

INSETE: At an all-time high of 28.5 billion euros and 13% of GDP, the direct contribution of tourism to the Greek economy in 2023

The data come from the latest study by the INSETE on the "Contribution of tourism to the Greek economy in 2023".

In 2023, the direct contribution of tourism to the Greek economy amounted to 28.5 billion euros, which corresponds to 13% of the country's GDP and is the highest historically, for the sector to date. In 2022 the corresponding figures were 23.9 billion euros and 11.6% of GDP and in 2019 23.1 billion euros and 12.6% of GDP.

The figures come from the latest study by the Institute of Greek Tourism Confederation (INSETE) on "[The contribution of tourism to the Greek economy in 2023](#)", according to which if the indirect contribution of the sector through multipliers is included, the corresponding percentage rises to about 30%. Tourism activity remains mainly export-oriented, with 82.7% of receipts coming from inbound tourism. Further, the sector contributed directly to the peak, in the third quarter of 2023, 16.4% of employment and overall (directly and indirectly) to about 40%, contributing to the reduction in unemployment.

The direct contribution

As regards the direct contribution of the sector for the previous year, it amounted to EUR 28.5 billion and is divided into the figures from inbound tourism expenditure (EUR 20.7 billion including the expenditure of cruise passengers), air transport (EUR 2.5 billion), maritime transport (EUR 144 million), cruise companies' expenditure (EUR 235 million), domestic tourism (EUR 2.5 billion) and domestic value added from investments (EUR 2.5 billion). It is recalled here that according to the first estimate of ELSTAT, the country's GDP, at current prices, in 2023 was 220.3 billion euros, up 6.6% compared to 2022.

The direct impact of tourism increased by 23.5% compared to EUR 23.1 billion in 2019, with significant increases in all individual expenditures (inbound tourism, cruise, transport, domestic tourism, investment). Compared to 2022, where the direct impact was €23.9 billion, the increase in 2023 was 19.5% also with significant increases in all individual expenditures. Notable in 2023 is the increase in investment to EUR 5.1 billion, of which around EUR 2.5 billion corresponds to domestic value added, compared to EUR 2.7 billion and EUR 1.2 billion respectively in 2019 and EUR 3.7 billion and EUR 1.7 billion in 2022. Another positive performance, with a more than doubling of receipts in 2023, is linked to the cruise sector. With 3.3 million arrivals and 847 million euros in receipts last year, the cruise sector was up 64% and 102% respectively against 2022 and 26% and 70% against 2019.

The indirect contribution

Based on the multiplier for the sector used by the IOBE in combination with the multipliers of the individual sectors of the Greek economy of the KEPE (accommodation, catering, sea-road-air transport, trade, entertainment, travel agencies, car rental, conferences), the resulting multiplier for tourism is 2.65, which means that for every 1 euro from tourism activity, the following is created indirect and induced additional economic activity of EUR 1.65 and therefore, overall, GDP increases by EUR 2.65. Therefore, the multiplier of tourism activity is between 2,2 and 2,65. Taking into account the multiplier effects, the total contribution of tourism to the country's economy in 2023 is estimated to be between EUR 62.8 billion and EUR 75.6 billion, corresponding to between 28.5% and 34.3% of GDP. The corresponding figures for 2022 were between EUR 52.6 billion and

63.3 billion, corresponding to between 25.4% and 30.6% of GDP, while for 2019 they were between EUR 50.8 billion and EUR 61.2 billion, corresponding to between 27.7% and 33.4% of GDP.

Average expenditure and duration of stay

Interesting conclusions can be drawn from the calculation of the Average Expenditure per Journey (AEJ), which is directly related to the Average Duration of Stay (ADS) in the destination. In particular, the AEJ, at 605.8 euros in 2023, recorded a slight decrease (-2.3%) compared to 2022, while the ADS also decreased from 7.8 to 7 nights last year. It can be observed that the increase in tourists' daily expenditure is accompanied by a proportionally greater reduction 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 reduction in total costs, or that short holidays (city breaks) are gaining market share compared to Sun & Beach holidays that have a higher expenditure due to their longer duration. A similar phenomenon is observed compared to 2019, although the decrease in the ADS - from 7.4 nights in 2019 to 7 nights in 2023 - is proportionally smaller than the increase in the AEO (from EUR 76.1 in 2019 to EUR 87 in 2023). This is probably due to inflation in 2022 and 2023, but also to the increased trend recorded for travel and holidays after the coronavirus pandemic.

Mr. **Elias Kikilias**, General Director of INSETE, on the occasion of the publication of the study, said: *'The resilience, dynamism and vital contribution of tourism to the Greek economy is undeniable. Its overall contribution touches a multitude of sectors, positively affecting the living standards of citizens. In today's challenging environment, however, the need for targeted strategies based on sustainable development is more urgent than ever. Effective management and governance of destinations and investment in infrastructure are the minimum requirements for the sector to maintain its competitiveness and provide the maximum possible boost to the Greek economy and society.'*