GREEK TOURISM OFFICIALS FIGHT AGAINST ECONOMIC SANCTIONS ON RUSSIA

As the situation between Russia, the Ukraine and the rest of Europe continues, proposals have been made for economic sanctions against Russia. Many in Greece are opposed to the idea because of the potential impact they could have on the country's own economic situation and, at a meeting created by the Foreign Ministry's Secretary General for International Economic Relations, fourteen different organisations came together to discuss the potential ramifications. Tourism officials were among those taking part in this crucial meeting because they were hoping to convince the government of the bigger picture and the potential damage that these sanctions could have on Greek tourism revenue.

Tourism officials predict that if these sanctions go ahead, their strong relationship with Russia will suffer.

There is plenty of talk about the impact that an EU-Russia trade war would have on local industry and economics, with a figure of €7.5 billion being cited in relation to the projected damage to Greece's income; however, it is important to remember that a portion of these lost billions would be the result of indirect damage, such as the knock-on effect on tourism. Greece is dependant on tourism relations with Russia, as each visitor spends an average of €1,080 in the country, and this relationship was improving in 2013, with 46% growth reported as visitor numbers went beyond 1.4 million. Unfortunately, forecasts predict that these new Russian sanctions would lead to a decline in tourist numbers for 2014, somewhere between 10 and 30%, and that the Chalcidic Peninsula will be particularly badly hit, with a predicted loss of 15%.

The point being made is that many different sectors would be affected by these plans to impose sanctions on Greece's Russian neighbours – hence the presence of these 14 different organisations at the meeting rather than a small handful – and that the negative impact would spread out through a number of vital industries that all link together. It is easy to focus on the industrial problems of reducing exports, such as the financial damage caused by restrictions on the export of fresh fruit and seafood to one of the countries top markets, but other effects, like the decline in the ruble exchange rate, would cast a shadow over every attendee. It is hoped that by having this meeting the full impact can be fully assessed and these potential negative implications will be avoided but, with the Ukrainian crisis showing no sign of resolution, there is no guarantee that these predicted problems will be avoided.

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