



## Greek Tourism Confederation's position statements - 2015

### INSTITUTIONAL ISSUES

#### **1. The recent amendments to tourism business licensing procedures are a move in the right direction**

Following recent amendments to the provisions of Law 4276/2014, licensing procedures for tourism accommodation have now been greatly simplified. Major issues from the past have been dealt with. Specific deadlines for issuing the necessary operating permits have been included. It is now also possible to submit applications online to obtain the special operating licence. These changes are a move in the right direction. They have significantly resolved licensing issues for hotels, making the procedure faster and more flexible. This will be a major benefit to anyone in the regions. We consider that these arrangements need to be retained.

#### **2. Sunday openings will help city break tourism grow**

The rapid increase in city breaks, most of which take place over the weekend, and the increased revenues generated by millions of tourists visiting Greece, are major factors affecting the dynamism of Greek tourism.

**The Greek Tourism Confederation (SETE) represents and speaks for as an umbrella organization for all suppliers of Greek tourism. As such we continue to believe that Sunday openings, especially in Athens, Thessaloniki as well as, main tourist destinations, will really contribute greatly in the growth of the entire sector.**

The fact that shops are not open in major cities raises important barriers to the growth of city break products and conference tourism. No other modern European country suffers from this problem.

According to SETE data, over the last 2 years, holiday spending outside of hotels stood at € 157 per person per day. Spending includes sights and entertainment, restaurants and cafes, shopping and other outlays. It's particularly interesting that the Customer Satisfaction Surveys for 2010 to 2013 show that the average percentage of money spent by each guest at the hotel was just 32% of the total amount spent in the city. To further bolster city breaks, which are not based on all-inclusive services, it's essential that visitors have access to all the services they want. The most important of those is -of course- the ability to go shopping.

SETE considers that adopting this measure will enable the local economies of the key Greek tourist destinations to benefit from the rapid rise in tourism, will create new jobs and will foster Greece's image as a modern European country.

### **3. A spatial planning framework for tourism that reflects sustainable development principles**

The spatial planning framework ought to safeguard the precious natural and cultural resources that the growth of Greek tourism is based on. At the same time, it must allow tourism to develop by indicating how the tourism product on offer, can adapt. This can be done by indicating sites for private investments as well as investments in nationally important transport infrastructure such as marinas, regional airports, etc., to meet the modern, constantly changing needs of the intensely competitive international tourism market.

SETE's view is that the current spatial planning framework for tourism is a move in the right direction to a very large degree. Greece's natural and cultural resources have played a fundamental role in the growth of Greek tourism, repeatedly attracting tourists over time. Consequently, the need to safeguard and manage those resources in an environmentally, socially and economically sustainable manner, is of vital importance for the viability and further growth of Greek tourism. Development must reflect the special features and potential of each area and support local entrepreneurialism based on clear-cut principles and rules, while respecting what makes each local area interesting from a cultural, natural, economic and historical viewpoint.

As a modern social partner which is there to help the State on all vital issues affecting the tourism sector, SETE believes that transparent procedures are needed, accompanied by well-substantiated plans for specific areas and the ways in which tourism activities there can be developed, based on the principles of sustainable development, i.e. simultaneous respect for the environment, the economic viability of investments and areas, and integration into local, social and economic life.

#### **3.1. Athens – Thessaloniki Master Plans**

Public consultation has begun on the laws for the new, Athens – Attica and Thessaloniki Master Plans. SETE acknowledges:

- The need to promote and further support tourism via these Master Plans, which are an important tool for stimulating economic growth in urban areas, for creating sustainable employment, and for social cohesion and urban regeneration in the Athens – Attica metropolitan area and the Thessaloniki conurbation.
- The close, fluid relationship between tourism, the natural environment, and the cultural heritage. Protecting and showcasing these are of great importance.
- The need to update planning strategy, to organise and manage space within the Athens – Attica metropolitan area and the Thessaloniki conurbation taking into account existing structures and the potential tourism has, while also having regard to recent development plans, works, reforms and development trends associated with tourism.

With that in mind, SETE considers that new Master Plans for Athens-Attica and for Thessaloniki are reasonable, positive and necessary steps and need to be

promoted immediately. It would also stress their particular importance as central strategy documents for shaping jointly acceptable development goals and guidelines to meet the modern needs and requirements of Athens – Attica and the Thessaloniki conurbation, and for shaping tourism activity in these areas.

#### **4. More effective management of regional airports is essential to develop the tourism experience on offer**

Greece is special in that it offers numerous tourism destinations, especially on its islands. The existence of airports at those destinations, especially if effectively managed, would not only confer a competitive advantage on Greece's economy but would also be something vital in shaping the experience that millions of tourists who visit our country every year have.

A recent tender procedure was held and a contractor selected to manage the country's 16 most important regional airports. Everyone in the tourism sector is awaiting government decisions about how this specific privatisation will be implemented and about future privatisation plans. SETE has made a real contribution, putting forward specific proposals that ensure that the rate of € 14.50 per passenger which applies today will not be increased until infrastructure investments are completed. However, the Confederation will continue to keep a close eye on developments in this sector.

It's vital to improve services at regional airports, primarily for the local economies involved and to support people in the tourism sector working on the islands and in the regions, who will benefit significantly from the increased tourism flows that are expected to come. After the completion of airport upgrades is confirmed, the overall charges specified in the contract will rise to € 20.00 per passenger. That figure is comparable with modern airports in the area around Greece, in Turkey and Southern Europe (in Italy and Spain). Consequently it is not expected to have a negative impact on the rise in tourism that Greece is currently experiencing.

However, a Regulatory Authority does need to be set up and suitably staffed to monitor airport charges. It will check and ensure faithful implementation of the concession agreement and compliance with the investment timeframe. It is more vital than ever to extend the concession period for Athens Airport, which will allow the necessary reduction in charges, while also increasing the quality of services provided. Such a development coupled with modernised, better organised regional airports, will make a decisive contribution to creating a highly competitive Greek air transport market.

#### **5. Intercity bus consortium monopolies**

SETE believes that Greece's intercity bus consortiums need to take all the steps required to improve the services offered, and also need to reduce prices, to modernise and form a completely competitive transport network for Greece.

In this context we believe that the existence of a monopoly for intercity bus consortiums (KTEL) precludes the emergence of a healthy form of competition that would benefit citizens and users of their services.

## **6. Extending archaeological site opening hours is an important step towards growth and development**

Extending the opening hours of Greece's most important archaeological sites and museums, visited by 90% of all tourists to the country, has significantly helped bolster State revenues. It has also improved the quality of Greek tourism, provided better service for cruise liner visitors and made city break destinations more attractive. SETE considers that this is a substantive move that needs to be extended in the same successful way to other archaeological sites in areas of Greece less well known to tourists.

SETE also proposes a bundle of measures for 2015 such as (a) reduced entry fees in the period 1 November to 31 March, and a parallel reasonable increase in the period 1 April to 31 October, (b) full coverage of security services from the additional revenues generated, and (c) reorganising the Archaeological Receipts & Appropriations Fund along the lines of English Heritage, based on a study prepared by SETE and presented to the State.

SETE also proposes that the number of supporting documents required be reduced and that the procedure for using archaeological sites, museums and public foundations such as the Acropolis Museum and the Zappeion Megaron, etc., for conferences and events be simplified. We also consider it vital to improve existing infrastructure, to provide online ticketing and tour guide booking services for all basic markets, and to develop a special pricing policy for conferences, groups, etc. which is expected to contribute to the further growth of top quality services.

## **7. A Development Law that serves as a catalyst for sustainable development in Tourism**

To ensure that private investments are effective in economic and social terms and also promote environmental sustainability, they need to be targeted at specific tourism products based on international standards, and also reflect demand trends that can be seen in the international tourism market. To that end, it's essential to bolster investments focused on quality modernisations and the provision of top class services, generating higher added value, with particular emphasis being placed on investments to develop innovative, sustainable, quality, integrated and targeted products that meet visitor expectations.

Total investments in tourism, whether public or private, are expected to be around € 11.5 billion in the 4-year period 2015-2018. Around € 3 billion of that figure could come from public resources available via the NSRF. Of that around € 1 billion from the NSRF needs to be invested in air transport, essential port and marina infrastructure, and in urban infrastructure. Under those conditions, private sector involvement could be as high as 80% in vital investments in accommodation, catering, and other sectors. That means that every € 1 billion

of public investments would be matched by € 4 billion of private investments; put differently such investments would be made in a 20% to 80% ratio.

The Development Law could stimulate private investments to upgrade accommodation by providing € 2 billion which would be matched by private investments of € 8 billion, or total investments of € 10 billion, while also supporting smaller businesses in the sector which wish to improve the services they offer.

At the same time, the investment law needs to be specifically targeted and must ensure that resources are channelled based on specific criteria, standards and evaluation rules, in specific categories which can be divided up by geographical area. These include:

- Greek-style boutique hotels
- Family and luxury all-inclusive packages, including products and services sourced from the local community
- Renovation of traditional and historical hotels
- Upgrades to rented rooms
- Establishment of catering facilities with specific features such as meze restaurants, traditional taverns, Greek restaurants, places serving Modern Greek cuisine, etc.
- Modernisation of all types of professional tourism craft, marinas, coaches, and functional infrastructure for other tourism sectors (airlines and coastal shipping companies, ground handlers, travel agencies, car rental firms, expo and conference organisers, etc.).

A ministerial decision could be issued specifying that family all-inclusive accommodation, for example, will be given preferential grants provided that after completion it obtains certification in line with the Hellenic Accreditation System specifications via independent inspectors applying specific standards. The relevant rules and mandatory specifications would be laid down by the Ministry of Tourism and a ministerial decision would establish a regime on the eligibility of tourism accommodation based on the provisions of the Development Law. A similar approach could be followed for catering (meze restaurants and other types of eating establishments, etc.) and in other individual sectors of the tourism market.

## **8. A special bank for tourism**

According to a November 2014 European Central Bank survey on SME access to financing, Greece is No. 1 when it comes to the funding gap. Greece has persistently come top of the rankings for businesses declaring that their most important problem is access to financing.

To address the particularly pressing problem of finding funding and liquidity, SETE believes that the proposals it has submitted about the NSRF should be implemented but that Greece's financing structures also need to be extended by creating supplementary financing structures in parallel with the 'systemic' banks.

We propose that a special bank for tourism be set up along the lines of the Austrian Tourismus Bank established in 1947 with the support of the Austrian government as a special purpose vehicle to promote tourism development.

- We propose that the Tourist Bank be a subsidiary of Greece's 4 major commercial banks, possibly with the involvement of SETE, and perhaps also the Austrian Tourismus Bank, with a small shareholding, which would act as a consultant.
- Tourismus Bank has considerable experience. The Bank is involved in around 45% of tourist investments in Austria. It employs a staff of 32, and provides 1,775 loans a year, makes investments of € 843 million, gives € 202 million in loans and provides € 21 million in guarantees.
- The bank would be specialised in financing SME projects. On average these would not exceed € 500,000. The Tourist Bank would undertake to finance SMEs via the European Bank and grants under the Development Law, and would provide consultancy services and online inspections of projects. It would also keep the relevant electronic records.
- The objectives for which the Tourism Bank will be created are:
  - To promote investments by SMEs and improve the quality of services offered.
  - To make SMEs more outward looking.
  - To help companies facing financial difficulties, reorganise.
  - To promote the creation of new tourism businesses.
  - To identify competitive sources of financing for SMEs.
  - To promote innovation in tourism.

## **9. Schengen Area visas**

Visitors travelling within the Schengen Area enjoy certain privileges that make their journeys easier. For many, that fact alone is a key determinant in choosing which country to visit.

Schengen area visas are just a characteristic example of the privileges on offer. That's why SETE has proposed that it's essential to set a target to ensure that 50% of all Schengen Area visas issued must be multiple entry visas. To achieve that target, we propose that visitors coming to Greece for a second time be given a 1-year entry visa, and visitors coming to Greece for a third time be given a 3-year entry visa, provided of course that the necessary terms and conditions are met.

The benefits for the intermediary providing the visas should be clearly stated to ensure better promotion of Greece and its tourism products. These could include:

- a. 10% of revenues from visas per country being paid to the Greek State for general promotion of Greece and its tourist destinations.
- b. Paying an additional 2.5% of the provider's revenues from visas from each country to Marketing Greece S.A. to provide targeted marketing of our tourist product in each country, with an obligation on the provider to contribute the same amount.

We also propose that Greek tourist products should be promoted at all visa centres.