



Project

Greece: Covid-19 Tourism Recovery Technical Assistance
Cooperation Package – Facilitating Tourism Recovery in
Aftermath of Covid-19

Activity

**Support Programme for Greek Tourism MSMEs
and Job Retention**

Deliverable

Roadmap for Supporting Tourism MSMEs and Job
Retention

April 2022

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All partners involved hope that this report will shed new light onto how the MSMEs of Greece can recover from the impact of COVID-19. The findings aim to inform policymakers on the latest trends and support the planning of a tourism development strategy that places the recovery of tourism MSMEs high on the agenda.

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Abbreviations

AWU	Annual work unit
DMC	Destination management company
EBRD	European Bank for Reconstruction and Development
EFKA	National Social Insurance Agency
EPAnEK	Operational Programme 'Competitiveness, Entrepreneurship and Innovation'
EU	European Union
IAPR	Independent Authority for Public Revenue
INSETE	Institute of the Greek Tourism Confederation
KAD	Business Activity Code
KPI	Key Performance Indicator
MSMEs	Micro-, Small- and Medium-sized Enterprises
NSRF	National Strategic Reference Framework
PCO	Professional Congress Organizer
RIT	Research Institute for Tourism
RRF	Recovery and Resilience Facility
VAT no.	VAT number
UNWTO	World Tourism Organization

Summary

The purpose of this project, which is jointly implemented by the World Tourism Organisation (UNWTO) and the European Bank for Reconstruction and Development (EBRD) in collaboration with the Greek Ministry of Tourism, is to draw up a roadmap to support tourism micro-, small- and medium-sized enterprises (MSMEs) and to help retain jobs. The roadmap includes a set of actions designed specifically for the Ministry of Tourism, the tourism industry collective bodies and the tourism MSMEs, the implementation of which will help tourism businesses recover swiftly from the effects of the pandemic and achieve the best possible economic results in the particular market conditions prevailing today.

The selection of proposed actions was based on extensive research among tourism bodies, tourism businesses as well as officers of the Ministry of Development and Investments and the Ministry of Finance. This research contributed in assessing the support measures implemented in the previous two years, in the analysis of the needs and priorities of tourism businesses in the post-COVID-19 era, and in getting suggestions from stakeholders on what kind of support they would like.

The roadmap proposes the implementation of seven actions, that include a consultation of the Ministry of Tourism and the tourism collective bodies with the economy-related ministries in order to secure liquidity for micro-, small- and medium-sized tourism enterprises (ACTION 1); the adaptation of the selection criteria for an investment proposal under the new NSRF to the specific needs of MSMEs (ACTION 2); the development of a training programme for entrepreneurs and professionals (ACTION 3); to conduct and distribute industry surveys by the tourism collective bodies (ACTION 4); the provision of mentoring to tourism businesses and professionals (ACTION 5); the upgrade of business operations (ACTION 6); and improving staff employment conditions (ACTION 7). The roadmap foresees distinct roles for the Ministry of Tourism, the tourism collective bodies and the tourism MSMEs. Their respective actions are feasible in terms of implementation, their usefulness has been confirmed and they help strengthen the Greek tourism sector in the extraordinary market conditions that have emerged after two years of pandemic, especially in the current context of high energy prices and rising inflation. By assuming the coordinator role for all the actions as well as implementing some of them, the Ministry of Tourism

will generate considerable added value for Greek tourism businesses – especially for the smaller and more vulnerable ones – thus playing a key developmental role.

Introduction

This project is the result of a cooperation between the World Tourism Organisation (UNWTO), the European Bank for Reconstruction and Development (EBRD) and the Ministry of Tourism. The aim of the three partners is to actively support the tourism sector in Greece, in order to recover as quickly as possible from the COVID-19 pandemic, the biggest crisis that Greek and global tourism has ever experienced.

In the past two years, many support measures have been implemented for businesses, employees and households, and billions of euros have been spent by the Greek Government and the European Union to bail the economy out. However, these **have been mostly emergency measures** and have either already ended or will come to an end in the coming months. This raises the question for the day after, given that:

- The impact of the pandemic on tourism and the economy as a whole remains noticeable and most businesses have yet to recover from the effects of COVID-19.
- New problems have arisen for the Greek economy and especially for tourism due to the events in the Black Sea region combined with soaring fuel costs and high inflation.

As the emergency measures of the past two years are nearing the end, it is important to launch the **next support actions** that Greek tourism needs direly, which is what three partners try to approach with this project. The method selected is to propose a roadmap, which will guide the Greek tourism stakeholders and more specifically (1) tourism businesses, (2) tourism collective bodies and (3) the competent Ministry of Tourism in the implementation of a set of actions.

These actions should meet two conditions:

- Solve real and significant problems of tourism micro-, small- and medium-sized enterprises
- Be implementable by the above stakeholders, where possible with the support of the Ministry, i.e. ensure that the stakeholders have the required resources (human, financial and other).

Therefore, based on a careful study of the project outline, and the consultation with tourism collective bodies and the businesses themselves, a roadmap has been prepared to support tourism micro-, small- and medium-sized enterprises (MSMEs) in practice and to help retain jobs in the Greek tourism sector. The actions set out in the roadmap (see Figure 1), which are described in detail in Chapter 5, can be implemented at a reasonable budget or at no monetary cost. Some of these actions primarily concern the Ministry of Tourism, while in the rest, the Ministry can play a supporting and coordinating role for tourism bodies and tourism MSMEs.

On 5 April 2022, a working meeting was held between the project team and the Greek tourism bodies to present this roadmap for the first time. The fact that tourism bodies welcomed this proposal indicated that there was a good understanding of the current situation faced by Greek tourism businesses and that the proposed actions correspond to the real needs and priorities of tourism MSMEs.

Therefore, following the **acceptance of the roadmap by the collective bodies**, the Ministry of Tourism can immediately proceed with the implementation of the actions foreseen herein, as the required preparatory work has already been completed.

This deliverable consists of five chapters, which in addition to the roadmap itself include its research-based documentation. **Chapter 1** outlines the research methodology, and the subsequent chapters describe the five surveys carried out.

In particular, **Chapter 2** lists the support programmes to which tourism enterprises have had access to a greater or lesser extent. **Chapter 3** presents the conclusions from interviews with representatives of Ministries, which focused on the performance of the pandemic support measures and the possibilities for additional State support for tourism businesses.

Chapter 4 lists the findings of three surveys covering tourism businesses and their collective bodies. Finally, **Chapter 5** contains the detailed roadmap.



Methodology

A key issue in the preparation of this proposed roadmap was the best possible documentation based on the actual needs and priorities of the tourism MSMEs directly concerned. For this reason, special emphasis was placed on carrying out primary research, which would ensure this documentation.

Thus, secondary and primary research was carried out, as follows:

i. **Identifying support programmes for tourism businesses** (secondary research)

In the period 2020-2021, the Hellenic Government and the European Union implemented numerous and costly actions in support of businesses, employees and households, to tackle the acute economic and social crisis of the period. Programmes directly related to the operation of tourism MSMEs and the retention of jobs in tourism were identified among the dozens of programmes and initiatives implemented during the pandemic. The process of identifying these programmes, carried out at the beginning of the project, was based on the public invitations extended by the involved Ministries to businesses, and is set out in Chapter 2. Secondary research was useful in gathering the necessary information to design and implement primary research through the following steps.

ii. **Conducting a round of interviews with Ministry officials who implemented the support programmes for tourism businesses**

Interviews were conducted both with the political leadership – at the level of Secretary General and Special Secretary – and with senior officials of the Ministry of Finance and the Ministry of Development and Investments. The objectives of the interviews were:

- To assess the support programmes and their effectiveness from the point of view of their creators
- To identify areas of improvement both in the programmes' benefits and in their procedures
- To define the additional support the tourism sector can expect from the two Ministries

Based on these research objectives, the interview guide was prepared containing nine questions. Three interviews were conducted in total, online in February-March 2022. Their conclusions are set out in Chapter 3.

iii. **Conducting a round of interviews with tourism industry collective bodies**

The interviews with the most important collective bodies of Greek tourism proved quite vital for the development of this roadmap. Specifically, interviews were conducted with the institutional representatives of the hotel industry, the secondary tourist accommodations (rooms to let, apartments), travel agencies, marine tourism, car rental, conference organizers as well as with a local Chamber representing many other industries as well (such as retail and food & beverage).

The objectives of the interviews were:

- To record the effects of the pandemic on each industry and the specific problems caused
- To define the needs of each industry in terms of State support to businesses
- To understand how tourism bodies – as direct beneficiaries – assess the support measures implemented by the Greek Government and the European Union
- To record each industry's needs and specific requests for additional support

Based on these research objectives, the interview guide was prepared containing eight questions. Eleven interviews were conducted in total, online in February-March 2022. Their conclusions are set out in Chapter 4.1.

iv. **Send a supplementary questionnaire with closed-ended questions to tourism collective bodies:**

To quantify some of the data of this study, a questionnaire of ten closed-ended questions was prepared and sent to the tourism bodies that took part in the above interviews, focusing on the following points:

- Quantitative assessment of the evolution of the income of businesses in each industry during the pandemic
- Assessment of the progress of businesses in each industry henceforward
- Need to further support businesses in each industry
- The degree to which tourism bodies are satisfied with the support programmes implemented in the past two years

The questionnaire, sent on an online Google Form, was completed by eight representatives of the previous section's bodies in April 2022. The findings are set out in Chapter 4.2.

v. **Group discussion with tourism professionals and entrepreneurs:**

To ensure the best possible understanding of the needs and priorities of small tourism businesses at this point in time, a group discussion was also organised with five entrepreneurs and professionals from different industries and different regions of the country:

- A hotelier from Zakynthos
- A tourist guide from Thessaloniki
- An owner of a secondary accommodation from Crete
- A restaurant owner from Naxos
- A travel agent from Patras

The objectives of the group meeting were:

- To listen, without any third-party mediation, to the people actually affected by the crisis and who were the direct beneficiaries of the support programmes
- To capture, via these personal testimonies, the special conditions and requirements of each industry
- To better understand the extent to which problems are common and how to address the challenges of these businesses and industries
- For those directly concerned to describe the kind of support they want
- To either validate or modify the roadmap's priorities and direction

To encourage discussion and the exchange of views, the interview guide included just three broad and inclusive questions. The group discussion took place online in April 2022. Its conclusions are set out in Chapter 4.3.

Support programmes for tourism businesses and jobs

Immediately after the outbreak of the pandemic in early 2020, both the Greek Government and the European Union took measures to support tourism businesses and the corresponding jobs. The support measures were taken to compensate for the dramatic drop in revenues of these tourism businesses, since revenues in many cases reached zero as highlighted in the consultation with tourism bodies. The drop in revenue was caused by:

- the fear of tourists travelling in pandemic conditions
- businesses being unable to operate for prolonged periods due to administrative measures (lockdowns)
- businesses forced to operate under restrictions as a result of administrative measures
- restrictions in the movement of tourists imposed by administrative measures.

Since the risk of micro-, small- and medium-sized tourism businesses – as well as businesses in other sectors of the economy – being forced to close down with thousands of jobs lost was clearly visible, the Hellenic Government and the European Union implemented the following support programmes in order to mitigate the consequences of the pandemic. Support programmes came in the form of loans, grants and subsidies to businesses, the reduction of operating and financing costs, the retention of jobs and the promotion of domestic tourism.

The individual support programmes are detailed in the following tables.

Table 1: Repayable advance

Programme Title: Repayable Advance (Ministry of Finance – EPAnEK 2014-2020)	
Start:	April 2020
Objective:	Aid in the form of a preferential loan granted to businesses regardless of industry, which have been financially affected by the outbreak and spread of COVID-19, and which is repayable, in whole or in part.
Budget:	EUR 1.5 billion

Beneficiaries:	Businesses in all industries
Subsidy:	up to EUR 500,000
Disbursements:	EUR 147.5 million to 25,000 tourism businesses in total
Conditions:	(a) At least one employee; (b) the businesses concerned shall not be considered to be 'in difficulty'.
Implementation:	The application process has been closed since April 2021.

Source: Ministry of Finance

Table 2: Special Purpose Allowance

Programme Title: Special purpose allowance to support businesses due to the outbreak and spread of the COVID-19 (Ministry of Finance – EPAnEK 2014-2020)

Start:	April 2020
Objective:	Support for businesses and freelance professionals via an extraordinary grant
Budget:	EUR 500 million
Beneficiaries:	Freelance professionals or self-employed persons, owners of sole proprietorships, businesses in the form of a general partnership, limited partnership, limited liability company or private capital company (IKE) with no employees or with up to 20 employees.
Subsidy:	Amounts from EUR 300 to EUR 800 in recurring payments
Disbursements:	No available data specifically for tourism businesses.
Conditions:	Eligibility for specific business activity codes (KAD)
Implementation:	It has expired since November 2020.

Source: Ministry of Finance

Table 3: Fixed costs subsidy

Programme Title: Fixed costs subsidisation of businesses that have been affected financially due to the outbreak and spread of COVID-19 (Ministry of Finance – EPAnEK 2014-2020)

Start:	April 2020
Objective:	Fixed costs subsidisation through credit that can be used for repayment of current tax liabilities or current insurance contributions.
Budget:	EUR 250 million

Beneficiaries:	Private businesses of any legal form, including sole proprietorships.
Subsidy:	20% of fixed costs
Conditions:	Businesses employing at least one (1) full-time employee or two (2) part-time employees under a dependent employment relationship, which are not considered in difficulty, within the meaning of Regulation No 651/2014, as of 31 December 2019 and which show a drop in turnover of at least 30% in combination with losses before taxes.
Implementation:	The action ended in December 2021.

Source: Ministry of Finance

Table 4: Rent reduction in commercial leases

Programme Title: Rent reduction in commercial leases (Ministry of Finance)	
Start:	March 2020
Objective:	Exemption from the obligation to pay part of the rent in commercial leases.
Beneficiaries:	Businesses under specific Business Activity Codes (KAD)
Subsidy:	30% to 40% of total rent
Conditions:	Businesses under specific KAD, which include many categories of tourism businesses (including but not limited to maritime transport and coastal passenger transport, bus driver services, transport ticket sales services, hotels and similar accommodation, holiday and other short-term accommodation, camping sites, facilities for recreational vehicles and trailers, restaurant and mobile food service activities, car and light motor vehicle rental, travel agency activities, tour operator activities, conferences and trade fairs organisers, museum activities, operation of historical sites and buildings and similar visitor attractions, etc. – for a complete list of KAD, see Decision of the Deputy Minister of Finance A.1114/2021).
Implementation:	The action ended in 2021.

Source: Ministry of Finance

Table 5: Syn-Ergasia

Programme Title: Syn-Ergasia (Ministry of Labour and Social Affairs)	
Start:	June 2020
Objective:	Retention of full-time jobs by subsidising the salary and enabling the reduction of a full-time employees' work time by up to 50% without altering the employment relationship.
Budget:	Approx. EUR 1.2 billion
Beneficiaries:	All businesses in all industries with full-time staff
Subsidy:	60% of the employee's income for the time the employee will not work.
Conditions:	20% drop in turnover, retention of jobs and employment status.
Implementation:	The programme has been extended until May 2022.

Source: Ministry of Labour and Social Affairs

Table 6: Suspension of employment contracts

Programme Title: Suspension of employment contracts and coverage of insurance contributions due to suspension of employment contracts (Ministry of Labour and Social Affairs, Ministry of Finance)	
Start:	November 2020
Objective:	Protection of jobs in businesses placed under a temporary operating ban.
Budget:	EUR 3 billion
Beneficiaries:	Affected businesses in specific industries (including tourism businesses) and employees in suspended employment status.
Subsidy:	Employees placed under suspended employment status receive a special purpose allowance from the State Budget, which also covers their insurance contributions.
Conditions:	Businesses under specific Business Activity Codes (KAD), including certain categories of tourism businesses (e.g. food & beverage, hotels, travel agencies and booking services, conference and trade fair organisers, amusement parks and theme parks, casinos).

Implementation: The program is implemented until the end of April 2022 for tourism businesses in the fire-stricken areas of Evia.

Source: Ministry of Labour and Social Affairs

Table 7: Emergency financial support for tourist bus businesses

Programme Title: Emergency financial support for tourist bus businesses (Ministry of Tourism)

Start: April 2021

Objective: Support for businesses operating tourist buses affected by the COVID-19 pandemic in the form of a direct emergency subsidy.

Budget: EUR 24 million (initial budget 21 million)

Beneficiaries: Travel agencies and Road Transport Tourism Businesses (TEOM), providing transportation services by tourist buses and trains.

Subsidy: Emergency subsidy of EUR 2,400 per vehicle for buses up to 30 seats and EUR 3,600 per vehicle for larger buses

Disbursements: EUR 22.3 million to 2,235 beneficiaries

Conditions: The businesses concerned must not be considered in difficulty, within the meaning of Regulation 651/2014, as of 31 December 2019.

Implementation: The programme ended in 2021.

Table 8: Working capital subsidy

Programme Title: Working Capital Subsidy to Support Tourism Hospitality Businesses Affected by the Pandemic - TOURISM RESTART (Ministry of Development and Investments – EPAnEK 2014-2020)

Start: June 2021

Objective: The Action aims at providing sufficient liquidity to tourism businesses to resume their economic activity through the non-repayable increase of part of the working capital.

Budget: EUR 350 million, of which EUR 300 million for MSMEs and EUR 50 million for large enterprises

Beneficiaries: Tourism businesses regardless of legal form, and in particular hospitality businesses of all kinds, travel

	agencies, as well as tourist bus businesses, whose KAD are included in the call
Subsidy:	Up to EUR 400,000 per business with a distinct VAT number
Disbursements:	Approx. EUR 232 million to 5,600 businesses
Conditions:	At least 1 Annual Work Unit of salaried employment
Implementation:	The action ended in 2021.

Source: Ministry of Development and Investment

Table 9: COVID-19 Business Guarantee Fund

Programme Title: Covid-19 Business Guarantee Fund, TEPIX II and TADYM (Western Macedonia) (Hellenic Development Bank – EPAnEK 2014-2020)

Start:	September 2020
Objective:	Facilitate the access of small- and medium-sized enterprises developing sustainable business activity in Greece to financing mechanisms that strengthen the country's investment activity in the difficult conditions of the pandemic.
Budget:	EUR 2.16 billion for all businesses (including non-tourism)
Beneficiaries:	Tourist accommodations, food & beverage businesses
Disbursements:	Loan guarantee or interest rate subsidy for total loan of EUR 1,183 billion to 2,650 tourism businesses (accommodation, food & beverage)
Conditions:	The businesses concerned must not be considered in difficulty, within the meaning of Regulation 651/2014, as of 31 December 2019.
Implementation:	The programme is ongoing.

Source: Hellenic Development Bank

Table 10: Tourism for All

Programme Title: Tourism for All (Ministry of Tourism)

Start:	June 2020
Objective:	Enhance the demand for domestic tourism by subsidising holidays through vouchers to beneficiaries.
Budget:	EUR 100 million
Beneficiaries:	Residents of Greece, according to income criteria

Recipients:	Accommodation establishments, travel agencies
Disbursements:	Approx. EUR 20 million
Implementation:	The programme is ongoing and a new call for 2022 has been launched.

Source: Ministry of Tourism

In addition to the above programmes that directly supported tourism businesses and their employees, there were also other programmes that indirectly benefited those who operate in tourism in a professional capacity. One such example is “**Gefyra 2**”, a programme that has benefitted many businesses by subsidising the monthly instalments of business loans in terms of both principal and interest.¹ All of these programmes are included in **Annex II**, where Law 4813/2021 "Medium-Term Fiscal Strategy Framework 2022-2025" is cited with all the expenses undertaken by the State in order to support businesses and employees over the past two years.

¹ http://www.keyd.gov.gr/covid19_gefyra2/



Conclusions of interviews with Ministry representatives

As part of this project, three Ministries were contacted, which – apart from the Ministry of Tourism – played a vital role in supporting tourism businesses. These are the Ministry of Finance, the Ministry of Development and Investment and the Ministry of Labour and Social Affairs.

The project partners requested interviews with the political leadership and executives of these Ministries to investigate their contribution to addressing the consequences of the pandemic. The following responded to the request for interviews:

- Mr Dimitris Skalkos, Secretary General of Public Investment and NSRF, Ministry of Development and Investments
- Mr Georgios Zervos, Special Secretary for the ERDF and CF Programme Management, Special Management Office (SMO) OP Competitiveness, Entrepreneurship and Innovation (EPAnEK), Ministry of Development and Investments
- Mr Fotis Kourmouzis, Special Secretary for Private Debt Management (EGDIX) of the Ministry of Finance
- Mr Paraskevi Hamilou, Head of Planning and Support Directorate, Special Secretariat for Private Debt Management (EGDIX) of the Ministry of Finance
- Mr Epaminondas Gourgouletis, Head of the Strategy and Coordination Department, Special Secretariat for Private Debt Management (EGDIX) of the Ministry of Finance.

The main conclusion from the interviews with the above persons can be summarised as follows.

3.1 Crisis management

The crisis caused by the pandemic created an unprecedented situation and **there was no plan in place** to address it. Therefore, as problems arose, the state apparatus dealt with these challenges based on the requests of those affected and provided solutions by reducing the costs of businesses (e.g. rent reduction) and providing liquidity to businesses. Thus, the representatives of each industry informed the

Minister of Finance with the problems they were facing. Then, Ministry executives reviewed the requests in working groups and legislated accordingly.

The main characteristic of the State's operation over the past two years was that the support measures were implemented through electronic systems and by applying specific criteria. Thus, those companies that did not have updated registry information (e.g. the corresponding KAD) could not be supported directly. Companies gradually updated their registry information and overcame these difficulties. It was also noted that some businesses, often from the entertainment industry, were not able to demonstrate a drop in turnover since they concealed taxable income, and were therefore not subsidised.

The participants stressed the **emergency nature of the measures** but also the **great time pressure** under which the support programmes (set out in Chapter 2) were designed. Specifically for the measures financed by EU funds (NSRF), the eligibility conditions had to be overcome, such as, for example, the requirement for businesses applying for financial support to evidence at least one Annual Working Unit (AWU) of salaried work.

The above actions were available to tourism businesses, which, during the two years of the crisis, received support to the amount of EUR 2.5 billion. In total, over the past two years Greek businesses have been supported by the Ministry of Development and Investments with EUR 4.3 billion allocated to 500,000 approved actions.

Since the European Union demonstrated a degree of flexibility in co-financed projects due to the exceptional circumstances of the pandemic, the restrictions resulting from the eligibility conditions were partially lifted, and more funds were transferred from other sources to support businesses. However, government bodies have pointed out that the **flexibility window is now closed** and business support continues with standard NSRF actions. Nevertheless, the Hellenic Government has asked the European Union to once again provide a window of flexibility, as the problems caused by the pandemic in Greek businesses continue to exist.

3.2 Support actions

As mentioned in detail in Chapter 2, the following actions in support of tourism were implemented using NSRF funds:

- Restart Tourism
- Tourism for All
- Banking products through three actions of the Hellenic Development Bank. With financing in excess of EUR 1 billion, the tourism sector got the bulk of this liquidity.

In addition to these three actions designed specifically to deal with the effects of the pandemic, the strengthening of the competitiveness of Greek businesses continued through the Operational Programme 'Competitiveness, Entrepreneurship and Innovation' (EPAnEK) to further upgrade and modernise them. So, via an earlier EPAnEK action that started to be implemented in 2017 – with a total budget of EUR 700 million for all Regions – more than 1,200 tourism MSMEs were subsidized with amounts ranging from EUR 25,000 to EUR 400,000. In total, EUR 260 million were allocated to tourism through this action.

On the part of the Ministry of Finance, it was reported that, in addition to the suspension of payments to banks, the tax authorities and EFKA (social insurance organisation) applied during each quarantine period – i.e. a payment moratorium of about one year - the enforcement of these debts through auctions and seizures was also suspended, given the difficult situation in which businesses find themselves. Furthermore, ways are being considered to best address the new debts that arose due to the pandemic crisis – i.e. the arrangement of the so-called "coronadebts" – as well as the long-term arrangement of debts of micro-, small- and medium-sized enterprises to the public sector (EFKA, IAPR) and banks.

Representatives of the **Ministry of Development and Investments** stressed that due to the nature of emergency, actions to address the pandemic (described in Chapter 2) are temporary and must now come to an end. Consequently, aid in the form of a provision of working capital cannot continue. **Support for tourism businesses continues from now on via the normal NSRF actions**, with the next call for proposals expected in autumn 2022.

In the past two years, there was special emphasis on providing liquidity and working capital to businesses. As stated, *"if we want a total restart, we cannot continue with working capital support but need to focus on improving the tourism product through the green and digital transition"*.

Henceforth, only business plans that are green or digital, for which sufficient funds are available, **will be supported via the NSRF**, since EUR 3 billion in total will be made available to businesses in all industries. Half of that amount will be in the form of a grant and the remainder will be loans. These actions will also be readily available to tourism businesses as of autumn 2022. The Ministry of Development and Investments plans to finance the upgrading of tourist destinations and their infrastructure via the NSRF.

On the part of the **Ministry of Finance**, it was stressed that the implementation of their own support measures will continue for the coming months and will gradually come to an end. No new measures are planned for the pandemic, since now the Ministry is working on ways to address the new problem that the Greek economy is facing, namely the energy crisis. Funding from the Recovery Fund (RRF) is now being launched for the next three years, which will cover actions such as 'Exikonomo' (meaning 'I am saving'), but will also cover working capital for businesses.

3.3 Cooperation and communication with tourism businesses

During the interviews, all participants mentioned that communication between the Ministries and tourism industry bodies was very good and effective during the pandemic. There was frequent consultation on the needs of the sector, since bodies would send their proposals, which were incorporated into the planning of the Ministries' actions. This communication helped adapt the aid criteria to the real needs of the economy (for example, in terms of the assets of a business).

During the interviews, the respondents underscored the **high speed** with which government agencies reacted to the emergency situation of the pandemic and announced and implemented the aforementioned actions. According to the survey participants, the drastic shortening of the application review procedures was a

welcome “revolution”. The physical dossier for business support has been abolished and applications are reviewed automatically and the process does not last 1.5 to 2 years as before. Disbursement is just as quick. For example, in the "Working Capital Subsidy to Support Tourism Hospitality Businesses Affected by the Pandemic - TOURISM RESTART" action, the deadline for submitting applications was the 30th of September 2021. On September 3, the first approvals were issued and on September 13, the first 19 million were disbursed by the Ministry of Development and Investments. The much-improved speed at which procedures are completed, is not only an achievement but also a legacy for improving the operation framework for MSMEs.

For the next programming period, the consultation should be intensified and perhaps done in a more organised and formal way, to correctly channel the limited 2021-2027 period funds and ensure maximum added value.

The following answers were given to the question *“What would change in the way small and medium-sized tourism businesses are supported from now on?”*:

- Support for businesses should perhaps be more targeted and the degree of support more diversified. Perhaps, the turnover criterion was not adequate in itself, as many companies that really needed support were left out of the aid, while companies that might not have needed it, since by reducing their costs they remained profitable and did not have a viability problem, possibly received support.
- The Greek State was called upon to implement unprecedented actions very quickly without having established the required procedures. This would help introduce a change in the way programmes are managed.
- Over the past two years, the priority has been on helping companies stay in business and continue their operations. From now on, the aim of the Ministry of Development and Investments – regardless of sector or industry – is to support businesses expand, upgrade, or change their operations.

It was also stressed that in the difficult situation of the pandemic, the EU allowed the use of all available financing tools, including the NSRF, which was used not only for investments, but also to financially support businesses. The launch of the RRF will open new possibilities for supporting tourism businesses.

Some more general points about Greek tourism raised during the interviews are of particular interest. For example, respondents highlighted the sustainability problems of the Greek tourism product and the Greek tourism model in general: *“The pre-pandemic tourist product of Greece was good but it reached its limits. There are many possibilities for upgrading the tourist product (e.g. alternative forms of tourism, green and digital tourism and upgrading tourist areas), which are included for support in the new NSRF.”*

Based on the content analysis of the interviews with the representatives of the Ministries, the following **key conclusions** can be drawn:

- The State apparatus responded with unprecedented speed to the need of businesses for immediate support, taking into account the suggestions of industry bodies.
- Support actions are considered to be effective and beneficial for tourism businesses. In agreement with this statement, this is largely the feeling received through the feedback of businesses consulted.
- In the future, support actions should be more targeted to those businesses in real need of support rather than being applied horizontally across all businesses.
- Emergency aid (for example, non-repayable advances, working capital) through NSRF and EPAnEK will not continue.
- Support for businesses will now focus mainly on digital transformation and green transition, whereas general entrepreneurship will receive limited support.

4

Conclusions from the consultation with tourism industry collective bodies

This chapter will focus on describing in detail the feedback received through the series of consultations held with the tourism industry associations and collective bodies. The insights presented in this Chapter, in a synthesis of the feedback received by the government bodies, set out the basis and backbone of the Roadmap presented in the consequent Chapter 5.

4.1 Round of interviews with tourism industry collective bodies

As part of this project, 16 tourism bodies were invited to take part in a consultation on the impact the pandemic had on their industry, their assessment of the support measures implemented by the Hellenic Government during the past two years, as well as their proposals on how to best support their industry from now on. These bodies included institutional representatives from the hotel industry, other forms of tourist accommodations, travel agencies, marine tourism, car rental, conference organizers, food & beverage, as well as the collective bodies of employees in these industries and two local Chambers.

The following 11 bodies responded to the invitation with their representatives:

- Hellenic Chambers of Hotels with the kind participation of the President, Mr. Alexandros Vasilikos
- Hellenic Hoteliers Federation with the kind participation of the President Mr. Grigoris Tassios
- Hellenic Association of Professional Conference Organizers with the kind participation of BoD members Ms. Sissy Lygnou, Ms. Antonia Alexandrou, Ms. Maria Papapanagiotou and Mr. Giorgos Kiayas
- Greek Association of Car Rental Tourism Companies with the kind participation of the Manager Ms. Marva Vidali
- Institute of the Greek Tourism Confederation (INSETE) with the kind participation of the Scientific Director, Mr. Aris Ikkos
- Hellenic Association of Tourist and Travel Agencies with the kind participation of the President Mr. Nikos Kelaiditis

- Greek Yachting Association with the kind participation of the Secretary General, Mr. Ioannis Kourounis
- Hellenic Professional Yacht Owners Association with the kind participation of the President Mr. Antonis Stelliadou
- General Pan-Hellenic Federation of Tourism Enterprises with the kind participation of the President Mr. Aris Marinis
- Confederation of Hellenic Tourist Accommodation Entrepreneurs with the kind participation of the President, Mr. Panayiotis Tokouzis
- Chamber of Cyclades with the kind participation of the President, Mr. Giannis Roussos as well as the executives of the Chamber Mr. Antonis Marangou, Ms. Christina Sarri and Mr. Kostas Valvis.

The consultation involved online interviews and raised eight common questions to all participants. Their answers presented below:

4.1.a Impact of the COVID-19 pandemic on tourism businesses

The hotel industry recovered part of the 2020 losses in 2021. Thus, the average annual occupancy for all Greek hotels, which in 2019 stood at 87%, fell in 2020 to 28% to partially recover in 2021 to 68%, and the turnover of hotels in 2021 dropped to 35% compared to 2019. Things are much better in terms of jobs, as in 2021 there were only 5.8% fewer hotel employees compared to 2019. Annex III presents Research Institute for Tourism data on the performance of hotels during the two years of the pandemic.

The other industries also reported a considerable ***drop in turnover of 70% or more in 2020***, or even reported zero activity as in the case of Destination Management Companies (DMCs), and there were no profits. All industries reported a ***recovery in 2021***, with turnover reaching 35-50% of 2019 revenues (20% for DMCs).

Yachting companies reported that following the end of the lockdown in the summer of 2020, there was increased interest in yacht holidays due to increased ***privacy*** and ***safety***, while recovery was good in 2021, reaching 75% of the 2019 turnover.

It was reported that some high-end companies were significantly better off than others, and profitability improved in several cases due to high savings as a result

of reduced staff.

The **pricing policy** of all tourism industries was certainly affected by the drastic drop in demand, as many businesses resorted to large discounts and offers in 2020. In 2021 prices recovered to a large extent, reaching 2019 levels, while for 2022 there are considerable increases. Companies that are currently bound to 2019 prices by old contracts are facing difficulties, at a time when there are strong inflationary pressures and high-cost increases.

Professional Congress Organizers (PCOs) are a special case, since the forced conversion to online conferences led to a drop in their turnover. It is questionable to what extent conferences with a physical-only presence will return, since conference customers are now familiar with online and hybrid events and their reduced cost.

Customer relationships were especially affected in 2020 by the wave of cancellations and how each business handled refunds, re-bookings, or vouchers. Companies that managed to adapt to the new situation created by the pandemic, gained the trust of their customers/guests with which maintain very good relations. Small family businesses, where personal contact played a major role, express the same opinion. Overall, Greece as a destination achieved a high degree of visitor satisfaction, according to the relevant measurements of the last two years carried out by ReviewPro on behalf of the Institute of the Greek Tourism Confederation (INSETE, see <https://insete.gr/bi/recovery-tracker/>).

In terms of **jobs**, the situation is uneven across tourism industries. Hotels have largely retained their staff, benefiting from employment support measures in 2020, and as a result in 2021, hotel jobs dropped by only 5.8% compared to 2019. There has been a wave of exodus of workers from tourism businesses – especially those aged 20-40 – who have sought employment in other sectors of the economy. On the contrary, some travel agencies, under the pretext of the crisis, saw an opportunity to dismiss the highest paid employees, i.e. those with a salary of more than EUR 1,000. Redundancies as well as non-hiring of seasonal staff were also reported in other industries such as car and boat rentals, especially in 2020. A counteracting trend is the increase of freelancers on yachts, i.e. people who are not employees of a company but crew the boats/yachts as freelance associates.

The **difficulty of finding staff** in hotels now prompts their collective bodies to look into the possibility of employing refugees, migrants and workers from abroad, such

as refugees and migrants who are eligible for legal work in Greece and especially refugees from Ukraine. Similar difficulty in finding qualified staff is also reported in other industries such as travel agencies, DMCs and PCOs, while rooms to let and apartments face a shortage of housekeeping staff. The problem becomes worse as many foreigners who lived in Greece before the pandemic, have left because of the precarious working conditions, while in the very popular islands such as Mykonos and Santorini there is the additional difficulty of finding employee accommodation.

As was inevitable, ***relations with suppliers*** were also affected by the disruptions of the pandemic. Limited liquidity of many businesses led to debts and unpaid cheques. In other cases, problems are reported with contracts that bind companies to sell at 2019 prices despite the increased inflation of the last twelve months. During the consultation, it was mentioned that in many other cases there was understanding and facilitation regarding the deadlines for payment of dues and the cancellation fees, given the objective difficulties that everyone is facing. Finally, in yachting and in car rentals, a shortage of materials, difficulties in equipping yachts, delays in the construction and delivery of new yachts and vehicles were reported.

Relations with banks were affected by the support programmes described in Chapter 2, as the facilities of the State allowed many tourism businesses to have liquidity and largely cope with their obligations. In the consultation it was mentioned that the banks for their part also demonstrated flexibility and understanding to the problems and challenges of this period. However, there was an urgent need to find a way to restructure or extend long-term loans, since the liquidity of companies was still very limited.

Finally, the condition and decisions of major international tourism market players such as airlines and tour operators have a significant impact on Greek tourism businesses and therefore the impediments they faced during the pandemic directly affected Greek businesses.

The same point was raised by two consultation participants representing the PCOs and car rental industries: Small family businesses and large ones proved more adaptable (the former) and more resilient (the latter) to the challenges of the pandemic. Consequently, they performed better than medium-sized businesses. The personal work of those who have small businesses played a key role in

overcoming the difficult phase of the pandemic. Large companies have benefited from economies of scale, their greater bargaining power vis-à-vis tour operators and their highly specialised executives.

4.1.b New 2022 realities and trends in the tourism market and industry compared to 2019

As stressed in the consultation, each type of business experiences the period of the pandemic differently. Seasonal businesses – such as hotels (see Annex III) – performed much better than year-round accommodations in cities and mountainous regions, which, for the third consecutive year, had a difficult first quarter. They couldn't stay closed, so they incurred high operating costs with minimal income. It was mentioned that their current model of operation is not sustainable and that they need support.

Starting from May 2022, however, a rapid improvement is expected for the entire range of tourism businesses, except those related to business trips and conferences, for which prospects are still uncertain.

Most consultation participants see **major trends that differentiate the tourism landscape in 2022 and 2023** compared to 2019. In particular, the following qualitative characteristics of the market are considered to have been enhanced and the respective need for businesses to adopt them is therefore confirmed:

- The need for energy and environmental upgrading of businesses, which becomes even more urgent given the events in the Black Sea region and the impact on energy supply.
- Need for technological upgrading of businesses.
- The need for businesses to acquire new skills – in the logic of reskilling and upskilling.
- Need for improved accessibility of businesses to financial resources.
- Need to engrain a more local character into the offered hospitality experience (e.g. by using more local products and connecting with other local businesses).

It is therefore necessary for tourism bodies to move away from the logic of counting tourist arrivals as a criterion for the success for Greek tourism and seek

to upgrade the quality of the tourist offering. The new RRF (Recovery and Resilience Facility) programme offers the funds needed for numerous businesses to be upgraded by incorporating the above features.

One of the prevailing trends mentioned in the consultation is the preference of many visitors for safer trips, i.e. fewer contacts, increased hygiene and greater privacy, which has benefited industries such as short-term leasing or yachting. Thus, there is a shift towards closed groups of travellers and smaller groups (also observed among Greek tourists) but also the pursuit of new tourism experiences in nature and at sea (yachts gain new customers), but this development is not a threat to mass tourism.

There was a shared view that the difficulty in finding staff will be permanent.

The consultation stressed the impact of the war in Ukraine and the increase in energy prices coupled with price hikes resulting in a large part of the population become unable to afford to travel.

A new feature, especially in the conferences industry, is the imposition of a strict clause for penalty-free cancellation and a general difficulty in concluding agreements and contracts. A proposal has been tabled to apply the Austrian model, where in case of conference cancellation due to force majeure, the State guarantees the refunds. It is also assumed that conferences will go back to physical presence, but there will be fewer participants and the setup will be hybrid.

4.1.c Support programmes for businesses

The consultation participants' views on the aid programmes of the past two years (see Chapter 2) were of particular interest. Most say they are quite satisfied with the speed with which the programmes were adopted (*"No one expected the speed and magnitude of the response at European level"*) and their scope. One participant said *"thanks to them [the programmes] we stayed open"*, while according to another comment from a representative of marine tourism, *"it is difficult to apply these programmes to the particularities of each industry, but they worked beneficially during this past period"*.

Programmes that had a wide cross-industry participation among tourism businesses were the **Repayable Advance**, the **Suspension of Employment Contracts** and **Syn-Ergasia**. The comments on this programme highlighted,

among other things, the reduced red tape and rapid disbursement, but some businesses found it hard to join due to restrictions on the 'de minimis' rule and the number of jobs required. So, several smaller companies (for example rooms-to-let businesses) did not make use of the programme, while others joined but did not benefit significantly (travel agencies).

The condition that seems to make it more difficult for very small family and seasonal businesses and the self-employed to join is the requirement for one Annual Work Unit (AWU). This condition essentially ignores this particularity of Greek tourism – unlike other countries – and disqualifies thousands of tourism professionals. This problem is described as follows from the point of view of rooms to let and apartments (most of them very small family businesses):

"We have been left out of support and it is unfair. The restaurants were financed because they were closed, but we were not supported, even though, practically, we too closed. Rent-a-car businesses had an excellent year in 2021, but received support because they had high turnover in 2019. So, they meet all three criteria (turnover, personnel, profitability) which we cannot easily meet. In our line of work, we can't afford to employ staff year-round. We should have received support from the Regions, which supported the big businesses that did not need it."

At this point there was the following differentiation, since reference was made to the concealment of income and taxable activity on the part of many businesses:

"As it turned out, the key to receiving support was the 2019 turnover in our tax returns. Businesses that had reported their turnover correctly could easily document the drop in turnover in 2020 and 2021."

Therefore, companies that reported lower income found themselves more exposed to the pandemic crisis and with less security than those that observed all legal procedures and were able to fully benefit from the support programmes.

Programmes such as **Fixed Costs Subsidy** and **Gefyra** were a useful tool to those for whom the stipulated restrictions were not a barrier. The following comment was made on the part of the travel agencies: *"We did not actually benefit, there were a lot of funds left unallocated, the special VAT regime we are in did not help us."*

As reported, many freelancers received the **Special Purpose Allowance**, and all

industries, more or less, benefited from the ***Rent Reduction in Commercial Leases***.

As regards the ***Emergency Financial Support for Tourist Bus Companies***, participants pointed out the very short duration of the programme and mentioned the need to extend the VAT reduction for chauffeured car hire (from 24% to 13%).

Participants are concerned by the fact that these programmes are ending while “*problems persist*”. Specifically, they request ***the extension of the repayment of liabilities*** in 72 instalments or in 7-8 years, since the five-year repayment period provided for by the EU is particularly difficult to achieve in the current economic situation.

One major point of criticism focused on the fact that these programmes were implemented horizontally, meaning applicable to all without adequate distinctive differentiation criteria per industry to reflect core particularities. Measures were implemented indiscriminately across all industries to all businesses that met certain minimum criteria, both to businesses that really needed the support and to those that performed very well and were very sound during the pandemic. Moreover, they were also not adapted to the particularities of each industry. For instance, it was mentioned that in the hotel industry there was a two-speed system during the pandemic (see also Annex III):

"City and holiday hotels require different support measures to overcome the imbalance between hotels. City hotels had a loss-making winter in 2021-2022 – the third in a row – yet they are forced to operate year-round with very low income, while other businesses received money that they did not really need. On the contrary, city hotels need support right now but do not have any."

According to a survey of the Research Institute for Tourism (see Annex III), in 2021 hotels covered 40% of their financing needs with the above support measures. There are, however, two speeds, since holiday hotels had a much faster recovery, while city hotels reported significant drop in turnover.

The comment that companies received financing they did not need was also made by other association representatives.

From the point of view of the Cyclades, some additional deficiencies are pointed out:

"The food & beverage industry felt that it was treated unfairly by the repeated lockdowns, since bars & restaurants were closed. In 2020-21 there were no cruises so the shops in Santorini and other islands were affected considerably. We also lack three European tools, as these are not accessible by any of the three sectors of the economy due to the attitude of our banks:

- *Microcredits² (not available in Greece)*
- *Venture capitals³*
- *Factoring⁴ (commercial and export)."*

Finally, the following is a comment regarding the car rental industry:

"There was no specific subsidy for car rental as was the case with other industries (coaches, hotels). As part of the "Electric Mobility" programme, we are being asked to buy electric cars. In our industry there are no small electric cars; furthermore charging is difficult, but nevertheless they are forcing us to convert a percentage of our fleet to electric. We need a special subsidy or assistance programme for car rental companies."

4.1.d Assessment of employment retention policies

The programmes implemented to support employment were very well received by the representatives of tourism bodies. The following are some comments from the consultation:

- *"In the right direction, very good reaction time, they listened to us."*
- *"These policies are excellent, so we only had single-digit drop in employment compared to 2019."*

As for the programme weaknesses, it was pointed out that **Syn-Ergasia** is not suitable for seasonal businesses and that it should be made more flexible. The supporting documentation requirements discouraged the participation of micro-businesses, and it was mentioned that accountants of professionals deterred them

² An extremely small loan given to those who lack a steady source of income or assets. The aim of these loans is to support and kickstart entrepreneurs who are unable to obtain the financial backing needed to start a small business or capitalize on an idea. Source: Corporate Finance Institute (2022).

³ A form of finance that provides capital to emerging companies with high growth potential. The investor does not give a loan but receives an equity stake in the business. Source: Corporate Finance Institute (2022).

⁴ The assignment of future receivables of a business through discounting invoices to be collected by a factor. Source: Barone (2022).

from applying to join in the programme. The subsidy of social insurance contributions is seen as the most appropriate form of support.

One comment repeatedly made during the consultation process is that it is not unemployment that should be subsidised but employment, since the current system of benefits and allowances discourages work. The following comment was made on the part of the PCOs regarding suspended staff:

“We couldn't train them [our employees]. Instead, they were sitting at home and detaching themselves from the team. Some employees have been at home for up to 16 months. The State did not give us the opportunity to use staff time constructively. It took time for them to get acclimated again into the work environment, and some looked for another job.”

4.1.e. Measures and tools to support tourism businesses from now on

During the consultation, participants were asked to make suggestions as to the measures and tools needed by the industry each one represents. So they identified various ways to support tourism businesses, which are partly in line with the actions of the previous two years and partly include new measures.

Among the programmes implemented in the past two years to date, they propose continuation of **Syn-Ergasia**.

There is particular concern among tourism bodies about the new debts – the “coronadebts” – that have arisen in the past two years. Representatives ask that businesses be facilitated in every possible way, for example by arranging their debts towards the State **without interest**. The need to **extend the repayment** of liabilities was repeatedly raised, combined with the avoidance of an horizontal application of the measures:

- *“Extensions and arrangements for employers' contributions based on the drop in turnover for the first quarter of 2022, as it is impossible for hoteliers with a 20% occupancy and **four times higher energy costs** to repay their debts. Allow arrangement schemes, but not implemented horizontally but using cut-offs (e.g. for businesses without a drop in turnover). Support measures must be differentiated.”*
- *“The EU enables us to extend the repayment from five to six years while increasing the grace period by one year and start the repayment from*

2023."

- *"Greece should request from the EU a deferment of liabilities (Covid loans) depending on the drop in turnover, from five to six years"*
- *"Extensions and arrangements schemes for employers' contributions (without fiscal cost). Companies cannot make ends meet in terms of liquidity, there is no more money left in aid."*
- *"It is inconceivable to have 15% surcharges in EFKA payments at this time."*

The consultation called for new interventions, with or without fiscal costs:

- *"New fixed cost subsidy programme for loss-making businesses in 2021" (entails a fiscal cost)*
- *"We ask for a time deferral/deadline extension of employers' contributions" (does not entail fiscal cost).*
- *"There is no need for new tools but for a deadline extension of obligations."*

There are repeated calls for a deadline extension of obligations to the tax authority (IAPR), EFKA and the banks to allow companies to recover from the crisis of the past two years.

However, the following position was also expressed during the consultation:

"In Europe there is a tendency to move away from subsidy addiction. Instead of subsidies, and provided the entrepreneur believes in the project, they should have access to financing (lending). Subsidies create assets for which, after a brief period of time, there is no longer an obligation to retain them or to retain the investment."

As staff shortages have become a particularly pressing problem over the last year, consultation participants stressed the need not to subsidise unemployment but to subsidise employment or training. Below are some points made:

- *"Unemployment benefit only coupled with training otherwise it should not be granted (half do not speak any foreign language)."*
- *"Many just live off the unemployment benefit. Perhaps the solution would be to increase employment by integrating the unemployment benefit into the wage combined with reduced social insurance contributions."*

The need to correct two more specific failures related to the hotel industry is highlighted:

- Interest subsidy for sale & lease back transactions.⁵ This concerns 150 hotels and the omission creates unfair competition.
- Lifting of the 50% limit imposed on the occupancy of youth hostels, given that the relevant restrictions have been lifted in all other forms of accommodation.

In addition to the general business pandemic-related support issues analysed above, the consultation participants made a number of industry requests, listed below:

- Inclusion of **travel agencies and tourist buses** in the provisions of the development law (a Greek law that promotes balanced development across sectors, respecting the environmental resources, promoting technological advancement, among others) to enable the renewal of ageing fleets and the introduction of green buses. There is also a call for the liberalisation of public transport.
- Implementation of a co-advertising programme not only with major tour operators but also with smaller agencies, to approach new markets outside Europe and help Greek agents open new doors.
- In **conference organizing**, emphasis is placed on hybrid conferences, which tend to dominate, a development that forces industry operators to further develop their technological skills. However, in Greece there are no promotional activities to showcase conference tourism, incentive trips and new product launches. For this reason, there is a proposal to subsidise participation in specialized conference tourism exhibitions, as is the case with other countries. This need becomes even more urgent as Greece evolves into an expensive destination with an expensive air connection (conference customers do not use charter flights but scheduled flights). VAT refunds to conference customers will help address high costs, something that competing destinations such as Spain have been doing for years.
- Furthermore, developing conference tourism requires training of new executives, access to the increasingly necessary technological tools, and,

⁵ The sale of a hotel by the previous owner to the new owner and its long-term lease by the previous owner to operate. This is a way of securing liquidity from an asset, which although it has a new owner, remains under management control of the previous owner. Source: Tardi (2020).

of course, the creation of a modern conference centre in Athens, a city that has numerous new hotels but not an international conference centre (e.g. at the Taekwondo Stadium).

- The **car rental** industry requests that the reduced VAT rate continue to apply. As regards **traineeships**, the industry raises the points that it is difficult to meet the conditions (minimum employment of five employees), and that the three-month duration is short and a duration of six months would be preferable.
- Since many of the **secondary accommodations** (rooms to let, apartments and villas) were not supported by the aforementioned programmes, there is a proposal to create a special programme targeting these forms of accommodation, e.g. in the form of a Repayable Advance or similar. The industry representative sees this as quite necessary, since, by the end of the year, accommodations are required to complete their classification according to the Keys system and do not have the required liquidity to perform even the most basic upgrades to advance to the higher Key category. It is therefore proposed to secure a fund for secondary accommodations to make EUR 50,000 - EUR 100,000 investments (with a 40-50% subsidy). If a financing threshold is exceeded, the increased staff (for seasonal employment) criterion may be introduced to allow for further financial support.
- The **yachting industry** stresses the need to simplify procedures and reduce red tape as it is under the joint competence of the Ministry of Tourism and the Ministry of Maritime Affairs. There needs to be a law that brings together the entire supervision framework of our activity, and incentives should be offered to modernise vessels, replace older ones, develop the fleet, and create port facilities.
- In particular, industry representatives seem to be concerned about the pricing policy of marinas and request a 40% discount from marinas for as long as the pandemic lasts and affects the tourism market.

4.1.f Training of industry entrepreneurs and professionals

Asked about the training they would like for their members, representatives of the tourism associations shared interesting insights and suggestions. They stressed that training hoteliers is of paramount importance, since, in a small family hotel, they themselves are hotel employees and as such need to be *reskilled* and *upskilled* in areas such as technology, energy and accessibility.

Once again, there was emphasis on the need not to train the unemployed but those employed and to subsidise winter training of employees.

The following training topics are proposed:

- Customer service and behaviour towards customers under the new conditions
- Digital Marketing
- Event Management
- English language learning (this need still exists)
- First aid and emergencies (fires etc.)
- Training of seafarers on tourism issues
- Training cabin stewards and cooks in service

Proposed new specialties include:

- Revenue/Yield Managers
- Content Managers
- Guest Relations
- Animation staff
- Crisis Management
- Digital transformation and new technologies
- Circular Economy

Especially for travel agencies, a programme entitled "*Creativity and Business Opportunities*" is proposed to develop new products beyond the usual offerings, but also a programme for "Behaviour towards Customers" to help agency staff learn to actively listen to customers, have emotional intelligence and thus create new business opportunities in combination with other industries and new tourist destinations.

The consultation process stressed that in Greece no staff are trained in event management. Therefore, the State should subsidize companies active in the field

– such as conference organisers – to provide in-house training for their employees since there is no relevant school to rely on.

Finally, participants stated that it will be useful to organise a seminar to inform entrepreneurs on available support and financing programmes.

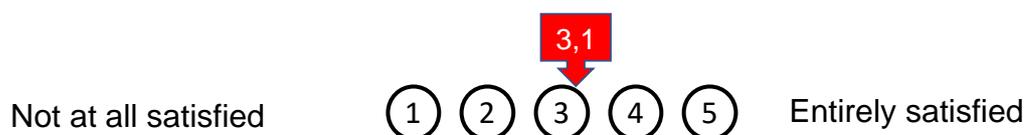
4.2 Supplementary questionnaire to the tourism industry collective bodies

To better record both the effects of the pandemic on tourism businesses and to have a more accurate assessment of the support programmes implemented by the Greek government during the past two years, a supplementary survey was conducted with a short questionnaire sent to the eleven tourism collective bodies that took part in the consultation. Eight responses were received which helped better **quantify** individual points of the survey. The answers to the ten questions in the questionnaire are set out below.

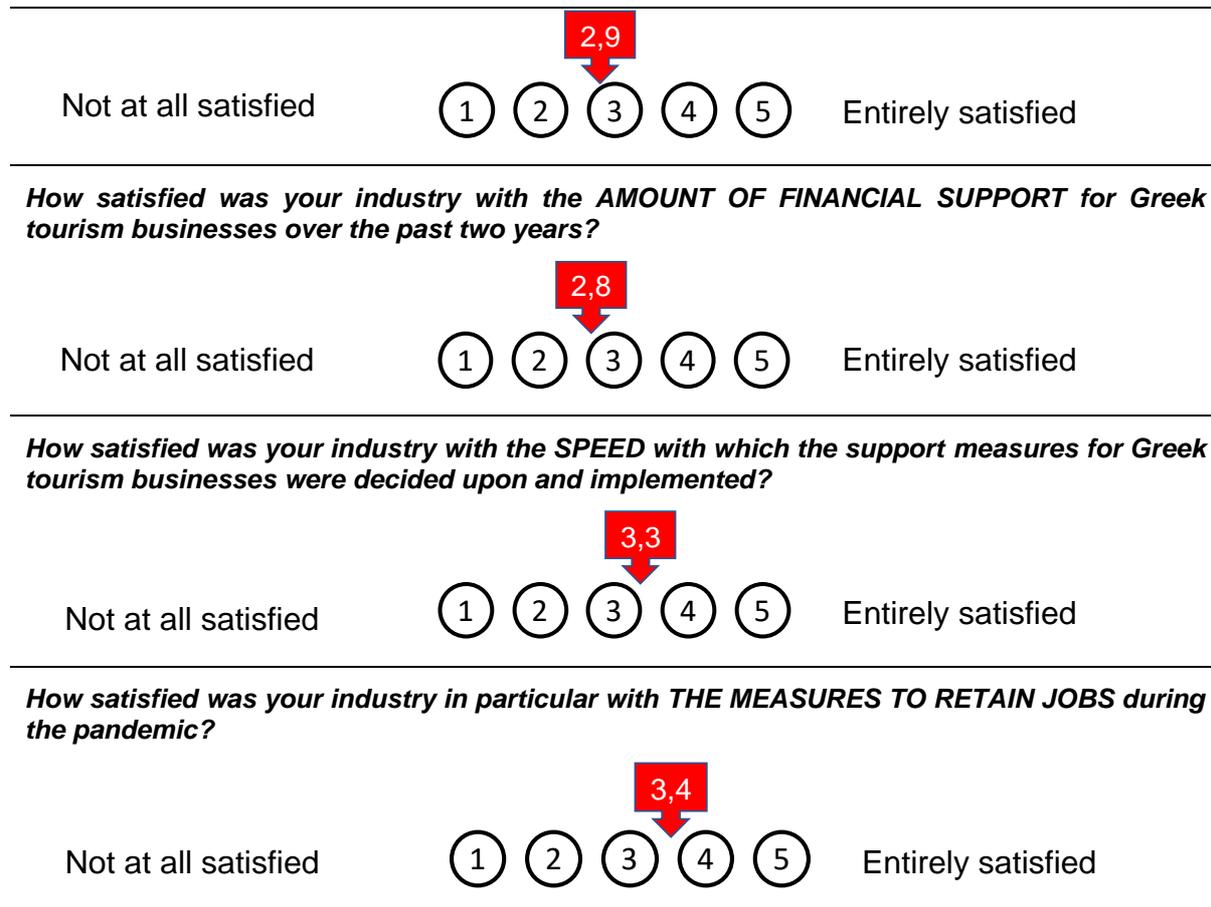
The first group of questions probed the degree of satisfaction with the support measures for Greek tourism businesses. Satisfaction was measured on a scale of 1 (not at all satisfied) to 5 (entirely satisfied). As the replies below reveal, there is moderate satisfaction with the support measures, pivoting around the value 3 in the middle of the scale.

Tourism bodies were more satisfied with the MEASURES TO RETAIN JOBS (average score 3.4 out of 5), the SPEED of implementation of the measures (3.3 out of 5) and the RANGE of support measures (3.1 out of 5). The lowest satisfaction relates to the AMOUNT OF FINANCIAL SUPPORT (2.8 out of 5) and the ELIGIBILITY CRITERIA (2.9).

How satisfied was your industry with the RANGE OF SUPPORT MEASURES for Greek tourism businesses over the past two years of the pandemic?



How satisfied was your industry with the ELIGIBILITY CRITERIA applied under the pandemic support programmes, on the basis of which businesses in your industry could - or could not - receive financing and support?



It is worth noting that during the interviews, representatives had a clearly more positive attitude for the tourism business support measures compared to the picture painted by the above responses.

When asked **“How much do you estimate that the average turnover of your industry’s businesses dropped in 2020 compared to 2019?”**:

- 6 out of 8 respondents reported a drop in turnover between 61% and 80%
- 2 out of 8 respondents reported a drop in turnover of more than 80%

These answers confirm the drastic drop in revenues that tourism businesses faced in 2020, as all participating industries saw a drop in their turnover by more than 60%, in some cases by more than 80%.

Things improved in 2021 as evidenced by the answers to the question **“How much do you estimate that the average turnover of your industry's businesses dropped in 2021 compared to 2019?”**:

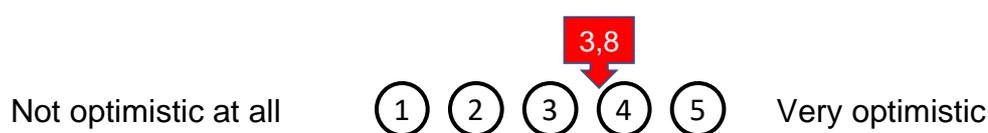
- 1 out of 8 respondents reported a drop in turnover between 21% and 40%.
- 4 out of 8 respondents reported a drop in turnover between 41% and 60%.
- 3 out of 8 respondents reported a drop in turnover between 61% and 80%.

Despite an increase compared to 2020, last year's performance continued to lie markedly below 2019 levels.

The estimates of the tourist associations' representatives for the 2022 and 2023 performance are quite interesting. When asked ***"Please state what you estimate will happen to your industry in 2022 in terms of business revenues"***:

- 7 out of 8 respondents said ***"2022 will be better compared to 2021, but without reaching the 2019 level of revenue."***
- Just 1 out of 8 respondents said ***"2022 will be better compared to 2021 and we expect to reach the 2019 level of revenue."***

Regarding 2023 performance, representatives of bodies appeared to be cautiously optimistic. When asked ***"How optimistic are you about the progress of your industry in 2023?"*** the answers on a scale from 1 (not optimistic at all) to 5 (very optimistic) marked an average score of 3.8.



Finally, participants were asked ***"Which of the following views do you share the most?"*** about the continuation of business support measures. In particular, there were three pre-defined answers, one "Other" option with a description field, and *multiple answers* were possible. Of the eight responses, one was rejected, as all three pre-defined responses had been selected but were mutually exclusive. The answers of seven collective bodies to the above question are set out below:

- 5 out of 7 respondents chose the answer ***"The developments of the past two months (war in Ukraine, inflation) have created new problems for our industry which are so pronounced that require new support measures"***

- 3 out of 7 respondents chose the answer ***"The effects of the pandemic will continue to trouble our industry and therefore the continuation of support measures is required at least for the coming months"***
- 0 out of 7 respondents chose the answer ***"The cycle of the pandemic is closing and there is no longer any reason to continue the support programmes implemented in the past two years"***

There were also the following descriptive answers from two respondents:

- ***"The cycle of the pandemic is hopefully closing and, coupled with the increased operating costs that year-round hotels had in the winter, leaves the need for a targeted support of the industry."***
- ***"The non-availability of new cars is yet another negative factor. While demand is high there are no vehicles available to meet it. This makes us be cautiously optimistic for 2023 as well."***

The above answers clearly show the request for continued support for tourism businesses, not so much because of the pandemic, but because of the price hikes in recent months.

4.3 Group discussion with tourism entrepreneurs and professionals from different industries

To have the best possible understanding of the challenges faced by small tourism businesses and professionals after two years of pandemic, a group discussion was held on 27 April with five professionals and owners of small tourism businesses from different industries. Specifically, the following persons took part:

- Mr Maria Lougari, hotelier from Zakynthos
- Mr Efi Kalamboukidou, tourist guide from Thessaloniki
- Mr George Telonis, travel agent from Patras
- Mr George Christodoulakis, owner of a secondary accommodation from Crete
- Mr Giorgos Dimitrokalis, restaurant owner from Naxos

Participants were asked three questions, which formed the basis for a very interesting discussion. The main conclusions are presented below.

4.3.a Effects of the pandemic

The first round of statements was based on the question “***What effects did the pandemic have on your work and your business?***”. All five tourism professionals reported major difficulties especially in the first year of the pandemic. Some of the views on 2020:

- All the participating entrepreneurs chose to run their businesses instead of remaining closed and benefiting from the measures. The shorter 2020 season resulted in reduced revenues yet higher extra operating costs due to health protection measures. In some cases, however, the season evolved very well from the end of July to October thanks to limited competition, as many businesses did not open at all.
- The key priority for entrepreneurs who chose to open was the safety and satisfaction of their guests/customers. Participants mentioned that the seminars organised by the Region of Crete on the application of health rules were particularly useful for businesses.
- Uncertainty, flight cancellations and constant changes in travel restrictions led to many cancellations and constant rescheduling on the part of guests and customers who wanted to travel but could not find the way.
- The hope that domestic visitors could substitute guests from abroad was not fulfilled. Despite the great discounts, Greek tourists did not travel to places primarily oriented to the foreign market, such as Zakynthos and Crete.
- The year was very painful for tour guides. Due to the peculiar nature of their work (although they are employed as salaried staff they are paid only for the days they provide guided tours and receive a benefit during wintertime) they saw a considerable drop in their income, as in 2020 there were very few guided tours. They were granted the allowance of EUR 534 for a few months, and as a result, in 2020, many received only EUR 1,600 just from this allowance without having any income from their job.
- Travel agencies and tourist buses experienced a prolonged and absolute decline in 2020. They could not officially close and had to incur all costs, when

for other industries there were joint ministerial decisions allowing for the closure of businesses and their financial support.

- Restaurants had fewer acute problems, but they also had a hard time in 2020. They opened as soon as they were allowed to but operated with major restrictions stemming from the health protocols in place, such as, distances between tables and restricted number of diners. The social insurance contributions subsidy partly offset the high labour costs, but there were problems with the increase in the number of required paid insurance stamps (ensima) (from 50 to 100) for one to be eligible for unemployment benefit.
- When hotels and secondary accommodation establishments were closed due to the restrictions, short-term leasing was available and there was a market shift towards this category of accommodation, which caused considerable loss of revenue.
- One of the benefits of this difficult year was that, due to restrictions on British travellers, other nationalities came to fill the gap, thus opening up new source markets.

All participants in the discussion reported a marked improvement for 2021. For tour guides, business started to recover when museums and archaeological sites opened in June 2021. Nevertheless, the restrictions in the number of visitors allowed under the health protocols in place and the different application of protocols from one industry to the next have had a negative impact on their income. On the health protocols, it was mentioned that the tourist buses have been allowed 100% occupancy, but not museums, where the number of participants in an organized guided tour varies. This practically means that a group of 50 people can travel together for hours on the same bus, but its members will not be allowed to tour a museum together. This way, museums lose revenue and agencies exclude from their programmes all the attractions with difficulties in terms of guided tours.

Among the tour guides there is a strong sense of injustice, since throughout 2020 they received just EUR 1,600 in allowances, which in 2021 did not exceed EUR 2,000. Meanwhile there is a three-year delay in the counting of paid insurance stamps (ensima) by EFKA, and as a result tour guides are deprived of benefits they have paid for and are entitled to, including but not limited to, pensions and pregnancy, childbirth and maternity benefits.

4.3.b Assessment of support measures

The basis for the second round of discussion was the question ***"How do you assess the support measures of the previous two years?"***, which revealed the great differences in the way tourism businesses and professionals were supported. Participants pointed out that given the country's fiscal capacity, the allocation of such large amounts in business aid programmes was a considerable effort on the part of the State. Suspension of payments, repayable advances, coverage of social insurance contributions and other facilities were necessary for the survival of businesses. However, due to the horizontal implementation of the measures, difficulties surfaced and mistakes were made, with some benefiting without needing it and others finding themselves in a disadvantaged position. As mentioned, *"some enjoyed the blessing of payment suspensions undeservedly"*.

One side effect of the pandemic benefits was that undeclared work flourished, as many preferred to work invisibly in short-term lease accommodation establishments or other jobs while collecting benefits and allowances. This has made finding staff even more difficult.

The difficult situation in which tour guides found themselves was again highlighted. As mentioned, *"we are the last ones anyone ever remembers. We stand here as ambassadors, as the face of Greece."* There were very few measures in place to support this profession, so tour guides with no other sources of income could not survive on the allowance alone. In other countries, the tourist guide profession was further supported, with state aid covering up to 80% of regular income, and with tax breaks and social security assistance. In Greece, care was taken with the missing paid insurance stamps (ensima), so that tour guides would not lose their health insurance eligibility, without this solving the remaining challenges mentioned above.

Another area that received limited support are the secondary accommodation establishments where – as mentioned – *"in our business we haven't seen any measures"*. Since persons working in secondary accommodation are considered self-employed and employ no staff, they did not have access to many of the support

programmes. Nor did they benefit from the support programme of the Region – in this case the Region of Crete – which calls for a review of the measures to ensure that, in the future, the support provided to individual business sectors will be fairer and without “*huge inequalities*”.

4.3.c Support required hereafter

The third round of the discussion focused on the question “***What kind of support would you need from now on?***”.

Everyone's assessment is that 2022 will be a very good year for tourism. Optimism is particularly strong among tour guides, and as a result, even those who sought employment in another industry during the pandemic say they want to come back and continue to work as tour guides. If, however, travel restrictions such as lockdowns are once again imposed, then it is imperative to provide support for tour guides with an adequate allowance and ensure their insurance clearance and eligibility.

Hoteliers stressed that “*we still get rebookings at 2019 rates and blocked rate contracts from last year despite the tremendous cost increase and we can't pass the increased cost on to the rates. We need the support of the State.*” The problem has been exacerbated by a recent development related to TUI, which changes its contracting system. Until now, any TUI subsidiary – such as TUI Germany, TUI Britain, TUI Austria and so on – would negotiate the contracts only for the relevant country's market. Now, contracts are negotiated centrally, and each hotel will sign one single contract covering all TUI guest home markets. With this development, the bargaining position of Greek businesses is greatly reduced and it will be difficult for them to achieve rates in line with the increasing operating costs. In addition to increased costs, there was also mention of suppliers pressuring hoteliers and requesting prepayment instead of offering credit.

At this juncture, hotels and other tourism businesses, based on the current situation and the industry challenges faced on operational costs, need further support measures such as subsidies based on energy consumption (can be objectively determined based on the number of beds or restaurant seats) and financial support

to cover the insurance contributions of staff.

Travel agents also confirm high cost and payroll increases. As a result of this situation, continued assistance to businesses is necessary, e.g. by extending the Syn-Ergasia programme, but not horizontally – as was pointed out – but only for those who really need support.

Entrepreneurs are especially concerned with the difficulty of finding staff and the increased payroll cost, which is said to have increased by 30% this year. It is a problem that is expected to be of concern for the tourism industry in the coming years. Participants mentioned that the problem is exacerbated by the fact that public tourism schools do not function adequately, resulting in an ever decreasing number of skilled staff available. Support for tourism schools is therefore called for and it has been stressed that it **is not unemployment but employment in tourism that should be subsidised**. There was also a comment on the need to reduce non-wage costs, so that real wage growth could help address staff shortages.

In view of the new development programmes that will finance the energy and digital upgrading of businesses, the need not to exclude small businesses was stressed.

Other participants stated that the key to more effective support for businesses is a **review of the measures** implemented to date, in order to provide insights into their effectiveness and find ways to make them more targeted and fairer from now on. This is exactly the objective of this project and it being mentioned by the participants demonstrates the project's value for the authorities and the tourism industry alike.

Another request focuses on the health protocols as implemented so far. Specifically, there was a proposal for the Ministry of Tourism to consult with the Ministry of Culture to mainstream health protocols in archaeological sites and museums.

The discussion covered other aspects of the pandemic, as well as some major trends in the tourism market. The demand for individual, group, or family (i.e. two

and three generations travelling together) travel has now increased, looking to avoid contact with other travellers, seeking more privacy with personalised travel plans, more activities in nature, private guided tours, the use of chauffeured vans, etc.

This is a good development for Greek tourism since the predominance of the mass model gradually subsides, higher tourist expenditure is achieved, and a more sustainable tourism development is promoted. Such trends enable more businesses to reach a more cultivated and demanding audiences.

Care is also needed to avoid overtourism. Measures are required to attract visitors to Greece's lesser-known destinations as well, thus propelling tourism dispersion. The discussion also included cases of overcrowding such as at the Acropolis, but also the inability to properly manage popular attractions such as the Zakynthos Shipwreck, where there is no income from tickets that would allow for a rudimentary management of the site.

The discussion concluded that the pandemic, apart from the well-known problems, has had some positive effects as well. Tourism businesses have learned to be more flexible in their cancellation policies and to better understand the position and needs of their guests and customers. They also familiarised themselves with the implementation of protocols, and not only on public health issues. Another useful lesson from the implementation of the support programmes is that businesses should not conceal but report all their revenues. Moreover, the digital transformation of the public sector as well as the widespread use of teleworking and teleconferencing are a great legacy for saving valuable man-hours. Finally, participants agreed that this crisis cultivated knowledge and experience in Change and Crisis Management, an extremely important legacy for coping up with and navigating the uncertain environment that emerges.

Roadmap for supporting tourism MSMEs and job retention

This chapter constitutes the essence of the project as it presents the Roadmap set out to support tourism MSMEs and job retention based on the analysis of secondary sources, consultations with relevant Ministries, research with tourism associations and discussions with individual businesses. The Roadmap is based on a synthesis of the insights received throughout the implementation of the project and set out the actions needed from now on.

5.1 The background of the Roadmap

This project is being implemented by the partners – the Ministry of Tourism, the UNWTO and the EBRD – at a unique juncture in order to offer practical assistance to Greek micro-, small- and medium-sized tourism enterprises. This is an unprecedented situation since:

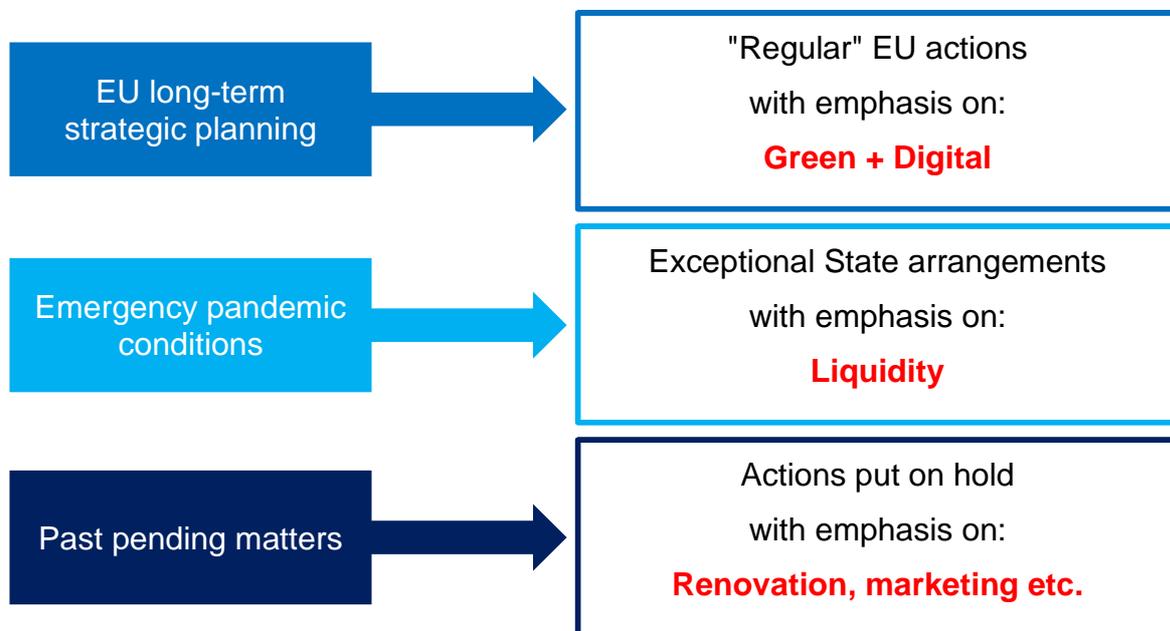
- we are at the seemingly final stage of a two-year pandemic, which has caused the biggest crisis in the history of the tourism sector.
- messages from markets reveal people's strong desire to travel and spend money on their holidays.
- we are entering a new phase of uncertainty with developments in the Black Sea region and an emerging energy crisis slowing the apparent tourism recovery.
- the EU is creating a new funding tool through the RRF, expected to enable a large number of businesses claim funds for their modernisation.

In this setting, every Greek tourism business needs to take actions to regain its pace and make decisions for the future. During the pandemic, many businesses benefited, to a greater or lesser extent, from the support measures, which **were emergency measures and were based on exceptional arrangements** that provided liquidity to the market and which – as urged by the EU – will now be discontinued. The State has resumed its **normal** function in terms of supporting businesses, with actions that reflect the EU's strategy and priorities, i.e. the strengthening of digital transformation and sustainability. These priorities are not necessarily in line with what any entrepreneur deems important, as many businesses are currently concerned about their increased operating costs, their sales and liquidity.

Every business also has small or large pending issues from the past. For instance, many Greek hospitality businesses have for years needed the State to introduce actions, programmes, and policies to help them modernise their operations, such as infrastructure renovation, menu renewal or rebranding. However, because of the pandemic, all these interventions were put on hold. With the liquidity shortage and uncertainty that have led to the postponement of such decisions, an entrepreneur would need to consider all the three elements of Figure 1, i.e.:

- the announced end, if nothing unforeseeable happens, of emergency support measures by this summer, with whatever impact this will have on the liquidity of businesses
- the launch of the "regular" EU support programme through enhanced actions with a clear digital and pro-environmental direction, and the EU's urging to end emergency measures,
- any past pending matters that impede the proper operation of businesses, and that will have to be dealt with sooner or later.

Figure 1: Balancing different priorities and stimuli from the perspective of a Greek micro-, small and medium-sized tourism enterprise



Therefore, it is up to every entrepreneur to see whether in this environment they can simultaneously achieve sufficient liquidity for the operation of the business, tackle past pending matters that they are convinced are necessary, but also assess whether the new calls of support programmes – which require "green" and digital actions – match

or not their personal priorities and the needs of their business.

The guidelines on the part of the EU to end pandemic-related business support programmes and discontinue exceptional arrangements do not seem to be in line with the expressed need of Greek tourism businesses for further support. Most businesses are **not** back to normal yet, many of them have taken on new debt, and increased energy costs are leading the tourism industry into a new crisis.

In these circumstances, **it is premature to remove the support measures** that have proved effective both for the survival of businesses and for job retention. The Hellenic Government is proposed to negotiate with the EU institutions – always in close cooperation with Greek tourism associations – so that the exceptions to the business aid rules are not yet lifted and businesses are not deprived of tools that proved effective during the two years of the pandemic, such as, first and foremost, the ***Repayable Advance***, the ***Suspension of Employment Contracts***, ***Syn-Ergasia***, the ***Special Purpose Allowance*** and the ***Rent Reduction in Commercial Leases***.

Given that some businesses are in a more difficult position than others, it will be useful that, from now on, any support measures **are not horizontally implemented**, but targeted only to those businesses in real need. Industry representatives are available to provide more specific details on this point if requested by the Hellenic Government or the EU.

5.2 Objectives and recipients of the roadmap

Prior to setting out the actions of the roadmap, it is first clarified who the recipients of this proposal are and what are its objectives.

A roadmap for supporting tourism MSMEs and job retention is primarily addressed to the MSMEs themselves but also to the collective bodies representing the various tourism industries. It would also be useful if it contained clear guidelines to the Ministry of Tourism – and, by extension, the government as a whole – so that some of the policies to be implemented can have a tangible contribution to supporting MSMEs.

Figure 2 below illustrates the proposed targets for these three categories of recipients.

Figure 2: Recipients of the roadmap and their proposed objectives to be fulfilled



The main recipients of the roadmap set out in the following lines are the **micro-, small- and medium-sized tourism enterprises** themselves, specifically the people who run them. They have two objectives:

The first objective entails securing a favourable road ahead and protecting their business. This is a very demanding and complex objective, as it requires that businesses must do the following:

- Prioritise their pending matters – the "burdens" – from the past, such as old and new debts ("coronadebts") or poor reviews.
- Schedule the upgrade/renovation/modernization of the premises, facilities and services offered.
- Own and integrate in its daily operation crucial issues, such as:
 - ✓ Strategic Planning
 - ✓ Digital Modernisation
 - ✓ Green Operation
 - ✓ Effective Marketing
 - ✓ High Quality Services

The second objective – being a good employer – relates to an issue that has become particularly pressing in recent years, the difficulty of finding staff. It is important to create many more **quality jobs** in an industry known for its difficult and sometimes poor working conditions. Both parties will gain from the effort to reach this objective: On the one hand, it will be easier for employees to find decent jobs and be motivated

to stay with the same employer for longer, and on the other, it will also be easier for businesses to manage vacancies, retain staff for longer and make them more productive.

Tourism collective bodies representing various tourism industries and professional groups are also roadmap recipients. They can be particularly useful to their members if they promote their common interest at this extremely difficult time in two ways:

- They can be a **source of know-how** by conducting research or providing advisory support to their members.
- What exactly is a “**persistent lobbyist**”⁶? It has to do with recording challenges and common problems faced by the members of a collective body and trying to convince the competent bodies – e.g. Ministries, Regions or Municipalities – to provide a solution.

Some collective bodies are already working in this direction and with great success.

Finally, the **Ministry of Tourism** itself is a recipient of the proposed roadmap. For the Ministry, two more specific lines of action are proposed:

- Supporting MSMEs to have continued access to **flexible financing tools** in the future would be an excellent contribution on the part of the Ministry in the effort to help micro-, small- and medium-sized tourism enterprises quickly recover from the crisis of the past few years.
- The Ministry is already one of the most important training institutions in Greece in the areas of hospitality, food & beverage and tour guides. However, it will be very useful if the Ministry helps professionals and entrepreneurs **develop their professional skills** through new-concept training programmes, and makes the relevant programmes directly accessible e.g. through distance learning.

At this point it should be clarified that the current approach to the roadmap presents the following difficulty. The project refers to all the micro-, small- and medium-sized tourism enterprises in the country, but in the case of Greece, MSMEs demonstrate

⁶ Lobbyists are persons who attempt, through public actions, to influence and encourage governing bodies to pursue a policy in the desired direction. Source: Weiser (2021).

reduced cohesion or homogeneity. These are businesses that belong to different industries and have few common characteristics such as travel agencies, small family hotels, secondary accommodation, conference organizers, yachts. Efforts are made to ensure that the wording is inclusive, and the proposals are widely applicable to all these types of businesses, so that the actions set out in the roadmap can include useful initiatives for every tourism business regardless of industry.

5.3 The Roadmap in detail

In light of the above considerations, the development of the following roadmap for supporting tourism MSMEs and job retention is proposed. The roadmap includes seven actions, presented in Table 11. The below table outlines the time-frame of each action proposed, scales out the level of priority, identifies the implementing party, and provided an estimated expenditure for the part of the Ministry of Tourism. Where there is no expenditure envisaged, it means that these either refer to policy making and efforts to introduce or adapt current frameworks, or that the action includes costs that can and should be organically covered by the Implementing Parties as part of their adapted business operations.

Table 11: Roadmap proposed actions

Action	Time Frame	Priority	Implementing Party	Estimated Expenditure
1. Securing liquidity for micro-, small- and medium-sized tourism enterprises	May-October 2022	Urgent	Ministry of Tourism and tourism collective bodies	€0
2. Adapting the selection criteria of an investment proposal for the new NSRF to the specific needs of MSMEs	May-October 2022	Urgent	Ministry of Tourism and tourism collective bodies	€0
3. Offering training programme for entrepreneurs and professionals	starting October 2022	Immediate	Ministry of Tourism	up to €250,000
4. Conducting and distributing industry surveys	at any time	Desirable	Tourism collective bodies	€0
5. Mentoring programme for tourism entrepreneurs and professionals	at any time	Desirable	Tourism collective bodies	up to €150,000 per annum

6. Upgrading business operations	at any time	Immediate	Tourism Entrepreneurs and Professionals	€0
7. Improving staff employment conditions	starting October 2022	Urgent	Tourism Entrepreneurs and Professionals	up to €50,000

Each of the roadmap's proposed actions is described in greater detail below.

ACTION 1 Securing liquidity for micro-, small- and medium-sized tourism enterprises

The consultation (see Chapter 4) revealed that **liquidity** is a particularly pressing issue currently faced by businesses, since business support measures will end in the coming months. Many businesses achieved a good recovery in 2021 and had revenues enabling them to meet their obligations. Other businesses were not so successful and are therefore bracing to manage their liabilities without the required liquidity. In other words, they need continued support, and it is not clear where it will come from.

To ensure the recovery of tourism MSMEs and jobs, it will be very useful if the Ministry of Tourism, on the one hand, and the collective bodies, on the other, propose measures to the competent Ministries – Development and Finance – in the following directions:

- Extension of some of the support programmes – including, but not limited to, the **Repayable Advance** or **Syn-Ergasia** – or creation of a new programme that will provide liquidity especially to tourism businesses.
- Arrangement of debts, both old and new ("coronadebts"). For example, the arrangement could entail an extension of the debt repayment period on all three fronts:
 - ✓ Tax authority
 - ✓ EFKA
 - ✓ Banks

As mentioned in the discussions with tourism bodies, to support businesses, the Government can choose between actions that have direct fiscal costs or actions with indirect or no fiscal costs. For example, there was a proposal to follow the model of the Austrian Tourism Bank, which is not a real Bank, but an intermediary body providing support to tourism MSMEs as a guarantor against the banks.

There were also some comments on the part of the collective bodies that the mediation of banks makes the situation hard, and so it would be preferable if liquidity programmes are implemented directly with the businesses, as was the case with the Repayable Advance. It is necessary to introduce arrangement schemes for the

"coronadebts" and those debts that had been arranged before the pandemic and were forfeited because of it, with the write-off of interest and surcharges and with more instalments.

The above constitute ACTION 1 and are illustrated in Table 12. The detailed rationale is set out in Chapter 4. The role of the Ministry of Tourism is to mediate with the relevant government authorities to extend, not horizontally, the programs that provide liquidity to the tourism businesses and an facilitation to prolong the period of payable liabilities, introduce arrangement schemes, especially given the existence of past debts, debts created during the pandemic, and the increasing operational cost as part of the energy and inflation spikes.

Table 12: Action 1 details

Action title	ACTION 1: Securing liquidity for micro-, small- and medium-sized tourism enterprises
Time Frame	May-October 2022
Priority	Urgent
Implementing Party	Ministry of Tourism and tourism collective bodies
Match to the implementing party's object	Ministry of Tourism: Providing access to flexible financing tools Tourism collective bodies: Persistent lobbyist
Beneficiaries	Micro-, small and medium-sized tourism enterprises
Estimated Expenditure for the Ministry of Tourism	€0* (*Although Action 1 does not entail any expenditure for the Ministry of Tourism, securing liquidity for tourism MSMEs will require raising the relevant funds from the Ministries of Finance and Development. For their part, they will need to make an analysis of the available capacity to provide financial support to businesses using national or EU funds.)
Remarks	Cooperation with the Ministry of Development and Investments as well as with the Ministry of Finance to secure liquidity
KPI	Percentage of loans and liabilities in arrangement schemes

ACTION 2 Adapting the selection criteria of an investment proposal for the new NSRF to the specific needs of MSMEs

The next proposed action aiming at the selection criteria of an investment proposal for the new NSRF is similar to the first. In the interviews with Ministry representatives, it was repeatedly stressed that the new NSRF will finance proposals provided they include digital transformation and sustainability as a key dimension. The targeting of investment programmes on green entrepreneurship and digital transformation is undoubtedly very positive, but businesses that need to resolve much more fundamental issues should not be left behind. The lack of available financing for many years has prevented many hospitality businesses from renovating their premises. These accommodations are in decline, not at all competitive and offered for rent at low prices.

For such businesses the obligation to include a digital transformation or sustainability application may prove difficult, as the upgrade budget will, as a priority, have to be earmarked for essential work, i.e. repairing walls and plumbing, replacing door and window frames, new furniture, etc. Businesses with such needs should have some access to financing.

Restrictions on micro-enterprises for lack of an AWU lead to the exclusion of certain categories of businesses – such as secondary accommodations and one and two-star hotels – from access to the development law, thus hampering the full modernisation of their facilities and services. Discussions with collective bodies also highlighted that, in addition to digital transformation and sustainability, accessibility, which is also a pillar of the EU and the Recovery Fund, should also be added as yet another eligibility criterion of an investment proposal.

Another industry request related to the inclusion of tourism businesses in the NSRF are subsidies for the replacement of tourist buses with new, environmentally friendly vehicles featuring the latest digital applications (such as WiFi and screens), in order to meet the sustainability and digitalization criteria and upgrade the quality of the fleet and the safety of passengers. In the discussions with collective bodies, it was stressed that there hasn't been any tourist bus replacement subsidy since the 2004 Olympic

Games (when the scheme had been implemented via the GNTO’s financial services). Since then, the country has gone through more than ten years of economic crisis, and as a result, the country's fleet of vehicles has aged considerably. Older buses are being replaced with used buses from abroad, since there is no access to financing for the purchase of new technology vehicles.

Based on the above, it is therefore proposed that the Ministry of Tourism prepares a recommendation on the financing criteria in cooperation with the collective bodies. Such list of criteria should include provisions for the micro businesses that don’t present AWU, renovation work that could bring the establishment up to standard to then receive installations that promote green economy, financing provisions and subsidies for renewal of aged fleet provided that it can include digital assets and further upgrades to promote environmental sustainability. This recommendation, that should be drafted and elaborated based on the above and with the revisions of the key national tourism associations, is the product of ACTION 2 and will be submitted to the Ministries of Development and Finance (see Table 13).

Table 13: Action 2 details

Action title	ACTION 2: Adapting the selection criteria of an investment proposal for the new NSRF to the specific needs of MSMEs
Time Frame	May-October 2022
Priority	Urgent
Implementing Party	Ministry of Tourism and tourism collective bodies
Match to the implementing party’s object	Ministry of Tourism: Provide access to flexible financing tools Tourism collective bodies: Persistent lobbyist
Beneficiaries	Micro-, small and medium-sized tourism enterprises
Estimated Expenditure for the Ministry of Tourism	€0
Remarks	Cooperation with the Ministry of Development and Investments as well as with the Ministry of Finance to modify the selection criteria of an investment proposal for the new NSRF
KPI	Share of MSMEs in tourism investment aid

ACTION 3 Offer of training programme for entrepreneurs and professionals

To promote the objective of skills development, it is proposed that the Ministry of Tourism implements ACTION 3, i.e. the offer of a training programme for entrepreneurs and professionals with a **new mindset** (see Table 14). The Ministry may implement it either through its own training organization or through other bodies or external partners by creating a distance learning programme. Courses must present cutting-edge issues so that participants acquire new professional skills that will be useful to them in running their own business in the post-COVID-19 era. To illustrate, the following are some of the themes that the programme should cover:

- Strategic Management Principles for Tourism Businesses
- Quality Customer Service
- Human Resources Management in Tourism Businesses
- Revenue Management Principles and Pricing Policy for Tourism Businesses
- Digital Marketing for Tourism Businesses
- Circular Economy for Tourism Businesses

It is proposed that the Ministry of Tourism allocates a sum of up to EUR 250,000 to cover the training material production cost for the above themes, as well as the technical development of an **asynchronous distance training** programme offering free and unlimited access to all interested tourism entrepreneurs and professionals. The programme's curriculum should be adapted to the specific characteristics of the main tourism industries including, but not limited to, hotels, secondary accommodation, travel agencies, yachts, conference organisers (PCO and DMC) and tour guides.

Table 14: Action 3 details

Action title	ACTION 3: Offer of training programme for entrepreneurs and professionals
Time Frame	starting October 2022
Priority	Immediate
Implementing Party	Ministry of Tourism
Match to the implementing party's	Skills development

object	
Beneficiaries	Micro-, small- and medium-sized tourism enterprises
Estimated Expenditure for the Ministry of Tourism	up to €250,000
Remarks	Distance learning
KPI	Number of participating tourism entrepreneurs and professionals

ACTION 4 Conducting and distributing industry surveys

To better support their members, tourism collective bodies may conduct surveys and prepare common interest industry reports. Certain collective bodies already do this because they have well-organized research mechanisms, while others do not have the capability to carry out such surveys by themselves and turn to researchers or universities.

It would be useful for each collective body to conduct at least one industry survey per year under ACTION 4 (see Table 15), to inform its members on critical issues of concern to the industry. Such surveys should be easily accessible on the website of each collective body and of the Ministry of Tourism as well. Especially in the post-Covid-19 era, MSMEs need insights to make informed decisions about future business moves based on the real market data. In such a fluid setting, knowledge is power for MSMEs.

The Ministry can support tourism collective bodies in developing their industry research activity by assuming a coordinating role and contributing to the dissemination of research data and industry reports. In addition, the Ministry is encouraged to compile a yearly report showcasing the outlook as depicted through the research and findings of each collective body. This will benefit not only the members of the associations but also the entire tourism industry as it will provide new and timely insights for the decision makers as they prepare for the upcoming tourism season. Finally, such yearly reports will help a longitudinal study to discover year-to-year trends and tendencies that can allow for projections and scenario simulations.

Table 15: Action 4 details

Action title	ACTION 4: Conduct and distribution of industry surveys
Time Frame	At any time
Priority	Desirable
Implementing Party	Tourism collective bodies
Match to the implementing party's object	Source of know-how
Beneficiaries	Micro-, small- and medium-sized tourism enterprises

Estimated Expenditure for the Ministry of Tourism	€0
Remarks	Cutting-edge issues of concern to the industry will be freely available to the members of each collective body.
KPI	Number of industry collective bodies publishing and distributing industry surveys

ACTION 5 Mentoring programme for tourism MSMEs

Mentoring is a very good way for a collective body to offer practical assistance to its members. In the very difficult situation the sector is going through after two years of pandemic, many professionals and entrepreneurs find it hard to comprehend all market parameters that affect them and cannot easily assess whether they've made the right decision in their upcoming business steps.

A mentoring programme (see Table 16) enables many MSMEs to discuss their plans privately and confidentially with a professional business consultant and make the necessary corrections to their investment plans (e.g. full renovation, business expansion, new product offering etc.). This will be a free service provided by the collective body to its members.

Since most tourism collective bodies have limited financial and organisational capabilities, it is proposed that the Ministry of Tourism allocates an annual sum of up to EUR 150,000 to support collective bodies in the implementation of the mentoring programmes under ACTION 5, either via a subsidy, or by offering mentoring directly to MSMEs with very low turnover (less than 30% of the industry's average turnover) for 2021 and/or with reported losses. Clearly, the above criteria can be reviewed jointly with the Ministry of Finance and/or the Ministry of Development.

Table 16: Action 5 details

Action title	ACTION 5: Mentoring programme for tourism entrepreneurs and professionals
Time Frame	At any time
Priority	Desirable
Implementing Agency	Tourism collective bodies
Match to the implementing agency's object	Source of know-how
Beneficiaries	Micro-, small- and medium-sized tourism enterprises
Estimated Expenditure for the Ministry of Tourism	up to €150,000
Remarks	Mentoring of businesses planning a major business step
KPI	Number of participating entrepreneurs and professionals

ACTION 6 Upgrading business operations

One key objective of a micro-, small- and medium-sized business that wants to put this whole pandemic adventure behind it and is preparing for the post-COVID-19 era is to be protected from past pending issues (e.g. an old loan) and adapt to the requirements of the immediate future, e.g. by planning the upgrade, renovation, modernization of the company's premises and service offering. In the context of ACTION 6 (see Table 17), entrepreneurs should also adopt in their day-to-day work and own cutting-edge matters such as:

- Strategic Planning
- Digital Modernisation
- Green Operation
- Effective Marketing
- High Quality Services

Equipped with these skills, they will be able to run their business in the best possible way and increase its financial performance. As this action is quite demanding, entrepreneurs and professionals will need some guidance which will be secured with the help of the Ministry of Tourism through the above Actions 3, 4 and 5. Furthermore, available certifications for quality, sustainability, health and safety that interested businesses can seek to obtain will also prove useful.

Table 17: Action 6 details

Action title	ACTION 6: Upgrading business operations
Time Frame	At any time
Priority	Immediate
Implementing Agency	Tourism Entrepreneurs and Professionals
Match to the implementing agency's object	Securing the future of the business
Beneficiaries	Micro-, small- and medium-sized tourism enterprises
Estimated Expenditure for the Ministry of Tourism	€0
Remarks	Upgrade, renovation and modernization of the company's premises and

	service offering, as well as adoption of cutting-edge matters in the day-to-day operation of the company
KPI	Average rating of Greek tourism businesses on TripAdvisor-type platforms

ACTION 7 Improving staff employment conditions

The difficulty in finding staff makes a change of attitude towards employees necessary. To create more quality jobs in the post-COVID-19 era and in an industry known for its difficult and sometimes poor working conditions, ACTION 7 provides for training on and implementation of staff management techniques. This will lead to a win-win situation. On the one hand, it will be easier for employees to find decent jobs and be motivated to stay with the same employer for longer, and on the other, it will also be easier for businesses to manage vacancies, retain staff for longer and boost productivity.

In the context of this Action (see Table 18) entrepreneurs will be trained in modern Staff Management techniques, taking especially into account the generational changes and behaviours, and will put an action plan together to better manage their employees, motivate and guide them more efficiently to increase their productivity.

It is proposed that the Ministry of Tourism undertakes to prepare a staff management manual (in electronic form) that will be clear and easily applicable to every Greek tourism business and especially to seasonal businesses, where working conditions are particularly difficult. This manual will be accompanied by a series of webinars – available on the Ministry’s and the tourism collective bodies’ websites – analysing all aspects of an action plan for more effective human resources management in a small tourism business. A sum of EUR 50,000 is proposed to be allocated for this purpose.⁷

Table 18: Action 7 details

Action title	ACTION 7: Improving staff employment conditions
Time Frame	starting October 2022
Priority	Urgent
Implementing Agency	Tourism Entrepreneurs and Professionals
Match to the implementing agency’s object	Good employer
Beneficiaries	Micro-, small and medium-sized tourism enterprises

⁷ Implementation of this action requires that the Ministry of Tourism and the state apparatus have a similar financial capacity.

Estimated Expenditure for the Ministry of Tourism	up to €50,000
Remarks	Training of entrepreneurs in staff management techniques and preparation of a better employee management plan to improve productivity
KPI	Percentage of staff leaving Greek tourism businesses

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Annexes

Annex I - Primary research methodology tools

Annex II - Law 4813/2021: Medium-Term Fiscal Strategy Programme for 2022-2025*

Annex III - RIT Survey: The Performance of Greek Hotels in 2021*

*Annexes II and III are given as accompanying files.

Annex I - Primary research methodology tools

- Interview guide for Ministry representatives
- Interview guide for tourism industry collective bodies
- Questionnaire for tourism industry collective bodies

Interview Guide for the Ministries

This survey examines the support policies implemented by the Greek Government in favour of Greek micro-, small and medium-sized enterprises in the tourism sector in relation to the effects of the COVID-19 pandemic.

Question 1: Please give a very brief summary of the policies implemented by your Ministry to support both micro-, small and medium-sized enterprises in the tourism sector and the jobs in such enterprises.

Question 2: Based on the experience from the past two years and the feedback from businesses directly concerned, which aspects of the support policies you implemented would you say worked effectively and which ones had weaknesses?

Question 3: Based on the experience of the past two years and the feedback from businesses directly concerned and tourism collective bodies, how do you see the support of micro-, small and medium-sized tourism businesses developing henceforward? With the same policies as they stand, by improving them (indicate potentially feasible ways) or by introducing new policies?

Question 4: How do you rate your communication with tourism businesses and collective bodies? Did you get proper feedback on the effectiveness of the policies you implemented and on the improvement of support to micro-, small and medium-sized enterprises by your Ministry?

If not, why and how do you think communication on this can be improved?

Question 5: Have there been any COVID-19-related programmes or other support measures that were provided to other industries but not to tourism businesses? If so, please indicate which ones and if, in your opinion, tourism businesses could be included as well.

Question 6: What would you change in the way micro-, small and medium-sized tourism enterprises are supported from now on in order to overcome the effects of the pandemic as soon as possible?

Question 7: Are there any financial or other tools – e.g. in national or European programmes – that have so far not been used to support micro-, small and medium-sized tourism enterprises in Greece?

If so, why do you think they have not been leveraged?

Question 8: Do you have any other thoughts regarding the rapid recovery of Greek tourism businesses from the effects of the pandemic that we have not discussed so far?

Question 9: Are there any reports or other statistics available on the policies in support of micro-, small and medium-sized tourism enterprises implemented by your Ministry (e.g. in terms of total budget, number of beneficiary businesses or employees, average expenditure per business, etc.)? If so, kindly forward them to us. Your responses will be highly confidential and will be used exclusively for the purposes of the project. Only the Ministry of Tourism, the World Tourism Organisation and the European Bank for Reconstruction and Development will have access to them.

Interview Guide for the Collective Tourism Bodies

This survey examines the impact of the COVID-19 pandemic, the measures taken by the Greek Government and the European Union to strengthen the industry, and your needs for further support to ensure the industry’s rapid recovery and the protection of jobs.

Question 1: Please give a very brief summary of the effects of the COVID-19 pandemic on your industry in terms of the following:

Income and profitability:	
Pricing policy:	
Relations with guests/customers:	
Jobs and relations with staff:	
Staff recruitment by industry businesses:	
Relations with suppliers:	
Relations with banks and liquidity:	
Other effects on industry businesses:	

Question 2: Compared to the pre-pandemic period, do you see new realities shaping up in 2022 and new trends consolidating in your tourism market and industry or do you believe that things will return to the 2019 situation? If you see new realities and trends, please mention them briefly.

Question 3: Which Greek Government or European Union programmes have businesses in your industry received support from to address the effects of the COVID-19 pandemic? Please fill-in the following table.

Question 4: How satisfied were you with these programmes? Please indicate the positive and negative aspects of the aid provided to you, starting with the most important points.

Question 5: In particular, how do you assess *the employment retention* policies implemented over the past two years?

Question 6: Have there been any COVID-19-related programmes or other support measures that were provided to other industries, but not to yours, that would be useful in your case as well? If so, please indicate which ones and why they should be provided to your industry as well.

Question 7: With what measures and tools would you like the Greek Government to support your industry from now on, to achieve the recovery from the effects of COVID-19 as soon as possible and restore employment to pre-pandemic levels?

Question 8: On which topics do you think it would be useful to train your industry's entrepreneurs and professionals (e.g. with seminars) to help them recover from the effects of the pandemic as quickly as possible? Please indicate any scaling required depending on the professional level of the roles to be trained.

Additional questions on the work of the Ministry of Tourism, the World Tourism Organisation (UNWTO) and the European Bank for Reconstruction and Development (EBRD)

For the final and quantified evaluation of the support programmes offered by the Greek government and the European Union to micro-, small and medium-sized Greek tourism enterprises during the pandemic, we would like to ask you to spare 5 minutes to answer the following questions.

Thank you very much!

For clarifications, please contact Mr. Dimitris Koutoulas (d.koutoulas@gmail.com, tel. 693 620 8689) or Mr. Nikos Gkolfinopoulos (ngkolfinopoulos@unwto.org).

How satisfied was your industry with the RANGE OF SUPPORT MEASURES for Greek tourism businesses over the past two years of the pandemic?*

1 2 3 4 5

Not at all satisfied Entirely satisfied

How satisfied was your industry with the ELIGIBILITY CRITERIA applied under the pandemic support programmes, on the basis of which businesses in your industry could - or could not - receive financing and support?*

1 2 3 4 5

Not at all satisfied Entirely satisfied

How satisfied was your industry with the AMOUNT OF FINANCIAL SUPPORT for Greek tourism businesses over the past two years?*

1 2 3 4 5

Not at all satisfied Entirely satisfied

How satisfied was your industry with the SPEED with which the support measures for Greek tourism businesses were decided upon and implemented?*

1 2 3 4 5

Not at all satisfied Entirely satisfied

How satisfied was your industry in particular with THE MEASURES TO RETAIN JOBS during the pandemic?*

1 2 3 4 5

Not at all satisfied Entirely satisfied

Which of the following views do you share the most?*

- The cycle of the pandemic is closing and there is no longer any reason to continue the support programmes implemented in the past two years
- The effects of the pandemic will continue to trouble our industry and therefore the continuation of support measures is required at least for the coming months
- The developments of the past two months (war in Ukraine, inflation) have created new problems for our industry which are so pronounced that require new support measures
- I do not share any of the above views
- Other: _____

How much do you estimate that the average turnover of your industry's businesses dropped in 2020 compared to 2019?

- Up to 20% drop
- 21% to 40% drop
- 41% to 60% drop
- 61% to 80% drop
- Over 80% drop

How much do you estimate that the average turnover of your industry's businesses dropped in 2021 compared to 2019?

- Up to 20% drop
- 21% to 40% drop
- 41% to 60% drop
- 61% to 80% drop
- Over 80% drop

Please state what you estimate will happen to your industry in 2022 in terms of business revenues.

- 2022 will be better compared to 2021, but without reaching the 2019 level of revenue
- 2022 will be better compared to 2021 and we expect to reach the 2019 level of revenue
- 2022 will be more or less at the 2021 level of revenue
- 2022 will be worse than 2021

How optimistic are you about the progress of your industry in 2023?

- 1 2 3 4 5
- Not optimistic at all | Very optimistic

Please indicate the body you represent.*