

NEW GREEK GOVERNMENT TO FACE A TOURISM SLOWDOWN



Last week, Greece was struck by a surprising phenomenon. The seaside resorts of Chalkidiki, in northern Greece, were struck by a tornado which lasted for 20 minutes. Despite the short period of time, seven people were killed and 23 injured. An unprecedented phenomenon that has affected the tourism industry already in great difficulty. Subsequently, a tourism slowdown is expected.

A great difficulty that the new government of Kyriakos Mitsotakis will have to deal with after a great victory in the Greek elections. **A tourism slowdown has been registered across the entire country and it is the first time in five years that the industry is in decline.**

According to local reports, the recorded drops correspond to the arrival of passengers by air and hotel occupancy. The Heraklion airport lost 7.2% of passengers last May compared to the same month of 2018, while that of Crete lost 5.6%. The remaining airports received on average 1.5% fewer passengers.

For its part, the hotel sector alluded to low occupancy rates and price reductions, except for destinations such as Mykonos. In this sense, a survey conducted by the Institute for Tourism Research and Forecasting shows that 43% of hoteliers expect a 16% drop in occupancy rates this summer.

At the same time, 31% foresee a 20% drop in occupancy rates throughout the year, even though the prices will fall by 13%. In the first quarter of 2019, 45% of the hotels that operate throughout the year recorded a year-on-year decrease in occupancy rates of 24%. In general, hotel occupancy fell by 7.4% in the first three months of the year.

It is believed that this tourism slowdown in Greece is mainly due to the economic slowdown in many top source markets, such as the United Kingdom. It should be noted that, as mentioned, this decline comes after five consecutive years of visitor and revenue records. Just last year, Greece received 30 million travelers (+10.8%) and earned 16.1 million euros (+18.2%).

This recent fall represents a big blow for Greece, as the tourism industry represents a key sector for the country's economy. Tourism accounts for about 20% of the Greek GDP today and guarantees direct and indirect job positions to about a million people.

But it does not end here and according to statistics, this figure will rise to 22.7% of the GDP by 2028. For this reason, there is a very challenging task ahead for Mitsotakis and his ministers and the coming months and years will be very important for the future of the country.

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