resulted in 1,321,500 visitors [3].

According to the National Tourism Administration, the number of Azerbaijani tourists increased by 19\% and amounted to 1,282,222 tourists. The five top countries contributing to Georgian tourism are: Turkey, Azerbaijan, Armenia, Russia and Ukraine.

The number of visitors from the EU maintained a positive trend. In 2014, traditionally many visitors were from Lithuania, Poland, Latvia and Great Britain at 93\%, 25\%, 25\% and 11\%, respectively [4].

In 2014, the highest flow of tourists was during July - September, on average 650 visitors per month [2]. Some 86\% of tourists entered the country over land and only 12\% by air.

According to the National Tourism Administration, railways provide service for 3.2 million visitors [4].

In 2015 the number of international visitors increased by 6.9\%, it was the highest number of visitors at 5,897,685 million. As well as in previous years, most tourists were from neighboring countries, while the number of tourists from the EU continued its positive trend to peak during December-January. The growth of tourists from specific countries was as follows: Italy, Lithuania, Latvia and Germany (15\%, 13\%, 13\%, and 10\%, respectively), Kazakhstan (29\%), Belarus (51\%), Israel (40\%), United Arab Emirates (67.5\%), and Saudi Arabia (80\%). Ten countries characterized with the highest level of tourist flows in Georgia are: Armenia, Azerbaijan, Turkey, Russia, Ukraine, Israel, Poland, Germany, Kazakhstan, and the United States. Tourism revenues have also increased and in the third quarter of 2015, income from international tourism reached 742 million USD, while in the third quarter of 2014 the same indicator was 650 million USD, representing a 14.2\% increase [4].

Many activities are being carried out to increase international tourism in Georgia. These include improving infrastructure, simplifying international travel requirements, increasing awareness of Georgia, implementing marketing activities at international and domestic markets, developing tourism products and organizing training for better service. The Georgian National Tourism Administration participated in 19 international tourism exhibitions in 2014, implemented marketing campaigns in nine target markets and conducted 46 press-tours. Several international events were held in 2015, such as the European Youth Olympiad and UEFA Super Cup match. These events increase the awareness of Georgia as a destination. In addition, it should be mentioned that in 2015, there was an increase in marketing activities, in particular, a promotional advertising campaign was run in nine target markets (Azerbaijan, Turkey, Ukraine, Kazakhstan, Russia, Belarus, Hungary, Latvia, Israel), as well as on popular international channels (CNN, EURONEWS). This supports the country’s popularity across the world [3].

The National Tourism Administration with support from the World Bank prepared a tourism development strategy for 2015-2025. This is a 10-year vision for Georgian tourism development. According to this strategy, the focus is no longer on the number of visitors. The new strategy considers non-quantitative but qualitative increase, which means an increase of tourism products, offering interesting experiences to tourists to encourage greater numbers of high-end visitors to the country [4]. According to the new strategy, the number of tourists from the wealthier markets of Western Europe, Asia and North America should double and the amount spent by each tourist should increase from 320 USD to 365 USD. According to the new strategy, the National Tourism Administration predicts increasing the number of tourists from 3.3 million to 8.4 million by 2025. If the country is visited by that amount of tourists, employment in this sector is expected to increase from 180,000 to 270,000, and the volume of investments to increase from 80 million USD to 380 million USD.

The Georgian Business Association studied the factors that hinder tourism development [4], and underlined five important challenges: improvement in the quality of service, improvement in infrastructure, development of tourism

International Scholarly and Scientific Research & Innovation 10(11) 2016 3575 scholar.waset.org/1999.10/10005780


World Academy of Science, Engineering and Technology

International Science Index, Hospitality and Tourism Sciences Vol:10, No:11, 2016

waset.org/Publication/10005780
opportunities, and improvement of the natural environment and proper organization of the sector.

One of the main indicators of tourism development is the quality improvement of services. Poor quality service is mostly related to a lack of the knowledge of foreign languages. In addition, poor service is caused by the low motivation of staff and a superficial attitude to work. In the competitiveness report released by the World Economic Forum, Georgia is on 77th position in terms of education and training in the tourism sector from among 140 countries, and in 118th position according to the level of client orientation [5].

The increase in the skill level of tourism sector workers can be attained through long and short-term training. The government can encourage successful sharing and implementation of teaching programs. Implementation of short-term exchange programs is necessary for cooperation with tourism agencies and related organizations. This will contribute to the sharing of experience and knowledge.

It is important to develop and encourage foreign language programs not only for private, but also, for public sector representatives. These courses need also to be undertaken by guards, police and public transport employees.

Despite the high level of unemployment in the country, there is a lack of qualified employees in the tourism sector. There are few specialized schools and relevant textbooks.

In terms of professional education, the tourism and hospitality industry is considered as one of the main priorities. The strategy of professional education reform 2013-2020 was approved in 2013. It is an important document in terms of training staff. In particular, it includes the promotion of human resources based on government priorities on the individual and national level. This will be adapted to meet the short and long-term demands of the labor market.

The goal of the strategy is to create an effective educational network, which will provide adaptation of population with contemporary labor market. This network will encourage formation of a professional qualification system on the national and international level; on the other hand, provide employment for the general population of Georgian in different tourist facilities.

An important condition for fostering growth of tourism is the development of infrastructure. During last several years, large-scale projects have been implemented in this field, but it still remains one of the main issues facing the sector. At the same time, development of infrastructural and material base requires time and reasonable investment. Therefore, special efforts should be made in this direction.

A variety of hotels is the most important component of tourism infrastructure. There are several international brand hotels in Georgia, but it is not sufficient to accommodate a large number of tourists. According to 2014 data, in the database of the Georgian Tourism Administration registered 1,332 facilities with 47,012 beds. Therefore, according to the competitiveness rating, with respect to number of beds, Georgia is in 78th position. Besides, many countries in the world use a new concept of tourism infrastructure – convention centers – to attract tourists year round [5]. In addition, an important indicator is the average amount of money spent by each visitor, which was 334 USD in 2013. For comparison, in countries such as Poland, Bulgaria, Lithuania, Croatia this indicator is more than 600 USD [3].

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of hotels</th>
<th>Total number of visitors per year ('000 of persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>462</td>
<td>596.9</td>
</tr>
<tr>
<td>2011</td>
<td>616</td>
<td>853</td>
</tr>
<tr>
<td>2012</td>
<td>777</td>
<td>1185.1</td>
</tr>
<tr>
<td>2013</td>
<td>836</td>
<td>1255.5</td>
</tr>
<tr>
<td>2014</td>
<td>986</td>
<td>1391.4</td>
</tr>
</tbody>
</table>

Fig. 1 Number of hotels and Total number of visitors per year (end of year) [4].

Air transport infrastructure is important to develop tourism. Today, Georgia has three international airports (Tbilisi, Kutaisi, Batumi) and one domestic (Mestia) airport. According to the Georgian Public Aviation Agency, most flights (78.43%) were made from Tbilisi, Kutaisi – 10.85%, Batumi – 10.65%, Mestia – 0.07%. One of the main objectives of the government should be the improvement of the air travel infrastructure quality. Increasing the number of airlines, operating in the market will allow for the increased frequency of local and international flights. In addition, a higher level of competition and an increased amount of international direct flights (charter flights) will result in lower prices. Attracting low-budget airlines can help to create a more competitive market environment and promote an increase in the number of foreign visitors.

Developed informational infrastructure is important to organize tourist flows. Foreign tourists experience difficulties in orientating the country’s city and rural roads and crossroads without proper signage, and as such, it is important to develop a clear and comprehensive sign network for tourists. The Tourism Administration can help small-sized hotels to register on international tourism websites (booking.com, tripadvisor.com) and provide relevant consultations. In addition, tourist maps and guides, and mobile apps, etc., will simplify the choices for a tourist.

In order to encourage higher tourism expenditure, travel opportunities and alternatives should be developed. Despite a diverse landscape and rich cultural heritage, Georgia is not distinguished due to the lack of developed tourism options.

For Georgian cultural monuments, two of which listed in the under danger category of the UNESCO World Cultural Heritage list, cooperation between relevant authorities is important to improve the status and increase the number of cultural monuments in this list.

Development of sport and recreational complexes, thematic and entertainment parks, as well as resort complexes, will contribute to creating various tourism products and serving a huge number of tourists. In addition, frequent organization of international Olympiads, conferences, festivals and different events will provide tourists flows in non-peak periods. Reliable and experienced tourist companies, agencies and tour operators are important for a well-developed tourism sector.
The diversity of the natural environment is an important area for tourism development in Georgia. However, with the current level of development, this is the weakest segment of the sector. The planned development of state forests, parks, and botanical gardens is important.

One of the main objectives for developing tourism is arranging and organizing an institutional framework. There needs to exist a strategic vision for sector development and all the necessary conditions for its implementation, among them are the institutional bodies and regulations. Branding the country and developing tourism advertising should be implemented.

II. METHODOLOGY

This paper uses general and specific methods, in particular, analysis, synthesis, induction, deduction, scientific abstraction, comparative and statistical methods, as well as experts' evaluation. Publications of the National Statistics Office of Georgia are used to determine the regularity between analytical and statistical estimations. Also, theoretical and applied research of international organizations and scientist-economists are used.

III. DISCUSSION

Tourism development is one of the main priorities for Georgia. To stimulate the sector, the country needs to encourage investment; it contains investment initiatives in hotels and in free tourist zones.

The mission of the National Tourism Administration, as the government policy maker, is the following:

- Increase the awareness of Georgia in the international market,
- Stimulate development of international and domestic tourism,
- Provide an appropriate environment for businesses operating in the tourism sector,
- Increase the country’s competitiveness in the international tourism market,
- Promote Georgia as a safe country and develop a strong and cohesive brand.

Nowadays, tourism information centers operate in the country. Their goal is to inform foreign and local tourists about services, tourism products, support tourism industry development and popularize new products and tourism potential.

According to the data of the Public Register, approximately 2,000 tour agencies are registered in Georgia, and operate to support local and international tourism [3].

Turkey and Egypt are popular as affordable destinations and appeal particularly to low and medium income tourists. Comfort, as well as duration and content of tours is more important for high-income tourists visiting Italy, France, and Thailand.

Georgian customers’ priorities are quality, price, suggested tours, reliability and service. A lack of available financial resources is the main reason preventing Georgians from traveling. This can be overcome by offering desirable and affordable tours.

Georgia has excellent mountain and sea resorts and it is very important to promote them to a wider audience. Georgia currently attracts a lot of visitors from Azerbaijan and Armenia, for example, where commercials promoting the tourism potential of the country are shown with some frequency.

The visa liberalization policy implemented by the Georgian government increased the number of international visitors. With that, citizens from 67 countries can visit Georgia without a visa for up to 30 days for the purpose of tourism. Among those countries are EU-member states, Israel, Japan, Canada, and the United States, etc. The visa liberalization policy has shown to have a positive effect on international arrivals.

Visitor numbers recorded an increase of 39% in 2010-2011, 57% in 2011-2012, and 22% for 2012-2013[4].

Despite the implemented activities in Georgia, the 2015 year rating of World Economic Forum, which determines the development of tourism, shows that Georgia is in 71st position from 141 countries, Azerbaijan is in 84th position and Armenia takes 89th position. Turkey has the best position (44th place) among our neighbor countries. After Turkey comes Russia in 45th position [6].

The top 10 countries according to attractiveness for tourists are Spain, France, Germany, USA, UK, Switzerland, Australia, Italy, Japan, and Canada. These countries continue to hold the leading positions during the years, and sometimes change positions. It is very interesting that Singapore took 11th position in 2015 [6].

The World Economic Forum determines competitiveness of tourism according to the following factors: rules and regulations, which determine policy; environment regulation rules; security and safety; health and hygiene; priority of travelling and tourism; air infrastructure; land infrastructure; tourism infrastructure; information and communication technologies’ infrastructure; price competitiveness; human resources (capital); national attitude towards tourism; natural and cultural resources [6].

As it is shown from the ratings, the main competitor for Georgia is Turkey. It offers high quality and low priced services. That is why Georgian tourists choose Turkey for leisure.

Experts think that Georgia cannot compete with Turkey for a long period, because tourism is profitable when the country’s economy is based on its own production and not on imports. Part of the money is spent on developing hotels and their services, while the other part goes to the importing countries. Without the development of industry and agriculture in Georgia, expensive tourism projects will become unprofitable. Climate and the natural conditions of Georgia provide good possibility to produce ecologically friendly agricultural products. There is an increasing demand for such products in the world market [7].

If we discuss several examples, the main priority for Spain and Greece was development of the tourism industry. Nowadays, both of these countries have difficult financial
conditions. The highest amounts of tourists visit France and the USA; however, the economy of these countries does not depend on the revenue gained from tourism. Tourism helps to sell domestically produced goods and creates the image of these countries.

The government, with appropriate legislation system and infrastructural arrangements, plays an important role in maintaining international standards in tourism. In addition, it is very important to encourage investments, as it is the driving force for tourism development.

Despite the fact that the development of tourism became the priority area in Georgia, there is not appropriate legislative framework for planning tourism policy. The law of “Tourism and Resorts” created in 1997 (changes and additions during 1999-2000) does not answer the current demand. New directions, technologies and demands of tourism became actualized during the last decade, which is why the importance of changes in the law increases, as it should satisfy international standards. Nowadays it can be said that the sector develops without the law [8].

An Association Agreement between the European Union and Georgia was signed in 2014. It includes the harmonization of Georgian legislation with European standards. According to the agreement, the EU will cooperate with Georgia into 28 main directions in terms of economic policy, among which it considers cooperation to develop tourism. In particular, promoting development of the tourism industry, as a competitive and sustainable industry, encourages economic growth. It also underlines the importance of cultural heritage and the necessity of positive interaction between tourism and environmental protection [8].

Development of tourism infrastructure is one of the most important tasks for the Georgian government. The project of road-tourist signs started and includes the installation of informative signs, showing the direction to touristic sightseeing (churches, resorts etc.), and recreation and entertainment centers will be arranged on the central highway of Georgia; the road will be rehabilitated systematically. In terms of an increase in the quality of services: 1. short time trainings will be held at Georgian resorts and different touristic places; 2. professional studying centers will be established in the regions, where trainings will be held for low and medium level staff (waiter, barman etc.).

Recently, the popularization of Georgia in the world tourism markets has started. In 2012-2015, the National Tourism Administration organized a presentation of Georgia on different international and local exhibitions in Switzerland, USA, UK, Germany, France, Netherlands, Finland, Spain, Latvia, Israel, Italy, Estonia, Ukraine, Japan, United Arab Emirates and etc.

In the future, expansion of a franchising system in tourism will be taken into account. It is difficult to create a new trademark which will compete with famous brands on the market. Nowadays, Tbilisi hotels, “Sheraton Metechi Palace Hotel” (network “Sheraton”), “Tbilisi Marriott” and “Courtyard Marriott” (network “Marriott”), “Radisson”, etc, are involved in the tourism network. Entry of more famous firms in Georgia will be a draw card for tourists.

It is very important to reestablish and develop processing enterprises of agricultural products, because this field is directly related to tourism development. Countries, depending on imported products, are less likely to achieve proper development. In addition, it is important to deliver preferential long period credits and build places, which satisfy international standards.

Despite the fact that the Georgian government implements a liberal policy to develop tourism, this industry is still at the formation process. There are many obstacles, which impede the development of this sector. For instance, the existence of conflict zones, high interest rates on credits, and the problems related to tax legislation, lack of appropriate infrastructure, low quality of services, and high prices. At the same time, there is no exact statistical data, and the tourism development policy and program is not elaborated.

It is important to mention that Georgia is a member of World Tourism Organization (UNWTO) from 1993. The issues related to implementation of tourism policy in European regions are discussed in the meetings of European tourism commission; Georgia is the participant of the program “Capacity Building Program on Tourism Statistics”. Its purpose is to help Georgia to develop statistical systems in tourism. It is important, because, as experts mention, statistical data does not describe the exact reality.

Appropriate regulatory legislation is needed to develop tourism. Prerogative of the government is to create material infrastructure.

Assistance of the government should be expressed by creating a legislation base and appropriate policy. Development policy of tourism should be directed to keep liberalization and support investments. If the government creates an appropriate environment for foreign and domestic investors, they will invest in tourism.

Increasing speed of life in the civilized world, existence of stress and tiredness in everyday life, increasing rate of ecological contamination, requires keeping normal physical and psychical condition. A person demands to harmonize physical and psychological conditions. He/she wishes to stay young for a long time, stop ageing and have joy of life [8]. That is why, a lot of people try to use Wellness Industry’s products and services.

Favorite countries in terms of development of wellness industries are Italy, France, Spain and Hungary. These countries offer tourists huge assortments of wellness services. The most popular are hot springs and sea resorts.

Georgia has unique nature. There are various climate zones, sea, mountains, rivers, forests, different types of mineral water, therapeutic mud, therapeutic plants, wine therapies, magnetic sands, spa and fitness centers, modern hotels based on recreation principles, etc. We can say that all the conditions are there to develop the wellness industry in Georgia. The author and establisher of Georgian medical wellness resorts, Doctor of Medicine Tamaz Mchedlidze mentions that there is a new niche in wellness industries - implementing a new...
medical ideology of wellness resorts [9]. Georgia has an opportunity to become a leader according to medical wellness resorts. It means that Georgia will be associated as a wellness resort country in the world. Modern world famous wellness resorts already use medical elements and it is likely that almost all wellness resorts will use the medical wellness ideology in the future.

Nowadays, the medical wellness resort “Bioli” is functioning. It is built near Tbilisi, in recreation zone of Kojori, 1,200 meters from the sea. The word “Medical” is not the only difference between “Bioli” and other wellness resorts.

The diagnosis of the effective functioning of organism is held in “Bioli”; fitted wellness program are prescribed individually. It includes functional food with adding medical plants and anti-depressive physical activities, and appropriate spa therapies and other procedures.

The therapeutic-recreation complex “Borjomi Palace” was triggered in Borjomi. There is a therapeutic-recreation spa center and health examinations are conducted in new modern equipped cabinets. The best conditions for recreation, treatment and prophylactics exist according to the unique climate of Borjomi and the supportive therapeutic-recreation complex; relaxation not only for spirit, but also for mind [10].

To the east side of Tbilisi some 115 kilometers, is the historical region of Kakheti, where the “Lopota Lake Resort & Spa” is located, surrounded by the Caucasian mountains. It is recreation zone includes millions of quadratic meters. There each season is peculiarly unique. It is the best place for relaxation and the Lopota forest spa, located in the enhancing environment is a unique opportunity for relaxation and therapeutic-recreation procedures [11].

World-level premium class therapeutic-recreation complex “Wellness Clinic MEDI” began construction in Ozurgeti in the borough of Ureki in 2015. The uniqueness of the Ureki recreation complex is based on the magnetic medical sand found in the magnetic valley, which is considered a natural treatment.

The economic effects of establishing Georgia as a center of medical wellness resorts are:
- Make Georgia one of the world’s famous wellness industry country;
- Increase popularization of the country in the world;
- Improve the investment environment and increase foreign investments in Georgia;
- Attractive environment for world high income population;
- Promote new culture of health;
- Wellness industry needs high intellectual potential of a person, this will increase the overall intellectual potential of Georgians;
- Increase income;
- Increase the number of visitors;
- Develop Infrastructure;
- Create new job opportunities;
- Positive changes in ecology;
- Increase the demand on agricultural products (beekeeping, winery, livestock farming, food production etc.);
- Increase the demand on souvenirs and domestically produced goods;
- Increase the use of several fields of services, such as transport and communication opportunities, insurance and banking, building-montage, informative-advertising, touristic and tour operators, etc.; and,
- Develop Balneology [12].

It is hopeful that in the near future Georgia will be considered as a country of medical wellness resorts and will take leading position in this direction.

IV. CONCLUSION AND RECOMMENDATIONS

The conducted analysis gives us an opportunity to set up main conclusions.

Research showed that the reforms held in tourism are not enough for tourism development.

The main problems are:
- The existence of conflict zones in the country;
- Decreasing rate of tourism infrastructure;
- The lack of the qualified resources in tourism;
- Huge increase of prices on hotels and food products during the season;
- The importance of settlement of excursion-spectacular places;
- The lack of commercialization of tourism opportunities of Georgia; and,
- High interest rates on credit.

Despite the fact that the development of tourism became a priority area for Georgia, the necessary legislative base remains inadequate.

Several recommendations are elaborated based on the analysis and conclusions: The government should support tourism development by implementing these activities: creating attractive environment for investments in tourism; availability of preferential credit; creating insurance system; developing infrastructure, etc.; Export growth should be supported (process the penetration strategy on international markets, establish marketing complex etc.); A stable legislative environment should exist for investors; it will give them a guarantee of property protection; The government should take into account that medical wellness resorts are the new direction in tourism globally. Georgia has a priority with its natural variety, resource and human potential, culture, and especially its people, etc. It is important that the resorts, which use wellness technologies and work in the medical wellness direction are freed from income tax, land tax, value added tax until they become the brand codes of the country and make an important contribution to the country’s economy.

REFERENCES

[1] www.commersant.ge


[10] Relaxation is not only for soul but also for body. 2016. www.borjomipalace.ge
