The contribution of Tourism to the Greek economy in 2018

1st edition (Provisional Data) – May 2019

Dr. Aris Ikkos, ISHC
Research Director

Serafim Koutsos
Analyst

© INSETE – Republishing is permitted provided the source is referenced

INSETE
INTELLIGENCE

Contents

Introduction 3
Tourism as a 'horizontal' activity 3
Tourism as an Activity in Greece 3
Purpose of this Study 3

Inbound Tourism 4
Arrivals and Revenues of Inbound Tourists 5
Arrivals and Revenues from Cruises 7
Air Transport and Marine Transport Revenues 8
Road and Rail Transport Revenues 8

Domestic Tourism 9

Tourism: Investments and indirect benefits 10

Investments in Tourism 11

The indirect benefits of tourism 13

The overall impact of Tourism on Greece's GDP 14

Regional distribution and contribution of Tourism Activity 15

The contribution of Tourism to the Balance of Payments 16

Tourism and Employment 17

Conclusion 18

Sources 19

The present study is a first estimate based on provisional data –

it will be revised when the final figures are announced

Introduction

Tourism as a 'horizontal' activity

Tourism, contrary to manufacturing or primary sector activities, is a horizontal and not a vertical activity. This means that tourism is an activity that is determined from the demand it generates for products and services, whereas manufacturing activities or activities in the primary sector are activities associated with production and supply. For example, the metallurgy sector consists of companies producing metal products and the cereals sector of agricultural companies that produce cereals. On the contrary, the activity of tourism affects many sectors of the economy, such as transport (e.g. travel by airplane and transfer by bus), accommodation (in hotel or elsewhere), dining (in restaurants or bars inside or outside the accommodation establishment), entertainment (including visits to sites) and consumption in stores. Therefore tourism is an activity that - in any case - affects many and different parts of the social and productive fabric of a country.

Tourism as an Activity in Greece

The importance of tourism as a factor in the country's GDP and employment will be examined in detail below. Briefly, tourism in recent years has served to shore up the Greek economy against the recession and functioned as a powerhouse to reduce unemployment. Moreover, the tourism sector is one of the few areas to draw the interest of investors and as a result of its significance, it could function as a key driver of growth in Greece.
Due to the dispersion of tourist destinations across Greece, tourism plays a crucial role in determining income levels in many of the country's regions. On the other hand, tourism is intensely seasonal due to the fact that Sun & Sea holidays, which make up the largest European product market, are also Greece's main tourism product.

Purpose of this Study

Taking into consideration the importance of tourism for the Greek economy, it is necessary to record its economic figures in order to formulate and express opinions and choices regarding the strategy to be followed in order to resolve the problems faced and exploit opportunities to develop further. This study aims at contributing to this end, offering a basis for discussion, by recording the following figures of Greek tourism:

- the contribution of tourism to the GDP of the Greek economy through the detailed recording of the figures for Inbound Tourism, Domestic Tourism, Investments in Tourism and its Indirect and Induced Effects on the economy;
- the regional dimension of tourism, i.e. its contribution to the GDP of the country's Regions;
- the contribution of tourism to maintaining the country's Balance of Payments equilibrium;
- the contribution of tourism to employment.

Inbound Tourism

INBOUND TOURISM

Arrivals and Revenues of Inbound Tourists 2018

30.1 million

Tourists visited Greece in 2018

Inbound Tourism, 2018				
	Arrivals	%	Revenues (€)	%
Jan	603.474	2%	152.047.087	1%
Feb	484.123	2%	151.205.279	1%
Mar	708.169	2%	246.454.499	2%
Apr	1.106.808	4%	463.016.875	3%
May	2.449.690	8%	1.427.889.000	9%
Jun	4.103.702	14%	2.271.114.311	14%
Jul	5.539.244	18%	3.309.532.000	21%
Aug	6.093.067	20%	3.541.725.670	22%
Sep	4.868.855	16%	2.374.119.000	15%
Oct	2.722.457	9%	1.347.860.000	8%
Nov	786.222	3%	315.670.000	2%
Dec	656.978	2%	263.704.354	2%
Total	30.122.789	100%	15.864.338.075	100%
Air	20.386.670	68%		
Road	8.796.571	29%		
rail	8.500	0%		
By sea	931.048	3%		

Source: ELSTAT: BoG – Processing: INSETE Intelligence
Revenue figures for 2018 are subject to change.

In 2018, Greece welcomed almost **30.1 million tourists**, permanent residents of other countries ("Non-residents") and earned nearly **€15.9 billion.**

The picture for 2018 with regard to the selection of means of transport for tourists choosing Greece for their holiday is nearly the same as in previous years. Specifically, **airport arrivals** accounted for **68%** of total arrivals, followed by **road arrivals** at **29.0%** and **sea arrivals** at **3%**. The percentage of tourists who chose to travel to Greece by train was negligible.

80.2% of arrivals and **84.4%** of revenues are recorded from the start to the end of the summer season (April-September). The seasonality of arrivals and revenues demonstrates the dependence of Greece's tourism on the leading - on a European level - Sun & Sea product.

More specifically,

- **54.8% / 58.2%** of arrivals/revenues are recorded in the 3rd quarter of the year and **25.4% / 26.2%** of arrivals/revenues in the 2nd quarter of the year, which marks the beginning of the tourist season.
- In the 1st and 4th quarters of the year, both arrivals and revenues are substantially less, with **6.0%** of arrivals and **3.5%** of revenues in the 1st quarter and **13.8%** of arrivals and **12.1%** of revenues in the 4th quarter.

Arrivals and Revenues of Inbound Tourists

+10.8% arrivals

+11.7% revenues

Inbound Tourism, 2017-2018				
	Arrivals	%	Revenues (€)	
	2017	2018	2017	2018
Jan	520.436	603.474	156.745.700	152.047.087
Feb	444.404	484.123	134.220.234	151.205.279
Mar	627.577	708.169	190.160.000	246.454.499
Apr	1.009.699	1.106.808	455.766.000	463.016.875
May	1.982.124	2.449.690	1.043.583.000	1.427.889.000
Jun	3.356.286	4.103.702	1.949.939.000	2.271.114.311
Jul	5.141.621	5.539.244	2.881.923.000	3.309.532.000
Aug	5.813.441	6.093.067	3.489.988.000	3.541.725.670
Sep	4.639.734	4.868.855	2.364.914.000	2.374.119.000
Oct	2.355.849	2.722.457	1.128.518.000	1.347.860.000
Nov	740.535	786.222	218.929.000	315.670.000
Dec	562.475	656.978	187.854.000	263.704.354
Total	27.194.181	30.122.789	14.202.539.934	15.864.338.075
Change		10,8%		11,7%

Source: BoG – Processing: INSETE Intelligence
Revenue figures for 2018 are subject to change.

	2017	2018	% Δ
Revenues (m €)	14.203	15.864	11,7%
Overnight stays (th.)	209.855	227.012	8,2%
Arrivals (th.)	27.194	30.123	10,8%
Length of Stay (days)	7,7	7,5	-2,3%
Spend per Person (€)	522,3	526,7	0,8%
Spend per Night (€)	67,7	69,9	3,3%

Source: BoG – Processing: INSETE Intelligence
Revenue figures for 2018 are subject to change.

In 2018, inbound tourism exhibited **an increase in arrivals (+10.8%)** and **revenues (+11.7%),** reaching new record levels of **30.1 million and € 15.9 billion respectively.** The increase in revenues in 2018 was at a level similar to that of 2017 (**+11.4%**), marking the 2nd consecutive year of growth since a drop was recorded in 2016 **(-6.8%).** At the same time, in 2018, a new record was also set for revenues (following on that of 2017), since the start of the Frontier Survey (2005). With regard to overnight stays, the rise amounted to **+8,2%** and a new record level of nearly **227 million** was achieved.

The Average Spend per Person (ASP) amounted to **€ 526.7,** exhibiting a **rise** of **+0.8%** which is due to the **increase** in **Expenditure per Overnight Stay by +3.3% (from € 67.7 to € 69.9).** On the contrary, the **Average Length of Stay** exhibited a drop of **-2.3% (7.5 overnight stays),** following the **marginal rise (+0.5%)** recorded in 2017.

It is worth noting[1] that **the Spend does not include the part of the tourist's expenditure that remained abroad**, e.g. the fee and profit of the Tour Operator, but includes **only the part of the tourist's expenditure that was consumed in Greece, e.g.** the hotel's income or the tourist's expenditure in stores.

Likewise, neither does it include revenues from air and marine transport of inbound tourists for their travel to Greece, which is recorded separately and is summed with all the other transport expenses e.g. cargo. Finally it does not include data for cruise passengers. These additional revenues, along with domestic tourism expenditure, are examined in detail below.

[1] http://www.bankofgreece.gr/BogEkdoseis/oikodelt200607.pdf

Arrivals and Revenues from Cruises

2.9 million cruise tourists and -2.8% decreased in revenues

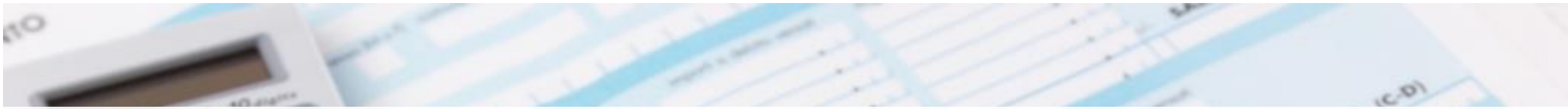
Cruise tourism 2017-2018				
	Arrivals		Revenues (€)	
	2017	2018	2017	2018
1st Quarter	44.985	44.233	8.356.066	7.564.135
2nd Quarter	588.868	1.035.584	138.411.000	132.157.589
3rd Quarter	1.744.421	1.285.100	207.044.000	203.126.000
4th Quarter	588.574	584.459	73.838.000	72.731.396
Total	2.966.848	2.949.376	427.649.066	415.579.120
Change 2017-2018		**-0,6%**		**-2,8%**

Source: BoG – Processing: INSETE Intelligence
Revenue figures for 2018 are subject to change.

As mentioned, the Frontier Survey data presented above does not include data from cruise passengers, apart from those who end their cruise in Greece and depart from a Greek airport or port. This is, however, a very small percentage of these passengers. Therefore, in order to record cruise passenger traffic and revenues, the BoG also conducts the Cruise Survey. According to data from this survey, **in 2018, Greece welcomed nearly 2.9 million** cruise tourists, a reduction of **-0.6%** compared to 2017, and **collected nearly € 416 million, down by -2.8%.**

The seasonality of cruise tourists was also substantial in 2018, but comparatively less than that of inbound tourism: **43.6%** of arrivals and **48.9%** of revenues from cruises were recorded in the 3rd quarter and respective figures, in the 2nd and 4th quarters, were **35.1%/19.8% of arrivals and 31.8%/17.5% of revenues**. In the 1st quarter, cruises are practically non-existent, with only **1.5%** of arrivals and **1.8%** of revenues. Notable is the rise (**+75.9%**) in cruise passenger arrivals recorded in the 2nd quarter of 2018, in contrast to the revenues which, for the same period, exhibited a drop of **-4.5%**.

In addition to the above, in order to calculate total revenues from cruises, the expenses of cruise companies must also be taken into account which in 2017 were estimated at **€ 158 million** according to the Cruise Line Industry Association. Consequently, with a comparable respective reduction similar to that for revenues recorded in the BoG Cruise Survey, these revenues are estimated at **€ 154 million**. for 2018.



Air Transport and Marine Transport Revenues

As already mentioned, the Frontier Survey of the BoG does not include the expenditure of tourists for transport from and to Greece. Part of this expenditure is received by Greek companies, and therefore is an income for the country originating from tourism activities. Another part of this expenditure is paid to foreign companies which then pay part of their income to serve their customers (e.g. for the staff they employ in Greece or for handling company fees). In order to determine the country's income from air and marine transport, we contacted professional associations and companies active in these sectors (airlines, coastal shipping companies, handling companies, etc.).

According to the data we collected, the revenues of Greek businesses from air and marine transport activities in 2018 are estimated of **€ 1,657 million (+12.9%)** for air transport and **€ 98 million (+8.6%)** for marine transport, compared to **€ 1,468 million** and **€ 90 million** respectively for 2017.

Road and Rail Transport Revenues

Road Transport: the part of non-residents' expenditure related to consumption inside Greece (e.g. gasoline consumption) is recorded by the BoG Frontier Survey, while the part of the expenditure related to consumption outside of Greece does not concern this study.

Rail Transport: the part of non-residents' expenditure related to consumption inside Greece is recorded by the BoG Frontier Survey, while the part of the expenditure related to consumption outside of Greece does no concern this study. The estimated additional revenues for the Hellenic Railways Organisation (OSE) is considered negligible, since estimates about the number of tourists travelling into the country by rail come to fewer than 15,000.

DOMESTIC TOURISM

-63.9%

domestic tourism since 2008

The latest available estimate of the expenditure of domestic tourism is from the "Vacation Survey" by ELSTAT for 2017. According to this survey, **domestic tourism expenditure for trips of more than 1 overnight stay was € 1,398 million,** while in 2016 it was **€ 1,287 million**, up **+8.7%** compared to 2016. It is worth noting that in 2008 the corresponding expenditure was **€ 3,868 million**. Therefore, during the economic crisis period, **domestic tourism decreased by approximately -63.9%.**

For trips with at least 1 overnight stay at the period 2016-2017, it appears that:

- The number of trips increased by **+15.4%** (from **4.6 million** trips in 2016 to **5.3 million** trips in 2017),
- The Average Spend per Person decreased by **-5.8%** (from **€ 280** in 2016 to **€ 264** in 2017),
- The total expenditure increased by **+8.7%** (from **€ 1.3 billion** in 2016 to **€ 1.4 billion** in 2017**).**

Domestic Tourism with at least 1 overnight stay					
	2014	2015	2016	2017	%Δ
Trips	5.340.163	4.841.525	4.590.484	5.296.499	15,4%
Expenditure (€)	1.352.466.146	1.264.125.934	1.286.735.621	1.398.365.311	8,7%
Spend per Person (€)	253	261	280	264	-5,8%

Source: ELSTAT– Processing: INSETE Intelligence

Taking into account domestic flight arrivals[2], in 2018 there is an increase in domestic tourism compared to 2017. Therefore, with a growth rate equal to that of domestic air travel, the domestic travel expenditure for 2018 is estimated at **€ 1,454 million**.

[2] **+4.0%** in domestic flight arrivals in 2018 compared to 2017

Tourism: Investments and indirect benefits

INVESTMENTS IN TOURISM -1

€ 2.26 billion in investment by hotels, with € 1.31 billion domestic value added.

Investment in the hotel sector

In order to estimate investments made by the hotel sector in Greece in 2017 and 2018, the following was taken into consideration:

- for newbuilds, the number of new rooms constructed, according to the Tourism Enterprise Register (MHTE) as well as, based on market data, the Average Estimated Cost of Construction per new room per star category.
- for renovations, the number of rooms per category at the end of the previous year, according to MHTE, as well as the Average Cost of Renovation/Repair for existing rooms per star category (based on the Hellenic Chamber of Hotels Survey "Developments in Key Figures for the Greek Hotel Industry 2018").

Investment by the hotel sector for the construction of new and for renovation/repair of existing hotel rooms in 2017 and 2018 was estimated at **approximately € 1,541 million** and **€ 2,260 million** respectively – **up by +46%**.

Part of this amount was for imported goods and services, and the rest was for goods and services of domestic added value.

Bearing this distribution in mind, it is estimated that investment by the hotel sector in 2017 and 2018, net of imports, amounted to **approximately € 881 million** and **€ 1,314 million.** respectively – **up by +49%**.

New Hotels						
		Total	5*	4*	3*	2*/1*
New Rooms	2017	9.317	1.474	3.173	2.157	2.513
	2018	14.746	5.561	3.304	3.478	2.403
Construction Costs (€ million)	2017	779	179	326	171	102
	2018	1.491	723	363	296	109
Domestic Value Added (€ million)	2017	493	105	203	113	71
	2018	923	425	226	195	76
Source: MHTE, HCH - Estimates-Processing INSETE						

Hotel Renovations						
		Total	5*	4*	3*	2*/1*
Rooms	2016	421.480	71.619	106.959	98.523	144.379
	2017	424.667	72.139	108.610	98.751	145.167
Renovation Costs (€ million)	2017	762	243	243	143	134
	2018	769	245	247	143	134
Domestic Value Added (€ million)	2017	388	108	121	79	81
	2018	391	108	123	79	81
Source: MHTE, HCH - Estimates-Processing INSETE						

Hotel Investments in Domestic Added Value						
		Total	5*	4*	3*	2*/1*
Domestic Value Added (€ million)	2017	881	213	324	192	152
	2018	1.314	533	349	274	157
Source: MHTE, HCH - Estimates-Processing INSETE						

INVESTMENTS IN TOURISM -2

€ 5.0 billion in investment in tourism, with € 1.9 billion domestic value added

Investment in other sectors of tourism, excluding hotels

According to IOBE (2012), 45.3% of the total tourist spend goes to accommodation, which includes hotels but also rented rooms, villas etc.

As there is lack of investment data for other sectors, but also bearing in mind that the hotel sector forms only a part of accommodation facilities, one could estimate total investment by other sectors at **€ 1,861 million** for 2017 and **€ 2,729 million** for 2018, based on the working hypothesis that investment spend is distributed in the same way as tourist spend. However, compared to other tourism-related sectors, the hotel sector is more capital intensive and in the interest of being rather conservative in our projections, we diminish that amount by 1/3rd and estimate total expenditure in other sectors at **€ 1,241 million** for 2017 and **€ 1,819 million** for 2018 – **up by +47%**.

Compared to the hotel sector, other sectors also have a lower ratio of domestic expenditure in investment due to the fact that they invest more in machinery and equipment and less in buildings. A conservative estimate puts domestic value added at 1/3rd of total investment.

Consequently, investment by other sectors in terms of domestic value added amounts to **€ 414 million** for 2017 and **€ 606 million** for 2018 – **up by +46%**.

Investments (€ million)		
	Total	Domestic Value Added
2017	1.241	414
2018	1.819	606
Source: IOBE - Estimates-Processing INSETE		

Overall investment in tourism

Consequently, overall investment activity in tourism amounted to **€ 3,402 million** in 2017, of which **€ 1,294 million** pertained to domestic value added expenditure. The corresponding figures for 2018 were **€ 4,989 million** and **€ 1,920 million**, exhibiting a **rise of +47%** and **+48%** respectively.

Investments (€ million)		
	Total	Domestic Value Added
2017	3.402	1.294
2018	4.989	1.920
Source: IOBE - Estimates-Processing INSETE		

THE INDIRECT BENEFITS OF TOURISM

For every € 1 tourism revenue, GDP increases by € 2.65

	% Distribution of Tourism Revenues	Multiplier
Accommodation	45.3	2.50
Food services	18.0	2.50
Maritime transport	9.0	2.41
Road transport	7.1	3.25
Air transport	5.4	2.98
Retail trade	4.9	3.69
Entertainment	3.8	1.90
Travel agencies	3.7	3.68
Car rental	1.8	1.39
Conferences	1.0	4.13
Weighted Average		2.65

Source: KEPE, IOBE– Processing: INSETE Intelligence

The adjacent table shows the multipliers of various sectors of the Greek economy according to a study of the Centre of Planning and Economic Research (KEPE) (2014), as well as the percentile contribution of each sub-sector in the Greek tourism activity according to the IOBE study (2012).

According to the data in the table, the resulting tourism multiplier for the Greek tourism economy amounts to **2.65**, which means that for every **€1.0** from tourism activity, an additional **€1.65** is generated from indirect and induced economic activity, and therefore the GDP increases by **€2.65** in total.

According to IOBE (2012), every **€1.0** created by tourism activity, generates additional indirect and induced economic activity of **€1.2** and therefore generates a total of **€2.2** in GDP. That is, the multiplier of tourism activity amounts to **2.2**.

Therefore, the multiplier of the tourism activity ranges between **2.2** (according to IOBE) and **2.65** (based on KEPE multipliers).

THE OVERALL IMPACT OF TOURISM ON GREECE'S GDP

90% of tourism is an export activity

Expenditure Category	2017, m €	2018, m €
Inbound Tourist Expenditure	€14.203	€15.864
Cruise Tourist Expenditure	428	416
Cruise Company Expenditure	158	154
Air transport	1.468	1.657
Maritime transport	90	98
Domestic tourism	1.398	1.454
Investments	1.294	1.920
Direct Tourism Impact	€19.039	€21.562
as % GDP	10,6%	11,7%
IOBE Multiplier	2,2	2,2
Direct and Indirect	€41.885	€47.437
as % GDP	23,2%	25,7%
KEPE Multiplier	2,65	2,65
Direct and Indirect Result	€50.452	€57.140
as % GDP	28,0%	30,9%
GDP	€180.218	€184.714

Source: INSETE Intelligence
GDP data are subject to change

According to ELSTAT's 1st estimate, the Greek GDP at current values came to **€ 184,714 million** in 2018, up **+2.5%** compared to 2017 **(€ 180,218 million)**

Summarising the data on tourism provided above and comparing them with the country's GDP, it appears that:

- the direct contribution of tourism to the GDP amounted to **11.7%** or about **€21.6** billion;
- taking into consideration the multiplier effects, the total contribution amounts to between **€47.4** billion and **€57.1** billion, or between **25.7**% and **30.9%** of the GDP, making tourism a key pillar of the Greek economy;
- GDP recorded an increase by **+2.5%**, while tourism activity increased by **€ 2,524 million or +13,3% (direct)** or approximately **€ 5,553 / 6,688 million indirectly and directly;**
- **90.0%** of revenues from tourism are generated from abroad, meaning that tourism is almost exclusively an export activity.

REGIONAL DISTRIBUTION AND CONTRIBUTION OF TOURISM ACTIVITY

Tourism supports Regional development

Region	% Revenue distribution of incoming tourism 2018	Proportion of direct tourism expenditure 2018 - in € m	% Region GDP distribution 2018 - in € m	Direct Contribution of tourism to Region GDP with 2018 data	per capita GDP 2016 - in €
S. Aegean	28,2%	6.080	6.260	97,1%	17.769
Crete	20,0%	4.317	9.139	47,2%	13.811
Attica	14,6%	3.139	87.782	3,6%	22.204
Central Macedonia	14,5%	3.134	25.367	12,4%	12.880
Ionian Islands	10,8%	2.329	3.270	71,2%	15.182
Peloponnese	2,7%	572	8.245	6,9%	13.579
Thessaly	1,7%	373	9.643	3,9%	12.662
Eastern Macedonia & Thrace	2,1%	443	7.223	6,1%	11.432
Epirus	1,4%	306	4.145	7,4%	11.785
Western Greece	1,4%	292	8.406	3,5%	12.058
N. Aegean	1,0%	226	2.570	8,8%	12.266
Central Greece	1,2%	267	8.567	3,1%	14.727
Western Greece	0,4%	83	4.098	2,0%	14.361
Total Country	**100,0%**	**21.562**	**184.714**	**11,7%**	**16.378**

Source: BoG – Processing INSETE Intelligence
** Regions GDP is estimated taking into account the percentage distribution of 2016*

In the absence of data on the regional distribution of total tourism expenditure, its estimate is approximated, based on regional distribution of incoming tourism revenue as reflected by the Border Survey of the Bank of Greece.

These data are compared with the GDP estimation of each region, taking into account both the GDP of 2017 and the last available regional GDP distribution (2016).

Due to the approximate nature of the table data, the picture that emerges is largely indicative.

Nevertheless, the contribution of tourism to the GDP of Crete (47.2%), the South Aegean (97.1%) and the Ionian Islands (71.2%) is impressive. It is also interesting that - excluding Attica – the South Aegean, where the main economic activity is tourism, has the highest per capita GDP, while Crete and the Ionian Islands are among the highest.

THE CONTRIBUTION OF TOURISM TO THE BALANCE OF PAYMENTS

The Tourism sector plays significant role to covering the balance of trade deficit

	2017 (m €)	2018 (m €)	% Δ
Balance of Trade	-19.834	-22.489	*-13,4%*
Travel receipts (incl. Cruise)	14.630	16.280	*11,3%*
as % deficit of Balance of Trade	74%	72%	
Estimate of Revenues from Transport	1.716	1.908	
Travel receipts and transports/ Balance of trade	82%	81%	
Exports of Goods	28.040	32.373	*15,5%*
Exports of Goods except Ships and oil	20.051	22.225	*10,8%*
Travel receipts / Exports of Goods	52%	50%	
Travel receipts and transports / Export of Goods	58%	56%	
Travel receipts / Exports of Goods except Ships and Oil	73%	73%	
Travel receipts and transports / Exports of Goods except Ships and Oil	82%	82%	

Source: BoG – Processing INSETE Intelligence

Tourism is one of the most important sources of revenues of the country for balancing the Balance of Payments. Specifically, in 2018, **the travel receipts covered 72.0% of the balance of trade** (compared to 74.0% in 2017).

In fact, if revenues from air transport, cruises and others are also taken into account, which the BoG calculates under different line items in the balance of payments, then the contribution of inbound tourism in covering the balance of trade rises to **81.0%** (compared to **82.0%** in 2017).

Also, travel receipts in 2018 represent **50.0%** (compared to 52.0% in 2017) of receipts from Greece's exports of all other products. If receipts from air and marine transport from inbound tourism are included in travel receipts, then the total is equally to **56.0%** (compared to 58.0% in 2017) of the total receipts from the exports of all goods.

Moreover, excluding exports of fuel and ships, receipts from tourism represent **73.0%** (the same as in 2017) of receipts from Greece's exports of all other products. In addition, If receipts from air and marine transport from inbound tourism are included in travel receipts, then the total is equally to **82.0%** (the same as in 2017) of the total receipts from the exports of all goods except for ships and fuel.

TOURISM & EMPLOYMENT

Tourism continue to create new jobs

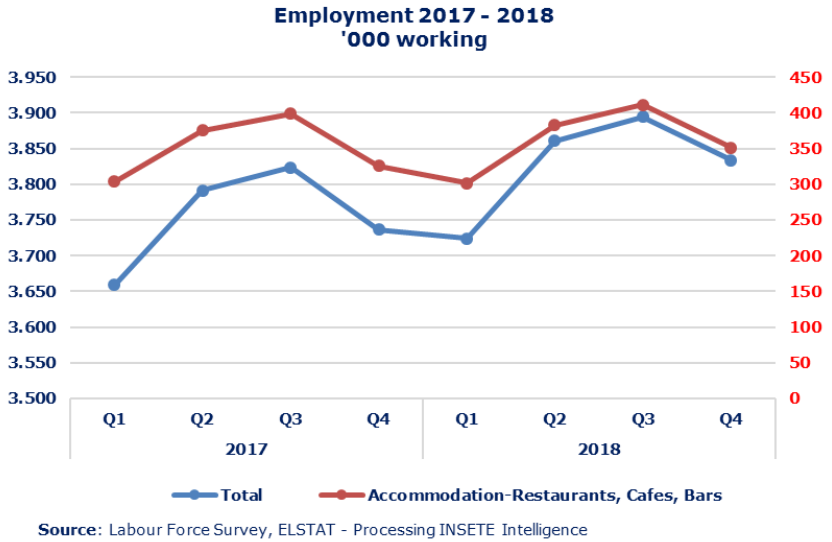
Development of employment for 2017 - 2018 (in th.)	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	3.659	3.791	3.824	3.736	3.724	3.860	3.894	3.834
% change					1,8%	1,8%	1,8%	2,6%
Accommodation-Restaurants, Cafes, Bars	303	375	399	325	302	383	411	351
% change					-0,5%	2,1%	3,1%	7,9%

Source: Labour Force Survey , ELSTAT– Processing INSETE Intelligence

Aside from its major contribution to Greece's GDP, tourism is also an important contributor to employment and, in recent years has contributed significantly to reducing unemployment. This trend continued in 2018, especially in the 2nd, 3rd and 4th quarters, where employment in tourism increased by +2.1%, 3.1% and 7.9% respectively.

As already stated (see table on p. 12), accommodation and catering represent 63.3% of tourism expenditure in Greece.

If the contribution of these two sectors to employment in activities related to tourism is assumed to be proportional to their contribution in GDP, one can deduce that the total employment generated by tourism at **peak season (Q3) of 2018 was 650,000 workers or 16.7% of the total employment.** If the employment multiplier is comparable to that of GDP (2.2 or 2.65), then total employment (direct and indirect) generated by tourism amounts to **36.7% - 44.2%** of the total.



Source: Labour Force Survey, ELSTAT - Processing INSETE Intelligence

Conclusion

The contribution of tourism

11.7% of GDP

16.7% of employment

In conclusion, tourism in 2018:

- recorded **an increase of revenues from abroad of +11.3% or + € 1,842 million (including transit costs and cruise receipts);**
- **had a significant investment activity of € 5.0 billion, of which € 1.9 billion in domestic value added;**
- **the overall increase in tourism activity is estimated at + € 2,524** (from € 19,039 million direct contribution to GDP in 2017 to **€ 21,562 million in 2018**);
- **the direct contribution of tourism to GDP is 11.7%, whereas its direct and indirect contribution is estimated at between 25.7% and 30.9%.**
- from each **€1.0 of tourism revenue, another €1.20 to €1.65 of additional economic activity** is generated. As a result, for each €1.0 of tourism income, the country's GDP increases by €2.20 to €2.65, meaning that tourism is a sector with a great dispersion of benefits in the economy;
- the economy of three island Regions is entirely dependent on tourism, since tourism's contribution to Regional GDP is **47.2% in Crete**, **71.2% in the Ionian Islands** and **97.1% in the South Aegean**. These regions have among the highest per capita GDPs in the country, supporting the view that tourism leads to improved living standards in the areas where it is being developed;
- **at peak season (Q3), tourism contributes directly 16.7% of employment** and overall (directly and indirectly) between 36.7% and 44.2%, while it had a key contribution in reducing unemployment;
- **travel receipts covered 72.0% of the balance of trade deficit.** These receipts are equal to 73.0% of receipts from the exports of all other products exported by the country, excluding receipts from the export of ships and fuel;
- **If receipts from air and marine transport from inbound tourism are added to travel receipts, then the total is equal to 81.0% of receipts** from exports of all goods except ships and fuel.

The above clearly demonstrate the significance of tourism for the Greek economy, and the sector's dynamism.

Sources

- Hellenic Statistical Authority (ELSTAT), DOMESTIC TOURISM, WORKFORCE, ARRIVALS, REGIONAL DISTRIBUTION
- Bank of Greece, http://www.bankofgreece.gr/Pages/el/Statistics/externalsector/balance/travelling.aspx
- Hellenic Civil Aviation Authority, http://www.hcaa.gr/profile/statistics/
- Cruise Line Industry Association
- Association of Greek Passenger Shipping Companies
- Hellenic Chamber of Hotels (HCH)
- Foundation for Economic and Industrial Research (IOBE) (2012), The impact of tourism on the Greek economy
- Centre of Planning and Economic Research (KEPE) (2014), Economic Developments, Issue 24, June 2014
- Aris Ikkos & Serafeim Koutsos (2018), The Contribution of Tourism to the Greek Economy in 2017 (INSETE)
- CLIA (2016), Contribution of Cruise Tourism to the Economies of Europe 2015

This study was carried out by the INSETE under the act: "Strengthening the institutional and operational capacity of SETE" with MIS 5000993 code, which is part of **the Operational Programme " Development of Human Resources Training & Lifelong Learning NSRF 2014-2020" and is co-financed by the European Social Fund (ESF).**

Επιχειρησιακό Πρόγραμμα
Ανάπτυξη Ανθρώπινου Δυναμικού,
Εκπαίδευση και Διά Βίου Μάθηση
Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης

SETE INSETE