

# 4. Reforms-Economic development

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## 4.1. Overview of the evolution of the international travel receipts and the average expenditure per trip for the period 2003-2022

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### 4.1.1. Introduction

According to data from the World Tourism Organization (UNWTO), the lifting of travel restrictions played a key role in effectively restarting tourism. Global tourism is therefore recovering, approaching the levels of 2019, with the recovery in Europe approaching 74% compared to the levels of 2019. In detail, in the first seven months of 2022 compared to 2021, European countries recorded an increase in arrivals by 190% compared to the corresponding period of 2021, with the strongest growth trends coming from the USA. As far as Greece is concerned, arrivals for the seven-month period January-July are close to -13% compared to the same period in 2019, with expectations speaking of a full recovery.

The purpose of this article is not to simply record the developments in the main parameters of the tourism sector, but to highlight some of the general characteristics and trends of Greek tourism, focusing on receipts and expenditures. So, after a reference to the current developments in tourism based on data from the Bank of Greece (BoG), then, based also on data from the BoG, we highlight some other characteristics regarding travel receipts and expenditures, and, finally, we summarize with the key findings of this brief article.

### 4.1.2. Travel balance, January-July 2022

According to the provisional data of the BoG, in the period January-July 2022, the travel balance showed a surplus of 7,710.1 million euros, compared to a surplus of 3,027.4 million euros in the corresponding period of

2021. An increase of 5,367.5 million euros or 154.2% was presented by travel receipts, which amounted to 8,849.4 million euros, while an increase of 684.8 million euros or 150.7% was also observed in travel payments, which amounted to 1,139.3 million euros. The increase in travel receipts was driven by a 191.4% increase in arrivals, as the average expenditure per trip fell by 13.6%. Net receipts from the provision of travel services offset the deficit in the goods balance by 36.7% and contributed 76.1% to the total net receipts from services.

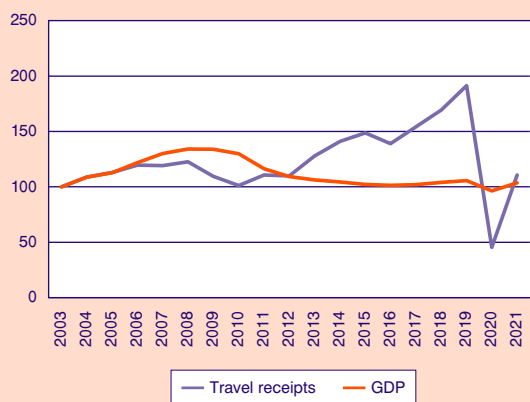
Focusing on travel receipts, the aforementioned increase is due to the 116.0% increase in receipts from residents of EU-27 countries, which amounted to €5,105.9 million, as well as receipts from residents of non-EU-27 countries by 230.1%, which amounted to 3,571.5 million euros. In more detail, receipts from residents of the Eurozone countries amounted to 4,056.3 million euros, increased by 119.9%, while receipts from residents of the EU-27 countries outside the Eurozone showed an increase of 102.0% and amounted to 1,049.6 million euros.

In particular, receipts from Germany increased by 127.4% and amounted to 1,636.7 million euros, while receipts from France increased by 87.6% and amounted to 659.7 million euros. From the countries outside the EU-27, receipts from the United Kingdom showed an increase of 342.8%, which amounted to 1,478.5 million euros. Receipts from the USA increased by 183.6% to 566.2 million euros, while those from Russia decreased by 52.8% to 16.6 million euros.

### 4.1.3. Overview of international travel receipts for the period 2003-2022

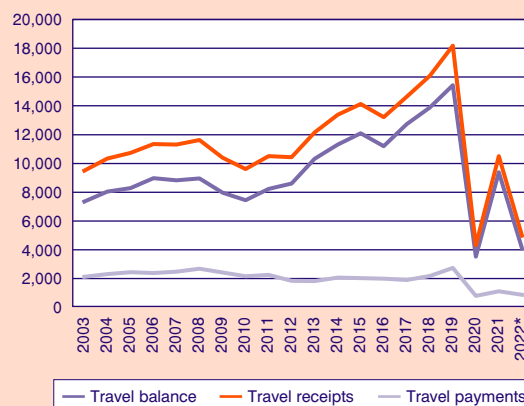
We begin our analysis by comparing the travel receipts with the Gross Domestic Product (GDP), for which we obtain data from the Hellenic Statistical Authority (ELSTAT). A first conclusion that can easily be drawn from Figure 4.1.1 is the strong upward trend of travel receipts, which is approaching the limits of doubling, from 9.6 billion in 2009 to 18.1 billion in 2019. On the contrary, in the same period, the GDP, after a sharp decrease, follows a long-term stable trajectory. The combination of these two findings leads to the conclusion that travel receipts have not been able to reverse the

**FIGURE 4.1.1**  
Long-term evolution of international travel receipts and GDP; base (100) in 2003



Source: BoG, ELSTAT and own calculations.

**FIGURE 4.1.2**  
Evolution of the travel balance, travel receipts and travel payments



Source: BoG and own calculations.

\* Available data refers to the first semester.

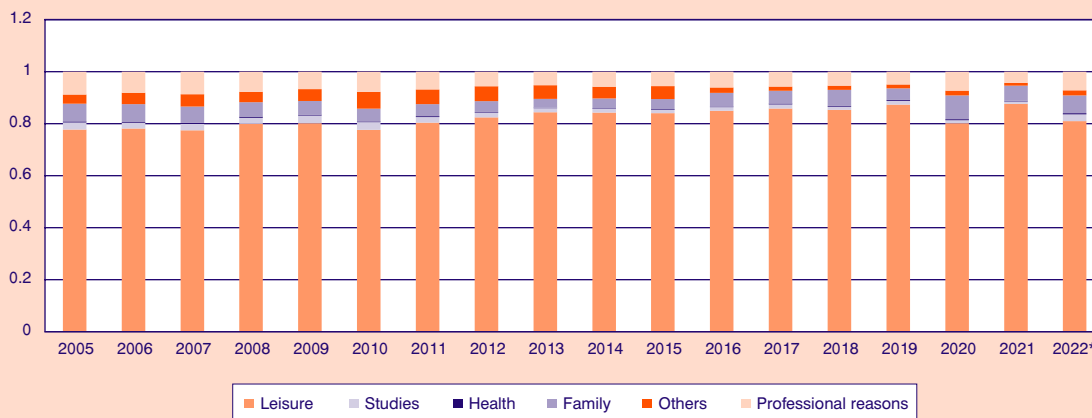
trend of the GDP and bring it back to the levels before the great recession of 2009. In addition, the question arises whether the policies followed after 2009 had the effect of ultimately changing the country's production model, to a certain extent, by increasing the participation rate of the tourism sector and inactivating, to a certain extent, the contribution of other sectors.

Furthermore, Figure 4.1.2 shows the evolution of the balance of travel services, travel receipts and travel payments over time. Looking at Figure 4.1.2, it is worth mentioning that, in contrast to the strong growth trends of travel receipts and the travel balance, travel payments

after 2008 show stabilization trends, with a small exception in 2019. This trend, however, was interrupted, as it happened for the other two figures, because of the COVID-19 pandemic (see the 2020-22 biennium). At this point, it should be noted that, although not apparent in Figure 4.1.2, there is an optimism, as we have already mentioned, that at the end of the year, the travel receipts will approach 2019 levels.

Observing, therefore, the impressive increase in travel receipts in the recent years, the question of "where do these receipts come from" is reasonable. Thus, Figure 4.1.3 shows the evolution over time of the percentage distribution of all international travel receipts by reason of travel

**FIGURE 4.1.3**  
Evolution of the percentage distribution of all international travel receipts by reason of travel



Source: BoG and own calculations.

\* As in Figure 4.1.2.

distribution of all travel receipts by reason of travel, specifically for leisure, study, health, family, personal and professional reasons. As one can easily see, the majority has to do with recreation, which should not surprise anyone. Moreover, the small percentages for study reasons and especially health reasons are noteworthy, while the decline in receipts for those coming for professional reasons after 2009 is also worth mentioning.

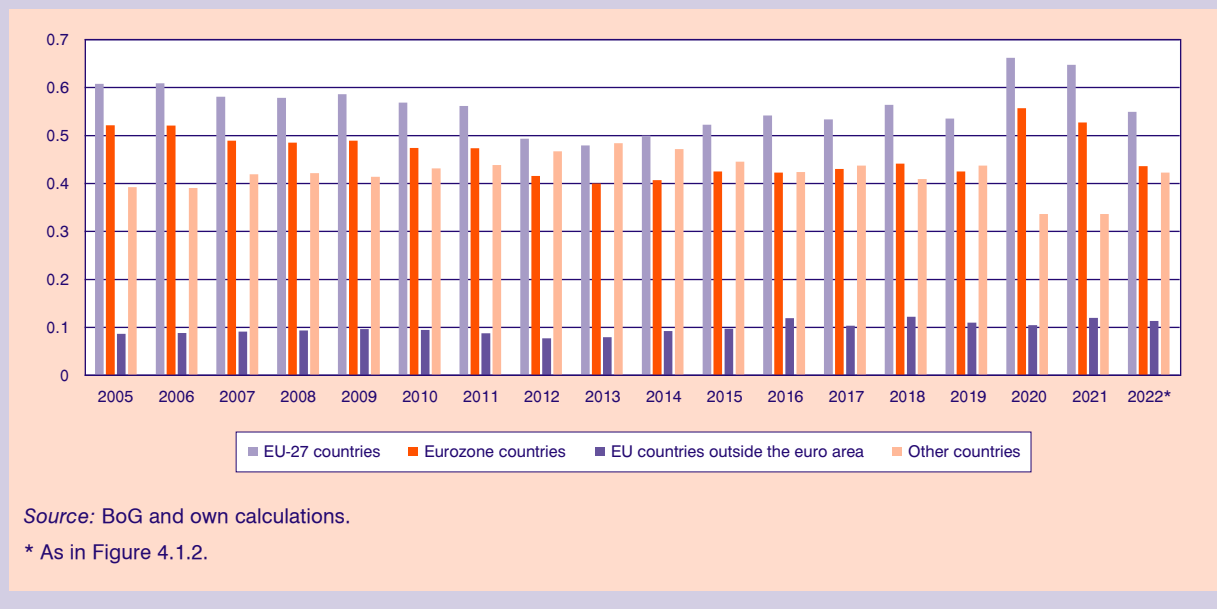
The analysis of the countries of origin of the travel receipts reveals the great contribution of the EU-27 coun-

tries and especially those of the Eurozone. Furthermore, as reflected by the years 2020-21, the pandemic appears to have reduced receipts from outside Europe and increased those from Europe (see Figure 4.1.4).

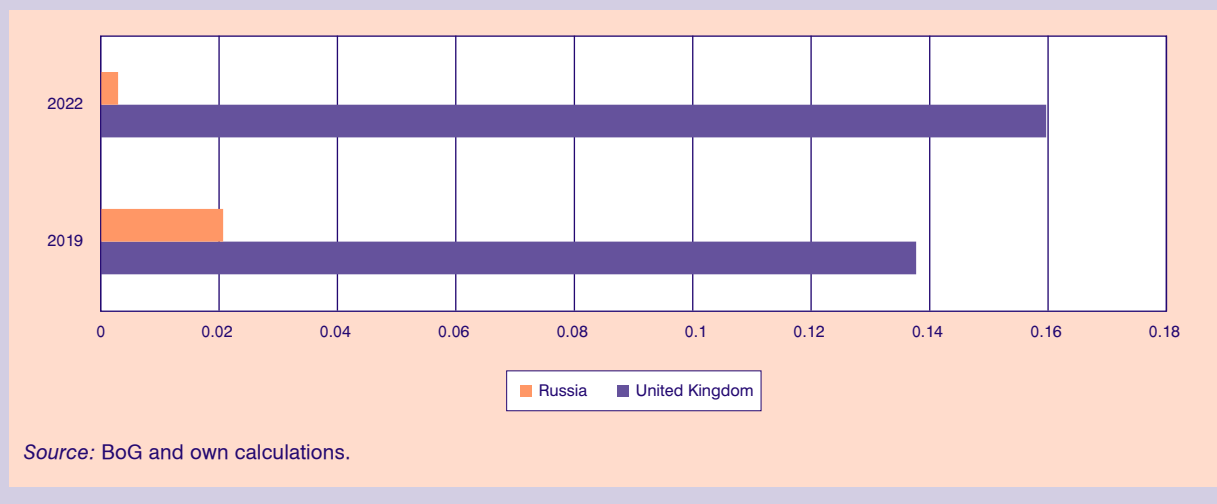
In terms of recent geopolitical developments, as shown in Figure 4.1.5, in contrast to Brexit and the increased receipts from the United Kingdom in the first half of 2022, the war between Russia and Ukraine appears to have negatively affected receipts from the Russia.

A distinct source of receipts that is seldom mentioned are the individual and organized groups of travelers.

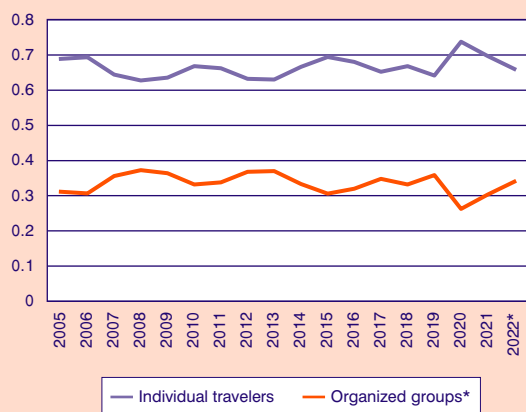
**FIGURE 4.1.4**  
Evolution of the percentage distribution of all international travel receipts by country of origin



**FIGURE 4.1.5**  
International travel receipts from Russia and the United Kingdom for the first half of 2019 and 2022

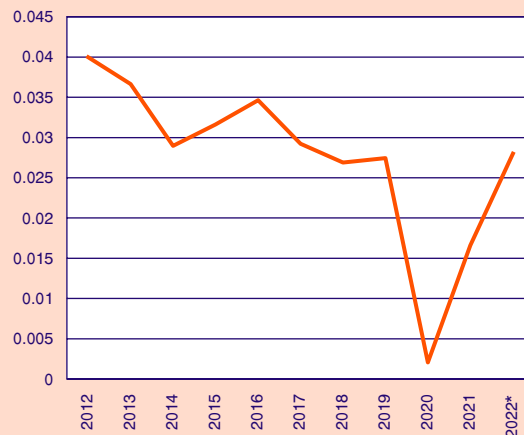


**FIGURE 4.1.6**  
**Long-term evolution of international travel receipts from individual travelers and organized groups**



Source: BoG and own calculations.  
 \* As in Figure 4.1.2.

**FIGURE 4.1.7**  
**Long-term evolution of international travel receipts from cruises**



Source: BoG and own calculations.  
 \* As in Figure 4.1.2.

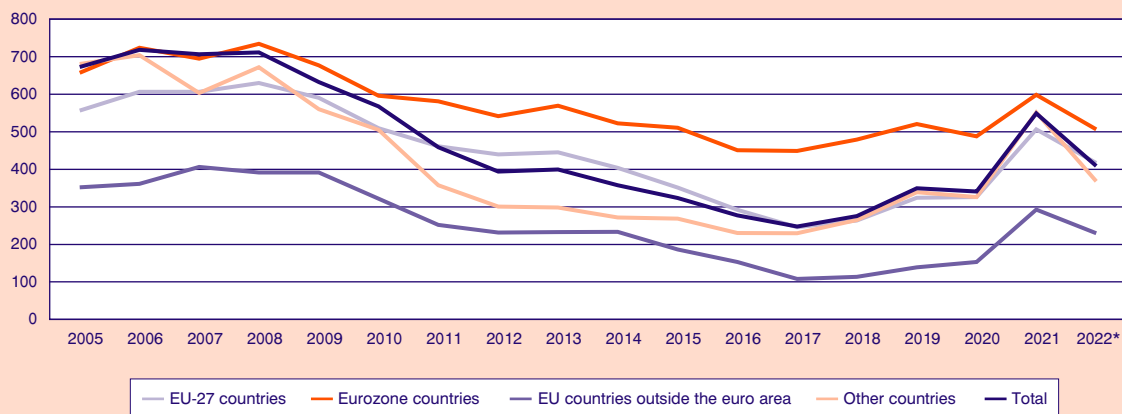
Figure 4.1.6 shows that the receipts from individual travelers outperform those of the organized groups. Regarding the outbreak of the pandemic, it appears that, initially, receipts from individual travelers increased in 2020, only to decline back to previous levels during 2021 and 2022.

Completing the analysis for the travel receipts, we could not avoid dealing with the receipts that come from cruises. From Figure 4.1.7, in addition to their downward trend, the reader can easily see the small participation of cruises in the total amount of travel receipts.

#### 4.1.4. Overview of the average expenditure per trip 2003-2022

We saw in section 4.1.2 that the growth in travel receipts has come from the growth in arrivals and that the travel spending per trip for the first half of 2022 is down from the levels of last year. Apart from that, the most impressive finding that emerges from the examination of Figure 4.1.8 is the downward trend of travel receipts, regardless of whether they come from Europe or third countries. In the last five years, however, this trend has

**FIGURE 4.1.8**  
**Long-term evolution of the average expenditure per trip by country of origin**



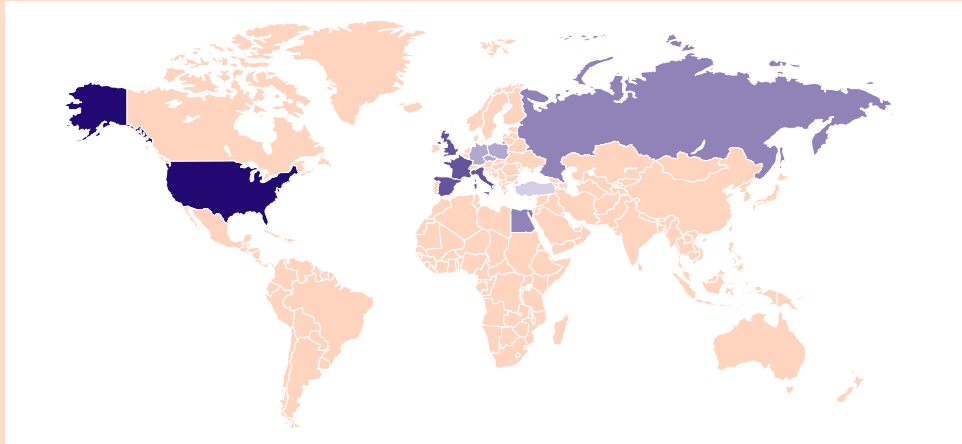
Source: BoG and own calculations.  
 \* As in Figure 4.1.2.

begun to reverse, with the data for 2022 currently unable to lead us to safe conclusions, due to the decisive role that the third quarter is expected to have in the results for the entire year.

Looking now at the leading countries in terms of average expenditure per trip for 2019 (Map 4.1.1), i.e., the last year for which data is available for the whole year

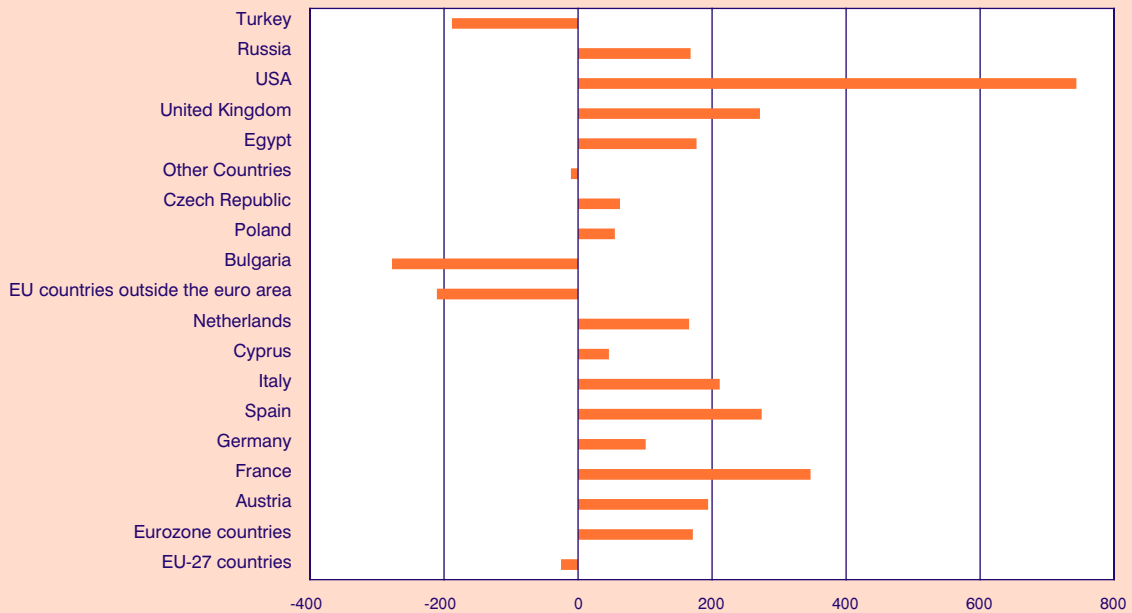
before the outbreak of the COVID-19 pandemic, we find that the country with the highest average travel expenditure is the USA, while neighboring Bulgaria was the opposite with the smallest. Bulgaria, as can easily be seen from Figure 4.1.9, seems to join the rest of the EU-27 countries in an average travel expenditure lower than the average.

**MAP 4.1.1**  
Countries with the lowest and highest average expenditure per trip, for the year 2019



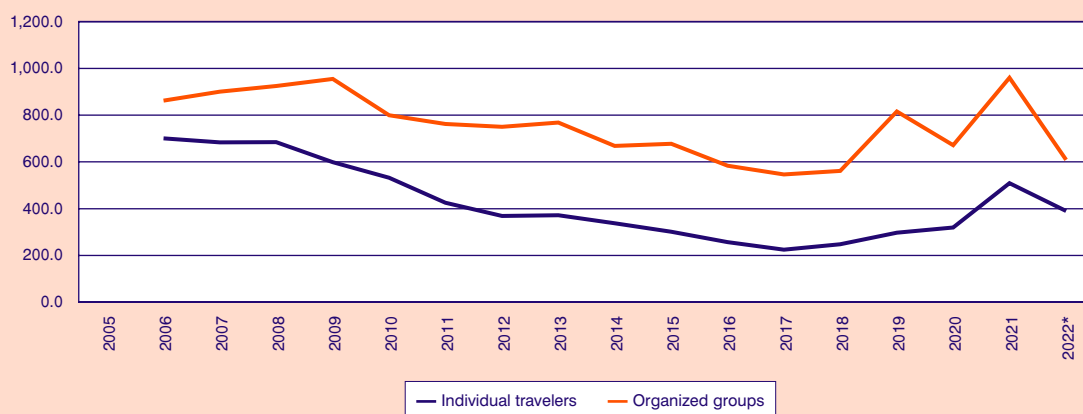
Source: BoG and own calculations.

**FIGURE 4.1.9**  
Deviations by country of origin from the average expenditure per trip for the year 2019



Source: BoG and own calculations.

**FIGURE 4.1.10**  
**Evolution of the average expenditure per trip by individual travelers and organized groups**



Source: BoG and own calculations.

\* As in Figure 4.1.2.

Finally, regarding the temporal evolution of the average expenditure per trip of non-residents of the country, it appears, contrary to the findings of Figure 4.1.6, that related to international travel receipts, the average expenditure for organized trips exceeds the expenditure of individual travelers. See Figure 4.1.10.

#### 4.1.5. Conclusions

The preceding analysis firstly demonstrates the strong upward trend of travel receipts in the last decade, which, if combined with the GDP trend for the corre-

sponding period, raises questions about the extent to which tourism can be the sector that determines the trend of the rest of the economy. From there on, about the travel receipts, it is worth emphasizing the great contribution of European countries and particularly the countries of the Eurozone, while cruises, despite their special position in the public debate, do not seem to have any contribution to travel receipts. Finally, regarding the average expenditure per trip of non-residents, the main finding and what should be of particular concern to tourism policy makers is its downward trend and how this can be reversed.