

TOWARDS A NEW GROWTH MODEL FOR TOURISM: STRUCTURAL REFORMS AND THE TOURISM PRODUCT IN GREECE DURING THE CRISIS (2008-2014)¹

Evangelia Kasimati
Economic Analysis and Research Department

Dimitrios Sideris
Economic Analysis and Research Department

I INTRODUCTION

The robust performance of the Greek tourism industry in the past few years has highlighted Greece as a major destination in the European and global tourism markets. According to the latest available data from the World Tourism Organisation (WTO 2015), in 2014 Greece ranked 15th (from 16th in 2013) in international arrivals and 19th in tourism receipts among 50 countries. According to the World Economic Forum (WEF 2015), in 2014 Greece ranked 31st in tourism competitiveness (from 32nd in 2013) among 141 countries and 18th (from 22nd in 2013) among European countries, on the basis of the Travel and Tourism Competitiveness Index.² Moreover, the prospects of the Greek tourism industry appear to be very bright: the World Travel and Tourism Council (WTTC 2015) projects that by 2025 the direct contribution of tourism to GDP in Greece will rise by 3.6% per annum, on average (compared with 2.8% in Europe as a whole), coming to 7.9% of GDP in 2025 (against a European average of 3.6%).

In view of the importance of the tourism industry for the Greek economy, a number of recent studies deal with various components of the Greek tourism product and its dynamics. Paratsiokas and Danchev (2012), using primary data and input-output tables on the Greek economy for the year 2010, estimate that tourism contributes (both directly and indirectly) 15.1% to GDP and accounts for 5% of total indirect tax revenue in Greece. Direct and indirect tourism employment is estimated at 446,000 jobs, accounting for 9% of total employment; including jobs in related sectors, tourism supports 741,000 jobs overall, or 16% of total employment. In terms of macroeconomic multiplier effects, they estimate that for

every €1,000 of travel spending, GDP increases by €2,200. The authors also find that the sectors which benefit the most from growth in tourism are retail and wholesale trade, financial services, real estate management services, construction, and manufacturing.

Markaki et al. (2014) review the performance of Greek tourism in 2013. In their conclusions, apart from the recent positive developments in tourism aggregates, they point out an increased seasonality in tourism activity, which is also associated with a rise in international inbound tourism relative to domestic tourism. According to the authors, suggested lines of action towards further improving the performance of tourism include upgrading hotel infrastructure, enriching the tourism product and better promoting historical and archaeological sites.

On the other hand, Tsekeris and Skoultzos (2015), using data for 2014, estimate that 13.2% of income from inbound tourism is re-exported. Their policy recommendations for further reducing this percentage include: encouraging the consumption of domestic agricultural products, better planning and promoting the Integrated Tourism Development Areas, as well as revamping all-inclusive packages with a view to generating higher value added in the country's economy.

Gazopoulou (2012), using data covering the period from 1980 to 2010, explores the sensi-

¹ The views expressed in this study are those of the authors and do not necessarily reflect those of the Bank of Greece. The authors would like to thank Heather Gibson and Hiona Balfoussia for their useful comments and remarks.

² This index is the weighted score of a country in three main areas: (i) regulatory framework; (ii) business environment and infrastructure; and (iii) human, cultural and natural resources (WEF 2015).

tivity of tourist arrivals to changes in the prices of key tourism services (hotel accommodation/restaurants) as a result of changes in VAT rates. She concludes that such price changes have only a negligible effect on the number of tourists coming to Greece and she advocates policies that would improve tourism infrastructure (such as the upgrading of local airports).

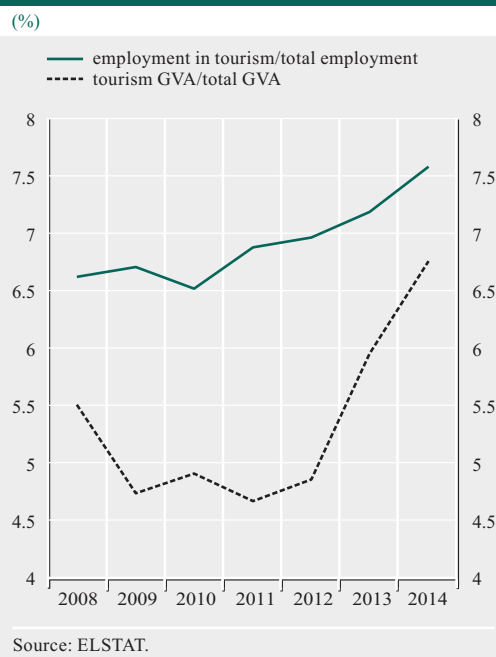
The present study uses data covering the 2008-2014 period and aims to analyse the qualitative changes that have been observed in Greece's tourism product, partly as a result of structural reforms in the tourism sector. The study is structured as follows: Section 2 presents the contribution of tourism to Greece's economic activity, as well as the recent trends of key aggregates. Section 3 describes the main structural reforms that took place in the tourism sector over the past few years. Section 4 outlines the qualitative changes which are observed in tourism. The analysis leads to concrete policy recommendations, as set out in Section 5.

2 THE IMPORTANCE OF TOURISM FOR ECONOMIC ACTIVITY IN GREECE, AND THE RECENT TRENDS

Tourism is one of the key services sector in the Greek economy. On the demand side, travel receipts – spending by foreign visitors during their stay in Greece – contributed 5% to nominal GDP, on average, over the 2008-2014 period, and this contribution shows a moderate upward trend in the past few years (from 5% in 2008 to 7% in 2014). On the supply side, the sector of “accommodation and food service activities” (codes 55-56 of national accounts) had a share of 5.3% in total gross value added (2008-2014 average), and this share has grown significantly over the past two years, reaching almost 7% (see Chart 1). Turning to total employment, the sector contributed 6.9%, on average, over the same period.

The contribution of tourism is estimated to be even higher if account is also taken of its direct

Chart 1 Shares of the sector "accommodation and food service activities" in total employment and total gross value added (GVA)



and indirect impact (i.e. impact on other related activity sectors, as defined in tourism satellite accounts³). Thus, the overall (direct and indirect) contribution of tourism in 2014 is estimated at 17.3% of total GDP and at 19.4% of employment (WTTC 2015).⁴ According to those estimates, the contribution of tourism to GDP and employment in Greece is the highest among OECD countries (OECD 2014).⁵

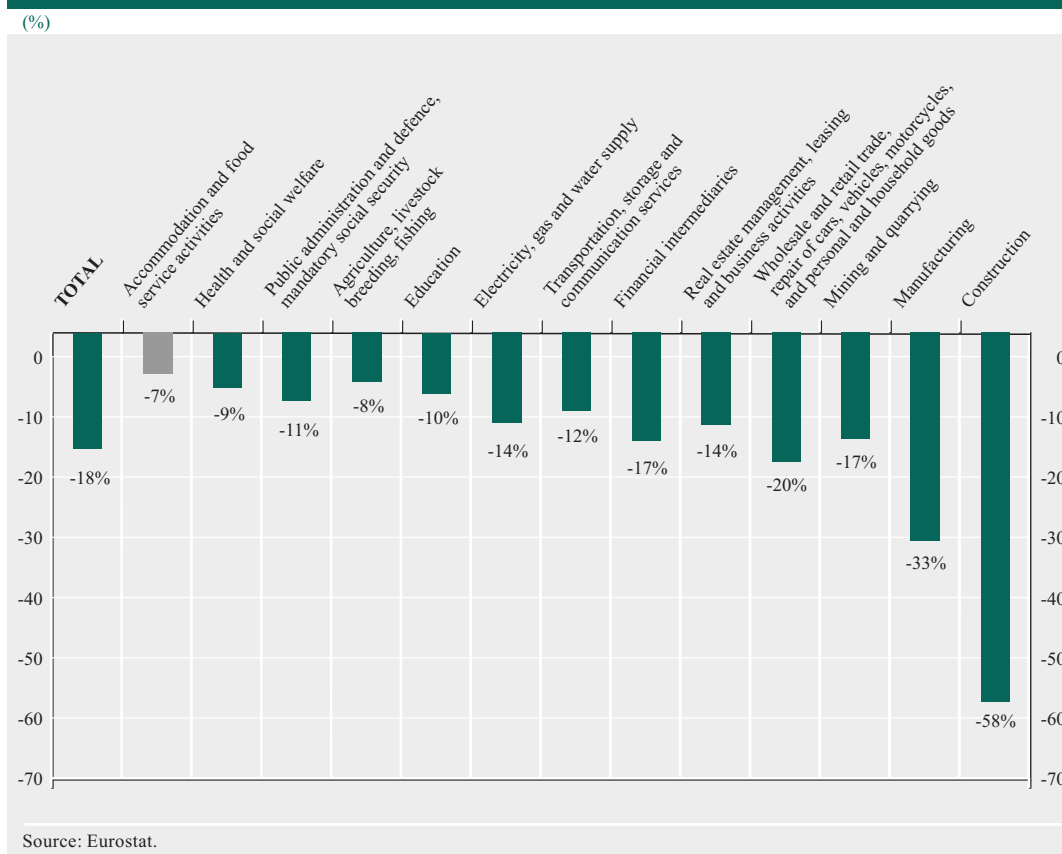
In recent years (2013-2014), visitor arrivals and tourism receipts increased further, with arrivals (excluding cruise data) reaching in

³ The methodology of tourism satellite accounts (TSAs) is an approach that estimates the impact of tourism on the economy relative to the other activity sectors; it enables comparisons at the national and the regional level, as TSAs can be associated, from a functional perspective, with the input-output tables on the economy and the methodological framework for tourist consumption. In general, satellite accounts measure the performance of an industry in the economy, the value of goods and services produced, as well as the number of jobs created. According to OECD methodology, TSAs comprise 14 tables, linking tourism supply and demand, thereby providing a tool for identifying the direct and indirect value added attributable to tourism.

⁴ WTTC Tourism Satellite Accounts Survey (2015) for Greece.

⁵ On average, tourism accounts for 4.7% of GDP and 6% of employment in OECD countries (OECD 2014).

Chart 2 Changes in employment across sectors of the Greek economy (2008-2014)



2014 for the second consecutive year a record-high level of around 22 million. In more detail, in 2014 arrivals (excluding cruise data) rose by 23%, and travel receipts by 12.4% at constant prices.⁶ Cruise passenger arrivals increased by 57% between 2012 and 2014. The increase in international arrivals and travel receipts (excluding cruise data) continued through 2015, when Greece welcomed 23.6 million foreign visitors (up by 7.1% year-on-year) and received €13 billion at constant prices (up by 7.7% year-on-year).

As a result of the growth of tourism in recent years, the shares of the “accommodation and food services” sector in gross value added and employment have risen further (see Chart 1). Moreover, the tourism sector saw the smallest job losses among other main sectors of the economy over the 2008-2014 period: tourism

employment fell by 7%, whereas much sharper declines of 58%, 33% and 20% were recorded in construction, manufacturing, and retail and wholesale trade, respectively (see Chart 2).

Possible factors behind the recent increase in arrivals and travel receipts, hence the higher shares of tourism-related sectors in GDP, are the following:

(1) Improved price competitiveness of the tourism product, as a result of a decline in the prices of tourism and associated services. This development was also supported by: (a) more competitive hotel pricing, in response to weak tourism demand during the first years of the

⁶ As regards the Greek economy’s export performance, in 2014 travel receipts represented 43% of total receipts in the services balance, while net tourism receipts (i.e. receipts minus payments) accounted for 58% of the services surplus.

crisis;⁷ (b) a 2.5% drop in prices across all tourism-related services (comprising accommodation, food, transport and cultural-entertainment services) over the 2012-2014 period, mainly as a result of a decline in production costs, which was in turn supported by structural reforms in the labour and product markets (lower labour costs, reduced tourist transportation costs and taxi fares); and (c) the overall deflationary environment in the context of the recession: HICP fell by 2.2% over the 2012-2014 period.⁸

(2) Greater differentiation of the tourism product: an analysis of recent data on Greek tourism also reveals qualitative changes in the tourism product, such as promotion and exploitation of the country's cultural assets and heritage, changes in seasonality patterns, a shift towards "new" markets and the emergence of "new" destinations. These changes support the case that part of the recent growth in tourism is attributable to the structural reforms in the sector.

(3) Exogenous developments: the rise in tourism, particularly in 2013-2014, is also associated with conjunctural factors, as instability in competitive tourist destinations in the East Mediterranean shifted tourist flows into Greece.

The first two factors can be influenced by policy measures, whereas the third factor is purely exogenous, as it is linked with international developments.

3 STRUCTURAL REFORMS IN TOURISM

A significant development towards upgrading the tourism product is the establishment of a separate Ministry of Tourism with extended responsibilities in June 2012 (OECD 2014). In February 2015, the Ministry was integrated into the Ministry of Economy, Infrastructure, Shipping and Tourism (renamed Ministry of Economy, Development and Tourism in September 2015), but maintained its extended responsibilities.

During the 2010-2013 period, a number of legislative measures were adopted, which improved the framework for the functioning of the tourism market, including, among other things:

(1) Simplification of visa procedures for emerging markets, such as Russia, Turkey and China, with a view to eliminating the long delays in visa processing which have often been reported as a factor behind the loss of tourist arrivals.

(2) Measures encouraging the development of cruise tourism and the abolition of cabotage fees. The lifting of cabotage restrictions involves the elimination of protectionist policies for domestic shipping, the abolition of the requirements that only Greek-crewed ships may operate in Greek territorial waters, as well as the permission to non-EU flag cruise ships to homeport in Greece.

(3) Establishment, within the Greek National Tourism Organisation (GNTO/EOT), of the Special Service for Promoting and Licencing Tourism Enterprises, a "one-stop shop" for tourism businesses.⁹

(4) Simplification of licensing procedures for all tourism businesses,¹⁰ in order to reduce administrative costs and licensing lead times, speed up the procedures for starting a tourism business (including any type of licence, e.g. for establishment, operation, commencement of activity and environmental permits), and to ensure electronic and, in some cases, same-day processing of licensing applications.

⁷ For instance, in Athens, which has the highest share of arrivals nationwide, average hotel prices dropped by about 16% between 2009 and 2014 (Trivago data on the 50 most popular cities in Europe), making Athens more competitive as a European destination, given that average hotel prices in the 50 most popular European cities rose by 6% during the same period. Trivago data for 2014 suggest that Athens ranks 14th among the 50 most popular European cities in terms of the lowest average hotel prices, up from 24th place in 2009.

⁸ Gazopoulou (2012) of course shows that tourist arrivals are not so sensitive to price changes, but are rather influenced by non-price factors such as improvements in infrastructures.

⁹ Under Article 12 of Law 4002/2011 and Article 148 of Law 4070/2012.

¹⁰ Law 4276/2014 (Government Gazette A 155/30 July 2014).

(5) Introduction of a new form of integrated tourism enterprises, the Complex Tourist Accommodation.¹¹ This refers to five-star hotels built on land plots of no less than 150,000 sq.m. and combining (a) furnished tourist residences (villas) with a minimum surface area of 100 sq.m. available for sale or long-term lease as separate properties; and (b) special tourism infrastructure, such as golf courses, conference centres, marinas, thalassotherapy centres and spas, rejuvenation centres, etc.

(6) Liberalisation of the tourist guide profession,¹² allowing archaeologists and historians to become tourist guides, which was not permitted in the past;

(7) Streamlining of procedures and elimination of restrictions on the operation of travel agencies and car rental companies.¹³

(8) Introduction of extended visiting hours for museums and archaeological sites during the spring period.

The above structural reforms are geared towards enhancing the flexibility of the tourism market and strengthening long-term potential growth by removing existing restrictions and increasing competition, which in turn will lead to lower prices for tourism services. Moreover, they are aimed at spreading tourism demand across the year through better promotion and marketing of the tourism product.

Key actions to support the further development of tourism include: (a) increasing the number of target markets through appropriate marketing policies and market-specific advertising campaigns (OECD 2014); and (b) extending the tourist season throughout the year, by developing the tourism product beyond the traditional “sun and sea” model, creating diversified products, and focusing on alternative forms of tourism such as cultural, religious and medical tourism.

The methods applied to achieve those targets tend to rely on modern digital and social

media. As a matter of fact, tourist satisfaction surveys (Ikkos 2009 and 2013) showed that 65% of reservations in two- to five-star hotels in the region of Attica were made on the internet in 2013, up from 40% in 2009. The adoption and use of new internet-based technologies can be expected to contribute to higher productivity and further growth in this sector.¹⁴

4 TOWARDS A DIVERSIFICATION OF THE TOURISM PRODUCT

4.1 NEW MARKETS

Opening up to new markets (Russia, Turkey)

Demand for the Greek tourism product mainly stems from the European continent, with a rising share of visitors from Europe over the past decade (2005: 81%, 2014: 85%).¹⁵ In 2014, arrivals from European countries stood at 18.8 million (85% of total arrivals), of which 74% came from the EU-28 and 44% from euro area countries.

However, shares by country of origin varied, particularly in the period after the simplification of tourist visa procedures. Germany and the United Kingdom (UK) have traditionally been the most important markets of origin for foreign visitors to Greece. In the past five years, however, new markets of origin have emerged, mainly Russia, Turkey and the neighbouring Balkan countries, from which Greece attracts a substantial number of

¹¹ As provided for by Laws 4179/2013 (Government Gazette A 175/8 August 2013) and 4002/2011 (Government Gazette A 180/22 August 2011), as well as Ministerial Decision 177 (Government Gazette B 319/2012), Joint Ministerial Decision 278 (Government Gazette B 615/2012) and Ministerial Decision 125 (Government Gazette B 195/2012).

¹² Law 4093/2012 (Government Gazette A 222/12 November 2012) “Adoption of the Medium-Term Fiscal Strategy Framework 2013-2016 – Emergency measures for the implementation of Law 4046/2012 and the Medium-Term Fiscal Strategy Framework 2013-2016”.

¹³ Law 4093/2012 (Government Gazette A 222/12 November 2012) and Law 4276/2014 (Government Gazette A 155/30 July 2014).

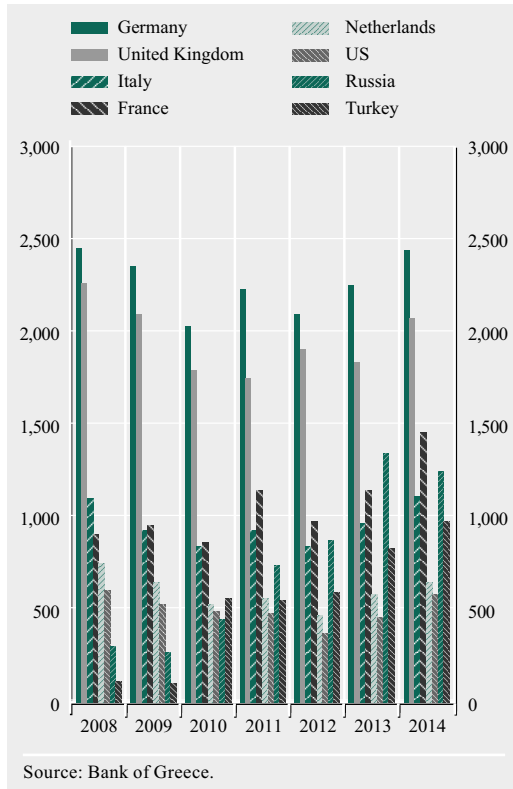
¹⁴ The use of the internet is estimated to have positive effects on productivity in the services sector (Duarte and Restuccia 2010).

¹⁵ Data from the Border Survey conducted by the Bank of Greece.



Chart 3 Tourist arrivals by country of origin (2008-2014)

(in thousand travellers)



visitors. Arrivals from these countries more than offset the declining tourist inflows from certain other countries (e.g. Spain, Austria, Cyprus). Arrivals from Russia and Turkey, in particular, have increased strongly in recent years (average annual growth rate of 32.3% for Russia and 15.7% for Turkey in 2011-2014). These developments have changed the relative importance of inbound tourism markets for Greece. Whereas the top six places were held by Germany, the UK, France, Italy, the Netherlands and the US (together accounting for around 50% of arrivals) until 2009, Germany, the UK, France, Russia, Italy and Turkey make the top-six list in 2014 (see Chart 3). The new entries (Russia and Turkey) are associated with improved economic activity and higher demand in those countries, but have probably also been supported by the simplification of tourist visa procedures since 2010.

Furthermore, over the past five years double-digit growth rates have been recorded in arrivals from other non-traditional inbound tourism markets, such as Japan, China, Israel, as well as certain Arab countries (United Arab Emirates, Bahrain, Qatar), although their shares in total arrivals still remain low. This highlights the existence of alternative markets, which Greece could exploit in order to counterbalance variations of tourism demand from European countries.

Opening up to new markets with high-income travellers

A closer analysis of tourism expenditure data from the Border Survey conducted by the Bank of Greece reveals that inbound flows from the two major new markets (Russia and Turkey) are very profitable sources of tourism revenue. These two countries, along with the US, show

Chart 4 Expenditure per overnight stay (2008-2014)

(in euro)

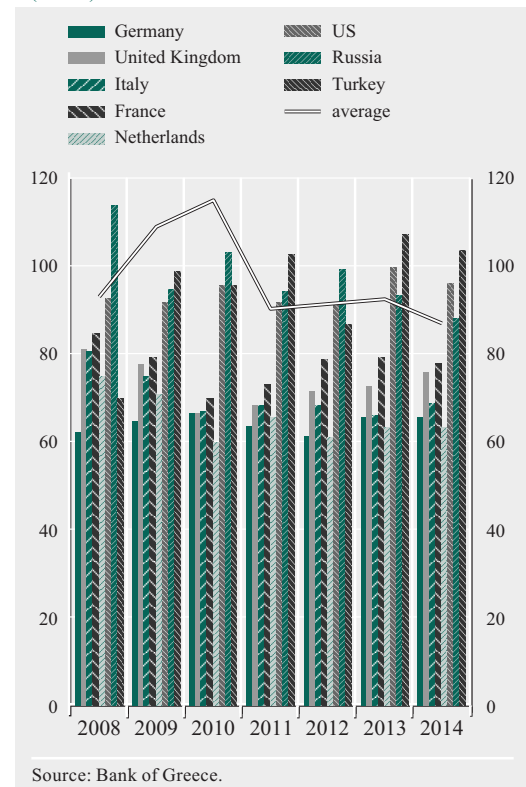
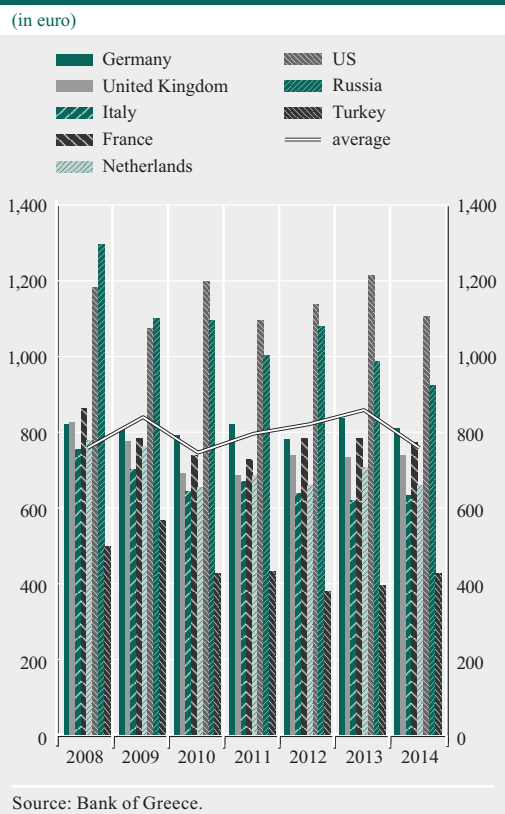


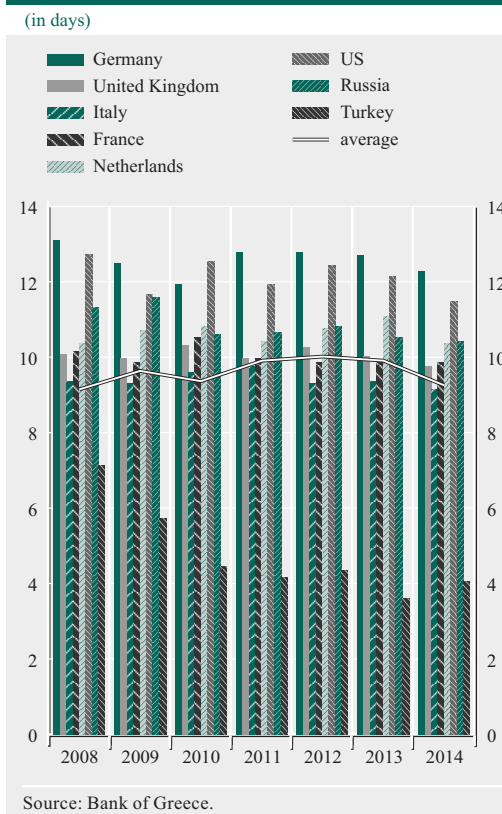
Chart 5 Expenditure per trip (2008-2014)



the highest spending per overnight stay (see Chart 4), suggesting that Russian and Turkish visitors are likely to belong to high-income groups.

The picture does not change drastically when one looks at spending per trip (see Chart 5) and average length of stay per trip (see Chart 6) for visitors from the top eight countries of origin. Russia and the US again top the list, while the low spending per trip observed for Turkish visitors is largely due to low transport costs and short length of stay. Spending per trip and per overnight stay for Russian visitors has dropped considerably relative to 2008, as a result of the economic crisis in Russia during the past few years. Still, Russian tourists remain the second biggest spenders per overnight stay and per trip in 2014, implying that they are likely to belong to high-income groups, above those of visitors from other countries.

Chart 6 Average length of stay (2008-2014)



The slight fall in spending per trip and per overnight stay during the period under review is largely explained by lower prices of Greek tourism services (i.e. accommodation and other tourism-related services).

Turning to the length of stay, visitors from Germany and the US tend to stay the longest per trip. Conversely, neighbouring countries – Turkey and, to a lesser extent, Italy – exhibit the shortest average length of stay (see Chart 6). This may reflect the fact that the low cost of transport from the neighbouring Turkish coastline, as well as the relatively inexpensive ferry crossings from Italy, make short-stay trips more affordable. On the other hand, long and costly flights (e.g. from the US) justify a longer stay in the travel destination rather than a few-days trip. Overall, the average length of stay appears to be broadly stable over the reviewed period, with the exception of visitors from

Chart 7 Quarterly changes in tourist arrivals (2008-2014)

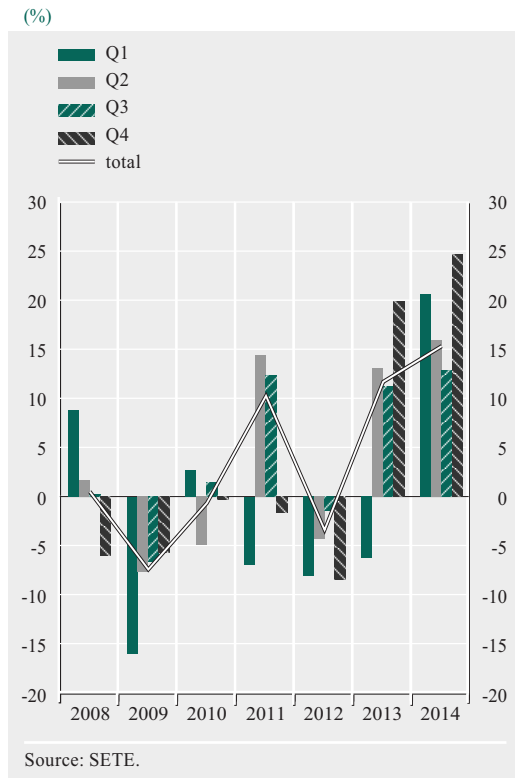
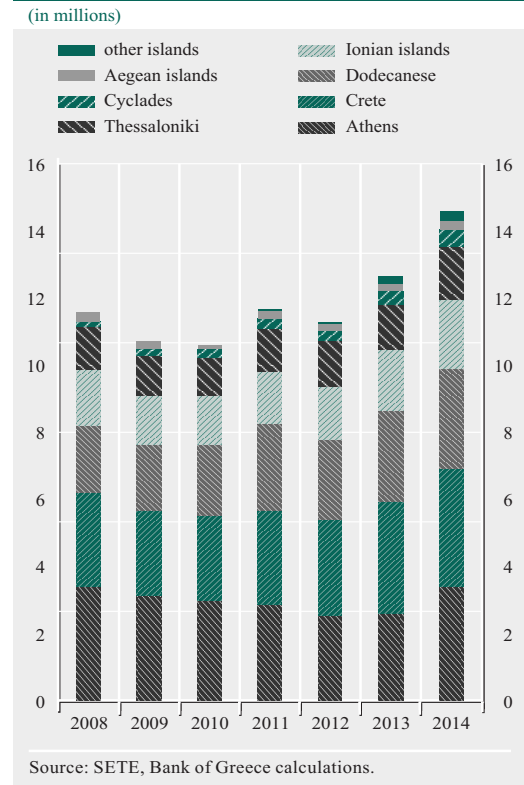


Chart 8 Number of travellers by destination (2008-2014)



Turkey, whose shorter length of stay from 2010 onwards may be related with the simplification of tourist visa procedures that has encouraged Turkish residents to visit Greece even for one or two days.

4.2 EXTENSION OF THE TOURIST SEASON

The breakdown of airport arrivals provides further insights into the qualitative evolution of tourism in the recent period.¹⁶ Air transport has typically been the main means of transport used by tourists coming to Greece. Out of a total of 22 million non-residents that Greece welcomed in 2014, 64% arrived by air, 33% by road and 3% by sea, while the use of rail transportation was negligible.

According to the available data, airport arrivals rose by 12% and 15% in 2013 and 2014, respectively (see Chart 7), supported by increased arrivals during non-peak periods

(the first and fourth quarters of each year). This suggests an extension of the tourist season and/or the promotion of alternative forms of tourism beyond the traditional “sun and sea” model. It should be noted that the extension of the tourist season can boost tourism activity without requiring large capital investment in new accommodation capacity. However, a more permanent transition to a year-round tourist season calls for substantial investment in organisation and skills, as the quality of the tourism product is determined by the level of services offered, the human resources engaged in the industry, as well as the overall tourism conscience of stakeholders and the society at large. Against this background, human resources management and development plays a key role in the competitiveness of the tourism product, as tourism services depend crucially on the human factor.

¹⁶ Greek Tourism Confederation (SETE) data.

Chart 9 Tourist arrivals by destination (2008-2014)

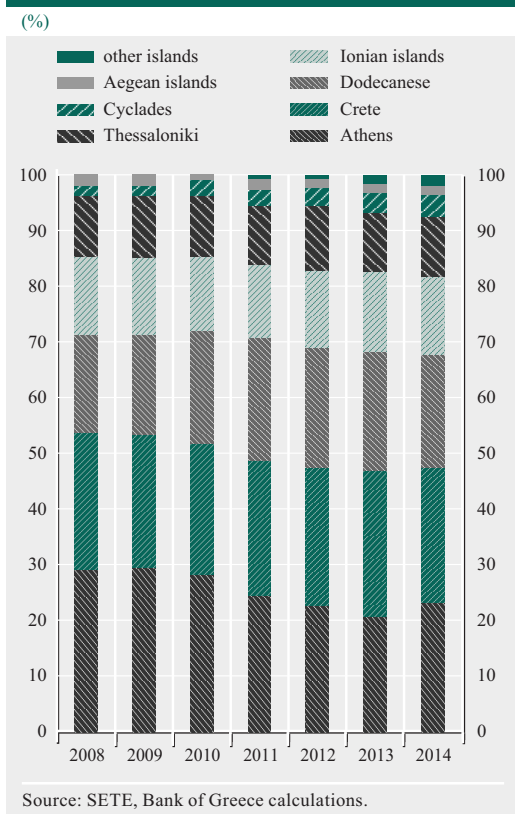
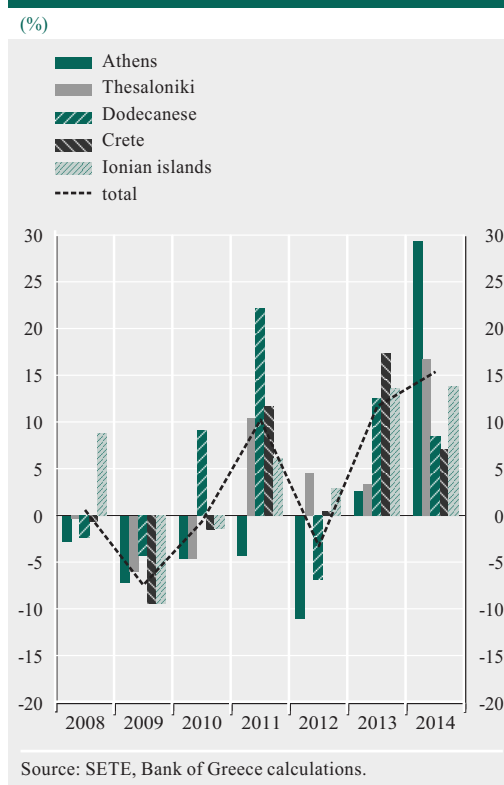


Chart 10 Changes in tourist arrivals by destination (2008-2014)



4.3 GEOGRAPHICAL DIVERSIFICATION OF THE TOURISM PRODUCT

The analysis of arrivals by destination points to minor differences in the geographical breakdown of the tourism product over time (see Charts 8 and 9). In the 2008-2014 period, the lion's share goes to Crete and Athens – although the latter is not necessarily the end destination – followed by the Dodecanese, the Ionian Islands and Thessaloniki. In 2014, Crete had the largest share (24%), followed by Athens (23%).

An examination of changes in arrivals at the five major tourist destinations sheds light on other aspects of the recent rise in tourism (see Chart 10): a significant increase in city breaks is observed, with Athens and Thessaloniki showing the largest percentage increases (27% and 16%, respectively) in arrivals, far outper-

forming other Greek destinations in 2014, relative to 2013, when they had seen the weakest increases. Besides, hotel customer satisfaction surveys (Ikkos 2009 and 2013) suggest that the average length of stay in Athens increased from 3.92 days in 2009 to 4.5 days in 2013. The strong rebound of arrivals in Athens followed a period of five years (2008-2012), when Athens had been receiving less and less visitors, largely owing to the 2008-2009 crisis and the political uncertainty that prevailed in 2010 and 2012.

The increase in city break tourism may have been supported by the recent structural reforms, such as the Sunday opening of shops and the liberalisation of tourism professions (e.g. tour guides). Increased arrivals of urban tourists may also be associated with more competitive pricing policies in the case of Athens (see footnote 7) and with the promo-

tion of significant elements (Ottoman and Jewish) of the cultural heritage of Thessaloniki.

4.4 PROMOTION OF THE CULTURAL TOURISM PRODUCT

A breakdown of travel receipts by trip purpose shows that the share of leisure trips increased to 84% in 2014, from 80% in 2008 (see Chart 11). This rise is an additional indicator of a buoyant tourism sector.

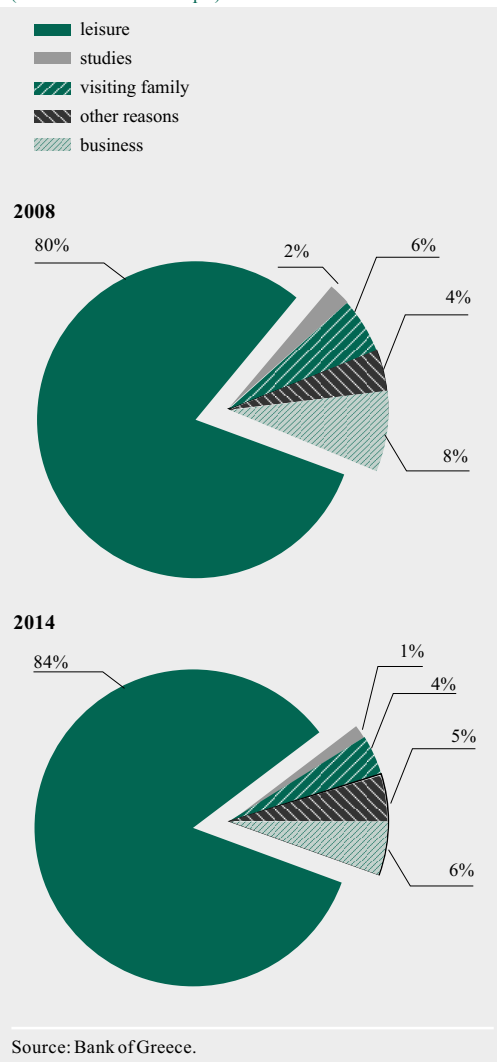
A large share of inbound leisure visitors are interested in Greece's cultural heritage and history. On the basis of a recent survey (Ikkos 2013), archaeological sites and culture are a major pull factor for leisure visitors.¹⁷ Over the 2008-2014 period, visits to archaeological sites surged by 60% (from 6,217,302 visitors in 2008 to 9,953,161 in 2014), peaking in 2010-2014, following the implementation of structural reforms in the tourism sector (see Chart 12). However, this increase did not translate in a similar rise in the corresponding receipts, which grew by a mere 6%. This may reflect changes in the pricing policy of archaeological sites (reduced entrance fees for special groups, free tickets, etc.).

The strong rise observed in city breaks is consistent with the rising numbers of visitors to the archaeological sites of Athens and Thessaloniki, up by 89% for Athens over the 2008-2014 period and by 51% for Thessaloniki between 2013 (earliest available year) and 2014.

Turning to the museums across the country (see Chart 13), visitors more than doubled and receipts grew by more than 50%. The rise in the number of visitors of archaeological sites and museums may also have been driven by the structural reforms in the tourism sector during the recent years, including the opening-up of cultural tourism professions (e.g. tour guides) and expanded visiting hours for museums and archaeological sites.

Chart 11 Tourism receipts by purpose of trip

(% of total tourism receipts)



5 CONCLUSIONS – POLICY RECOMMENDATIONS

The past two years saw a significant increase in international arrivals and tourism revenue. Thus, tourism is now established as a key sector of economic activity in Greece, with sizeable contributions to GDP and employment. In fact, according to recent estimates, the con-

¹⁷ Hotel customer satisfaction survey carried out in Athens and Thessaloniki in 2013 (Ikkos 2013). Asked why they had chosen Athens or Thessaloniki as a destination for their leisure trip, 70% of respondents in Athens and 36% in Thessaloniki cite archaeological sites and culture.

Chart 12 Visitors and receipts in archaeological sites (2008-2014)

(in millions)

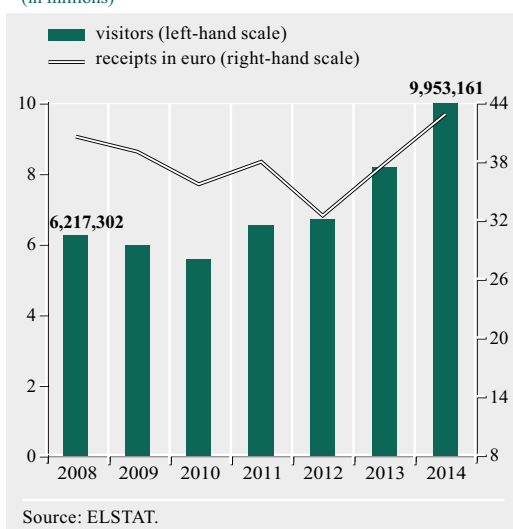
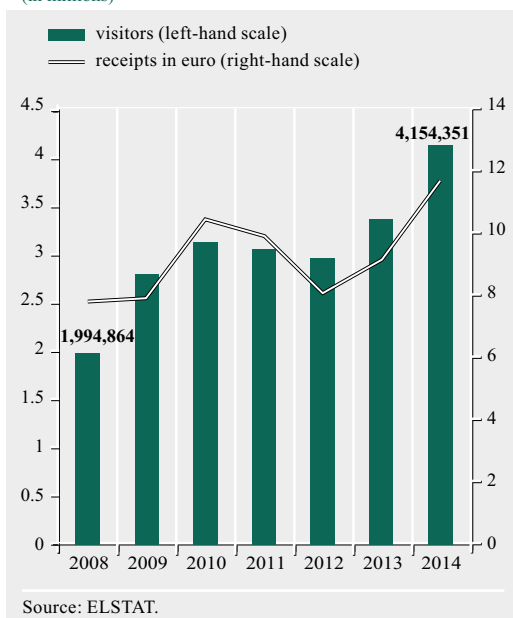


Chart 13 Visitors and receipts in museums (2008-2014)

(in millions)



tributions of tourism to GDP and employment in Greece are the highest among OECD countries. The robust performance of tourism in recent years was supported by: (1) more competitive pricing; (2) qualitative changes to the

tourism product; and (3) exogenous factors related to political instability in rival destinations of the East Mediterranean.

The objective of the present study is to examine the qualitative diversification of the tourism product in recent years. In this context, the following changes can be observed: (1) the emergence of new markets for the Greek tourism product, most notably Russia and Turkey, the two countries with the highest levels of expenditure per overnight stay; (2) better promotion and exploitation of Greece's cultural heritage (the number of museum visitors more than doubled over the reviewed period), which also leads to (3) the promotion of cities as tourist destinations, hence to (4) an extension of the tourism season. These changes are, to a large extent, attributable to the structural reforms implemented in the tourism sector during the past few years.

The effort to change the growth model of the Greek economy mainly rests upon increasing export-oriented business activity, a significant part of which is the export of tourism services. The environment of the Greek tourism product is highly competitive (competition from other Mediterranean countries), continuously changing – as new destinations emerge – and politically and socially sensitive. The fact that Greece is included among the most significant tourist destinations worldwide is very encouraging; however, this should be supported by appropriate public and private actions. In this context, the “New Master Plan for Athens-Attica”, the “New Master Plan for Thessaloniki” and the Spatial Plan for Tourism are among the public actions which aim to promote and further support tourism. On the other hand, coordinated actions by local stakeholders and tourism-related businesses, geared towards preserving and promoting the natural environment, enhancing the quality of services through training of tourism human resources, as well as respecting and promoting Greek culture, would ensure both the viability of tourism businesses and the sustainability of tourist destinations.

The present paper confirms that commitment to structural reforms that contribute to the modernisation of the tourism market, such as extended visiting hours in museums and archaeological sites, the promotion of the Greek tourism product in new markets and the opening-up of tourism-related professions, can strengthen tourism demand, while supporting the economy's productive structures and contributing to regional development. A step in this direction is the recent privatisation of the 14 regional airports, aimed to reinforce their competitive position and thereby increase

international arrivals, given that the bulk of inbound tourists arrive in Greece by air. Furthermore, the upgrading and development of infrastructures such as marinas can help to increase sea and nautical tourism, further boosting tourist traffic in Greece. Last but not least, inadequate port facilities – starting with the port of Piraeus – and the absence of a national plan for the development of cruise tourism – especially homeporting cruises – deprive Greece of considerable potential gains in terms of foreign exchange inflows, consumer spending and jobs.

REFERENCES

In Greek

- Ikkos, A. (2009), “Customer satisfaction survey in Attica hotels and hotel performance”, GBR Consulting, 27 November.
- Ikkos, A. (2013), “Tourist satisfaction survey and hotel performance in Attica”, GBR Consulting, November.
- Markaki, M., S. Panoussi, G. Soklis, A. Christidou and A. Psalti (2014), “Developments in the Greek tourism and hospitality industry 2013”, Athens: Institute for Tourism Research and Forecasting (ITEP).
- Paratsiokas, N. and S. Danchev (2012), “The impact of tourism on the Greek economy”, Athens: IOBE.
- Tsekeris, Th. And S. Skoultzos (2015), “Estimating the share of inbound tourism receipts that is re-exported”, Athens: KEPE.

In English

- Duarte, M. and D. Restuccia (2010), “The role of the structural transformation in aggregate productivity”, *Quarterly Journal of Economics*, 125(1), 129-173.
- Gazopoulou, H. (2012), “A note on the effectiveness of price policy on tourist arrivals to Greece”, Working paper No. 144, Athens: Bank of Greece.
- OECD (2014), *OECD Tourism Trends and Policies 2014*, OECD Publishing.
- WEF (2015), *The Travel & Tourism Competitiveness Report 2015*, World Economic Forum.
- WTO (2015), *UNWTO World Tourism Barometer*, World Tourism Organisation, October.
- WTTC (2015), *Travel and Tourism Economic Impact 2015 Greece*, World Travel and Tourism Council.