

Touristic potentials for foreign investments

Denada BUSHI (HAFIZI), MF

National Bank of Albania (BKT) Marketing Manager-Shkodra Branch, PhD candidate

Abstract

This study consists in the analyses of tourism sector and its power in the development in economy. Improving the infrastructure tourism sector will grow the quality of service and the development economy in general.

Albania offers investment opportunities in mining, agriculture, energy, infrastructure, and tourism. At the same time, the food processing industry is already experiencing a satisfactory development and provides plenty of room for increased activity. Opportunities in the energy sector range from building new sources to improving the distribution network.

There is a presentation of tourist places offering Shkodra region.

The methodology used is compounded primary data and secondary data. Primary data are compound by interviews and questionnaire made to Tourists Agencies that operate in Shkodra city.

Albania's strategic focus towards the improvement of its transportation infrastructure calls for an increased public-private participation in building new roads and ports. Of course, as I mentioned above, Albania offers outstanding opportunities for investing in coastal, alpine, historical, and cultural tourism due to its Mediterranean location, rich ethnographic heritage as well as its variable climate and geology.

In the end, there are some conclusions and recommendations in order to increase as much as possible tourism sector.

Keywords: Tourism sector, infrastructure, economy development

Introduction

Tourism sector is very important in the growth economy of Albania. Regional countries have undeniable similarities common geographical level mountain, marine and field. Tourism product therefore tends to move toward the inevitable unification making tourist offer competitive features of one country do not differ significantly from the other country's tourism offerings. In this situation, so important that regional cooperation between operators focus on business innovations for the sector, so that the region is seen as a tourist attraction in itself and as a whole.

Economic capacities of the region remain unutilized and the economy in equilibrium requires high performance balancing production factors including the credit system in domestic demand and foreign countries. Foreign investments have historically encouraged participating in the acceleration of economic capacity utilization, demographic, and our country's geographical and commercial capacity of the region. In this regard it is important that the relevant institutions at regional, national, and local levels, to undertake the necessary efforts to facilitate the development of tourism sector.

Infrastructure

Infrastructure is related to the level of economic development. It is directly related to the costs of operating the business and its situation can become a stimulant factor or inhibitor for inward investment and foreign.

Albania inherited a very backward condition of its physical infrastructure: roads, railways, airports, ports, telephone, water, and electricity.

The state of water and energy supply is one of the factors determining the low level of tourism development.

Albania offers investment opportunities in mining, agriculture, energy, infrastructure, and tourism. At the same time, the food processing industry is already experiencing a satisfactory development and provides plenty of room for increased activity. Opportunities in the energy sector range from building new sources to improving the distribution network.

Meanwhile, Albania's strategic focus towards the improvement of its transportation infrastructure calls for an increased public-private participation in building new roads and ports. Of course, as mentioned above, Albania offers outstanding opportunities for investing in coastal, alpine, historical, and cultural tourism due to its Mediterranean location, rich ethnographic heritage as well as its variable climate and geology.

Scenarios on infrastructure

Nine different areas should give a priority of investment in order to increase tourism sector:

- Marketing
- Product Development
- Investment in natural zone in order to consolidate tourism sector
- Investment in culture in order to consolidate tourism sector
- Human resources
- Infrastructure
- Business climate
- Re-evaluation of tourist's experience
- Data and information management

▪ Marketing

Albania needs to work on multiple levels to:

1. Increase awareness of the country,
2. Consolidation of a unifying theme to link the country's tourism product to international markets,
3. To convince opinion leaders that the country market is worth visiting,
4. The frequency of contacts between specialized companies outbound travel from target markets and local tourism companies,
5. Creating a reliable presence based on the Internet and creating a sustainable structure for continued marketing efforts.

▪ Product Development

General tourism strategy establishes the overall framework for tourism centered on the discovery of Albania through its nature and culture. Tourism development has evolved from a regional focus, centered on major cities and their surrounding areas. Nature tourism and culture, and at its core, depends on the ability of local areas to effectively organize to convert their natural assets and cultural viable tourism product, complete with recommended sites and activities, information and interpretation, lodging, meals, guide services and a variety of other features that determine the quality and value of a destination.

▪ Investment in natural zone in order to consolidate tourism sector

Albania has a long tradition in the management of protected areas, with legislation and technical expertise. Budget constraints have led to the institutional constraints that threaten the legitimacy of the system and perhaps even their own. Natural Areas are one of the three "jewels in the crown" of Albanian tourism. The country will not be successful in the long term without significant investment in improving and maintaining core natural assets that underlie this sector. While there are many areas and needs, the following priority areas are those with the most critical importance to protected areas effectively involved in tourism development and to generate the conditions necessary for an effective synergy between tourism and protected areas. Albania should begin to invest now,

because the costs of repairing the damages are excessive and may take longer than it could expect tourism markets.

▪ Investment in culture in order to consolidate tourism sector

Albania has a long tradition in cultural preservation, with significant legislation and technical expertise. Needs for cultural preservation in a country with such a history so rich always exceed its capacity to protect and restore. However, the country cannot be successful for a long period without significant investment in upgrading and ongoing maintenance of core cultural assets that underlie its position in tourism. While there are many areas and needs, the following priority areas are those with the most critical importance to generate the necessary conditions for an effective synergy between tourism and areas. Just as natural resources, Albania should increase investment now, because the costs of repairing the damages are excessive and cultural property is often irreplaceable and represents a loss of national identity.

▪ Human resources

Albania needs to invest in various critical human resources so that the tourism sector to develop effectively. If the supply of human resources in these services is great, it lacks capacity, due to non-recognition of services in tourism sector, and lack of training for tourism in contemporary curricula of schools and university system, and by malpractice of entrepreneurs or managers to maintain high level of services, so customer satisfaction and increase the value of service.

Albania currently has four state universities that have branches tourism, as well as a high school Hotel - tourism in Tirana, namely: University of Tirana, Vloa University, University of Shkodra, and Korca University.

Employees and entrepreneurs realize the difference. They are a valuable source in order to satisfy the demands of tourists. In terms of a deeper competition from regional countries, both in terms of the diversity of services, both in terms of their quality, the Albanian tourist service industry is put before a challenge which has to do with raising the level of human potential serving in tourism. Direct human contact with the tourist is vital and has direct impact on shaping the image quality or not quality for the country they visit.

▪ Infrastructure

One of the advantages pointed out in natural and cultural tourism is specialized infrastructure requirements are minimal. After all, basic tourist that capacity in order has to move in a safe way (by cars, buses, and vans airplanes) is a basic condition. Telecommunication and internet is an important component for the Promotion of tourism sector and for visitors.

Albania faces significant challenges in these areas:

Improvement of two critical roads in the north. 1) Improvement of approximately 19km of road connecting Park Lura with the national road to allow passage of vehicles with four wheel drive during the summer tourist months. 2) Completion of road from Shkodra in Theth to

connect remote northern region with the rest of the country for tourism and trade.

Maintenance of national secondary roads. Experiences of nature and culture tourism highlight the movement of visitors on secondary roads. Are the secondary roads that provide access to first Albanian towns, culture, people, and lifestyle? Travel on secondary roads allows the tour guides to take advantage of numerous opportunities to explain the culture and history. Moreover, these roads provide opportunities for tourists to spend money in villages that are not their destinations. Roads of tourist importance should make passable for normal vehicles in the most economical way possible.

Connect the South. Current road conditions and lack of transportation alternatives and make the southern region far from the rest of the country. In the short term will help the continued improvements of the road between Vlora and Saranda. However, it is necessary to provide additional means to access the south.

The country must provide a domestic air service. Priority is to conduct rapid feasibility studies for simple airstrips and buildings and equipment in Saranda, Gjirokastra, Berat, and Korce, and financial support services to private aircraft. Feasibility study and financial support of routes connecting Durres, Vlora, and Saranda. In addition to providing an additional connection mode, travel by sea is an attractive option for many tourists and would be of interest to many tourists and locals.

Increase links rural and provincial. Internet and telephony are very important for tourism development. High quality access allows local businesses to market their products directly and sustain contacts with their customers and suppliers in a more direct and eloquent. Internet access is also a valuable service and important contributions to international guests. Specific action on this issue is to explore ways of cooperation with the Ministry of Education and Science's "Internet to Schools Project" to connect all schools in the country on the Internet. Increased use of systems from local tourism business will help defray the costs of operating the network.

Improvement of signage. There is a lack of road signs showing directions to towns, cultural monuments, and natural sites. The lack of signage makes it complicated for local professionals and nearly impossible for visitors.

▪ **Business climate**

A successful tourism sector requires a stable business climate and highly sophisticated. Business sectors grow more successful with a regulatory framework that is clear and ensures that all actors play by the same "game rules". Currently tourism business climate in Albania is unclear. Several priority would make positive strides towards building a healthy business climate.

The formalization of the tourism sector. Albania should establish a mechanism to clear and simple for informal actors in the tourism sector to formalize. Low-cost incentives, such as inclusion on the website and a national support fund spent by tourism promotion have proven to be effective in many countries. It would be mandatory for the private sector to encourage formalization as a necessary and important work of the association. Government should

ensure that licensing and other requirements are appropriate and can not unnecessarily hinder formalization. The tourism sector is strong. It should be clear, but simple incentives to encourage tourism.

Calibration of international tourism standards. Albania needs to encourage its tourism companies to compete in the highest levels of quality. One of the most convenient mechanisms to encourage this is the active promotion of adherence to international standards. Among others, the most important are the international "stars" for the classification of hotels, certificate "Blue Flag" beaches, Green Globe 21 for sustainable tourism practices and different standards of EU transport, organic agriculture and food security. Widespread use of these standards raises quality and makes it more obvious that companies are lagging behind.

Design and establish a program for national tourism quality. Achieving high levels of quality in all tourism services would be an important characteristic differentiating Albania from its competitors. Countries with different sectors of tourism, such as Peru are currently working on strategies to ensure customer satisfaction within the context of nature tourism and culture. Albania should start an initiative to incorporate the principles of quality in parallel with the growth of the sector. It is easier to establish good practices with a small sector and replicate them.

Updating of tourism taxation system. Albania must review its system and adjust it to meet the current position of its tourism sector and the need for revenue generation. An initial review suggests that 1) the system is not collecting enough taxes overall relative to prices and other countries, 2) the tax is very high and concentrated on hotels, 3) funds collected from tourists directed to strengthening sector, which is out of step with current best practice internationally.

Ensure strict enforcement of urban plans in coastal areas and historic. More costly evasion of rules for Albania is one that leads to destruction of cultural property or devalue the quality of visitors. Local governments require resources, knowledge and political will to maintain control over land use. Central government and the tourism sector should help him in these areas. Adoption of the Law "On Territorial Planning" will be the legal instrument that aims to discipline the treatment of specific areas of national importance or tourism, in terms of investment necessary to protect the environment, nature, biodiversity.

▪ **Re-evaluation of tourist's experience**

Prevention of physical risks to visitors. Albania must avoid at all costs death or severe illness of tourists. When tourists understand that there is some risk in all travel, they expect a country to take reasonable measures for their safety. The death of a tourist or a group of tourists can virtually shut down the new emerging sector. Four major concerns identified by international visitors, guides, and authors from a number of local experts are:

1. Improving road safety
2. Raising awareness of disease prevention

3. Improving food safety practices through education campaigns in the hospitality sector and professional schools.
4. Emergency medical attention

▪ Data and information management

Data on international tourism markets and comprehensive data on the Albanian sector are absolutely essential for tourism planning, marketing and monitoring.

A. Data Department at the Ministry. To this must construct a system of data collection and processing according to international standards, both in local and national level.

Types of tourism that Shkodra city offer

The region of Shkodra has the possibility to develop four types of tourism:

1. Lake Tourism- can be mention tourist area of Shiroka and the village of Zogaj that are close to the coast of the biggest lake of the Balkan. Shiroka offer beach in the Shkodra Lake owing to the good climate. After Shiroka is Zogaj village, which is abut to Taraboshi Mountain. Road infrastructure is very bad.
2. Coastal tourism- can be mentioning Velipoja Coast. It is approximately 30km far away from Shkodra city. In the two extreme of the beach there are Vilun Lagoon and Buna outfall. In Buna outfall are formed two beautiful islands, 1- Franz Joseph Island that belongs to Velipoja beach and actually is transformed to peninsula, and 2- is Ada island that is bigger than the first one and go through Montenegro boundary.
3. Mountainous tourism- can be mentioning Razem-Bogë-Theth. Thethi is one of the pearls of the Albanian nature.
4. Urban Tourism- can be mention cultural monuments and characteristic houses of Shkodra city. There are several places,
 - Rozafa Castle that is the biggest castle in Albania, and is girded from Buna River, Drini and Kiri river to another side and from Tepe Hills.
 - Shkodra Museum includes archaeologic museum, history, castle, and ethnographic one.
 - Mes Bridge is builded on 1768, and it is the longest one in Albania.
 - Shkodran's houses with gardens full of flower.
 - Cathedral that is the biggest in Albania with a beautiful architectural plan.
 - Franciscan Church
 - Lead Mosque has an entire cupola made of lead



Museum House

2. Keeping data and analysis of international tourism. World Tourism Organization (WTO) and Menlo Consulting Group (Menlo Consulting Group, Inc.) are the sources of data used widely on tourism. These data should be shared with associate universities and NGO researchers to enhance analytical capabilities.

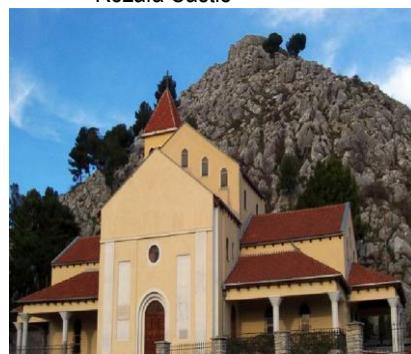
3. Implementation of information system for tourists with satellite count (Tourism Satellite Accounts-TSA). The WTO has promoted an international general methodology developed for collecting and presenting information to local tourism.



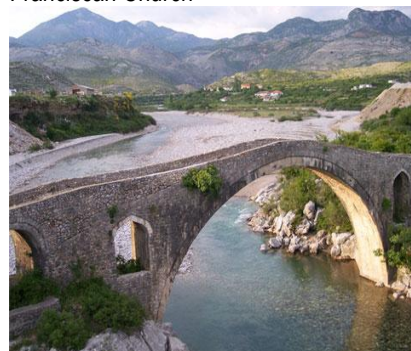
Lead Mosque



Rozafa Castle



Franciscan Church



Mesi Bridge



Cathedral

Conclusions and recommendations

1. Infrastructure is very weak and is a key element that prevents the development of tourism
2. Lack of awareness about the role of tourism in economic development
3. The state should support much more the development of tourism, backing up the private initiatives and stimulating the foreign investments.
4. The resident merchant should work to reach a tourist qualitative service, as having an information service center, maps and other information of hotels, restaurant.
5. Organize training to businesses in the City Hall and Chamber of Commerce to learn and to recognize the various problems that hinder the development of tourism.
6. Foreign investment should be a priority for the government.
7. Infrastructure is very weak and is a key element that prevents the development of tourism
8. Lack of awareness about the role of tourism in economic development
9. The state should support much more the development of tourism, backing up the private initiatives and stimulating the foreign investments.

10. The resident merchant should work to reach a tourist qualitative service, as having an information service center, maps and other information of hotels, restaurant.

11. Organize training to businesses in the City Hall and Chamber of Commerce to learn and to recognize the various problems that hinder the development of tourism.

12. Foreign investment should be a priority for the government.

13. Establish mechanisms to support local efforts to bring to market products of culture and nature. The first step of this process is to identify the needs of the tourism sector, local government and civil society in each region of the second would be to design a support plan to assist local actors in any way that resources permit.

14. Establish and publish for each city-region routes and recommended activities for tourism. With the assistance of government, private sector and NGOs, each tourist center should articulate recommended tourism itineraries of visitors - designed in blocks of half-day, daily, two-day, etc..

15. Development of small businesses. The mechanism by which the visitor spending, contributing to local or national economy, are small business or family. Needed, that his creation, organize training, and to create groupings of actors operating in the field of tourism, promoted and supported by local governments.

16. By local governments, it is important to provide ongoing advice on product development. Staff who will provide advice, must be trained. It is important to be published development opportunities.

17. Creating simple tourist offices in every major tourist city. While in some cities these offices exist on paper, they are not yet a reality. With separate funding and infrastructure in each of the current cities of touristic importance must have an office to have at least one responsible person with an updated list of attractions, hotels, restaurants, shops, health facilities, tour guides, transportation companies and, if practical, a phone to connect properly with tourists.

References

1. Tirana, Seda and Fild, *Guide of Albanian History and Albanian Cultural Heritage* (2001), supported by EU and UNDP Project "Albania, a Patrimony of European Values"
 2. Kabashi, Shkodra District Council (2003), *Shkodra District*, Shkodër
 3. Shkodra Region (2005), *Promoting local Development through the MDGs*, Report supported by the United Nations Development Programme.
 4. Hamdi Bushati, "Shkodra dhe Motet", 1998
 5. Agjencia Kombetare e Turizmit, 2007
 6. Keshilli Boteror i Turizmit dhe Udhetimeve, 2007
 7. Strategjia dhe Plani i Veprimit për zhvillimin e Turizmit Kulturor dhe mjedisor në Shqipëri, 2006.
 8. *Shkodra City Map* (2000), compiled by Prof.Dr.Arjeta Dibra and Zef Naçi.
- www.shkodra.gov.al
www.albaniantourism.com