

Tourism, the Future of Economy in Albania

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Abstract

Tourism is one of the main pillars of economy for many countries in the world. It influences the economy and offers more employment possibilities every year. Mediterranean countries have a favorable, geographical position and climate to develop tourism. Most of these countries, have obtained higher incomes from this industry, and as a result, more prosperity and economic development.

Today, about 30 % of the world's tourists spend their vacations in the Mediterranean Region. Albania is one of these countries and it has great possibilities for the future. The nature of Albania, its geographical position and its panorama, the climatic and physical diversity of its territory, represent some of its rich resources and strengthness.

Previously, Albania's economy depended in agriculture and small industries. After the 90-s, when many citizens left the country, the situation changed and even that source of income became inconsiderable. Heavy or textile industry, were hardly developed. Tourism was hardly developed too. Only few investments were made in this sector.

In October 2012, EU Commission recommended Albania to be granted the EU candidate status. Therefore, Albania's economy has to be developed according to EU standards. In this paper we would like to assess, which may be some important and effective inovative management strategies for Albania's tourism. What are some of the steps to follow in this direction? The article aims to make a comparison with Greece and Montenegro, as reference points, in order to understand these countries' touristic strategies and try to adapt some of them or think about new effective ones. It aims to provide a profile that shows; strengths, weaknesses, opportunities and threats. The study will be based in official statistics and scientific literature. The study concludes that the economic benefits of tourism are considerable, immediate and there are many new ways to activate the natural sources of Albania.

Keywords: geographical position, diverse resources, tourism, inovative managemnt strategies, economic development.

Introduction

Tourism is an industry that is developing very quickly in the 21-st century. According to the Tourism National Organisation of the United Nations, the number of tourists all over the world has increased from 438 million in 1990, to more than its double until 2015 and it is estimated to triple in 2020. This industry represents an important branch of the economy, and its income may be not only high but also immediate. Regardless of the economic situation all over the world, Europe has had an increase in visitors, outside forecasts. Central and East Europe had a 7 % increase in tourists number, South Europe, including Albania, 6 % increase. This is an important indicator that defines that tourism is a factor that affects directly Albania's economy, increases

the income of the citizens, and creates new jobs.

As a matter of fact, referring to the National Council of Tourism and Travel, in 2013, the general impact of tourism in the economy of Albania was 16.7%. The number of jobs offered by tourism increased by 4.3%, but indirectly it offered an increase of jobs by 15.2%.

The nature of Albania, its geographical position and its panorama, the climatic and physical diversity of its territory, represent some of Albania's rich resources. Not only the mountains, its lakes and lagunas, where diverse flora and fauna can be found, natural parks and stocks, but also the local communities that live near these resources make a great potential for the development of tourism. These people still maintain a traditional lifestyle and represent a rich cultural heritage and an added value of Albania's resources. This country offers an unlimited variety of destinations, which are very attractive. The geographical position and also the presence of a lot of physical elements play an important role.

Before the 90-s, Albania had a centralized economy or a centrally planned economy, one that operated in a centralized and hierarchical manner, where directives were issued to lower-level organizations. This economic model was often referred to, as a command economy or an administered economy, where planning played little functional role in the allocation of resources.

Therefore, the Albanian economy was considered before the 90-s, as the most backward in Europe. Almost nothing was invested to develop the sector of tourism. Nowadays, Albania may be an attractive country, but still needs FDI. If we go back through the years and have a quick look at the development of tourism in Greece, we clearly understand that tourism is Greece's most important industry.

In 2014 the number of the tourists in Greece was 18 million, compared to 65 years ago, when this number was only 33.000, makes a real difference. Tourism in Greece used to be of great importance since hundreds of years. Companies were not very familiar with management and marketing, they used their old manners to attract tourists at that time, but they were aware of the wealth they could have from this industry.

According to a survey's of the SETE,¹ in 1960 Greece had an increasing number of tourists, but between 1961-1990 it reached its peak. This was not very uncommon if we consider the phenomenon of mass tourism that started to spread globally in that period. For 20 years Greece had the highest tourism development in Europe.

Main competitive advantages of Greece over the years have been its geographical variety, natural beauty, more than 16.000 km coastline, more than 6000 islands and islets and a rich cultural heritage. Greece has made significant investments in this industry, transforming the traditional holidays into a higher-value holiday, and at the same time realizing one of the most strategic moves for Greek's economy growth. The upgrading of tourism is supported by a number of initiatives by the Greek National Tourism Organization, Business Associations, the State and regional authorities and municipalities.²

Albania is bordered by two Seas, the Adriatic and Ionian Sea. It has 362 km of coastline,

¹ SETE, symposium of Aristotle University

conducted by the Association of Greek Tourism Enterprises (SETE) concerning the development of the Greek tourism industry from 1950 to 2012.

² World travel and tourism council (WTTC).

which is not the same as Greece, but this area is known for its natural beauty, rocky highlands extending to the edge of the beach, sandy beaches and shallow waters along the Adriatic coast.

This means that Albania has several destinations that are among the core preferences of global tourists. Another important strategy we can refer to is the privatization of key transport assets and tourist assets. If regional airports, tourist properties, etc would be given to private enterprises for a certain period, this would help the economy grow faster also would help the state to invest in all needed areas.

Montenegro on the other hand has followed another strategy. Its geographical position and resources are very similar to its neighbours, but their strategy had some different goals.

This country was willing to attract wealthy customers. Therefore they supported the construction of luxury hotels along the coast and also supported large tourism projects as the newly constructed Marina in Tivat. The most important result expected is the image of the country. If Montenegro would have a better image, hotels would be visited by rich tourists, that could probably raise the attractiveness for more tourists (Büschfeld, 2001, 48).

Analysing the conditions of infrastructure in Albania, we find many problems consisting in water supply, waste water systems, electricity, telephone lines, few parkplaces, unpaved surfaces, city lights, caring of public places, etc. The usage of international reservations systems, such as Booking, Tripadvisor, etc. is low, which is an essential factor in competition with other neighbour markets. Albania misses road signs, collection of wastes, especially during the end of summer season, etc. There is considerable absence of tourists guides and maps.

Cheap air lines, such as Germanwings, Easyjet, Ryanair operate in many neighbour countries, at a low cost, but not in Albania, because of high air taxes. Tickes to Albania cost the double price of Zagreb or Dubrovnik.

Improvements have been made in maritime transport. The main terminal in Durrës, has recently been renovated and the number of touris ships visiting Durrës or Saranda has increased. The terminal of Saranda also offers good conditions and service. But the traffic in Albania's harbours is very low considering their capacities and position. The journey becomes difficult when tourists get of their ships. There are not always means of public transport available or organized transport to the touristical destinations. This kind of transport is managed from private companies. Sometimes they have to rent a car or pay a taxi, which can further bring to another unknown price, because many taxies do not even have a taximeter. It is regulated by law, but not appropriately applied.

According to data from INSTAT (Albanian Institute of Statistics), there are about 17.000 businesses like hotels, restaurants and bars, which provide a lot of jobs for the youth. It is really important their education and training in order to offer a better quality of service.

It is of great importance the vocational education and certification that provides them with skills required in this sector, especially for those young people who do not attend university. In this direction we see an improvement, as many public and private Universities or professional Schools offer a wide range of subjects related to tourism and many professional trainings. The Tourism industry in Albania generated 41,000 jobs in 2013. It corresponds to around 4.3% of total employment in Albania. In 2014

the number of jobs in this sector continued to grow by 5.2% to 43,500 or 4.4% of total employment.

Referring to the WTTC, the total contribution of Travel & Tourism to employment was 146,500 jobs in 2013 or 15.2% of total employment. This was expected to rise by 4.1% in 2014 to 153,000 jobs which corresponds to 15.6% of total employment.

In some European countries, such as Greece, a decline of the number of tourists can be noticed, compared to other international touristic countries, after the 90s. The main reasons of the decline may be the problems caused to the social and natural environment. These are two facts that Albania should consider. Firstly, in Albania it is noticed a worsening of the natural environment and no measures are taken. The social responsibility of enterprises is almost inexistent. New laws should prohibit companies and private businesses to operate without fulfilling necessary conditions. And secondly, the competition all over the region is becoming tougher. In these conditions an inovative plan is needed, new, different strategies should be applied, in order to keep the industry going.

Conclusions and recommendations

Some of the main constraints during our analysis are based on different studies from World Travel and Tourism Council (WTTC), Tourism National Organisation of the United Nations, Ministry of Tourism of Albania. There is very limited accurate tourism data, a lot of informality, which makes it difficult to identify and understand the tourism market. So reducing informality should be one of the main goals of the government, if we want to develop tourism. A clear marketing campaign should be drafted in order to present the touristic areas in Albania and realize a cooperation platform with other countries of the region.

Hospitality and Service are two concepts that need to be developed. More investments are necessary in training and education in tourism branches, learning specific skills that will help make customers feel more satisfied.

There is a great need for skills in the areas of marketing and promotion that can create the identity of a business or that can help it to a better position in the market. Large resources, with added-value services are necessary, because the existing hotels capacity, about 20 rooms, does not make possible the attraction of bigger tourist groups and organized package tours.

Specialized tourist products should be developed. All tourism services should be standartized and certified according to a new law strategy. Many public services, like transport, should be managed by private companies, in order to get better service for tourists. More agreements with neighbour countries should facilitate ferry transport. The economic benefits of tourism are considerable, immediate and there are many new ways to activate the natural resources of Albania.

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