



INSTITUTE OF TOURIST RESEARCH AND FORECASTS
RESEARCH INSTITUTE FOR TOURISM

The Greek Hotel Sector: *Features, Performance, Challenges and Prospects*

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RIT



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Greek Tourism Sector an Overview

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Greece – Tourism Development Index 2024

Global Position & Performance

Greece ranks **21st globally** in the Travel and Tourism Development Index (TTDI) for 2024, with an overall score of **4.52 out of 7**.

This represents a significant **2.6% improvement** from 2019, highlighting the country's continuous progress in the competitiveness of its tourism sector.

The country is among the **most competitive tourism economies** in Southern Europe, with strong advantages in key areas that attract millions of visitors every year.



Driving Forces & Challenges for Greek Tourism



Strengths

- Rich **cultural and natural assets** that fuel global demand
- Strong **tourism services infrastructure** and established destination reputation
- Increasing **openness to international travel**, supporting industry recovery



Challenges

- **Environmental pressures:** Heatwaves and fires affecting tourist areas
- **Increased operating costs** reducing price competitiveness
- **Labor shortages** in hospitality and seasonal sectors
- **International environment-** geopolitical instability

Development Prospects

Greece maintains **strong potential for continuous growth**, provided it invests strategically in three key pillars:

- Sustainability and climate resilience
- Workforce development and training
- Tourism product diversification

The country is **excellently positioned** to attract cultural, leisure, and island tourism. There are significant opportunities for expansion into **non-leisure segments**, such as bleisure (business-leisure travel), wellness tourism, and specialized experiences that can extend the tourist season and increase revenue per visitor.



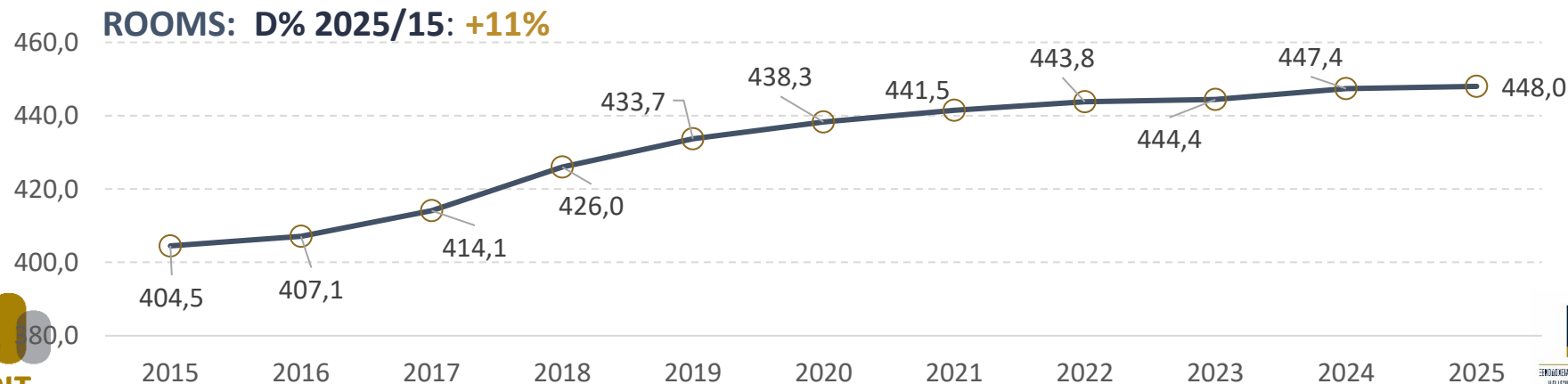
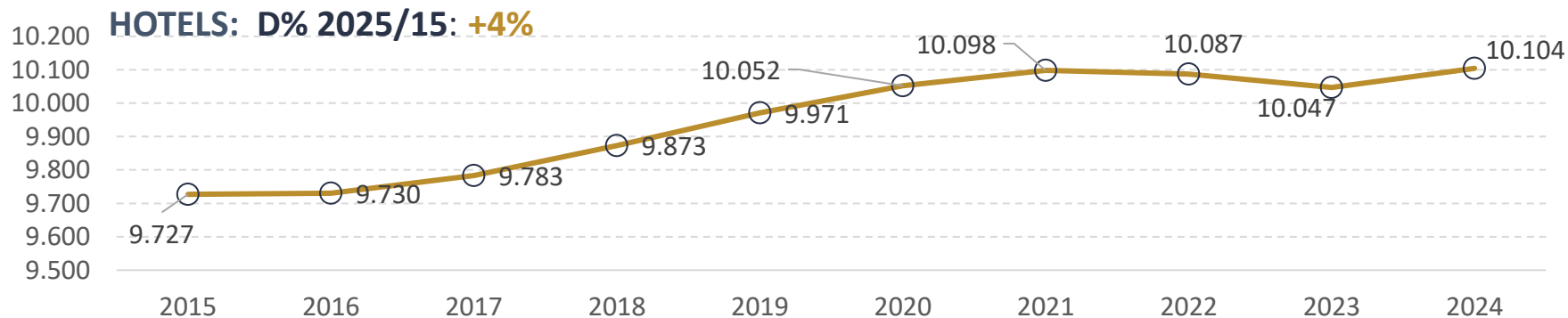
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Greek Hotel Sector and Hotel Performance

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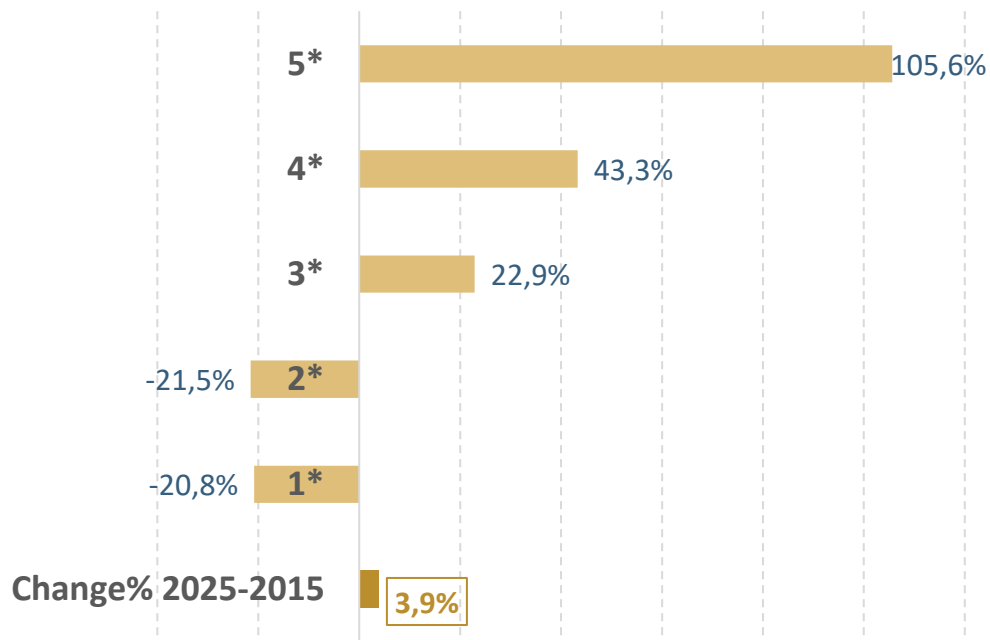


The Evolution of Hotel Capacity, 2015–2025





Evolution of Greek Hotel Capacity 2025-2015

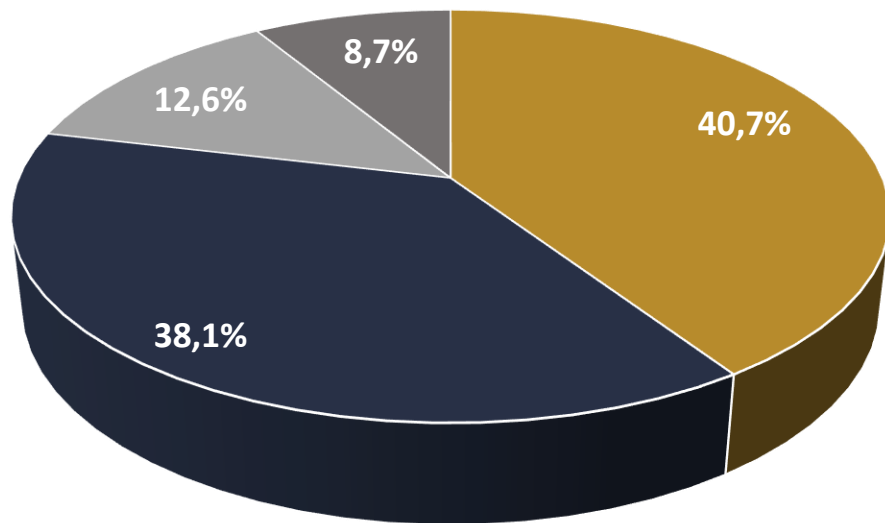


Hotel class	2025	2015
5*	847	412
4*	1.909	1332
3*	2.979	2.424
2*	3.231	4.116
1*	1.144	1.444
Total	10.110	9.728

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The period 2015–2025 was characterized by a clear upward trend in the upgrading of Greek hotels

Composition of Greek Hotel Capacity by hotel size 2025



Almost **80%**
of Greek hotels
have capacity up to 50 rooms

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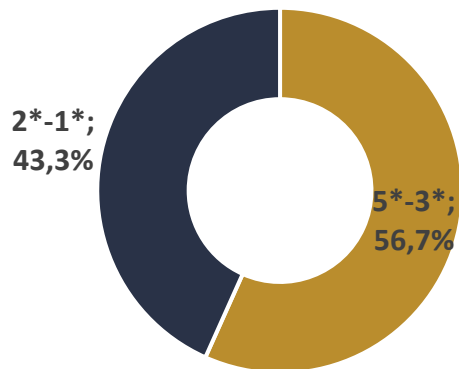
- Family (1-20 rooms)
- Small (21-50 rooms)
- Medium-sized (51-100 rooms) 12,6
- Large (>101 rooms)



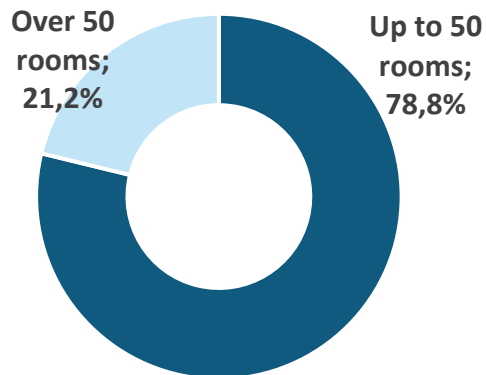
Main Features of Greek Hotels, 2025

Distribution of hotels by:

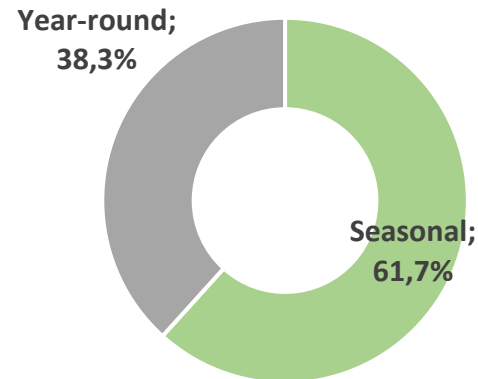
Star classification



Hotel size



Operating Period





Key Hotel Industry Metrics, 2024



88%

Hotel Occupancy Rate



130

Median Room Rate



€11.5 B

Annual Turnover



€1.03 B

Annual Investments



20%

of total investments
for sustainability



220,000+

Jobs in the sector

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Contribution of the Hotel Sector to the Greek Economy



Economy

Every **€1** spent on hotel services **generates** **€1.55** in the Greek economy.



Employment

Every **€1 million** spent on hotel services **creates** approximately **29.8 full-time jobs** in the Greek economy.



Balance

Every **€1** spent on hotel services increases total **imports** by **€0.16**.



Intersectoral Linkages of the Hotel Sector

- Approximately **44%** of the **product increase** that is 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.
- **74%** of total F&B expenditure in Greek hotels concerns Greek products.
 - Specifically, **97%** of the wines consumed in the hotels are Greek.



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Challenges faced by Greek Hotel Sector

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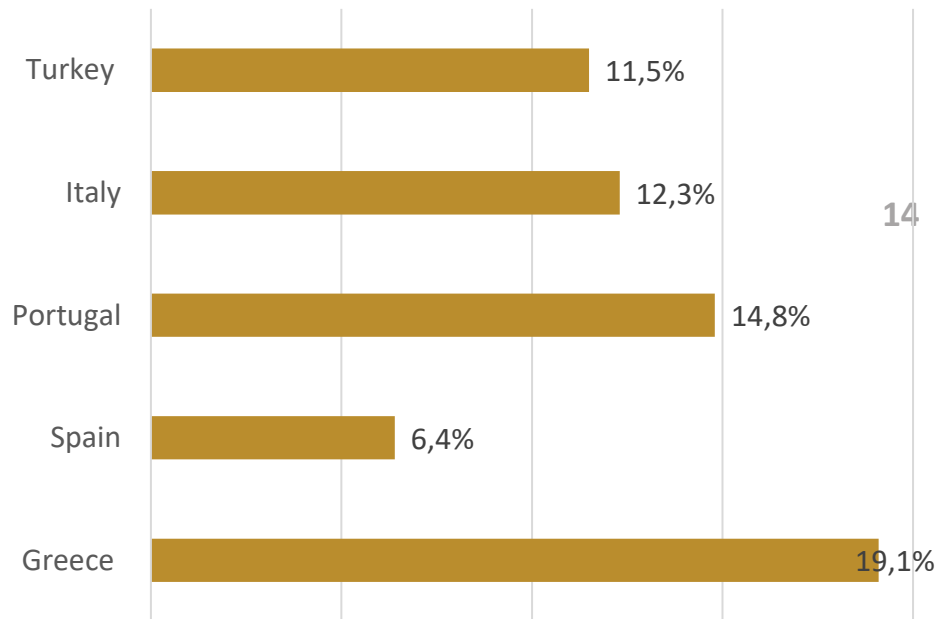
Main Challenges and Difficulties faced by Greek hotels



An over-taxed sector

Net taxes in the hotel sector
and in the economy as a whole

Country	Net taxes on hotels
Greece	19,1%
Spain	6,4%
Portugal	14,8%
Italy	12,3%
Turkey	11,5%

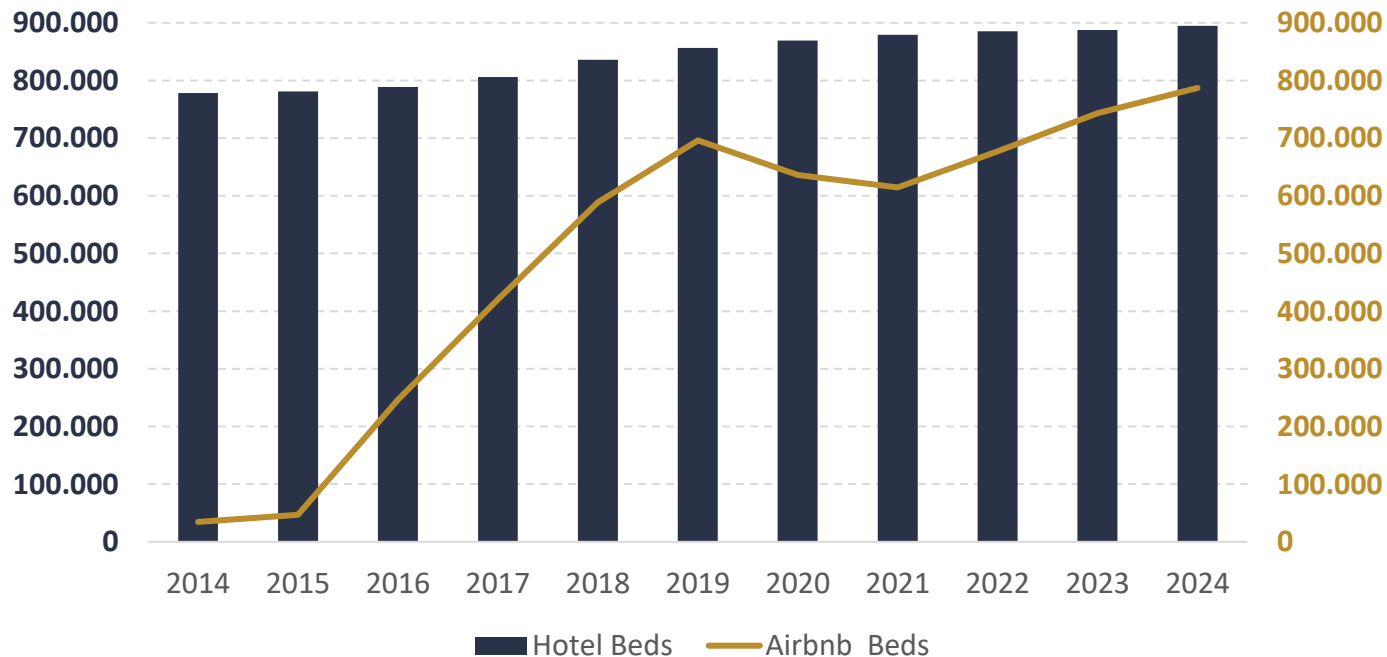


Net taxes on other Greek sectors (median): 10,1%



Main Challenges and Difficulties faced by Greek hotels

Expansion of Short Term Rentals





Main Challenges and Difficulties faced by Greek hotels



Employment and Staff shortages



Year	Needed employees (organizational chart)	Actual number of employees (jobs covered)	Staff shortages	% shortage
2025	263.026	226.881	36.145	14%
2024	278.188	224.371	53.817	19%
2023	265.782	212.553	53.229	20%
2022	262.980	202.756	60.225	23%
2021	244.124	190.875	53.249	22%

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Main Challenges and Difficulties faced by Greek hotels

The Greek hotel sector faces **significant challenges that affect its sustainability and competitiveness**. Understanding these difficulties is crucial for shaping effective strategies and policies that will support the development of the tourism sector.



Continuous Changes in the Regulatory Framework

Hoteliers face frequent changes in legislation, including accommodation tax, digital work cards, and tax obligations, creating uncertainty in business planning.

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Unstable International Environment

Wars, rising product costs, and geopolitical tensions create great instability in tourist flows and affect the operational profitability of businesses.



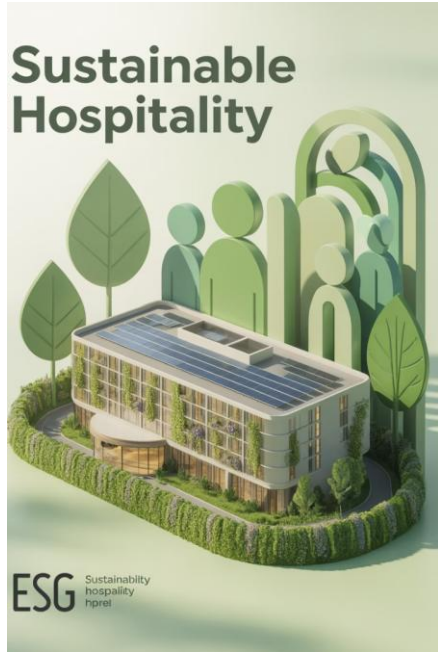
Survival of Small and Medium Enterprises

Small and medium-sized hotel units face challenges of economies of scale, reduced occupancy and prices, limited access to bank financing, and exclusion from subsidy programs.

Addressing these challenges requires coordinated efforts among the government, professional bodies, and entrepreneurs to create a sustainable and competitive hotel sector.



ESG Sustainability of the Hotel Sector 2024



Greek hotels undertake initiatives and invest in the 5 key pillars of sustainability



**ESG.1
ENERGY**



**ESG.2
WATER**



**ESG.3
WASTE
MANAGEMENT**



**ESG.4
SOCIAL DIMENSION OF
SUSTAINABILITY**

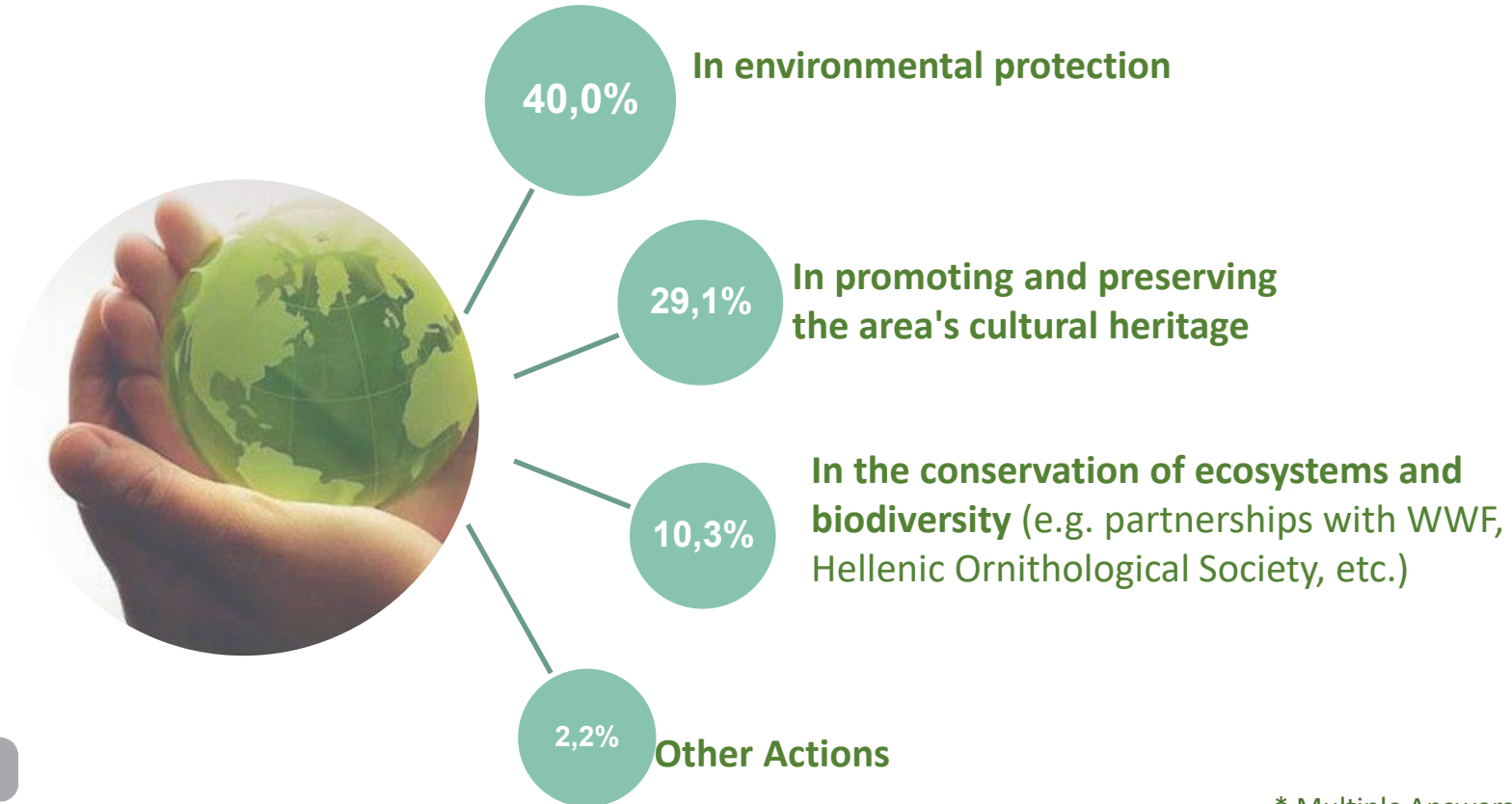


**ESG.5
CORPORATE POLICY
MANAGEMENT**

**Gradually Greek hotels move to a more
sustainable operating model**



Greek hotels implementing sustainability actions*



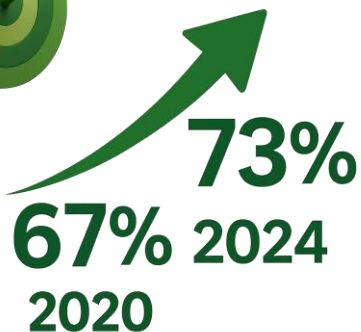


ESG Sustainability of the Hotel Sector 2024

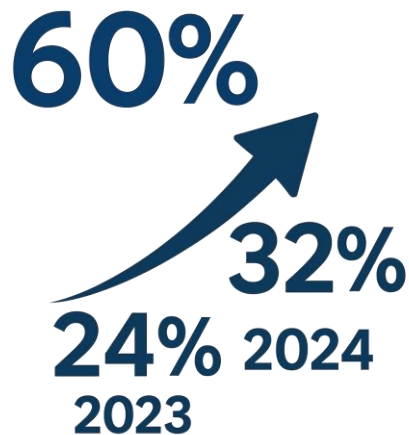
Greek hotels set targets to reduce their environmental footprint



Increase in the percentage of hotels that have set **energy consumption reduction targets**

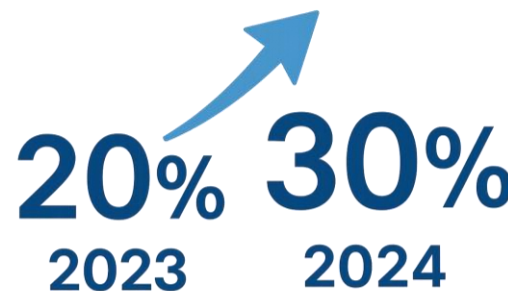


have set **water consumption reduction targets**



Increase in the percentage of hotels that have a **water consumption recording and monitoring system:**

Increase in the percentage of hotels informing guests about **reducing** 20 the carbon footprint of their stay.





New Technologies and AI in the Hotel Sector 2024

*In today's rapidly evolving technological landscape, the tourism sector—particularly the hotel industry is undergoing profound transformation. As businesses strive to enhance operational efficiency, optimize sales, and improve customer experience, digital tools and data-driven strategies have become essential. Among these, **Artificial Intelligence (AI) is emerging as a powerful enabler of innovation, especially in areas such as customer service automation, dynamic pricing, and demand forecasting.***

Early Stage of AI Adoption

22,7% of hotels report that they **already use AI**, while **9,8%** intend to implement it. **52%** state they do not use it, indicating that AI is still at an early stage of penetration in the sector.

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Positive Perception of AI Benefits

56,4% of hoteliers believe that AI is directly relevant to their business. **50%** evaluate its **impact on the hotel sector positively** (ratings 7–10).

Limited and Selective Use of AI Applications

The AI applications with the highest adoption are **ChatGPT (19,5%)**, **chatbots (8,5%)**, **analysis and response to customer reviews (10,7%)**, and **predictive analytics (10,2%)**. Technologies such as **facial recognition** and **automatic menu creation** show extremely low usage (<5%).



New Technologies and AI in the Hotel Sector 2024

Areas with High AI Application Potential

60,2% of hoteliers believe that AI is particularly **useful in reservations**, **53,8%** in **financial management**, and **53,6%** in **marketing**. These are followed by **data analysis (45%)**, **customer relationship management (36,7%)**, and **cybersecurity (33,4%)**.

Key Benefits of Using AI

42,3% recognize **time savings**, **32,1%** cite **improving operational efficiency**, **25,5%** report an **increase in sales**, and **24,2%** mention **improved communication/marketing**. **Reducing costs** is reported by **23,1%**.

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Barriers to Adoption

38,9% report **poor knowledge of AI solutions available on the market**, **27,7%** cite **concerns about security and privacy of customer data**, **26,4%** report **no management support**, and **25,9%** refer to **strict data protection and privacy regulations**. **High setup cost (23,2%)** and **high technical complexity of AI systems (20%)** are also considered limiting factors.



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Prospects of the Greek Hotel Sector

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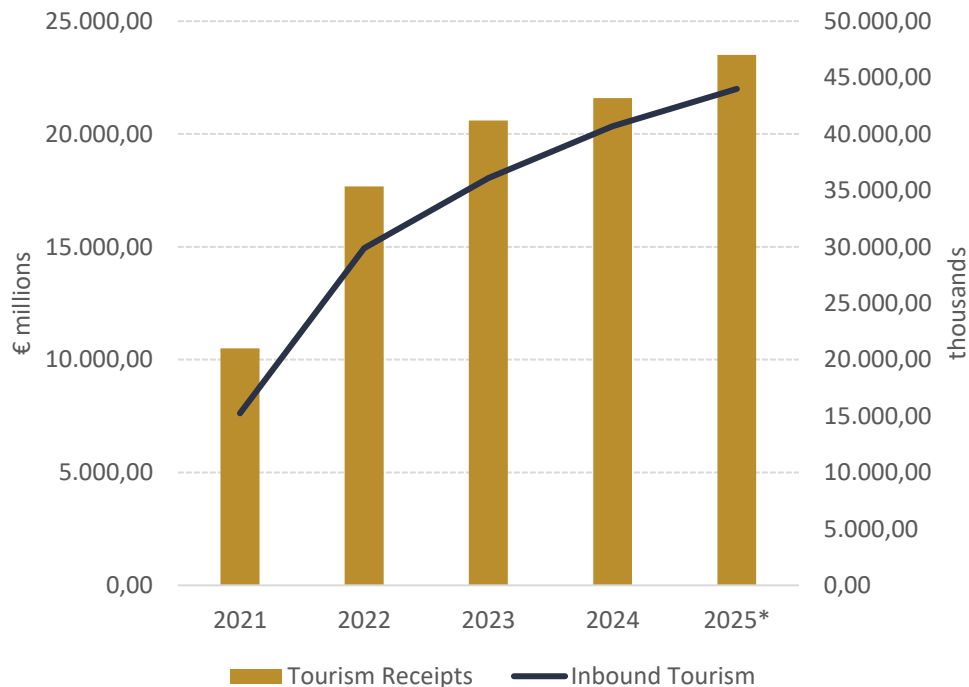


Greece: Evolution of key tourism indicators, 2021 - 2024

YEAR	Tourism Receipts (€ millions)	Inbound Tourism (thousands)
2021	10.502,70	15.246,10
2022	17.676,18	29.875,80
2023	20.593,64	36.082,70
2024	21.592,30	40.693,90
2025*	23.500,00	44.000,00

*Estimation.

Source: Bank of Greece.



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Greece in the Global Travel & Tourism System*



Greece stands as a **tourism-centric economy**, distinguished by one of the highest shares of GDP dependent on the Travel & Tourism sector among developed nations. The industry serves as a **structural pillar** of national growth, employment creation, and regional development across the archipelago and mainland territories.

Mature Market Profile

Expected T&T GDP growth (2023–2033) remains **moderate but steady**, characteristic of established destinations with developed infrastructure.

Innovation Leader

Greece features in the WEF report as an exemplar of **visitor-flow management innovation**, including the "Tourism for All" initiative addressing overcrowding.

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Strategic Challenge

Managing **seasonality and capacity** emerges as a critical priority for sustainable destination development and community wellbeing.

**Travel and Tourism at a Turning Point: Principles for Transformative Growth, Insight Report, World Economic Forum, July 2025.*



Strategic Priorities for Greece *

01

Manage Visitor Flows & Protect Destinations

Expand initiatives like "**Tourism for All**" to distribute demand spatially and temporally. Implement dynamic pricing mechanisms, capacity limits, and compelling off-season incentives to encourage longer, distributed stays.

02

Strengthen Infrastructure & Climate Resilience

Prioritize investment in **transport networks, utilities, and digital connectivity**. Deploy climate-adaptation systems for high-risk islands, including water management and wildfire prevention infrastructure.

03

Support Workforce Development

Enhance **vocational training programs, digital skills,** and retention strategies. Address seasonality through year-round employment models and competitive compensation frameworks.

04

Enhance Sustainability & Local Benefit

Upgrade **waste, water, and energy systems** to meet growing demand. Ensure tourism revenues support local communities, heritage preservation, and environmental protection initiatives.

05

Diversify the Tourism Product

Promote **cultural, wellness, gastronomy, sports, and nature-based** tourism experiences. Develop authentic year-round offerings that reduce dependency on beach tourism and seasonal concentration.

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