THE READ

HOW GREECE GOT BACK ON THE MAP

After years of political and financial turbulence, things are looking up for the oldest country in Europe

Santorini. Photograph by Gallery Stock

Words by Mr John Arlidge, senior writer, The Sunday Times

Mr Andreas Andreadis is not a man to do things by half. Greece's best known hotelier led the development of upscale hotels and resorts during the go-go years after Greece joined the eurozone, creating the feted Sani Resort. Twenty years on, the CEO and co-owner of Sani is not going to let the small matter of Greece almost crashing out of the eurozone (and the political turmoil that ensued) stop him. "We are investing almost €250m in the Sani and Ikos brands," he says, looking out over the beaches at Sani Dunes, the latest Sani hotel in Halkidiki, set to open 30 June. "I am very bullish on Greek tourism. It will do well."

Mr Andreadis is not alone in looking to the future with confidence – and a fistful of euros. Across the Aegean on Rhodes, Mr Peter Fankhauser, the boss of Thomas Cook, one of the industry's biggest players, has opened Casa Cook, which he insists is a hotel for hipsters, or at least as close to one as Thomas Cook package-holiday-makers will ever want. With its minimalist design, chiselled staff and modern Greek fusion cuisine, it's "not something you would expect from Thomas Cook and that is exactly the point", he says. "It's chic yet affordable." (Code for: "I can charge more and make better margins.")

So, the big picture: the local politics and economics are stable, at least by recent Greek standards. No major political party supports leaving the eurozone and returning to the drachma, a devaluation that would make Greece more affordable for visitors but would send the economy into a tailspin. "I don't see Grexit," says Mr Andreadis. He describes the challenges of the past few years as "intensive – and expensive – national psychotherapy, but it is working. It's worth it. People are wiser, not so extreme. We're looking forward to better times."

Ikos Oceania, Halkidiki: Photograph courtesy of Ikos Oceania

Greece is not out of the woods, however. The government is still in talks with its creditors about new financial support. Its debt mountain stands at €343bn, equal to more than 180 per cent of Greek GDP and getting on for twice the debt-to-GDP ratios of the UK and France.

Mr Andreadis also warns that, over time, taxes will have to come down again to match the levels charged in competing countries. "Small and medium-sized business, especially at the cheaper, more commoditised end of the market, will not be able to absorb the extra costs for ever," he says. "The daily reality for many is tough." The extra taxes amount to an additional €700m burden on the travel and tourism sector. "This is excessive, particularly when Airbnb-type rentals are not taxed at all."