



ΙΝΣΤΙΤΟΥΤΟ ΤΟΥΡΙΣΤΙΚΩΝ ΕΡΕΥΝΩΝ ΚΑΙ ΠΡΟΒΛΕΨΕΩΝ
RESEARCH INSTITUTE FOR TOURISM

The Contribution of the Hotel Sector To the Greek Economy



Athens, February 2025



This study examines the contribution of the hotel sector to the economy, focusing on:

- The **multipliers** of the hotel sector
- **Intersectoral linkages** with other industries
- The sector's **contribution to Gross Domestic Product (GDP) and Employment**
- The sector's **impact on the external balance**
- The sector's role **in generating income in other industries**
- The sector's **contribution to tax revenues**



The Multipliers of the Hotel Sector

	Hotel Sector	Greek Economy Average
Product	1,55	1,48
Employment	29,8	18,4
Imports	0,16	0,20

»»» The Multipliers of the Hotel Sector

- ✓ Every **€1** spent on hotel services **generates** a total output of **€1.55** in the Greek economy.
- ✓ Every **€1 million** spent on hotel services **creates** approximately **29.8 full-time jobs** in the Greek economy.
- ✓ Every **€1** spent on hotel services increases total **imports** by **€0.16**.

➡ These findings highlight the fact that the **hotel sector is a key industry** of the Greek Economy.



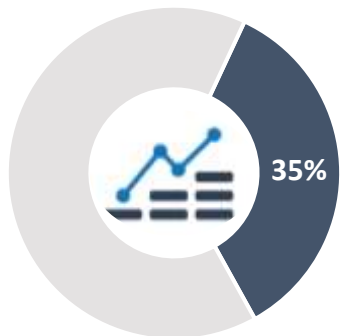
Intersectoral Linkages of the Hotel Sector

- Approximately **35%** of **product increase** generated by the hotel sector is distributed to other industries in the economy.
- Approximately **27%** of **employment increase** resulting from the operation of the hotel sector is diffused to other industries.



Top 5 Industries Benefiting from the Hotel Sector (In Terms of Production)

Every **€1** produced by the hotel sector, generates **€1,55** of total production value (direct and indirect) in the Greek economy.



35%
of this additional production
flows into other industries of
the economy.

Wholesale & Retail Trade

21%

Food Industry

20%

Agriculture

15%

Real Estate Management

6%

Energy

4%

Other Sectors

34%

0%

10%

20%

30%

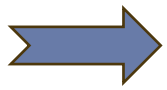
40%

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Linkages with the Agri-Food Sector

- ✓ **74%** of the total Food & Beverage (F&B) expenditure in hotels is spent **GREEK PRODUCTS**.
- ✓ **28%** of this expenditure is directed towards **local producers**.

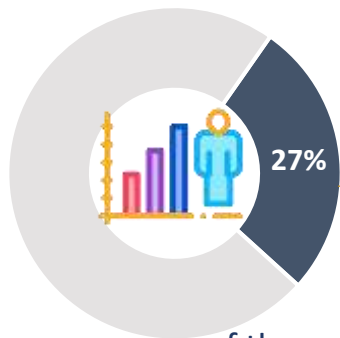


These figures highlight the **strong interconnection** between the **hotel sector** and the **agri-food industry**.

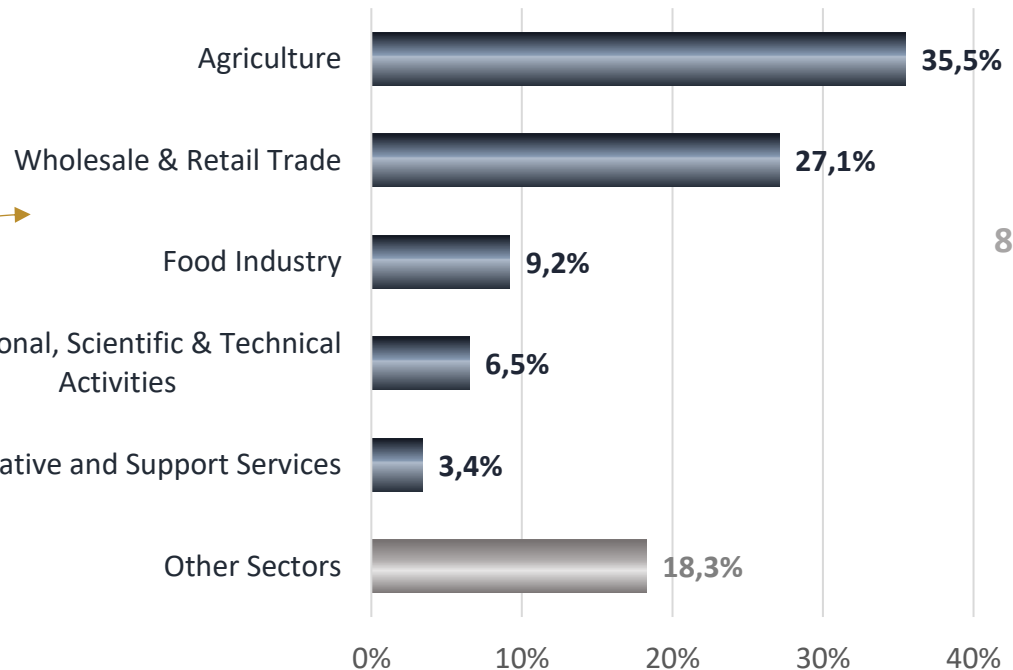


The 5 Sectors that Benefit the Most from the Hotel Industry (in Terms of Employment)

For every **€1 million** generated by the hotel industry, a total of approximately **30 full-time jobs (direct and indirect)** are created in the Greek economy.



27%
of these new jobs are distributed
across various sectors of the
economy.





Connection with the Local Community

- **87%** of Greek hotels trust and employ workers from the **local community**.
- **65%** of the total workforce in Greek hotels comes from the **local community**.



Greek hotels invest in

- ✓ **the development of the local economy** and
- ✓ **the strengthening of social cohesion.**

The Total Contribution (%) of Key Sectors to the Greek Economy

Sectors	GDP	Employment
Hotel Sector	4,5%	6,6%
Food Service Activities	6,3%	9,3%
Agriculture	3,6%	8,0%
Land Transport	2,2%	2,6%
Publishing Activities	1,0%	1,0%
Administrative and Support Services	2,1%	2,5%
Other Services	2,1%	3,1%

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Contribution of the Hotel Sector to GDP and Employment

Year	GDP	Employment
2023	4,8%	6,6%
2022	4,2%	5,3%
2019	4,6%	5,3%

- ✓ The contribution of the hotel sector to **GDP** and **Employment** has surpassed pre-COVID-19 levels.



Contribution of the Hotel Sector to the External Sector

Additionally, due to

- ✓ the outward orientation of the hotel sector (with over 70% of hotel guests being foreign residents) and
- ✓ its low dependence on imported inputs.



The hotel sector significantly contributes to **improving Greece's external balance**



Every **€1 billion** in hotel sector revenues leads to an improvement of approximately **€552 million** in the goods and services balance of the Greek economy.

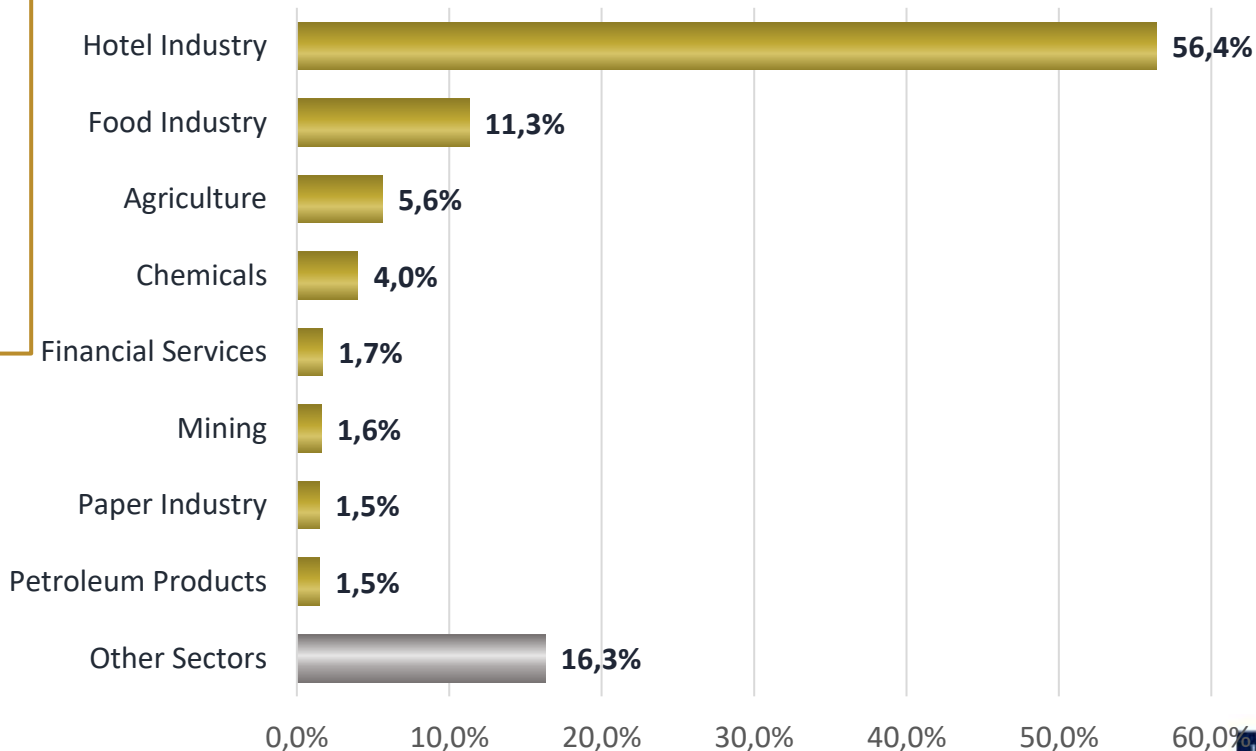


The Contribution of the Hotel Sector to **Income Generation** in Other Sectors of the Greek Economy

✓ Approximately **44%** of the income generated by the hotel sector **is distributed to other sectors beyond hospitality.**



The corresponding average percentage for other economic sectors is **28%.**



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The Contribution of the Hotel Sector to Tax Revenues

Breakdown of Hotel Product Cost by Cost Category

COST CATEGORIES	2010		2019	
	Hotel Sector	Total Economy	Hotel Sector	Total Economy
Net Taxes	15,6%	9,0%	19,1%	10,2%
Employer Contributions	4,3%	5,6%	4,4%	5,4%
Salaries & Wages	20,4%	21,8%	19,6%	21,1%
Depreciation	8,1%	12,0%	5,7%	9,0%
Imports	13,7%	28,8%	17,2%	32,7%
Operating Surplus	37,9%	22,9%	33,9%	21,6%

- ✓ The hotel sector significantly contributes to public revenues through the collection of indirect taxes from its operations..

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For every €100 of hotel product, approximately €20 corresponds to indirect taxes—nearly double that of other sectors in the Greek economy.



Conclusions

The **HOTEL SECTOR** is a **key-sector** and is among the sectors with the **greatest economic significance** in the **GREEK ECONOMY**.

Due to the sector's outward orientation towards international markets and its low dependence on imports, the hotel industry makes a particularly **positive contribution to the external balance of the Greek economy**.

Due to its strong intersectoral linkages, the **GREEK HOTEL INDUSTRY supports income generation and job creation across other sectors of the Greek economy**.

The hotel sector significantly contributes to public revenues through indirect taxes on hotel services.



Article

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