

# ISLAND TOURISM AND YACHTING IN GREECE

Presentation of George A. Gratsos Ph.D.  
President of the Hellenic Chamber of Shipping 

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# Greece:

Is easily one of the few wonderful seaside resort and cruising ground in the world. We combine it with rich culture and a long history



# Yachting in Greece

Based on a study made by the **University of Piraeus** for the HCS the total number of pleasure boats in Greece is about **17.700**. These pleasure boats contribute:

- about **40.000** direct and indirect jobs (1:1 in Europe 1:3)
- about **€607 millions** to the Greek economy **without taking into account the charter income of the yachts for rent, the charterers' (users) expenses in the islands, the amounts paid for the purchase of pleasure boats, brokerages etc.** These amounts must be considerable as these boats represent **45%** of the registered pleasure boats but on average are much larger.

**Their total cash flow must therefore be substantially greater.**



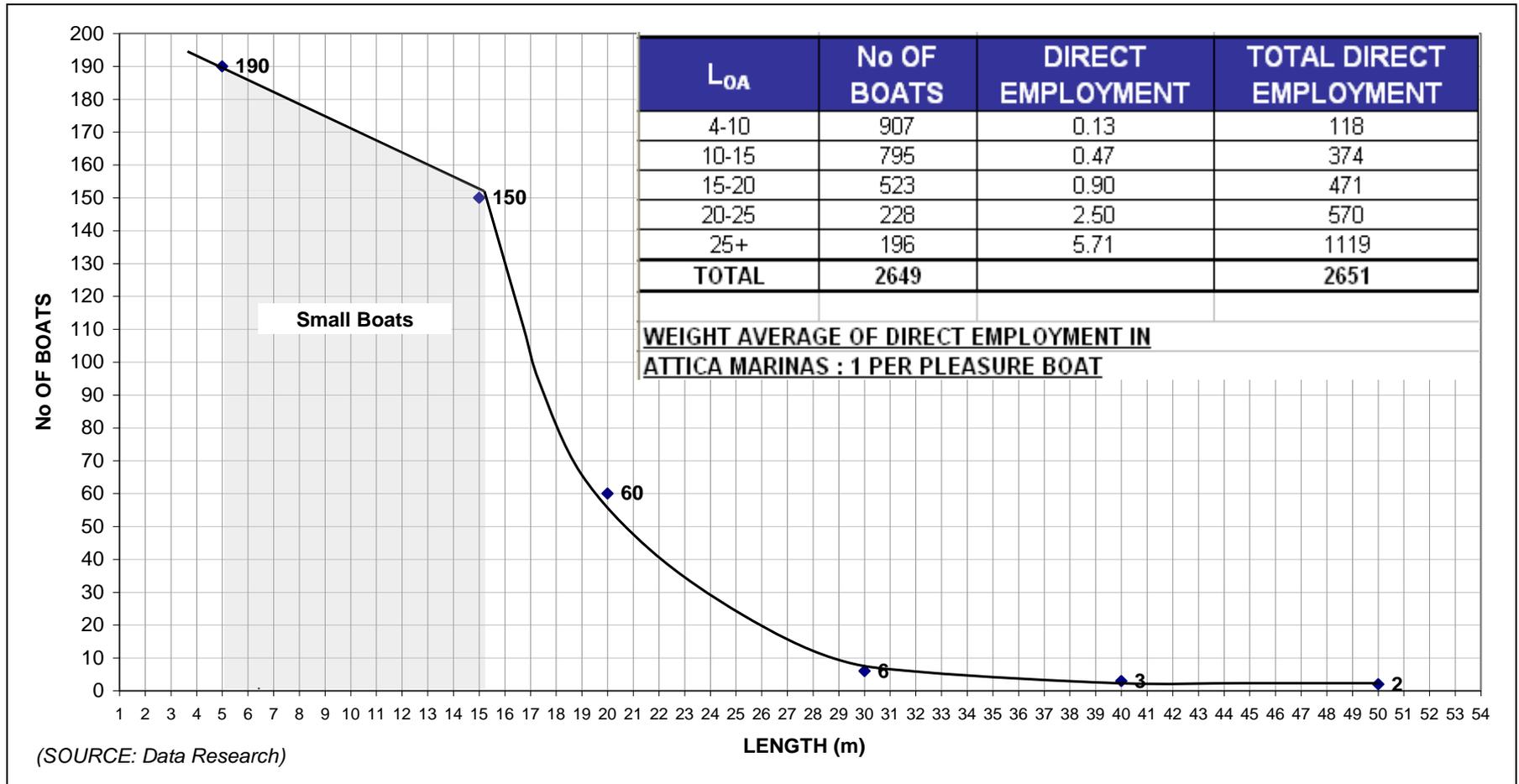
# Underutilized national resources

- Greece has about **16.000** km of coastline the biggest in European Union, has about **1.200** islands and **4.800** islets and is the best pleasure boats' destination. **116** of these are inhabited.
- From ancient times Greece was a nation of seafarers. Despite that:
  - Greece has only **1** pleasure boat for every **621** people whereas
  - Europe has **1** pleasure boat for every **164** people
- In **Greece**, with about **16.000** km of coastline, there are only **14.400** mooring places. **France**, with only **6.300** km of coastline, the largest part of which is in the Atlantic, has **226.000** mooring places and the relevant pleasure boats. Italy has **9.500 km** and **130.000** mooring places. **Greece has 1.4 m coastline/inhabitant whereas France has only 10 cm of coast line/inhabitant and Italy 15 cm!**
- All above are a result of the hostile Greek tax system that existed until now, which appeared only to want to tax yachts, driving them away. With law **3790 of 2009 25%** of the pleasure boats which were berthed at marinas (about **2.000** boats) left for other, more friendly destinations taking with them most probably closer to **20.000-30.000** direct and indirect jobs, **since these yachts were mostly much bigger**.

**Considering the ratio of direct to indirect jobs yachts create in the EU, Greece would benefit a lot more by attracting more, bigger yachts to berth and cruise in our wonderful waters, thus creating substantially more income and many thousands more jobs.**



# Dispersion of pleasure boats in Attica according to LOA



**Bigger yachts create more direct and indirect jobs. We must attract not repel them.**



# The tax system which was replaced with new legislation yesterday was punitive

According to the opinion expressed a few years ago by a company that invests at marinas:

“Also, as you know, **the current Greek tax code is extremely unfriendly to yacht owners**, so we will have to discuss with the Greek government the likelihood of modifying **today’s punishing tax system associated with yacht ownership**, in order to justify a marina investment.”

**The HCS has worked closely with the present government to create a new, Yachting friendly legal framework, which we expect will reverse the disastrous effects of heretofore legislation.**



# To create jobs we must attract more, bigger yachts

- Greece, because of our geographical position and our unique Archipelago, could be the preferred recreational center of Europe and the rest of the world. **On the other hand we compete the Dalmatian and the Turkish coasts, so we are not alone.**
- With yachting friendly laws and the construction of new marinas that they will accommodate **10.000** more pleasure boats, preferably bigger ones (over 15m), at least **30.000** more jobs would be created. **Possibly many more.**
- Attracting only a **100** super yachts could create about **3.000** more direct and indirect jobs.

**We must develop Greece's comparative advantages. This is the only way forward.**



# Greece's income from Megayachts is tiny

A study by the **London School of Economics** for **MYBA** shows that in 2011:

**Italy, France, Greece** and **Spain's** income from Megayachts was **€2.24 billion, €1.37 billion, €158 million** and **€892 million** respectively.

Considering that some of the above countries specialize in building such yachts, the income from sources that are common to all 4 countries was **€358 million, €314 million, € 46 million** and **€303 million** respectively.

**The findings of the study show that heretofore Greek yachting legislation destroyed potential income of about €275 million/year only from Megayachts.**



# Yachting legislation has changed but other legislations must also change so as to maximize income from yachting

Everything in Greece is **marred by red tape and counterproductive legislation** which destroy the country's competitive advantages, for example:

- **15** marinas are awaiting permits blocked by red tape in order to be developed.
- Piers and facilities of other marinas in need for repairs are deteriorating because permits for their upgrading are delayed.

**Legislation must be simplified, become effective and promote growth.**



# Cruise ships

- Whereas Greece was among the first Mediterranean countries to have cruise ships now it has none.
- Cruises started in Greece in the **50's**. In the **70's Greece had the largest cruise ship fleet in the Mediterranean**. Greek cruise ships also cruised in the **Caribbean, Alaska, Baltic** and even **China**.



# POTENTIAL INCREASE OF THE CRUISE SHIP CONTRIBUTION TO GREECE

Ratio of passenger embarkations to passenger visits as per 2012 study were:

Year	Employment	Greece		Spain		Italy	
		Passenger arrivals	Passenger visits	Passenger arrivals	Passenger visits	Passenger arrivals	Passenger visits
2006	6,224	236,000	2,586,000	716,500	2,778,000	1,351,000	3,411,000
2007	-	-	-	-	-	-	-
2008	10,775	472,000	4,296,000	1,038,000	3,600,000	1,682,000	4,993,000
2009	11,794	503,000	49,730,000	991,000	4,118,000	1,704,000	4,956,000
2010	11,612	336,000	4,473,000	1,155,000	4,911,000	1,888,000	5,403,000
2011	12,078	313,000	4,780,000	1,384,000	5,255,000	1,861,000	6,471,000
2012	11,620	244,000	4,800,000	1,217,000	5,200,000	2,081,000	6,200,000
Ratio embarkations/visits 2012		1:19,7		1:4,3		1:3	

In **2012** Greece had a **4.6** times smaller ratio of embarkations/visits. In **2006** the ratio was only **2.8** times. Arrivals in **2012** were similar to **2006**. This shows that we have still not managed to attract cruise ships to homeport in Greece. If Greece manages to achieve the same ratio as Spain this would create **12.700** more jobs and about **€1.5 billion** more income. **The reason for this must be investigated and corrected.**



# Greece has important advantages as a home-porting hub

- **Piraeus is in a more central location in the Eastern Mediterranean** than any other home port. Using Piraeus as a homeport cruise ships will have to steam less miles and therefore save bunker costs.
- They will have the added benefit of being able **to visit more Eastern Mediterranean destinations.**
- Per capita Income from homeporting is about **5** times greater than that from visits. This will be an additional benefit to Greece.

**The above combination benefits both cruise ships and the Greek economy.**

- Present legislation is compatible to that of other E.U. nations.
- **Port infrastructure and accessibility must be improved now.**



# Ro Pax Ferries

Greece has **103** large Ferries and **95** local Ferries.

Ferries provide essential daily transport services to **116** islands inhabited by about 1.600.000 islanders, about **15%** of the Greek population. Ferries support the islands' mostly tourist driven economies, allowing tourists to travel from island to island.

**For island economies to survive and prosper, tickets must be affordable.**

**Ferries must also be profitable in order to exist and provide year-round service to the islands.**

**Operating expenses must be trimmed, but how? They are mostly beyond the control of the operators.** Ferries are slow steaming to reduce fuel consumption. **Manning scales must be brought down further to the minimum international standards.**

**To balance the equation either VAT must be brought down or they must be subsidized for providing a public service.**

**Remember 15% of the Greek population lives on islands and islands provide most of Greece's tourist income.**



# THANK YOU

George A. Gratsos

