The Greek Marina Industry

Comparisons and Opportunities

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May 2009

Introduction

Maritime tourism is of special interest, showing significant demand increase worldwide. It is widely regarded as one of the world's largest industries of contemporary tourism, with a significant participation in the tourist economies of the countries which have developed it and with a tendency for continuous and fast rates of development according to international scientific bibliography.

The wealth and diversity of the Greek seas, the incessant kilometres of the Greek coasts, and the thousands of Greek islands, the protected sea areas covering thousands of square kilometres, the mild climate, the high percentage of sunshine and its interesting and varying landscape make Greece a very attractive destination for the development of maritime tourism activities. This advantage is strengthened both by thousands of years of marine tradition and by conditions favourable for sea travelling. Greek seas are considered safe; distances between coasts are small; while conditions related to wind strength, ambience, and sea temperatures are evenly favourable.

More precisely, Greece has a coastline of approximately 16,500 kilometres including some 6,000 islands and islets that make up around half of the country's coastline. Out of the Greek population, 33% lives in coastal cities or villages not more than two kilometres from the coast. Furthermore, in 2005 the goods handled in all Greek ports amounted to 151 million tonnes and the number of passengers who transited through these ports amounted to 86 million[1]. All of the above are indicative of the significance of marine-related activities to the Greek economy.

The impact of maritime tourism is composed of three elements, namely financial, fiscal, and economic. These elements represent three different revenue streams that contribute to an economy. Financial impact is the total of harbour revenue, payroll, and local purchases. Fiscal impact is the total spending by non-local and local harbour users, as well as the taxes generated by harbour users and related businesses. Economic impact is the combination of total spending, new income and export-oriented commercial spending, and additional employment caused by a marina's presence in the community. At a global level, maritime tourism is characterized by a great difficulty in the recording of statistical data for the precise estimate of its real size; however, its percentile participation towards the total tourist activity of each region is noteworthy.

[1] EU Maritime Policies: Facts and figures – Greece, accessed on 4 February 2009 http://ec.europa.eu/maritimeaffairs/pdf/country_factsheets/greece_en.pdf

The main maritime tourism products which constitute the international market are cruising, yachting, and coastal tourist activity. A significant factor in the development of yachting is harbour infrastructure and the ability of supplying services to passengers of yachts in tourist harbours.

Marinas are considered very significant facilities for the development of maritime tourism and yachting more precisely. They are usually called the big leisure ports which are especially constructed to receive approximately 500–2,000 leisure crafts on a daily basis. Among other things, they feature well-equipped posts of stern and/or dockside moorings, security services, land spaces for the securing of vessels, parking for the owners of vessels or visitors, and shopping mall (food, shipping supplies, etc.). Other important services which are expected to be offered to the owners of leisure crafts are hygiene spaces, showers, restaurants, taverns, and an administration and reception station (customs, port police, weather service, etc.). A marina, similar to big ports, can also encompass shipbuilding and repairing areas for the maintenance and repair of leisure crafts. Apart from the bunkering station it should also have an organized garbage collection and biological cleaning, so that the sea and land are protected from pollution.

This article focuses on yachting in Greece and, more specifically, on its sub-category of marina establishments and their comparison with others in neighbouring countries.

The History of Yachting and Marinas in Greece

The Greek market of professional leisure craft emerged in the 1970s after the Greek National Tourism Organisation (GNTO) had began the construction and operation of service stations and depot for yachts, providing the tourist vessels with bunkers, water, and other supplies at multiple points in the country in the early 1960s. The contribution of the GNTO was significant regarding the establishment of the necessary technical and institutional infrastructure. The marina of Vouliagmeni in the southern suburbs of Athens was the first one to operate (1963–1965), followed by the Marinas of Zea (Piraeus), Aretsou (Thessaloniki), Alimos (Athens), and Gouvia (Corfu).

The rapid development of tourism in the 1980s and the great increase of the number of private and professional leisure crafts led to the necessity of creating a modern legislative framework which would resolve the complexity of the existing regime and facilitate the inflow of private capital towards the special infrastructure of maritime tourism. This special infrastructure was almost exclusively under state control (except the marina of Porto Carras Hotel in Chalkidiki) with managers from the

GNTO, municipalities (e.g. marina of Glyfada) or port funds (e.g. marina of Patra).

Back in 1976, Greece was the first country in the world to set the legal framework for the operation of companies exploiting leisure crafts aiming at the provision of incentives for the "leisure craft" market. Paradoxically enough though, an institutional framework for the establishment of marinas in Greece did not exist prior to 1993. The existing-until-that-time legal regime allowed for the construction of port works after the approval of many co-competent authorities (Ministry of Economics, Ministry of Mercantile Marine, Ministry of Planning and Public Works, the Navy, GNTO); however, private initiatives for the establishment of such investments were excluded.

Nowadays, yachting in Greece is very popular among both Greeks and foreigners and seems to enjoy increasing demand. A high percentage of tourists that purchase yachting services are Europeans (German, Italian, British, French, Dutch, etc). Americans prefer motor yachts to sailing boats. Greek tourists usually charter bareboats as well as manned vessels such as motor yachts or motor sailers. Yacht owners constitute two major professional unions; the Greek Professional Tourist Yachts Owners Union (GPTYOU) and the Professional Tourist Bareboat Yacht Owners Union (PTBYOU). Based on an empirical research conducted by GPTYOU, the percentage of yachting tourists as part of the total tourist traffic of the country is reaching approximately 1.5-2%. The tourist period lasts seven months (April–October). The chartering market of small and large vessels illustrates a significant growth potential.

The demand for marina services is determined mainly by three factors: (1) the cost of services provided by organized marinas and port dues, (2) the quantity and quality of marine services provided per mooring post in other Mediterranean countries, and (3) the developments in the market of leisure crafts. The demand for the services of marinas varies depending on the season of the year. During the summer period, the traffic of leisure crafts increases resulting in higher demand for stay at marinas and ports. On the contrary, during the winter period the demand for shelter increases in order for vessels to be repaired and maintained. According to data by the GNTO, the demand for services of leisure craft companies in Greece is mainly focused on three periods: from June to August which corresponds to 54% of total demand, and the periods from April to May and from September to October which correspond to 40%.

Marinas in Greece

According to the Administration of Tourist Ports of the Ministry of Development, Greece features 55 shelters of different kind (tourist ports, marinas, leisure craft shelters etc.) totalling 10,015 mooring places. However, only a proportion of those is registered as marinas according to the official specifications relating to the classification of shelters as such.

The existing marinas in the Greek territory, together with some of their basic characteristics, are listed in Table 1.

Table 1 Operating Marinas – Greece 2009

	Name	City/Island	Prefecture	Number of Berths	Number of Dry Dock Spaces	Maximum Length (m)	Blue Flag Award	Management
1	Marina Aretsou	Kalamaria	Thessaloniki	242	–	30		Tourism Development Co
2	Marina Porto Sani Hotel	Kassandria	Chalkidiki	215	–	25	•	Marina Sani S.A.
3	Marina Porto Karras Hotel	Neos Marmaras	Chalkidiki	315	150	55	•	Delos Marinas
4	Marina Gouvia	Tzavros	Corfu	1,100	520	80	•	K. and G. Med. Marinas Management
5	Marina Kleopatra	Preveza	Preveza	100	400	30		Ioannis and Ilias Tefas S.A.
6	Marina Vounaki	Paleros	Etoloakarnania	70	20	25		Stahtiaris - Achimastos S.A.
7	Marina Lefkas	Lefkada	Lefkada	620	280	40	•	K. and G. Med. Marinas Management
8	Marina Patras	Patras	Achaia	450	30	25		Patra Port Authority S.A.
9	Marina Xylokastro	Xylokastro	Korinthos	220	20	17	•	Greek State
10	Marina Samos	Samos	Samos	280	170	25		Delos Marinas
11	Marina Zea	Piraeus	Attica	670	520	80		K. and G. Med. Marinas Management
12	Marina Flisvos	P. Faliro	Attica	302	–	70	•	Lamda Technol Flisvos Marina S.A.
13	Marina Faliro	P. Faliro	Attica	232	–	130		Marina Falirou S.A.
14	Marina Alimos	Alimos	Attica	964	600	40		Tourism Development Co
15	Marina Gryfada	Glyfada	Attica	780	–	30		Municipality of Glyfada
16	Marina Vouliagmeni	Vouliagmeni	Attica	113	10	40		Tourism Development Co
17	Marina Olympic Marine	Lavrio	Attica	680	700	32	•	Olympic Marine S.A.
18	Marina Methana	Methana	Attica	70	–	25		Municipality of Methana
19	Marina Kos	Kos	Dodecanese	250	150	50	•	Municipality of Kos
20	Marina Mandraki	Rhodes	Dodecanese	120	–	30		Municipal Seaport Fund of South Dodecanese
21	Marina Kalamata	Kalamata	Messinia	250	150	25		K. and G. Med. Marinas Management
22	Marina Aghios Nikolaos	Aghios Nikolaos	Lassithi	255	100	50		K. and G. Med. Marinas Management
23	Marina Lakki - Agmar	Lakki	Dodecanese	45	260	40		Agmar Marine S.A.
24	Marina Leros	Lakki	Dodecanese	150	800	15		Marina Island of Leros Evros S.A.
	Total/Average			**8,493**	**4,880**	**42**	**8**	

Source: Greek National Tourism Organisation, HVS Research

According to the GNTO and desktop research performed by HVS, the total capacity of mooring posts in Greece for 2008 comes to 8,493 spread over 24 marinas. Most of these establishments are located in Athens since the majority of yacht/sailboat owners live in the city and require shelter space for their vessels close to their place of residence. Dry dock places are recorded as being over 4,800 while the average maximum length of the sheltered crafts is 4,880 metres. Out of the 24 marinas only eight are awarded with the Blue Flag revealing many opportunities for improvement on the offered services. Nowadays, most of the marinas are publicly owned but privately managed. The public company that used to manage and own most of the Greek marinas has made longterm lease contracts with various private marina management companies.

Apart from the mooring posts provided by public or private marinas, approximately 3,000 additional leisure crafts can be hosted in ports. In many ports of Greece, besides the big commercial ports of Piraeus and Thessaloniki, small moorings have been appropriately formed and equipped. With the construction of docks and breakwater structures, safe places have been created where tourist vessels moor by paying the relative port dues. In most of these ports the essential facilities and services are provided to the moored vessels. Such ports have been created in Mikrolimano of Piraeus, on the islands of Egina, Poros, Hydra, Spetses, Zakynthos, Ithaca, Kefalonia, Lefkada, Paxi, Ios, Mykonos, Patmos, Symi, Samos, Lesvos, Chios as well as in Nafplio, Gythio, Pylos, and other places.

Although somebody would think that every Greek island should feature a marina establishment, it is worth mentioning that only eight islands host one. However, almost all of the upcoming marinas are constructed (or going to be constructed) on islands rather than the seaside mainland. According to information released by the Ministry of Development, 73 shelters are currently under construction, totalling 9,254 berths, 37 of which are already approved to be subsidized by European Union funds.

Each of the marinas under construction presented in Table 2 is in a different phase of construction but, once all operational, they are going to add more than 4,200 mooring places in the country's total capacity.

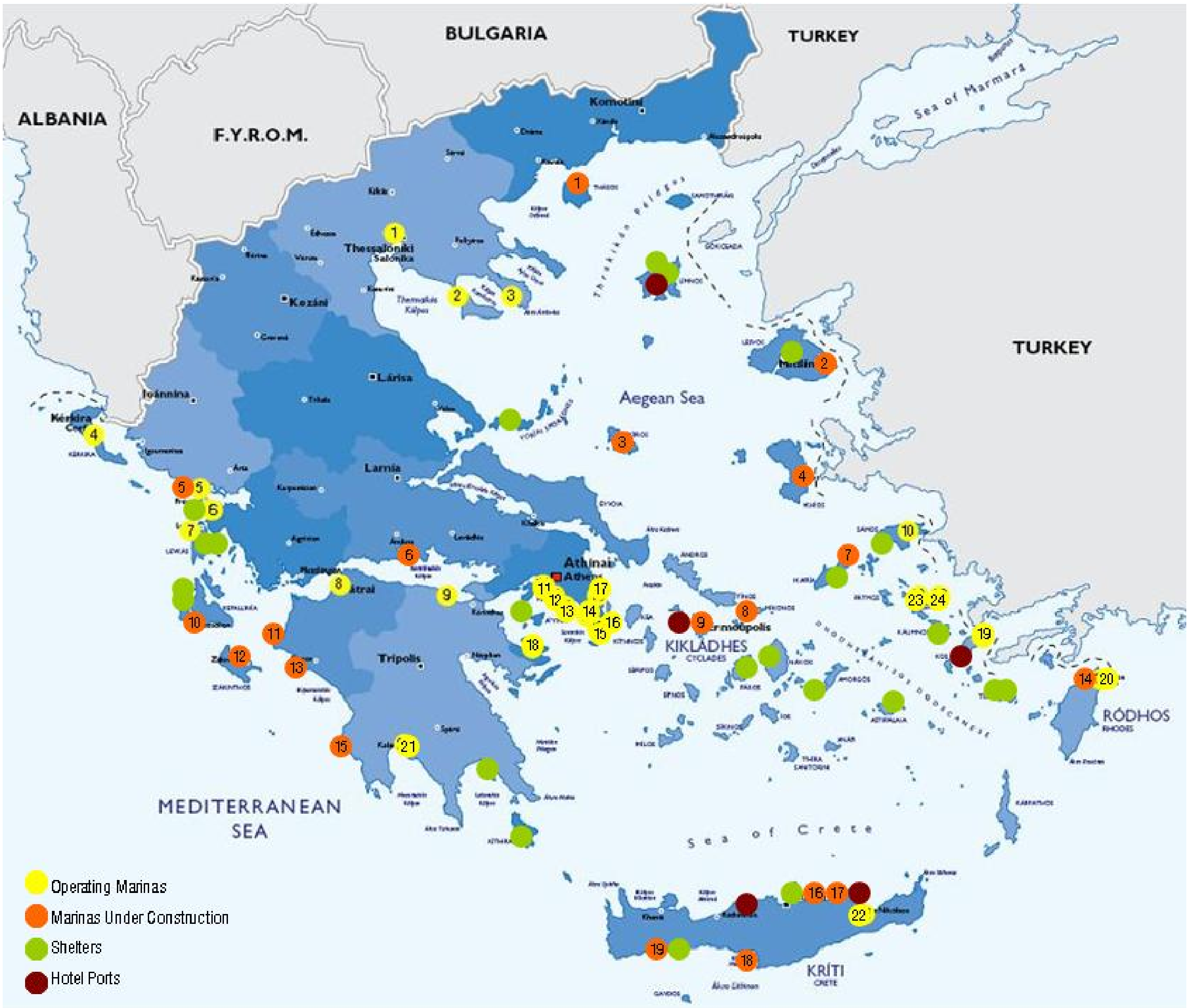
Table 2 Marinas under Construction – Greece 2009

	Location	City/Island	Prefecture	Berths
1	Limenaria	Thassos	Kavala	280
2	—	Mytilini	Lesvos	200
3	Achilli	Skyros	Evia	150
4	Kastello	Chios	Chios	274
5	—	Preveza	Preveza	261
6	—	Itea	Fokida	146
7	Lefkada	Ikaria	Samos	250
8	Tourlos	Mykonos	Cyclades	250
9	Pidali	Syros	Cyclades	254
10	—	Argostoli	Kefalonia	242
11	—	Kyllini	Ilia	150
12	—	Zakynthos	Zakynthos	150
13	—	Katakolo	Ilia	235
14	Sfagia	Rhodes	Dodecanese	500
15	—	Pylos	Messinia	250
16	Porto Gouves	Crete	Heraklio	72
17	Malia	Crete	Heraklio	300
18	Agia Galini	Crete	Rethymno	112
19	Paleochora	Crete	Chania	140
	Total			**4,216**

Source: HVS Research

The following map illustrates all abovementioned marinas as well as smaller shelters and hotel ports. The latter are practically small marinas or natural ports with limited facilities. The investment opportunities in marina infrastructure are obvious especially in unexploited regions such as the east coast of Athens, the seaside of Central and North Greece, the islands of Cyclades, and Crete.

Indicative Map of Greece – Location of Marinas



International Competition

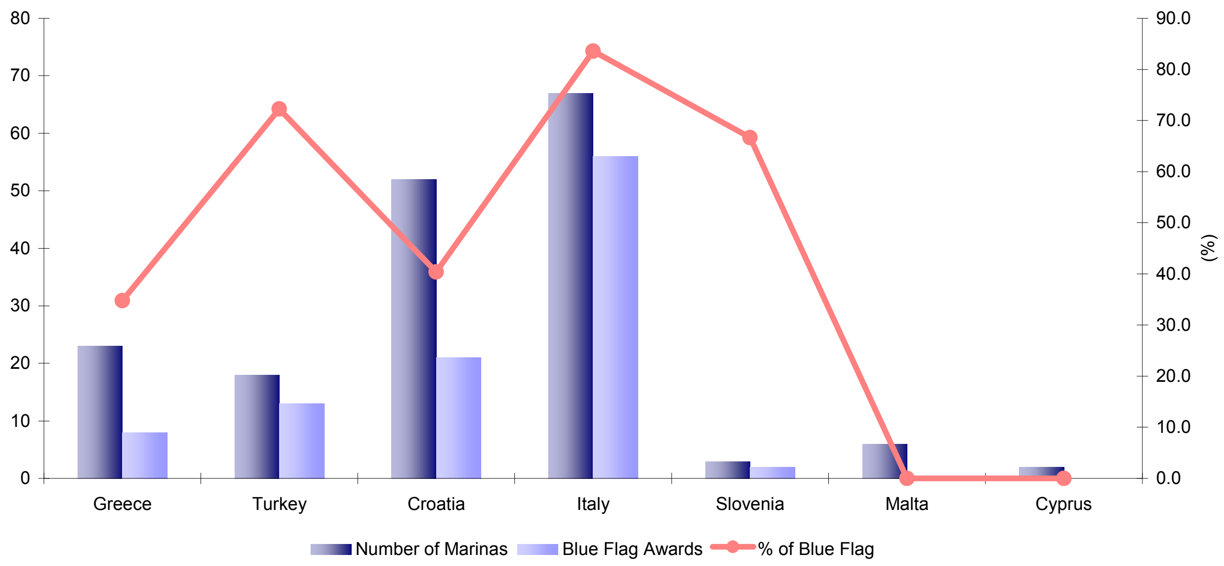
Competition for the Greek ports of leisure crafts comes from the countries of the Southwest Mediterranean (France, Italy, and Spain), as well as from those of the Southeast Mediterranean (Turkey, Croatia). The marinas of the Southwest Mediterranean absorb an estimated 80% of the total demand of services in the Mediterranean. The Southeast zone of the Mediterranean serves 14% of the total demand while the remaining 6% is absorbed by Algeria, Morocco, Cyprus, and Egypt[2].

For the remit of this article, we compare various data relating to marinas in the Southeast Mediterranean countries of Greece, Turkey, Croatia,

[2] Diakomihalis M., (2007), "Chapter 13 Greek Maritime Tourism: Evolution, Structures and Prospects", *Research in Transportation Economics*, 21, p. 419-455

Italy, Slovenia, Malta, and Cyprus. Marinas in the remaining coastal countries of the former Yugoslav Republic as well as in the North African countries were not taken into consideration. Graph 1 presents the number of marinas in each of the subject countries and their corresponding percentage of Blue Flag-awarded marinas as an indicator of high service quality.

Graph 1 Number of Marinas and Blue Flag Awards per Country – 2009



Source: HVS Research and Analysis

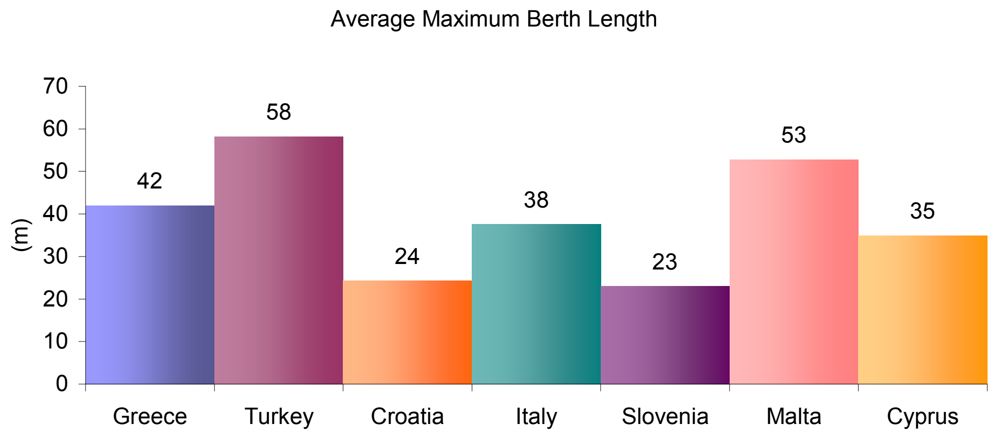
Italian marinas include only those associated with Assomarinas, whereas the Pagine Azzure guide includes more than 250 marinas and shelters, demonstrating the undeniable progress of the Italian maritime tourism over the last decades. Croatian sea tourism enjoyed glorious times during the 1980s and the relics of this era are obvious on the more than 50 Croatian marinas. Greece is ranked third in the number of marinas amongst the countries examined and should the construction of the upcoming marinas not be completed in the near future, it is very possible that Turkey will take its place. Yachting activity in Turkey started evolving no more than a few years ago; however, the rapid growth of Turkish tourism combined with the country's flexible legal framework for the establishment of marinas and the acumen of tourism experts is about to introduce ten additional marinas in the Turkish market. Slovenia, Malta, and Cyprus, although popular tourism destinations, feature only a limited number of marinas, probably because of their modest kilometric length of coastline.

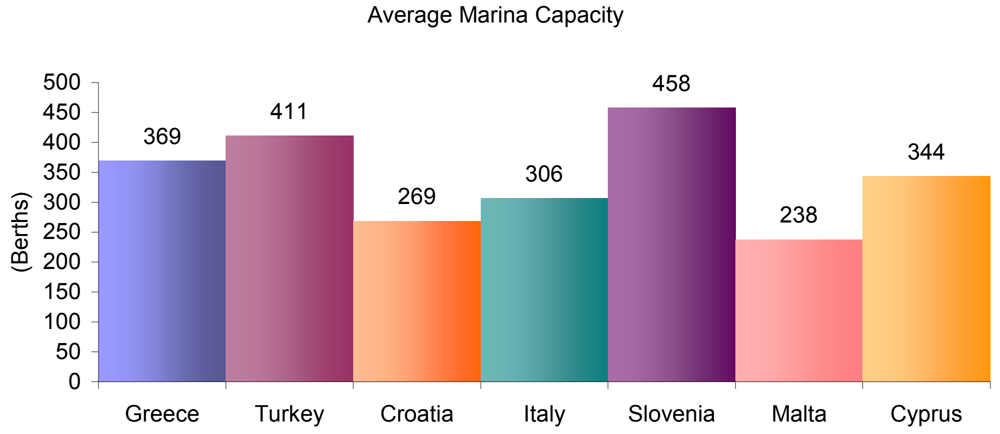
When comparing the western Mediterranean countries, Greece falls short, not so much in the number of marina establishments but in the quality of the services provided. The low percentage of Blue Flag-awarded marinas is a significant indicator. The Blue Flag designation is a voluntary eco-label awarded to over 3,200 beaches and marinas in 37 countries worldwide and works towards sustainable development at beaches/marinas through strict criteria that deal with water quality, environmental education and information, environmental management, safety, and other services. Italy, Croatia, and Turkey are ranked in the first three places for the highest number of Blue Flag-awarded marinas, while Slovenia comes third in the equivalent percentage of awarded marinas after Italy's record high 84% and Turkey's 72%. Greece scores a very low percentage in Blue Flag-awarded marinas, revealing the weaknesses of the Greek yachting market in being competent within a very competitive environment. None of the marinas in the islands of Malta and Cyprus have been awarded with a Blue Flag.

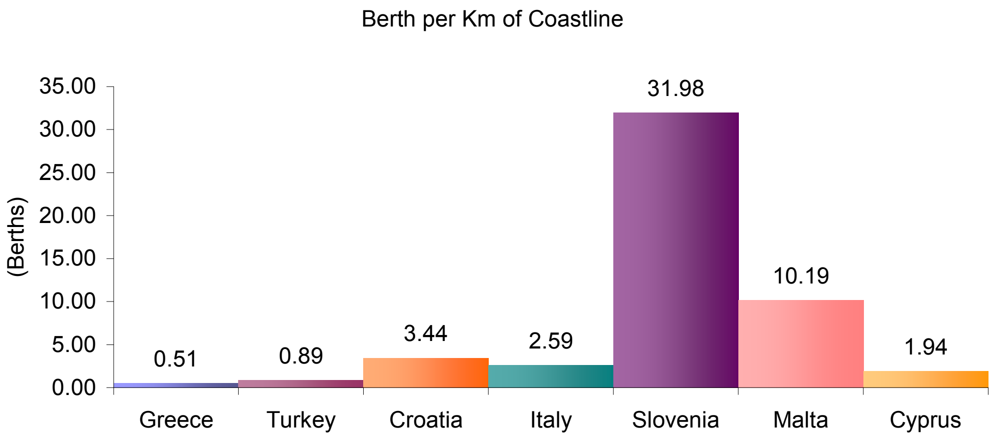
According to industry experts, the revenues of marinas in Greece have recorded a significant growth during the last two decades. Nonetheless, the cost of sheltering in Greek marinas is lower than the corresponding one in the other countries of Southeast Mediterranean. Sheltering prices of the expensive Greek marinas are 20–40% lower than the average prices of marinas in the above region, but they are 30% higher than the corresponding ones in Turkey as well as those in the countries of the former Yugoslavian Republic (e.g. Croatia, Slovenia etc.). Part of this price discount is originating from the lower quality service that Greek marinas are providing. Moreover, during shoulder months, marinas in other competitive countries promote special offers (e.g. discount on electricity, free water supply, etc.) in order to attract an increasing amount of yachts that need to be sheltered. Such pricing tactics are still not widely spread amongst the Greek marina operators; though they are essential to influence the demand of marina services.

Graph 2 illustrates some additional statistical data for the seven countries under consideration. The average maximum berth length and the average capacity of the marinas were impossible to be weighted due to insufficient data. The number of berth per kilometre of coastline resulted by dividing the total number of mooring berth of a country with the respective length of its coastline.

Graph 2 **Various Marina Statistics by Country – 2009**







Source: HVS Research and Analysis

The average maximum berth length is an indicator of what type of yachts the marinas of a country can shelter. Turkey comes first in this category followed by Malta and Greece. Hence, the potential of these countries to be a magnet for mega yachts, and consequently for high-net-worth individuals, is rather significant. Italy and Croatia might feature the highest number of marinas, yet it seems that most of their establishments can shelter vessels of up to 38 and 24 metres, respectively.

The average marina capacity is used in order to define the "size" of the marinas. In all subject countries the average marina has more than 200 berths with the largest being in Slovenia, Turkey, and Greece.

The index of berth per kilometre of coastline reveals the degree to which a country is taking advantage of its seashores for the development of maritime tourism. Slovenia and Malta are occupying the first two places in this category because of their limited coastline rather than their quantity of mooring places. Oxymoron is the fact that Greece, the country with the longest seashore by far, has the lowest analogy in the number of berths per kilometre.

Future Developments

In December 2008, in an HVS article titled "The Changing Face of the Greek Hospitality Market", it was mentioned that new large-scale tourist complexes are expected to transform the image and popularity of Greece as a tourism destination. These leisure-integrated resorts are set to enter the market over the next few years and are believed to make Greece a part of the luxury hospitality market by offering a wide array of infrastructure and facilities.

Various complex hotel projects, which the Athens Office of HVS has been involved with, include the construction of a marina establishment not only for its financial feasibility but also for its ability to attract clientele of specific upscale target markets that facilitate the better positioning of the proposed hotels.

Conclusion

The chartering of any kind of vessel such as luxurious yachts, sailing boats, high-speed boats and so on is considered the most productive activity of maritime tourism, while contributing to increase foreign currency inflow[3].

Adequate marina infrastructure is an important component in the economic health and viability of the Greek coastal communities.

[3] Igoumenakis N., Kravaritis K., and Lytras P. (1998), *Introduction to tourism* (in Greek), Interbooks, Athens

Development of ports and small boat harbours contributes greatly to the host community as well as to the greater regional economies. Yachting constitutes an important source of income and employment for both coastal and island locations, since it is addressed mainly to clientele of a high income level; at the same time, demand for the product illustrates a significant increase worldwide[4].

For Greece, the repositioning of its hospitality industry towards the high end of the market is a one-way street. The country cannot compete on a price basis with new destinations under its current hospitality cost structure. On the other hand, it has all the necessary elements to reinvent itself, reshape its product, and market itself efficiently in order to maintain the positive publicity gained over the last few years.

The Greek government has realised the potential of tourism as well as the stagnancy problems of the country's tourism product, which has resulted in a problematic seasonality pattern and reduced its attractiveness compared to other destinations in the Mediterranean. As such, it is promoting incentives for boosting investment activity to shift the current tourism concept towards a more versatile and sophisticated one, exemplified by the government support of complex investments that would include, amongst others, marina infrastructures. The construction of marinas is subject to subsidy financing from the National Strategic Reference Framework 2007 – 2013 (programme of the European Union Funds at national level) of up to 40%, depending on the location of the marina, whereas there can be an additional subsidy in the range of 10% to 20%, depending on the size of the investment.

Greece has all the odds on its favour in the field of maritime tourism when compared to other Mediterranean countries, due to: (1) its large complexes of islands in the Aegean and the Ionian Seas, (2) its extended coastlines, and (3) its favourable climate. The existing network of marinas and shelters of tourist vessels – although in need of further development and improvement – can set the basis for the beginning of a new era in Greek yachting, but only if all public and private parties involved collaborate in a coherent and intolerant way.

[4] Hall M. (2001), "Trends in ocean and coastal tourism: The end of the last frontier?", *Ocean and Coastal Management*, 44(9–10), 601–648

About the Author

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Parts of this article have been adapted by Diakomihalis M. (2007), "Greek Maritime Tourism: Evolution, Structures, and Prospects", Maritime Transport: The Greek Paradigm, Research in Transportation Economics, Volume 21, 419–455

No investment decision should be made based on the information in this survey.

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