
An overview of the tourism industry in Albania

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Abstract:

The tourism industry has experienced continuous growth in the last decades as it is seen by many economies as an important source of development generation. Many countries are oriented toward the enhancement of the efforts for using their resources for the strengthening of the industry of tourism. They are trying to benefit from this industry by developing the necessary infrastructure. All the countries are competing with each other for the greatest share of tourist arrivals and there are not distinctions between industrialized and developing countries. However, it is seen that developing countries have attracted a large number of visitors which is greater than the tourists travelling to the developed ones. As other countries of the Balkans, Albania is trying to develop a sustainable tourism industry and to create an appropriate infrastructure for being able to compete with other neighbour countries.

This article aims to give an outlook of the tourism industry in Albania. It illustrates the actual situation of the tourism industry in Albania and the efforts taken by the shareholders in this industry to develop a sustainable tourism. It wants to evidence the actual positive and negative elements of the tourism industry in Albania. The article wants to give some suggestions about the future development of the tourism. They are addressed to the businesses and institutions in the industry.

Key words: tourism, hotels, development, infrastructure, Albania

1. Introduction

The tourism industry has increased continually in the last decades and has gained an important part of the world economy. It is one of the key socio-economic sectors of nowadays and is forecasted to expand in the future (UNWTO, 2014). In these positive changes has influenced the globalization of the products and services, the technological development and the revolution of the means and ways of transport. The data show that 42% of the services export in the developing countries is dedicated to tourism. It is considered a powerful determinant on poverty alleviation and country development from half of the least developed countries and it provides often one of the few competitive options for these countries to take part in the global economy (UNWTO, 2014). Increasingly, developing countries are reinforcing their tourism opportunities in order to give a boost to their economies. The increase of the number of tourists means more job opportunities and more business generated directly and indirectly in tourism industry and other related sectors, higher income and investments leading so in more development. These positive outcomes are important for all the economies, not only for the least developed ones. It is easier for the young people to be employed in the tourism industry contributing so to the decrease of youth unemployment. Tourism industry generates 6% of world trade, 9% of world GDP and 8% of the exports in the least developed countries while it is calculated that 1 out of 11 jobs in the least developed countries worldwide are in tourism (UNWTO, 2014). International tourism in developing countries has continuously increased and has reached 47% of worldwide international arrivals in 2013. UNWTO predicts that the increase in these economies will surpass that of developed countries in the next years by reaching 57% in 2030 (UNWTO, 2014). In the classification of international tourism increase for the first 8 months of 2014, Europe holds the third place by 4% increase which is almost the double of that indicator of the 2005-2012.

During this period of growth, many new destinations have emerged in addition to the traditional ones. They have attracted the tourist's interest and have contributed to the well being of their people. What is emphasized most nowadays is the development of a sustainable tourism. It is important to gain profits from the resources we have and make it possible to have them for the future generations.

2. The tourism industry in Albania

Referring to the data of UNWTO (2014), the region of South and Mediterranean Europe had an increase of 7% in international tourism increase being the third subzone with the highest increase. As part of the South and Mediterranean Europe, Albania should benefit from these chances and focus on the sustainable development of tourism. Tourism has a great impact in the development of many countries and these benefits could be very significant particularly for the developing countries as Albania is.

Albania has been closed for 50 years to the world. After such a long period of isolation foreigners could visit Albania and gain cultural, social and economic knowledge from the country as tourism is a powerful mean of information and social progress. The tourism development in Albania has started from 25 years now, from the fall of the socialism economy and since then many tourists have visited Albania. Some documentaries and articles in well known media have contributed on these by considering Albania as one of the most attractive destinations in Europe and in the Balkans.

Albania is a very attractive and beautiful country and its geographical position is appropriate for the tourism development. It has a Mediterranean climate and it is reach of cultural resources. With its many cultural objects (3 of them; Butrintit, Berati and Gjirokastra are world heritages protected by UNESCO), it exercises historic, cultural and natural attractions which are of great interest for international and

domestic tourists. The beautiful coast of Albania with sand, rock, sea, mountains, warm temperatures, warm sea waters, shiny days during almost all the year, the rivers and lakes are a great patrimony for the country. They are necessary and make possible the rise of the tourism industry and its positive impact on business income and economic development. But, the availability of these natural resources is not enough to have sustainable tourism. There is a need to have the right politics and management in all the segments of this industry. Although the significant potential, the incomes generated from the tourism industry in Albania are very low compared to other Balkan countries along the Mediterranean Sea (Gorica, 2005a). The sun and sand tourism has attracted many tourists and it has continuously increased. These facts strengthen the possibility of the development of the tourism industry in Albania, as capable to compete with the other neighbour countries. Despite the possibility of the development of different kinds of tourism as mountain, rural or cultural ones, the sun and sand tourism remains the most developed (Ministry of Urban Development and Tourism - MUDT, 2014).

The tourism industry has a significant impact in the Albanian economy despite the different problems it has experienced. The data show improvement of the tourism development reaching 3.156.000 of international arrivals in 2012 which have generated a contribution of \$1.471 million in the Albanian economy (UNWTO, 2014). The data for the year 2013 are the same. Tourism has an important role in the development of Albania. This role is particularly emphasized in the last years in relationship to sustainable development. Tourism industry is characterized from a fast growth in the last 20 years, generating revenues, creating jobs and impacting the entire economy. However, these developments have not been sustainable and they have not met the expectations in this industry (MUDT, 2014).

The tourists in Albania are domestic ones, Albanian who live in neighbouring countries, Albanian from emigration and

tourists from other countries particularly European. The majority of international tourists are from Kosovo with 48.63% of international visitors in 2012. This indicator remained the same in the year 2013 and there is also a high proportion of tourists from Macedonia and other regional neighbour countries (MUDT, 2014). All these groups of tourists have different demands and must be treated in the proper way.

Foreigner touristic operators assess as very important criteria for choosing hotels in Albania the room and hotel cleanliness, quality and appearance of the accommodation, attraction of location, environment management, economic aspect and the abilities of the employees (GSIC, 2012). They state that these criteria are not met and there is lack of good organization of the whole segments in the industry. These and other factors have impacted negatively on the image of Albania as a touristic destination during the past years. The competition is on the touristic products which include touristic attractions, infrastructure, accommodation and host services, defined and monitored standards, good marketing of touristic products, reasonable prices and high services quality (Gorica and Nedelea, 2005). All these elements are deemed as very important in countries with high developed tourism while the actual touristic offer in Albania lacks many of these elements, being so, poor and not so attractive.

The contribution of tourism in the Albanian economy and GDP accounted for 16.7% and 4.8% respectively in 2013 (MUDT, 2014) while the contribution of GDP is expected to be 8% in 2020. Tourism accounts for 4.3% and 15.2% of people employed, respectively directly and indirectly in it. Among the others, the sun and sand tourism has the most strategic role in the sector (Gorica, 2005a) contributing by 60% on the total revenues (MUDT, 2014) and having an important place in all the industry although the continuous efforts to promote the other kinds of tourism. In this kind of tourism, the hotel sector is of vital importance. MUDT (2014) evaluates that 80% of the hotels in Albania are in coastal and lake zones. The studies in

the industry and in the hotel sector are necessary and would have great contribution on the tourism development process in Albania.

3. The hotel sector

The hotel sector is an important part for a successful competitive tourism in Albania (MUDT, 2014). It has faced continuous changes in the past years. There were few hotels in Albania before 1990 which were in the main cities and this sector experienced positive and negative occurrences after the change of the regime. Considerable changes have occurred in the last two decades. Entrepreneurs have invested a lot in this sector particularly in the buildings, the furnishing and the improvement of the spaces around them without taking care of the whole touristic infrastructure and customers' study. Investments in streets, water supply, energy net etc have generated improvements but without being sufficient.

The hotel sector has suffered from the existence of uncontrolled buildings, related also with the intern migration during these years. There are many buildings that infer in the natural and environmental resources of the coastal areas. Meanwhile, the investments related to the offering of a clean and secure environment, to the creation of a good accommodation structures that offer high quality and satisfaction are below the required standards.

The hotel sector has several problems although the positive occurrences in the past years. It suffers from the lack of appropriate infrastructure, high informality, modest accommodation capabilities, lack of marketing and low service quality. Some studies (Gorica, 2005a) and data from institutions (MUDT, 2014) have stated the existence of unregistered hotels which are mostly part of the sun and sand hotels. The negative impact of informality is higher because most of the hotels are small familiar businesses and the unfair competition is of high impact on them. The hotels in Albania

are small ones and most of them (more than 80% of registered hotels) have accommodation capacities until 20 rooms while only 7% of the hotels have more than 40 rooms (MU DT, 2014). In these conditions, service quality has not been on focus and customer study is neglected which has led to a low service quality offer and low standards which do not correspond to customer demands. These problems have prevented the touristic development and the creation of a good touristic image.

Despite the significance of the hotel sector in the tourism industry, the studies on this sector are insufficient. The existing studies (Ceku et al., 2006; Gorica, 2005a) have focused on general problems of the industry. There is also a shortage of empirical studies in this sector, particularly on customer behaviour and on important constructs of service offer as service quality, customer satisfaction and destination image.

Despite the limitation of research, there is also insufficiency of the national and regional data and statistics from the appropriate institutions. The only data are provided from the Institute of Statistics and they are scarce, not completed and not detailed. The information given by the Ministry of Urban Development and Tourism is the same. The data from the local institutions are incomplete and usually incorrect. There is also insufficient information and marketing for promoting the tourism in Albania (Gorica and Nedelea, 2005) which limits the development of this industry. This is particularly evident in the limited influence of the institutions on the marketing of touristic values of the whole country and its different regions. Meanwhile, the hotel businesses and touristic operators are engaged through collaboration and organization of common touristic guides and offers (Gorica and Nedelea, 2005) aiming the attraction of international tourists and promoting the good touristic image. Despite these efforts, this marketing has not been sustained from a deep market study which would add value to it.

The sector suffers another limitation, that of the lack of categorization of accommodation units in general and particularly the hotels and restaurants. Hotels are not categorized according to the level of their offer and a debatable issue is the rating of the hotel stars. Actually the star rating is done by the hotels and not from a competent institution based on national and international criteria. The USAID program in Albania in collaboration with the Tourism Association and the Ministry of Tourism undertook the program for the brand “Authentic Albania” which made a categorization of the hotels in 2012. This categorization consisted in three levels: gold, silver and bronze. Only a small part of the hotels were subjected to this evaluation because it was based on the hotel’s voluntary. The absence of the star rating from a specialized organization represents many difficulties for the customer on frequenting the hotel which they expect to meet their expectations.

The aforementioned limitation is reflected in the price setting. The prices are set by the manager or proprietor of the hotel based on their estimation on the services offered. Usually, the price does not reflect the level of the service offered and this represents a barrier of the tourism development because the price has been considered higher compared to the quality of the services (Gorica and Nedelea, 2005) impacting negatively in customer attraction. The impact of the prices is more sensitive because of the weight of the accommodation price in the total cost. It is estimated that the accommodation price accounts for 50% of the daily expenditure of the tourist having a significant impact on the total touristic offer (MUDT, 2014).

The absence of trained personnel is an important limitation of the hotel sector (GSIC, 2012; MUDT, 2014) which is manifested particularly by the employees who have direct relationships with the customer and also by the other employees. Businesses in this sector, being familiar ones, do not follow a determined procedure on personnel recruitment and people are not employed under a determined procedure based

on their capabilities. The lack of trained personnel is also related to the seasonal aspect of the sun and sand tourism in Albania (MUDT, 2014). Human resources have a very important impact on the development of a business in particular in the service sector, and the absence of trained employees is reflected in poor service quality, not good image and lack of trust at the hotel. There are actually professional high schools and several university programs in Albania that educate students in the tourism and hotels sector but there are not data about the number of these students employed in the tourism industry.

The problems of the tourism industry have negatively impacted on offering a high quality touristic product. So, most of this offer is much below the international standards. Different strategies of the MUDT such as “The strategy of tourism development 2007 - 2013” and the “Draft strategy of tourism 2014 - 2020” have aimed at the improvement of this situation. The objective is to benefit from the accurate use of the natural and cultural resources and to stimulate the economic and social development but based on the regulatory system so that the benefit could be sustainable.

The impact of the tourism industry in the sustainable development in Albania is related to positive effects on other sectors of the economy as infrastructure or employment. Therefore, the studies focusing on the tourism industry are very important as they will help the businesses and institutions operating in the industry to follow the proper strategies in tourism development.

In spite of the many difficulties, the number of people frequenting the hotels has constantly increased during the last 18 years in Albania. Some data are shown in the table 1.1 below. The last two years show decrease of the number of people staying at hotels. These are the only data and they include all the customers despite their intention of staying in a hotel (business, tourism, healthcare etc) and all the structures

considered as hotels according to the Statistical Institute of Albania (INSTAT).

Table 1.1 Number of Albanian and foreigner customers staying at the hotels

(in thousands)

	2002	2007	2012	2013
Total	171	171	250	223
Foreigners	36	67	150	118
Albanians	135	104	100	105

Resource: INSTAT (2014)

Regarding the number of the hotels it is necessary to clarify the definition of INSTAT: in the group of hotels are included the hotels, motels, hotels among the street and coastal hotels that offer more hotel services than just cleaning and sanitary services”. The data about the number of hotels are shown in table 1.2. These data are under review and these are the only one regarding the number of hotels in Albania.

Table 1.2 Hotels in Albania and their capacity

	2002	2007	2012	2013
Hotels	194	221	205	-
Bed places	7,996	8,649	15,901	10,620

Resource: INSTAT (2014)

The competition on the tourism industry in Albania is getting stronger. This is more sensitive because of the informal economy and unfair competition. The aim of the businesses operating in the industry is to hold the existing customers and increase the number of new ones. In order to achieve this, they should differentiate themselves by undertaking the appropriate development strategies.

4. Conclusions

This article was focused on the tourism industry in Albania. The development of the tourism industry in this country is a process that has begun from 25 years now. Based on the

country resources, there are different alternative forms of tourism which can be performed in Albania as cultural tourism, traditional and historical tourism, event and festival tourism, green tourism other than the sun and beach tourism. The article presented many problematic issues related to the industry although the interest of the domestic and international tourists is increasing every year. Many touristic areas have lost their fashion and attractiveness due to the bad management from the private and public operators of the tourism industry. Businesses should design and operationalise strategies that will benefit them in the present but also would serve the future generations. In the attempt to offer contemporary and better services they should be careful not to damage the domestic culture and the environment. As emphasized in this study, the lack of professional personnel, marketing and appropriate structures classification constitutes major deficiencies of the offer of the Albanian tourism. There is an urgent need to make as soon as possible the classification of the touristic units that operate in the country. In this way tourists may have precise and correct information about the places they want to visit and the service they should expect. Institutions should collaborate between them (central and local government) and with the private sector in order to implement the right strategies in the industry. It should be operational as soon as possible an infrastructure that works in every segment of the touristic offer which links all the parts of the touristic product (fair prices, professional people offering good service, diverse alternatives of doing tourism in all its kinds, clean room and beaches and good value for money). The right strategies and their implementation and the correct use of the considerable resources of this small country can impact positively in the successful development of the sustainable tourism in Albania.

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