

Tourism impacts and trends; Albania in focus

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Abstract

The tourism industry, is certainly one of the fastest developing industries in the world and it is ranked among the biggest, in terms of contribution to the economy. It offers huge employment opportunities in all its related sectors, such as construction, tele-communication, transport or others and has a great social and cultural impact.

Especially over the last decades, tourism grew continuously and aimlessly. The growing number of new destinations had its significant impact in the socio-economic progress all over the world.

For many world countries including Albania, which are in a developing phase, tourism represents one of the most important sources of income. But not only; compared to the oil exports, automobiles industry or food industry, the volume of tourism is equal and sometimes, in certain areas, it surpasses these important industries. Therefore, tourism is currently ranked among the leading industries, which have a crucial influence in the international commerce.

The more tourism grows, the tougher the competition becomes. Hence, countries should work hard to improve their touristic offer. Obviously, the better the quality, the higher the revenue and the contribution to the economy.

According to studies from the UNWTO (the organization that supports countries to find a sustainable position in the current national and international markets), particularly developing countries are in the position to benefit from sustainable tourism.

But what is Albania's position in the world map of Travel and Tourism? How big is the impact of tourism industry in the economy and employment of this developing country? What are the current trends and issues? Is it given priority to the development of this industry?

Although its potential is great, its resources are very diverse and rare and now this country is recuperating all those missing years, issues related to globalization, must be considered very carefully. If resources are not properly and carefully preserved, the country may quickly lose its originality and natural beauty.

Keywords: tourism, Albania, impact, focus, economy.

Introduction

We may all be somehow surprised to discover that travel and tourism beginnings may date a long time ago, in ancient civilisation around Mediterranean. In ancient times, people used to travel mainly for war or trade purposes. Sometimes they also traveled for pilgrimage. Religious festivals were organised in ancient Egypt; festivals which attracted, not only religious people but also others, who came to see the city and its art works, the famous pyramids or the Sphinx. Among Egyptians, people from Byzantine empire began to travel, since the era before Christ.

Ancient Greeks would travel every year to visit a series of festivals and games, also the first ancient Olympic games. Referring to the tourism definition, as the practice of traveling for refreshment of strength and spirits after work, ancient Greeks were

experiencing tourist activities.

People living in Southern Italy, Magna Graecia, would also travel to Greece for cultural exchange.

While looking back and trying to find evidence for the beginnings of tourism in Europe, for many of us, it would make sense to study ancient Greece or Italy, as both these countries used to be the center where civilisation is born.

Stages of Tourism development

In the long and interesting history of tourism development, it is important to highlight four main stages.

The first period, defined as the **Ancient Tourism**, relates with the over mentioned ancient Egyptians and ancient Greeks. The tourist attractions, that people used to visit at that time were the pyramids and the Sphinx.

But there is also evidence of other touristic forms. Ancient Greek undertook similar tourist activities as today. They traveled to watch the Olympic games, which were mainly chariot races. A lot of people from all over Greece, traveled to view the games, likely as we do today.

Another document from that time, are the trips of the ancient Greek Herodotus (born around 485 BCE). In the fifth century BCE, the historian Herodotus traveled to Egypt, Tyre, and Babylon, writing about his journey.¹ He visited north Egypt, Mesopotamia, the Black Sea, ancient Italy and he created a map of the places he visited during his lifetime. Through the knowledge he gained while traveling and through his maps, he gave a great contribution of what the world was like.

After this first stage, tourism went through its *second period*, the **Classical Tourism**. The years that define this period extend from 600 BC to 600 A.D.

During these years, the development of road networks gave another impulse to travel and tourism. Wealthy people were more likely to visit new places.

Pioneered by the Romans, in this period rises the idea of the beach and sun recreation or the idea of spa, massages and relaxation.

Roman emperors and the aristocracy, knew how to live good and enjoy life and its beauties. They enjoyed what their wealthy land offered them. We may probably consider them today as ancient domestic travelers, and not only.

Even though they didn't know the real definition of this world, in a way or another, they were consuming culinary tourism, cultural tourism or curative tourism, while using natural thermal baths and enjoying massages.

Furthermore, a lot of people were taking part in gladiators matches, wine festivals, or religious pilgrimages. Weren't they experiencing entertainment during free time, or what we call today, domestic holidays?

With the passing of time, and the invention of sailing and driving, the movement became easier. Transportation from a place to another increased, and new travel purposes, as for education or knowledge attracted the interest of nobles.

¹ <https://www.quora.com/Was-there-tourism-in-ancient-times>.

Of course, european aristocracy, or the wealthiest level of society, were not easy satisfied with just only, the opportunity to visit new places and learn their cultures. They aspired to experience new travel motives, like fashion and social prestige. And so began *the third period* of tourism development. The beginning of the 16-the century, marks the beginning of the *Modern Tourism*. Mainly young, nobleman and rich bourgeious started this journey in Italy, which became more than a simple tour. It became the necessary cultural background of every cultivated European. The idea of travelling for the sake of curiosity and learning was a developing idea in the 17th century. The primary value of the Grand Tour, it was believed, lay in the exposure both to the cultural legacy of classical antiquity and the Renaissance. Around 1750, intensive urban development occured in Europe and it became easier for people to move. The number of people able to travel increased but they were still a small, wealthy part of the society. Slowly , the myth of "own land bond" began to disappear. The quick development of urban settlements attracted a large number of people. In 1800 they began to work in the new factories and for the first time received payment for their work. It is obvious that their idea about life began to change with the change of urban surroundings. Relaxation and recuperation were viewed as necessary part of life. Definitely, after the 1800-s and the Industrial Revolution, the number of citizens able to travel increased notedly. The greater the number of tourists, the greater the demand and expectations. As a result, tourism and its offer began to develop during the nineteenth century and beginning of twentieth century. New railway systems and ocean liners were built all over Europe. This was followed by the increased trade between european countries. The economy grew stronger with the development of infrastructure and technology, cars and aircrafts in the beginning of the twentieth century. It was easier and less expensive to travel from a place to another. Later, we encounter the concept of organized all inclusive travel. This period is closely linked to a surprising development. New destinations are growing in number and interest. All these great occurrences happend during *the fourth period*, the period of the *Contemporary Tourism*. In our days, travel is not just travel. It has become an experience. Air travels to far destinations offer a lot of facilities and entertainment, making the trip shorter and easier. Namely, we are offered today high standarts of tourism, standards motivated by the human erge for new experiences, more entertainment, fantastic adventures or qualitative education.

Importance of tourism industry as a main world industry

Contribution to the economy

Tourism and traveling are activities on trips people take outside the common environment of everyday life. These trips do not last very long, the duration should

not pass one year, but their influence in the economy of the world is very important.² The contribution of travel and tourism to the economy may be direct, indirect or induced contribution. These three wider impacts, include services and goods purchases, by industries directly connected to travel and tourism. Together they make the total contribution of Travel and Tourism on the economy.

The **direct contribution** is reflected in the GDP generated by industries that deal immediately with tourists; such industries represent hotels, passenger transport services, including airlines, travel agencies, also restaurant and leisure industries, which have an immediate connection with tourists. It is also considered as the “internal” spending, total spending on Tourism and Travel services linked directly to tourists.

The **indirect contribution** includes the capital investment spending by all industries involved in Travel and Tourism. It is reflected in the GDP and jobs supported by investment spending. It is not only current but also future investment activity like; constructions for visitor accomodation, the purchase of passanger transport equipment; like new aircrafts or leisure activities and restaurants for tourism use.

The indirect contribution is also reflected in the GDP and jobs supported by government collective spending, national, regional and local government spending, in support of tourism activity. It may include promotions about tourism, public and administrative services, info offered for tourists and similar services.

Government collective spending influences travel and tourism activities through security services, marketing of tourism, administrative and sanitation services, etc.

There is another third component influencing the indirect contribution of Travel and Tourism. It includes goods and services purchases by sectors that deal immediately with tourists, such as; information technology services of travel agencies, food purchased by restaurants or catering services by airlines, cleaning services, fuel purchased by transport means, etc.

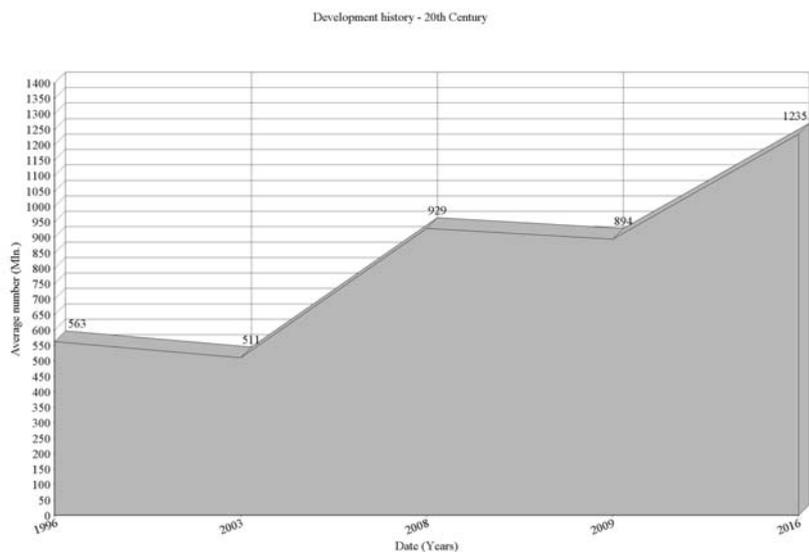
The **induced contribution** is reflected in GDP and jobs by those employed directly or indirectly by the sector of travel and tourism. It is a broader contribution to GDP and employment.

Development history of Travel & Tourism during the 20-th century

Owing to a number of influencing factors, mentioned above and including increasing single transport, especially after 1951, visits to touristic places and leisure activities became common.

Obviously after the 1980, travel and tourism activities were spreading surprisingly quickly all over the planet. Referring to the statistics portal, the number of international tourist arrivals worldwide in 1996 was 563 million.

² WTTC Economic Impact 2017World report.

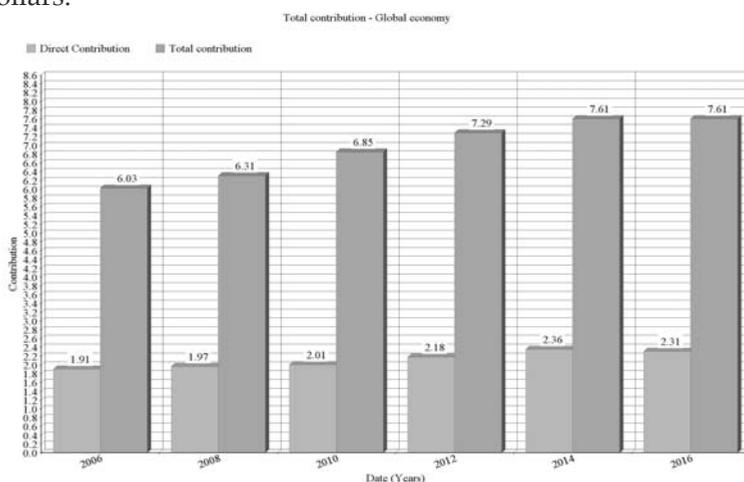


A situation of low decreasment and status quo can be clearly noticed between years 2000 and 2003. After these years, the number continued to increase to 929 million in 2008. Most likely, as a result of the global financial crisis, the number of tourists in the world dropped to 894 million in 2009. From 2009 to 2016 the number of international tourist arrivals continued to increase reaching 1.235 million.³

Direct and total contribution from Travel and Tourism to the world GDP.

We will analyse the direct and total contribution of travel and tourism to the global economy during 2006- 2016 and we will see the increasment trends during years.

In 2006 the direct contribution was 1.91 trillion US Dollars, while the total contribution reached 6.03 trillion dollars. During one decade, in 2014 the direct contribution reached its peak with 2.36 trillion US Dollars, while the total contribution was 7.58 trillion US dollars.



³ <https://www.statista.com/statistics/233223/travel-and-tourism--total-economic-contribution-worldwide/>.

Source: WTTC

In the end of the decade, in 2016, the direct contribution of travel and tourism in the world reaches the number 2.31 trillion US Dollars and a total contribution of 7.61 trillion.⁴

Current developments of Travel and Tourism and forecasts

The direct contribution of Travel & Tourism to the world GDP in 2016 was 2,306.0 billion US dollars, which makes 3.1% of the total GDP. It was forecast to rise by 3.8% in 2017, and to rise by 4.0%, from 2017-2027, to 3,537.1 billion US dollars, it means 3.5% of total GDP in 2027.

The total contribution of Travel & Tourism to GDP was 7,613.3 billion US dollars. This is 10.2% of GDP in 2016.

The forecast for 2017 was to rise by 3.6%, and to rise by 3.9% pa to 11,512.9 billion US dollars, 11.4% of GDP in 2027.⁵

Direct and total contribution in world employment from Travel and Tourism

In 2016 Travel & Tourism directly supported 108,741,000 jobs. It is 3.6% of total employment. This was expected to rise by 2.1% in 2017 and rise by 2.2% pa to 138,086,000 jobs, which makes 4.0% of total employment in 2027.

In 2016, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 9.6% of total employment, in numbers it was 292,220,000 jobs. This was expected to rise by 1.9% in 2017 to 297,896,000 jobs and rise by 2.5% pa to 381,700,000 jobs in 2027, and this is 11.1% of the total.

Investment in the field of Travel and Tourism

Travel & Tourism investment in 2016 was 806.5 billion USD or 4.4% of total investment. It should rise by 4.5% pa over the next ten years to 1,307.1 billion USD in 2027. This will make 5.0% of the total investment.

Current developments and forecasts around the World

Through this analysis we will try to understand the situation in some important regions of the world, see the position of Albania and the importance of the tourism industry as a promoter of the economy of the country.

The map below reveals the countries that are highly reliant, reliant, somehow and least reliant on Travel and Tourism industry. It is obvious that, countries near and around the tropical zone are highly reliant and reliant on tourism. Countries like Mexico, Thailand, or Mediterranean countries like Turkey, Spain, Greece, Croatia, including the small Albania in the middle, attract more tourists because of their position near the sea and favorable climate with hot summer and mostly mild winter.

⁴ <https://www.statista.com/statistics/233223/travel-and-tourism--total-economic-contribution-worldwide/>.

⁵ www.wttc.org.

The Mediterranean region, where Albania lies, is one of the leading touristic destinations. It has been defined as a world's important place for its magnificent biodiversity features. The old land is not only a region with rich culture, but it has an outstanding nature too. About 30 % of international tourists spend their holidays in this region, concentrated mainly in the coastal areas. Sea- sand - sun tourism, followed by cultural tourism are main touristic models of the region.

In 1999, the number of international tourist arrivals ,excluding domestic arrivals, was 219.6 million (4.7% increase over 1998). Projections show that this number could reach 350 million by 2020.

Map of Travel and Tourism influence in the Economy.



Source: WTTC REPORT 2017
 Jobs are presented in thousands (000)

	2016		Forecasts until 2027		
	Bn US\$	% of tot	Bn US\$	% of tot	Growth
World					
Direct C to GDP	2,306.0	3.1	3,537.1	3.5	4.0
Total Contribution	7,613.3	10.2	11,512.9	11.4	3.9
DC to employment	108,741	3.6	138,086	4.0	2.2
TC to employment	292,220	9.6	381,700	11.1	2.5

Source: WTTC REPORT 2017
 Jobs are presented in thousands (000)

Influence of Travel and Tourism in the Economy of Albania

Situated in the south of Balkan Peninsula, in Europe, Albania is considered to be a country, which is from reliant to highly reliant from tourism. It spans 28.748 square km and has a population of 3 million people. A small country, with a great coast that touches the Adriatic and Ionian Sea and a Mediterranean climate, with mild winters and hot summers. It is distinguished by exceptionally rich and varied biodiversity. Obviously, a perfect country for touristic relaxation and recreation.

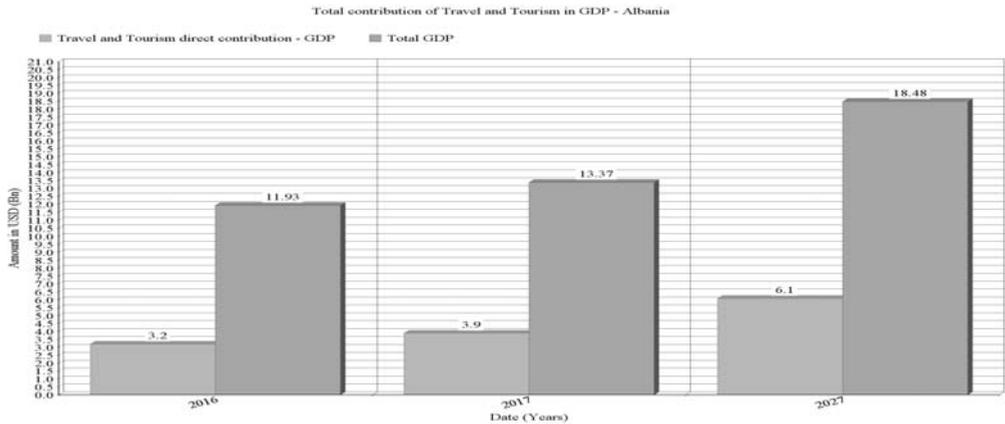
According to Travel and Tourism Competitiveness Report 2017, from the World Economic Forum, international tourist arrivals for 2017 were 3,784,357 and international tourism receipts were 1,500.5 million US Dollars. It is ranked as the 98th country from 136 countries for its overall performance. That is 8 places higher compared to year 2015.

Considering elements related to tourism like; Price Competitiveness, Environmental Sustainability, Air transport Infrastructure, Tourist Service Infrastructutre, Safety and Security, Business environment, etc Albania has an overall score of 3.4 from a maximum of 7.

Our best indicators among others are Safety and Security, Human resources and Labour market and Prioritization of Travel and Tourism and our worst indicators among others are Cultural Resources and Business Travel and Air Transport Infrastructure.

Referring to the WTTC statistics the total contribution of Travel & Tourism to GDP in Albania was 3.2billion USD. This is equal to 26.0% of the general GDP in 2016. It was forecast to rise by 5.3% in 2017, and to rise by 6.1% pa to 6.1billion USD. This makes 33.0% of GDP in 2027.

In the graph below are explained these data for the current situation and the forecasts until 2027.



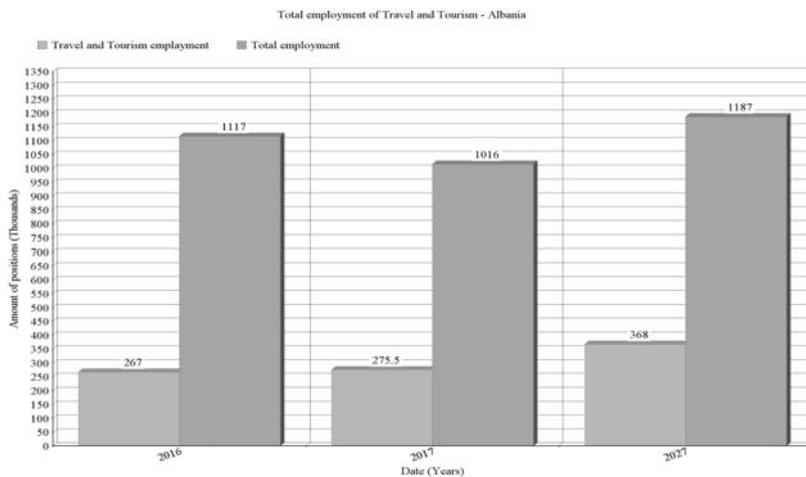
Source: WTTC Reports 2017

Employment in Albania – Total Contribution

Tourism has a great potential to create new jobs. This is crucial for a developing country. As tourism industry grows in Albania, more and more people get employed in sectors related to it. This has been a great contribution for the economy and for the society in general.

In 2016, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 23.9% of total employment (267,000 jobs). This was expected to rise by 3.2% in 2017 to 275,500 jobs and rise by 2.9% pa to 368,000 jobs in 2027 (31.0% of total).

The graph below explains the over mentioned data, which source is from WTTC annual reports for countries all over the world.



Source: WTTC Reports 2017

Important impacts from Tourism in Albania

From the over presented graphs we notice that the contribution of Travel and Tourism to Albania's GDP grows faster (at higher percent) compared to other, even huge countries. The growth is expected to raise at about 7% in the next decade.

Even in America, one of the biggest countries in the world, the percentage of growth referring to its size is not that high. One of the reasons is, of course that it is not a country highly dependent from tourism. But again, referring to its size the growth percentage is low.

We notice such phenomenon even in European countries, which are somehow dependent from travel and tourism. The main reason may be their well-established tourism industry, which is already well-developed and exploited, so the changes from year to year can't be extremely high.

Albania has been a very isolated country until 1990, experiencing one of the toughest dictatorships in Europe. As a result tourism was very little developed, almost inexistent for decades.

But, its potential is great, its resources are very diverse and rare and now this country is recuperating all those missing years. The interest in Albania is high and this can be understood from the number of tourist arrivals each year. Many foreigners are curious to know about the country with such beautiful seaside, warm climate, friendly people, who speak one of the most ancient, absolutely unique languages in the world. It is true that Albania has undertaken many liberal trade policies, in order to give priority to tourism. It is a golden moment for developing countries, like Albania.

Travel and tourism accounts for about 10 percent of global GDP, generates one out of eleven jobs worldwide (about 277 million total), and is an increasingly vital component of developing economies. "In 2013, tourists spent \$413 billion in developing countries, about three times the amount of official development assistance that year. In 2015, for the first time in history, more people will travel to the developing world than to the developed world—about 550 million people overall."

Greater national and international markets are an important economic impact from travel and tourism. More national and international investments and better infrastructure and use of advanced technology are other impacts influencing developing countries, among which Albania too.

Unfortunately, there are a lot of vulnerabilities associated to tourism. Important issues related to globalization, against which we should be very careful.

We have many natural resources, which if we do not properly preserve, may quickly lose their originality and natural beauty. We should be very careful and protect our country from environment pollution and over construction. Over development spoils nature and flora and fauna are being damaged.

According to WHO, Albania has surpassed the standards of pollution. Especially Tirana, the capital city, overcomes EU standards by 20 %. This has already become a risk for Albania, which requires an immediate intervention.

Over crowding and intrusion of outsiders may threaten native culture. Local people are being displaced.

We must protect, at any cost, our national identity. As a result of globalization, the

trap to become similar and offer to tourists, goods and services they are familiar with, has grown all over the world. This is a dangerous fact that threatens our uniqueness that threatens our identity. STOP loss of national identity. Otherwise no one will have the interest and curiosity anymore to visit Albania.

Many natural assets are actually under threat. Some of the national parks are threatened to be destroyed and replaced with buildings or even cities.

Conclusions and Recommendations

World countries today are working together to find paths out of poverty. It is proven that tourism has a great potential to create jobs. Developing and touristic countries like Albania should give priority to tourism development.

Tourism not only offers great employment possibilities but improves lifestyle. Therefore, people do not necessarily have to migrate for a better life. And the other benefit related to this is the restriction of brain drain.

Travel and Tourism influence on world GDP, has grown every year, during the last five years. It has reached 7.6 trillion US Dollars or 9.8 percent of the GDP. The growth is projected to continue. These data would be a great indicator for many world countries to develop projects and make investments in the industry of tourism.

Many different kind of tourism are becoming common. One third of tourist travel happens for business purposes. A great interest is shown in adventure and eco tourism. This is the reason why, we should strongly believe *Tourism is possible in every land on earth.*

It is a fact that half of the people employed in tourism and its related sectors are women. So this is a great and gender balanced work possibility.

The middle class continues to grow from year to year. It surpasses one billion people worldwide. This should be seen as an important element and should be given priority to domestic tourism. It can be a great trend and a wonderful contribution.

It is true that risks and vulnerabilities are associated with tourism industry.

It is crucial for Albania to improve infrastructure and facilities, but this should be made according to strict laws and environmental protection.

We should immediately solve the waste disposal problems, investing in new implants and technology otherwise we will never return to the standards of BE. If not, very quickly we will destroy our natural resources.

Regular tree planting and beautification of the surrounding have already begun in the capital city. This is an initiative that should be common in all cities.

We should initiate more and more investments to protect local heritage, as a result longer life to the historical artifacts.

We should follow the world tourism trends. We have the adequate territory, climate and resources to develop eco as well as adventure tourism, trends of contemporary travelers.

Culinary experience in Albania is unique experience, which fits perfectly with food tourism, another current trend, spreading every year more. This becomes more attractive, considering the competitive prices Albania offers. That is why, it is a trend to be developed more.

And in the end, because of the low taxes, country security and capacity we should work to attract more businesses in Albania. This will generate more income and increase life level in the country.

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