

Challenges of Greek Tourism

16 October, 2024



Tourism remains one of the key drivers

of the country's economic growth



In 2023, the **contribution of tourism to the Greek economy** reached a **historic high** amounting to **€ 28,5 billion**

34%

total contribution to GDP



In 2023, the tourism sector employed **382.600 people**

9,1%

contribution to total employment

9

Challenges

The concentration of tourists in 5 regions

calls for a more equitable/balanced tourism development

Challenge #1

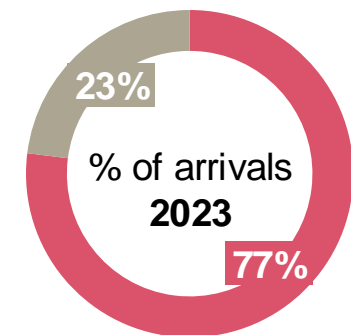
The concentration of tourists makes a more equitable tourism development necessary, as these regions represent only 30% of the country's territory



In 2023, 77% of incoming tourists chose to visit 5 out of the 13 regions of the country



Arrivals per region (%)
2023



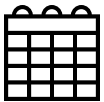
■ Top 5 regions
■ Other regions

The high seasonality of the tourist product calls for

the transition to a less seasonal model

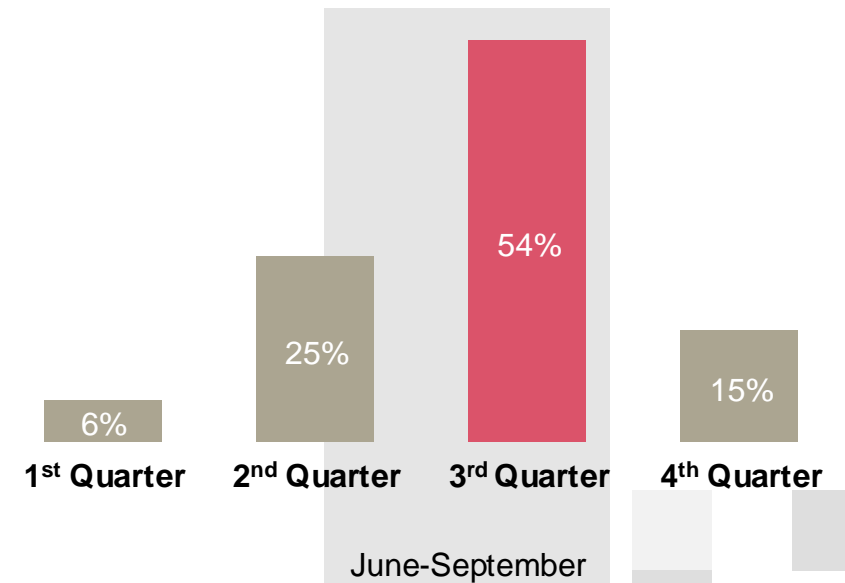
Challenge #2

A **less seasonal tourism model** is deemed necessary to alleviate congestion at tourist destinations during the summer period



Tourism activity in Greece has shown **high seasonality** over the past seven years, with **7 out of 10 arrivals** recorded between June and September

Arrivals per quarter (%)
2023



Despite the slight increase in tourist arrivals during the spring of 2024

the tourism model remains highly seasonal

+2%

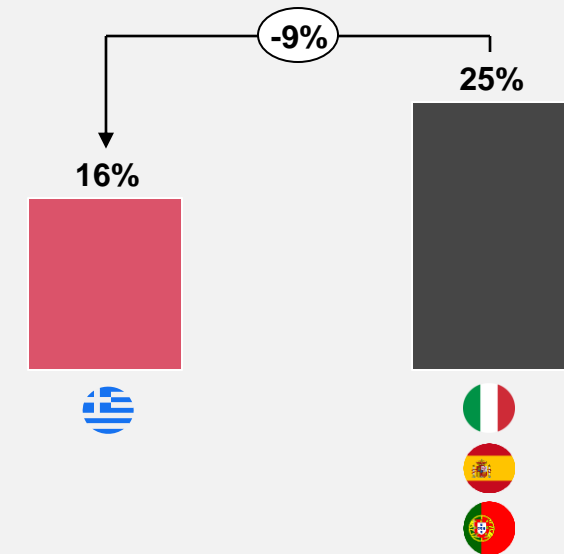
In 2024, a trend toward reduced seasonality is observed during the spring period (March-May)

Both air and road arrivals increased, with incoming tourism primarily coming from Germany, the UK, France, Italy, and the USA



However, Greece's share remains below the Mediterranean average

Arrivals during the spring period (%) in Greece and Mediterranean countries** 2024



** Average in Italy, Spain, and Portugal

Planned investments in the 5 popular regions

highlight the great infrastructure needs

Challenge #3

The concentration of tourists in the 5 regions increases the **need for relevant infrastructure projects**



8 Road Construction Projects

€ 4,8 bn



21 Water and Waste Management Projects

€ 1,9 bn



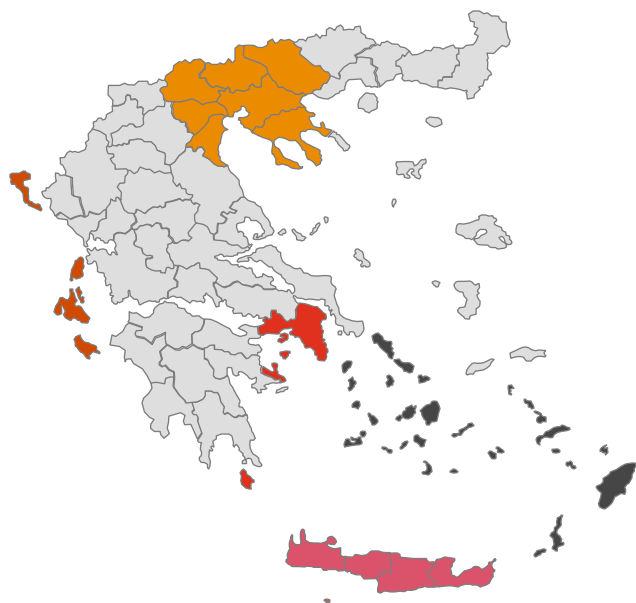
9 Energy Projects

€ 11,9 bn



19 Tourism Infrastructure Projects

€ 3,6 bn



	Number of projects	Budget (€ bn)
Attica	21	4,8
Central Macedonia	12	3,3
Crete	10	11,9
South Aegean	7	1,8
Ionian Islands	7	0,4

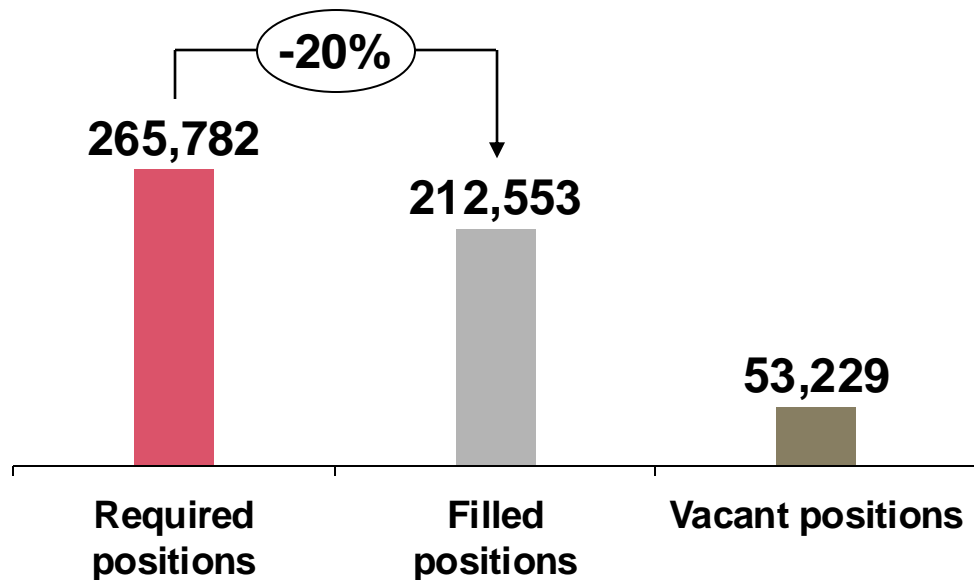
Securing the required workforce is a challenge

with 2 out of 10 positions remaining vacant

Challenge #4

The existing **living and working conditions**, the high **accommodation costs** and the **seasonality** of the sector **hinder** the recruitment of skilled labor

Job positions in the tourism sector 2023



More than 20% of the required positions remained vacant









Over 50 thousand Vacant positions

Greek tourism faces intense competition

from Mediterranean and Balkan countries

Challenge #5

Maintaining and increasing market share

	Market share 2019 (\$ bn)	Market share 2023 (\$ bn)	Inbound tourism receipts 2023 (\$ bn)	Inbound tourism receipts as a percentage of GDP 2023 (%)
	2,09%	2,30%	93,8	6,3%
	2,20%	2,34%	55,3	2,5%
	0,98%	1,33%	71,0	6,5%
	0,45%	0,46%	24,1	10,1%
	0,18%	0,21%	16,4	20,3%
	0,04%	0,04%	3,3	10,6%

Compared to 2021, our country has advanced

by 7 positions in the “Travel and Tourism Development Index” ...

Travel & Tourism Development Index



...recording both positive and negative changes in ranking relevant to:



 Improvement  Deterioration

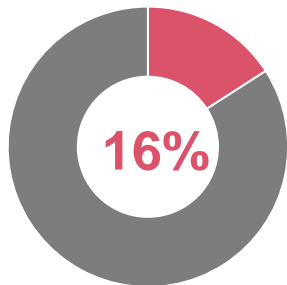
Societal changes are expected to affect tourist demand...

Challenge #6

Greece is called upon to **adapt its tourism model** to the **emerging visitor preferences**



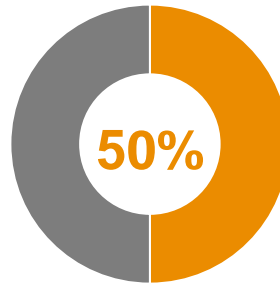
Seniors' age group
(**silver generation**)



**of the global population > 65
years old by 2050**



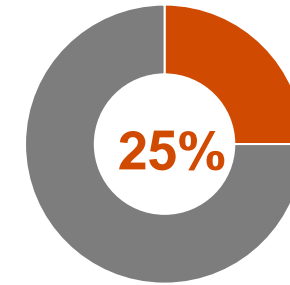
New generations
(**millennials, Gen Z**)



**of travellers
worldwide**



Emerging social groups
(**green tourists, digital nomads etc.**)



**increase of digital nomads
by 2030**

There are inhibiting factors for investments in sustainability

Challenge #7

Small and medium-sized hotel enterprises, making up the majority of the sector, face significant barriers in adopting sustainable practices



Certification Complexity



Lack of Resources & Capabilities

 13%

of hotels hold a certification in Environment/ Energy/ Sustainability

 79%

of hotels are interested in adopting sustainable practices

 70%

of hotels consider the main barrier to be the lack of available funding

Extreme weather phenomena occur with greater frequency...

affecting the integrity of infrastructure and placing the safety of visitors at risk

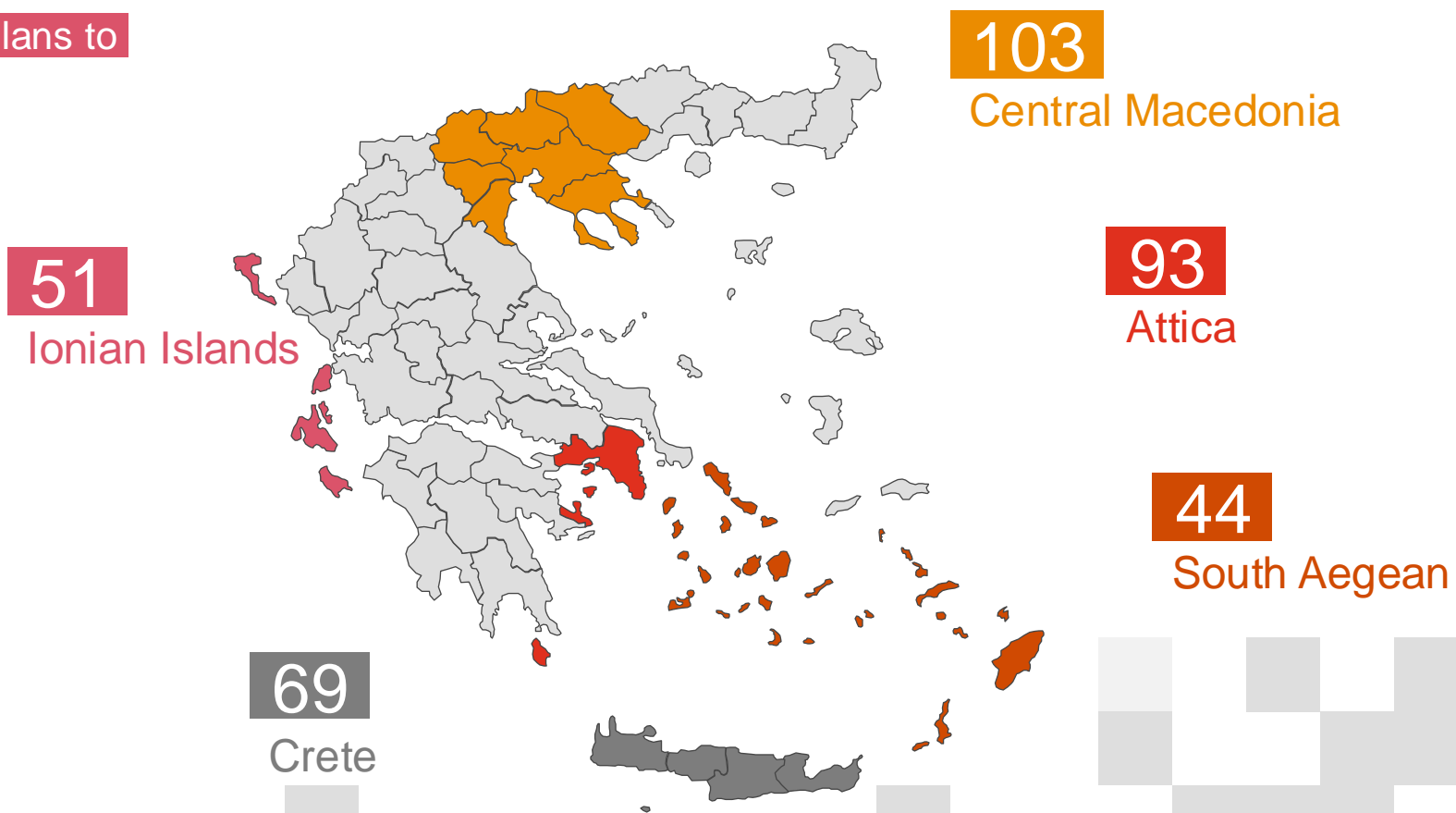
Challenge #8

Adopting preventive measures and drafting plans to address the impacts of climate change



From 2012 to 2023,

365 weather events with socio-economic impact* were recorded in Greece (an increase of 30% compared to the period 2000-2011)



* Some of the weather events affect more than 1 region

Changes in the macroeconomic environment

create uncertainty in the tourism sector

Challenge #9

Enhancing the resilience of the tourism model will allow Greek tourism to adapt more effectively to macroeconomic and geopolitical developments, ensuring its competitiveness

1 Volatile macroeconomic environment



The rising **consumer price index**, “competitive” **exchange rates**, and increasing **transport costs** render certain **destinations less attractive**, and highlight **emerging ones**

2 Geopolitical developments



Geopolitical instability (Ukraine, Middle East) may negatively affect **tourist demand**, and avert visitors from specific areas or countries, resulting to a **decrease in tourism revenue**



4

Recommendations / Strategies

The need for a sustainable and balanced tourism model

is imperative

Promotion of alternative destinations/ experiences



Development and strengthening of regional economies



Variety of visitor experiences



Enhancement of the experiences' authenticity



Extension of the tourism season

Decongestion of popular destinations



Reduction of overcrowding during peak season



Adoption of sustainable development/ circular economy practices



Improvement of locals' quality of life



Preservation of natural and cultural heritage

Destinations should take ownership

in adapting and specializing their tourism product

Customized action plans



Data analysis for understanding trends and preferences



Development of tourism product and targeted marketing strategies



Protection and promotion of natural and cultural heritage



Local crisis management plans (climate change)



Benefits



Enhanced understanding of visitors' needs



Attraction of targeted social groups



Authentic experiences



Promotion of local culture








Readiness in crisis management

A mechanism for maturing and financing






sustainable tourism projects is needed

Infrastructure upgrading

-  Transportation
-  Water & waste management
-  Civil protection
-  Energy
-  Urban mobility



Benefits

-  Accessibility and safety
-  Protection of natural and cultural resources
-  Support for increasing demand
-  Ensuring the quality of the tourism product
-  Positive contribution to the local community and economy

The quantitative and qualitative enhancement of the

workforce should be a national strategic priority

Improvement of working conditions



Flexible hours and reasonable shifts



More competitive compensation packages



Incentives

Skills upgrading



Establishment of a Tourism Academy



Culture of lifelong learning



Targeted re-skilling and up-skilling programs



Benefits



Meeting quantitative and qualitative needs



Effective recruitment of employees



Adaptation to the demands of younger generations (e.g., Gen Z)



High-quality services to visitors and businesses



Thank you

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