



It is an industry sensitive to exogenous shocks. Arrivals from the

US more than halved after the US government issued a formal travel advisory to the effect that Athens airport was "a place of terrorist danger" following the hijacking in July 1985 of a TWA flight by two Shiite terrorists who boarded at Athens. The number of American tourists fell from 6.6 per cent of the total in 1985 to just 2.8 per cent in

1986 and have never reached their former levels. They inched back up to 3.5 per cent in 1988 but fell off again after the City of Poros incident, in which Arab terrorists shot up a day cruise boat from Athens killing nine and wounding 78. They hit a low of 2.2 per cent in 1991, the year of the Gulf War. Europeans, normally impervious to such alarms, also

Arrivals by region

(%)	1984	1985	1986	1987	1988
Europe	73.0	76.7	84.3	85.4	84.6
of which					
EU	51.6	54.0	60.6	66.0	64.5
of which					
Germany	14.3	14.9	15.6	15.0	16.5
UK	17.3	18.9	23.3	24.6	21.4
Americas	10.0	8.8	4.4	3.9	4.6
of which					
US	7.9	6.6	2.8	3.2	3.5
Others	8.6	7.9	7.0	5.6	5.7
of which					
Russia
Cruises	8.4	6.6	4.3	5.1	5.1
Total	100.0	100.0	100.0	100.0	100.0

	1989	1990	1991	1992	1993
Europe	83.8	85.9	89.0	86.3	85.5
of which					
EU	63.8	64.0	63.2	66.8	66.9
of which					
Germany	19.4	20.6	18.9	19.9	20.9
UK	19.1	17.7	20.3	22.1	22.1
Americas	4.7	4.1	3.0	3.9	3.5
of which					
US	3.3	2.9	2.2	2.9	2.6
Others	6.1	5.3	5.1	5.4	6.0
of which					
Russia	0.3	0.4	0.9	1.0	1.2
Cruise	5.4	4.7	2.9	4.4	5.0
Total	100.0	100.0	100.0	100.0	100.0

Source: National Tourism Organisation

stayed away in droves that year. Total arrivals in 1991 fell 11.2 per cent and European arrivals 8 per cent.

The number of arrivals has since recovered to outstrip 1990 levels. But the 1991 experience is indicative of just how volatile the industry can be.

So far, the civil war in Yugoslavia has not harmed Greek tourism. It is north of the border and the majority of the tourist facilities are in the south of the country. If anything, the war has buoyed arrivals as tourists who

might once have holidayed on the Dalmatian coast have instead carried on to Greece. (The country has also picked up tourists from Turkey, Egypt and Algeria where there have been attacks on tourists by Kurdish and Arab fundamentalist terrorists.) Were the Yugoslav civil war to spread further south into FYROM and Albania it could have a disastrous effect on Greek tourism.

The Yugoslav civil war has affected the means of arrival. Air has always been the favoured route because of

the long drive from northern Europe and the time-consuming ferry crossings from Italy. This tendency has been reinforced since 1989. Arrivals by road fell from 15.2 per cent of the total that year to 9.4 per cent in 1993 and by rail from 3 per cent to just 0.6 per cent. Arrivals by air in the same period climbed by 9.6 per cent all of the increase being taken up by the charter market which accounted for 52.2 per cent of arrivals in 1989 and 61 per cent in 1993.