

## Editor's comment from *City Profiles* No. 19 – May 2004

### **Is Athens suffering from a case of 'big event blues'?**

On the basis of inbound passenger traffic at Greece's main airports during the first half of 2004, the Association of Greek Tourist Enterprises (SETE by its Greek initials) estimates that there will be an 8% decline in the country's international arrivals this year. Numbers might, of course, be boosted during next month's Olympic Games. But this now seems unlikely given that, with just two weeks to go, more than half the tickets for the Games remain unsold and some 6,000 of Athens's 62,000 hotel rooms still have spare capacity.

More importantly, as most countries and cities that have hosted major events such as the Olympic Games are well aware, destinations hosting such events tend to suffer from 'big event blues' – a decline in both business and leisure tourism just prior to, during and immediately after the events. Tourists stay away because they fear that they will be inconvenienced by congestion and disruption, and that they will be charged exorbitant prices.

We are still waiting for the final verdict from Portugal on Euro2004, for example. Even though 211,000 additional visitors – football supporters – were provisionally counted during the two weeks of matches in June, and an estimated euro 112 million were generated in tourism revenues, a significant number of traditional tourists reportedly stayed away from the destination. And the same was true with the last summer Olympics in Sydney.

In Athens's case, the situation is particularly bad since the city has suffered from a host of problems – and resulting negative publicity – that would frighten off even the most hardy tourists. Not only have there been unprecedented construction delays, but concerns over security have been heightened by reports of possible terrorist attacks, and both transport and hotels workers are threatening to go on strike during the Games.

Until very recently, neither the Greek Government nor the municipal authorities had made any real effort to leverage the Games to boost tourism. The incumbent centre-right New Democracy party, which ousted the Socialists from power in last March's elections, has been trying to compensate for its predecessor's inaction, launching a massive last-minute advertising campaign. But tourism is perhaps the least of its worries. Of far greater concern is the fact that the original budget of euro 4.6 billion is expected to be overshot by at least euro 1.5 billion. Security alone is likely to cost around euro 1 billion – at least five times more than for the Sydney Olympics in 2002.

Although initial expectations for a bumper tourism year are unlikely to be fulfilled, Greek tourism should benefit in the longer-term from hosting the Olympics as a result of the effect of the television coverage in heightening global awareness of Greece. The new Greek Government has set ambitious targets for tourism and is planning a number of measures to help, including the relaxation of visa and immigration procedures and improved tourist information centres around the country.

As a positive start, a recent survey by American Express shows that Athens is currently the third favourite city on Americans' travel wish list – after Honolulu and Rome, and ahead of Cancún and London.