Tourism Development in Greece
Background facts & current policy issues

Georgios Drakopoulos
Director General, SETE & Chairman, UNWTO Business Council

Meeting with the French Counselors for Foreign Trade
Athens, 28 January 2010, Divani Caravel Hotel
Presentation Outline

• About SETE
• Key Facts on Greek Tourism
• Greek Tourism Marketing Plan 2008-2012
• The Role of the Government
• Greek Tourism in the future
About SETE

What we do

- Represent our Members
- Promote the Public – Private Cooperation
- Promote cooperation in different economic sectors
- Inform about trends & developments in tourism
- International affairs (UNWTO, IH&RA)

SETE – Facts & Figures (January 2010)

- SETE Members fall into two general categories:
  A. 12 Unions of Tourist Enterprises
  B. 507 Individual Tourist Enterprises.
- Total employment positions: 365,876
Arrivals Growth by decade

World, 1950-2000
Arrivals Growth by decade,
Europe, World, 1950-2000
Arrivals Growth by decade


- 1950-1960
- 1960-1970
- 1970-1980
- 1980-1990
- 1990-2000

Greece

World

Europe

Graph showing arrivals growth for Greece, Europe, and the World from 1950 to 2000.
Development of Arrivals

Greece 1950-2000
Development of Arrivals and Receipts

Greece 1950-2000

Arrivals (mil. tourists)
Receipts (bil. USD)

ARRIVALS
RECEIPTS
Decrease in the tourism competitiveness of Greece

Symptoms…

- Growth rate slow down
- Seasonality of Demand
- Concentration of Supply
### Growth rate slow down

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals (000)</th>
<th>%</th>
<th>Revenues mi.€</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>12.378</td>
<td>-</td>
<td>10.061,20</td>
<td>-</td>
</tr>
<tr>
<td>2001</td>
<td>13.019</td>
<td>5,18%</td>
<td>10.579,90</td>
<td>5,16%</td>
</tr>
<tr>
<td>2002</td>
<td>12.556</td>
<td>-3,56%</td>
<td>10.284,70</td>
<td>-2,79%</td>
</tr>
<tr>
<td>2003</td>
<td>12.468</td>
<td>-0,70%</td>
<td>9.495,30</td>
<td>-7,68%</td>
</tr>
<tr>
<td>2004</td>
<td>11.735</td>
<td>-5,88%</td>
<td>10.347,80</td>
<td>8,98%</td>
</tr>
<tr>
<td>2005</td>
<td>12.902</td>
<td>9,94%</td>
<td>10.729,50</td>
<td>3,69%</td>
</tr>
<tr>
<td>2006</td>
<td>13.993</td>
<td>8,46%</td>
<td>11.356,70</td>
<td>5,85%</td>
</tr>
<tr>
<td>2007</td>
<td>16.165</td>
<td>-</td>
<td>11.319,20</td>
<td>-0,33%</td>
</tr>
<tr>
<td>2008</td>
<td>15.939</td>
<td>-1.40%</td>
<td>11.635,90</td>
<td>2,80%</td>
</tr>
</tbody>
</table>

Source: SETE, processed data from Bank of Greece and General Secretariat of the National Statistical Service of Greece

Note: The arrivals data from 2007 are collected using a different methodology based on tourists’ country of residence and not on their nationality.
Seasonality I

Monthly % Distribution of Arrivals, Greece, 2000-2008
Seasonality II

Monthly % Distribution of Arrivals, Greece - Competitors, 2000-2008

Arrivals

- AVER.COMPETITORS
- GREECE

JAN FEB MAR APR MAY JUN JUL AUG SEPT OCT NOV DEC
## Seasonality III

<table>
<thead>
<tr>
<th>Resort destinations, (% of arrivals in Jul, Aug, Sep)</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heraklion (GR)</td>
<td>61,8</td>
<td>59,2</td>
<td>62,4</td>
<td>62,3</td>
<td>60,0</td>
</tr>
<tr>
<td>Belek (TR)</td>
<td>37,4</td>
<td>37,2</td>
<td>38,9</td>
<td>36,6</td>
<td>35,9</td>
</tr>
<tr>
<td>Las Palmas (E)</td>
<td>27,2</td>
<td>27,2</td>
<td>26,4</td>
<td>27,8</td>
<td>27,4</td>
</tr>
<tr>
<td>Algarve (P)</td>
<td>32,4</td>
<td>33,4</td>
<td>34,0</td>
<td>33,1</td>
<td>33,6</td>
</tr>
</tbody>
</table>
Is there space for development?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>constant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passengers per hour</strong></td>
<td>2.982</td>
<td></td>
</tr>
<tr>
<td><strong>Arrivals</strong></td>
<td>420,000</td>
<td>+</td>
</tr>
<tr>
<td><strong>Check in time</strong></td>
<td>90 min</td>
<td>+</td>
</tr>
<tr>
<td><strong>Baggage claim</strong></td>
<td>45 min</td>
<td>+</td>
</tr>
</tbody>
</table>

Seasonality: 60%, (July, August, September)
Why that much seasonality?

Special Tourist Infrastructure, Greece & Competitors, 2000

<table>
<thead>
<tr>
<th></th>
<th>Spain</th>
<th>Turkey</th>
<th>Cyprus</th>
<th>Portugal</th>
<th>Egypt</th>
<th>Greece</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golf Courses</td>
<td>254</td>
<td>10</td>
<td>2</td>
<td>55</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Conventions Centers</td>
<td>46</td>
<td>6</td>
<td>2</td>
<td>44</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Spas - Thalasotherapy</td>
<td>89</td>
<td>31</td>
<td>5</td>
<td>42</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Marinas</td>
<td>260</td>
<td>15</td>
<td>2</td>
<td>17</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>----------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Crete</strong></td>
<td>18%</td>
<td>20%</td>
<td>21%</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dodecanese</strong></td>
<td>16%</td>
<td>18%</td>
<td>17%</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sterea Ellada</strong></td>
<td>23%</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total of the 3 areas</strong></td>
<td>57%</td>
<td>54%</td>
<td>52%</td>
<td>51%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Greece: Evolution of Arrivals – Hotel Beds

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals</th>
<th>%change</th>
<th>Hotel Beds</th>
<th>%change</th>
<th>Supplementary accommodation, legal and illegal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1.609.000</td>
<td></td>
<td>118.862</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>5.271.000</td>
<td>228%</td>
<td>278.045</td>
<td>134%</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>8.873.000</td>
<td>68%</td>
<td>438.355</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>12.378.282</td>
<td>40%</td>
<td>593.990</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>12.798.268</td>
<td>3%</td>
<td>682.050</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>15.938.806</td>
<td>25%</td>
<td>700.933</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Supplementary accommodation, legal and illegal</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>600.000</td>
</tr>
</tbody>
</table>
Why is there excess Supply?

- For political reasons

<table>
<thead>
<tr>
<th>Investments</th>
<th>Employment</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the Public &amp;</td>
<td>in existing or new businesses</td>
<td>taxation</td>
</tr>
<tr>
<td>Private sector</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- For reasons related to information
GR has a comparative advantage in sea tourism! So what?
GR could be a hub between Europe - Asia - Africa

Source: TUI
Image of Greece

Awareness of brand Greece


Trendy  Popular  Familiar  Tiring

???
Olympic Games and Evolution of Awareness

Awareness of the brand

-1  Olympic Games Year  1  2  3

Year

100%

25%
Policy Issues

• Quality vs. Quantity

• Product Portfolio

• Matching markets with products

• Structures

• Role of the Government
Quality vs. Quantity

Top End of the market

Mass Tourism

Tourists

Quality

Quantity

M1 M2
Product Portfolio
<table>
<thead>
<tr>
<th>Sectors’ assessment</th>
<th>Demand projections</th>
<th>Profitability</th>
<th>Attractiveness</th>
<th>Competitive situation</th>
<th>Accomplishment of key factors</th>
<th>Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sightseeing touring</td>
<td>7</td>
<td>6</td>
<td>6,5</td>
<td>5</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Short breaks</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>5,5</td>
</tr>
<tr>
<td>Green tourism</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>2,5</td>
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<tr>
<td>Sea and land sports</td>
<td>7</td>
<td>6</td>
<td>6,5</td>
<td>5</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Thalassotherapy</td>
<td>9</td>
<td>8</td>
<td>8,5</td>
<td>2</td>
<td>3</td>
<td>2,5</td>
</tr>
<tr>
<td>Gastronomy</td>
<td>8</td>
<td>9</td>
<td>8,5</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Events</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Learning and education</td>
<td>6</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>7,5</td>
</tr>
<tr>
<td>Nature and adventure</td>
<td>7</td>
<td>6</td>
<td>6,5</td>
<td>8</td>
<td>6</td>
<td>7</td>
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<tr>
<td>Luxury yachting</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>7,5</td>
</tr>
<tr>
<td>Standard yachting</td>
<td>7</td>
<td>6</td>
<td>6,5</td>
<td>4</td>
<td>7</td>
<td>5,5</td>
</tr>
<tr>
<td>General interest cruises</td>
<td>6</td>
<td>7</td>
<td>6,5</td>
<td>4</td>
<td>5</td>
<td>4,5</td>
</tr>
<tr>
<td>Specialised and themed cruises</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Integrated resorts</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Hotel comfort and grand comfort</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>5,5</td>
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<tr>
<td>Hotel economy</td>
<td>4</td>
<td>3</td>
<td>3,5</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Apartments</td>
<td>5</td>
<td>4</td>
<td>4,5</td>
<td>3</td>
<td>4</td>
<td>3,5</td>
</tr>
<tr>
<td>Villas</td>
<td>6</td>
<td>8</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>3,5</td>
</tr>
<tr>
<td>Campsite</td>
<td>3</td>
<td>4</td>
<td>3,5</td>
<td>4</td>
<td>5</td>
<td>4,5</td>
</tr>
<tr>
<td>Private accommodation</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Big congresses</td>
<td>4</td>
<td>3</td>
<td>3,5</td>
<td>5</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Standard congresses</td>
<td>6</td>
<td>5</td>
<td>5,5</td>
<td>5</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Conventions</td>
<td>7</td>
<td>8</td>
<td>7,5</td>
<td>6</td>
<td>9</td>
<td>7,5</td>
</tr>
<tr>
<td>Corporate meetings</td>
<td>6</td>
<td>5</td>
<td>5,5</td>
<td>6</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Incentive travels</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>7</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Sport events</td>
<td>4</td>
<td>3</td>
<td>3,5</td>
<td>7</td>
<td>8</td>
<td>7,5</td>
</tr>
</tbody>
</table>
Portfolio Strategy

- Wellness Tourism
  - Health Tourism
  - Apartments
  - Private Accommodation
- Gastronomy
  - Short breaks
  - Hotels grand comfort
  - Incentive travel
- Standard yachting
  - Congresses
  - Sea & land sports
  - General interest cruises
- Camping
  - Hotel economy
- Luxury yachting
  - Themed cruises
  - Learning & education
- Corporate meetings
  - Sightseeing touring
  - Standard congresses
  - Integrated resorts
  - Nature & adventure
- Sport Events
  - Big Congresses

+ Attractiveness
+ Competitiveness
14 Tourist Sectors Considered

- Sun & Beach
- Yacht charter
- Touring
- Wellness
- Sports
- Cruise
- City Breaks
- Snow
- Mountains
- Cultural
- Countryside
- Visit an event
- Luxury
- Meetings

Source: THR – PRC - MRB
9 Product - Specific Marketing Plans

- Sun & Beach
- Wellness
- Touring
- City Break
- Luxury Travel
- Conferences
- Nautical
- Cultural
- Ecotourism

Source: THR – PRC - MRB
Matching Markets With Products

- A. Market Penetration
- B. Product Development
- C. Market Development
- D. Differentiation

MARKETS

NEW

EXISTING

PRODUCTS

NEW

EXISTING

A

B

C

D
# Product Competition / Market

<table>
<thead>
<tr>
<th>UK</th>
<th>Sun &amp; Beach / Waterside holiday</th>
<th>Touring Holiday</th>
<th>Cruise/Yacht Holiday</th>
<th>City Holiday / City Break</th>
<th>Conference / Congress / Seminar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trips Abroad (000)</strong></td>
<td>10.935</td>
<td>5.466</td>
<td>1.066</td>
<td>5.612</td>
<td>616</td>
</tr>
<tr>
<td>Spain 48%</td>
<td>Spain 14%</td>
<td>Spain 15%</td>
<td>Spain 17%</td>
<td>France 22%</td>
<td></td>
</tr>
<tr>
<td>Cyprus 8%</td>
<td>USA 10%</td>
<td>Guatemala - Honduras - Salvador 13%</td>
<td>Italy 9%</td>
<td>Spain 20%</td>
<td></td>
</tr>
<tr>
<td>Turkey 6%</td>
<td>Italy 9%</td>
<td>Italy 12%</td>
<td>USA 8%</td>
<td>Ireland 11%</td>
<td></td>
</tr>
<tr>
<td>USA - Maldives 10%</td>
<td>Czech Republic 7%</td>
<td></td>
<td></td>
<td>Italy 10%</td>
<td>Switzerland 9%</td>
</tr>
<tr>
<td>Caribbean 8%</td>
<td>Greece 13%</td>
<td>Greece 4%</td>
<td>Greece 8%</td>
<td>Greece 3%</td>
<td>Greece *</td>
</tr>
<tr>
<td>Greece 13%</td>
<td>Greece 4%</td>
<td>Greece 8%</td>
<td>Greece 3%</td>
<td>Greece *</td>
<td></td>
</tr>
</tbody>
</table>
The role of the Government

- 90% of the tourism master plans are NOT implemented
- 20% Ministry of Tourism
- 80% Other Ministries
Ministries & Responsibilities

- Employment
- Secretariat of Press & Information
- Public Order
- Foreign Affairs
- Internal Affairs
- Transportation
- Merchant Marine
- Economy & Finance
- Education
- Public Works
- Culture
- Health
- Work legislation
- Image of the country
- Safety
- Visa
- Local Authorities
- Air, Sea, Land transportation
- Maritime
- Investment - Taxation
- Education
- Zone planning
- Museums – Archeological sites
- Sanitary control
2004 - 2010

6 Ministers
3 Vice Ministers
5 Secretary Generals (Ministry)
7 Presidents (NTO)
5 Secretary Generals (NTO)
3 Special Secretaries (NTO)
<table>
<thead>
<tr>
<th>Slogan</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chosen by the gods</td>
<td>’91 - ’93</td>
</tr>
<tr>
<td>Come as a tourist, leave as a friend</td>
<td>’94</td>
</tr>
<tr>
<td>Makes your heart beat</td>
<td>’95</td>
</tr>
<tr>
<td>Never ending story</td>
<td>’96</td>
</tr>
<tr>
<td>The authentic choice</td>
<td>’97–’99</td>
</tr>
<tr>
<td>That’s life</td>
<td>’00 - ’01</td>
</tr>
<tr>
<td>Beyond words</td>
<td>’02–’03</td>
</tr>
<tr>
<td>Your best time yet</td>
<td>’04</td>
</tr>
<tr>
<td>Live Fantasy Imagine Reality</td>
<td>’04</td>
</tr>
<tr>
<td>Live your myth in Greece</td>
<td>’04</td>
</tr>
</tbody>
</table>
2007  Explore Your Senses
2008  The True Experience
Competitiveness

is a relative factor

which is produced through

a benchmark process
Where is Greece Today? (2009)

• International Arrivals: 14,3 mi (estimate)

• Receipts: 10,4 bi. € (estimate)

• World Ranking: 16th in arrivals / 10th in receipts

• Contributes 17% to the GDP

• Contributes 20% to the Employment

• World Ranking in Tourism Competitiveness (TTCI): 24th
Tourism in the future

- New perceptions
- New definitions
- New development model
Inter-sectoral Relationships

Tourism

Accommodation,
Catering, Transportation,
Sightseeing

Demand

Equipment, Entertainment,
Resort Development, Medical Services,
Financial Services, Printing/Publishing,
Ship Building, Aircraft Manufacturing, Security Services,
Education, Wholesalers, Chemicals, F&B Supply
Relationships & Synergies

Sports, Health, Gastronomy, Culture, Education

Accommodation, Catering, Transportation, Sightseeing
More about SETE
and updates to tourism issues and views at:

http://www.sete.gr
http://greektourismblog.com

Thank you for your attention