

REPUBLIC OF ALBANIA
MINISTRY OF TOURISM
AND ENVIRONMENT

NATIONAL STRATEGY FOR SUSTAINABLE
TOURISM DEVELOPMENT
2019 – 2023

Table of Contents:

1. Minister's foreword	3
2. Analysis of the Current Situation of Tourism Sector	5
2.1. Sector overview	5
2.2. Analysis of Components	6
2.2.1. Tourism products.....	6
2.2.2. Tourism Attractions	7
2.2.3. Tourism infrastructure	7
2.2.4. Accommodation capacities, travel agencies and tour operators	8
2.3. Value of Tourism in Economy	8
2.3.1. Importance of the Tourism Sector in the Economy of Albania.....	8
2.3.2. Human resources for tourism	11
2.4. Sector Problems and Challenges.....	12
2.4.1. Problems identified over the years	12
2.4.2. Challenges of the future	14
3. Strategy Vision 2019-2023	15
3.1. Vision Statement	15
3.2. Mission.....	15
3.3. Aim.....	15
3.4. Strategic goals	15
4. Policy Goals and Specific Goals	17
4.1. Policy Goal 1: Promotion of Public and Private Investments	17
4.2. Policy Goal 2: Improvement of Tourism Services.....	18
4.3. Policy Goal 3: Consolidation and Development of Tourism Products.....	18
4.4. Policy Goal 4: Re-orientation of Promotion towards Tourism Potentials.....	19
4.5. Policy Goal 5: Supporting the Management of Destinations.....	19
4.6. Economic Outputs.....	21
5. Financial Sources	22
6. Implementation and Monitoring	24

1. Minister's foreword

There is no doubt now that tourism is becoming the keyword of our country's national, social and economic development.

The data, year after year, show the growth of tourism as one of the sectors that bring more revenue to the state budget, entrepreneurial and family budgets, with a direct contribution of 8.5% to GDP and an indirect added value of 26.2%. Tourism is also the sector with the highest employment potential, where 93,000 were directly employed and over 291,000 were the total employees in the sector during 2017.

This means that the added value of this sector is of economic and strategic importance for the country, because for every 1 ALL invested, 3 ALL added value is created and for every 1 employee employed in this sector, 3 new jobs are created.

However, it seems that we have won the battle of statistics so far. But in the face of a long-term, individually constructed and visionless tourism, we see that there are still many untapped potentials that, if properly programmed, can turn this sector into one of the strongest competitive pillars of the country, in the region and beyond.

This is what we are aiming to achieve with this strategy. We have already presented a clear vision to turn Albania into a destination of the most recognized Albanian value, hospitality, from which we will work to create new year-round destinations. We will build instruments to increase the added value especially for households, develop new tourism products, and significantly improve service, so that all together we can promote an Albania of healthy values for a better future for us and our children.

Blendi Klosi
Minister of Tourism and Environment

National Strategy for Sustainable Tourism Development 2019-2023

Vision

“Albania, a hospitable, attractive and authentic destination, for sustainable development of country’s economic, natural and social potentials”.

Mission

Development of destinations, areas, products and diversification of the tourism offer

Increasing the added value of tourism potentials for the economic and social development of the country

Subsectors

COASTAL

1. Coastal
2. Maritime

NATURAL

3. Mountain Tourism
4. Ecotourism (Flora/Fauna)
5. Waterfront

THEMATIC

6. Cultural
7. Agritourism
8. MICE
9. Eno-Gastronomy
10. Health

Strategic Goals

Creating new development poles and industries, as well as consolidating the tourism offer

Increasing the added value and impact of the sector on the economy and employment

Development of new products and services in tourism, as well as improvement of their quality

Improving the country’s image and promotion of local products

Policy Goals and Specific Goals

Promotion of Private-Public Investments	Improvement of Tourism Services	Development of Tourism Products	Re-orientation of Promotion towards potentials	Supporting the Management of Destinations
Promotion of Private Strategic Investments as well as attracting well-known international brands in hotel and tourism	Formalization, standardization and support for tourism activities	Development of the Coastal and Maritime Tourism Program and creation of new products	Designing the Tourism Brand and Marketing Strategy	Development of a Destination Management model
Defining priority areas for tourism development and orienting private investments towards them	Establishment of a Regulatory and Institutional Framework for the development of vocational education and qualifications in tourism, as well as training of human resources engaged in the sector	Development of the Natural Tourism Program and creation of new products	Promotion of yearly Tourism Products in the country and abroad	Consolidation of legal and institutional framework for the management and operation of Destination Management Organizations
Orientation of public investments towards priority areas for the development of tourism and tourist destinations for the improvement of their basic infrastructure	Development of regulatory and institutional framework for the development of services and operation of Tourism Ports and activities in their function	Development of the Thematic Tourism Program and creation of new products	Supporting the Promotion Agents in the country and in the diaspora	Monitoring and Supporting Destination Management Organizations

2. Analysis of the Current Situation of Tourism Sector

2.1. Sector overview

Year after year, tourism is increasingly crystallizing as one of the main engines of the country's economic development. According to the Economic Impact Report of 2018 of the World Travel and Tourism Council¹ (WTTC), along 2017, the tourism sector recorded a direct contribution of \$ 1.12bn, accounting for about 8.5% of the Gross Domestic Product (GDP) while including indirect multiplier effects, total contribution is almost three times higher than \$ 3.47 billion, accounting for about 26.2% of the GDP, positioning this sector as one of the main contributors to the development of the national economy.

Meanwhile, the sector's contribution to the economy is projected to grow significantly over the next 10 years, with the tourism sector expected to account for only 8.8% of the GDP in the next 2-3 years, while by 2028, the sector may reach 9.3% of the GDP. Thus, taking into account this upward trend, it is projected that by 2028 the direct and indirect effect of the tourism sector will reach approximately 1/3 of Albania's total GDP.

Also, in terms of employment, currently the tourism sector employs about 7.7% of the total labor force in Albania, while by 2028 this number is projected to grow to 8.8%. Referring to the same report of the World Council on Travel and Tourism (WTTC), investments in this sector accounted for about 7.5% of all investments in the country, while by 2028 this figure is projected to rise to 8.2%.

Accommodation and service enterprises in the function of tourism have also grown in constant positive trends over the last years, where from 18,061 enterprises counted in 2014, the number went up to 22,785 in 2017. The accommodation and food services sector includes restaurants, facilities, and other food and accommodation facilities such as hotels, guesthouses, hostels etc. This sector accounts for about 15% of the entire service sector and 11% of the entire economic activity in Albania.

Europe is the main source of tourists visiting Albania² taking up a volume of about 92.4% of all tourists, which reflects that the access >3 hours from one destination to another is still an important factor for the influx of travelers for tourism purposes. However, recently tourists from the United States of America, or Asia, and especially China, have shown a significant increasing interest, thus indirectly encouraging the development of other tourism sub-sectors, especially the historical and cultural tourism.

However, compared to other Mediterranean countries, the development of tourism in Albania is still far from the potential represented by the country's natural, historical and cultural assets. Infrastructure, accommodation capacities, quality of services, the tourism offer and product are all factors that have somewhat inhibited the sustainable and consistent development of tourism in Albania, leaving room for uncontrolled and chaotic development that has actually kept this industry in operation, but endangering its sustainability in the long run.

¹ <https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2018/albania2018.pdf>

² <http://instat.gov.al/media/4169/turizmi-ne-shifra-2018.pdf>

2.2. Analysis of Components

2.2.1. Tourism products

In terms of their contribution to tourism revenue, we can classify tourism products into three main categories. These categories consist of those forms of tourism development, which occupy an important role in the sector's contribution to the overall economy. The main products can be classified as follows:

Coastal tourism – This category includes coastal tourism and maritime tourism. The first refers to activities that take place on the seafront or that proximity to the seafront is the basis of their organization, such as swimming, beach baths and other related recreational activities, while the second refers to activities taking place at sea, including tourist cruising (yachting, sailing, cruising), yacht ports with all related services and activities, and sea sports.

The beach, the sea and the sun has been the main product for years, accounting for the largest share of total tourism products. This type of tourism in Albania has an emphasized seasonal character, and as a result most of the coastal accommodation facilities face seasonal difficulties of operation. Meanwhile, for maritime tourism, the infrastructure is currently lacking and this segment (yachting, sailing, cruising) is still in its beginnings, but the potential for development is enormous and very important for Albania's economy and elite tourism.

Natural tourism – Albania is appreciated by many international operators and visitors for its beautiful nature and landscapes. Natural and rural areas in Albania offer opportunities for the development of rural tourism, mountain tourism, ecotourism and outdoor activities (rafting, parachuting, mountain biking, fishing, trekking, mountaineering, hiking, horseback riding, study tours, etc.). Some of these activities are the main motive for visits by foreign visitors to the natural areas.

As regards mountain tourism, there have been positive developments, which have resulted in the stabilization of a considerable number of tours organized in Theth, Vermosh-Lepusha, Valbona and Tropoja, in the Albanian Alps, Diber and Bulqiza area, in the mountainous area of Tirana, the mountainous area of Elbasan and Librazhd, the mountainous area of Korça, the mountain of Tomor, Llogara and Karaburun and the mountainous area of Gjirokastra and Permet. On the other hand, the tourism of environmentally protected areas is also added to the category.

The basis of the system of environmental protected areas consists of 15 national parks, several managed nature reserves and protected landscapes, which contain the largest natural values and biodiversity in the country. In recent years, these areas have been attracting more and more visitors, domestic or foreign, reaching over 2.4 million in 2018.

Thematic tourism – This category includes a number of specific forms of tourism, such as agrotourism, event and business tourism, cultural tourism (heritage, history, religion, etc.), enogastronomic tourism and health tourism (thermal, welfare and medical). Although not the main purpose of the visit to Albania, archeology, heritage and culture are identified as Albania's strengths in various studies conducted with visitors and the travel industry from foreign markets. The main destinations visited by organized cultural tours are Shkodra, Lezha, Kruja, Durres, Tirana, Fier, Berat, Elbasan, Korça, Përmet, Gjirokastra, Saranda and Vlora.

In terms of business tourism, developments in this regard are focused at a national level and the lack of a consolidated cooperation network among stakeholders, coupled with the lack of new conference and convention centers, business centers near economic development poles (Rinas Airport), accommodation facilities of internationally renowned brands in the organization of conferences and congresses, has limited the prospect of developing MICE tourism at an international level.

Located in a favorable position in the Balkan regional market and some important European markets, with technology and know-how developed in some of the medical sectors (dental care, plastic surgery, cardiovascular and neurosurgery, fertility treatment), natural resources and favorable climatic conditions for the development of some areas of this segment (thalassotherapy, thermal water therapy), and competitive prices, Albania has had positive developments in the health and wellness tourism segment.

2.2.2. Tourism Attractions

Albania is included in the list of countries with great natural, historical and cultural heritage potential. There are a great number of natural attractions in Albania, from the Adriatic and Ionian coasts to national and nature parks, protected areas, wetlands, etc. Here we can mention Divjaka, Prespa, Dajti, Karaburun - Sazan National Parks, Kune - Vain - Tale lagoon, etc. Areas surrounding rivers and wetlands have great potential for tourism development.

There are about 2000 cultural monuments in Albania, making it the second largest in the Mediterranean basin in terms of the density of cultural monuments. Meanwhile the historic centers of Berat and Gjirokastra and Butrint are part of the world heritage and are protected by UNESCO. Also, the archaeological parks of Apollonia, Shkodra, Bylisi, Amantia and national museums in Tirana, Kruja (Museum "Gjergj Kastrioti Skanderbeg" and the Ethnographic Museum), Berat (the Iconographic Museum "Onufri" and the Ethnographic Museum), Shkodra (Marubi Museum), Korça (Museum of Medieval Art), etc. represent an important potential of the tourism offer.

However, as shown in the table below, the number of visitors to these cultural attractions is quite low. Even if we consider that these attractions are only visited by foreign tourists, still only 10% of them also visit cultural attractions and again there is plenty of room for reservations as a significant number of visitors are Albanian nationals.

The trend of visitability (total visitors) in the period January - December 2014-2018 has marked a progressive increase (in%) as follows:

Compared to the same period in 2017, visitability during 2018 increased by 49%.

Compared to the same period in 2016, visitability during 2018 increased by 82%.

Compared to the same period in 2015, visitability during 2018 increased by 115%.

Compared to the same period in 2014, visitability during 2018 increased by 127%³.

Table 1 - No. of visitors in National Museums, archeological parks and cultural³ monuments

Visitors	2014	2015	2016	2017	2018
Domestic	134,747	148,669	185,878	208,857	263,399
Foreign	176,648	238,187	282,157	352,025	516,943
Total	404,244	463, 682	549, 697	669, 110	998,441

2.2.3. Tourism infrastructure

³ Number of visitors includes the number of those who enter without a ticket (free admission)

Unlike the situation with natural, historical and cultural potentials, Albania has lagged behind in building tourist infrastructure such as modern congress centers, amusement and recreation parks, golf courses, marinas, etc., without which it is difficult to attract certain segments of tourist demand and to enable year-round tourism expansion. Albania also lacks the centers for mountain and adventure tourism development, entertainment diving centers, bike paths, etc., which will position Albania in the special interest tourism market.

2.2.4. Accommodation capacities, travel agencies and tour operators

Currently, there are 2,437 accommodation facilities operating throughout the country. Hotels make up about 65% of the total, while the rest are homes and rooms. Also, according to NBC data, 75 tour operators and 322 travel agencies with different distribution in the regions, with most of them concentrated in Tirana, are licensed in the country. In Albania, based on the legal framework, until the third quarter of 2018, the Ministry of Tourism and Environment has certified 306 tourist guides, out of whom 156 national guides, 78 local guides, 69 specialty guides and 3 honorary guides.

2.3. Value of Tourism in Economy

2.3.1. Importance of the Tourism Sector in the Economy of Albania

According to estimates of the World Tourism and Travel Council (WTTC), during 2017, tourism's direct contribution to the country's GDP was 134.1 billion ALL or 8.5% of the country's GDP. Compared to the previous year, this contribution has increased by ALL 12.6 billion and has consistently increased year after year, as it can be seen in the table below.

Table 2 - Direct contribution of tourism to Albania's GDP (in billion ALL and in %)

Years	2014	2015	2016	2017
Direct contribution to GDP	117.2	118.7	130.3	134.1
Percentage in the country's GDP	8.4%	8.3%	8.8%	8.5%

Source: WTTC

The total contribution to GDP measures the direct contribution of the travel and tourism sector together with its wider impact on a range of ancillary activities. According to WTTC estimates, during 2017 the total contribution of tourism to our country's GDP was 414.2 billion ALL or 26.2% of the country's GDP.

Table 3 - Direct contribution of tourism to Albania's GDP (in billion ALL and in %)

Years	2014	2015	2016	2017
Total contribution to GDP	357.2	364.2	397.4	414.2
Percentage in the country's GDP	25.6%	25.3%	26.9%	26.2%

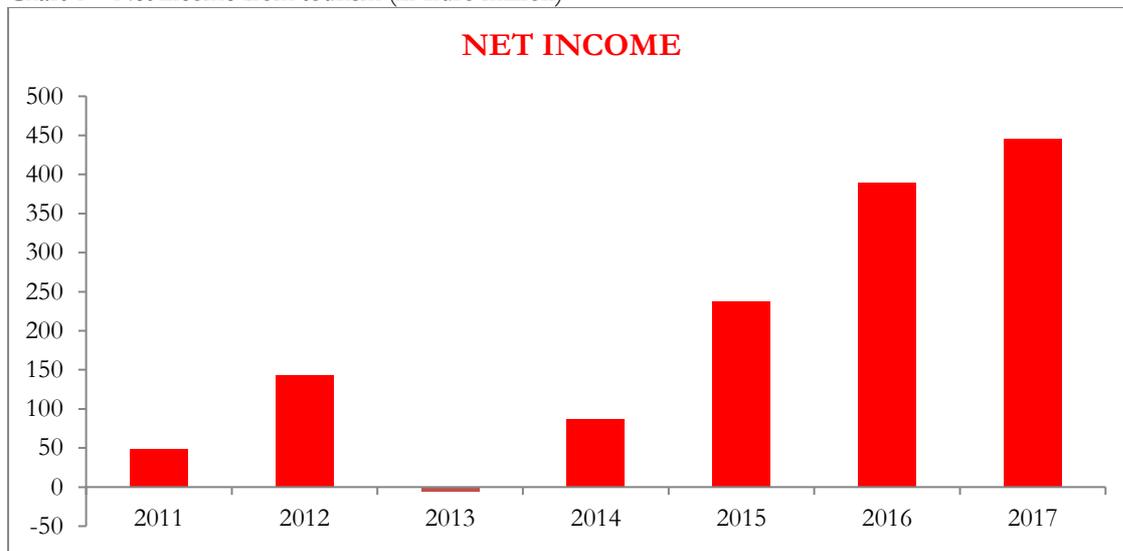
Source: WTTC

According to the organization's long-term projections, in 2028, tourism's direct contribution to the country's GDP is projected to be ALL 220.4 billion or 9.3% of the GDP, while total contribution to the GDP is projected to be ALL 684.2 billion or 28.9% of the GDP.

On the other hand, based on the Bank of Albania balance of payments report, revenues for tourism and travel for 2017 have been positive, recording a level of EUR 1.7 billion with an increase of about 13% compared to one year ago. Travel / tourism net income in 2017 reached 445 million Euros, a significant increase compared to 389 million Euros in 2016. Very promising is the

beginning of 2018. Revenues in terms of tourism and travel in the first nine months of 2018 alone is € 1.4 billion. Net travel / tourism income from January to September 2018 amounted to € 659 million with a 48% increase compared with the full year 2017.

Chart 1 – Net income from tourism (in Euro million)

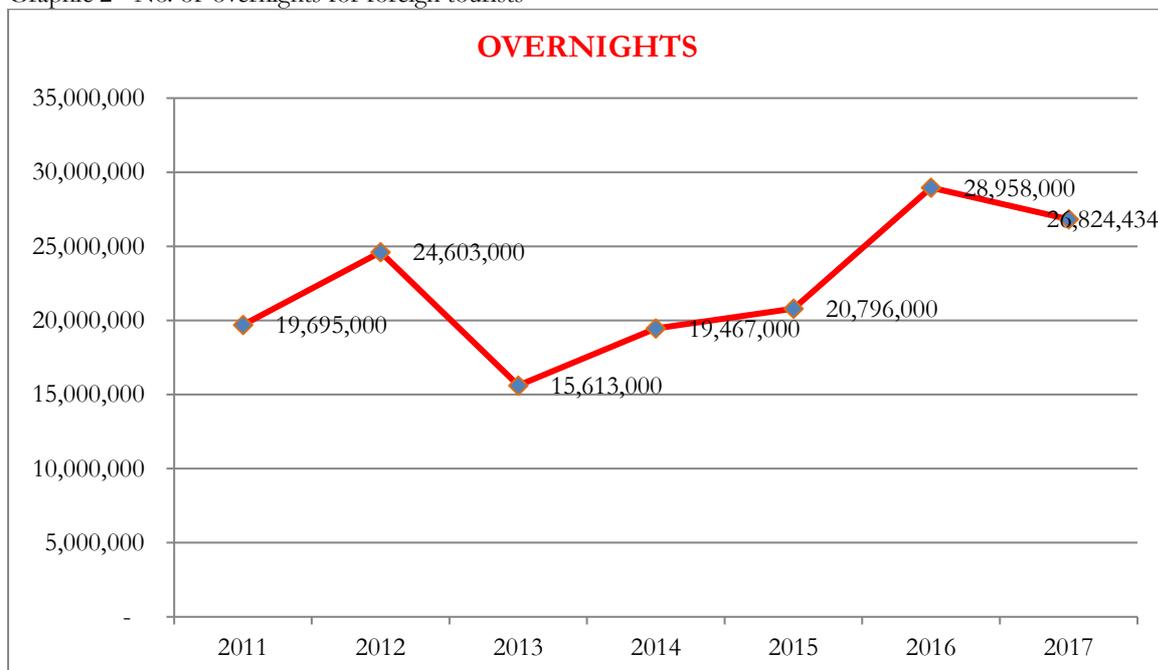


Source: Bank of Albania

This upward trend in net income, which has continued since 2014, shows an increase in the entire value chain of the tourism product.

The average visitors stay during 2017 has remained almost constant, about 5.6 nights for personal reasons and about 4.3 nights for business reasons. The number of non-resident visitor overnights for 2017 has decreased slightly compared to the previous year, reaching 26,824,434 nights.

Graphic 2 - No. of overnights for foreign tourists



Source: MTM estimates with Bank of Albania data

The number of non-resident visitors has increased steadily year after year, reaching over 5 million during 2017. According to official data, each year Albania is visited by around 500,000 tourists

more than in the previous year. And as the country is gaining attention in the international media, expectations are that the number of visitors will increase even more.

Table 4 - Non-resident entries into Albania

Period	Non-resident entries				
	2014	2015	2016	2017	2018
1st quarter	481,136	487,271	561,948	601,940	676, 888
2nd quarter	815,196	973,362	1,038,747	1,157,354	1,242,616
3rd quarter	1,779,569	2,004,786	2,395,917	2,465,389	3,142,318
4th quarter	596,690	665,823	738,899	893,017	864,981
TOTAL	3,672,591	4,131,242	4,735,511	5,117,700	5,926,803

Source: INSTAT

Regarding the mode of transport of foreign visitors, the data show that most of them continue to enter Albania by land. Thus, during 2017, 81% of non-resident visitors entered Albania by land, 11.3% by air and only 7.7% by sea.

Chart 3 - Foreign tourists according to way of travel (in %)



If we look at the time series of the data, it is noticed that, the number of tourists arriving in Albania by sea and air has increased tremendously in the recent years, indicating that Albanian tourism is exploring markets beyond traditional markets in neighboring countries. Thus, in 2017, the number of visitors entering Albania by sea was 42.6% higher than a year earlier, while the number of visitors entering Albania by air was 26.5% higher than a year earlier.

Table 5 - Nr. of non-resident visitors by way of travel

Mode of travelling	2014	2015	2016	2017	2018
By air	337,161	400,742	456,931	577,844	691,550
By sea	197,919	211,556	275,574	393,013	439,331
By land	3,137,511	3,518,944	4,003,006	4,146,843	4,795,922
TOTAL	3,672,591	4,131,242	4,735,511	5,117,700	5,926,803

Beyond efforts to explore new markets beyond the continent, Albania remains heavily dependent on European visitors. Thus, during 2018, 90% of tourists visiting Albania were from the European region, with an increase of 13.8% compared to the previous year. For more details, see the table below.

Table 6 - No. of non-resident visitors by country of origin

Region	2015	2016	2017	2018
Africa	2,973	1,077	2,080	3,457
America	96,763	103,839	123,729	148,845
East Asia and the Pacific	33,032	35,894	53,533	68,121
Middle East	3,604	4,324	4,722	7,174
South Asia	1,636	1,699	2,216	3,115
Europe	3,759,423	4,485,405	4,686,695	5,331,614
Central / Eastern Europe	151,457	182,581	269,261	362,083
Northern Europe	125,513	149,965	204,099	212,246
South Europe	3,169,174	3,855,617	3,810,337	4,301,996
Western Europe	246,811	221,492	316,120	357,411
Eastern/Mediterranean Europe	66,468	75,750	86,878	97,878
Unspecified regions	233,811	103,273	244,725	364,477
TOTAL	4,131,242	4,735,511	5,117,700	5,926,803

2.3.2. Human resources for tourism

During 2017, the tourism and travel industry directly generated 93,500 jobs, accounting for 7.7% of total employment and an increase of 4.1% compared to the previous year.

Table 7 - Direct contribution of tourism to employment

Years	2014	2015	2016	2017
Contribution to employment	76,100	79,200	89,800	93,500
Percentage in total employment	7.3%	7.3%	7.7%	7.7%

Source: WTTC

Indirectly, during 2017, the tourism and travel industry generated a total of 291,600 jobs, accounting for 24.1% of total employment, with an increase of about 5.2% from a year earlier.

Table 8 – Total contribution of tourism to employment

Years	2014	2015	2016	2017
Contribution to employment	237,700	246,000	277,200	291,600
Percentage in total employment	22.8%	22.7%	23.9%	24.1%

Source: WTTC

Tourism has the potential to generate even more jobs in the future, but on the other hand, there is a need for education and training of tourism sector workers in order for the service provided to visitors to be professional.

2.4. Sector Problems and Challenges

2.4.1. Problems identified over the years

A number of problems and challenges associated with tourism development have been identified over the years. A number of them remain to be addressed further, while this strategic document seeks to find systematic responses to address them. Tourism in Albania faces these problems:

- **Lack of accommodation capacities and lack of quality accommodation**
In areas that attract more tourists, whether coastal or not, the number of beds is very limited and furthermore with a low average per unit, which certainly has an effect on the total number of visitors. Another fact is added to the above effect that in most tourist destinations, accommodation facilities are mostly private houses, apartments and rooms, which offer very minimal conditions and poor services.
- **Lack of popular hotel “brands” and tour operators**
The well-known brands of hotels and tour operators, for the vast majority of foreign tourists, are a guarantee of quality of service and, at the same time, serve as a guarantee of the reliability of a destination. Currently, there are no international hotel brands operating in Albania, neither in major cities nor in tourist areas.
- **Lack of tourist infrastructure**
In Albania, besides the beauty of nature, additional tourist infrastructure is almost non-existent. Amusement and recreation parks, conference and fairs centers, yacht harbors where sailing or underwater tourism can be launched. are hardly present at all.
- **Lack of standardization and system of classification**
In Albania, accommodation facilities and other tourism service providers are not classified according to the standards for the services they provide.
- **Short tourism season**
Although Albania has a typical Mediterranean climate, which makes our country enjoy 250 days of sunshine, the tourist season in Albania is limited to July and August only. Although there is a demand for services for a long period of the year, supply is lacking as sporadic development to date has given tourism a highly seasonal character. For this industry to become one of the pillars of the Albanian economy, the seasonal effects of coastal tourism need to be mitigated through the development of other forms of tourism, increasing the number of visitors, overnight stays and consequently tourism revenue.
- **Informality in tourism activities**
Many of the accommodation facilities, but also other service providers, such as restaurants or tourist guides, operate in full informality by creating the ground for low quality services, affecting the safety of tourists and the image of the place.
- **Solving the problem of ownership**
Like many other sectors of the Albanian economy, tourism has been significantly hampered by ownership problems. Failure to resolve these problems and the numerous social conflicts that accompany them have kept many large domestic and foreign investors away and blocked many major tourism projects.

- **Lack of private capital investment hinders consolidation of the sector**
Almost in the entire coastal area, but also in many other cities with potential for tourism, the investments made so far, with some exceptions, are small, making the sector unconsolidated. For Albania's tourism offer not to be sporadic, this sector must necessarily be consolidated by attracting large and credible investors and promoting major strategic projects.
- **Strong lack of training of employees in the tourism sector**
In terms of human resources and services offered to tourists, they leave much to be desired and a training program is needed to foster a quality leap in tourism.
- **Few connections between air and sea transport**
Albania's ports and airports offer few travel opportunities for foreign visitors. With the exception of Italy, direct flights and sea connections to many of Europe's major cities and states are missing.
- **Poor infrastructure at destination**
Infrastructure at tourist destinations still leaves much to be desired, starting with the energy and water networks, and continuing with connection routes with destinations, parking spaces, etc.
- **Lack of development of an offer included in a tourist destination**
Beyond the natural and historical-cultural attractions, Albania's tourism offer is poor and the opportunities to combine different types of tourism are scarce. Although opportunities are available in the territory, the lack of a diverse and comprehensive tourist offer, which combines the best of tourist attractions, has limited the potential for increased tourist overnight stays, increased spending and balanced distribution in the territory.
- **Poor use of Information Technology**
The use of information technologies in the tourism industry is limited. With the exception of a sporadic case, usually with the help of international organizations, the provision of digital services to tourists is still underdeveloped. Their use is at the same level for marketing services and products and for selling in the markets.

2.4.2. Challenges of the future

The main challenges of the tourism industry for the medium term of this strategy are identified as follows:

- **Providing access to tourist destinations, improving destination infrastructure and promoting tourism infrastructure development** – Infrastructure remains one of the key elements as the foundation without which the tourism industry can have neither quantitative nor qualitative developments. In the medium term, Albania's links with other countries are challenging, with the need to increase ports and airports as well as increased connectivity. The internal public transport system and access to tourist destinations is another point that requires attention. Equally important is the infrastructure at the destination, which includes electric and sewer networks, parking, etc. Last but not least, there is the stimulation of tourist infrastructure, such as marinas, winter and water sports resorts, golf courses, adventure tourism centers, etc.
- **Regulation, standardization and certification of accommodation facilities and other tourism services** – The implementation of a standardization and classification system of accommodation facilities is an important element that will guarantee the quality level of the operators and the services provided by them, as well as ensure the regulation of the tourism market by promoting the attraction of international hotel brands and tour operators. Given the chaotic development so far, this is a challenge for the medium term.
- **Promoting an integrated tourism product and improving the country's image** – The third challenge is to combine tourist attractions and activities into consolidated tourism products and promote them in the regional, European and global markets. The promotion of the country as a safe and welcoming tourist destination, with a consolidated tourist offer and authentic products is closely related to this element.
- **Establishing an efficient system of continuous professional training of human resources engaged in tourism** – The expected increase in the number of tourists will put increasing pressure on human resources and especially on the quality of services. Tackling tourism massiveness will be a challenge and for this we have to set up an efficient vocational training system that will enable continuous training for staff of accommodation and restaurant facilities, for tourist guides and so on for all other providers of services, enabling them to improve their quality.

3. Strategy Vision 2019-2023

3.1. Vision Statement

“Albania, as a hospitable, attractive and authentic destination, for sustainable development of country’s economic, natural and social potentials”.

3.2. Mission

Development of destinations, areas, products and diversification of tourism offer, as well as increase of the added value of tourism potentials for the economic and social development of the country.

3.3. Aim

Albania should be widely promoted in the international community as a worthy destination to compete equally in the global tourism market. Consequently, Albania's positioning in this market will be based on two pillars of development:

- *Long-term sustainability of public interventions and investments*, to turn the country's tourism economy into a tourist attraction, a better place to live and a more profitable potential for tourism ventures.
- *Regular protection and development* of geospaces in respect of nature, ecosystems, demographic and urban development in all areas with a potential in tourism development.

3.4. Strategic goals

To realize the vision of this strategy, four strategic goals have been identified, which, at the same time, will be the cornerstones of this document. Based on the achievement of each particular and combined specific objective, the realization of each specific and combined product planned in the Action Plan, the achievement of strategic goals will be made possible, the level of realization which will be ensured through a monitoring process according to the link presented in table no.11, "Performance Evaluation Matrix" between each indicator and the Strategic Goal envisaged. These strategic goals are as follows:

1. **S.G.1 Creation of new development industries and clusters as well as consolidation of the tourism offer and creation of new products** – Our goal is to encourage the creation of 6 integrated poles⁴ with tourism potential, that will focus on the public investment interventions, will extend the geographical spread of destinations, and increase the time of stay not only throughout the summer season, but throughout the year. In addition, through the use of regulatory and facilitation instruments, the improvement of the quality of accommodation facilities shall be promoted by supporting the regeneration of the existing ones and encouraging new investments in 4-5-star facilities, tourism activities shall be combined by moving towards a consolidated offer as well adding new tourism products as an expression of the unused potential of the country.
2. **S.G.2 Increasing the added value and impact of the sector on the economy and employment** – Our goal is that by prioritizing public investment, promoting private investment, attracting a larger number of tourists and increasing their stay in the country,

⁴ Annex 2

the tourism industry will become one of the three main pillars of the Albanian economy and one of the safest sources of new jobs.

- 3. S.G.3 Development of new products and services in tourism, as well as improvement of their quality** – Our goal is to standardize and certify tourism service providers through regulatory, facilitation and supportive interventions, and to support the improvement of the quality of other services by establishing a continuous professional training system for all human resources in the tourism industry.

- 4. S.G.4 Improving the image of the country and promoting authentic local products** – Our goal is, through a smart marketing campaign, to promote Albania's natural, historical and cultural assets, improving the country's international image and attracting more visitors.

4. Policy Goals and Specific Goals

To achieve the aforementioned strategic goals, we will work on five Policy Goals. For each Policy Goal, three Specific Goals are set out that jointly applied will lead to the achievement of each goal. The five Policy Goals are as follows:

- Policy Goal 1: Promotion of Public and Private Investments;
- Policy Goal 2: Consolidation and Development of Tourism Products;
- Policy Goal 3: Improvement of Tourism Services;
- Policy Goal 4: Reorientation of Promotion towards Potentials;
- Policy Goal 5: Support for the Management of Destinations.

4.1. Policy Goal 1: Promotion of Public and Private Investments

Goal 1.1 Promotion of Private Strategic Investments and Attraction of Well-known International Brands in Hotel and Tourism.

- The qualitative development of the tourism industry is closely linked to the attraction of internationally renowned hotel and tourism operators in our country. Implementation of a program that will promote the fiscal facilities provided for in the Albanian legislation and further cooperation to support and facilitate these strategic investors is a key priority of this strategy.

Goal 1.2. Defining priority areas for tourism development and orienting private investments towards them.

- For sustainable and well-planned development, the public and private investments should be directed to areas of priority tourism development. In line with the National Sectoral Plan for the Tourism Field, detailed development plans will be developed for each of these areas and specific policies will be developed to encourage private investments in them.

Goal 1.3. Orientation of public investments towards priority areas for the development of tourism and tourist destinations for improvement of their basic infrastructure.

- One of the most pressing problems of tourism development in our country is the connecting infrastructure and poor infrastructure at the destination. On the one hand, there is a need to improve the overall transport network in the country and, on the other hand, to invest in basic infrastructure such as electricity, water supply and sewerage, parking spaces, promenades, tourist information and so on.

4.2. Policy Goal 2: Improvement of Tourism Services

Goal 2.1 Development of new evaluation models, standardization, certification and classification of services for tourism and tour operators.

- Increasing the quality of tourism services is closely linked to the standardization of these services and the certification of their bidders. By 2023, standards will be consolidated, accommodation facilities will be classified and a register will be set up, which will be constantly updated.

Goal 2.2 Establishment of a Regulatory and Institutional Framework for the development of vocational education and qualifications in tourism, as well as training of human resources engaged in the sector.

- Improvement of services is also related to human resources. The objective of this strategy is to design the qualifications framework and work on the curricula in order to proceed with the training of all tourism related professions as well as the inhabitants of tourist areas.

Goal 2.3. Development of Regulatory and Institutional Framework for the Development of Services and Operation of Tourism Ports and Activities in their function.

- Another development opportunity offered by the Albanian coast is that of marine tourism. Albania has untapped potential, with a significant number of virgin bays stretching along the coastline for the creation of tourist ports / marinas. The offer for this type of tourism should be directed towards high quality cruises, yachts and charter trips. It is necessary to prepare in advance the necessary regulatory framework that facilitates the development of this segment.

4.3. Policy Goal 3: Consolidation and Development of Tourism Products.

Goal 3.1. Development of a Seaside and Maritime Tourism Program and creation of new products.

- The tourism industry in Albania depends largely on the sea and the types of tourism associated with it. But while the beach and other coastal activities have had positive developments in recent years, other types such as marine tourism are still untapped potentials. It is important that the current offer is further consolidated and, at the same time, work should be done on adding new products by encouraging investments in port and marine construction as well as maritime tourism support infrastructure.

Goal 3.2. Development of a Natural Tourism Program and creation of new products.

- The category of natural tourism and all kinds of activities included here are one of the potentials that have not yet been fully exploited in our country, although positive developments have not been lacking. In the future, work will need to be done to develop new products in this area, such as identifying and marking hiking or cycling trails, developing winter tourism, setting up tourist centers in nature protected areas, further developing rural tourism, etc.

Goal 3.3. Development of a Thematic Tourism Program and creation of new products.

- The category of thematic tourism consists of several types of tourism, which complement and complete the tourism offer of Albania. In the framework of cultural tourism, an action plan will be developed, investments will be made in identifying historical and cultural itineraries, and international activities will be organized. Measures are also planned for the development of health and business tourism.

4.4. Policy Goal 4: Re-orientation of Promotion towards Tourism Potentials.

Goal 4.1. Designing Tourism Brand and Marketing Strategy.

- There has long been a need for a new Albanian Tourism Brand and Marketing Strategy. The Brand's strategy will focus on authentic Albanian products, as well as the creation of various myths, stories, and attractions that will serve as promotional organizations to model a "fable" for tourism Albania. In the meantime, the Marketing Strategy will identify the target groups and types of tourists that will need to be familiar with the potentials of Albania.

Goal 4.2. Promotion of Yearly Tourism Products at home and abroad.

- Albania's products (or the tourism offer) can be extremely diverse, ranging from destinations, historical and cultural values to craft products, food, drinks, etc. These products will be constantly promoted, not just during the summer season, while also targeting specific audiences. The aim will be to establish a structure at our diplomatic missions and to make more effective use of other promotion channels.

Goal 4.3. Supporting the Promotion Agents in the country and in the diaspora

- Considering that the strategy of development and promotion of tourism is an inter-institutional responsibility and not solely the object of a single institution, it will aim at encouraging alternative promotion mechanisms, be it Agents or Tourist Agencies that will engage in promoting Albania towards a designated territory outside Albania, followed by the development of Information Technology as a means of promoting destinations and informing visitors. To this end, an information portal on promotion agents, destinations and tourism products that may be developed in Albania will be set up.

4.5. Policy Goal 5: Supporting the Management of Destinations.

Goal 5.1. Development of a Destination Management model.

- Development and management of the destinations is the strategic direction towards which the tourism industry in the country will be driven. A key objective of this strategy is to set up a management organization for each destination and develop specific products for each of them, enabling the destinations to be developed while maintaining their authenticity.

Goal 5.2. Consolidation of legal and institutional framework for the management and operation of Destination Management Organizations.

- Effective and permanent management of tourist destinations requires harmonization of all legal and policy-making instruments in the country. In line with this strategy, the existing

bylaws will be amended, other acts drafted, and planning instruments will be worked on. As a management structure, priority will be given to the establishment and operation of the territorial branches of tourism.

Goal 5.3. Monitoring and Supporting Destination Management Organizations

- At the time of establishment, DMOs will need continuous monitoring, coordination of activities especially with local organizations and donors, as well as the development of various state assistance and help programs to promote and develop them. The purpose is to support DMOs until they are independent, especially financially, in order to fulfill their mission successfully.

4.6. Economic Outputs

Realizing the objectives of this strategy in the five main directions mentioned above will have a direct effect on the country's economy. In addition, this strategy, taking into account the Sustainable Development Goals (SDGs) under the Sustainable Development Agenda 2030, adopted by the United Nations General Assembly in September 2015, aims at addressing issues concerning poverty reduction, welfare increase, economic growth, education, gender equality, local development etc.

If all the objectives are met as envisaged, the measurable result on the Albanian economy will be as follows:

Output 1. Increasing the tourism's direct contribution to the GDP from 8.4% in 2016 to 10% in 2023 and the total contribution from 26% in 2016 to 29% in 2023 (SDG.1, 8).

Output 2. Increasing the incoming tourism revenue from 1.7 billion euros in 2017 to 2 billion euros in 2023 (SDG.1)

Output 3. Attracting 2,552 million Euro foreign direct investment in tourism by 2023 (SDG.8, 9, 11)

Output 4. Increasing the number of directly employed persons in the tourism sector from 85,000 in 2016 to 100,000 in 2023 and increasing the total number of employees in the tourism sector from 267,000 in 2016 to 300,000 in 2023 (SDG 1, 4, 5, 11).

Output 5. Promotion and support for the creation of 6,000 new tourism businesses by 2023 (SDG 4, 5, 8, 12).

Output 6. The steady growth of public investment in tourism, reaching 6.3% of public investments in 2023 (SDG 9, 11)

Output 7. Increasing the direct tax revenues from tourism sector with ALL 9 billion by 2023 and increasing the total tax revenues by the tourism sector with ALL 31 billion by 2023. (SDG 11)

5. Financial Sources

The National Tourism Development Strategy is multi-dimensional and encompasses a range of sectors, sub-sectors and policies. This chapter aims at clarifying specific resources depending on objectives, policies and strategic goals.

Being aware of the limitations of the state budget and the financial difficulties that characterize it, donor funding in the form of grants or loans, as well as all other foreseen financing types of capital and technical and operation assistance have been taken into account when budgeting the strategy.

Like any strategy, the National Strategy for Tourism Development has an impact on the allocation of public expenditure, so its role as a reference document guiding the Government's future budget plans should be kept in mind. As provided by the Prime Minister's Order no. 93, dated 07.08.2012, which sets out the methodology for the development of sector strategies, the Mid-Term Draft Budget (MTDB) is an essential element of the Integrated Planning System (IPS) and is therefore the key instrument for coordinating the budget with strategic policies and objectives of the Government.

The projections of the MTDB 2019-2021 for the "Tourism Development" program are given in the table below. The "Tourism Development" program includes the estimated budget for the Ministry of Tourism and the Environment (tourism section), the National Tourism Agency, the National Seaside Agency and the State Inspectorate of Environment, Forests, Water and Tourism (tourism section).

Given the budget constraints, one should aim for a more efficient use of any funding source by focusing on policies and projects that have a higher multiplier effect and that can generate revenue in the near future in the economy, and better meet strategic objectives for tourism.

Table 9 - Projections for 2019-2023 for the tourism development program

Year	Amount
2019	198,746,000*
2020	372,700,000
2021	372,700,000
2022-23	480,000,000
Total	1,424,146,000

Source: MTDB 2019-2021 and projecting

* We'd like to clarify that for 2019, the budgeting of activities is for the remainder of the year only

Based on the expected rate of economic growth, a projection of the expected tourism budget is also possible for the period not covered by the 2019-2021 MTDB.

On the other hand, there are a number of other institutions, central and local, whose activity and budgets have a direct impact on the tourism sector and the realization of the strategic objectives of this strategy.

In addition to the State Budget, funding from the European Union and various donors is foreseen in the cost calculation of the Strategy. The donor part has been treated by preserving the real data available.

A more detailed analysis by strategic directions and key areas is also reflected in the action plan attached to this document, which is summarized in Table 10 below:

Table 10 - The overall budget of the strategy action plan

Policy Goal (P.G.)	Total Cost (ALL '000)	Budget & Donor coverage	Financial Gap
TOTAL	1,829,840	1,645,619	184,220
O.P.1 Promotion of Public and Private Investments	252,490	223,290	29,200
O.P.2 Improvement of Tourism Services	545,060	509,460	35,600
O.P.3 Consolidation and Development of Tourism Products	219,450	130,750	88,700
O.P.4 Reorientation of Promotion towards Potentials	704,200	452,006	30,720
O.P.5 Support for Management of Destinations	108,640	108,640	0

Successful implementation of the strategy requires the coordination of the activities of the line Ministries and other institutions, as well as close cooperation with all donors in this field so that their agenda is consistent with this strategy.

6. Implementation and Monitoring

Reporting, monitoring and evaluation are essential to the effective implementation of the strategy. Monitoring the achievement of the four strategic goals by means of clearly defined indicators will provide a solid basis for the implementing and monitoring progress in this regard.

The main monitoring tool will be the Performance Evaluation Matrix, which will provide a clear overview of the progress made in achieving each strategic goal, measured through measurable indicators. This matrix will include the baseline value, annual benchmarks, final goal and method of verification.

The identification of indicators and the definition of responsibilities is based on the chapter on strategic goals, the chapter on objectives and action plan. As the institution responsible for tourism, the MTE will carry out overall coordination of the monitoring process, evaluate progress, make recommendations, and submit possible amendments for change.

The monitoring and evaluation process will be implemented in accordance with the NSDI 2015-2020 reporting process and the Integrated Planning System calendar. Implementation of the strategy by 2023 will be a dynamic process that will require regular updates to enable the strategy to be in line with potential changes in government policies, initiatives and priorities.

Due to the heterogeneous nature of the tourism sector and its connection to many other sectors, to ensure joint policy and managerial co-operation and decision-making at the highest level for planning, coordinating and executing and monitoring program policies, the implementation and monitoring process is proposed to be followed by the Thematic Group on Tourism and Culture Development and the Prefectures of the Regions, headed by the Deputy Minister at the Ministry of Tourism and Environment, responsible for the sector, based on the Prime Minister's Order No.157, dated 22.10.2018 “On taking measures for the implementation of a sector-wide/cross-sectoral approach, and the establishment and functioning of an integrated sector/cross-sectoral mechanism”.

Meanwhile, in the capacity of observer members, there are also (one each) representatives from the Bank of Albania, the Institute of Statistics, the Institute of Cultural Monuments, the Archaeological Service Agency, the National Agency for Regional Development, the Local Association, the Association of District Councils, The Association for Local Autonomy, the Association of Albanian Municipalities and a representative of the Agency for Support of Local Self-Government, tour operator associations, independent cultural scene associations, universities, local government units, civil society and local communities.

The group meets at least twice a year, with the main objective of its work being the discussion and approval of the annual action plan, the annual report on the implementation of the Tourism Strategy 2019 - 2023, and the monitoring of the implementation of activities. Next to this group is the Technical Secretariat with representatives from the General Directorate of Tourism Policy and Development, who are appointed by order of the Minister of Tourism and the Environment.

Based on the reporting and reports on the implementation of activities, the Technical Secretariat will prepare the Annual Report on the implementation of activities and evaluation of indicators.

The report presented to the Group will be based on an analysis of indicators of three types:

- a) reference indicators, which provide information on the situation at the time of strategy preparation;
- b) output indicators that will measure the tangible results of the implemented activities;
- c) performance indicators that will measure the progress made until the final goal is achieved.

The monitoring data will be collected in a database to be maintained and updated by the Directorate General for Tourism Policy and Development. This directorate will be responsible for making requests for data to other departments within the ministry or other institutions.

The data collected will be administered according to Annex 3, Passport of Indicators, attached to this strategy.

Table 10 – Performance Evaluation Matrix

No.	Description of indicators	Unit (% / no)	Responsible Institution	Connection with Strategic Goals	Baseline Year 2017	Baseline Year 2018	Aim 2019	Aim 2020	Aim 2021	Aim 2022	Aim 2023
Economic Outputs											
1	Increasing tourism's direct contribution to GDP	%	MTE	S.G.2	8.7%	8.9%	9.3%	9.5%	9.8%	10%	11%
2	Increasing tourism's total contribution to GDP	%	MTE	S.G.1.2.3	26.7%	27.1%	27.4%	27.9%	28.5%	29%	29.5%
3	Increasing employment directly from tourism	%	MTE & INSTAT	S.G.2.3	7.8%	7.9%	8.1%	8.2%	8.3%	8.5%	9%
4	Increase in total employment by tourism	%	MTE & INSTAT	S.G.1.2	24.2%	24.4%	24.7%	25.1%	25.5%	26%	27%
5	Increase of direct tax revenues at national level	In billion ALL	MFE	S.G.2.3	23.0	24.2	25.4	26.6	27.8	29.3	31
6	Increase in total revenues from taxes nationwide	In billion ALL	MFE	S.G.4	80.7	84.6	88.7	93.0	97.1	102.3	107
7	Increase in travel / tourism income (Euro)	In billion Euro	BA	S.G.2.3	1,707	1,856	2,042	2,225	2,403	2,620	2,829
8	Creation of new businesses or ventures in the tourism sector	%	NBC	S.G.1	5.3%	5.0%	4.8%	4.6%	4.4%	4.2%	4.2 %
Policy Objective: Promotion of Public and Private Investments											
9	Increasing investments in the tourism sector in relation to public investments	%	MFE	S.G.1	5.9%	5.9%	6.0%	6.1%	6.2%	6.3%	6%
10	Increase of foreign direct investments indirectly related to the tourism sector	In billion Euro	MTE	S.G.1.2.3	2,084	2,178	2,271	2,365	2,459	2,552	2,600
11	Increase of private investments	In billion ALL	MTE	S.G.1.2.3	22,771	23,909	25,105	26,36	27,678	29,062	31,000

Policy Objective: Improvement of Tourism Services											
12	Increase (%) of qualified / certified employees	%	MFE	S.G.3	15.2%	16.6%	17.8%	19.0%	20.0%	21.0%	22.0%
13	Training of 50% of employees in the tourism sector by 2022	%	MTE, MFE	S.G.3		10%	10%	10%	10%	10%	10%
14	Improving standards and quality in accommodation facilities. Classification of accommodation facilities.	Number	MTE	S.G.3			325	325	525	525	525
15	80% registration of small and family accommodation facilities.	%	MTE	S.G.2.4			20%	20%	20%	20%	20%
16	Number of certified tour guides	Number	MTE	S.G.3	240	60	50	40	40	70	40
Policy Objective: Consolidation and Development of Tourism Products											
17	Number of beds by type of accommodation facility	Number	MTE, INSTAT	S.G.1.3	75,050	79,553	84,326	89,385	94,749	100,433	106,400
18	Construction of 7 resorts offering complex services	Number	MTE	S.G.1.2			2	1	1	1	2
19	Construction of new ports suitable for marina and small port stations for inland shipping	Number	MTE, MIE	S.G.1.2	1	1	1	1	1	1	1
20	Construction of marinas to promote and assist the development of elite tourism	Number	MTE	S.G.1.2				1	1	1	2
21	Construction of three regional and two national cycling trails	Number	MTE	S.G.3.4				1	1	2	1
22	Identification and development of five sites for the development of mountaineering	Number	MTE	S.G.3.4				1	1	2	1
23	Identification and development of three rafting itineraries	Number	MTE	S.G.3.4				1	1	1	
24	Identification, marking and digitalization of five new regional and two cross-border walking trails	Number	MTE	S.G.3.4				1	2	1	1

25	Development of seven historical and cultural itineraries	Number	MTE MC	S.G.3.4			1	2	2	1	1
26	Construction in major tourist destinations, depending on accommodation capacities, of multifunctional conference and congress centers	Number	MTE	S.G.1.2					1		1
27	Increase of income generated by institutions, objects of art, culture and cultural heritage	%	MC	S.G.2	0,25	0,25	0,25	0,25	0,3	0,3	0.3
28	Increase of the number of visitors in the institutions and centers of national cultural heritage	Number	MC	S.G.1	669,110	998,441	1,098,000	1,262,700	1,452,105	1,597,315	1,757,000
Policy Objective: Reorientation of Promotion towards Tourism Potentials											
29	Increasing overnight stays in all types of accommodation facilities	Number	MTE	S.G.2	25,277,668	26,541,551	27,868,629	29,262,060	Over 30 million		
30	Participation in international fairs and exhibitions	Number	MTE, NTA	S.G.4	18	18	20	20	22	24	28
31	Increasing the number of foreign visitors (incoming tourism)	Number	MTE	S.G.2	5.117.700	5,927,000	6,401,160	6,913,253	Over 7 million		
Policy Objective: Support for the Management of Destinations											
32	Destination Management Organization is set up	Act	MTE	S.G.4							
33	New tourism statistics system is set up	Act	MTE	S.G.3							

