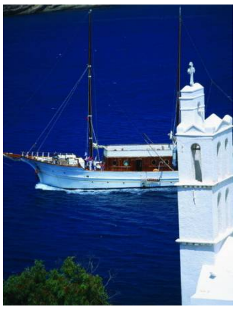
GREECE FEELS THE HEAT OF INFLATION



Greece has almost every advantage imaginable in terms of having a successful tourism sector. For starters it has a history which goes back to the first page of the chronicles of humanity. Secondly, the weather is superb and the people are more than friendly. Add all these factors to the further facts that Greek cuisine is world renowned and there are monuments in Greece older than anywhere else and we seemingly have the ideal country for tourism. There is nowadays, however, one basic disadvantage: Greece now is burdened with the Euro.

This is, indeed, a major disadvantage as inflation across Europe has now resulted in tourists having less to spend. They are now attracted by close destinations such as Turkey, which are not in the Euro zone. Turkey has the Lira, which is cheap to buy using Euros. Indeed, the Lira is in the same doldrums as the British Pound and the US Dollar.

This has all resulted in Greece having an extremely modest target of 15 million tourists for this year. Indeed, the aim is to equal last year's achievements without exceeding them. One-off event around Europe such as the Euro 2008 championship in Austria and Switzerland have not helped with the economic problems.

The problem for this year is not particularly expected to be a drop in the number of tourists, yet in the amount they are set to spend. An example has been generally quoted that tourists who spent an average of €100 last year are likely to spend, due to inflation, just €90 this year. Considering that tourism is Greece is second most important industry after shipping, these changes could prove to be of extreme significance. Likewise, tourists may even decide to spend less time in Greece, which would be even more disastrous.

Date: 2008-07-29

Article link: https://www.tourism-review.com/greece-feels-the-heat-of-inflation-news1008