The contribution of tourism to the Greek economy in 2023

1^{η} estimate (provisional data) - April 2024

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Clarifications and special conditions:

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1. Introduction

Tourism as a 'horizontal' economic activity

Tourism, unlike most activities in the primary and secondary sectors, is a horizontal rather than a vertical activity. Specifically, tourism is an activity defined in terms of demand for goods and services, whereas primary and secondary sector activities are activities of production and supply of products. For example, the metallurgical sector is made up of companies producing metal products and the cereals sector is made up of agricultural enterprises producing cereals. In contrast, tourism activity depends on and affects many sectors of the economy, such as transport (e.g. air travel and bus transfers), accommodation (hotel or other), dining (restaurants or bars inside or outside the accommodation establishment), entertainment (including sightseeing) and consumption in shops. Tourism is thus an activity that involves many different parts of the social and productive fabric of a country.

Tourism as an activity in Greece

The importance of tourism in shaping the country's GDP and employment will be analyzed in detail below. In brief, tourism was a buffer against recession and unemployment during the years of the crisis and subsequently led the country to positive growth rates. The COVID pandemic and the measures taken to halt its spread led to a very large reduction in tourism worldwide and in Greece, which severely affected the economic life of tourist areas and the economy in general. The rapid recovery of tourism in 2021 and 2022 in Greece led to a rapid recovery of GDP and economic activity in tourist areas and highlighted the country as a world-class tourist destination. This trend continued in 2023 with tourism showing further significant growth. Due to the wide dispersion of tourist destinations across the country, tourism plays a catalytic role in shaping income in many regions of the country. On the other hand, tourism is highly seasonal due to the fact that holidays for sun & beach - which constitute the largest European product market - are the country's main tourism product.

The aim of this study

Given the importance of tourism for the Greek economy, the recording of its economic figures is a prerequisite for the formulation of opinions and choices regarding the strategy to be followed in Greek tourism for its development and the solution of its problems. The present study aims to contribute to this direction by providing a basis for discussion by capturing the following figures of Greek tourism:

- the contribution of tourism to the Greek economy through detailed recording and mapping of the figures for inbound tourism, Domestic Tourism, Investment in Tourism and its Indirect and Induced Effects on the Economy,
- the regional dimension of tourism, i.e. its contribution to the economies of the country's regions,
- the contribution of tourism to maintaining a balance in the country's external balance of payments,
- the contribution of tourism to employment.

Summary

The lifting of all travel restrictions globally, including in Asian markets, as travel restrictions in other markets had already been lifted by Q1 2022, had a positive impact on further growth in tourism flows. As far as Greece is concerned, inbound tourism in 2023 recorded new peaks in both arrivals and revenues, surpassing even the levels of 2019. Specifically, in 2023:

- inbound tourism receipts amounted to €19.8 billion, up +12.2% compared to 2019 (€17.7 billion) and +14.9% compared to 2022 (€17.3 billion). Including cruise revenues, receipts amounted to €20.7 billion, up +13.8% compared to 2019 (€18.2 billion) and +17.0% compared to 2022 (€17.7 billion).
- inbound tourism arrivals reached 32.7 million in 2023, up +4.4% compared to 2019 (31.3 million) and +17.6% compared to 2022 (27.8 million). Taking cruise tourism into account, arrivals reached 36.1 million in 2023, up +6.1% compared to 2019 (34.0 million) and +20.8% compared to 2022 (29.9 million).
- the direct impact of tourism (including inbound tourism, cruises, airline and ferry revenues, domestic tourism, and tourism investments) on the Greek economy in 2023 - at current prices - was € 28.5 billion, corresponding to 13.0% of the country's GDP, while if its indirect contribution through multipliers is included, it corresponds to about 30% (between 28.5% and 34.3%).
- the direct impact of tourism increased by +23.5% compared to 2019 (€23.1 billion) with significant increases in all individual expenditures (inbound, cruise, transport, domestic, investment).
- compared to 2022, when the direct impact was €23.9 billion, the increase in 2023 was 19.5%, also with significant increases in all individual expenditures.
- Noteworthy is the increase in investment to €5.1 billion, of which €2.5 billion in domestic value added, compared to €2.7 billion / €1.2 billion in 2019 and €3.7 billion / €1.7 billion in 2022 respectively.
- Also noteworthy is the performance of cruise (3.3 million arrivals, 8.3 million overnight stays and €847 million in receipts), showing an increase of +64%, +155% and +102% respectively compared to 2022 and +26%, +104% and +70% compared to 2019.

Further:

- The Average Expenditure per Journey (AEJ) amounted to €605.8 in 2023, showing a decrease of -2.3% compared to 2022. On the contrary, the Average Expenditure per Overnight Stay (AEO) in 2023 amounted to € 87.0, increasing by +9.4% compared to 2022 (€ 79.5). That is, while the AEO increased, the AEJ decreased due to a decrease in the Average Duration of Stay (ADS) from 7.8 to 7.0 nights (-10.7%). In other words, we observe that the increase in tourists' daily expenditure is accompanied by a proportionally larger decrease in the duration of their trips, which is an indication either that the increase in the cost of holidays per day leads to a reduction in the duration of holidays, resulting in a corresponding containment of total costs, or that short city break holidays are gaining market share compared to Sun & Beach holidays which have a higher expenditure due to their longer duration.
- A similar phenomenon is observed compared to 2019, although the decrease in ADS (-6.1%, from 7.4 overnight stays in 2019 to 7.0 overnight stays in 2023) is proportionally smaller than the increase in AEO (+14.4%, from €76.1 in 2019 to €87.0 in 2023), probably due to inflation in 2022 and 2023, but also to the increased trend recorded for travel and holidays after the coronavirus pandemic.
- In terms of cruise, the Average Expenditure per Journey (AEJ) amounted to € 253.1 in 2023, showing an increase of +23.3% compared to 2022 (€ 205.2). This increase is due to the increase in the Average Duration of Stay (+55.6%, from 1.6 overnight stays in 2022 to 2.5 overnight stays in 2023) as the Average Expenditure per Overnight Stay recorded a decrease (-20.7%, from € 128.3 in 2022 to € 101.7 in 2023). In other words, we observe that, unlike inbound tourism, the increase in Duration of Stay more than compensates for the losses recorded by the Average Expenditure per Overnight Stay.
- The picture is similar compared to 2019, although the increase in Average Duration of Stay (+61.9%, from 1.5 overnight stays in 2019 to 2.5 overnight stays in 2023) is proportionally higher than the decrease in Average Expenditure per Overnight Stay (-16.8%, from €122.2 in 2019 to €101.7 in 2023).

- tourism activity remained predominantly export-oriented with 82.7% of tourism receipts coming from inbound tourism.
- travel receipts covered 63.8% of the goods deficit. These receipts are equal to 59.1% of the receipts from exports of all other goods exported by the country, excluding receipts from the export of ships and oil.
- if travel receipts include air and maritime transport receipts from inbound tourism, then total travel receipts covered 72.8% of the deficit of balance of trade, while travel receipts equaled 67.5% of export receipts from exports of all products other than ships and oil.

- tourism contributed directly at the peak (Q3) to 16.4% of employment and overall (directly and indirectly) between 36.0% and 43.4% contributing to the reduction of unemployment,

- the economy of three island regions (South Aegean, Ionian Islands and Crete) is highly dependent on tourism, providing a productive outlet for the current global division of labour and decisively enhancing the economic prosperity and social cohesion of these regions.

The resilience and dynamism of tourism and its importance for the Greek economy is obvious from the above.

32.7 million.

Tourists visited Greece in 2023

1. Inbound tourism

Table 1: Inbound tourism, 2023

	Arrivals	%	Receipts (€)	%
Jan	635.499	1,9%	223.948.455	1,1%
Feb	572.590	1,7%	240.675.507	1,2%
Mar	666.070	2,0%	263.661.524	1,3%
Apr	1.372.599	4,2%	723.614.646	3,6%
May	2.512.768	7,7%	1.676.192.924	8,5%
Jun	4.302.224	13,1%	2.864.288.416	14,4%
Jul	6.108.606	18,7%	4.071.704.594	20,5%
Aug	6.478.763	19,8%	4.265.221.557	21,5%
Sep	5.141.359	15,7%	3.180.682.919	16,0%
Oct	3.143.108	9,6%	1.615.521.847	8,1%
Nov	1.036.070	3,2%	373.586.353	1,9%
Dec	765.498	2,3%	333.293.487	1,7%
Total	**32.735.155**	**100%**	**19.832.392.230**	**100%**
Air	23.787.742	73%		
Road	8.295.941	25%		
Rail	5.228	0%		
Sea	646.244	2%		

Source: ELSTAT, BoG - Processing INSETE Intelligence

In 2023 Greece welcomed more than **32.7 million tourists**, permanent residents of other countries ("Non-Residents") and received more than **€19.8 billion**.

In terms of transport mode, the picture due to the pandemic also varied compared to pre-pandemic levels, with **air arrivals** increasing their share to **73%** of arrivals, albeit slightly down compared to 2022 and 2021, followed by **road** with **25%** and **sea** with **2%.** The proportion of tourists who chose train as their mode of transport for their trip to Greece was negligible.

2023 is characterized by the complete lifting of travel restrictions globally after the start of the pandemic crisis in 2020, including Asian markets, since the other countries had already had their travel restrictions lifted after the first quarter of 2022. The distribution of arrivals and receipts returned to pre-pandemic levels. Specifically, in the 2nd and 3rd quarters of the year when Greece traditionally receives the highest number of tourists, **79.2%** of arrivals and **84.6%** of receipts were recorded. The shares of arrivals and receipts by quarter are as follows: **Q1 5.7%/3.7%** of arrivals/receipts, **Q2 25.0%/26.5%** of arrivals/receipts, **Q3 54.2%/58.1%** of arrivals/receipts and **Q4 15.1%/11.7%** of arrivals/receipts.

2. Key inbound tourism figures

+17,6%

increase in arrivals

+14,9%

Receipts growth

Table 2: Inbound tourism 2022-2023

	Arrivals		Receipts (€)	
	2022	2023	2022	2023
Jan	341.401	635.499	130.266.489	223.948.455
Feb	317.037	572.590	133.028.427	240.675.507
Mar	414.255	666.070	181.110.894	263.661.524
Apr	1.056.001	1.372.599	608.070.393	723.614.646
May	2.205.210	2.512.768	1.349.279.651	1.676.192.924
Jun	3.649.442	4.302.224	2.450.799.357	2.864.288.416
Jul	5.277.264	6.108.606	3.539.614.882	4.071.704.594
Aug	5.865.833	6.478.763	4.069.053.552	4.265.221.557
Sep	4.560.293	5.141.359	2.777.455.612	3.180.682.919
Oct	2.756.355	3.143.108	1.468.121.558	1.615.521.847
Nov	812.359	1.036.070	312.934.180	373.586.353
Dec	580.092	765.498	237.710.069	333.293.487
Total	**27.835.541**	**32.735.155**	**17.257.445.065**	**19.832.392.230**
Change		**17,6%**		**14,9%**

Source: BoG - Processing INSETE Intelligence

In 2023 compared to 2022, inbound tourism recorded a further increase in terms of both arrivals (**+17.6%**, from **27.8 million** in 2022 to **32.7 million** in 2023) and receipts (**+14.9%,** from **€17.3 billion** in 2022 to **€19.8 billion** in 2023).

The number of overnight stays (non-residential) amounted to **227.9 million**, an increase of **+5.1% compared to** 2022 (**216.9 million**).

The Average Expenditure per Journey (AEJ) amounted to **€ 605.8** in 2023, showing a **decrease** of **-2.3%** compared to 2022, due to the **decrease in** the Average Duration of Stay by **-10.7%** (from **7.8 overnight stays** to **7.0 overnight stays**) as **the Average Expenditure per Overnight Stay** increased by **+9.4%** (from **€ 79.5** to **€ 87.0).**

Table 3: Key inbound tourism figures 2022-2023

	2022	2023	% Δ
Receipts (m €)	17.257	19.832	14,9%
Overnight stays (th.)	216.949	227.938	5,1%
Arrivals (th.)	27.836	32.735	17,6%
Average Duration of Stay (overnight stays)	7,8	7,0	-10,7%
Average Expenditure per Journey (€)	620,0	605,8	-2,3%
Average Expenditure per Overnight Stay (€)	79,5	87,0	9,4%

Source: ELSTAT, BoG - Processing INSETE Intelligence

+4,4%

increase in arrivals compared to 2019

+12,2%

increase in receipts compared to 2019

Table 4: Key inbound tourism figures 2019 and 2023

	2019	2023	% Δ
Receipts (m €)	17.680	19.832	12,2%
Overnight stays (th.)	232.464	227.938	-1,9%
Arrivals (th.)	31.348	32.735	4,4%
Average Duration of Stay (overnight stays)	7,4	7,0	-6,1%
Average Expenditure per Journey (€)	564,0	605,8	7,4%
Average Expenditure per Overnight Stay (€)	76,1	87,0	14,4%

Source: ELSTAT, BoG - Processing INSETE Intelligence

In 2023, with the lifting of all travel restrictions globally, inbound tourism exceeded pre-pandemic levels, which until recently was considered the best tourism performance since the launch of the Border Survey, both in terms of arrivals (**+4.4%**, from **31.3 million** in 2019 to **32.7 million** in 2023) and in terms of receipts (**+12.2%**, from **€17.7 billion** in 2019 to **€19.8 billion** in 2023), while in terms of overnight stays (**-1.9%**, from **232.5 million** in 2019 to **227.9 million in** 2023) still falls short of pre-pandemic levels.

The Average Expenditure per Journey in 2023 amounted to **€ 605.8** increased by **+7.4%** compared to 2019 (**€ 564.0**). This increase is due to the increase in Average Expenditure per Overnight Stay (**+14.4%**, from **€ 76.1** in 2019 to **€ 87.0** in 2023) as the Average Duration of Stay (**-6.1%**, from **7.4 overnight stays** in 2019 to **7.0 overnight stays** in 2022) showed a decrease.

According to the methodology followed[1] for the recording of **receipts**, these **do not include the part of the tourist's expenditure that remained primarily abroad**, e.g. the Tour Operator's fee and profit, **but** include **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 shops.

Similarly, they also do not include receipts from **cruise** activity in Greece, **air and sea transport of inbound tourists to Greece**, which are recorded separately and aggregated with all other transport costs such as cargo, cruise passenger data. These additional revenues, as well as domestic tourism expenditure, are discussed in detail below.

+64% in cruise passenger arrivals, +155% in overnight stays and +102% in expenditure compared to 2022

3. Cruise Arrivals and Receipts

Table 5: Inbound Cruise Tourism 2022-2023

	Arrivals		Receipts (€)		Overnight Stays	
	2022	2023	2022	2023	2022	2023
1st Quarter	7.661	48.729	3.058.072	18.664.250	39.727	171.288
2nd Quarter	501.494	1.022.343	127.362.116	225.041.968	1.058.065	2.261.444
3rd Quarter	1.009.959	1.527.439	190.697.598	350.302.319	1.485.393	3.235.871
4th Quarter	521.139	749.032	97.616.289	253.380.074	681.008	2.664.900
Total	**2.040.252**	**3.347.543**	**418.734.075**	**847.388.611**	**3.264.192**	**8.333.502**
Change		**64%**		**102%**		**155%**

Source: Bank of Greece - Processing INSETE Intelligence

To record the traffic and receipts of cruise passengers, the BoG also conducts the Cruise Survey. According to the data of this survey, in 2023 Greece welcomed more than **3.3 million** cruise tourists, up **+64%** compared to 2022 (**2.0 million**), who recorded **8.3 million** overnight stays, up **+155%** (from **3.3 million** in 2022 to **8.3 million** in 2023) and earned almost **€847.4 million,** up **+102%** compared to 2022 (**€418.7 million**).

Table 6: Cruise tourism key figures 2022-2023

	2022	2023	% Δ
Receipts (th. €)	418.734	847.389	102,4%
Overnight stays (th.)	3.264	8.334	155,3%
Arrivals (th.)	2.040	3.348	64,1%
Average Duration of Stay (overnight stays)	1,6	2,5	55,6%
Average Expenditure per Journey (€)	205,2	253,1	23,3%
Average Expenditure per Overnight Stay (€)	128,3	101,7	-20,7%

Source: ELSTAT, BoG - Processing INSETE Intelligence

The Average Expenditure per Journey in 2023 amounted to **€ 253.1** increased by **+23.3%** compared to 2022 (**€ 205.2**) due to the increase of the Average Duration of Stay by **+55,6%** (from **1.6 overnight stays** in 2022 to **2.5 overnight stays** in 2023) as the Average Expenditure per Overnight Stay decreased by **-20.7%** (from **€ 128.3** in 2022 to **€ 101.7** in 2023).

The seasonality of cruise passengers was also high, but comparatively lower than that of inbound tourism, since in the **3rd quarter 45.6%** of arrivals and **41.3%** of receipts were recorded, while in the **2nd** and **4th quarters 30.5%/22.4% of arrivals** and **26.6%/29.9% of receipts**. In **1st quarter** 2023 cruise traffic was very low, accounting for just **1.5% of arrivals** and **2.2% of receipts**. The corresponding figures for 2022 for arrivals and receipts were 1st quarter **0.4%/0.7%,** 2nd quarter **24.%/30.4%**, 3rd quarter **49.5%/45.5%** and 4th quarter **25.5%/23.3%.**

In addition to the above, for the calculation of the total cruise receipts, the cruise companies' expenses should be included, which in 2022 were estimated at **€ 116 million.** Therefore, with a corresponding proportional increase as the receipts reflected in the BoG Cruise Survey, these receipts are estimated at **€ 235 million** for 2023.

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+26% in cruise passenger arrivals, +104% in overnight stays and +70% in expenditure compared to 2019

Table 7: Inbound Cruise Tourism 2019 and 2023

	Arrivals		Receipts (€)		Overnight Stays	
	2019	**2023**	**2019**	**2023**	**2019**	**2023**
1st Quarter	32.977	48.729	11.608.737	18.664.250	87.695	171.288
2nd Quarter	720.814	1.022.343	157.714.028	225.041.968	1.341.666	2.261.444
3rd Quarter	1.086.691	1.527.439	212.769.660	350.302.319	1.907.571	3.235.871
4th Quarter	815.700	749.032	116.791.500	253.380.074	746.729	2.664.900
Total	**2.656.181**	**3.347.543**	**498.883.925**	**847.388.611**	**4.083.661**	**8.333.502**
Change		**26%**		**70%**		**104%**

Source: Bank of Greece - Processing INSETE Intelligence

Comparing the 2023 cruise figures with the pre-pandemic figures, we observe a significant increase in cruise passenger arrivals (**+26%**, from **2.7 million to 3.3 million)** as well as in receipts (**+70%**, from **€ 498.9 million** in 2019 to **€ 847.4 million** in 2023) and overnight stays (**+104%**, from **4.1 million** in 2019 to **8.3 million** in 2023).

Table 8: Cruise tourism key figures 2019 and 2023

	2019	2023	% Δ
Receipts (th. €)	498.884	847.389	69,9%
Overnight stays (th.)	4.084	8.334	104,1%
Arrivals (th.)	2.656	3.348	26,0%
Average Duration of Stay (overnight stays)	1,5	2,5	61,9%
Average Expenditure per Journey (€)	187,8	253,1	34,8%
Average Expenditure per Overnight Stay (€)	122,2	101,7	-16,8%

Source: ELSTAT, BoG - Processing INSETE Intelligence

The Average Expenditure per Journey of cruise passengers in 2023 compared to 2019 recorded an increase of **+34.8%** (from **€187.8** in 2019 to **€253.1** in 2023). This increase is the result of a **+61.9%** increase in the Average Duration of Stay (from **1.5 overnight stays** in 2019 to **2.5 overnight stays** in 2023) as the Average Expenditure per Overnight Stay decreased by **-16.8%** (from **€ 122.2** in 2019 to **€ 101.7** in 2023).

Regarding the seasonality of cruise, in the **3rd quarter 45.6%** of arrivals and **41.3%** of receipts were recorded, while in the **2nd** and **4th quarter 30.5%/22.4% of arrivals** and **26.6%/29.9% of receipts**. In **1st quarter** 2023 cruise traffic was very low, accounting for just **1.5% of arrivals** and **2.2% of receipts**. The corresponding figures for 2019 for arrivals and receipts were 1st quarter **1.2%/2.3%,** 2nd quarter **27.1%/31.6%**, 3rd quarter **40.9%/42.6%** and 4th quarter **30.7%/23.4%.**

4. Air and Maritime transport revenue

As mentioned above, the BoG Border Survey does not include the expenditure of tourists on transport to and from Greece. A part of this expenditure is collected by Greek companies and therefore all of this revenue is revenue for the country from tourism. Another part of this expenditure is paid to foreign companies which then pay part of their revenue for the service of their customers (e.g. for the staff they employ in Greece or for handling company fees). In order to determine the country's revenues from air and maritime transport, we carried out market research and contacted professional associations and companies active in these sectors (airlines, shipping companies, handling companies, etc.).

According to the available data, the revenues of Greek companies from this activity are estimated in 2023 at **€2,548 million (+28.0%)** for air transport and **€144 million (+18.2%)** for maritime transport, compared to **€1,992 million** and **€122 million** respectively for 2022.

5. Road and rail transport revenue

Road Transport: the part of the expenditure of non-residents that relates to consumption within Greece (e.g. petrol consumption) is recorded by the Border Survey of the BoG, while the part of the expenditure that relates to consumption outside Greece is not included in the present recording.

Rail Transport: the part of the expenditure of non-residents that relates to consumption within Greece is recorded by the Border Survey of the BoG, while the part of the expenditure that relates to consumption outside Greece is not included in this recording. The estimated -additional- revenue of the OSE is considered to be negligible since the estimate of the number of incoming tourists by rail was less than 6,000.

-41,9%

domestic tourism expenditure in 2023 compared to 2008

6. Domestic tourism

Table 9: Domestic tourism 2016-2022 (for trips with at least 1 overnight stay)

	2016	2017	2018	2019	2020	2021	2022	%Δ 2022-19
Trips	4.590.484	5.296.499	5.523.673	4.941.550	4.331.856	4.705.479	5.801.809	17,4%
Expenditure (€)	1.286.735.621	1.398.365.311	1.714.551.188	1.598.636.515	1.408.617.976	1.719.606.617	2.249.295.673	40,7%
Overnight Stays	46.438.123	53.577.582	59.630.035	53.650.631	52.729.191	55.261.525	58.818.120	9,6%
Average Expenditure per Trip (€)	280	264	310	324	325	365	388	19,8%
Average Expenditure per Overnight Stay (€)	28	26	29	30	27	31	38	28,3%
Average Duration of Stay (overnight Stays)	10,1	10,1	10,8	10,9	12,2	11,7	10,1	-6,6%

Source: ELSTAT - Processing INSETE Intelligence

According to ELSTAT's "Holiday Survey" for 2022, **domestic tourism expenditure for trips with at least one overnight stay amounted to €2,249 million**, the highest since 2011, when for 2019 it was **€1,599 million**, an increase of **+40.7%** compared to 2019. It is worth noting that in 2008, the corresponding expenditure was **€ 3,868 million,** meaning that over the period 2008-2022, **domestic tourism expenditure decreased by -41.9%.**

For trips with at least **1 overnight stay** in 2019-2022, this means that:

- the number of trips increased by **+17.4%** (from **4.9 million** trips in 2019 to **5.8 million** trips in 2022)**,**
- total expenditure increased by **+40.7%** (from **€1.6 billion** in 2019 to **€2.2 billion** in 2022),
- overnight stays increased by **+9.6%** (from **53.7 million** in 2019 to **58.8 million** in 2022) resulting in
- the Average Expenditure per Journey (AEJ) to increase by **+19.8%** (from **€324** in 2019 to **€388** in 2022), due to the increase in
- the Average Expenditure per Overnight Stay (AEO) by **+28.3%** (from **€30** in 2019 to **€38** in 2022) after
- the Average Duration of Stay (ADS) decreased by **-6.6%** (from **10.9 overnight stays** in 2019 to **10.1 overnight stays** in 2022).

As for 2023, taking into account the percentage change in domestic air traffic[1] in 2023 compared to 2022, and halving it, we estimate that domestic tourism travel expenditure will increase by **+9.6%** to **€2,466 million.**

[1] +19% domestic air traffic in 2023 compared to 2022

For every €1 increase in tourism revenues, GDP increases by €2.65

7. Tourism and indirect benefits

Table 10: Indirect benefits of tourism

	% 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

According to IOBE (2012), every €1.0 generated by tourism activity generates **€1.2 in** indirect and induced additional economic activity and thus, in total, generates **€2.2 of** GDP, i.e. the multiplier of tourism activity is 2.2.

The table shows the multipliers of the individual sectors of the Greek economy according to a study by KEPE (2014), as well as the percentage contribution of each sub-sector to Greek tourism activity according to a study by IOBE (2012).

According to the table, the resulting multiplier of tourism for the Greek tourism economy is **2.65**, which means that for every **€1.0** of tourism activity, an additional indirect and induced additional economic activity of **€1.65** is created and therefore, overall, GDP increases by **€2.65**. Therefore, the multiplier of tourism activity is between **2.2** and **2.65**.

€ 2.8 billion in hotel investments, with € 1.7 billion domestic value added

8. Investments

8.1 Investment in the hotel sector

Table 11: Estimation of investment in the hotel sector

New Hotel Constructions						
		Total	**5***	**4***	**3***	**2*/1***
New Rooms	2022	13.666	3.539	3.920	3.345	2.862
	2023	14.722	4.092	4.205	2.939	3.486
Cost of Construction (mil. €)	2022	1.412	511	466	299	135
	2023	2.055	818	673	353	211
Domestic Value Added (mil. €)	2022	881	308	289	193	92
	2023	1.298	495	425	233	145

Source: Hellenic Chamber of Hotels - Estimates - Processing INSETE Intelligence

Hotel Renovations						
		Total	**5***	**4***	**3***	**2*/1***
Rooms, end of year	2021	441.235	97.372	125.026	102.370	116.467
	2022	443.253	100.345	128.720	102.994	111.194
Cost of Renovation (mil. €)	2022	621	220	185	128	89
	2023	761	242	258	157	104
Domestic Value Added (mil. €)	2022	307	97	89	68	52
	2023	412	122	138	91	62

Source: Hellenic Chamber of Hotels - Estimates - Processing INSETE Intelligence

Hotel Investments in Domestic Value Added						
		Total	**5***	**4***	**3***	**2*/1***
Domestic Value Added (mil. €)	2022	1.189	405	378	262	144
	2023	1.710	617	563	323	207

Source: Hellenic Chamber of Hotels - Estimates - Processing INSETE Intelligence

To estimate the investments made by the hotel sector in Greece in 2022 and 2023, the following were taken into account:

- for new constructions, the number of new rooms constructed, according to the Greek Chamber of Hotels (**HCH)**, as well as the Average Estimated Cost of Construction of new rooms per star category based on market data.
- for renovations, the number of rooms per category at the end of the previous year based on the GNI, as well as the Average Cost of Renovation/Repair/Maintenance of existing rooms per star category (based on ITEP's study "Annual Survey of the Hotel Industry, 2023").

Based on the above, the total investment by the hotel sector for the construction of new and renovation/repair/maintenance of existing hotel rooms in 2022 and 2023 was estimated at approximately **€ 2,033 million** and € **2,816 million** respectively - an increase of **+39%**.

Of these amounts, one part relates to imported goods and services and the rest to services and goods of domestic value added. Taking this into account, it is estimated that the investment of the hotel sector in 2022 and 2023, net of imports, amounts to approximately **€ 1,189 million** and **€ 1,710 million** respectively - an increase of **+44%.**

€ 5.1 billion in tourism investment with € 2.5 billion in domestic value added

8.2 Investment in tourism other than hotels and total investment

According to IOBE (2012), the revenues of accommodation, which include not only hotels but also rooms to let, villas etc., account for **45.3%** of tourism activity. In the absence of data for the other sectors and taking into account that the hotel sector offers only a part of accommodation, one can proportionally estimate the total investment of the other sectors at **€ 2,455** for 2022 and **€ 3,401** for 2023. Recognizing that, compared to the other sectors serving tourism, the hotel sector is comparatively more capital intensive and in order to be conservative in our projections, we reduce this amount by **1/3** and estimate the total investment of the other sectors at **€ 1,636 million** for 2022 and **€ 2,267 million** in 2023 - an increase of **+39%.**

Table 12: Estimation of investment in the tourism sectors other than hotels

	Total	Domestic Value Added
2022	1.636	545
2023	2.267	756

Source: HCH, IOBE - Estimates - Processing INSETE Intelligence

Compared to the hotel sector, the other sectors also have a lower share of domestic investment expenditure, due to the fact that they invest more in machinery and equipment and less in buildings. Conservatively, investment expenditure in domestic value added is estimated at **1/3** of total investment. Therefore, the investment of other sectors in terms of domestic value added amounts to **€545 million** in 2022 and **€756 million** for 2023 - an increase of **+39%.**

Table 13: Total investment estimate

	Total	Domestic Value Added
2022	3.669	1.734
2023	5.083	2.466

Source: HCH, IOBE - Estimates - Processing INSETE Intelligence

Based on the above, the total investment activity in tourism for 2022 amounts to **€ 3,669 million**, of which **€ 1,734 million** relates to domestic value added expenditure. The corresponding figures for 2023 are **€ 5,083 million** and **€ 2,466 million**, representing an increase of **+39%** and **+42%** respectively.

82.7% of tourism in 2023 was an export activity

9. The contribution of tourism to the Greek economy

Table 14: Direct and indirect benefits of tourism

Expenditure Category	2019, mil. €	2021, mil. €	2022, mil. €	%Δ 2019-2023	%Δ 2022-2023
Inbound Tourist Expenditure	17.679	17.257	19.832	12,2%	14,9%
Cruise Tourist Expenditure	500	419	847	69,5%	102,4%
Cruise Company Expenditure	138	116	235	69,9%	102,4%
Air transport	1.914	1.992	2.548	33,2%	28,0%
Maritime transport	96	122	144	50,3%	18,2%
Domestic tourism	1.599	2.249	2.466	54,3%	9,6%
Investments	1.178	1.734	2.466	109,3%	42,2%
Direct Tourism Impact	**€23.104**	**€23.889**	**€28.539**	**23,5%**	**19,5%**
as % GDP	12,6%	11,6%	13,0%		
IOBE Multiplier	2,2	2,2	2,2		
Direct and Indirect	**€50.829**	**€52.556**	**€62.786**	**23,5%**	**19,5%**
as % GDP	27,7%	25,4%	28,5%		
KEPE Multiplier	2,65	2,65	2,65		
Direct and Indirect Result	**€61.225**	**€63.306**	**€75.628**	**23,5%**	**19,5%**
as % GDP	33,4%	30,6%	34,3%		
GDP	€183.347	€206.620	€220.303	20,2%	6,6%

Source: INSETE Intelligence

According to the 1st estimate of ELSTAT, the country's GDP, at current prices, in 2023 stood at **€ 220,303 million**, up by **+6.6% compared to** 2022 (€ 206,620 million).

Summarizing the data on tourism quoted above and comparing them with the country's GDP, the following picture emerges:

- the direct contribution of tourism to the country's economy in 2023 is estimated at **€28.5 billion**, corresponding to **13.0%** of GDP, compared to **€23.9 billion** and **11.6%** of GDP in 2022 and **23.1 billion** and **12.6%** of GDP in 2019.
- taking into account the multiplier benefits, the total contribution of tourism to the country's economy in 2023 is estimated to be between **€ 62.8** and **€ 75.6 billion**, The corresponding figures for 2022 were between **€52.6 billion** and **€63.3 billion**, corresponding to between **25.4%** and **30.6%** of GDP, while for 2019 they were between **€50.8 billion** and **€61.2 billion**, corresponding to between **27.7%** and **33.4%** of GDP,
- GDP in the period 2022-2023 increased by **+6.6%** or **€ +13,682 million**, while tourism activity increased by **+19.5%** or **€ +4,650 million** directly or **€ +10,230/+12,322 million** indirectly and directly.
- In the period 2019-2023, GDP increased by **+20.2%** or by **€ +36,955 million,** while tourism activity increased by **+23.5%** or by **€ +€ 5,435 million** directly or **€ +11,957/+€14,403** indirectly and directly.

- the share of income from tourism activity derived from abroad amounted to **82.7%** (compared to 83.3% in 2022 and 88.0% in 2019), i.e. tourism remained a predominantly export activity in 2023.

Tourism supports the income of the Region

10. Regional breakdown and contribution by region

Table 15: Regional breakdown and contribution by Region, 2023

Region	% Revenue distribution of incoming tourism 2023	Proportion of direct tourism expenditure 2023 - in € m	Region GDP 2023*	% of GDP to which the direct tourism expenditure corresponds	per capita GDP 2021 - in €
South Aegean	27%	7.719	7.000	110%	16.639
Crete	26%	7.510	10.777	70%	13.994
Attica	19%	5.473	105.459	5%	23.335
Ionian Islands	10%	2.947	3.554	83%	14.520
Central Macedonia	8%	2.189	30.243	7%	13.453
Peloponnese	2%	554	9.920	6%	14.407
Epirus	2%	478	4.796	10%	11.981
Eastern Macedonia & Thrace	2%	471	8.638	5%	12.006
Thessaly	1%	366	11.495	3%	13.390
Western Greece	1%	304	9.721	3%	12.429
Central Greece	1%	240	11.264	2%	16.834
North Aegean	1%	215	2.954	7%	10.658
Western Greece	0%	73	4.482	2%	14.141
Total Country	**100%**	**28.539**	**220.303**	**13,0%**	**17.058**

Source: ELSTAT, BoG - Processing INSETE Intelligence

*The distribution of the GDP of the Regions ia an estimate taking into account the percentage distribution of 2021

In the absence of data on the regional distribution of total tourism expenditure, the estimate is approximate, based on the distribution of inbound tourism receipts, as inbound tourism contributes more than 80% of the country's tourism activity.

These figures are compared with the GDP estimate for each Region, taking into account both the 2023 GDP and the latest available % breakdown (2021 data).

Due to the approximate nature of the data in the table, the picture it shows is mainly indicative.

Tourism makes a high contribution to covering the balance of trade deficit

11. Contribution of tourism to the balance of payments

Table 16Contribution of tourism to the Balance of Payments, 2022-2023

	2019 (mil. €)	2022 (mil. €)	2023 (mil. €)	%Δ 2019-2023	%Δ 2022-2023
Balance of Trade	**-22.833**	**-39.558**	**-32.414**	**-42,0%**	***18,1%***
Travel receipts (incl. Cruise)	**18.179**	**17.676**	**20.680**	**13,8%**	***17,0%***
as % deficit of Balance of Trade	79,6%	44,7%	63,8%		
Estimate of Revenues from Transport	**2.148**	**2.229**	**2.927**		
Travel receipts and transports/ Balance of trade	*89,0%*	*50,3%*	*72,8%*		
Exports of Goods	**32.434**	**53.755**	**49.439**	**52,4%**	***-8,0%***
Exports of Goods except Ships and oil	**23.263**	**36.043**	**34.964**	**50,3%**	***-3,0%***
Travel receipts / Exports of Goods	56,0%	32,9%	41,8%		
Travel receipts and transports / Export of Goods	62,7%	37,0%	47,7%		
Travel receipts / Exports of Goods except Ships and Oil	78,1%	49,0%	59,1%		
Travel receipts and transports / Exports of Goods except Ships and Oil	87,4%	55,2%	67,5%		

Source: BoG - Processing INSETE Intelligence

Tourism, especially during the economic crisis, was one of the most important sources of revenue for the country, balancing the balance of payments. This trend was abruptly interrupted in 2020 due to travel restrictions and an unprecedented decline in travel demand. In 2023, with the full lifting of travel restrictions, tourism activity recovered, surpassing pre-pandemic levels. Nevertheless, and even though travel receipts in 2023 recorded an increase of **+13.8%** compared to 2019 (from **€18.2 billion** in 2019 to **€20.7 billion** in 2023) and the deficit decreased, the contribution of tourism to the balance of trade coverage, although it increased compared to 2022 (**63.8%** vs. **44.7%**), still falls short of pre-pandemic levels (**79.6%**). The increase in the deficit in 2022 is due to the increase in imports, to which the increase in raw material and energy prices due to the war in Ukraine contributed, while the decrease in 2023 is due to the higher decrease in imports compared to exports.

Specifically, for 2023, **travel** receipts **covered 63.8% of the balance of trade deficit** (compared to **44.7%** in 2022 and **79.6%** in 2019). If the receipts from air transport, cruises etc. which BoG counts in other balance of payments codes are also taken into account, then the contribution of inbound tourism to the coverage of the balance of trade deficit reaches **72.8%** (compared to **50.3%** in 2022 and **89.0%** in 2019).

In addition, tourism receipts in 2023 account for **41.8%** (compared to **32.9%** in 2022 and **56.0%** in 2019) of the total receipts from exports of all types of goods made by the country. If transport receipts are included in these receipts, the total equals **47.7%** (compared to **37.0%** in 2022 and **62.7%** in 2019) of the receipts from exports of goods.

If ship and oil exports are subtracted from goods exports, then the share of tourism receipts equals **59.1%** (compared to **49.0%** in 2022 and **78.1%** in 2019) of total goods export receipts. Also, if transport is included in tourism receipts, the share of receipts equals **67.5%** (compared to **55.2%** in 2022 and **87.4%** in 2019) of the country's total merchandise export receipts other than ships and oil.

In 2023, employment in Accommodation and Catering Services marginally exceeded pre-pandemic levels

12. Tourism and Employment

Table 17: Employment development (in thousands), 2019, 2022 and 2023

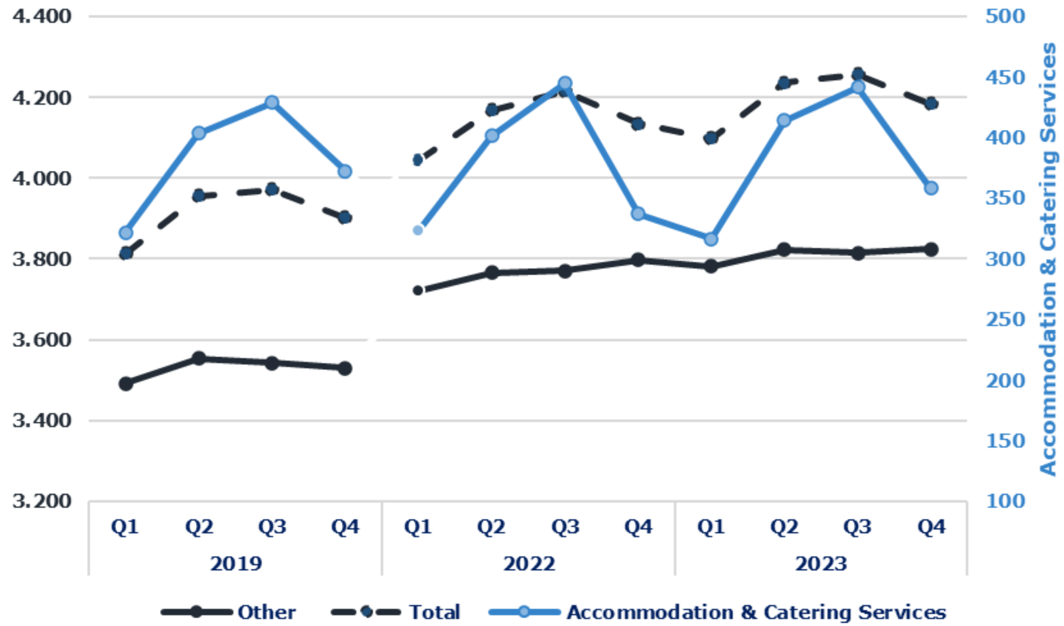
	Q1	Q2	Q3	Q4
2019				
Accommodation and Catering S	322	403	429	373
Other	3.492	3.553	3.543	3.529
Total	3.814	3.956	3.972	3.902
2022				
Accommodation and Catering S	323	401	445	337
Other	3.721	3.766	3.771	3.798
Total	4.044	4.167	4.216	4.135
2023				
Accommodation and Catering S	316	414	441	358
Other	3.782	3.823	3.815	3.825
Total	4.098	4.237	4.256	4.183
%Δ 2019-2023				
Accommodation and Catering S	-1,7%	2,6%	2,9%	-3,8%
Other	8,3%	7,6%	7,7%	8,4%
Total	7,4%	7,1%	7,2%	7,2%
%Δ 2022-2023				
Accommodation and Catering S	-2,0%	3,2%	-0,8%	6,3%
Other	1,6%	1,5%	1,2%	0,7%
Total	1,3%	1,7%	1,0%	1,2%

Source: Labour Force Survey ELSTAT- Processing INSETE Intelligence

Tourism, apart from its great contribution to the country's economy, also makes a great contribution to employment and, in recent years, has contributed significantly to the reduction of unemployment. This positive trend was disrupted by the coronavirus pandemic in 2020 and 2021, but in 2022 it recovered, reaching almost the same levels as in 2019 (**-1.4%**, from **381.9 thousand** in 2019 to **376.7 thousand** in 2022), while in 2023 it marginally exceeded the pre-pandemic levels (**+0.2%**, from **381.9 thousand in 2019 to 376.7 thousand in 2022)**, registering **441.4 thousand** in Q3 2023. In the individual quarters over the 2022-2023 period, employment in Accommodation and Catering Services decreased by **-2.0%** in **Q1** and **-0.8%** in **Q3**, while it increased by **+3.2%** in **Q2** and **+6.3%** in **Q4.** Respectively, Other Sectors recorded growth in all individual quarters: **Q1: +1.6%, Q2: +1.5%, Q3: +1.2% and Q4: 0.7%.**

In the period 2019-2023, the number of employees in Accommodation and Catering Services decreased by **-1.7%** in **Q1** and **-3.8%** in **Q4** and increased by **+2.6%** and **+2.9%** in **Q2** and **Q3** respectively. As for Other Sectors, all individual quarters showed growth: **Q1: +8.3%, Q2: +7.6%, Q3: +7.7% and Q4: 8.4%.**

Graph 1: Development of employees by quarter (in thousands), 2019, 2022 and 2023



Source: Labour Force Survey, ELSTAT - Processing INSETE Intelligence

As already mentioned, (see table on p. 18 with data from IOBE (2012), accommodation and catering services account for 63.3% of tourism expenditure in Greece. Under the working assumption that the contribution of these two sectors to employment in tourism-related activities is similar, we can conclude that the total employment generated by tourism during the peak (Q3) of 2023 is estimated at **697 thousand workers or 16.4% of total employment.**

If they are included, with a multiplier corresponding to GDP (2.2 or 2.65), then the total employment (direct and indirect) generated by tourism amounts to **36.0%** to **43.4%** of the total.

The corresponding contribution to employment generated by tourism during the peak (Q3) of 2019 and 2022 is estimated at **678k/703k** employees or **17.1%/16.7%** respectively of total employment. While if they are included, with a multiplier equivalent to GDP (2.2 or 2.65), then the total employment (direct and indirect) generated by tourism amounts to **37.6%/36.7%** to **45.2%/44.2%** of the total for both years.

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