ASSOCIATION OF GREEK TOURIST ENTERPRISES

Greek Tourism 2010

Strategy and Goals

ATHENS 2002

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FOREWORD

It is well known that the lack of tourist policy holds a ruling place among the many and lasting problems of tourism in our country. The problem becomes more intense, due to the growing importance of tourism for the Greek Economy and Society. Despite all the reassuring of political officials of tourism it hasn't been possible, up to now, to plan as a country, a long term policy on tourism.

Believing that it is absolutely necessary to reevaluate and examine issues pertaining to the tourist sector, SETE organized on February 2002, a conference titled: "Tourism and Development: A strategic approach." A deep concern on Greek tourism developed during our conference, within the framework of which, proposals were made, which formed the object of an unofficial, but fruitful dialogue.

The study: "Greek Tourism 2010: Strategy and Goals " is one more contribution of SETE to this dialogue. We examine Greek Tourism during the period 1990-2000, we set goals and suggest strategies for 2010, contributing in this way to the effort for long term planning for our tourism.

It is absolutely necessary, in order to succeed in materializing all policies and actions, for the public and private sector to cooperate, where each is obliged to play its own clear role. The State has the responsibility to decide, is obliged to plan, to set the rules, and to make sure they are implemented. The private sector is responsible for the business activities, which will implement tourist policy, by investing and maximizing the benefits for the National Economy. At the same time, it is obliged unanimously, to pass on its valuable business point of view to the State.

Submitting this research to your judgment, I wish to thank Kalofolias Group SA. and especially Mr. George Kalofolias, for the kind sponsoring of this publication.

Stavros Andreadis
Chairman of the Board of Directors

May 2002

SUMMARY

Greek Tourism must target at 19.4 million arrivals and US$15 billion receipts by the year 2010. This means that Greece will raise its market share, for Europe from 3% in 2000, to 3.68% in 2010, and in the world market from 1.87% to 1.92%.

With a rising tendency for short-duration holidays, and given the time-distance-disadvantage of our country from the main tourist generating-countries, the average length of stay, should remain at today's level of 10 days.

To support the desired growth of demand until 2010, 128,000 new hotel beds will be needed, which will contribute to the improvement of quality of the Greek Hotels.

Attracting tourists, of a higher income level than the current, is expected to raise per capita expenditure from US$737 in 2000, to US$773, in 2010.

These goals are attainable **only** in the case that our country moves immediately towards the development of a series of supportive tourist infrastructure, which will benefit the development of special forms of tourism and will smoothen the intense seasonality that characterizes the demand for our country.

By the year 2010 Greece should target at 45 golf courses, 15 autonomous conference/congress centers, 24 thalassotherapy centers, and 42 marinas. These goals are ambitious but not unattainable.

Improvement of the investment climate, through substantial amendments and simplification of the Development Law, attracting foreign investments, continuous renovations to all tourist enterprises, intensity of promotion of Greek tourism, all in connection with the Olympic Games in 2004, are the main strategic axes, to realize these goals, with of course, the constant dedication to quality and more value for money.

CONTENTS

TABLES

FIGURES

ABBREVIATIONS

ACE:	Average per Capita Expenditure
CTO:	Cyprus Tourism Organisation
GNTO:	Greek National Tourism Organisation
HCH:	Hellenic Chamber of Hotels
IOVE:	Foundation for Economic & Industrial Research
NSSG:	National Statistic Service of Greece
RIT:	Research Institute for Tourism
TYD:	Turkish Tourism Investors Association
WTO:	World Tourism Organisation
WTTC:	World Travel and Tourism Council

AIM OF THE STUDY

The aim of this study is to record in a concise and simple way, the tendency in basic variables of Greek tourism during the period 1990-2000, to set goals, and suggest new strategic directions for the year 2010.

At the same time it hopes to bring long term planning awareness, to everyone involved in tourism in Greece.

METHODOLOGY AND RESEARCH LIMITATIONS

The effort of goal-setting and strategic approach for Greek tourism in view of 2010, was based mainly on performance of the decade 1990-2000, combined with today's situation and immediate perspective (3rd EU Community Support Framework, Olympic Games 2004)

The study records and analyzes basic data and tendencies of Greek Tourism. Continuing, it moves on to comparisons with competitive countries. The analysis and comparison refer to the period between 1990-2000. Strategic directions suggested for Greek tourism, towards 2010, are the main results of the SETE conference "Tourism and Development: A Strategic Approach", February 2002. Goal setting for 2010 is based on assumptions and hypotheses stated in the relevant chapter.

The choice of variables was made based, on one hand, on the availability of data, and on the other, that chosen variables are used, and are accepted by all countries internationally (with the exception of receipts). The basic unit chosen for the measurement of demand, was the variable "arrivals" and throughout the text it means "international arrivals." Arrivals in Greece include economic immigrants as well. An effort to exclude Albanians should be followed by an effort to exclude Moroccans for Spain, exclude Sudanese for Egypt etc. For comparability reasons, statistics are used exactly as they are officially stated.(April 2002).

To measure supply, the variable "hotel bed" is used. This does not in any way, diminish, or ignore data for supply in other activities, besides that of hotels. It is only a matter of statistical support and comparability.

The choice of countries was made either by "product" (same or similar) criterion, or/and the "market" criterion (from which market does each country attract its visitors).

It is obvious that a full analysis of tourist activities requires many more variables than those examined in this study. The overall problems of lack of statistical data, and more important the fact that data are incomparable, makes it very difficult if not impossible, to make a full and completely comparative recording.

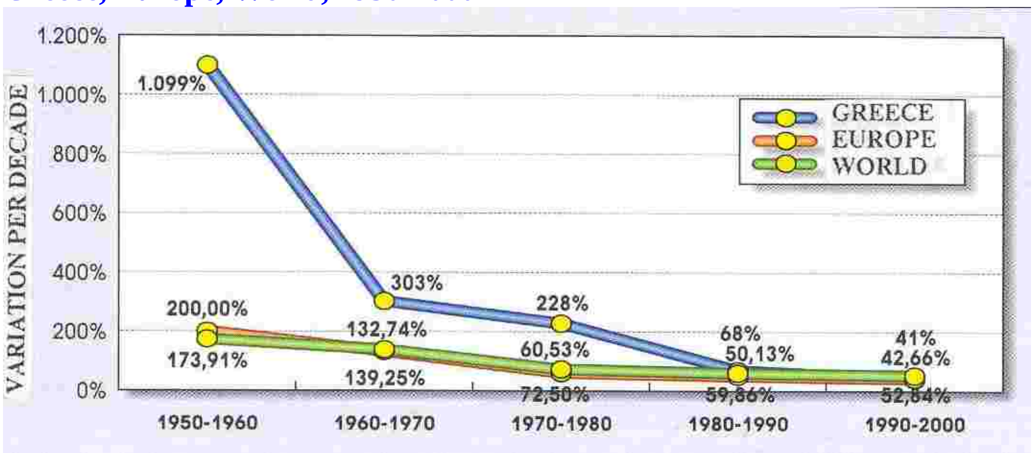
A. DEVELOPMENT OF GREEK TOURISM (1950-2000)

Up until 1990 tourist development in Greece was faster than in the rest of Europe and the world. During the decade 1990-2000, though we notice that the decline in the arrival growth rate, is bigger in Greece than in Europe and the world.
This signals the fact that Greece is already a "mature" tourist destination –within the product life cycle concept-, which is facing the risk of entering a stagnation period, which will of course be followed by a decline one, of unknown duration, unless it there is some drastic action.

Table 1: Arrivals in Greece, Europe, World, 1950-2000

	World (in millions)	Variation per decade	Europe (in millions)	Variation per decade	Greece (in thousands)	Variation per decade
1950	25,3		16,8		33,3	
1960	69,3	174,11%	50,4	199,70%	399,4	1098,33%
1970	165,8	137,25%	117,3	133,01%	1.609,2	302,87%
1980	286,0	72,50%	188,3	60,50%	5.271,1	227,56%
1990	457,2	59,86%	282,7	50,13%	8.873,0	68,33%
2000	698,8	52,84%	403,3	42,66%	12.500,0	40,88%
Source: WTO,G NTO						

Figure 1: Percentage Arrival Growth by decade, Greece, Europe, World, 1950-2000



Arrivals and Receipts

In the average annual change of arrivals for the 1990-2000 period, is 3.5% while the respective of receipts for the same period is around 14%. The difference in the growth rates is not due to the fact that actual per capita spending has improved,(and of course, by no means is the increase of the average length of stay), but mainly due to the fact that the way tourist receipts is calculated has changed. This is obvious between the years 1996-1997, when, while we have a rise of 9% in arrivals, the respective rise in receipts is 38%. For 1998, the receipts from tourism according to WTO, that is according to data provided by our country, was US$ 5,182 mi., after the initially stated amount of US$ 3,925 mi. and after that corrected to US$ 4,050 mi., to close at US$ 6,18 bi. (see ECONOMICOS TAHYDROMOS, 15 Sep 2001,page 40).
For 2000, if we accept receipts be accurate, we come up with US$ 738 average per capita expenditure. With an average length of stay of approximately 10 days, we have an average daily per capita expenditure of approximately US$ 74 .

Table 2: Development of Arrivals, Receipts, and ACE in Greece, 1950-2000

YEAR	ARRIVALS	RECEIPTS (in million dollars)	ACE (dollars)
1950	33.000	4,7	141
1960	399.000	49,3	141
1970	1.609.000	193,6	155
1980	5.271.000	1.733,5	361
1990	8.873.000	2.586,8	292
1991	8.036.000	2.567,4	319
1992	9.331.000	3.271,8	351
1993	9.413.000	3.335,1	354
1994	10.642.000	3.904,9	367
1995	10.130.000	4.136,3	408
1996	9.233.000	3.723,1	403
1997	10.070.000	5.151,3	512
1998	10.916.000	6.188,2	567
1999	12.164.000	8.781,9	722
2000	12.500.000	9.221,1	738
Source: GNTO, Bank of Greece, NSSG			

Figure 2: Development of Arrivals and Receipts, Greece 1950-2000

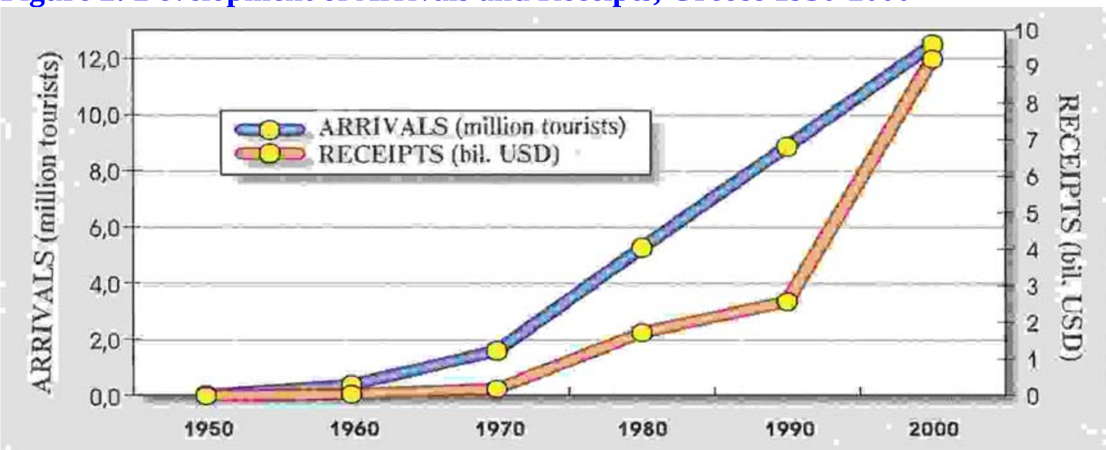
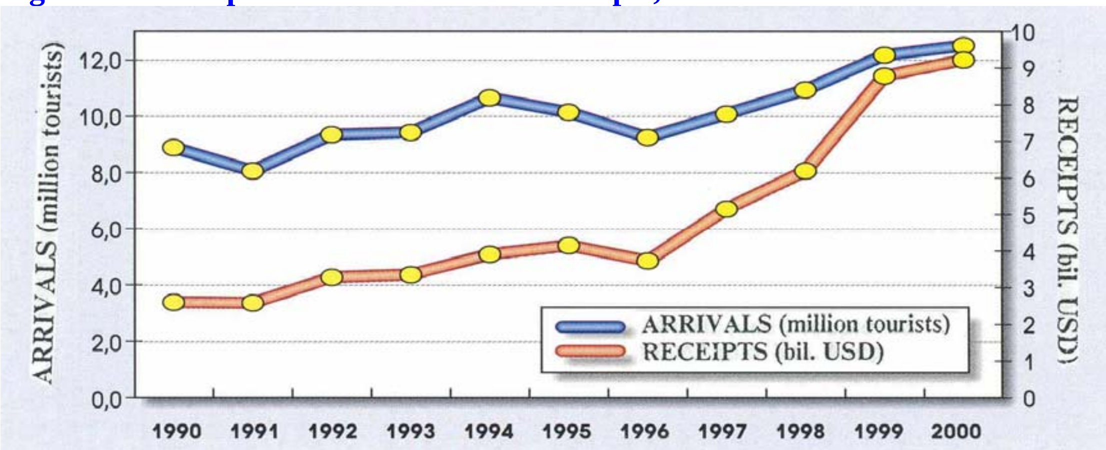


Figure 3: Development of Arrivals and Receipts, Greece 1990-2000



Evolution of Hotel Beds supply

The Hotel supply from 423,660 beds in 1990, increased to 593,990 in 2000, that is 170,330 beds more, or a percentage rise of 40%. However, the majority of beds added, are B and C class (22,828 + 68,752 = 91580, compared to 15,886 +55,489 =71,375 of AA and A class). Percentage wise, though, we have an improvement in AA and A classes from 27,04% of the bed total, in 1990, to 31.30% in 2000. This image is fictional where quality is concerned, given that the effective criteria in categorizing up to 2000 did not include quality variables. The transition to the star classification system, (if it finally happens), is expected to record, in a rational way the quality dimensions of Greek hotels, provided that it will have a specific development goal and will not be affected by anachronistic perceptions.

Table 3: Evolution of Hotel Beds supply, Greece, 1990-2000

1990	HOTELS	%	ROOMS	%	BEDS	%
AA	45	0,70%	10.718	4,77%	20.231	4,78%
A	470	7,32%	50.163	22,31%	94.293	22,26%
B	1.571	24,46%	64.591	28,72%	122.269	28,86%
C	2.722	42,38%	75.511	33,58%	140.662	33,20%
D	948	14,76%	15.742	7,00%	29.998	7,08%
E	667	10,38%	8.157	3,63%	16.207	3,83%
TOTAL	**6.423**	100,00%	**244.882**	100,00%	**423.660**	100,00%
2000	**HOTELS**	**%**	**ROOMS**	**%**	**BEDS**	**%**
AA	83	1,03%	18.686	5,97%	36.117	6,08%
A	792	9,81%	78.816	25,18%	149.782	25,22%
B	1.499	18,57%	76.207	24,35%	145.097	24,43%
C	4.027	49,88%	111.501	35,62%	209.414	35,26%
D	1.080	13,38%	19.386	6,19%	36.882	6,21%
E	592	7,33%	8.397	2,68%	16.698	2,81%
TOTAL	**8.073**	100,00%	**312.993**	100,00%	**593.990**	100,00%

Source: Hellenic Chamber of Hotels

As far as average figures are concerned despite the small rise, the majority of units, remain very small enterprises, with whatever consequences, that entails.

Table 4: Average Size of Hotels (beds) per category, Greece 1990 and 2000

Hotel category	1990	2000
AA	450	435
A	201	189
B	78	97
C	52	52
D	32	34
E	24	28
TOTAL	66	74

Source: Hellenic Chamber of Hotels

Spatial Distribution of Hotel Supply

In 1990, three regions, Central Greece, Crete and the Dodecanese, accounted 57% for the total supply in Hotel beds. The percentage declined to 53% in 2000. The decline is due exclusively to the lesser attraction of Athens/Attica as a tourist destination. On the contrary, Crete and the Dodecanese continued to add beds. Crete raised by 53% (from 76,095 to 116,513 beds) and the Dodedanese 50% (from 69,829 to 105,036 beds). The Peloponese, Thessalia/Sporades and Thrace, lowered their percentage contribution, while the rest of the regions showed very small rises. The progress of regional distribution of Hotel beds in general, does not contribute to the extent it could-to a more even regional development. The main reason for that, is the lack of long term planning for tourist development.

Table 5: Spatial Distribution of Hotel Supply, Greece, 1990-2000

1990	Area Total			Area Total		
Area	Hotels	Rooms	Beds	Hotels	Rooms	Beds
Central Greece	1.321	50.995	95.509	20,57%	22,68%	22,54%
Peloponese	623	19.217	36.335	9,70%	8,55%	8,58%
Ionian islands	513	21.375	40.403	7,99%	9,50%	9,54%
Epirus	137	3.604	6.818	2,13%	1,60%	1,61%
Aegean islands	283	6.708	12.679	4,41%	2,98%	2,99%
Crete	1.093	40.601	76.095	17,02%	18,05%	17,96%
Dodecanese	732	37.066	69.829	11,40%	16,48%	16,48%
Cyclades	598	11.400	21.845	9,31%	5,07%	5,16%
Thessaly-Sporades	406	9.314	17.700	6,32%	4,14%	4,18%
Macedonia	655	22.538	42.596	10,20%	10,02%	10,05%
Thrace	62	2.064	3.851	0,97%	0,92%	0,91%
Total	6.423	224.882	423.660	100,00%	100,00%	100,00%
2000	**Area Total**			**Area Total**		
Area	**Hotels**	**Rooms**	**Beds**	**Hotels**	**Rooms**	**Beds**
Central Greece	1.260	49.626	93.325	15,61%	15,86%	15,71%
Peloponese	612	21.757	41.524	7,58%	6,95%	6,99%
Ionian islands	738	34.658	66.488	9,14%	11,07%	11,19%
Epirus	192	4.992	9.643	2,38%	1,59%	1,62%
Aegean islands	390	10.935	20.948	4,83%	3,49%	3,53%
Crete	1.306	61.887	116.513	16,18%	19,77%	19,62%
Dodecanese	975	55.368	105.036	12,08%	17,69%	17,68%
Cyclades	841	18.992	36.397	10,42%	6,07%	6,13%
Thessaly-Sporades	489	12.413	23.730	6,06%	3,97%	4,00%
Macedonia	1.196	39.857	75.637	14,81%	12,73%	12,73%
Thrace	74	2.508	4.749	0,92%	0,80%	0,80%
Total	8.073	312.993	593.990	100,00%	100,00%	100,00%

Source: Hellenic Chamber of Hotels

Seasonality of Tourist Demand

It is impressive that in the past decade, during the trimester July, August and September, more than 50% of the annual arrivals come steadily in that period of time. Any efforts to smoothen the seasonality has had no effect, either because of lack of continuance, or consistency or –and primarily that- because they were not based on differentiation/enrichment of the product.

The continuation of this situation intensifies the problem of endurance of the infrastructure during the high season, and lowers the return on investments.

Table 6: Monthly % Distribution of Arrivals, Greece, 1990-2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999*	2000*
JANUARY	1,27%	1,12%	1,07%	1,15%	1,34%	1,32%	1,47%	1,65%	1,48%	1,50%	1,58%
FEBRUARY	1,31%	1,08%	1,12%	1,13%	1,18%	1,23%	1,27%	1,55%	1,31%	1,46%	1,45%
MARCH	3,40%	3,19%	2,15%	2,05%	2,20%	2,30%	2,84%	2,67%	2,20%	2,85%	2,66%
APRIL	7,18%	4,23%	5,81%	5,54%	5,47%	6,45%	5,82%	5,22%	5,31%	5,24%	5,73%
MAY	12,02%	10,74%	12,17%	11,79%	12,56%	12,06%	11,21%	11,31%	10,83%	11,08%	10,96%
JUNE	13,38%	12,92%	14,29%	13,12%	13,91%	13,78%	13,38%	13,91%	13,78%	13,72%	14,25%
JULY	18,46%	19,87%	19,18%	19,07%	18,61%	17,64%	17,60%	18,37%	19,25%	18,67%	N.A.
AUGUST	18,83%	20,27%	19,77%	19,78%	18,84%	18,26%	18,70%	18,57%	18,87%	18,81%	N.A.
SEPTEMBER	13,35%	14,31%	14,11%	14,60%	14,45%	14,87%	15,43%	14,41%	14,61%	14,06%	N.A.
OCTOBER	6,88%	7,73%	6,83%	8,12%	8,05%	8,41%	8,52%	8,29%	8,42%	8,48%	N.A.
NOVEMBER	2,25%	2,61%	1,89%	1,96%	1,83%	1,94%	2,18%	2,31%	2,13%	2,17%	N.A.
DECEMBER	1,66%	1,93%	1,60%	1,69%	1,55%	1,74%	1,60%	1,74%	1,80%	1,97%	N.A.
TOTAL	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	

Table 7: Quarterly % Distribution of Arrivals, Greece, 1990-2000

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999*	2000*
JAN-MAR	5,99%	5,38%	4,35%	4,33%	4,72%	4,85%	5,58%	5,87%	4,99%	5,81%	5,69%
APR-JUN	32,59%	27,89%	32,27%	30,45%	31,94%	32,29%	30,40%	30,44%	29,93%	30,05%	30,95%
JUL-SEP	50,64%	54,45%	53,06%	53,44%	51,91%	50,77%	51,72%	51,35%	52,73%	51,54%	N.A.
OCT-DEC	10,78%	12,27%	10,32%	11,78%	11,43%	12,10%	12,30%	12,33%	12,36%	12,61%	N.A.
TOTAL	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

Source: GNTO, NSSG, N.A.: No available data, (: provisional data)*

SETE and its members.

Founded in 1992, **SETE** focuses to serve the most dynamic enterprises in the field of tourism. Its main goal is the continuous quality improvement and increase of competitiveness of the Greek tourism. SETE is administered by a 19-member Board, which reports to the General Assembly. The Association's policy is implemented by its executives and its action is supported by field experts.

SETE acts as a vehicle that intervenes dynamically as it supports and promotes the business principles of its members. It targets the problems that relate to the economic, social and environmental importance of tourism and propose immediate and enforceable solutions to government, local authorities and the public and private sector.

Its members are enterprises covering the whole spectrum of both direct and indirect tourist activities. These enterprises are committed to quality services, to the protection of the environment and to the promotion of Greek culture.

The Members of SETE

- participate in the formation of proposals and positions in tourism policy issues;
- are informed timely on the developments within the tourism sector;
- are promoted in the Greek and foreign press;
- have full use of the Association's archives and data bases.
- enjoy special rates for subscriptions, participation in trade fairs, etc.

SETE members through their participation and representation in commitees, meetings and general assemblies present and promote their views to high level state officials, thus influencing key tourism policy decisions.

The cross - sectoral and interregional representation of SETE members ensures a convergent and constructive view on tourism issues.

SETE - FACTS & FIGURES

HOTEL STOCK

Hotels	Rooms	Beds	*Employment positions*
160	36,745	66,927	16,668

TRAVEL AGENTS

Incoming Tourism Agents	38
Outgoing Tourism Agents	8
T.O. Representatives	5
Conference Organizing Bureaus	11
Adventure Tourism	2
Time Sharing Company	2
Employment positions	*1.621*

TRANSPORTATION

Aircraft	69
Coaches	314
Rental Cars	7.325
Cruise Ships	14
Yachts	1.605
Leisure Ports	8
Mooring Positions	2.701
Employment positions	*11,751*

TOURISM RELATED ENTERPRISES

Tourism and Hospitality Schools	5
Hotel Equipment Manufactures	11
Banks	6
Consulting/ Development Companies	5
Tourist Related Publications	7
Conference and Exhibition Organizers	8

B. COMPARISON WITH COMPETITOR COUNTRIES

An effort has been made, in this chapter to make a comparison between Greece and some of its competitor countries. Despite overall problems of the statistical comparison, some specific comparisons, and basically the recording of tendencies, will help in concluding useful comments.

Continuing, some basic tourist data is being compared among the following countries: Spain, Turkey, Cyprus, Portugal, Egypt, and of course Greece.

Arrivals and Receipts

Greece and Spain have the same development growth rate (and lower than the rest), a fact that can be justified since both destinations have reached a maturity stage.

Turkey and Egypt are developing faster since both destinations are still in a relatively young age.

Cyprus, because of size, is a special case, and finally, Portugal presents a higher development rate as a "younger age" tourist destination.

In the following table, arrivals and receipts from tourism are recorded for each country. Unfortunately, different methodology used – as far as receipts is concerned- does not allow for the conclusion of safe results, neither for the temporal change, nor for the average per capita spending.

Apart from the Greek case, which has already been mentioned, Turkey also shows strange fluctuations: In 1997, average per capita spending was US$ 894 while in 2000, US$ 732. Irrespective of the decline, Turkey is a country with the lower cost of living, - with the exception of Egypt- than the rest of the countries compared, and with substantially lower prices in mass tourism packages. How is then the relatively high average per capita expenditure justified?

Table 8: Development of Arrivals and Receipts, Greece and Competitors, 1990-2000 (Arrivals in '000, receipts in Millions US $)

	SPAIN			TURKEY			CYPRUS			PORTUGAL			EGYPT			GREECE		
YEAR	ARRIVALS	RECEIPTS	ACE	ARRIVALS	RECEIPTS	ACE	ARRIVALS	RECEIPTS	ACE	ARRIVALS	RECEIPTS	ACE	ARRIVALS	RECEIPTS	ACE	ARRIVALS	RECEIPTS	ACE
1990	37.441	18.593	497	4.799	3.225	672	1.561	1.258	806	8.020	3.555	443	2.411	1.994	827	8.873	2.587	292
1991	38.539	19.004	493	5.158	2.654	515	1.385	1.026	741	8.657	3.710	429	2.112	2.029	961	8.036	2.567	319
1992	39.638	22.181	560	6.549	3.639	556	1.991	1.539	773	8.884	3.721	419	2.944	2.730	927	9.331	3.272	351
1993	40.085	19.425	485	5.904	3.959	671	1.841	1.396	758	8.434	4.102	486	2.291	1.332	581	9.413	3.335	354
1994	43.232	21.853	505	6.034	4.321	716	2.069	1.700	822	9.132	4.087	448	2.356	1.384	587	10.642	3.905	367
1995	34.920	25.388	727	7.083	4.957	700	2.100	1.788	851	9.511	4.339	456	2.871	2.684	935	10.130	4.136	408
1996	36.221	26.690	737	7.966	5.962	748	1.950	1.669	856	9.730	4.265	438	3.528	3.204	908	9.233	3.723	403
1997	39.553	26.651	674	9.040	8.088	895	2.088	1.639	785	10.172	4.619	454	3.656	3.727	1.019	10.070	5.151	512
1998	43.396	29.839	688	8.960	7.809	872	2.223	1.696	763	11.295	5.302	469	3.213	2.565	798	10.916	6.188	567
1999	46.776	32.497	695	6.893	5.203	755	2.434	1.878	772	11.632	5.131	441	4.490	3.903	869	12.164	8.782	722
2000	48.200	31.197	647	10.428	7.636	732	2.686	1.819	677	12.096	6.204	513	5.506	4.300	781	12.500	9.221	738
V (00/90)	28,7%			117,3%			72,1%			50,8%			128,4%			40,9%		
FYG	3,5%			8,1%			5,6%			4,2%			5,6%			3,5%		

Sources: NSSG/GNTO, Bank of Greece, WTO, CTO, TYD, DGT, Andersen

FYG: Flat Yearly Growth

Arrivals and Hotel Beds

The correlation of the percentage increase of beds and arrivals growth rate, shows significant differences between countries. Cyprus, Portugal and Egypt showed bigger change in arrivals in relation to beds, Greece and Spain showed the same percentage and only Turkey succeeded in a bigger percentage increase in beds in relation to the change in arrivals.

Table 9: Development in Arrivals/Beds, Greece and Competitors, 1990-2000 (Arrivals in '000)

	SPAIN		TURKEY		CYPRUS		PORTUGAL		EGYPT		GREECE	
	Arrivals	Beds	Arrivals	Beds	Arrivals	Beds	Arrivals	Beds	Arrivals	Beds	Arrivals	Beds
1990	37.441	929.533	4.799	164.980	1.561	51.774	8.020	179.337	2.411	101.469	8.873	438.355
1991	38.539	972.808	5.158	192.386	1.385	56.859	8.657	188.501	2.112	105.690	8.036	459.297
1992	39.638	998.816	6.549	212.902	1.991	62.986	8.884	190.892	2.944	109.820	9.331	475.799
1993	40.085	1.009.241	5.904	228.641	1.841	67.494	8.434	198.862	2.291	116.531	9.413	486.439
1994	43.232	1.132.350	6.033	258.580	2.069	74.846	9.169	202.442	2.356	120.854	10.642	508.505
1995	34.920	1.074.017	7.083	280.463	2.100	77.259	9.511	204.051	2.871	128.957	10.130	533.812
1996	36.221	1.087.529	7.966	301.524	1.950	83.537	9.730	208.205	3.528	140.741	9.233	548.785
1997	39.553	1.102.424	9.040	313.298	2.088	83.288	10.172	211.315	3.656	150.986	10.070	561.068
1998	43.396	1.121.217	8.960	314.215	2.223	85.161	11.295	215.572	3.213	166.817	10.916	576.876
1999	46.776	1.282.013	6.893	319.313	2.434	84.173	11.632	216.828	4.490	187.284	12.164	584.973
2000	48.201	1.215.290	10.428	404.300	2.686	85.303	12.096	222.958	5.506	213.898	12.500	593.990
V00/90	29%	31%	117%	145%	72%	65%	51%	24%	128%	111%	41%	40%

Sources: Andersen, NSSG/GNTO, WTO, Hotel Chamber of Spain, TYD, CTO, DGT, Hotel Union of Egypt, Hellenic Chamber of Hotels

Figure 4a: Development of Arrivals, Greece-Spain, 1990-2000

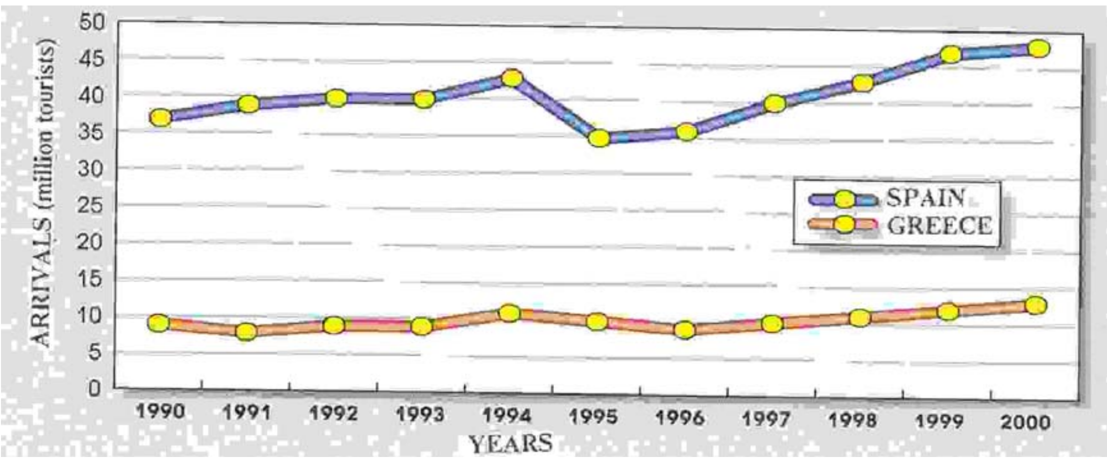
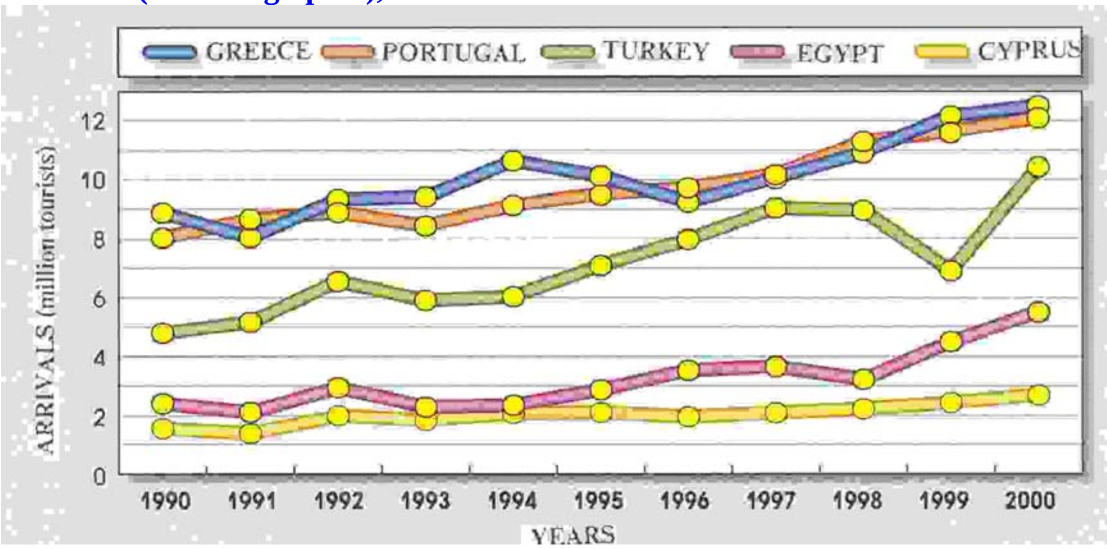


Figure 4b: Development of Arrivals, Greece and Competitors (excluding Spain), 1990-2000



Greece has –by far- the smallest average size in hotel units, in all categories excluding that of luxury hotels.

Table 10: Average Hotel Size, Greece and Competitors, 2000

	SPAIN	TURKEY	CYPRUS	PORTUGAL	EGYPT		GREECE
5*	355	607	456	482	347	**AA**	435
4*	318	283	239	277	301	**A**	189
3*	218	170	116	155	187	**B**	97
2*	77	86	66	108	102	**C**	52
1*	49	88	47	78	73	**D**	34
						E	28
TOTAL	156	185	146	204	217		74

Sources: Hoteliers Union of Spain, TYD, CTO, DGT, Hotel Union of Egypt, Hellenic Chamber of Hotels

Spatial Concentration of Hotel Supply

A common characteristic for all countries, is the fact that the majority of tourist activity, as it is expressed by the spatial concentration of Hotel beds, is in three regions. Because of size, Cyprus must be excluded from the comparison. The concentration ratios for all countries shows: High dependence on tourism, by some area, but simultaneously possibilities for growth for the rest.

Table 11: Concentration of Hotel Beds, Greece and Competitors, 2000

	% beds to the total in three regions	other regions
SPAIN*		
Balearid islands	24%	
Catalonia	18%	
Andalousia	14%	
TOTAL	**56%**	44%
TURKEY		
Antalya	41%	
Mugla	15%	
Instabul	14%	
TOTAL	70%	30%
PORTUGAL		
Algarve	39%	
Lisboa	24%	
Madeira	10%	
TOTAL	73%	27%
EGYPT		
Red Sea coast, South Sina, Sharm el Sheikh, Tampa, Newyempa	23%	
Dahab	15%	
Cairo	14%	
TOTAL	52%	48%
GREECE		
Crete	20%	
Dodecanese	18%	
Central Greece	16%	
TOTAL	53%	47%

*spatial concentration in Spain and Egypt applies to rooms.

**1999 data

Sources: Egyptian Federation of Tourist Chambers, Hellenic Chamber of Hotels, Hotel Union of Spain, TYD, CTO, INE-Portugal

Seasonality of Tourist Demand

One of the most important problems of Greek Tourism is the intense seasonality of demand. This problem, at least, shows the existing development potential. What must stop of course, is wishing for a 12month tourist season, with the development of every type and kind of tourism and at the same time to aim initially, at the prolonging of the season by the development of congress/exhibition infrastructure, golf, thalassotherapy, and marinas.

Let's follow now the seasonality in Greece and its competitors.

Table 12: Monthly % distribution of Arrivals, Greece, 1999, and Competitors, 2000

	SPAIN	TURKEY	CYPRUS	PORTUGAL	EGYPT	GREECE
Year:	**2000**	**2000**	**2000**	**2000**	**2000**	**1999**
JANUARY	4,35%	3,20%	2,37%	5,31%	6,78%	1,50%
FEBRUARY	4,75%	3,40%	3,25%	4,79%	7,35%	1,46%
MARCH	6,15%	4,18%	5,04%	5,30%	9,61%	2,85%
APRIL	9,07%	6,92%	8,26%	10,50%	9,89%	5,24%
MAY	8,41%	9,47%	11,14%	8,34%	7,49%	11,08%
JUNE	9,75%	10,36%	11,24%	7,82%	7,38%	13,72%
JULY	13,31%	14,64%	13,49%	10,49%	9,19%	18,67%
AUGUST	13,19%	13,62%	13,28%	15,75%	9,38%	18,81%
SEPTEMBER	10,92%	13,13%	12,28%	9,35%	8,20%	14,06%
OCTOBER	9,51%	11,31%	11,19%	8,80%	9,04%	8,48%
NOVEMBER	5,52%	5,71%	4,97%	6,25%	8,76%	2,17%
DECEMBER	5,07%	4,05%	3,49%	7,30%	6,92%	1,97%

Sources: INE-Spain, TYD, CTO, DGT-Portugal, Hotel Chambers of Egypt, GNTO

Figure 5: Monthly % distribution of Arrivals, Greece, 1999, and Competitors, 2000

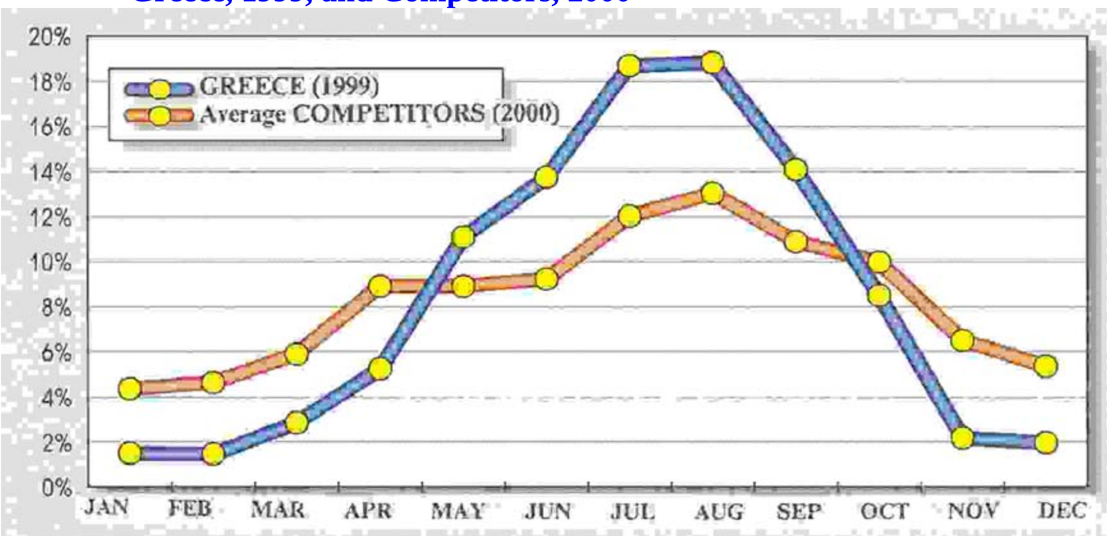


Table 13: Quarterly % Distribution or Arrivals, Greece, 1999, and Competitors, 2000

	SPAIN	TURKEY	CYPRUS	PORTUGAL	EGYPT	GREECE
JAN-MAR	15,25 %	10,78%	10,66%	15,40%	23,74%	5,81%
APR-JUN	27,24 %	26,74%	30,64%	26,66%	24,76%	30,05%
JUL-SEP	37,42 %	41,39%	39,05%	35,59%	26,77%	51,54%
OCT-DEC	20,10 %	21,07%	19,65%	22,35%	24,73%	12,61%
Source: INE-Spain, TYD, CTO, DGT-Portugal, Hotel Chamber of Egypt, GNTO						

Supportive tourist infrastructure

There are important qualitative and quantitative differences also, observed at a supportive tourist infrastructure level, that is in conference centers, marinas, golf courses, thalassotherapy centers etc. This data, differentiate quality-wise the composition of the tourist product, contributing in the smoothing of the seasonality, and have obviously higher returns.

Table 14: Special Tourist Infrastructure, Greece and Competitors, 2000

	SPAIN	TURKEY	CYPRUS	PORTUGAL	EGYPT	GREECE
Golf Courses	254	10	2	55	12	4
Conference centers*	46	6	2	44	1	9
Thallaso centers	89	31	5	42	2	5
Marinas	260	15	2	17	2	15
*exclusively conference grounds						
Source: Andersen						

C. STRATEGY AND GOALS FOR 2010

Strategic Directions

Taking all of the above into consideration, we feel it is necessary to move towards a development approach, set goals and plan new strategies for Greek Tourism, for the period until 2010.
Greek Tourism as a driving development lever, of the Greek Economy, is obliged to maximize revenue and employment levels, within, of course, a framework of protection of the natural and cultural environment.
We envision a controlled tourist development, which will aim to higher returns, with parallel increase of the number of arrivals and overnights and better spatial and temporal distribution of the tourist activities.
The improvement of the investment climate by substantial amendments, and simplification of the procedures of the Development Law, attracting foreign investments, constant modernization of all tourist businesses, intensity of promotion of Greek Tourism linked to the Olympic Games 2004, are the main strategic axes towards reaching these goals, while, of course, concentrating on quality and value for money.

Targets for 2010

Arrivals-Receipts

In our effort to set an arrivals target for 2010, let's first examine various approaches, until today.
On the part of the International Organizations: The WTTC (2001) predicted a 2.3% growth rate, which it reevaluated at 4.7% (2002). The WTO predicts an annual growth rate of 2%. This means that we expect between 15.2 and 19.7 million arrivals, for 2010.
In 2010 we will have 17.6 million tourists, if we assume an annual arrival growth rate of 3.5 for the same period (2000-2010), (as high as we had the past decade).
The Research Institute for Tourism (Greece), in its study on the impact of the Olympic Games 2004 on Greek Tourism, concludes that "scenarios concerning the anticipated increase in foreign tourist arrivals, set an estimate range which in the best case, will be approximately 500 thousand more arrivals every year from 1998 until 2010. This means approximately 17.5 million arrivals in 2010.

The Foundation for Economic and Industrial Research (Greece), following a different approach, estimates an arrival growth rate of 6.7% between 2003-2009. In this case and if we assume for the years 2001 and 2002 constant growth rate of 3.5%, this means more than 21 million arrivals in 2010.
A conservative optimistic scenario allows the assumption/goal setting, for a development growth rate of 4.5% precluding the Olympic Games 2004 success, and hoping in a minimal investment activity. If we are to accept the strategic choice for quality improvement of incoming tourism then the growth rate of receipts should be a little higher than that of arrivals, so let's set a goal at 5%.

Therefore, the goals for 2010 are at 19.4 million arrivals and US$15 million in receipts.

Table 15: Estimations and targets for arrivals and receipts, Greece, 2010

	WTTC 2001	WTTC 2002	WTO	STABLE*	ARRIVALS TARGET	RECEIPTS TARGET (in millions USD)
Yearly variation	2,3%	4,7%	2,0%	3,5%	4,5%	5,0%
2000	12.500.000	12.500.000	12.500.000	12.500.000	12.500.000	9.221
2001	12.787.500	13.087.500	12.750.000	12.937.500	13.062.500	9.682
2002	13.081.613	13.702.613	13.005.000	13.390.313	13.650.313	10.166
2003	13.382.490	14.346.635	13.265.100	13.858.973	14.264.577	10.674
2004	13.690.287	15.020.927	13.530.402	14.344.038	14.906.483	11.208
2005	14.005.163	15.726.911	13.801.010	14.846.079	15.577.274	11.769
2006	14.327.282	16.466.076	14.077.030	15.365.692	16.278.252	12.357
2007	14.656.810	17.239.981	14.358.571	15.903.491	17.010.773	12.975
2008	14.993.916	18.050.260	14.645.742	16.460.113	17.776.258	13.624
2009	15.338.776	18.898.622	14.938.657	17.036.217	18.576.189	14.305
2010	15.691.568	19.786.858	15.237.430	17.632.485	19.412.118	15.020

**Stable and equal to the development rate 3.5% of the period 1990-2000*

Let’s check the arrival target, examining Greece’s market share in Europe and Worldwide.

Table 16: Market share, Greece, 2000 & 2010

	ARRIVALS TOTAL in (.000)			SHARE OF GREECE	
	EUROPE	**WORLD**	**GREECE**	**European**	**World**
2000	403.346	667.700	12.500	3,00%	1,87%
2010	527.000	1.006.400	19.412	3,68%	1,92%

Therefore, we target at 2% of the world market (from 1.87% in 1990) and at 3.9% of the European (from 3% in 1990). These targets are quite realistic for a sector, which is the most dynamic and competitive in the Greek Economy on international level.

Average Length of Stay

With the growing tendency toward short vacations, and given our country's time-distance disadvantage, from the main tourist generating countries, we estimate 10 days to be a realistic goal (for foreign tourists).

Seasonality Pattern

In trying to set the goal for the seasonality of arrivals, we believe that any smoothing of seasonality maintains the high season occupancy levels, and aims at the improvement of the rest of the seasons.

51% of the annual arrivals in Greece occur during the July-September period.

Observing the seasonality patterns of the competitors, which indicate that even during low peak seasons there is adequate demand, we can assume as constant the absolute number of arrivals during July-September period, and target at a percentage of the total, similar to those of our competitors, for the remaining periods.

To calculate the percentage, we eliminate the higher and lower numbers and calculate the arithmetic average for each period (see table 13. page 24).

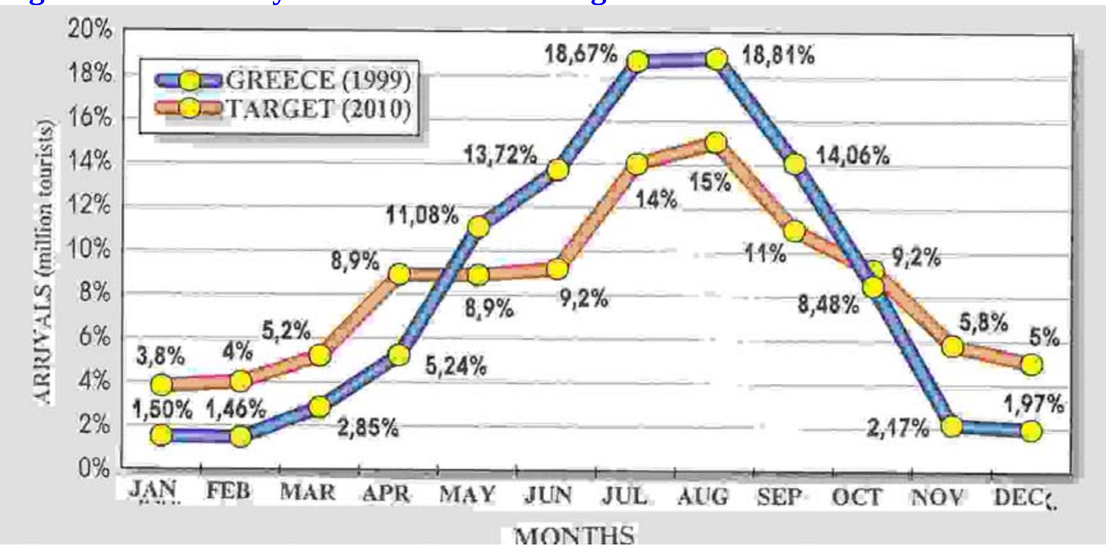
Greece, arrival percentage, period July-September: 51%

Remaining periods:

This means that the seasonality pattern for Greece must be as follows:

The intense seasonality of our tourism which comes as a result of the lack in special tourist infrastructure, indicates the high potential for growth that we have, under the assumption that we will proceed towards necessary investments and improve our competitiveness.

Figure 6: Seasonality Pattern 1999 and Target 2010



Investments

The range of necessary investments for Greek tourism extends from general, specialized infrastructure, and the modernization of enterprises, up to new technologies and education. For the purposes of this report, we restrain ourselves to the necessary investments in hotel beds, and toward specialized tourist infrastructure.

Hotel Beds

We target for 2010, at 19.4 million arrivals, with the desired seasonality pattern:
January-March: 13%   April-June: 27%
July- September: 40%   October-December: 20%

Today's pattern is as follows:
July-September: 51% with
July: 18%, August: 19%, and September: 14%.

To reach the desired target, the 51% must become 40% with the following distribution:
July: from 18% to 14%
August: from 19% to 15%
September: from 14% to 11%

For August we have:
19,412,118 annual arrivals X 15% (August percentage) =2,911,818 arrivals.
2,911,818 arrivals X 6 days, average length of stay in hotels, =17,470,000 overnights.
Adding these to overnights of domestic tourism (which we consider as stable at the year 2000 levels, that is 2,660,000 at a conservative approach), we have, for August 2010 a total of overnights 20,130,908.

Occupancy in August is 90%-and referred to 100%- we get the highest number of overnights, which can take place in August 2010, which will be 22,367,675. This divided by 31 gives the necessary number of beds, that is, 721,537 beds.
Today, we have 593,990, so we need 127,547 new beds by the year 2010.

Special infrastructure

Based on Table 14, (page 24), referred to arrivals per million, and in accordance to competitive destinations, Greece should have today:

Golf courses: 46 Conference/Exhibitions centers; 15

Thalassotherapy Centers: 24 Marinas: 42

These targets are quite ambitious even on a decade level. But nothing is impossible. In order to realize these investments along with the necessary for modernization and upgrading of our tourist supply as whole, we need a clear, stable, attractive institutional investment framework, adapted to market conditions. The New Development Law is obliged to provide this framework.

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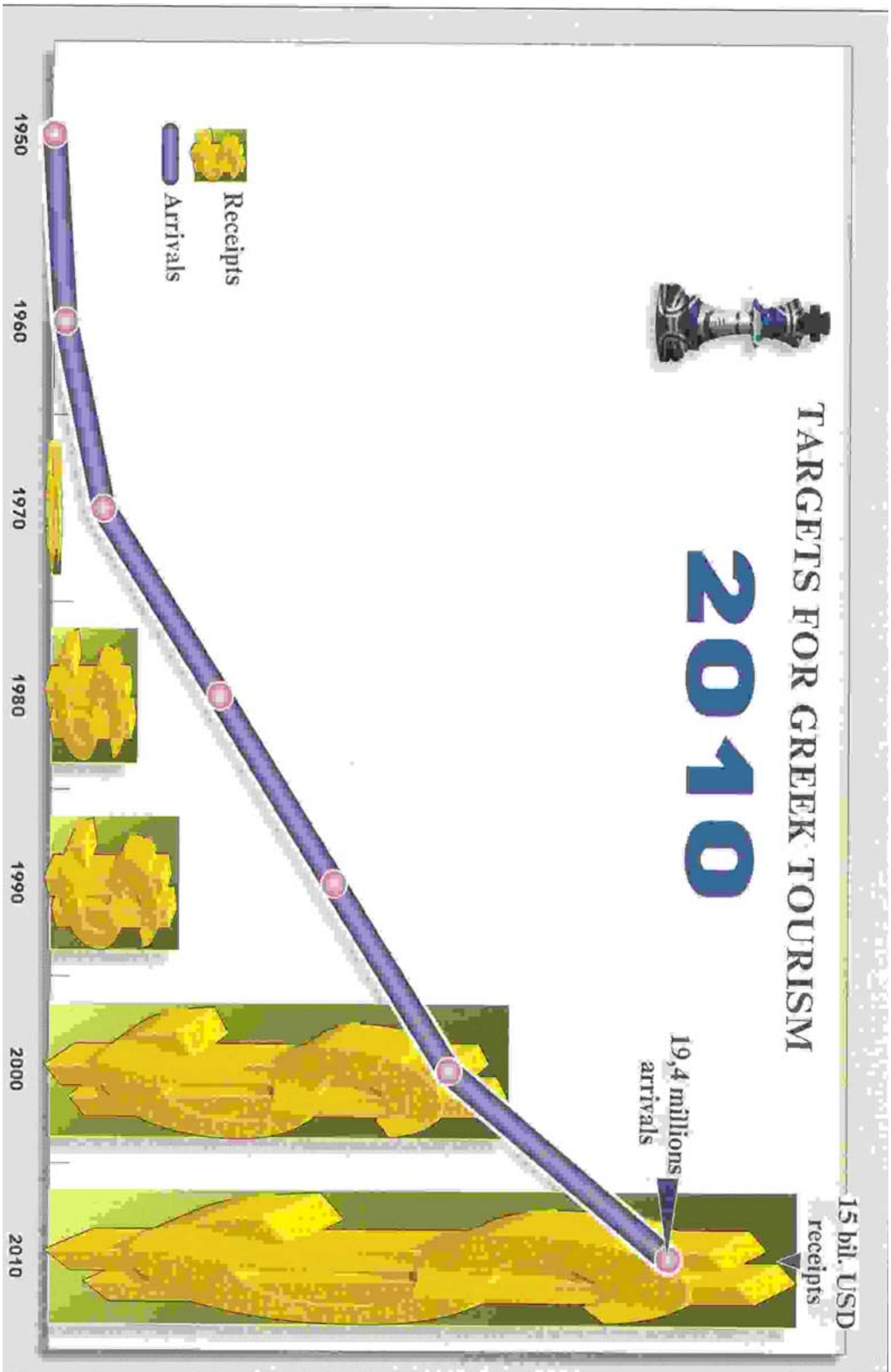
** All in Greek language unless otherwise stated*


TARGETS FOR GREEK TOURISM
2010
Receipts
Arrivals
19,4 millions arrivals
15 bil. USD receipts
1950
1960
1970
1980
1990
2000
2010