

# GREECE: TOURISM REVENUE AND VISITOR NUMBERS EXCEED EXPECTATIONS



Tourism has always been big business for Greece because it has so much to offer and, as a result, one fifth of employment is based in the industry and it accounts for 16% of output. In June of 2012, expectations of the nation's annual tourism revenue were low because of the way Greece was being viewed by the world and the escalating problems it was suffering, however it appears they have beaten the odds and fared better than anyone hoped.

The summer of 2012 was never expected to be good for Greek tourism given the problems the country was facing and initial forecasts predicted that there would be a significant drop in revenue of 15%. **There was a dramatic decline in bookings at the peak of the season thanks to increased social and political unrest and growing uncertainty over the Euro.**

Fears over a shambolic election that would see the Euro abandoned and strikes by industry workers meant that many of Greece's visitors looked at other alternatives for their summer vacation. With so many contentious, national issues to deal with, many tourism officials and workers were certain that this would be a disastrous season for the country.

A new forecast has since been issued by Andreas Andreadis - the head of a leading tourism association - that suggests that the season has not been nearly as bad as people expected and the drop in revenue will be just 5%, from 10.5 billion Euros to just over 10 billion.

The main reason for this improvement is that the fears potential visitors had over the state of the nation were unfounded - the social disorder and strikes were not seen on the level expected, the financial situation was softened by the renewal of talks over bailout plans and, most importantly, the questionable election was won by the pro-EU candidate Antonis Samaras.

There were other factors that helped Greece overcome the obstacles it faced and improve its tourism revenue for the rest of the season. **It has been suggested that the desperate act of slashing prices - a choice made by many airlines and hoteliers - actually encouraged people away from other, more costly destinations** and may have easily tempted those holiday makers that were looking for a cheap alternative to the African nations with bigger problems. Social media is also highlighted as a positive influence because of the way it portrayed the true state of the country and dispelled the misconceptions.

Things are surprisingly looking up for this European destination and there are high hopes for the 2013 season. It may be too early to predict tourism revenue for the coming year but officials are looking to set even higher targets and they are encouraged by rising visitor numbers. Many more Eastern European visitors came to Greece during the summer, making up 17% of the numbers, and perhaps the absent Brits and Germans will be more inclined to vacation there in 2013 now that the country is much more politically and economically stable.

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