



Support to the Ministry of Tourism and Environment for the development of the National Tourism Strategy 2024 – 2030

Consolidated report

CONTENT

- I. ANALYSIS AND DIAGNOSIS.....4**
 - I.1. GENERAL ANALYSIS..... 4**
 - I.1.1. General information.....4
 - I.1.2. Economic overview6
 - I.1.3. Historical and political overview..... 10
 - I.1.4. Infrastructure and accessibility..... 10
 - I.2. TOURISM MARKET ANALYSIS 18**
 - I.2.1. Tourism supply analysis 18
 - I.2.2. Tourism demand analysis.....27
 - I.2.3. Key performance indicators (KPIs) analysis.....35
 - I.2.4. Key investment trends in tourism and hospitality.....43
 - I.3. TOURISM SENTIMENT RESEARCH47**
 - I.3.1. Public sector survey.....47
 - I.3.2. Business sector survey.....51
 - I.3.3. General public survey56
 - I.4. TOURISM VALUE CHAIN ASSESSMENT 59**
 - I.4.1. Travel organisation and purchase59
 - I.4.2. Transport.....60
 - I.4.3. Accommodation.....60
 - I.4.4. Food and drinks61
 - I.4.5. Tourism resources and attractions.....62
 - I.4.6. Tours and excursions.....63
 - I.5. STAKEHOLDER MAPPING..... 65**
 - I.5.1. Stakeholders map65
 - I.5.2. Key identified challenges.....66
 - I.5.3. Key identified opportunities.....68
 - I.6. TOURISM MANAGEMENT AND REGULATORY SYSTEM ANALYSIS..... 70**
 - I.6.1. Tourism management system analysis.....70
 - I.6.2. Key identified challenges of the tourism management system75

1.6.3.	Regulatory system analysis.....	75
1.6.4.	Key identified challenges of the regulatory system.....	79
1.7.	BENCHMARK ANALYSIS.....	82
1.7.1.	Sustainable tourism development.....	82
1.7.2.	Tourism Product Development.....	85
1.7.3.	Tourism Management System	93
1.7.4.	Tourism Policy	99
1.8.	DIAGNOSIS.....	105
2.	STRATEGIC FRAMEWORK	111
2.1	DEFINITION OF THE ALTERNATIVE DEVELOPMENT SCENARIOS.....	111
2.1.1	Status-quo scenario.....	113
2.1.2	Sustainable development scenario.....	115
2.1.3	Comparison of Status quo and Sustainable development quantitative indicators	117
2.1.4	Main conclusions & implications	121
2.2	STRATEGIC VISION AND POSITIONING.....	122
2.2.1	Strategic vision	122
2.2.2	Positioning.....	123
2.3	GROWTH TARGETS	125
2.3.1	Quantitative growth targets.....	125
2.3.2	Qualitative growth targets.....	127
2.3.3	Overarching Goal – Net Promoter Score (NPS).....	128
2.4	TOURISM CLUSTERING AND PRIORITY TOURISM PRODUCTS	130
2.4.1	Adriatic Coast Cluster	131
2.4.2	Inland North Cluster.....	134
2.4.3	Tirana City Cluster	137
2.4.4	Central Cluster	140
2.4.5	Ionian Coast Cluster	142
2.4.6	Inland South Cluster	145
2.5	DEVELOPMENT PRIORITIES IDENTIFICATION.....	148
2.5.1	Investments.....	148
2.5.2	Tourism Regulatory & Fiscal Policy.....	149
2.5.3	Destination management.....	149
2.5.4	Tourism product development.....	150
2.5.5	Destination Marketing	150

2.5.6	Capacity building.....	151
3.	DEVELOPMENT STRATEGY.....	152
3.1	DEVELOPMENT STRATEGIES	152
1.	Investments.....	153
2.	Tourism Regulatory & Fiscal Policy.....	167
3.	Destination Management.....	188
4.	Tourism Product Development.....	202
5.	Destination Marketing	216
6.	Capacity Building.....	222
3.2	ACTION PLAN, BUDGETING, MONITORING AND EVALUATION	232
1.	Investments.....	232
2.	Tourism Regulatory & Fiscal Policy.....	234
3.	Destination Mangement.....	236
4.	Product Development	238
5.	Destination Marketing	240
6.	Capacity Building.....	241

I. ANALYSIS AND DIAGNOSIS

I.1. GENERAL ANALYSIS

The initial phase of the analysis involves a holistic examination of Albania, which encompasses various crucial elements, beginning with a contextual understanding that considers factors such as location, population, climate, and geographical positioning, offering essential context for comprehending the tourism market. An economic review will identify trends impacting tourism, while a historical and political review will provide insights into the destination's background and current political landscape. An assessment of infrastructure and accessibility will be conducted to evaluate the status of domestic, regional, and international connectivity, involving examinations of air, road, and rail networks, as well as maritime transport.

The general analysis will provide us with an initial understanding of Albania's tourism sector strengths, weaknesses, opportunities and threats, and set a basis for elaboration of forthcoming activities.

I.1.1. General information

Albania is a Mediterranean country in southeastern Europe on the Adriatic and the Ionian Sea meeting point. It borders Montenegro to the northwest, Kosovo to the northeast, North Macedonia to the east, and Greece to the southeast. Albania occupies approximately 28,748 km² and disposes of coast in a total length of 450 km. According to the latest population estimation from January 2023 conducted by INSTAT (Albanian Institute of Statistics), the population of Albania amounted to 2,761,785 people.

Republic of Albania – Key facts	
Area (km ²)	28,748
Population (INSTAT 2023)	2,761,785
Population density (inhabitants/ km ²)	97.4/ km ²
Ethnic structure	Albanians (98.1%), Greeks (0.9%) and 6 others (less than 1% each)
Capital	Tirana (925,268)
Other major cities	Durres (289,797), Elbasan (252,715), Fier (271,672)
Territorial organisation	12 counties and 61 municipalities
Time Zone	CET (GMT + 1)
Official Language	Albanian
Political System	Unitary parliamentary constitutional republic
Currency	Albanian Lek (ALL)

Source: albania.al, INSTAT, Horwath HTL, 2024

The capital and the most populated city and county is Tirana, accounting for almost 35% of the total population, while other major counties/districts with more than 200,000 inhabitants are Durres, Fier and Elbasan which altogether account for around 60% of the population. The first natural decrease was recorded in 2021 marking a turning point in the country's population trends. In addition, the country is experiencing brain drain and population ageing.

Albania's ethnic composition is predominantly homogeneous. As per the most recent census, aside from Albanians and Greeks, other ethnic groups comprise less than 1% of the total population, while 14% chose not to disclose their ethnicity.

Regarding religious beliefs, approximately 57% of the population identify as Muslim, while Roman Catholics and Orthodox Christians make up 10% and 7%, respectively. About 16% did not declare their religious affiliation. Albania is known for its significant religious tolerance, with no recorded instances of hostility or religiously motivated attacks, highlighting peaceful coexistence among diverse communities.

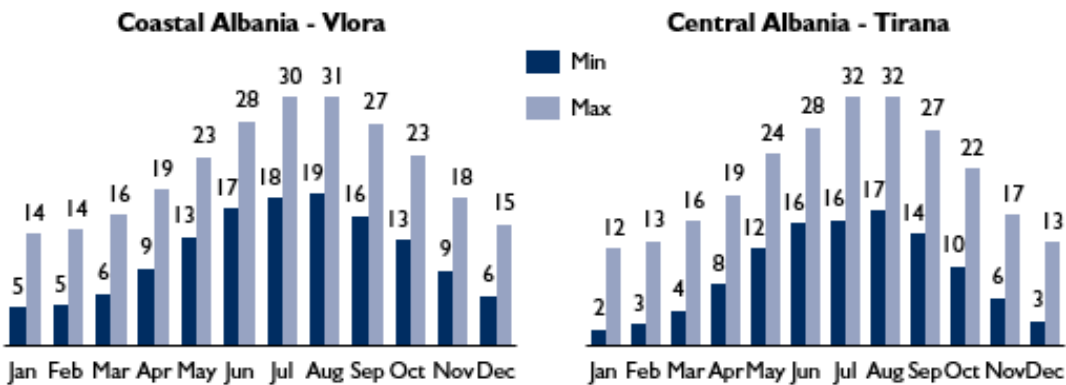
Furthermore, Albania has over the past two decades taken important steps towards increased gender equality. Progress has in particular been made in terms of strengthened legislation and other public policies. Gender equality and the empowerment of Albanian women, young women and girls for years are now key objectives of the Government of Albania.



Source: albania.al, INSTAT, Horwath HTL, 2024

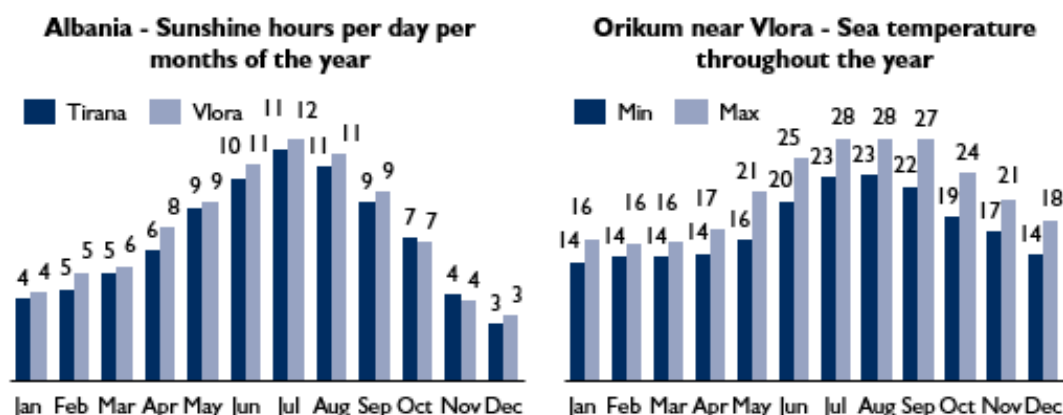
Albania has a diverse nature with three-fourths of the country consisting of mountains and hills with elevations of more than 200 meters. The country's average elevation is 708 meters, with its tallest peak reaching 2700 meters. On the north of the country, Albania borders Montenegro through the Buna River, Shkodra Lake and the Albanian Northern Mountain Range (part of the Dinaric Alps). On the east, Albania borders Kosovo through parts of the Albanian Northern and Central Mountain Ranges, while the border with North Macedonia spreads through part of the Central Mountain Range (mostly Korab, Shebenik and Jabllanica mountains) and Lakes Ohrid and Prespa. On the south, Albania borders Greece, mostly through the Albanian Southern Mountain Range. Albania borders two seas on the west - the Adriatic and the Ionian.

COASTAL (VLORA) AND CENTRAL ALBANIA (TIRANA) – LOWEST AND HIGHEST MONTHLY TEMPERATURES IN °C – 2022



Source: yr.no, Horwath HTL, 2024

SUNSHINE HOURS PER DAY PER MONTH OF THE YEAR IN TIRANA AND VLORA – SEA TEMPERATURE IN °C THROUGHOUT THE YEAR IN ORIKUM



Source: yr.no, Horwath HTL, 2024

Similar to other Mediterranean countries, Albania has warm, dry summers and mild, wet winters. Climatic differences may be observed between different regions locally. The western part of the country, which is under the influence of warm maritime air from the Adriatic and Ionian seas, has more moderate temperatures than the rest of Albania. For example, Saranda, on the southern coast, has average daily temperatures of about 24 °C in July and about 9 °C in January. The eastern part of the country is mainly under the influence of continental air and is characterized by mild summers (due to the high elevations) and cold winters. Peshkopi, in the northeastern mountains, has temperatures that average about 24 °C in July and about –1 °C in January.

Albania experiences plentiful rainfall, though its distribution is irregular both geographically across the country and temporally throughout the year. The average yearly rainfall in Albania ranges widely, exceeding 2,500 mm in the North Albanian Alps and falling below 760 mm in many areas along the eastern border. Approximately 40% of the annual precipitation falls in the winter.

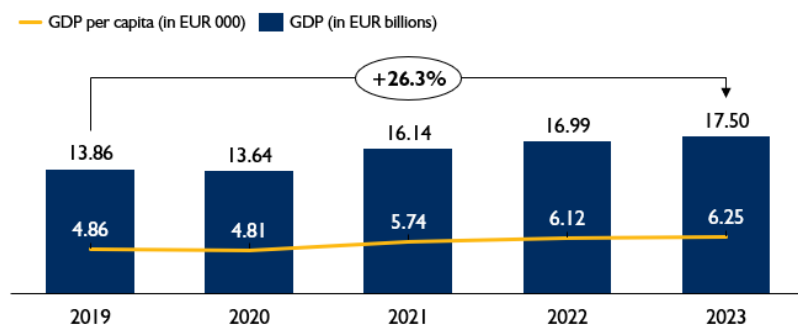
Both inland Albania and coastal Albania experience a high number of sunshine hours throughout the year, with July being the month with the highest number of sunshine hours. Swimming season is from July to September, while June and October are also considered swimming months however with lower sea temperatures.

1.1.2. Economic overview

Republic of Albania – Selected Macroeconomics indicators (2023)	
Population (in millions)	2.8
GDP (current EUR billion)	17.5
GDP per capita (current EUR)	6,252
Life expectancy at birth (years)	76.5
Unemployment rate	13.19
Average gross monthly wage (EUR)	645.7
Export of goods (in million EUR)	311,53
Imports of goods (in million EUR)	679,72

Source: World Bank, Bank of Albania, INSTAT, Horwath HTL, 2024

THE GDP AND GDP PER CAPITA IN ALBANIA, 2019 – 2023

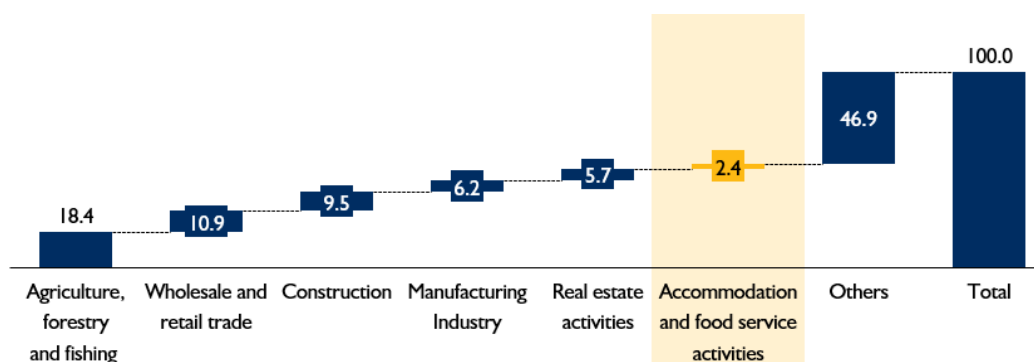


Source: World Bank, Economy.com, Horwath HTL, 2024

Albania's economy has been growing steadily in recent years, helped by reforms and the growth of its trading partners in Europe. The country's economy is emerging and dynamic, successfully navigating challenges like the 2019 earthquake and the COVID-19 pandemic.

Albania bounced back after the pandemic with 26.3% GDP growth from 2019 to 2023, which reached around EUR 17.5 billion in 2023. Due to the strong economic growth in the last decade, combined with the decline of population in Albania, the GDP per capita has steadily increased, from around EUR 4,800 in 2019 to EUR 6,250 in 2023. This upward trend should continue together with the recovery of the overall economy.

INDICATORS ACCORDING TO ECONOMIC ACTIVITIES, 2021



Source: INSTAT, Horwath HTL, 2024

The most significant components of the Albanian economy in 2021 were Agriculture, Wholesale and trade, Construction, Manufacturing, and Real estate, collectively contributing to over 50% of the country's GDP. Accommodation and food services constituted 2.4% of the GDP, ranking 13th on the list.

NUMBER OF EMPLOYEES IN TOURISM SECTORS, 2018 - 2022

Year	Accommodation	Food and Drink Service	Travel agents, tourist operators, rent a car, as well as booking services	Total
2018	6,770	27,392	2,371	36,533
2019	8,181	30,237	3,021	41,439
2020	6,535	24,029	2,181	32,745
2021	7,864	23,507	2,760	34,131
2022	9,850	29,339	3,509	42,698

Source: INSTAT, Structural Pool of Enterprises, Horwath HTL, 2024

From 2010 to 2019, Albania witnessed a consistent rise in international tourist arrivals, with the number nearly tripling, culminating in 2019 as a peak year for tourism. This surge in international tourism significantly impacted employment in the service sector, particularly in tourism.

According to INSTAT data, in 2019 those working in the accommodation sector represented 19.7% of all tourism industry employees, an increase from 18.5% recorded in 2018. The total number of workers in tourism-related industries reached 41,439 in 2019, a 13.4% increase from the previous year. Specifically, employment in the accommodation sector grew by 20.8% compared to 2018.

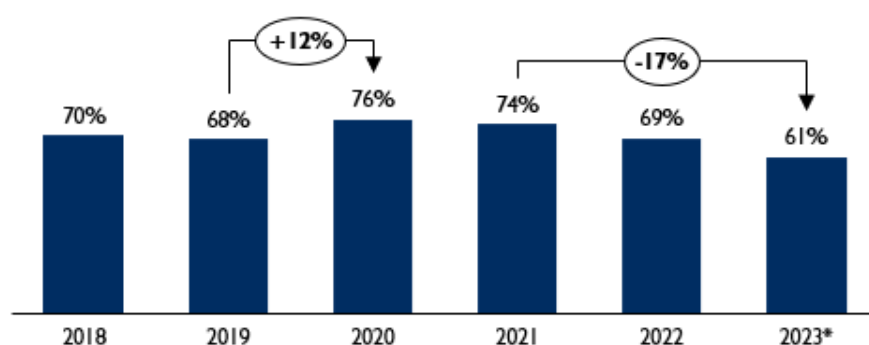
However, 2020 witnessed a decline in the overall employment numbers within the tourism sector, largely due to the adverse effects of the COVID-19 pandemic. According to INSTAT, in 2020, individuals working in the accommodation sector made up 20.0% of the tourism industry's total workforce. During the same year, the number of employees in tourism-centric industries decreased to 32,745, a 21.0% drop from 2019, with employment in accommodation activities reducing by 20.1%.

The initial signs of recovery emerged in 2021, with 2022 showing promise for setting new records. INSTAT's 2022 figures reveal that more than 42,000 employees worked in tourism sector, with majority (69%) working in food and drink services.

It's important to note that despite recent progress, significant disparities persist in the labour and business sectors regarding gender inequality. As of 2022, only 31.2% of active legal entities were owned or managed by women, marking a decline from 2021 across both the productive economic activities and the service sector. Notably, women's ownership or management is more prevalent in the service sector, accounting for 33.4%, compared to 17.2% in the production sector. Regionally, the highest concentrations of enterprises with female owners or managers were found in Tirana, at 33.5%, and Vlora, at 31.3%.

However, tourism emerges as one of the top three sectors for women entrepreneurs, alongside agriculture and manufacturing. According to the 2021 Council for Regional Cooperation report, 40.11% of active enterprises led by women are in the "Other services" category. This is followed by "Trade" at 34.3% and "Accommodation and catering services" at 28.57%, highlighting the significant involvement of women in these areas.

PUBLIC DEBT AND GUARANTEES, 2018 – 2023 (% OF GDP)



Source: Bank of Albania, Horwath HTL, 2024

Note: Data for 2023 include only the year's first two quarters.

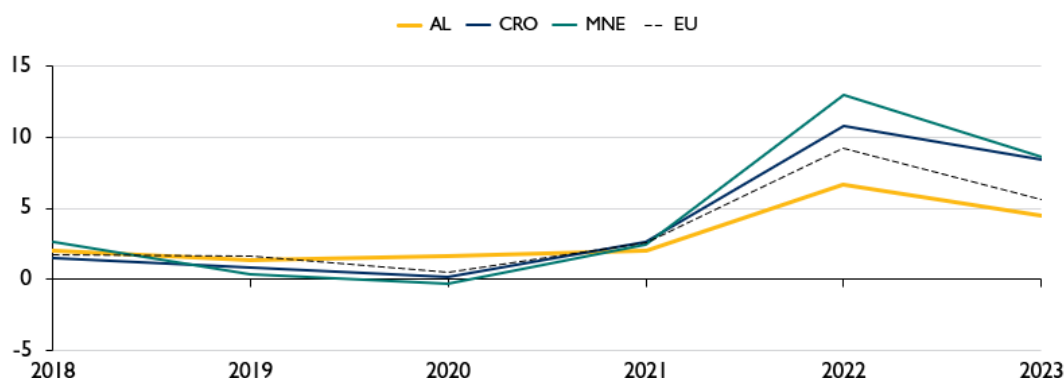
The pandemic, along with global inflation primarily driven by the military conflict between Russia and Ukraine and the worldwide increase in interest rates by Central Banks, have intensified challenges in economic growth, public debt and inflation (such as the 7% rate experienced in 2022).

Additionally, the cost of borrowing is on the rise, and there's an increasing difficulty in finding adequately skilled labour across various economic sectors, largely due to the emigration of skilled workers.

Despite these challenges, Albania managed to reduce its public debt, thanks in part to higher budget revenues largely arising from inflationary pressures and an unusual strengthening of the Albanian lek against the Euro.

While a weaker Euro helped to contain inflation in the fourth quarter of 2022 and the first quarter of 2023, it adversely impacted domestic production and export volumes, negatively affecting the current account balance.

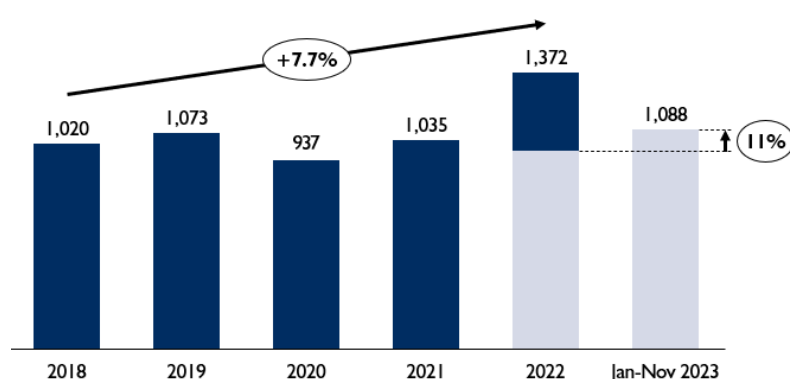
INFLATION RATE COMPARISON, 2018 – 2023 (%)



Source: Bank of Albania, Economy.com, Horwath HTL, 2024

In 2022, a year marked by a global spike in inflation, Albania succeeded in keeping its inflation rate below the EU average, recording a rate of 6.7%. This figure was considerably lower than the rates in Montenegro (13%) and Croatia (10.8%). Albania's inflation rates have historically been relatively stable, with minor fluctuations in both directions. As of 2023, Albania continues to exhibit a lower inflation rate compared to its regional counterparts and the EU average, recording an average annual inflation rate of 4.5%. This financial stability suggests that Albania presents an attractive environment for investments.

FOREIGN DIRECT INVESTMENT, 2018 – 2023 (IN MILLION EUR)



Source: aida.gov.al, bankofalbania.org, worldbank.org, tradingeconomics.com, spglobal.com, moodys.com, Horwath HTL, 2024

Note: The data for 2023 includes the first three quarters of the year.

In the last decade, foreign direct investments (FDIs) in Albania have seen an uprising trend, besides 2020, mostly due to capital investments in energy projects (e.g., Trans-Adriatic Pipeline and Devolli Hydropower). However, in the last 2-3 years the driving force for the FDI surge has been primarily the real estate market in which only non-resident investment has surpassed EUR 291 million for 2022 (21.2% of the total amount). Based on the official data of the Bank of Albania, in 2022 the FDIs reached a high-record amount of EUR 1.372 million - 32.5% more than in 2021. Based on the data from the first three quarters of 2023, it is anticipated that the total for 2023 will surpass that of the previous year. This expectation is because there was an 11% rise in the first three quarters of 2023 compared to the same timeframe in the preceding year. For 2022, based on sectoral composition - besides the real estate contribution - FDIs are mainly concentrated towards the extractive industries - 19.5 % (e.g., oil and gas, mining), the energy sector - 12.7%, banking and insurance - 11.5%, and information and communication technology. Data from the Bank of

Albania shows that in 2022, the FDI flows total was EUR 1,372 million, with the Netherlands (EUR 219 million), Italy (EUR 136 million) and Germany (EUR 91 million) as the main investing countries.

This upward trend of foreign investments, coupled with announcements of significant infrastructure investments and EU accession efforts, reflects Albania's commitment to enhancing its competitiveness and appeal in the international tourism market. In April 2023, Standard & Poor's (S&P), an international rating agency, reaffirmed Albania's sovereign credit rating at B+ with a stable outlook, indicating confidence in the country's economy. Similarly, Moody's rating for Albania stands at B1.

1.1.3. Historical and political overview

Albania is a unitary parliamentary constitutional republic. The executive power is exercised by the Government, more precisely the Council of Ministers, which is led by the Prime Minister.

The current Prime Minister is Edi Rama, who won elections with his Socialist Party in April 2021 for the record-setting 3rd consecutive term. His re-election broadly means policy continuity as he has been serving as Prime Minister since 2013. Mr Rama stated that one of his program's priorities is to make Albania the 'Balkan champion' in tourism – thus sending clear signals that further development of tourism is at the top of the government's agenda.

Currently, the President is Bajram Begaj. The Parliament elects the President for a 5-year term. The current President was elected in 2022. The presidential mandate is quite limited in its power and is rather emblematic.

Albania joined the World Bank (WB), the International Monetary Fund (IMF), and the European Bank for Reconstruction and Development (EBRD) in 1991. Also, the country joined the World Trade Organization (WTO) in 2000 and became a full member of the North Atlantic Cooperation Council (NATO) in 2009.

Albania applied for European Union (EU) membership in April 2009 and since June 2014 has been a candidate for accession to the EU. In March 2020, Albania was granted to open accession negotiations with the EU. As of March 2023, there have been 12 EU-Albania Stabilisation and Association Council meetings. In the latest Council's conclusions on enlargement and the stabilisation and association process, the Council recognized Albania's progress in advancing the EU reform agenda and welcomed its progress in the rule of law.

Albania's commitment to gender equality is also further reinforced by Albania's ambition to join the EU, where the gender-equality acquis is a key requirement. Albania is also a signatory to several international instruments to guarantee the equality of women and men and eliminate gender-based discrimination.

At the same time, they have emphasised the need to intensify efforts to establish a solid track record on high-level corruption, make tangible progress on freedom of expression and transparently consolidate property rights.

1.1.4. Infrastructure and accessibility

INFRASTRUCTURE

Currently, developmental projects in Albania are focused on improving connectivity with neighbouring and EU countries and fostering renewable energy sources with the robust support of International Financial Institutions (IFIs).

KEY TRANSPORT AND ENERGY INFRASTRUCTURE PROJECTS

1. **Vlora International Airport** is currently under construction. The EUR 105 million project contractor is Mabetex and it is expected to be operated by the Munich Airport. The completion is scheduled for December 2024.

-
2. **The Llogara tunnel project** (5,9 km long tunnel, EUR 142 million investment) which will significantly ease road access from Vlorë to Albanian Riviera's southern tourist hotspots is projected to start operating in August of 2024.
 3. **Durres Marina and Port development** projects by UAE-based Eagle Hills have received permits with the expected end of the first phase of development being 2028-2030, and the overall project is planned to finish within 20 years. The project is a joint-stock company in which GoA has 33% of the shares.
 4. **Spitalla PV Solar Plant in Durres** with 100 MW installed capacity developed and an investment value of EUR 152.6 million, and expected completion date is December 2025.
 5. **Karavasta PV solar** plant in Fier County, with a power of 140 MW with a total investment value of EUR 135 million is expected to be commissioned by December of 2023.
 6. **Albania – Greece, a 130-kilometre-long railway system** for both freight and passengers is announced, connecting Pogradec to Kristallopigi, with planned execution by 2028.
 7. **Integration of Arberi Highway as part of SH61 and SH6.** This single-carriageway highway connects Tirana with the Diber region and enables a faster connection between Albania and North Macedonia. The remaining part of the highway is the Murrizi tunnel, which is expected to be completed by the end of 2023.
 8. **Adriatic-Ionian motorway** is a long-term strategic project supported by the EU (or the Blue Corridor,) with a length of 315 km through Albania. Currently, some segments of it are under construction (Thumane-Kashar) and are expected to be completed in 2030.
 9. Strategic investments in the **railway system** are planned to start shortly (Vore-Hani i Hotit railway line in 2023 – 2024 and Albania - Kosovo in 2024 –2025)
 10. The World Bank endorsed a five-year **Country Partnership Framework for Albania**, in March 2023, from 2023 to 2027 with an indicative worth of USD 900 million, together with four new operations:
 - Building Resilient Bridges Project, worth USD 100 million and for rehabilitation of bridges at risk and maintenance systems
 - Climate Resilient and Competitive Agriculture Project, worth USD 70 million, focused on enabling innovation in agriculture
 - Universal Access to High Standard Public Services (GovTech) Project, worth USD 65 million for public services digitalisation
 - Development Policy Financing worth USD 120 million for economic resilience and environmental sustainability
 11. **EBRD** currently supports numerous projects in **developing sustainable infrastructure** with a total value of EUR 622 million
 - EUR 60 million for developing tourism-enabling infrastructure projects in Berat, Korça, Fier and Shkodra
 - EUR 100 million EBRD and EU programme to support rehabilitation of natural and cultural heritage sites and infrastructure across the country
 - EUR 7.11 million for supporting SMEs in the agribusiness and tourism industry
 - To date, EBRD has invested almost EUR 2 billion in over 130 projects across Albania
-

Source: centreforaviation.com, skift.com, politiko.al, railwaypro.com, lokimagazine.com, Horwath HTL, 2024

LAND ACCESS AND ROAD TRANSPORT

Albania has a total road network of about 18,600 km: 1,500 km of national roads and 17,100 km of regional, local, and urban roads. European routes E86, E762, E851, E852 and E853 either pass through the country or end at the border of Albania.

As for border crossings, Albania has a total of 21 border crossings with 4 countries, namely 6 with Montenegro, 5 with Kosovo, 5 with Macedonia and 5 with Greece.

Transport services to, from, and within tourist destinations in Albania are predominantly managed by licensed private companies.

In terms of local mobility within towns, public transport typically operates from fixed bus stations. However, these services often lack consistent frequency and schedules. Public transport connecting town centres to villages is notably infrequent. Coastal areas and tourist cities, like Saranda, Vlora, and the Ionian coast villages, require significant enhancements in transport service, particularly in terms of frequency, to better serve tourists during peak seasons like summer.

Tourist transportation is organized by licensed local ground operators (Destination Management Companies or DMCs) who own their vehicles, as well as by tourist transport firms that provide services to inbound tour operators and other transport needs. This sector is regulated and licensed by the Ministry of Transport.

Presently, globally recognized taxi applications such as Uber or Bolt are not available in Albania. Despite the existence of local taxi apps, none have garnered significant recognition or usage among tourists. This absence of prominent global platforms is underscored by the limited interest from companies like Bolt or Uber to extend their services, largely due to the relatively small and evolving nature of the taxi market in Albania.

This situation may pose challenges for tourists, as the predominant method of ordering taxis still relies on outdated practices such as calling or waiting at taxi stands.

While there has been progress in road signage, issues with the frequency and clarity of directional signs to destinations and attractions remain.

The main primary road infrastructure is being improved in areas of tourist interest. Noteworthy realised projects include the new road and tunnel linking Gjirokastra with Saranda, the bypass connecting Vlora town with Orikum, the new Orikum – Dukat segment towards Llogara, and the bypass of the coastal road from Palasa to Dhermi. The Llogara tunnel, still under construction, is also expected to enhance access to South Albania. Regional road improvements include the upgraded road from Vlora town to Kuc village in the Shushica River valley, with extensions to Qeparo village on the Ionian coast and towards Nivica in the hinterland, continuing towards Tepelene. However, tertiary roads leading to rural destinations are still in poor condition and require further development.

Despite considerable investments, the general condition of the road infrastructure remains subpar, particularly the local roads which are of low quality. The safety standards of highways and expressways in Albania fall short of European expectations and require enhancements to meet the anticipated demands of future tourism in Albania. In terms of tourism development, the priority for future investments will be to enhance the connectivity to key tourist destinations such as Durres, Vlora, and Saranda.

MARITIME ACCESS

There are four seaports in Albania: Durres, Vlora, Shengjin, and Saranda. The port of Durres is the largest in Albania. According to Durres Port Authority, more than 820 thousand passengers, 96 thousand vehicles, 4.07 million tons of freight, and more than 145,000 containers flow through Durres port. The port of Durres has direct lines to the Italian ports of Bari, Ancona and Trieste, while the port of Vlora is connected to the port of Brindisi. Port of Vlora has significantly lower numbers than Durres, handling annually approximately 59,700 passengers and 293 thousand tons of freight.

Passenger transport is eased by the investments in the modernization of the passenger terminal in Durres, and the ferry terminal in Saranda, which offers good services for passengers. Despite the strategic positioning of Albania's seaports as gateways to major tourist destinations, they are comparatively underused for passenger transportation.

Currently, there is only one marina for tourism purposes in Albania, and that is Orikum Marina, which has around 100 berths and is in the Bay of Vlora. A significant turning point is underway with the initiation of a EUR 2 billion investment by UAE-based Eagle Hills, aiming to transform the Durres port into a luxury mixed-use resort community. Vlora Marina is another project currently under construction with a planned 438 berths.

Regarding cruise travel, Albania is emerging as a noteworthy destination, garnering increasing attention from cruise lines. Nevertheless, the current status of Albania in the cruise industry presents challenges, particularly in port infrastructure, which is not yet fully equipped to handle the influx of large cruise ships. Additionally, the growing popularity of cruise travel raises concerns about sustainable development, as the heightened activity places environmental strain on coastal regions.

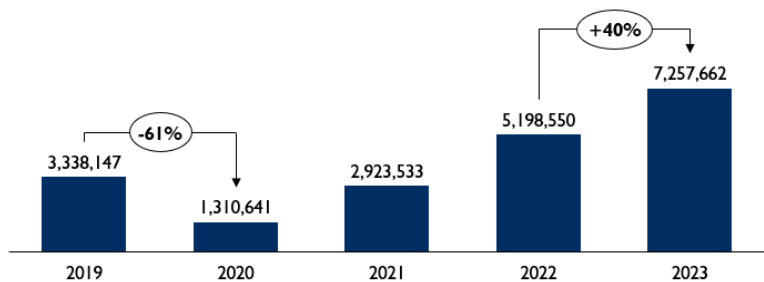
RAILWAY ACCESS

The existing railway network in Albania consists of 363 km of mainline and approximately 100 km of secondary. Due to the current condition of the rail infrastructure, the speed does not exceed 55 km/h for passenger trains and 45 km/h for goods transportation.

Currently, Albania is working on a railway connection with Montenegro (a freight connection was inaugurated in 2017) and is in talks to construct a rail connection with Greece. The rehabilitation of the Tirana-Durres rail section and the construction of a new rail link to the Tirana International Airport is one of the most important projects in the pipeline. The travel times to the airport will be significantly shorter, taking 22 minutes from Tirana to the Durres port, and only 12 minutes to Tirana airport.

AIR ACCESS

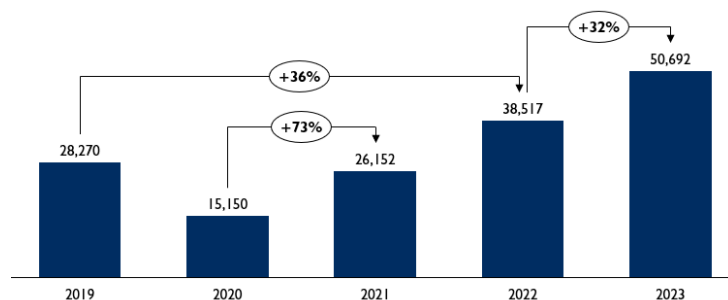
TIRANA AIRPORT – PASSENGER TRAFIC, 2019 – 2023



Source: tirana-airport.com, Horwath HTL, 2024

Albania is currently most easily accessed by air via Tirana International Airport (TIA). The airport is situated 20 km north-west of the centre of Tirana, and 30 km north-east from the centre of Durres. The airport handled a total of 3.3 million passengers in 2019, and a total of 5.2 million passengers in 2022, recording a 56% increase. During the pandemic year of 2020, the airport handled a total of 1.3 million passengers, a 61% decrease from the previous year. According to the latest report from Tirana International Airport, the airport handled over 7.2 million passengers this year, surpassing by 39.6% the previous year's achievement of 5.2 million passengers. The highlighted growth corresponds with prevailing tourist trends, notably reflected in Albania's notable uptick in tourist arrivals. This growth is further bolstered by Wizz Air's dominant position in the market, as the airline consistently expands its route network, thereby contributing to the overall increase. Furthermore, Tirana Airport has implemented a proactive strategy aimed at enticing new airlines through incentive programs and discounts. This initiative led to 25 airlines maintaining regular flights to the Albanian capital throughout the 2023 summer season, while an additional ten operated seasonal charters.

TIRANA AIRPORT, NUMBER OF FLIGHTS, 2019 – 2023



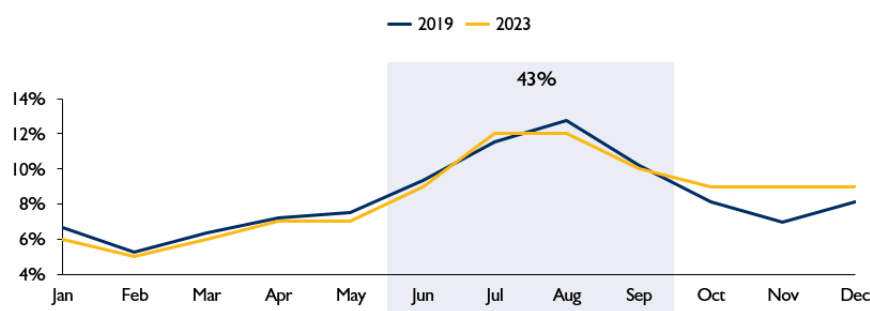
Source: tirana-airport.com, Horwath HTL, 2024

In 2022, there was a notable increase in flights, surpassing the previous record of 2019 by 36%. This surge signified a robust recovery of air traffic following the downturn experienced in 2020 due to the pandemic.

Wizz Air's network expansion played a key role in this growth, indicating its significant presence in the Albanian market. This was largely driven by the introduction of new routes and the stationing of four additional aircraft in Tirana towards the end of 2021.

In 2023, there was once more a notable rise in flight volume, mirroring the increase in passenger numbers. With passengers growing at a slightly higher rate than flights, it suggests that airlines optimized their routes and schedules to improve efficiency.

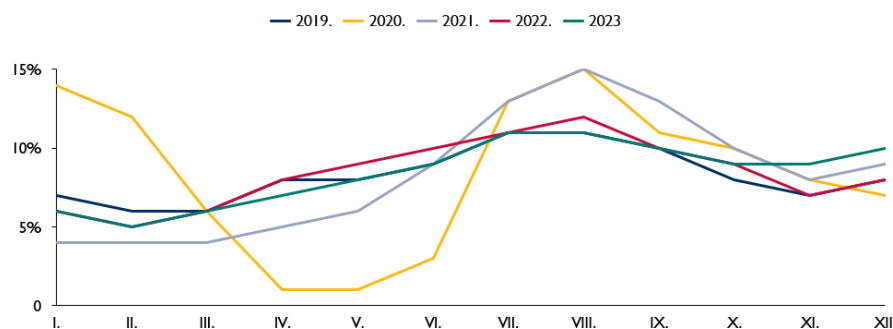
TIRANA AIRPORT, PASSENGER SEASONALITY, 2019 – 2023



Source: tirana-airport.com, Horwath HTL, 2024

The airport experiences pronounced seasonal variations, particularly between June and September. During this period in 2023, the airport handled 43% of its total annual passenger volume, amounting to 3.1 million travellers.

TIRANA AIRPORT, SEASONALITY OF FLIGHTS, 2019 – 2023

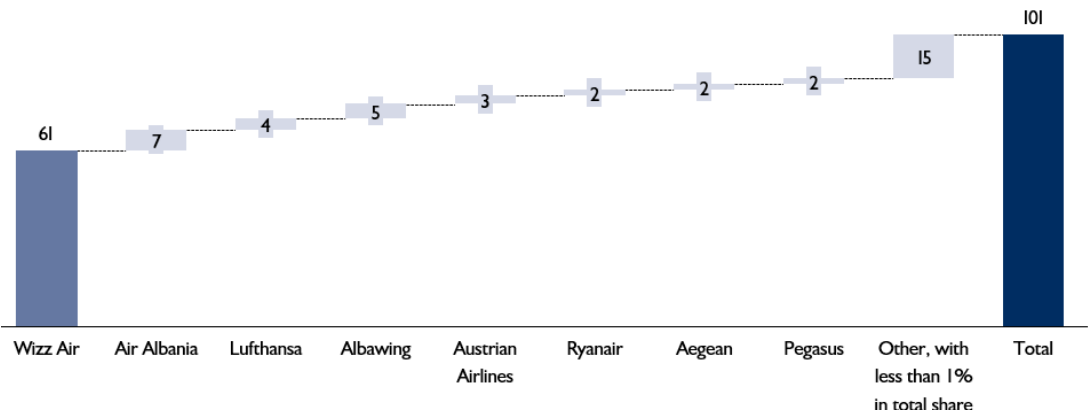


Source: tirana-airport.com, Horwath HTL, 2024

At Tirana International Airport, flight patterns are strongly influenced by tourism, particularly during the key summer months of June to September. In 2022, this period accounted for 43% of the year's total flights, highlighting the peak tourist season.

Conversely, there's a decrease in flights during the off-peak seasons of late fall and early spring. To cater to these demand shifts, airlines routinely modify their flight schedules and routes. However, the seasonality curve for the year 2023, is notably more favourable in comparison to the curve for 2022, indicating a potential change in market and demand trends.

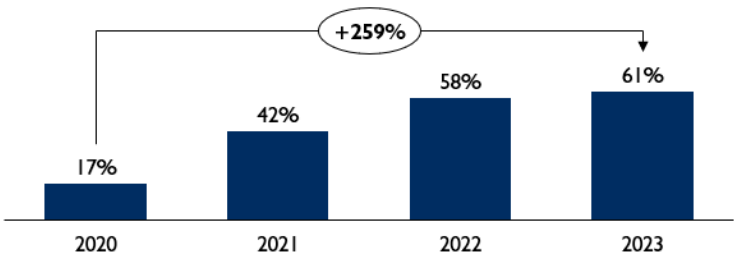
MARKET SHARE BY AIR CARRIER, 2023



Source: tirana-airport.com, Horwath HTL, 2024

By December 2023, Wizz Air emerged as the leading airline at Tirana International Airport, representing a 61% market share. Air Albania and Lufthansa followed with 7% and 4% respectively.

WIZZ AIR'S MARKET SHARE, 2020 – 2023



Source: wizzair.com, tirana-airport.com, Horwath HTL, 2024

Wizz Air has seen substantial growth in Albania, reflecting its broader expansion across Europe. The airline commenced its operations in Albania in 2017 and has since transported over 650,000 passengers within five years. In 2020, Wizz Air opened its base in Tirana, initially launching 15 routes to 8 counties. In 2021, Wizz Air enhanced its presence in Tirana by adding four new aircrafts, initiating six new routes, and making available over 1.2 million seats.

By the end of 2023, Wizz Air aimed to further increase its reach to 51 destinations, including six seasonal routes. Following the above, the airline experienced significant growth in its market share, capturing 61% by the end of 2023, which established it as the largest airline in Albania.

Wizz Air is continuously adding new routes, increasing the frequency of its flights, and incorporating additional aircraft at its hub. A large share of these new routes primarily enhances connections with Italy (32%), Poland (14%), and the United Kingdom (9%). In terms of overall offerings, Italian destinations constitute over a third (34%) of Wizz Air's services, followed by destinations in Germany (14%) and Poland (9%).

However, this dominance might shift with Ryanair's entry, launching 17 destinations and competing with Wizz Air on 11 routes starting 31 October 2023. New routes include destinations such as Manchester, Milan, Prague, Brussels and Stockholm and are expected to carry an additional 700,000 yearly passengers. Ryanair's proven success in similar tourism-concentrated economies, such as Spain, Italy, Portugal and Malta, indicated an optimistic future for international tourist arrivals in Albania.

OVERVIEW OF ORIGIN AIRPORTS WITH THE LARGEST NUMBER OF PASSENGERS, 2022

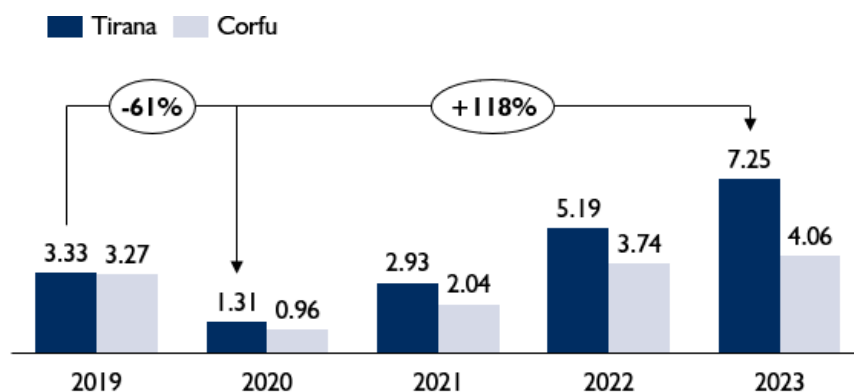
Destination	Passenger	%
London	463,451	8.9%
Milan	326,301	6.3%
Rome	259,658	5.0%
Bergamo	253,347	4.9%
Istanbul	249,248	4.8%
Vienna	212,946	4.1%
Bologna	209,120	4.0%
Pisa	207,782	4.0%
Verona	170,824	3.3%
Frankfurt	162,390	3.1%
Treviso	141,452	2.7%
Bari	137,590	2.6%
Athens	130,018	2.5%
Brussels	119,755	2.3%
Munich	94,923	1.8%

Source: tirana-airport.com, Horwath HTL, 2024

Note: Given that data for 2023 is not yet available, the last available reference year was taken into account.

In 2022, London was the primary source of passengers to Tirana airport, comprising nearly 9% of the total, based on the originating airport. While London holds the top position, it's noteworthy that among the top 15 cities from where passengers travel to Tirana, 8 are in Italy. Combined, these Italian cities contribute over 30% to the total passenger count. This figure doesn't even include other Italian destinations that have direct connections to Tirana but are not in the top 15 destinations by passenger count. This distribution pattern is expected, considering that Tirana Airport has direct flight connections to 21 destinations in Italy.

PASSENGER TRAFIC, TIRANA INTERNATIONAL AIRPORT VS CORFU INTERNATIONAL AIRPORT, IN MILLIONS, 2019 – 2023



Source: tirana-airport.com, cfu-airport.gr, Horwath HTL, 2024

Although Tirana International Airport continuously increases the number of passengers and connected destinations Corfu International Airport remains of high importance for southern Albania – the Riviera due to its close vicinity to the southern coast. While Corfu historically had almost equal numbers, with the post-pandemic period and as interest in Albania grew, Tirana Airport surpassed Corfu by almost 56% in 2023.

Kukes International Airport is Albania's second international airport and after a EUR 24 million reconstruction investment, it had its inaugural flight in April 2021. The airport is expected to offer a gateway for tourists visiting the eastern part of the country but is also expected to encourage the economic development of the Kukes district.

A game changer for Albanian Riviera, air travel accessibility-wise, will be the new Vlora International Airport (VIA), the third international airport in Albania, with the completion expected in December 2024. The new airport is projected to have a 3.2-kilometre (2-mile) runway and is planned to be able to handle initially up to 2 million passengers a year. It will also offer aircraft maintenance services, which are not currently available in the country. VIA will bring considerable benefits to the overall economy, tourism and hospitality industry in Albania, and end the dependency on Corfu International Airport for tourists visiting the southern part of the country.

I.2. TOURISM MARKET ANALYSIS

The Tourism Market Analysis encompasses a comprehensive examination of factors influencing the country's tourism sector and includes four analytical activities, strategically designed as follows:

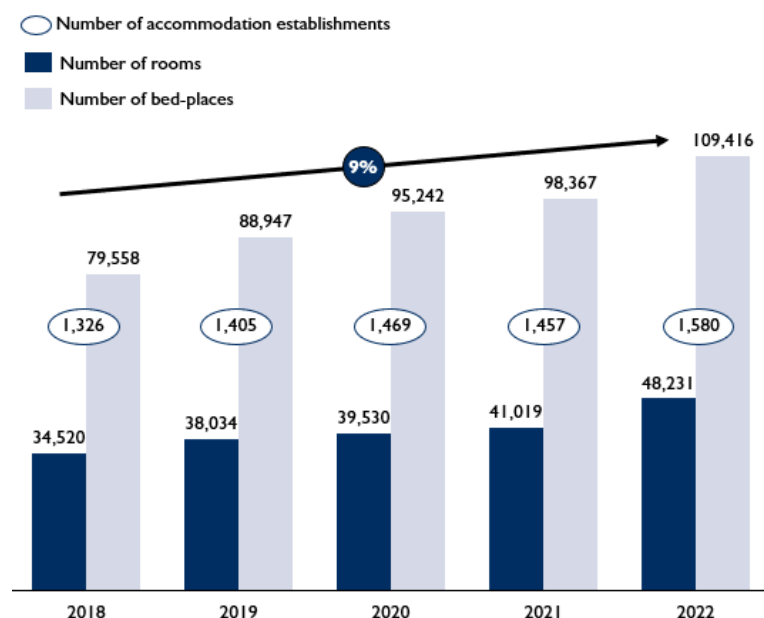
1. A Tourism Supply Analysis will examine the quantitative and qualitative aspects of the current tourism supply in Albania, including a detailed investigation of accommodation capacities, encompassing types, star ratings, and regional distribution. Additionally, the analysis will delve into key demand generators and the identification and classification of tourism attractions based on attractiveness and competitiveness.
2. A Tourism Demand Analysis will assess critical data components, including international arrivals and overnights over the past five years, arrivals by purpose and mode of transport, and source markets. Seasonality and the geographical dispersion of demand across different areas will also be examined.
3. The Key Performance Indicators (KPIs) Analysis delves into obtaining and analysing a comprehensive set of quantitative indicators for the accommodation sector in Albania. This will include metrics such as average daily rates, revenue per available room, occupancy rates, overnights, total revenue, and similar aspects for hotel accommodation and short-term rental assets.
4. Key Investment Trends in Tourism and Hospitality activity aim to identify current tendencies in the hotel pipeline. The emphasis will be on key metrics, current development projects, investment project sizes, and establishing investment standards and averages.

This strategic approach ensures a thorough understanding of the market dynamics.

I.2.1. Tourism supply analysis

ACCOMMODATION CAPACITIES ANALYSIS

ACCOMMODATION FACILITIES SUPPLY, 2017 – 2022



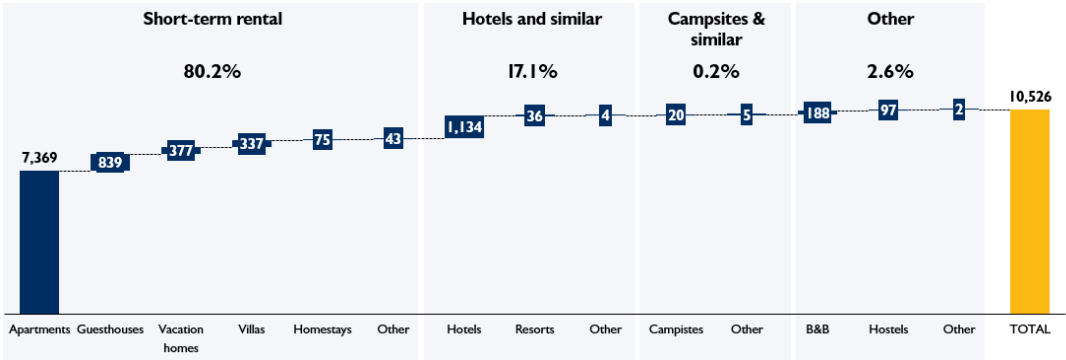
Source: INSTAT, Horwath HTL, 2024

According to the latest INSTAT data, in 2022, 109,416 bed-places and 48,231 rooms were operating throughout the country. Over the past five years, the sector has shown notable growth, with a compound annual growth rate of 9%. In the last 5 years, the number of rooms has significantly increased (38%), as well

as the number of bed-places (40%), a trend aligning with Albania's entry into a phase of tourism growth. Continued growth at similar rates is anticipated, highlighting the need for strategic management and development of preferred accommodation categories over less desirable ones like short-term rentals.

This growth outpaces regional peers. For example, Croatia saw its bed-places grow by just under 5% annually over the same timeframe. Albania's expansion can be linked to various factors, including a rise in tourism demand, market growth, and an increase in officially registered and licensed accommodations. However, this trend might also suggest shortcomings in data collection, leading to inconsistencies in official statistics regarding actual accommodation capacities, as indicated by discrepancies in different data sources.

ACCOMMODATION ESTABLISHMENTS AVAILABLE ON BOOKING.COM 2023



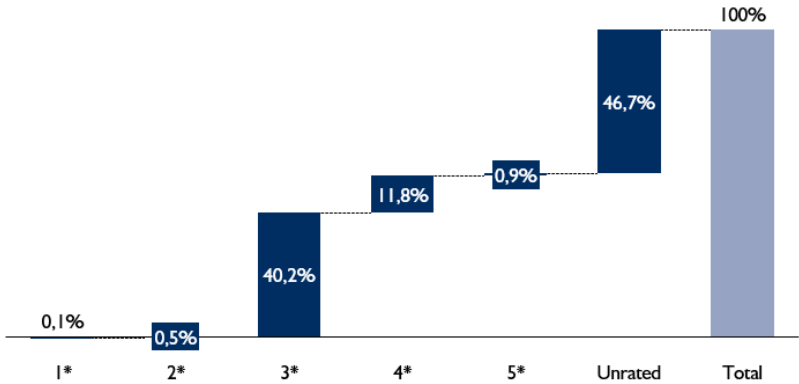
Source: Consultant analysis of Booking.com (July 27th, 2023), Horwath HTL, 2024

Booking.com is one the most widely utilized marketplaces for accommodation globally, including those in Albania. Given its extensive usage in Albania, tapping into the data from this platform can yield valuable insights into the country's accommodation industry, due to a lack of official, reliable and up-to-date tourism statistics. In July 2023, a Horwath HTL scheduled research was undertaken to collect information on capacities listed on the platform.

According to the research, the total online capacities were 10,526 establishments.

Short-term rental is the largest supply segment, accounting for 9,040 establishments, while hotels and similar accommodations account for 1,174 establishments. Campsites and similar accommodations accounted for 25 establishments, while other accommodation capacities accounted for 287. Should this dominance of short-term rental persist, it could challenge the country's efforts to diversify its tourism offerings and attract additional, niche market segments, which often demand various accommodation options.

ANALYSIS OF AVAILABLE ESTABLISHMENT ON BOOKING.COM BY STAR RATING, 2023



Source: Consultant analysis of Booking.com; Albania Hotels & Chains Report 2021, Horwath HTL, 2024

According to the Horwath HTL scheduled research on Booking.com in July 2023, most of the accommodation supply in Albania offered on Booking.com is of lower quality, i.e., of the economy and

midscale rating in terms of international categorisation and of 3* in terms of star rating (40%). It's important to note that this analysis is somewhat imprecise as it's based on the number of establishments rather than capacity. Given the lack of a dependable statistical system, this represents the most accurate categorization approximation available.

Caution is advised when considering these numbers since the official system for categorizing accommodation capacities is not yet fully operational. The categories/stars are currently mostly self-managed by accommodation providers, as the country has still not updated the Tourism Law to properly categorize and license all types of accommodation providers. The respective law on categorisation and hotel ranking was approved in 2016. However, bylaws and relevant regulations/methodology are not enforced yet by the Government of Albania (GoA).

Analysis of star ratings reveals that over 46% of properties do not have an official rating, highlighting the absence of a formal categorization system. Among those that are rated, the 3-star category is predominant, with 40% of the total share. Only about 15% of the accommodations hold a 4 or 5-star rating.

Currently, a limited number of global hotel chains have a presence in Albania, primarily in major urban and tourist centres. In 2023, five international hotel brands — Marriott, Melia, Hilton Garden Inn, Best Western Premier, and Radisson — were in operation within the country. According to international classification standards, most of these brands are considered Upscale.

OVERVIEW OF LICENCED AND CERTIFIED ESTABLISHMENTS BY MINISTRY OF TOURISM AND ENVIRONMENT, 2023

TYPE	Number	Share
Hotels	1,092	57%
Bed & Breakfast	351	18%
Hostels	131	7%
Motels	27	1%
Dormitory	21	1%
Healing centres	16	1%
Resorts	12	1%
Camping	10	1%
Uncategorized structure	238	13%
TOTAL	1,898	100%

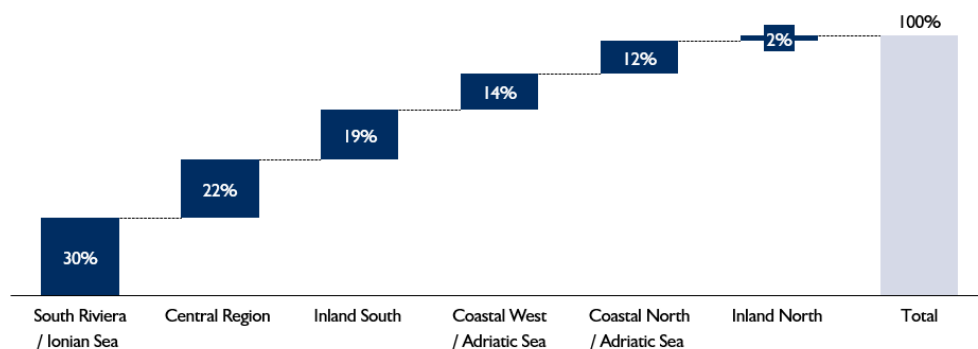
Source: Ministry of Tourism and Environment, Horwath HTL, 2024

The absence of a proper licensing system in the industry has led to significant discrepancies between the official figures from the Ministry of Tourism and Environment (Hereinafter: MTE), which includes data from local municipalities, and the numbers on online booking platforms.

As per MTE, there are 1,898 licences and certified establishments, while Booking.com reports 10,526 active ones, indicating a disparity of over 8,600 establishments. This data suggests a notable portion of Albania's tourist accommodations operate without regulation or documentation, falling under the category of what is commonly referred to as the grey economy sector.

This situation highlights a clear gap between existing licensing and certification policies and their actual implementation.

HOTEL ACCOMMODATION AVAILABLE SUPPLY, 2023



Source: Booking.com (July 27th, 2023), Horwath HTL, 2024

Note: The Coastal North / Adriatic Sea region includes the cities of Shkodra (including Velipoja), Lezhe, and Shengjin; the Central Region includes the city of Tirana; the Coastal West / Adriatic Sea includes the city of Dures (including Golem); the South Riviera / Ionian Sea includes cities of Vlora, Himara (including Palasa, Dhermi, Drimadhes) and Saranda (including Ksamil); the Inland South region includes cities of Pogradec, Korca, Berat, and Gjirokastra.

According to the scheduled Horwath HTL research on Booking.com in July 2023, 1,174 hotels and similar establishments were available online. When it comes to supply by region, 56% of the hotels are located in the coastal regions, followed by the Central Region with a 22% share in total supply.

The Inland South region (19%) has a much larger share of hotel capacity in the overall structure than the Inland North region (2%), given that well-known tourist destinations such as Gjirokastra, Berat and Permet are located there.

CATEGORISATION OF HOTEL AND SIMILAR ACCOMMODATION ESTABLISHMENTS IN ALBANIA ON BOOKING.COM, JULY 2023



Source: Booking.com (July 27th, 2023), Albania Hotels & Chains Report 2021, Horwath HTL, 2024

Note: A difference in the total number of establishments available and establishment categorised indicates some establishments are not included in any category.

In terms of international categorisation most of the hotel supply currently offered in Albania is of midscale quality, approximately 30%, and upscale quality, about 32%, which corresponds with the 3- and 4-star ratings. Only 4% of hotels are rated 5*, which resonates with the still-developing hospitality market and the early stages of attracting internationally recognized luxury brands.

Currently, the lack of proper licensing and categorisation procedures implementation results in categorisation being reliant on the subjective assessment of the owner. The rating would likely differ if it adhered to international categorisation standards, and it can be assumed that in the majority of the cases, the rating would be lower. Additionally, lack of categorisation implementation is also the reason for a high percentage (32%) of unrated hotels.



Source: Booking.com (July 27th, 2023), Albania Hotels & Chains Report 2021, Horwath HTL, 2024

Even though hotel/resort developments that are in the pipeline are tied with a significant number of globally recognised brands (e.g. several Accor brands, Melia, Hilton, Hyatt, etc.), the share of branded hotels in total hotel supply is currently very low, amounting to 2% of total supply in 2020, (based on the Albania Hotels and Chains Report).

SHORT-TERM RENTAL AVAILABLE SUPPLY, 2022 – 2023

Region	2022		2023		YoY % Growth
	Listings	% of Total	Listings	% of Total	
Coastal North / Adriatic Sea	589	6%	1,188	7%	102%
Inland North	44	0%	59	0%	35%
Central Region	2,764	27%	5,377	30%	95%
Coastal West / Adriatic Sea	1,059	11%	2,258	12%	113%
Inland South	750	7%	1,270	7%	69%
South Riviera / Ionian Sea	4,870	48%	8,029	44%	65%
Albania	10,076	100%	18,181	100%	80%

Source: AllTheRooms.com, Horwath HTL, 2024

Note: The Coastal North / Adriatic Sea region includes the counties of Shkodra and Lezhe; the Inland North includes the counties of Kukës and Diber; the Central Region includes the Tirana and Elbasan counties; the Coastal West / Adriatic Sea includes the county of Durrës; the South Riviera / Ionian Sea includes counties of Fier and Vlorë, the Inland South region includes counties of Gjirokastra, Korça and Berat,

According to AllTheRooms.com, there were over 18,200 short-term rental units active on average per month in 2023 in Albania, 80% more than in the previous year.

The listing is considered active when it is discoverable on the provider and it has received at least one booking. The number of short-term rentals has increased significantly in all regions year-on-year, with the exception of the Inland North region, where the stock increased only modestly.

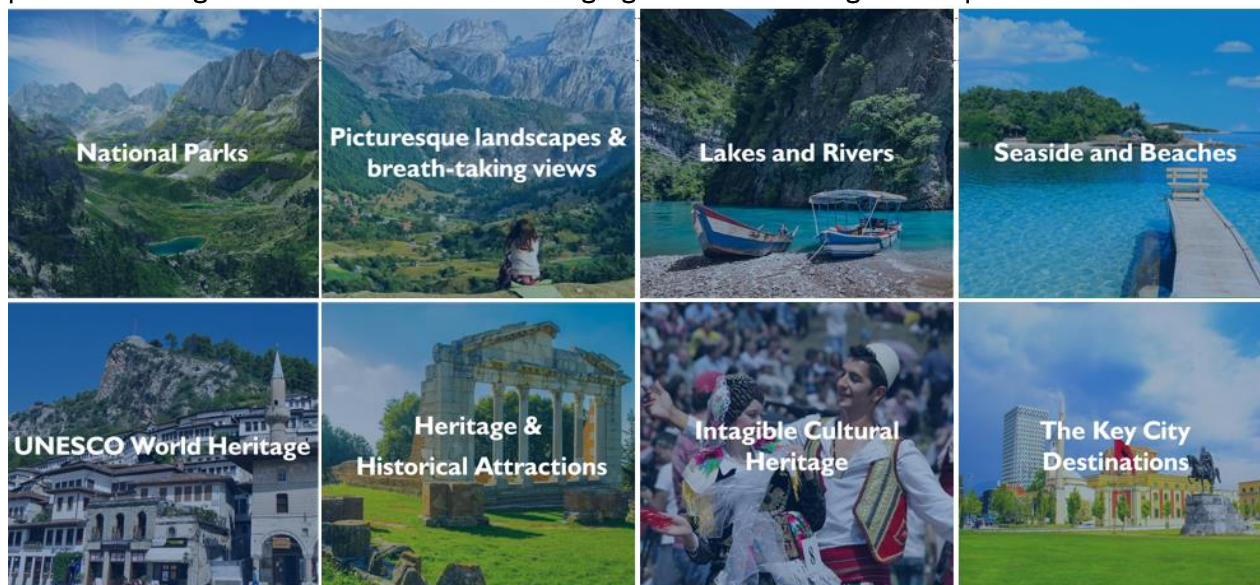
Most, 44%, of short-term rentals are in the South Riviera / Ionian Sea region, followed by the Central Region with 30%. The two regions make up almost three-quarters of the total available supply in Albania.

Additionally, it is evident that the quantity of available short-term rental capacities in inland counties, excluding Tirana, is lower compared to coastal areas. The rapid growth in short-term rental capacities may hinder Albania's efforts to position itself attractively in the tourism market and draw in more affluent tourists.

Given that short-term rental establishments dominate the market and are growing at a faster rate than high-quality hotel options, managing this expansion in an environmentally and socially sustainable way poses a significant challenge, particularly in terms of its overall impact on the destination.

KEY DEMAND GENERATORS OVERVIEW

The following overview outlines the key drivers of tourism demand, which not only highlight Albania's potential in the global tourism market but also highlight areas for strategic development and investment.



Source: Horwath HTL, 2023

NATIONAL PARKS

National parks in Albania represent significant demand drivers for tourism, offering a variety of natural attractions and activities that appeal to tourists seeking adventure, nature, and cultural experiences. The country is home to 15 national parks, including the Butrint National Park, a marine reserve, along with others like Dajti, Divjaka Pine, Gjoçaj Grit, Drenova Fir, Llogara, Lura, Thethi, Shebenik-Jabllica, Prespa, Shtama, Hotova Fir, Tomori Mountain, Valbona Valley, and the Karaburun-Sazan Marine Park. These parks, distributed across the country, are not only recreational hotspots but also hold significant archaeological importance.

Despite their appeal, Albania's national parks face challenges in infrastructure and services. This includes limited access to transportation, inadequate waste management, and a lack of various tourist facilities. To leverage national parks as demand drivers and address these issues, a series of interventions and initiatives are necessary.

PICTURESQUE LANDSCAPES & BREATH-TAKING VIEWS

Albania's appeal lies in its captivating array of landscapes, spanning from its picturesque coastlines to its central and mountainous regions, and the eastern territories. Each area boasts distinct scenery, yet shares the common thread of breathtaking beauty. These diverse landscapes serve as a major attraction for tourists seeking both natural splendour and thrilling adventures.

Furthermore, Albania's varied climate throughout the seasons presents ample opportunities for year-round recreational activities. From late spring to early autumn, visitors can partake in a plethora of outdoor pursuits including trekking, climbing, mountain cycling, river kayaking, and fishing. Meanwhile, the winter months offer ideal conditions for skiing enthusiasts.

However, despite its undeniable appeal and charm, much of the Albanian landscape remains underutilized. This is primarily due to infrastructural challenges, limited transportation options, and a lack of readily available

service packages catering to off-the-beaten-track trips, tours, and excursions, leading to a missed opportunity to fully capitalize on the country's abundant resources.

LAKES AND RIVERS

Many natural lakes and rivers in Albania present a variety of leisure tourism options and can represent a significant driver of tourism due to their natural beauty and recreational opportunities.

Although very attractive, Albanian lakes and rivers still represent an underutilized potential. The limited availability of activities, such as kayaking, fishing, birdwatching, rafting and swimming, fails to draw a substantial number of visitors, given the inherent possibilities.

Furthermore, numerous lakes and rivers boast rich historical and cultural significance, yet there is currently a shortage of tours that delve into these aspects, leaving visitors without an opportunity to immerse themselves in an enriching experience.

SEASIDE AND BEACHES

Albania's coastline boasts numerous pristine beaches and natural wonders. Compared to more developed neighbouring countries like Croatia and Montenegro, the Albanian shoreline remains largely unspoiled.

While sun and beach tourism is a well-established attraction and a significant draw for visitors, it also presents the sector with the greatest challenges. Issues such as overcrowding, excessive construction, and the overflow of short-term rentals signal an immediate need for strategic interventions and initiatives to address these growing concerns.

Additionally, Albanian coastal waters still have considerable untapped potential for additional product and experience development such as active and adventure tourism, gastronomy, nautical tourism etc. Although it only makes up 0.5% of the total capacity of Adriatic ports, Albania has the opportunity to enhance its stature in nautical tourism, having conditions comparable to those of its regional counterparts.

Achieving this will require substantial upgrades to critical infrastructure, which can be accomplished via a combination of public and private investment endeavours.

UNESCO WORLD HERITAGE

Albania's four sites on the UNESCO list of World Heritage can serve as powerful drivers for tourism demand due to their cultural, historical, and natural significance:

1. **The Ancient town of Berat.** Registered as a world heritage in 2005 and ratified in 2008, Berat is the city where traces of the Illyrian, Roman, Byzantine and Ottoman periods can be found.
2. The museum **City of Gjirokastra.** Declared a world heritage in 2005 Gjirokastra is a unique city witness of a cultural tradition of life during the XIV – XIX centuries.
3. **The archaeological site of Butrint.** The first Albanian site to be included on the list was Butrint in 1992. It has been inhabited since prehistoric times and was a part of the Greek and Roman colonies. Later, it was under Byzantine direction, trailed by a short period of Venetian rule and the eventual abandonment of the city.
4. **Albanian folk iso-polyphony** is declared by UNESCO "a masterpiece of the oral and intangible heritage of humanity"

Four attractions are on the tentative UNESCO list: the Amphitheatre of Durrës, the Royal Tombs of Selçuk e Poshtme, The Ancient City of Apollonia, and The Castle of Bashtova.

Given that all UNESCO sites are on the coast or near the coast, there is a significant potential for capturing a larger share of coastal tourists. The full potential of these locations remains untapped, given the limited diversity in tourism products and experiences. Additionally, the absence of strategies to manage visitor numbers, along with insufficient involvement in training and capacity building for service providers, hinders the realization of their maximum potential.

HERITAGE & HISTORICAL ATTRACTIONS

In addition to the cultural heritage recognised by UNESCO, Albania has a rich ancient history, from the Illyrian, Greek and Roman Empires through Byzantine, Venetian and Ottoman influence, which can be experienced through numerous ancient monuments and ruins, archaeological parks, castles and fortresses, stone bridges.

Despite its rich cultural heritage, the cultural monuments of Albania are little known outside the country. In addition, the lack of public transport and packages offered by Destination Management Companies (Hereinafter: DMCs) to non-urban cultural locations discourages day trippers. Also, many sites require significant investment in infrastructure (e.g. parking, toilets, visitor information) to realize their full potential as tourist attractions.

INTANGIBLE CULTURAL HERITAGE

Albania is rich in its folklore, music and dances, tradition, cuisine, handicrafts, myths and legends. Transmitted for generations Albanian intangible cultural heritage has the potential to attract visitors and bolster tourism development in the country. In addition to the traditional production of wine, folk music and traditional clothing, in Albanian rural parts, there is still a living culture of small-scale traditional agriculture and animal husbandry.

Nevertheless, the complete potential of cultural tourism in Albania has not been fully harnessed, primarily due to the missed opportunity to seamlessly integrate tourist centres in the interior with the diverse offerings of the coastal regions. The shortage of tourist itineraries emphasizing culinary and viticultural experiences, along with new food and wine activities and unique accommodation choices like boutique stays in vineyards, poses a significant challenge in enhancing the appeal of land tourism in Albania.

KEY CITY DESTINATIONS

Based on the rich cultural and natural attractions, culinary tradition and a better general and tourism infrastructure, some cities in Albania have succeeded in attracting more tourists, such as Tirana, Vlorë, Berat, Saranda, Gjirokastra and Korça. However, challenges such as infrastructure development, sustainable tourism management, and effective promotion must be addressed to unlock the full potential of these city destinations and ensure a harmonious balance between tourism growth and cultural preservation.

TOURISM ATTRACTIONS SUPPLY

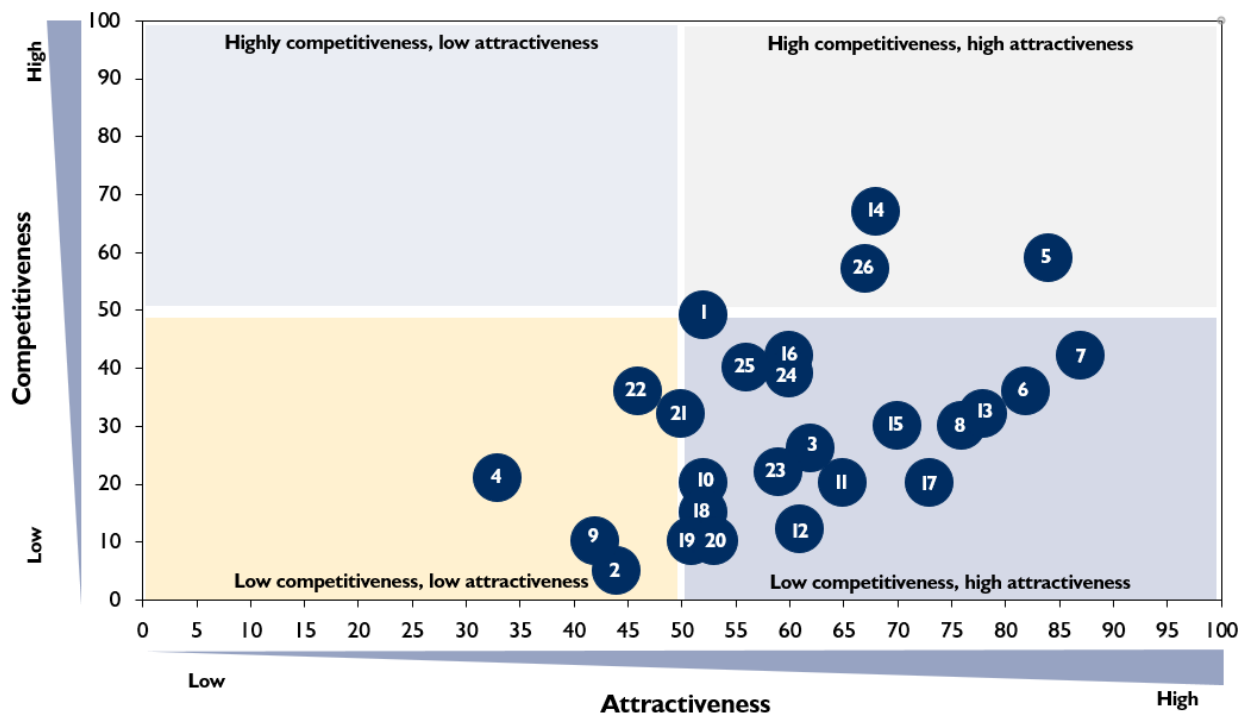
Horwath HTL team of experts focused on identifying 26 key attractions in Albania, leveraging their extensive knowledge of the country's tourism offerings and market dynamics. The prioritisation resulted in a matrix that assessed the competitiveness and attractiveness of each attraction. Attractiveness refers to the overall appeal of a tourism attraction, while competitiveness assesses its ability to stand out in the market. Combining these factors provides a strategic evaluation of an attraction's appeal and its competitive strength within the tourism industry.

Numeric indicators have been assigned to these points of interest, delineated as follows:

1. National Historic Museum, Tirana
2. Rozafa castle, Shkodra
3. Ancient town of Apollonia, Fier
4. Durres Amphitheatre, Durres
5. Museum of Gjirokastra (Castle)
6. Museum of Scanderbeg, Kruja
7. Butrint National Archaeological Park
8. Osumi River and canyons, Skrapar
9. Thermal waters of Benja, Permet
10. Shkodra Lake, Shkodra

11. Koman Lake
12. Albanian Alps National Park (Theti village)
13. Vjosa River National Park
14. Divjake-Karavasta National Park
15. Castle of Berat and Onufri Iconographic Museum
16. Museum of Medieval Arts, Korca
17. The Castle of Porto Palermo, Himara
18. Archaeologic Park of Antigonea, Gjirokastra
19. Llogara National Park
20. Tomorri Mountain National Park
21. Blue Eye, Saranda
22. House of Leaves Museum, Tirana
23. Ancient town of Bylis, Hekal, Mallakaster
24. Durres Archaeological Museum
25. Marubi National Museum of Photography, Shkodra
26. Bunk Art Museum, Tirana

TOURIST ATTRACTIONS CLASSIFIED ACCORDING TO ATTRACTIVENESS AND COMPETITIVENESS



Source: Horwath HTL, 2024

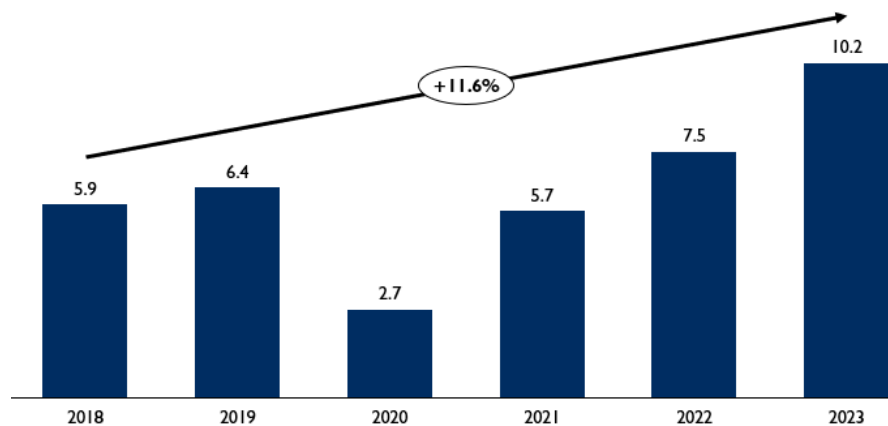
Note: The attractiveness and competitiveness scale has a maximum score of 100, with 100 representing the peak of both competitiveness and attractiveness.

The matrix above reveals a pattern where the majority of identified attractions are positioned similarly - ranking higher on the attractiveness scale (though not exceeding 90) but displaying lower levels of competitiveness, capped at 70.

The aforementioned findings highlight the appeal of Albanian tourist attractions while underlining substantial opportunities for enhancement in areas such as market positioning, promotional strategies, and overall competitiveness within the tourism industry. Strategically addressing these aspects through planning and investment can significantly elevate their standing and fully capitalise on their attractiveness.

1.2.2. Tourism demand analysis

INTERNATIONAL ARRIVALS AT ALBANIAN BORDERS, 2017 – 2023



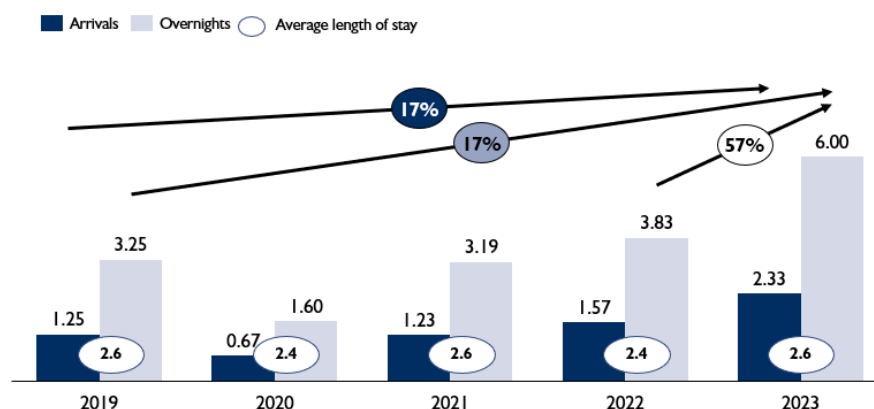
Source: INSTAT, Horwath HTL, 2024

Over the past five years, Albania has consistently experienced growth in the influx of international visitors at borders, demonstrating an average growth rate of 11.6%, surpassing the world average for the growth of the tourism industry.

However, 2020 witnessed a substantial decline in international arrivals due to the impacts of the COVID-19 pandemic on the global tourist sector. Despite this significant drop, about 40% of the arrivals achieved in 2019 were still maintained. Albania has demonstrated notable resilience in recovering from the pandemic, achieving a record-breaking 10.2 million international arrivals at Albanian borders in 2023.

This rapid recovery, as evidenced by the international arrivals at the Albanian borders, not only reflects the adaptability of tourist demand but also underlines the simultaneous development of Albanian tourism. Additionally, it highlights Albania's image as an emerging market, an increasingly accessible and undiscovered destination with a flare. The substantial presence of the Albanian diaspora, traditionally visiting Albania every summer, further contributes to the country's tourism success.

INTERNATIONAL TOURIST ARRIVALS AND OVERNIGHTS AT ACCOMMODATION ESTABLISHMENTS IN MILLIONS AND AVERAGE LENGTH OF STAY, 2019 – 2023

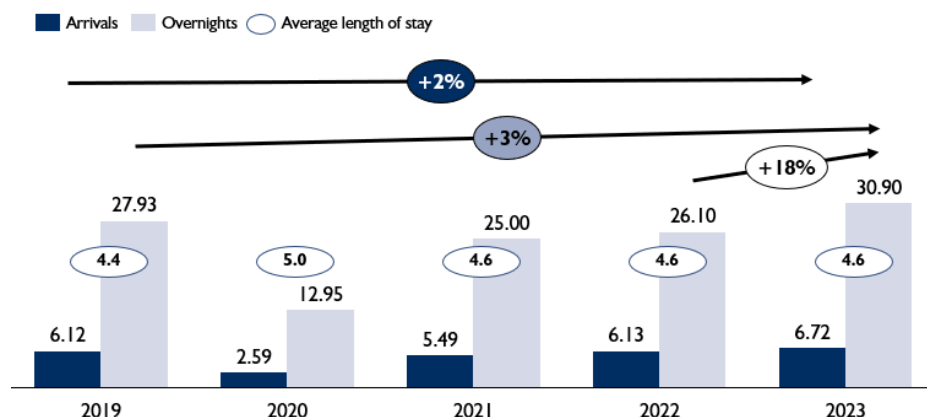


Source: INSTAT, Horwath HTL, 2024

INSTAT analysed all tourist accommodation units listed in the 2020 Statistical Business Register. The data revealed a positive trend in both tourist arrivals and overnight stays from 2019 to 2023, reaching 2.33 million arrivals and 6 million overnights in 2023. The Average Length of Stay (ALS) remained relatively stable, ranging from 2.4 to 2.6 days each year.

However, it's crucial to note that INSTAT's statistics only account for registered accommodation units, limiting the overall validity of the data.

INTERNATIONAL TOURIST ARRIVALS AND OVERNIGHTS AND AVERAGE LENGTH OF STAY, GLOBAL DATA 2019 – 2023

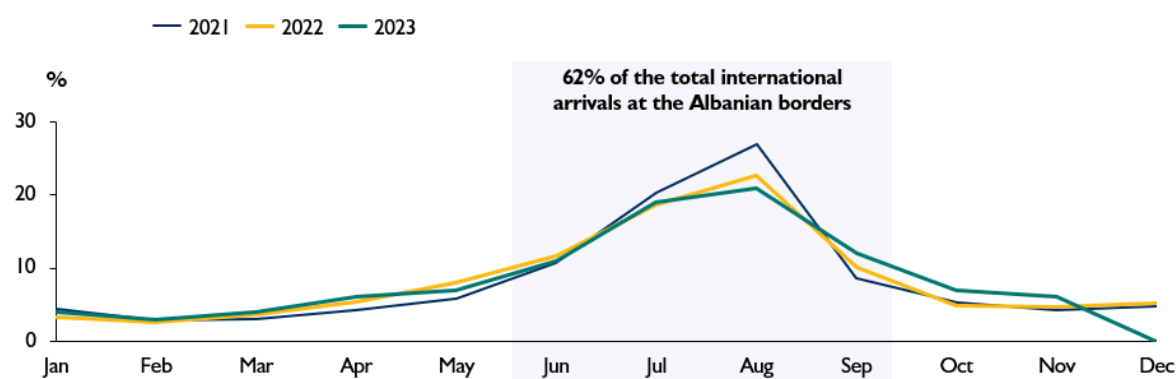


Source: Global Data, Horwath HTL, 2024

Global Data, one of the largest data providers in the world, presents significantly different numbers than INSTAT in their reports. According to Global Data estimates, in 2019, there were 27.93 million international overnight stays, nearly eight times higher than the figures reported by INSTAT's reports. The projected average length of stay for 2021 and 2022 is 4.6 days.

The discrepancy between the data from these two sources emphasises the importance of exercising caution when interpreting statistics related to tourist arrivals and overnight stays in the Albanian tourism sector. Currently, there is an ongoing multi-year project dedicated to enhancing tourism statistics, which is expected to substantially improve the reliability of locally generated data. This improvement will serve as a solid basis for monitoring and effectively managing the tourism sector.

INTERNATIONAL VISITOR ARRIVALS AT THE ALBANIAN BORDERS PER MONTH, 2021 – 2023



Source: INSTAT, Horwath HTL, 2024

Note: The 2023 data covers the first 11 months of the year given that at the time of the analysis data for December had not been published.

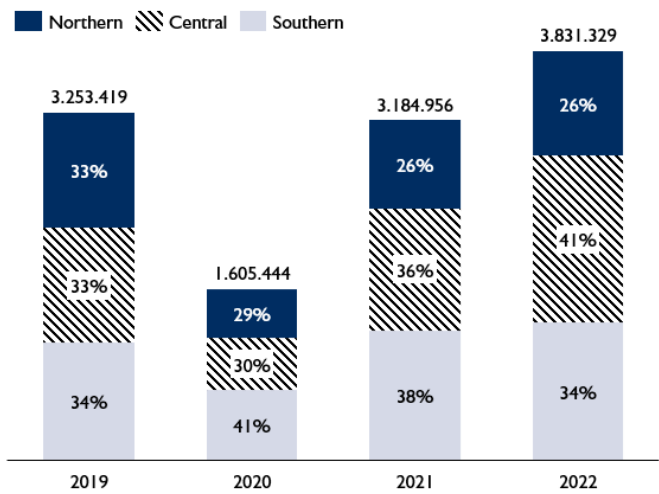
Albania heavily depends on summer tourism, particularly focusing on the peak months of July and August. In 2023, these two months recorded 39.8% of total international arrivals, while the broader June to September period contributed to around 61.9%. This trend has been consistent over the last five years.

In contrast to more established tourist markets like Croatia and Montenegro, where over 80% of demand occurs from June to September, Albania currently exhibits a less pronounced seasonality effect.

Yet, if this pattern persists in the long term, there is a potential risk of negative consequences due to the strong seasonality of tourist traffic.

On a positive note, there is an increasing demand in April and May, signalling a growing interest in products beyond sun and beach, including cultural and nature-related activities.

REGIONAL DISTRIBUTION OF INTERNATIONAL VISITOR ARRIVALS, 2019 – 2022

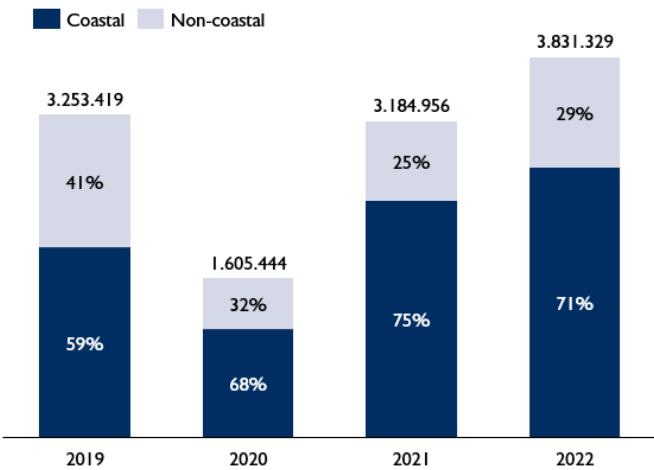


Source Ministry of Tourism and Environment, Horwath HTL, 2024

Based on information from the Ministry of Tourism and Environment, the distribution of international arrivals across three geographical regions - northern, central, and southern - has remained relatively balanced over the past four years, varying between 29% and 41% per region. Notably, the Northern region comprises Diber, Durrës, Kukës, Lezhë, and Shkodër; the Central region encompasses Tirana and Elbasan, while the Southern region includes Berat, Fier, Gjirokastra, Korça, and Vlora.

The above figures should be taken with caution, as they only reflect individuals staying at least one night in hotels, including children. Arrivals in short-term rental facilities and non-registered establishments, which are quite numerous, are not captured in these records.

SHARE OF INTERNATIONAL ARRIVALS COASTAL VS. NON-COASTAL AREAS, 2019 – 2022



Source Ministry of Tourism and Environment, Horwath HTL, 2024

Regarding the distribution of arrival shares between coastal and non-coastal areas, the dominant share consists of arrivals in coastal areas. Over the past four years, the proportion of total arrivals to coastal areas has consistently exceeded 59% of the total, reaching 71% in 2022.

These numbers underline the notable reliance of Albanian tourism on coastal destinations, specifically emphasizing the well-established tourist product centred around the sun and beach. To achieve a more

balanced geographical distribution of tourist arrivals, it will be essential to further diversify motives for visits and to expand the array of attractions and experiences, catering to a variety of interests and preferences among tourists.

INTERNATIONAL ARRIVALS BY PURPOSE OF VISIT, 2013 – 2023

PURPOSE OF VISIT	2013		2019		2023	
	Visitors	Share	Visitors	Share	Visitors	Share
I. Personal	3,206,125	98.5%	6,304,845	98,4%	9,418,620	98,8%
Holiday	484,018	14.9%	6,094,889	95,1%	8,958,043	95,1%
VFR	33,904	1%	N/A	N/A	N/A	N/A
Same day	220,265	6.8%	N/A	N/A	N/A	N/A
Medical treatment	1,083	0.03%	658	0,01%	895	0,009%
Religious	1,108	0.03%	794	0,01%	388	0,004%
Other	2,287,450	70.3%	N/A	N/A	N/A	N/A
Transit	178,297	5.5%	208,504	3,3%	459,294	4,8%
2. Business & Professional	49,863	1,5%	101,193	1,6%	114,881	1,2%
TOTAL	3,255,988	100%	6,406,038	100%	9,533,501	100%

Source: INSTAT, Ministry of Tourism and Environment, Horwath HTL, 2024

Note: The 2023 data covers the first 11 months of the year given that at the time of the analysis data for December had not been published.

In 2018, INSTAT modified the methodology for presenting data on the Personal Purpose of Visit, simplifying information for holidays, medical treatments, religious, and transit purposes. The Business & Professional categories were kept separate, as before. The most prevalent purpose of arrival, accounting for up to 95%, is Holiday.

It is noted that the categories of VFR, Other, and Same Day visitors have now been incorporated into the Holiday category.

Throughout the analysed period, the Business & Professional arrivals have consistently recorded a relatively similar share, comprising less than 2% annually.

INTERNATIONAL ARRIVALS BY MODE OF ARRIVALS (IN THOUSANDS), 2018 – 2022

Mode of transport	2018	%	2019	%	2020	%	2021	%	2022	%
Air	692	12%	783	12%	269	10%	764	13%	1,249	17%
Sea	439	7%	468	7%	64	2%	205	4%	383	5%
Land	4,796	81%	5,153	80%	2,323	87%	4,712	83%	5,909	78%

TOTAL	5,927	6,404	2,656	5,681	7,541
--------------	--------------	--------------	--------------	--------------	--------------

Source: Ministry of Tourism and Environment, Horwath HTL, 2024

Note: The data for the year 2023 was not taken into account due to a modification in INSTAT's methodology, as they did not release distinct data for international and domestic arrivals by mode of arrival. Consequently, the existing data lacks methodological comparability.

Regarding international arrivals by mode of transport in 2022, the predominant means of arriving in Albania was by land, followed by air and sea. Despite no notable alterations in the observed period, it is worth mentioning that arrivals by air witnessed an approximately 5% increase over the past five years.

This upward trend is expected to persist, driven by anticipated enhancements in air accessibility, leading to a higher percentage of international arrivals by air. The preliminary steps for investment have been finalized recently, and the initial phases of constructing an additional commercial airport along the Vlora coast have commenced.

Both the primary purpose of visit and the primary mode of arrival indicate that visitors predominantly originate from neighbouring countries. This highlights the significant influence of the diaspora, with a substantial portion of the total tourist traffic in Albania being driven by visitors coming for summer holidays and to visit friends and relatives.

INTERNATIONAL ARRIVALS BY TOP 10 COUNTRIES OF ORIGIN, 2019 – 2023

Country of residence	2019	2020	2021	2022	2023*	% in total (2023)
Kosovo	2,246,540	1,379,360	2,640,447	3,209,123	4,398,547	41%
North Macedonia	753,533	370,135	560,213	678,412	745,776	7%
Greece	596,884	203,445	279,915	484,167	667,565	6%
Italy	467,745	123,489	354,370	610,578	950,955	9%
Montenegro	366,817	174,233	319,770	441,625	636,962	6%
Poland	132,403	24,404	112,223	173,022	232,970	2%
Germany	165,703	39,461	119,009	187,664	312,244	3%
UK	133,175	53,402	89,624	166,599	237,132	2%
USA	119,179	24,570	95,337	138,079	178,965	2%
Türkiye	92,088	27,224	51,510	94,912	199,634	2%
TOP 10	5,074,067	2,419,723	4,622,418	6,181,181	8,560,750	
TOTAL	6,406,038	2,657,818	5,688,649	7,543,817	10,155,640	
TOP 10 %	79%	91%	81%	82%	84%	

Source: Ministry of Tourism and Environment, Horwath HTL, 2024

Over the past five years, the structure of the top 10 source markets has remained relatively stable. The primary shift is the notable change in Italy's ranking, now holding the second position in terms of arrivals. This shift can be attributed to the growing number of direct flights to Italian destinations introduced by the carrier Wizz Air. These top 10 identified markets almost consistently contribute to over 80% of the total tourist traffic in terms of the number of international arrivals.

KEY SOURCE MARKETS, 2019 - 2023



Source: Ministry of Tourism and Environment, Horwath HTL, 2024

Note: The 2023 data covers the first 11 months of the year given that at the time of the analysis data for December had not been published.

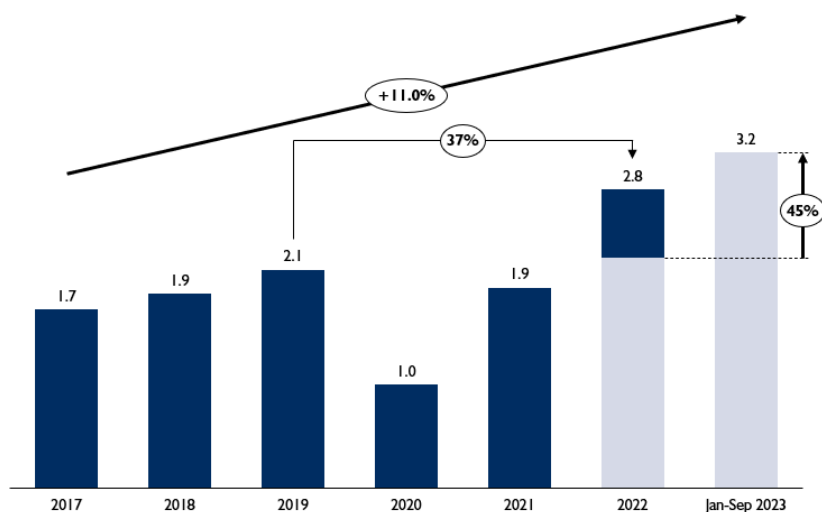
At present, approximately 66% of all international arrivals originate from three neighbouring countries (Kosovo, North Macedonia, Greece) and Italy, indicating a significant reliance on regional visitors. Over the past decade, excluding the pandemic-affected year of 2020, there was notable growth in demand from these markets.

From 2019 to 2023, substantial growth was observed in other international markets, with arrivals from Turkey experiencing a notable surge of 103%, while those from the UK, Germany, Poland, and the US all recorded growth rates exceeding 60%.

The decline in arrivals in 2020, in relative terms, was primarily driven by distant markets in Central and Eastern Europe (CEE) and Western Europe. Conversely, markets such as Kosovo, North Macedonia, and Montenegro demonstrated the lowest relative decline compared to 2019.

The potential for further diversification in source market segments is evident with the introduction of new direct flights from Tirana Airport by the low-cost carrier Wizz Air. In the summer of 2023, Tirana Airport was connected to over 35 international airports, including destinations such as Abu Dhabi, Dubai, Stockholm, Malmo, and others.

TOTAL TOURISM REVENUES (IN EUR BILLIONS), 2017 – 2023



Source: Bank of Albania, UNDP, Horwath HTL, 2024

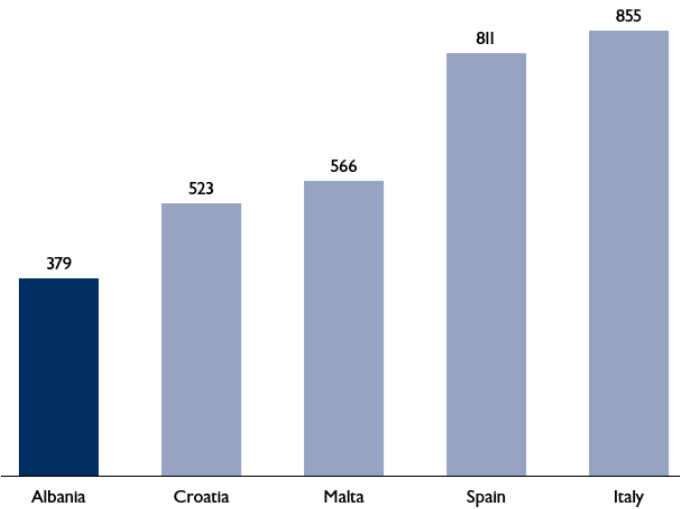
Note: The data for 2023 includes the first three quarters of the year.

Based on data from the Bank of Albania, the pre-pandemic year of 2019 saw a total tourism revenues of 2.08 billion EUR, with 6.41 million arrivals and an average income of 325 EUR per arrival for international tourists. In 2020, there was a notable decline in total tourism receipts due to the COVID-19 pandemic.

However, the Albanian tourism market exhibited a remarkable recovery in 2021, indicating a swift bounce-back from the pandemic's impacts. The year 2022 saw a record milestone with total tourism revenues reaching a record high of 2.8 billion euros. Preliminary data from the Bank of Albania for 2023 suggests that

the first three quarters of the year alone surpassed the previous record set in 2022, with over 3.2 billion euros recorded, marking a substantial 45% increase compared to the same period in 2022. According to estimations by the Consultant, the total tourism revenues for 2023 are projected to exceed 4 billion euros.

AVERAGE EXPENDITURE PER INBOUND TOURIST, 2019

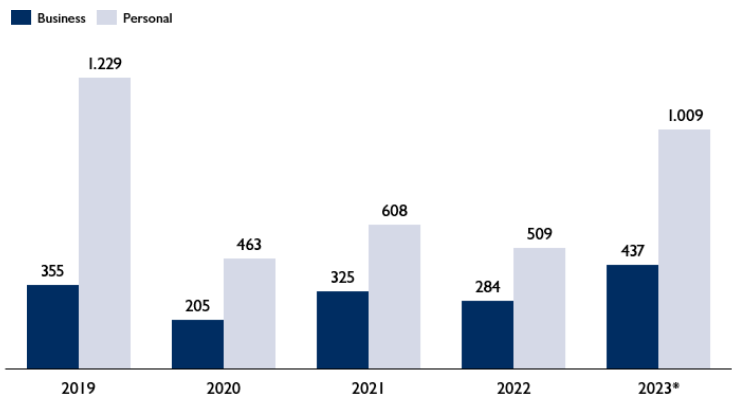


Source: Eurostat, Bank of Albania, INSTAT, Horwath HTL, 2024

Drawing upon data retrieved from Eurostat’s Tourism Satellite Accounts report (2019), the average consumption per tourist was computed for Croatia, Italy, Spain, Cyprus, and Malta. This calculation relied on the Total internal expenditure data per country, encompassing both inbound and domestic tourism expenditure. These figures were subsequently divided by the total number of arrivals per country, sourced from the same data repository, Eurostat (Statistical database).

A comparison with the average consumption per tourist in Albania reveals that Albania trails behind more established tourism markets in the Mediterranean. The lower average consumption per tourist highlights the need for the development of experiences and products with higher added value, aiming to attract additional visitors who are inclined to stay for longer durations, thus bolstering overall tourist consumption.

TRAVEL SERVICES EXPENSES (IN EUR MILLIONS), 2019 – 2023

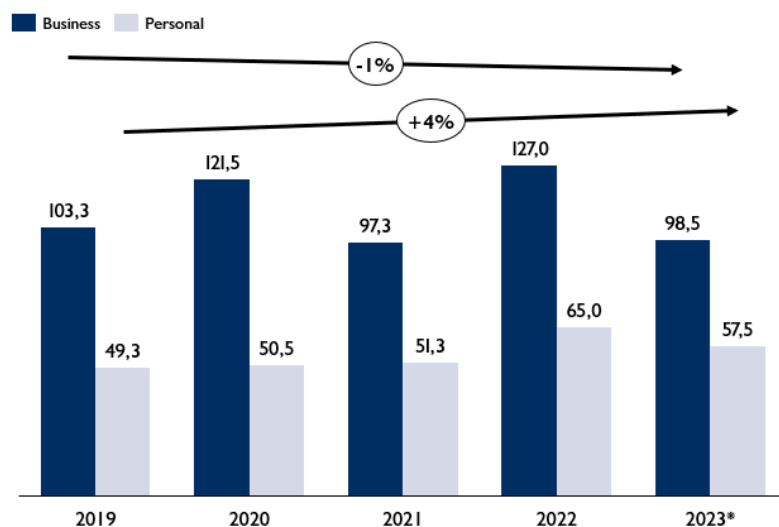


Source: Ministry of Tourism and Environment, Horwath HTL, 2024

Note: The data for 2023 includes the first three quarters of the year.

As per Ministry of Tourism and Environment data, travel service expenses for business trips in Albania have grown at an average rate of 5% over the past five years, reaching EUR 437 million in the initial three quarters of 2023. The highest recorded expenses amount for private travel occurred in 2019, totalling EUR 1.229 million. Since the 2023 data excludes the last quarter, there's a possibility that the pre-pandemic record level may be reached once again.

AVERAGE DAILY EXPENDITURE PER INBOUND TOURIST AS PER THE MINISTRY OF TOURISM AND ENVIRONMENT (IN EUR), 2019 – 2023



Source: Ministry of Tourism and Environment, Horwath HTL, 2024

Note: The data for the year 2023 includes the first three quarters of the year.

Based on information from the Ministry of Tourism and the Environment, the average daily expenditure per non-resident visiting Albania for personal reasons has shown a consistent 4% annual growth over the past five years. In the first three quarters of 2023, it has reached EUR 57.5 per day.

Conversely, the average daily expenditure for non-residents on business trips experienced a decline with an average rate of -1% during the same period, totalling EUR 95.5 per day in 2023, as recorded in the initial three quarters of the year.

AVERAGE EXPENDITURE PER INBOUND TOURIST AS PER GLOBAL DATA (IN EUR), 2019, 2022, 2024

Category	2019		2023		2024f	
	Per Tourist	Per Day	Per Tourist	Per Day	Per Tourist	Per Day
Accommodation	89	20.2	106	23.1	112	24.3
Entertainment & Sightseeing	21	4.8	25	5.4	26	5.7
Foodservice	60	13.6	73	15.9	70	15.2
Retail	62	14.1	67	14.6	74	16.1
Transportation	98	22.3	111	24.1	119	25.9
Travel intermediation	4	0.9	4	0.9	5	1.1
Other sectors	45	10.2	55	11.9	58	12.6
Total	379	86.1	441	95.9	464	100.9

Source: Global Data, Horwath HTL, 2024

Note: The consumption data on the Global Data platform is expressed in USD, therefore we applied the conversion rate as of January 7, 2024.

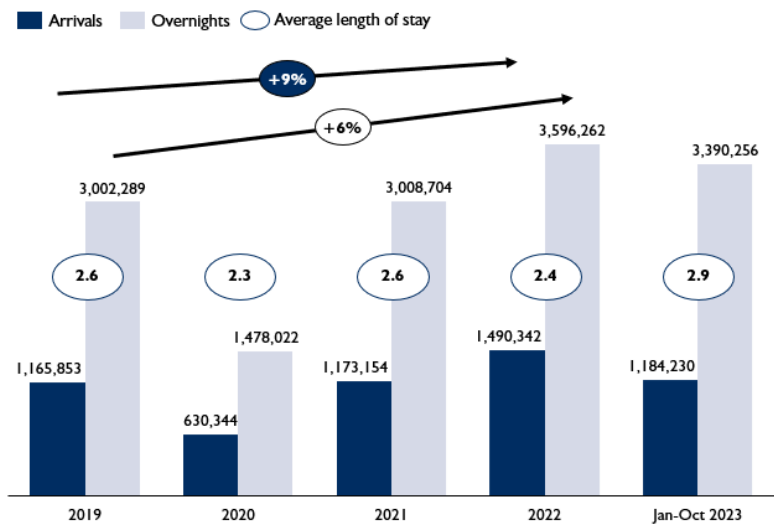
According to Global Data, the average expenditure per inbound tourist for their entire stay was EUR 379 in 2019. The same data source predicts a total consumption per visitor during the stay of EUR 464 in 2024. Considering the estimated average length of stay of 4.4 days in 2019, the daily expenditure per international

arrival is estimated at around EUR 86.1. For the year 2023, the total tourist expenditure per stay reached EUR 441, with a daily expenditure of EUR 95.9. This calculation is based on Global Data's estimated average length of stay in 2023 of 4.6 days.

It is crucial to approach this data with caution due to the limited statistics on overnight stays, especially in the case of short-term rentals not being documented in Albania.

1.2.3. Key performance indicators (KPIs) analysis

TOURIST ARRIVALS AND OVERNIGHTS IN HOTELS AND SIMILAR ESTABLISHMENTS, 2019 – 2023

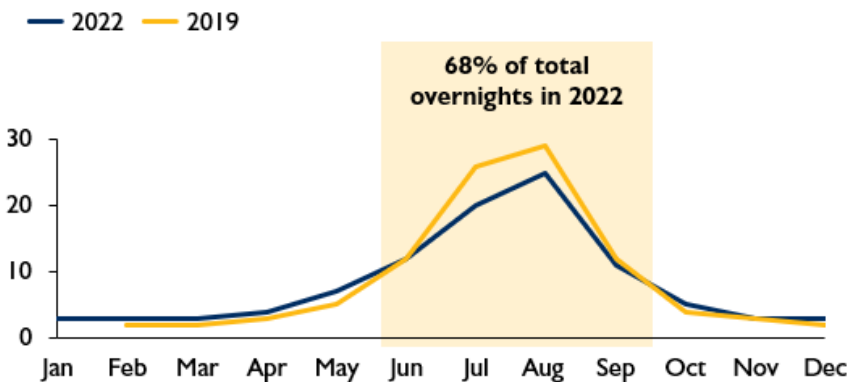


Source: INSTAT, Horwath HTL, 2024

Albania's hospitality sector swiftly rebounded post-pandemic, surpassing 2019 records in 2021 for both arrivals and overnight stays. Based on available INSTAT data, hotel demand continued to rise in 2022, reaching nearly 1.5 million arrivals and 3.6 million overnight stays. With an annual growth rate averaging 9% in arrivals and 6% in overnight stays, the Albanian hotel industry signals promising prospects for further advancement.

However, the disparity in growth rates between arrivals and overnight stays highlights the need to develop and diversify the array of tourist products. Considering the total number of international arrivals to Albania in 2022, arrivals to hotels and similar establishments represent less than 20% of total demand. This can be attributed to a notable proportion of unregistered overnight stays in hotels, a consequence of inadequate policies and regulations governing the registration and organization of tourist arrivals.

SEASONALITY OF OVERNIGHT STAYS IN HOTELS AND SIMILAR ESTABLISHMENTS, 2019 VS. 2022



Source: INSTAT, Horwath HTL, 2024

Examining the number of overnight stays in hotels and similar establishments, a distinct seasonality in tourist traffic is evident, particularly during the period from June to September, contributing to 68% of the total overnight stays in 2022.

The seasonal spread of traffic, based on overnight stays, shows a more even trend compared to 2019, indicating a more diverse range of offerings attracting visitors beyond summer. However, there's still a significant dependence on sun and beach tourism, not accounting for possible unrecorded stays.

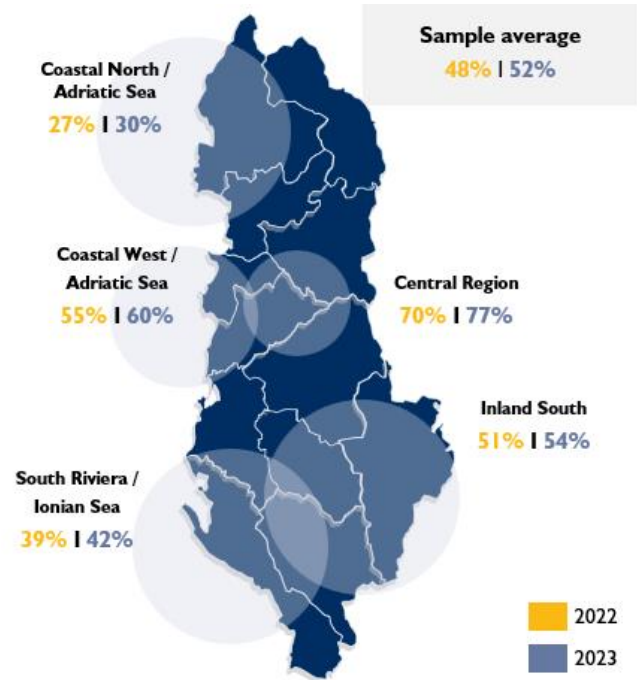
HOTEL INSIGHTS. HORWATH HTL SCHEDULED RESEARCH

In the course of scheduled market research in July 2023, Horwath HTL expert team conducted primary research on the hotel industry in Albania. The study encompassed a total of 12 5-star hotels, 27 4-star hotels, and 6 3-star hotels, comprising a sample with a combined total of 61 rooms and an average of 142 beds.

The reviewed hotels are strategically located in five regions: the Coastal North/Adriatic Sea Region (7 hotels), covering the cities of Skadar, Lezha, and Shengjin; the Central Region including the city of Tirana (6 hotels); the Coastal West/Adriatic Sea Region (7 hotels), including Durres and Golem; the Southern Riviera/Ionian Sea (11 hotels), encompassing Vlora, Himara (Palas, Dhermi, Drimadhes), and Saranda (Ksamil); and the Inland South Region (14 hotels) covering Pogradec, Korca, Berat, and Gjirokastra.

OCCUPANCY RATES 2022 VS. OCCUPANCY SENTIMENT FOR 2023

Category	Occupancy 2022	Occupancy sentiment 2023
5-star hotels	46%	51%
4-star hotels	50%	54%
3-star hotels	43%	44%



Source: Horwath HTL, 2024

In 2022, the average occupancy rate in Albania averaged 48%, and the forecast for 2023 indicates an expected increase to 52%. The Central Region, which comprises hotels located in the capital, is revealing the country's highest occupancy rates and is expected to experience the second most notable growth with a 10% increase. Conversely, the Coastal North/Adriatic Sea region is reporting the lowest occupancy rates, but it anticipates the most significant growth in occupancy at 11%.

Among the analysed hotels, the 4-star establishments exhibited the highest occupancy rates, reaching 50% in 2022 and projecting an anticipated increase to 54% in 2023.

However, the sampled 5-star properties are forecasting the most substantial surge in occupancy, with an expected 11% rise compared to the previous year.

AVERAGE DAILY RATES (ADR) IN EUR

Category	ADR 2022	ADR sentiment 2023	ADR HHTL sentiment 2023
Sample average	56	60	78
5-star hotels	77	89	114
4-star hotels	49	50	68
3-star hotels	42	45	51

Source: Horwath HTL, 2024

While the primary research gathered ADR and RevPAR figures, it's essential to acknowledge their potential limitations. These data may not fully represent the market due to factors such as the lack of transparency from the respondents, the informality of the industry, or the absence of a standardized and internationally recognized USALI reporting system for measuring hotel performance. The data collected through the primary research is presented in columns ADR 2022, ADR sentiment 2023, RevPAR 2022 and RevPAR sentiment 2023. In order to provide as precise data as possible, we conducted additional secondary research on online booking platforms with the goal of acquiring additional data sources to validate the initial dataset. The collected data on publicly available rack rates was subjected to the Horwath HTL methodology used and tested in many similar researches and the results are presented in columns ADR HHTL sentiment 2023 and HHTL RevPAR sentiment 2023, suggesting that realistic KPIs might be higher by approximately 30% in comparison to results from primary research.

Within the examined sample of hotels, the initial survey indicates an Average Daily Rate (ADR) of EUR 56, with an anticipated 7% increase for 2023. On the other hand, the supplementary online survey reveals an expected ADR of EUR 77 for the same year, marking a significant 30% increase compared to the primary survey figure.

In both analyses, 5-star properties consistently yield the highest ADR and Revenue per Available Room (RevPAR) scores, followed by 4-star properties.

The variation in ADR figures between the primary and secondary online research is most pronounced for 4-star establishments, where the difference reaches 36%, and is least significant for 3-star facilities, showing a 13% difference.

REVENUE PER AVAILABLE ROOM (REVPAR) IN EUR

Category	RevPAR 2022	RevPAR sentiment 2023	RevPAR HHTL sentiment 2023
Sample average	26	29	37
5-star hotels	34	40	54
4-star hotels	24	27	36
3-star hotels	21	22	24

Source: Horwath HTL, 2024

Regarding Revenue per Available Room (RevPAR), the anticipated increase is highest for 5-star hotels at 18%, and the smallest increase is expected in 3-star properties. The most significant disparity between figures from primary and secondary research is observed in 5- and 4-star hotels.

AVERAGE DAILY RATES (ADR) PER REGION, IN EUR

Category	ADR 2022	ADR sentiment 2023	ADR HHTL sentiment 2023
Coastal North/ Adriatic Sea	32	34	57
Central Region	71	73	89
Coastal West/ Adriatic Sea	56	69	95
Inland South	39	41	46
South Riviera/ Ionian Sea	83	86	115

Source: Horwath HTL, 2024

REVENUE PER AVAILABLE ROOM (REVPAR) PER REGION IN EUR

Category	RevPAR 2022	RevPAR sentiment 2023	RevPAR HHTL sentiment 2023
Coastal North/ Adriatic Sea	10	12	15
Central Region	47	49	65
Coastal West/ Adriatic Sea	30	40	55
Inland South	21	23	25
South Riviera/ Ionian Sea	29	33	45

Source: Horwath HTL, 2024

When examined by regions, the South Riviera/Ionian Sea currently records the highest Average Daily Rate (ADR) at EUR 83 (in 2022), a trend expected to persist in 2023 with an anticipated 4% increase, reaching an ADR of EUR 86. Following closely, the Coastal West/Adriatic Sea region foresees a significant 23% ADR surge in 2023, securing the second spot on the list with an ADR of EUR 69.

The most noteworthy discrepancy between primary and secondary research is observed in the Coastal North/Adriatic Sea region, reaching 68%. In both types of research, the South Riviera region consistently records the highest ADR rates, followed by Coastal West, and then the Central Region.

In primary research, Coastal North is indicated as having the lowest ADR rates, whereas in secondary research, the region with the lowest ADR rates is the Inland South, with EUR 46, 12% higher than the amount stated in primary research.

SHARE OF REVENUES IN TOTAL REVENUE

Region	Room Revenue in Total Revenue	F&B Revenue in Total Revenue
Coastal North / Adriatic Sea	85%	15%
Central Region	64%	36%
Coastal West / Adriatic Sea	73%	27%
Inland South	72%	28%
South Riviera / Ionian Sea	73%	27%

Source: Horwath HTL, 2024

Across the surveyed hotels, an average of 74% of the Total Revenue is derived from Room Revenue, with the remaining 26% attributed to F&B Revenue. However, in the Coastal North region, Room Revenue constitutes approximately 85% of the Total Revenue. Conversely, in the Central Region, there is a notable shift in distribution, with F&B Revenues accounting for an average of 36% of the Total Revenue. This suggests that hotels predominantly offer very basic services, such as accommodation, or generate minimal income from additional services.

SHARE OF COSTS IN TOTAL REVENUE

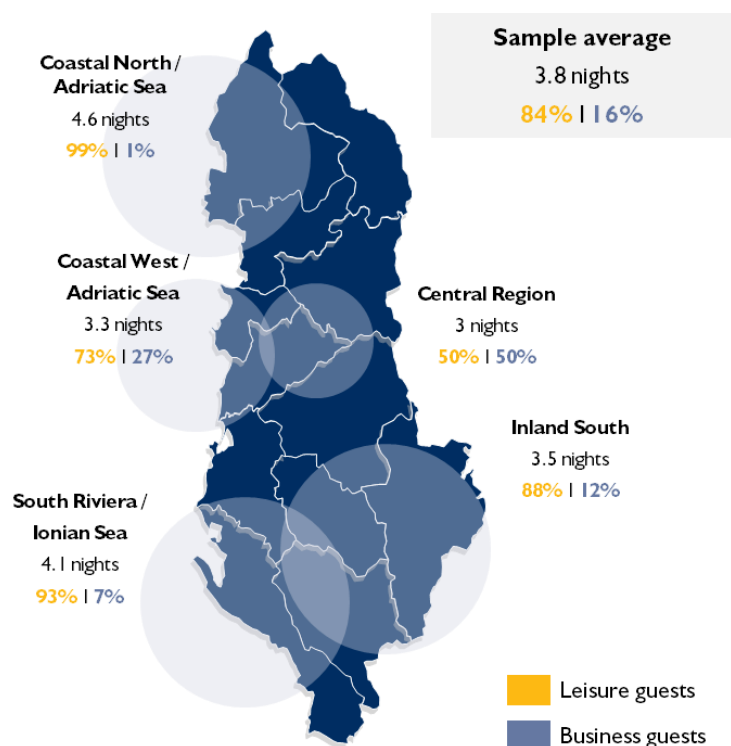
Region	Labour Costs In Total Revenue	GOP in Total Revenue	EBITDA in Total Revenue
Coastal North / Adriatic Sea	26%	28%	18%
Central Region	22%	39%	29%
Coastal West / Adriatic Sea	22%	32%	18%
Inland South	27%	31%	17%
South Riviera / Ionian Sea	27%	29%	18%

Source: Horwath HTL, 2024

In general, Labor Costs account for 26% of the Total Revenue, GOP represents 30%, and EBITDA comprises 18%. Regarding GOP, the range of 32-35% represents a common standard for holiday seasonal products, consistent with values observed among regional peers. For instance, Croatia reported a GOP of 32.2% in 2023. On the other hand, the EBITDA of 18% recorded falls below the regional average.

Labour Costs show a lower percentage in the Central Region and Coastal West, where they make up 22% of the Total Revenue. Notably, hotels in the Central Region demonstrate superior performance, with GOP shares at 39% and EBITDA shares at 29% of the Total Revenue.

AVERAGE LENGTH OF STAY AND GUEST TYPES



Source: Horwath HTL, 2024

While the average length of stay in hotels for the sampled data stands at 3.8 nights, only two regions reported longer average durations. The Coastal North/Adriatic Sea region documented an average stay of 4.6 nights, and the South Riviera/Ionian Sea region recorded 4.1 nights. These regions also have the highest proportions of leisure guests, who typically have longer stays compared to business guests.

The distribution between leisure and business guests predominantly favours the leisure category across the regions. However, only the Central Region demonstrates an equal distribution of leisure and business guests, given that Tirana serves as the country's business hub.

The majority of leisure guests stay with their significant other (couples), or with the family, while only 15% of guests come in groups.

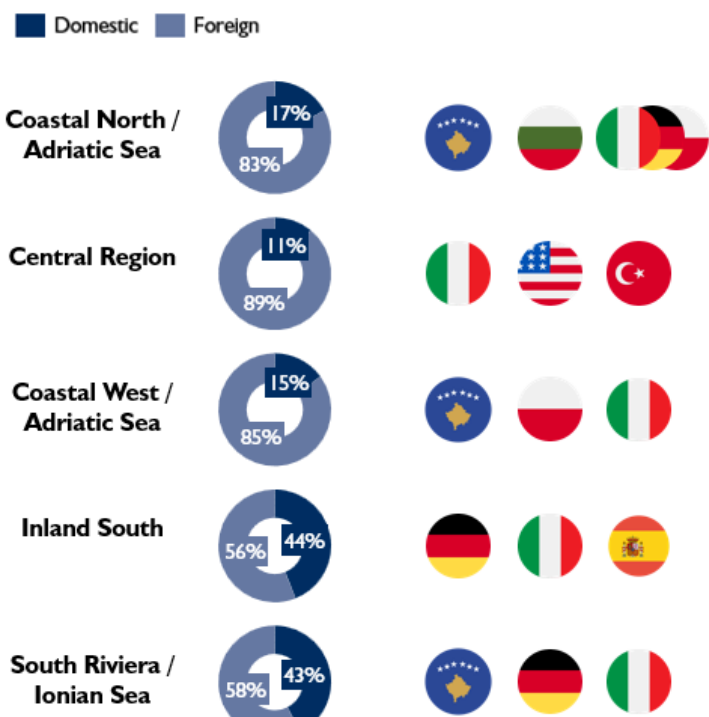
SHARE OF DOMESTIC VS. FOREIGN GUEST AND TOP THREE SOURCE MARKETS, SAMPLE AVERAGE



Source: Horwath HTL, 2024

Foreign guests contribute, on average, to 69% of the overall demand. The primary three source markets in the sampled average include Kosovo, Germany, and Italy, aligning partially with the markets that recorded the highest number of arrivals at the borders of Albania.

SHARE OF DOMESTIC VS. FOREIGN GUEST AND TOP THREE SOURCE MARKETS PER REGION



Source: Horwath HTL, 2024

The distribution of foreign and domestic guests varies across regions. The Coastal North/Adriatic Sea Region, the Central Region, and the Coastal West/Adriatic Sea Region exhibit a notably higher percentage of foreign

guests, ranging from 83% to 89%. Conversely, the Inland South Region and the South Riviera/Ionian Sea Region demonstrate a more equitable distribution between domestic and foreign guests.

Most regions experience the greatest influx of guests from Kosovo, Italy, and Germany. In contrast, the Central Region distinguishes itself as the region witnessing significant arrivals from alternative source markets, with most arrivals from countries like the USA and Turkey.

SHORT-TERM RENTAL PERFORMANCE

SHORT-TERM RENTAL, AVERAGE DAILY RATES, IN EUR, 2022 – 2023

Region	2022		2023		YoY
	ADR	% of Total	ADR	% of Total	% Change
Coastal North / Adriatic Sea	48.53	73%	75.04	73%	55%
Inland North	36.04	55%	43.47	43%	21%
Central Region	106.98	162%	134.96	132%	26%
Coastal West / Adriatic Sea	79.42	120%	157.92	154%	99%
Inland South	44.78	68%	62.38	61%	39%
South Riviera / Ionian Sea	62.14	94%	132.64	130%	113%
Albania	66.09	100%	102.27	100%	55%

Source: AllTheRooms.com, Horwath HTL, 2024

The ADR of short-term rentals in Albania was just over EUR 102 in 2023, an increase of 55% in the previous year. The Coastal West / Adriatic Sea region achieved the highest ADR, over 50% more, than the national average, followed by the Central Region and the South Riviera. ADR more than doubled in the South Riviera region compared to last year. The Coastal West region's ADR doubled as well.

SHORT TERM RENTAL, OCCUPANCY, 2022 – 2023

Region	2022	2023	YoY
	Occupancy	Occupancy	% Change
Coastal North / Adriatic Sea	7.80%	13.44%	58%
Inland North	2.09%	3.66%	57%
Central Region	4.58%	8.94%	51%
Coastal West / Adriatic Sea	6.39%	9.50%	67%
Inland South	4.34%	9.77%	44%
South Riviera / Ionian Sea	6.22%	11.08%	56%
Albania	5.31%	9.91%	54%

Source: AllTheRooms.com, Horwath HTL, 2024

Short-term rental units achieved an average occupancy of 9.91% in Albania in 2023, an increase of around 54% year-on-year. The Coastal North region achieved the highest occupancy at over 13%, followed by the South Riviera region with just over 11%.

Occupancy increased most year-on-year in the Coastal West region.

SHORT-TERM RENTAL, REVENUE, 2022 – 2023

Region	2022	2023	YoY
--------	------	------	-----

	Revenue	% of Avg.	Revenue	% of Avg.	% Growth
Coastal North / Adriatic Sea	931,303	4%	3,744,332	4%	302%
Inland North	10,093	0%	30,832	0%	205%
Central Region	8,830,510	42%	28,005,627	33%	217%
Coastal West / Adriatic Sea	2,125,539	10%	9,949,237	12%	368%
Inland South	676,930	3%	2,626,914	3%	288%
South Riviera / Ionian Sea	8,535,769	40%	40,089,324	47%	370%
Albania	21,110,145	100%	84,446,267	100%	300%

Source: AllTheRooms.com, Horwath HTL, 2024

Nearly half of all short-term rental revenue in Albania was generated in the South Riviera region – the most in the country, followed by the Central region. In 2022 the Central region had the largest share with 42% that has been eroded to benefit the South Riviera and Coastal West regions in 2023.

Total revenue generated by short-term rental in Albania was about EUR 84.5 million, four times the amount in the previous year.

SHORT TERM RENTAL, REVENUE PER AVAILABLE LISTING, 2022 – 2023

Region	2022		2023		YoY
	RevPAL	% of Avg.	RevPAL	% of Avg.	% Change
Coastal North / Adriatic Sea	112.03	101%	326.23	106%	191%
Inland North	19.61	18%	55.72	18%	184%
Central Region	161.98	146%	334.55	109%	107%
Coastal West / Adriatic Sea	158.04	142%	437.87	143%	177%
Inland South	60.80	55%	162.14	53%	167%
South Riviera / Ionian Sea	129.80	117%	506.76	165%	290%
Albania	110.97	100%	307.18	100%	177%

Source: AllTheRooms.com, Horwath HTL, 2024

Revenue per available listing (RevPAL) has increased significantly in 2023, tripling to over EUR 307 from 2022's EUR 111. The South Riviera region has achieved by far the highest RevPAL in 2023, as well as almost quadrupling the previous year's result. The region is followed by the Coastal West region almost tripling in performance. Rentals in the region with the lowest RevPAL, Inland North have almost tripled in performance as well, albeit remain at a very modest level, in comparison.

SHORT-TERM RENTAL, REVENUE PER AVAILABLE ROOM, 2022 – 2023

Region	2022		2023		YoY
	RevPAR	% of Avg.	RevPAR	% of Avg.	% Growth
Coastal North / Adriatic Sea	3.78	108%	10.09	99%	167%
Inland North	0.75	21%	1.59	16%	112%
Central Region	4.90	140%	12.07	119%	146%
Coastal West / Adriatic Sea	5.08	145%	15.00	148%	196%

Inland South	1.95	55%	6.10	60%	213%
South Riviera / Ionian Sea	3.86	110%	14.70	145%	281%
Albania	3.51	100%	10.14	100%	189%

Revenue per available room (RevPAR) is at a modest level, being highest in the Coastal West region, followed closely by the South Riviera in 2023. The South Riviera region has overtaken the Central region since the previous year in position. In value, all regions have demonstrated a significant increase in RevPAR, as a result of increased ADR and occupancy.

It is evident that there is a very low level of utilisation of short-term rentals, implying that there is a short period of high demand, typically during the peak summer season.

Most of the Albanian short-term rental supply is concentrated in the South Riviera region, achieving the second-highest occupancy levels in the country. ADR is the third-highest in the country, indicating some room for improvement. The increase from 2022 indicates this trend.

The Coastal North region has the highest occupancy with just 7% of the supply, albeit at a lower-than-average rate. There is room to improve ADR in the region as occupancy is well above the national average, yet the ADR is only 73% of the national average.

The Coastal West region achieves the highest ADRs with a mid-tier average occupancy, implying a possible over-pricing in the region.

The Inland North region delivers the most modest results in all areas of analysis, indicating a large room and opportunity for improvement.

1.2.4. Key investment trends in tourism and hospitality

In July 2023, Horwath HTL's team of experts conducted scheduled research that revealed a notable interest among developers to enter or fortify their presence in the Albanian market. The analysis encompassed 26 announced developments, with the majority (65%) of large projects in the 5-star segment. Furthermore, 68% of the total rooms were affiliated with international hotel chains, showcasing strong reliance on international hotel brands and consequently, higher assurances that new hotel developments are going to be aligned with international quality and development standards.

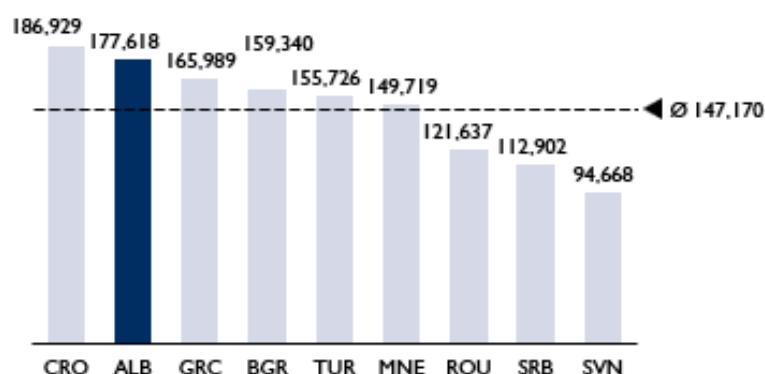
HOTEL AND MIXED-USE DEVELOPMENT PIPELINE OVERVIEW

Project	Categorisation	Number of keys	Investment value	Expected End
Thymus Resort Hotel I and II, Dhermi	5*	109	EUR 21 mil	TBA
Hotel Tomorri Affiliated with Melia, Berat	4*	120	EUR 11 mil	2026 – Q3
San Nicolas Palasa Resort	4*	200	EUR 23 mil	2024 – Q2
Novotel, Tirana	4*	130	EUR 12 mil	2024 – Q4
Melia Eyes of Tirana	5*	140	EUR 14 mil	2024 – Q3
Pullman Drymades Beach, Dhermi	4*	132	EUR 14 mil	2024 – Q4
Hotel Palasa Beach, Member of Melia Collection	5*	142	EUR 16 mil	2025
Crown Plaza Durres	4*	140	EUR 15 mil	2026 – Q1
Hotel Altea Melia Collection, Palasa	4*	142	EUR 16 mil	2025 – Q2
Grand Hotel Borsh	4*	240	EUR 25 mil	TBA

Kep Merli Southern Peninsula the Family Hotel, Ksamil	4*	250	EUR 28 mil	2026 – Q2
Jali Hotel and Residences Jala	5*	120	EUR 24 mil	2025 – Q1
Gran Melia Tirana	5*	125	EUR 25 mil	2026 – Q2
Green Coast Mgallery, Palasa	5*	112	EUR 28 mil	2025 – Q2
Hyatt Regency Albanian Riviera Resort, Palasa	5*	190	EUR 40 mil	2027 – Q1
Hyatt Regency Tirana	4*	260	EUR 33 mil	2025 – Q1
Nova 5 Str Hotel, Tirana	5*	150	EUR 31 mil	TBA
Radisson Blu Resort, Dhermi	5*	157	EUR 31 mil	TBA
Hilton Hotel, Tirana	5*	174	EUR 35 mil	2024 – Q4
Amadeus Palace Hotel & Casino Resort, Tirana	5*	92	EUR 37 mil	2024 – Q1
Durres Yacht & Marina, Durres	5*	150	EUR 41 mil	TBA
Kep Merli Northern Peninsula, Ksamil	5*	207	EUR 43 mil	2025 – Q1
Kakome Bay Resort, Vlora	5*	220	EUR 45 mil	TBA
InterContinental, Tirana	5*	300	EUR 45 mil	TBA
LURA 5 Hotel and Residences, Durres	5*	150	EUR 31 mil	TBA
Marriott, Vlora	5*	310	EUR 100 mil	2028

Source: tophotelprojects.com, Horwath HTL, 2024

AVERAGE INVESTMENT PER KEY, BENCHMARK COMPARISON

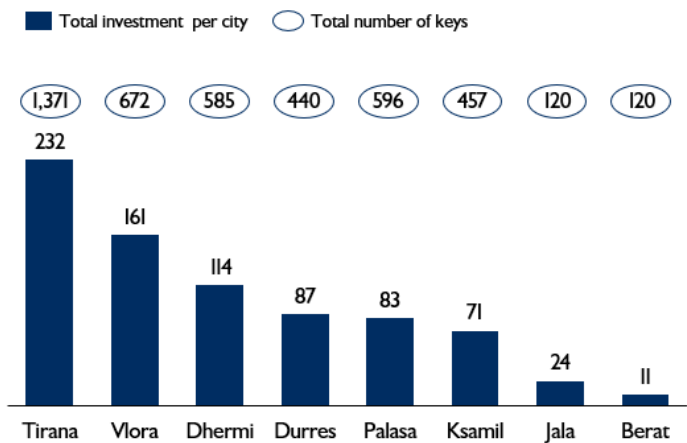


Source: tophotelprojects.com, euronews.al, Horwath HTL, 2024

Albania records an average investment of approximately EUR 177,618 per key, positioning it relatively high compared to competing countries, which averaged around EUR 147,107 per unit. Croatia led in this regard, with luxury projects along its coast elevating the country's average to EUR 186,929 per unit.

Despite generally lower investment in hotel projects in Albania, attributed to reduced labour costs and construction inputs, external factors such as the COVID-19 pandemic, emigration, and the war in Ukraine have adversely affected construction costs in Albania, leading to increased expenses across the supply chain. Overall, the Albanian hotel pipeline comprises a total of 4,459 keys.

TOTAL INVESTMENT VALUE PER CITY IN EUR (IN MILLIONS) AND THE TOTAL NUMBER OF KEYS



Source: tophotelprojects.com, euronews.al, Horwath HTL, 2024

Tirana stands out as the primary investment hub for developers, with an aggregate pipeline investment amounting to EUR 232 million and 1,371 keys. It's noteworthy that six of the eight projects in Tirana are upscale 5-star ventures. Meanwhile, destinations like Vlora, Dhermi, and Durres are not lagging in attracting significant developer interest. Vlora, for instance, records an investment figure of EUR 161 million, supporting 672 keys. Similarly, Dhermi registers EUR 114 million with 585 keys. However, evaluating the average investment per accommodation unit, Durres takes the lead with an average of EUR 197,727. Following closely, Dhermi takes the second place, with an average investment of EUR 194,871 per unit.

In conclusion, while Tirana remains the hub of investment activity, other destinations like Vlora and Durres also present compelling investment opportunities, with Durres particularly leading in terms of per-unit investment value.

NUMBER OF KEYS IN THE PIPELINE PER HOTEL CHAIN



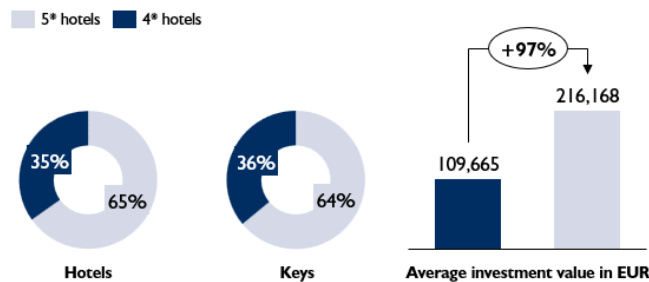
Source: tophotelprojects.com Horwath HTL, 2024

Concerning the engagement of international hotel chains in the development, two key players are notably exerting substantial efforts. Hotel investments under the Melia brand lead the way, projecting 669 keys, closely pursued by Accor branded hotels with 616 keys strategically planned for future developments.

In the upper tier of international 5-star brands, investments for Marriott branded hotels lead with an average investment of EUR 322,581 per room, closely followed by Hilton hotels at EUR 201,149. Notably, the Alabbar Hospitality Group strategically plans substantial investments of approximately EUR 273,000 per room for their independent hospitality brand, "The Bristol."

Shifting focus to total investment figures, Accor branded hotels take the lead with the highest total investment amount, reaching EUR 122 million. In the second place, investments for hotels under the Marriott brand secure a total investment of EUR 100 million.

SHARE OF 5* AND 4* HOTELS IN THE NUMBER OF PROJECTS AND KEYS IN THE PIPELINE
AVERAGE VALUE OF INVESTMENT 4* VS. 5* PROJECTS



Source: tophotelprojects.com, Horwath HTL, 2024

When it comes to categorizing, 65% of the recently announced hotels and their associated keys belong to the 5-star category. The average investment per key for these 5-star developments is EUR 216,168, leading to a cumulative investment of EUR 615 million. In contrast, 4-star developments account for almost 35% of the announced projects and keys, featuring an average investment per key of EUR 109,665 and totalling EUR 177 million in investment.

I.3. TOURISM SENTIMENT RESEARCH

Considering the significance of aligning long-term development plans with the perspectives of the general population, as well as representatives from both the business and public sector institutions, primary research was undertaken to determine the sentiments of each stakeholder group related to the tourism industry status quo and development perspective.

Tourism sentiment research involved the implementation of an online survey structured in three distinct segments:

- a) **Public sector survey**
- b) **Business sector survey**
- c) **General population survey**

Commencing on December 27, 2023, and concluding on January 27, 2024, the survey garnered a total of 1,024 valid responses, distributed across the public sector (91 responses), the business sector (195 responses), and the general public (738 responses).

In the upcoming chapters, we will highlight key findings derived from the undertaken research.

I.3.1. Public sector survey

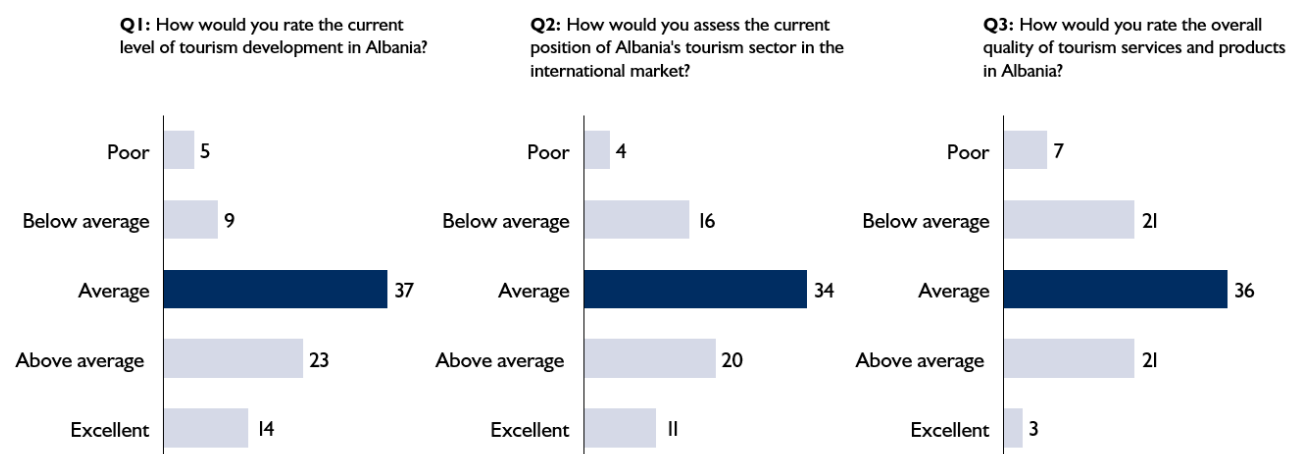
The objective of the survey was to perform research related to the public sector, with a specific emphasis on comprehending how institutions perceive the advancement of tourism in Albania. This also included exploring their perspective on where the sector should be positioned and gaining insights into their comprehension of the existing challenges that impede the growth of the tourism industry.

The total number of responses gathered was 91.

Regarding the occupational sectors of the respondents, 56% are employed in the public sector, which includes Ministries, State agencies, Educational institutions, State institutes, and other state-owned public sector entities. Meanwhile, 34% are part of the civic sector. A further 10% are employed by international financial institutions.

In terms of engagement in the tourism sector, 32% of the respondents are fully involved, while 35% are partially involved. A minority of 16% have minimal involvement, and an equal percentage (16%) report no involvement.

TOURISM LANDSCAPE IN ALBANIA: DEVELOPMENT, MARKET POSITION AND SERVICE QUALITY

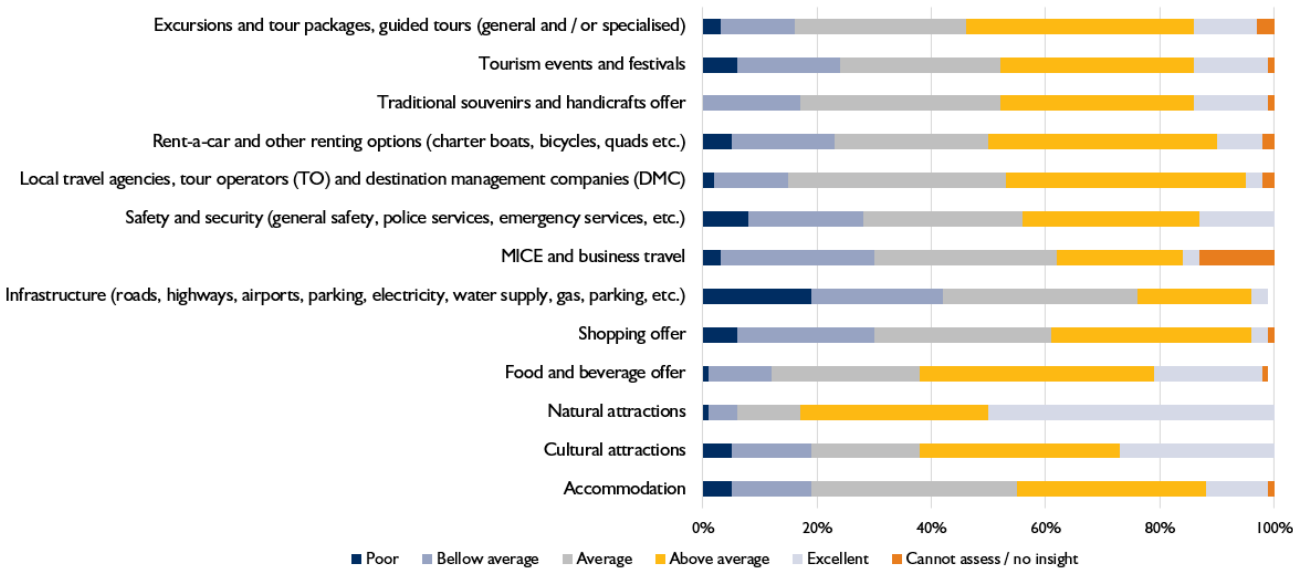


Source: Horwath HTL, 2024

Concerning the overall view on the development status of Albania's tourism, alongside its standing in the global tourism market, and the standard of services and products offered in the country, the majority of those surveyed believe it to be mediocre. This suggests that public sector representatives recognize considerable potential for further advancement and enhancement in the entire range of tourist offerings in Albania.

Also, the majority of respondents believe that the overall value for money from a tourist perspective is good (44%) and very good (18%).

QUALITY LEVEL OF ALBANIA'S TOURISM OFFERINGS



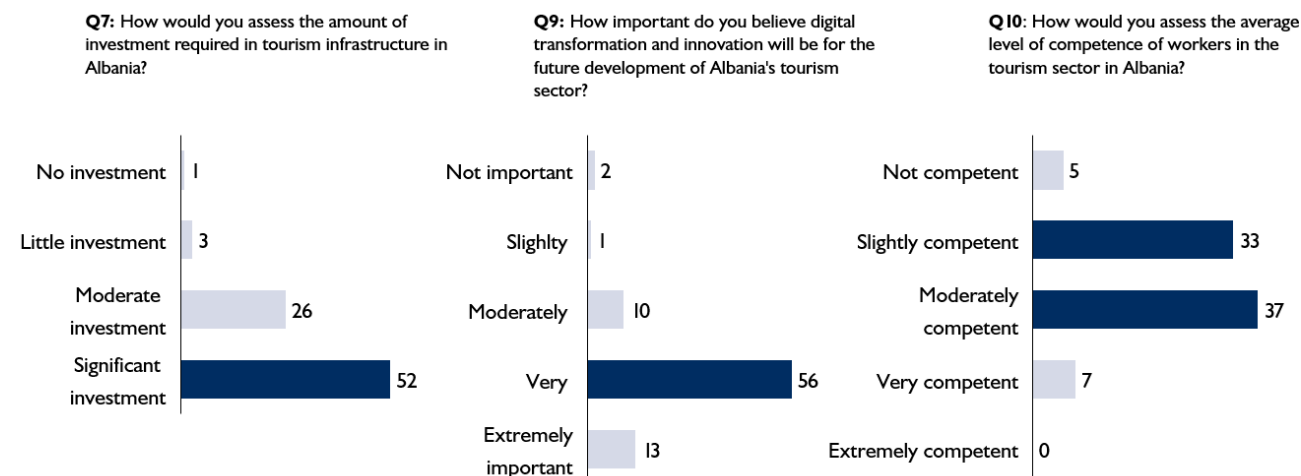
Source: Horwath HTL, 2024

In evaluating the current state of Albania's tourism offerings across various facets, it is evident that its cultural and natural attractions are particularly noteworthy. More than 60% of survey participants rated these aspects as either above average or of exceptional quality. This finding suggests that public sector stakeholders recognize Albania's robust resource base as a pivotal asset for further tourism development within the destination. Additionally, the survey respondents acknowledge a high-quality standard in related services, including culinary offerings and guided tours.

The fact is corroborated by the responses to question 16, which required listing up to 5 comparative advantages of Albania. Here, 80% of participants identified nature as a primary comparative advantage. Additionally, there were frequent references to food and drink (56%), cost-effectiveness (40%), and cultural aspects (43%).

Conversely, a substantial proportion of respondents, approximately 42%, perceive the infrastructure as subpar. This perception underscores a critical need for enhancements in this area, as the current state of infrastructure hampers the growth and advancement of the tourism sector.

TOURIST INFRASTRUCTURE, DIGITALISATION AND WORKFORCE

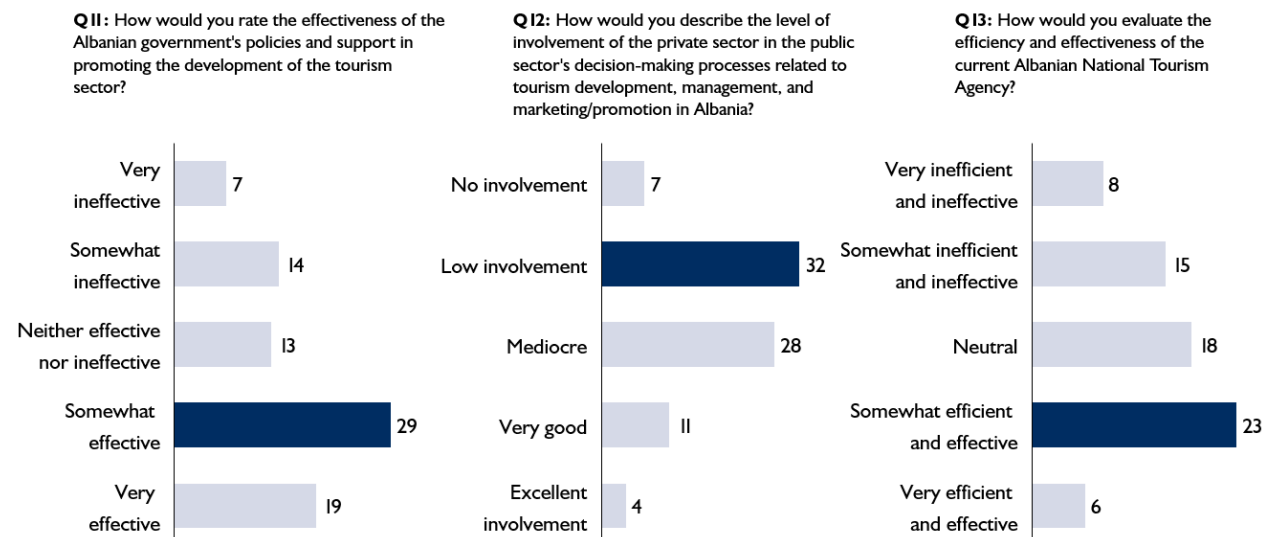


Source: Horwath HTL, 2024

Closely related to the above is the fact that 63% of public sector respondents believe that significant investments in the tourist infrastructure are necessary. Additionally, a noteworthy segment of the survey participants acknowledges the critical role of digital transformation and innovation in propelling the development of Albania's tourism sector. A substantial 84% deem these factors to be very or extremely important.

It is crucial to highlight that the public sector perceives the competency level of the Albanian workforce as moderate, with none of the respondents rating it as excellent. These insights underscore three pivotal areas where strategic investment and development are essential for future growth and advancement.

MANAGEMENT, COLLABORATION AND PROMOTIONAL EFFORTS



Source: Horwath HTL, 2024

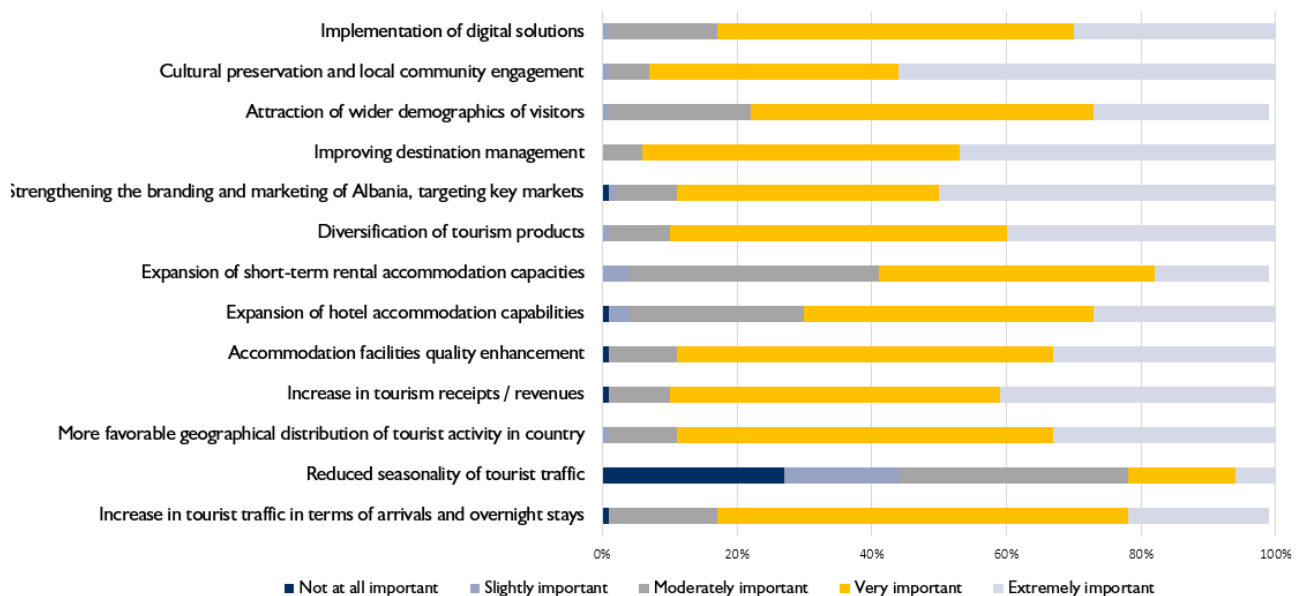
The survey results predominantly indicate that respondents, primarily from the public sector, perceive the Albanian government's initiatives in advancing the tourism industry as effective. This perspective aligns with expectations, given the respondents' public sector affiliations.

Conversely, these individuals also acknowledge a significant shortfall in the private sector's engagement in tourism-related policy-making processes. This recognition suggests an imperative need to enhance private

sector participation in future tourism development strategies.

Additionally, a notable proportion of respondents (33%) rate the efforts of the Albanian National Tourism Agency (ANTA) as moderately effective. However, this assessment warrants cautious interpretation, especially considering the substantial segment of respondents who either maintain a neutral stance (26%) or deem ANTA's efforts as ineffective (21%). This latter group's perspective might offer a more comprehensive understanding of the agency's performance and impact in the tourism sector.

KEY OBJECTIVES OF FURTHER TOURISM DEVELOPMENT



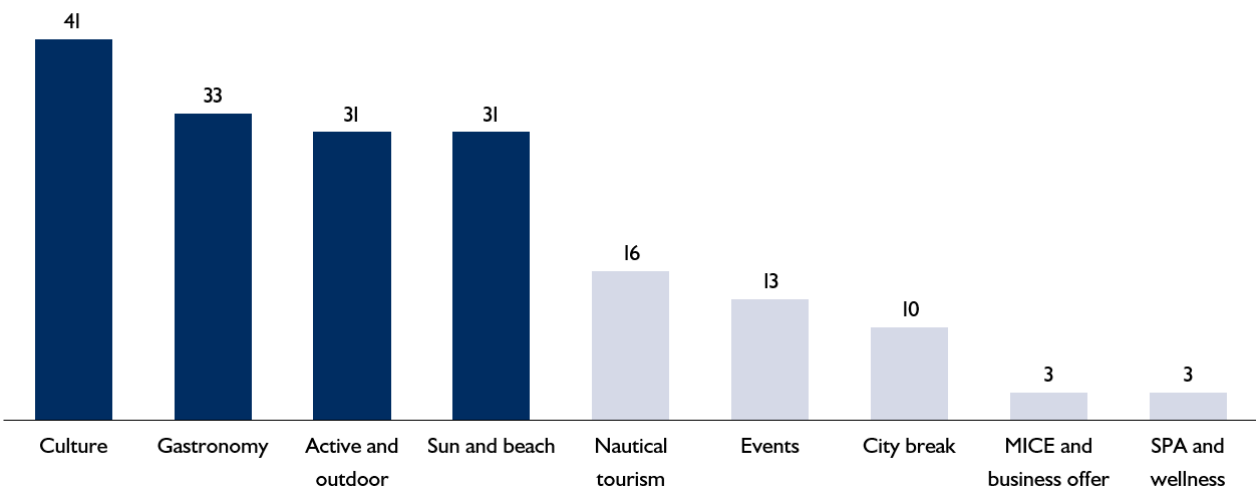
Source: Horwath HTL, 2024

The identification of key objectives for further tourism development shows that almost all proposed goals are deemed very or extremely important by over 80% of respondents. The only aspect considered less critical is expanding accommodation capacity and reducing the seasonality of tourist flow. This suggests a somewhat limited recognition of the negative impacts of relying heavily on tourism during only certain times of the year. However, these findings should be approached cautiously as they contain some contradictions. Notably, even though 90% of respondents agree on the need for greater diversification of tourism products, which would lead to a more balanced distribution of tourist traffic, this seems at odds with the lower importance attributed to reducing seasonality.

Survey participants had the opportunity to add additional strategic objectives, noteworthy among them are, the enhancement of infrastructure, a tourism approach emphasizing quality over quantity, capacity development across the entire tourism value chain, with a particular emphasis on the introduction of educational programs related to tourism at educational institutions.

KEY TOURISM PRODUCTS

Q18: Please identify top three priority tourist products for further tourist development of the destination:



Source: Horwath HTL, 2024

A majority of respondents, exceeding 65%, identify culture as the primary tourism attraction in Albania. Gastronomy also records a notable share, as indicated by 53% of respondents. Furthermore, the survey reveals that sun and beach tourism, along with active and outdoor experiences, are equally valued by approximately half of the respondents, each garnering a 50% preference rate. In contrast, sectors such as Meetings, Incentives, Conferences, and Exhibitions (MICE), business tourism, and SPA and wellness offerings are perceived as less pivotal, ranking lower in terms of priority among the surveyed individuals.

Additional comments, highlighted as areas that require additional attention:

- Development of diverse seasonal tourist packages to ensure year-round income and sustainable employment;
- Promotion of unique Albanian tourism elements to distinguish from other countries and avoid solely coastal-focused strategies;
- Improvement of service quality across public beaches, including water and sand cleanliness;
- Regulation of pricing in the tourism sector to prevent exploitation and ensure service quality aligns with costs;
- Preservation of Albanian identity;
- Alignment of government tourism strategy with the enhancement of Albanian citizens' quality of life while protecting homes, green spaces, and roads from irresponsible tourism development;
- Improvement of public and intercity transportation, and modernization of the electric railway network to minimize CO2 emissions;
- Development of halal tourism to attract tourists from the Middle East with facilities that cater to cultural and religious needs;
- Creation of sustainability incentives for tourism businesses.

1.3.2. Business sector survey

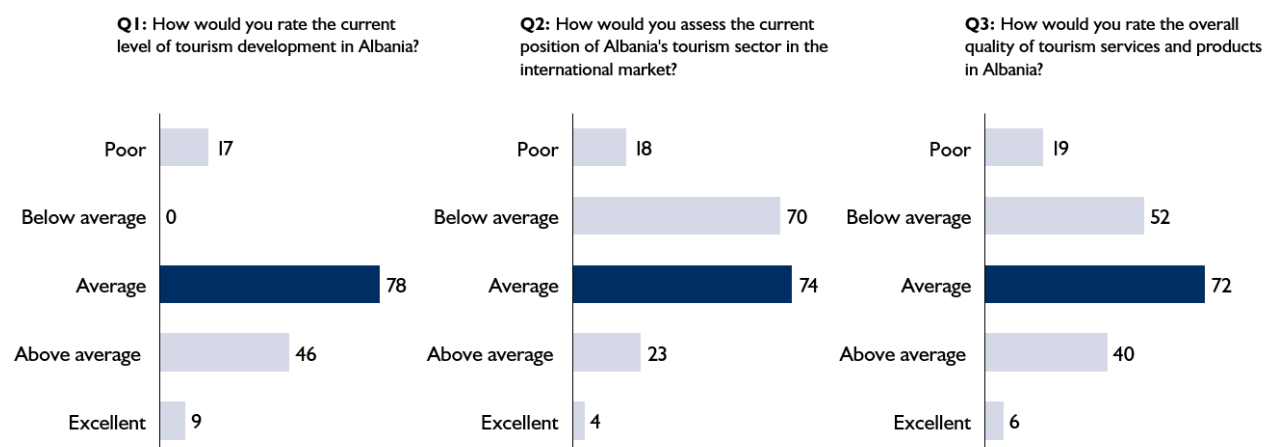
This activity aims to assess the perspectives of key business stakeholders in the tourism industry regarding the advancement of Albania's tourism sector, focusing on acquiring specialized insights from industry stakeholders. Given that business sector representatives have a profound understanding of current market dynamics, fundamental obstacles, and critical enhancements needed in the sector, their input is pivotal in identifying and implementing strategic actions to enhance Albania's appeal as a tourist destination.

Total number of responses gathered was 195.

Within the group surveyed, 28% were associated with travel agencies, tour operators, or Destination Management Companies (DMCs), 1% were involved in the transportation sector, 23% were part of the accommodation sector, 13% were engaged in the food and beverage industry, 7% in attraction industry and 24% fell into various other classifications.

The largest share of those surveyed report working in a company with less than 10 employees (61%) and declaring an annual revenue exceeding 100,000 EUR (53%).

TOURISM LANDSCAPE IN ALBANIA: DEVELOPMENT, MARKET POSITION AND SERVICE QUALITY

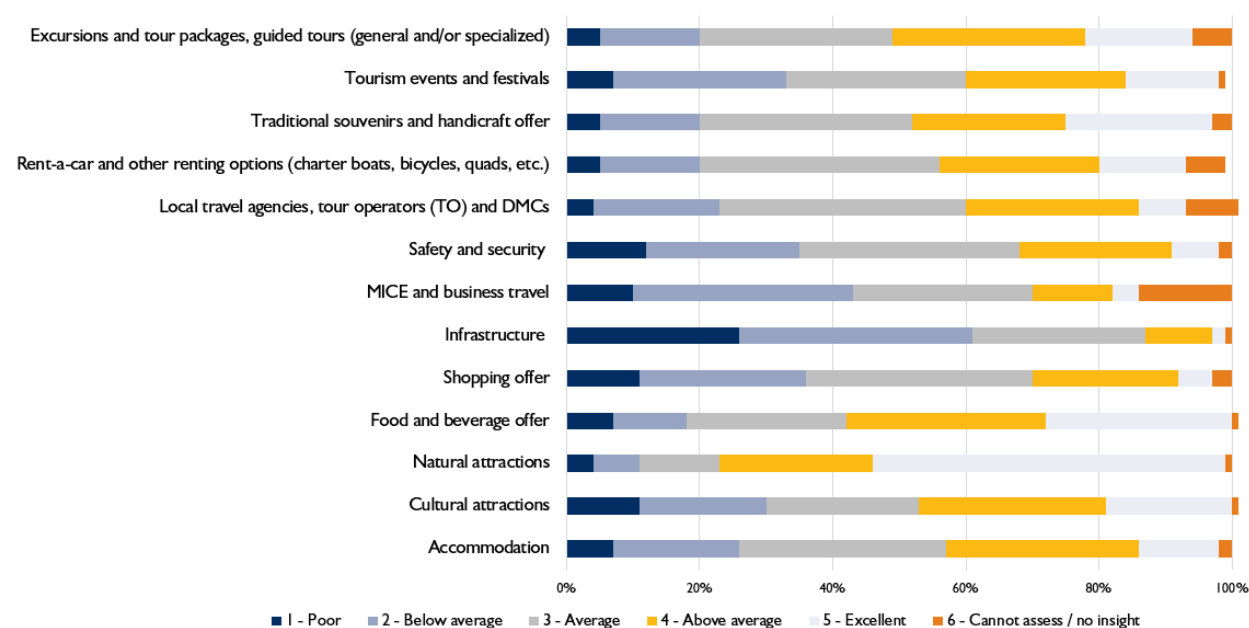


Source: Horwath HTL, 2024

Representatives from the business sector share a viewpoint similar to that of the public sector sentiment research findings. They agree that the present state of tourism development in Albania, including its market positioning and the standard of products and services, is mediocre. This consensus between both sides of the tourism industry suggests that there is considerable room for additional investment and improvement.

Regarding the value for money, a significant portion of the respondents, 38%, believe that the value for money in Albania is good but not excellent.

QUALITY LEVEL OF ALBANIA'S TOURISM OFFERINGS



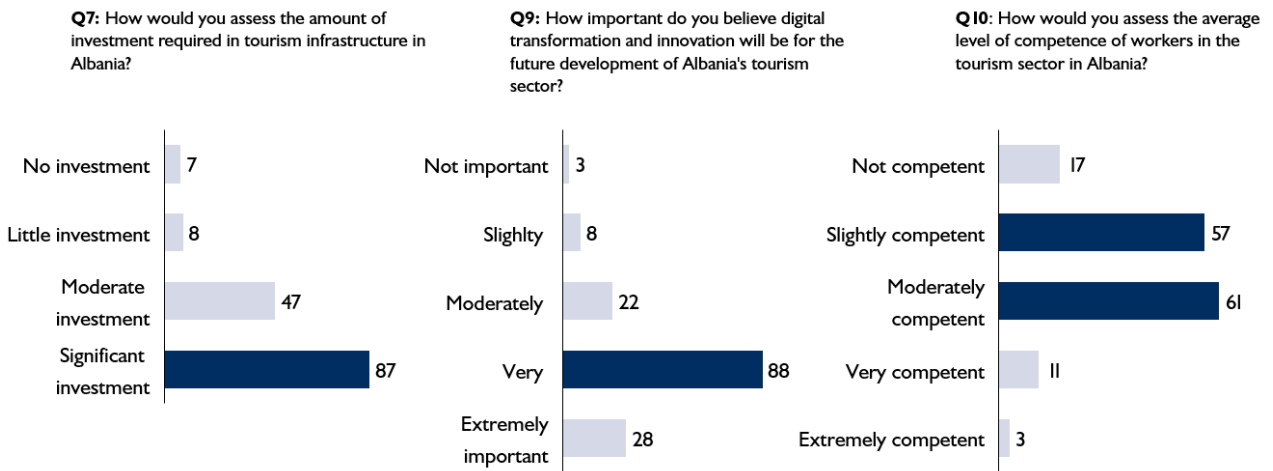
Source: Horwath HTL, 2024

A majority of business sector respondents rate food and beverage offers highly, with 53% considering it above average and a significant 28% rating it as excellent. Accommodation, cultural attractions, and natural attractions are perceived favourably, with most ratings falling in the average to above-average range.

The components indicated in this question align with the response on Albania's comparative strengths, as the majority believe Albania's primary assets lie in its natural and cultural attractions, enhanced by its status as a still-undiscovered and new destination. Moreover, Albania's competitive edge is frequently attributed to its favourable pricing.

However, the infrastructure component is rated less favourably, with 50% of respondents marking it as poor and another 35% as below average, indicating significant room for improvement. MICE and business travel, as well as safety and security, also receive a mix of average and below-average scores, highlighting potential areas for development.

TOURIST INFRASTRUCTURE, DIGITALISATION AND WORKFORCE



Source: Horwath HTL, 2024

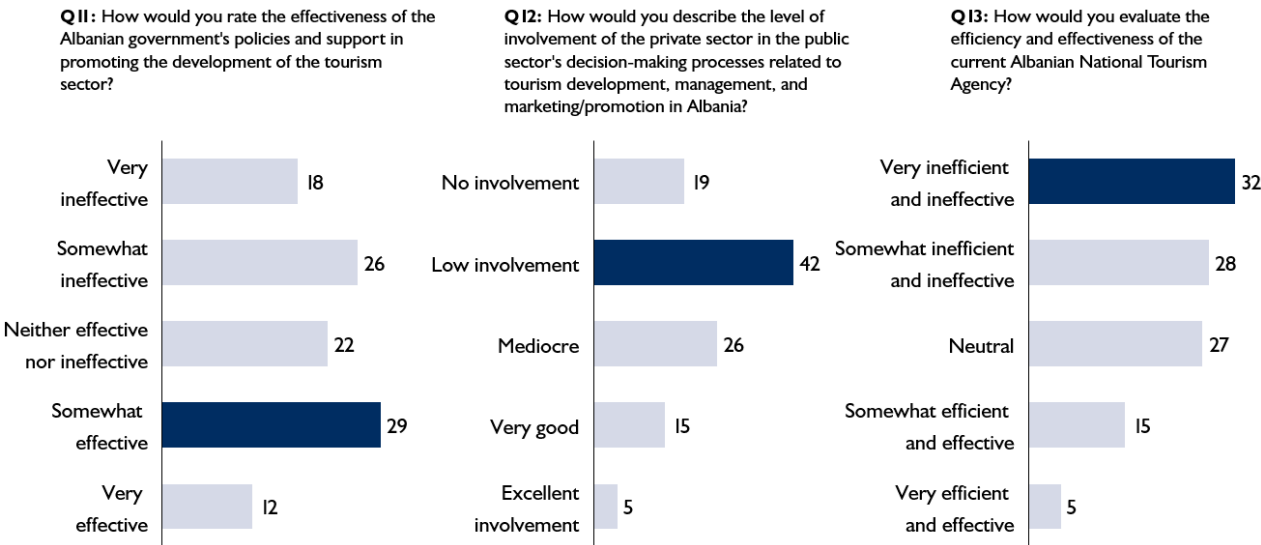
The majority of respondents believe that significant investment is needed in Albania's tourism infrastructure, with 58% stating significant investment is required and 32% indicating moderate investment is needed. This suggests a general consensus on the need for enhancement in tourism facilities such as hotels, attractions, and beach infrastructure.

The importance of digital transformation and innovation in shaping the future of Albania's tourism sector is rated highly by respondents. On the other hand, data on companies' investments in digital transformation over the past five years show that a significant proportion either do not invest significantly or do not track their investment levels.

When evaluating the competence of tourism workers in Albania, the majority of respondents rate it as moderately competent (41%) or slightly competent (38%), suggesting that while there is a foundation of knowledge and professionalism, there is significant room for improvement. The lack of respondents rating workers as very or extremely competent (only 9% combined) indicates a gap in high-level skills or training within the workforce. On the other hand, the data on investments companies have made in improving the competencies of their workers show that a significant 36% of respondents claim they have no reliable information about their investment in worker competencies, which could point to a lack of structured investment in employee development.

Once more, these results align with those of the public sector, reinforcing the unified stance within the tourism industry on the areas requiring enhancement.

MANAGEMENT, COLLABORATION AND PROMOTIONAL EFFORTS



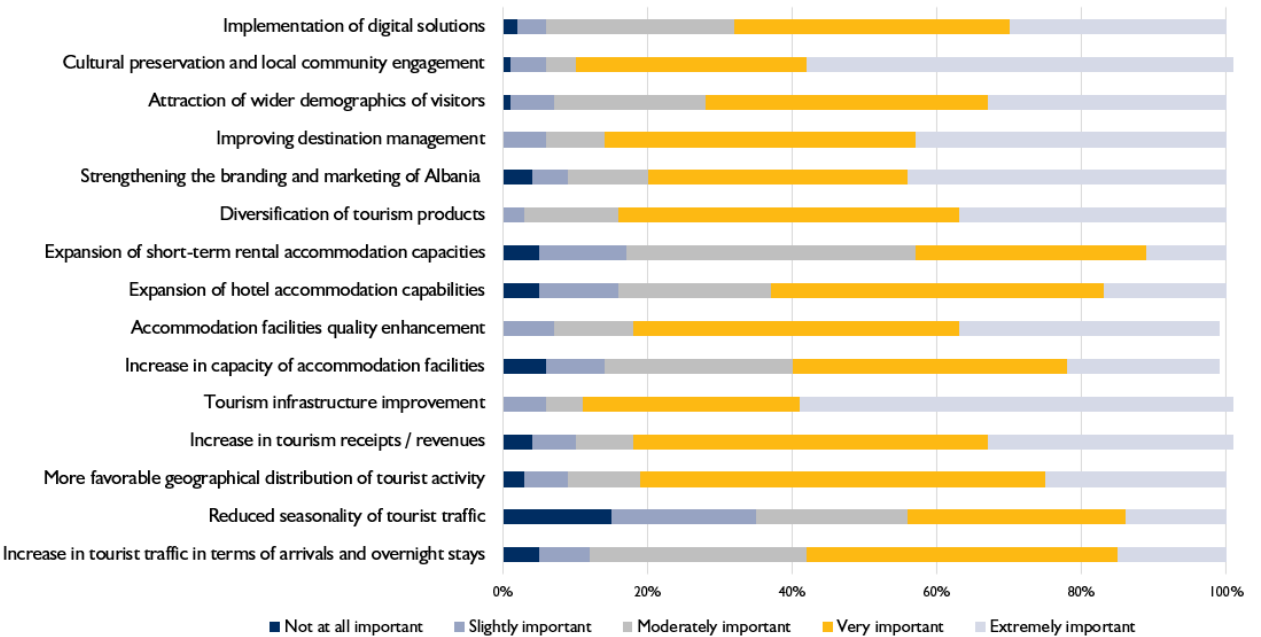
Source: Horwath HTL, 2024

Analysis of Q11 reveals a split perception regarding the Government's effectiveness in fostering tourism development. There are slightly more negative responses (44) than positive ones (41), with a significant portion (22 responses) adopting a neutral stance. A significant proportion of respondents view the government's policies as either ineffective or only somewhat effective. The relatively high standard deviation suggests that while the average opinion is somewhat critical, there are varied opinions among respondents, indicating differing experiences or expectations regarding government policies and their implementation.

On the other hand, representatives of the business sector believe that they are very little involved in decision-making related to tourism, indicating a potential area for improvement.

In strong contrast, a notable deviation from the public sector's viewpoint is the assessment of ANTA's effectiveness. The vast majority of private sector respondents are in agreement that ANTA's current operations are notably inefficient and ineffective.

KEY OBJECTIVES OF FURTHER TOURISM DEVELOPMENT

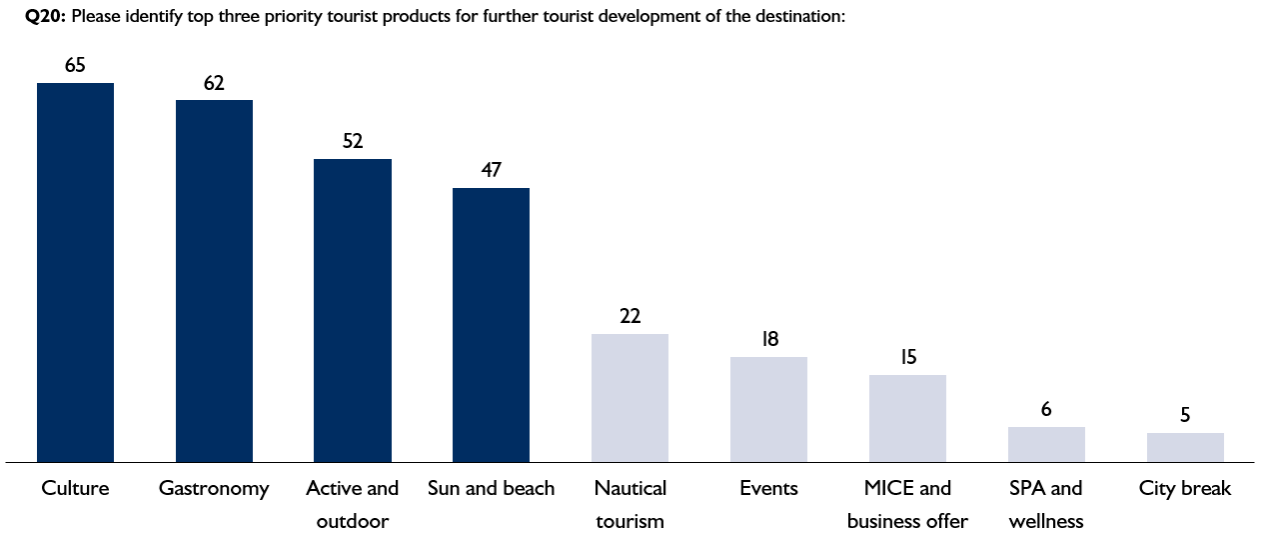


Source: Horwath HTL, 2024

The data indicates a consensus among business stakeholders on prioritizing tourism infrastructure improvement (60% extremely important) and cultural preservation (59% extremely important) in Albania's tourism development by 2030. These objectives, alongside increasing tourism revenues (39% extremely important), are deemed critical, reflecting a strategic approach to enhance economic benefits while fostering sustainable practices. While there's a moderate emphasis on expanding accommodation capacities and diversifying tourism products, reducing seasonality and attracting a wider demographic of visitors appear to be lower priorities. The integration of digital solutions holds a substantial interest, suggesting a recognition of the role technology plays in modernizing the tourism experience.

Respondents had the opportunity to add more key goals, among which they stand out the development of local management expertise, the development of diverse tourist packages (especially in the north), the introduction of GSTC criteria and European standards to companies, encouraging private sector investment with architectural oversight, regulated by state law and opening professional tourism schools in every tourist city with immediate employment post-training.

KEY TOURISM PRODUCTS

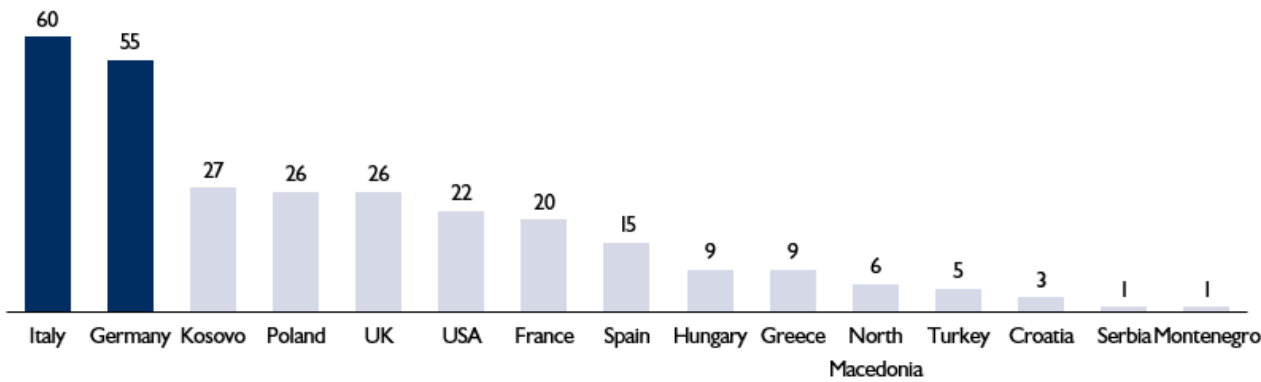


Source: Horwath HTL, 2024

The top three priority tourist products according to business sector representatives are Culture, Gastronomy, and Active and Outdoor, closely followed by the fourth – Sun and Beach. The distribution of priority tourist products suggests that the respondents are more inclined towards developing tourist products that may offer cultural experiences, culinary delights, and active engagement with the environment. The categories with lower priority, such as city-break or SPA and wellness indicate that they may be niches that are not seen as impactful for tourism development.

KEY SOURCE MARKETS

Q21: Please identify top three top three source markets for Albania in 2030:



Source: Horwath HTL, 2024

Representatives from the business sector agree that the Italian and German markets are of the highest importance, as indicated by 58% and 53% of respondents respectively. Although other markets play a role in the tourism industry, their share is relatively lower.

This finding highlights the business sector's desire to strategically prioritize Italy and Germany as key tourism sources, steering efforts towards targeted marketing and fostering relationships. Furthermore, a substantial share of the survey participants included the Scandinavian countries among the pivotal markets.

Additional comments, highlighted as areas that require additional attention:

- Improvement of waste management;
- Implementation of new policies to incentivize work and support small businesses financially during winter;
- Strengthening support for local village communities;
- Establishment of professional schools for tourism and fostering cooperation with experienced tourism countries;
- Creation of urban planning criteria for building permits and improving public transport, public beaches, waste management, and cultural attractions.

I.3.3. General public survey

Considering the critical role of local community sentiment and social sustainability in effectively integrating a national strategy, the general public survey put special attention to identifying the public's views on upcoming tourism development.

The total number of responses gathered was 738.

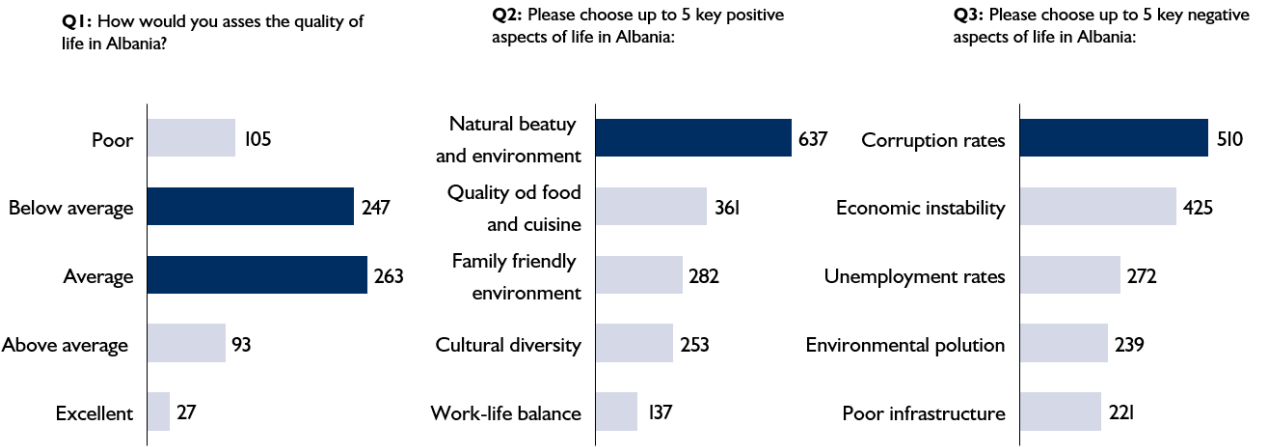
Age-wise, the predominant group is those aged between 21-30 years, accounting for 35% of the total responses. This is followed closely by the 31-40 and 41-50 age brackets, representing 33% and 18% of the responses respectively. Notably, there were only 3% of participants below the age of 20, while those above 50 constituted comprised a 12% of the total.

In terms of gender distribution, the survey shows a slight female predominance, with women forming 58% of respondents, compared to 40% for men.

Educational attainment among the respondents skews towards higher education. A significant 83% of participants reported having a university degree, and a noteworthy 8% possess a doctorate, indicating a highly educated respondent base.

Regarding employment status, the data reveals a diverse occupational background among participants. 39% of the respondents are employed in the private sector. The public sector and non-governmental organizations (NGOs) account for 35% and 6% of the employment statuses of respondents. 7% of the respondent are unemployed while 2% are retired.

QUALITY OF LIFE IN ALBANIA



Source: Horwath HTL, 2024

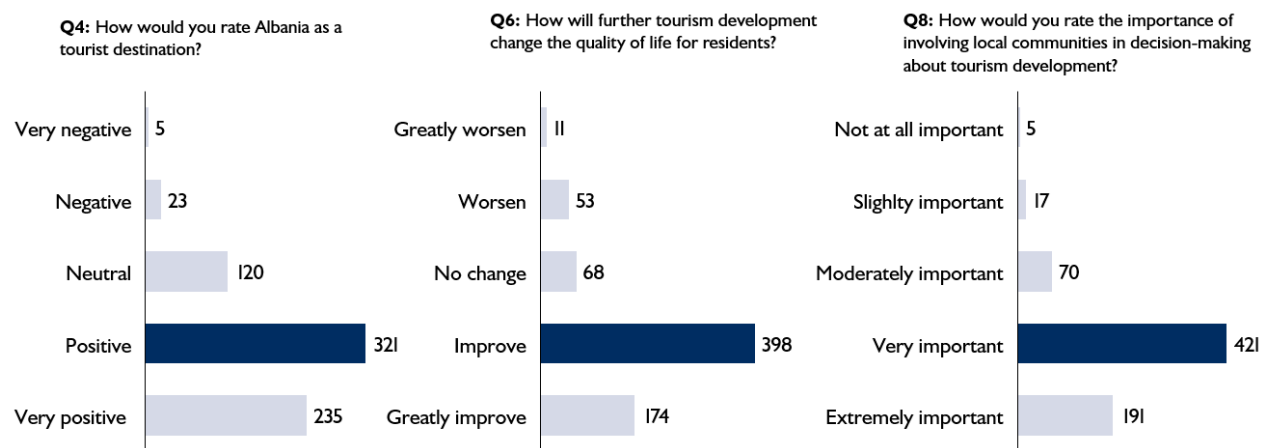
A significant portion of the participants rated quality of life in Albania as below average (33%) or average (36%).

Following that, the survey required respondents to identify five positive and five negative aspects of life in Albania from a predetermined list of options. The results presented above are the 5 most frequently selected aspects in each category.

The responses highlight several positive attributes associated with life in Albania. These attributes align with findings from public and private sector surveys. They predominantly include Albania's rich cultural heritage, its diverse natural landscapes, and its gastronomy, which was notably the most positively viewed aspect.

Among the negative aspects, the prevalence of corruption, economic instability, and high unemployment rates were prominently noted. Additionally, a significant proportion of responses pointed to environmental pollution. This concern reflects a growing awareness among the population of the importance of sustainable growth and development across various sectors, including tourism, and the need to minimize environmental impact.

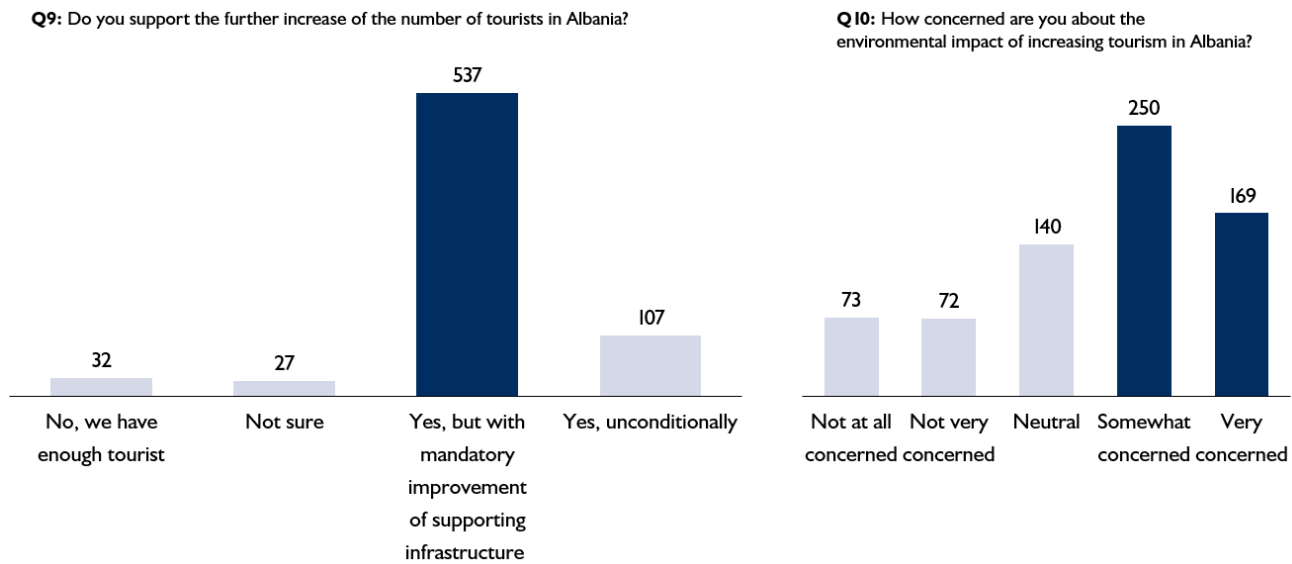
COMMUNITY IMPACT AND INVOLVEMENT IN TOURISM DECISIONS



Source: Horwath HTL, 2024

The predominant sentiment among the general public is one of optimism and favourable views regarding Albania as a tourist destination. Breaking down the survey results further, a minority of 11% anticipate either no meaningful alteration or a detrimental effect of tourism on residents' quality of life. In contrast, a substantial majority, amounting to 82%, foresee an improvement in living standards as a result of tourism expansion. Additionally, there is a pronounced consensus on the significance of local community engagement in tourism-related decision-making processes, with a notable proportion of respondents deeming it very to extremely important that residents have a voice in these decisions.

INCREASE OF TOURIST NUMBERS AND ENVIRONMENTAL IMPACT



Source: Horwath HTL, 2024

Regarding the further increase in the number of tourists, the data shows that, on average, respondents lean towards conditional support of increased tourism, contingent on infrastructure development. Following that, there is also a significant level of concern about the environmental impact of increasing tourism. These results suggest that while there is enthusiasm for the potential of increased tourism and support towards further tourism development, there is also a clear demand for responsible development that addresses infrastructure needs and environmental protection.

I.4. TOURISM VALUE CHAIN ASSESSMENT

During the first two weeks of 2024, a team of local experts engaged in field trips to analyse the key elements of the national tourism value chain via primary research. This assessment centred on key attractions that were identified in earlier activities, based on their attractiveness and competitiveness. Besides the primary research, the Consultant engaged in thorough secondary desk research to further assess components of the tourism value chain.

The framework for the tourism value chain analysis, formulated by the UNWTO and tailored by Horwath HTL to suit this specific project, encompasses essential components as follows – travel organisation and purchase, transport, accommodation, food and beverage services, tourism resources and attractions, and tour and excursion.

This comprehensive analysis of the tourism value chain has identified aspects that provide a solid foundation for advancing certain components of the value chain. Concurrently, it has identified shortcomings within specific segments of the value chain. What follows is a summary of the identified strengths and weaknesses in each segment of the value chain.

I.4.1. Travel organisation and purchase

In the course of analysing this aspect, the Consultant considered multiple factors related to travel organisation and purchase. This included assessing the variety, accessibility, user-friendliness and affordability of car rentals, flight bookings, accommodation reservations, arranging and purchasing tours and excursions, in-country transportation, customer support and service, payment options and cancellation policies, and similar. The analysis placed a high focus on the very phase before the travel organisation and purchase, the so-called "dreaming" phase, that is, inspiration before planning and realizing the trip itself.

Key Strongholds:

- Advance booking for car rentals is offered by multiple providers, featuring flexible pick-up and drop-off options at various locations and pre-scheduled times;
- A considerable variety of accommodation choices is available across booking platforms, encompassing a diverse range of prices and quality levels;
- A substantial range of tours and excursions is offered by a diverse array of providers;
- Good customer support performance throughout the tour and excursion booking process, including responsiveness, troubleshooting capabilities, and multilingual support;
- There is a notable presence of positive feedback for tours and excursions offered by Albanian travel agencies and Destination Management Companies (DMCs) on various travel review websites.

Key Deficiencies:

- Scarce availability of information regarding the destination's offerings;
- Subpar quality of available information, often presented on poorly designed, non-user-friendly web pages;
- Insufficient content on social networks, lacking visual appeal and inspiration;
- The presence of numerous uncategorized properties on the available platforms raises concerns about the quality of the accommodation offered;
- The majority of tours available are pre-packaged, with limited opportunities for customization;
- Many service provider websites lack a user-friendly interface and are not integrated with social media and review platforms;
- Lack of flexibility and transparency of cancellation policies;

- Lack of an online ticket purchasing option for public intercity and city transport.

I.4.2. Transport

In the analysis of Albania's transportation systems, various modes of transport were considered, including regular land transport (buses and cars), maritime (ferries and sea vessels), and air access. Additionally, the analysis encompassed related infrastructure across all transport types, including aspects like parking, road signage, organization, and the availability of amenities such as restrooms.

Key Strongholds:

- National and regional road infrastructure is undergoing notable improvements;
- Road signs indicating points of interest are prominently displayed on national and regional roads;
- Efficient ferry services connect the Albanian ports of Saranda, Vlore, and Durres with Korfu (Greece) and Bari, Ancona and Brindisi (Italy);
- Ferry terminals provide detailed information in English, including lines, timetables, and pricing;
- Tirana International Airport and Kukes Airport excel in functionality, cleanliness, and organization;
- Airports display bilingual information (Albanian and English) with clear visibility of flight schedules;
- Multiple payment options are available for parking services;
- The bus terminals in Tirana, Fier, and Korca are distinguished for their functionality and cleanliness;
- Bus terminals provide high-quality information in both Albanian and English, including prices, clear timetables, and bus line maps.

Key Deficiencies:

- Although the national and regional road infrastructure is improving, the local road infrastructure remains in poor condition;
- Lack of road signs leading up to inland and rural tourist points of interest;
- Road access to potential tourist attractions is either in very poor condition or non-existent;
- Lack of national ferry transport connecting Albanian ports;
- Ferry transport often experiences delays in punctuality and extended waiting times;
- Most towns lack designated bus parking areas;
- Information at bus stops is limited to timetables, with no additional details provided;
- Bus transport is not adequately adjusted to meet the needs of tourism, particularly for access to specific tourist attractions.

I.4.3. Accommodation

Average grade: 4.4

The evaluation of accommodation capacities involved examining various aspects of hotel establishments such as cleanliness, comfort, affordability, location, and similar factors via primary and secondary research. This comprehensive analysis encompassed a representative sample of 44 hotels situated in various geographical regions across Albania. The assigned grading is a calculated average according to visitor reviews, where 5 represents the highest value and 1 the lowest.

Component	Average grade
Staff	4.4
Facilities	4.3

Cleanliness	4.4
Comfort	4.4
Value for money	4.2
Location	4.5
Free Wi-Fi	4.4

Source: Booking.com, Horwath HTL, 2024

Key Strongholds:

- A considerable array of choices accessible on online booking platforms;
- On average, visitors are quite satisfied with the quality of services provided in hotel accommodation;
- An increasing number of hotels affiliated with international hotel brands;
- A rising quantity of establishments falling within the upscale and upper-upscale categories;
- Competitive pricing strategy, offering good value for money;
- While the official categorization and classification system may not be fully implemented, there is an increasing focus on upholding international quality standards.

Key Deficiencies:

- The level of quality and service standards are not applied in accordance with the international classification standards (cleanliness, facilities, F&B options etc);
- Guests frequently expressed dissatisfaction with their stay in various establishments, citing an unfavourable attitude and inadequate communication skills of the staff as prominent reasons;
- Frequent discontent regarding the cleanliness standard within the hotel and inadequate cleaning of the units;
- The persistent occurrence of being unable to make payments with a credit card remains a common issue;

I.4.4. Food and drinks

In the analysis of food and drink offers, the Consultant focused on the assessment of available options in major tourist destinations, such as Tirana, Vlora, Durres, Saranda, and the like, based on available online data. Additionally, the assessment included primary research, namely the on-site mystery guest visits by local experts. The assessments focused on multiple aspects of the food and beverage offerings, including the variety of menus, the quality of service, the atmosphere and setting, pricing structures, ease of access, online visibility, available payment methods, and other related components

Key Strongholds:

- More developed tourism destinations have a wide range of food and beverages offered, including traditional Albanian cuisine and international options;
- High level of services provided, including efficiency, friendliness, and language capabilities, with emphasis on Tirana;
- Good affordability, with prices that are more competitive than those of competitors, while still maintaining a high quality, offering excellent value for money;
- The most notable restaurants exhibit a good online presence of their food and beverage options, featuring well-maintained websites and active social media profiles;
- Agrotourism is an emerging sector, offering a unique way for visitors to experience the country's rich agricultural heritage, including culinary delights;

- Extensive positive feedback and high ratings on travel review websites.

Key Deficiencies:

- A modest selection of food and beverage offer off the beaten tourist paths;
- Shortage of gastronomy stores offering local delicacies and products throughout the country;
- Limited emphasis on local cuisine using premium local ingredients;
- Absence of globally acknowledged quality certifications (such as Michelin, Gault & Millau, JRI, and others);
- Expressed need to balance the quality standards of the service provided throughout the country, taking into account the significant variations in quality between more advanced tourist destinations and those less developed.

1.4.5. Tourism resources and attractions

Average grade: 3.1

The evaluation of tourist attractions was conducted predominantly through primary research. This involved visiting key sites already recognized as priority tourist attractions, as well as exploring sites with the potential to emerge as tourist attractions, given the right strategies and investments. The sites assessed encompassed a diverse array of attractions including cultural, historical, religious, and natural landmarks. Factors taken into account during the analysis included but were not limited to, the appeal of both exterior and interior aspects, staff interaction, the provision of information in multiple languages, the availability of guided tours and informational materials, ease of access, variety of payment methods, digital facilities, and the overall infrastructure. A total of 27 attractions and tourist resources were visited.

Component	Average grade
Availability and parking	2.9
Traffic signs to the attraction	3.2
Exterior attractiveness	4.5
Exterior cleanliness	3.7
Communication of employees in foreign languages	3.2
Employee professionalism	3.6
Price list in foreign languages	3.8
Interior attractiveness	3.5
Interior cleanliness	3.7
Quality and functionality of the sanitary facilities	2.8
Presentation and interpretation of the attraction	2.6
Guided tour (yes/no, quality, foreign languages)	2.6
Audio guide/app	2.0
Quality and informativeness of printed materials	2.6
Wi-Fi – existence and quality	2.9
Souvenir shop	1.3
Working hours (adjusted, unadjusted...)	3.6

Payment options	3.4
Possibility of access for people with disabilities	2.3

Key Strongholds:

- Albania's wealth of cultural, historical, religious, and natural attractions provides a solid foundation for the expansion and enhancement of tourism offerings and experiences;
- Three renowned UNESCO World Heritage sites: Butrint, Berat, and Gjirokastra;
- Notable museums like the Onufri Iconographic Museum in Berat Castle, the Museum of Medieval Arts in Korca, and the Photographic Museum of Marubi are distinguished for their captivating interiors and innovative presentations;
- The Photographic Museum of Marubi, National Historic Museum, Museum of Leaves, and Museum of Medieval Arts are recognized for their accessibility features, enhancing the experience for visitors with disabilities;
- National museums and archaeological sites maintain consistent operating hours in the high season, offering services seven days a week from 9:00 AM to 6:00/7:00 PM;
- Llogara National Park, Divjake-Karavasta National Park, and Thethi National Park feature newly established Visitor Centres and feature innovative interpretative practices;
- Divjake-Karavasta National Park has a well-developed infrastructure, like the wildlife viewing bird watching tower, appealing to nature-based tourism enthusiasts.

Key Deficiencies:

- Lack of innovative interpretation practices in many museums and cultural attractions diminishes the overall visitor experience;
- A significant number of cultural sites fail to provide adequate parking space for both buses and cars, leading to accessibility issues;
- The souvenir shops at many attractions are either non-existent or offer a minimalistic range of products, often unrelated to the theme of the attraction;
- Infrastructure in areas designated for active outdoor or adventure tourism is often underdeveloped, poorly maintained, or completely lacking;
- Not all protected areas are equipped with Management Plans or have designated zoning for recreational and tourism activities, impacting the sustainability and visitor experience;
- Many attractions fail to provide high-quality materials that inform and enhance the visitor experience;
- Key natural resources like Benja Thermal Water Baths, Blue Eye, Osumi Canyons, and Koman Lake lack Management Plans or Zoning, hindering their potential for recreational and tourism development.

I.4.6. Tours and excursions

In the analysis of tours and excursions available in Albania, the primary emphasis was placed on identifying aspects like the variety of options across various providers, the presence and calibre of promotional materials, the standard of service provided on the spot, available payment methods, and similar factors. The assessment encompassed both primary and secondary research, focusing on evaluating Albanian travel agencies, tour operators, and destination management companies.

Key Strongholds:

- Over the past five years, there has been a noticeable increase in the variety and diversity of thematic and experiential tours provided by small and medium-sized enterprises, including boutique-style travel companies such as Our Own Expeditions, Albanian Trip;

- The professionalism of the tour providers' staff has notably advanced, and the range of languages spoken has expanded from solely English and Italian to include a broader spectrum, particularly languages pertinent to key markets such as German, Spanish, and Chinese, among others;
- The range of tourist attractions included in tours and excursions within the country is steadily growing. For example, in the past 5-6 years, Tirana has notably augmented its array of attractions, adding significant sites like BunkArt 1 and BunkArt 2, the House of Leaves Museum, the Kadare House, and others;
- The quality of interpretation provided by tourist guides has seen improvement, following the successful implementation of bylaws governing tourist guides and the contributions of professional training centres accredited by the Ministry of Tourism and Environment;
- Passenger reviews on platforms like TripAdvisor and Google Reviews have been particularly positive, especially regarding the tailor-made package component that features off-the-beaten-track offerings.

Key Deficiencies:

- Many tour operators offer tours that are either very similar or identical;
- There is a strong need to enhance the availability of promotional and informational brochures, particularly in digital formats;
- Limited options are available for online credit card payments for tours and excursions;
- There is a noticeable shortage of online information and visibility for day tours and excursions in Tirana and other tourist destinations. Typically, these are organized through pre-arrival contact with companies or by making reservations at hotels in Albania;
- The websites of many providers are not up to par with current market trends in both design and content, indicating a need for enhancement;
- Adaptation of tours and excursions to people with disabilities is notably limited.

I.5. STAKEHOLDER MAPPING

This analytical activity aims to precisely identify the perspectives, interests, and potential contributions of key stakeholders in the design and implementation of effective tourism strategies.

Mapping the network of stakeholders is intended to achieve a comprehensive understanding of their roles and expectations in relation to tourism development. This proactive approach ensures the alignment of strategies with the diverse needs and aspirations of key players in the tourism landscape, fostering collaboration and synergy for sustainable and impactful results.

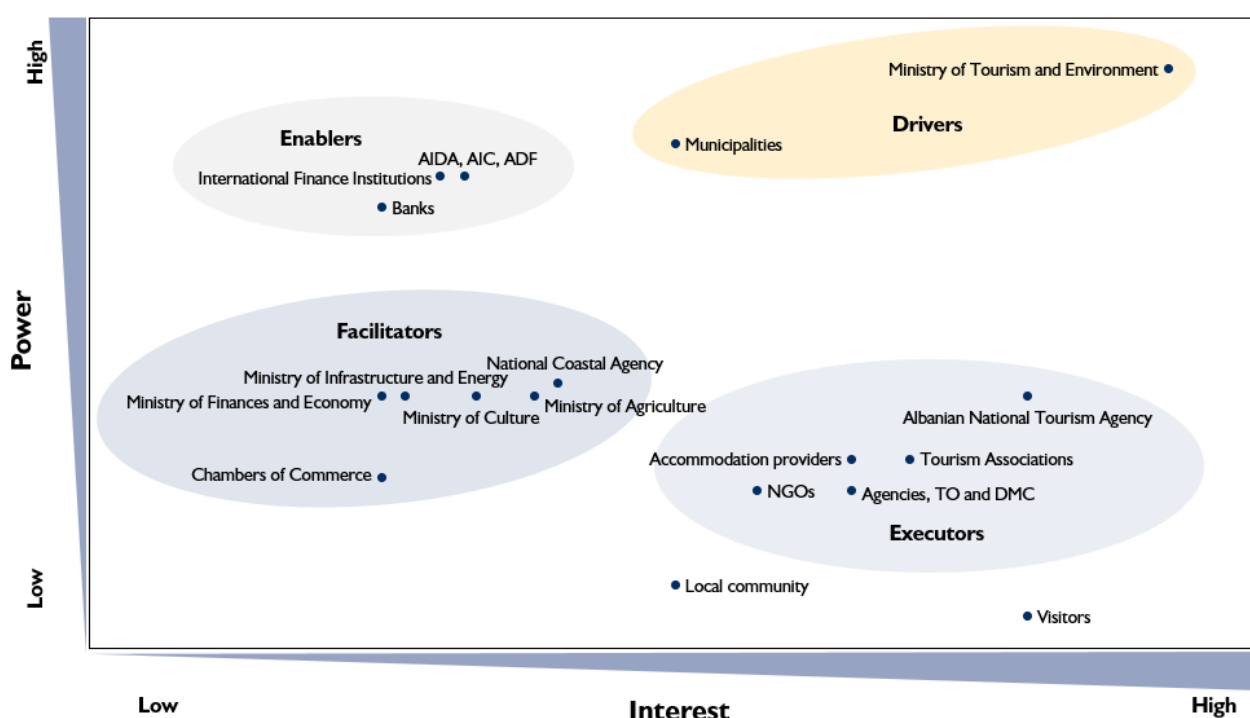
I.5.1. Stakeholders map

From December 4th to December 8th, 2023 Horwath HTL team of experts (hereinafter: the Consultant) conducted a field trip in Tirana, engaging with a total of 28 key stakeholders in the tourism sector from both the public and private sectors. The team conducted interviews with various entities, including ministries, national-level associations, non-governmental organizations, donor institutions, investors, hoteliers, travel agencies and tour operators.

Additionally, the Consultant conducted additional interviews with key stakeholders who were initially unavailable during their stay in Tirana. In total, the Consultant conducted 32 interviews.

Following interviews, the Consultant mapped key stakeholders based on their interest in tourism development and their power to drive substantial changes. The resulting stakeholder mapping is presented in the matrix below.

STAKEHOLDER MATRIX ACCORDING TO THEIR INTEREST IN TOURISM DEVELOPMENT AND POWER TO DRIVE ITS PROGRESS



Source: Horwath HTL, 2024

In a matrix categorizing tourism stakeholders based on their power and interest in tourism development, four key roles are identified: Drivers, Enablers, Facilitators, and Executors.

In this framework, "Drivers" are entities with high power and high interest. They are crucial in shaping the direction of tourism development and have the resources and authority to implement significant changes. As a government body, the Ministry of Tourism and Environment holds significant authoritative and regulatory power, as they can make decisions that directly impact the tourism sector, from policy-making to funding allocation. Following that, the Ministry is fundamentally interested in tourism development as it directly aligns with its responsibilities and goals. Their focus is on boosting tourism for economic benefits and ensuring sustainable practices that protect the environment. Municipalities also fall into the Drivers category in the tourism stakeholder matrix, holding regulatory authority and a vested interest in local tourism development. They play a crucial role in economic growth, infrastructure development, and community engagement, positioning them as pivotal players in enhancing and shaping the tourism sector.

Meanwhile, "Enablers" have significant power but a comparatively lower level of direct interest. They have the capability to support initiatives but are not typically at the forefront of leading them. International finance institutions, Banks, ADF, AIC, and AIDA fit into the Enablers category of the tourism stakeholder matrix. Their role is pivotal in providing financial resources and investments crucial for tourism development, yet they typically adopt a supportive rather than a leading role. While they exercise significant financial power and influence the economic aspects of tourism projects, their involvement is more focused on enabling and facilitating initiatives through funding, rather than directly engaging in the planning and execution of tourism strategies. Their contributions are essential for the growth and sustainability of the tourism sector, making them key enablers in its development.

Contrastingly, "Facilitators" have slightly higher levels of interest but do not possess the power required to effect substantial changes. The Ministry of Infrastructure, Ministry of Culture, Chambers of Commerce, Ministry of Agriculture, and the National Coastal Agency can be classified as "Facilitators" in the tourism stakeholder matrix. This is because their roles primarily involve providing support and essential services that enrich and enable tourism development, rather than directly driving it. For example, the Ministries focus on infrastructure and cultural preservation, the Chambers on business support, the Ministry of Agriculture on agritourism, and the Coastal Agency on managing coastal resources, all contributing to an encouraging environment for tourism growth without being the primary drivers of the sector.

Lastly, "Executors" are responsible for implementing the strategies and plans devised by the drivers. Accommodation providers, Destination Management Companies (DMCs), tour operators, Nongovernmental organisations (NGOs), tourism associations, travel agencies, and the Albanian National Tourism Agency are classified as "Executors" in the tourism stakeholder matrix. Accommodation providers directly implement services crucial for tourists and their operational focus is on executing quality accommodation services, a cornerstone of the tourism experience. DMCs and tour operators design and execute the plans and strategies that shape a tourist's experience in a destination. NGOs and Tourism Associations work on the ground to implement tourism-related projects and coordinate with various tourism stakeholders. Travel agencies play a key role in executing travel plans for tourists. While the Albanian National Tourism Agency (ANTA) might have a role in shaping policies, its primary function is geared towards executing national tourism strategies and promoting the country as an attractive tourism destination. These entities are crucial in bringing tourism strategies and plans to life, focusing on the operational side of tourism rather than policy-making or strategic development.

1.5.2. Key identified challenges

Following interviews with key stakeholders, a comprehensive assessment has been undertaken to identify the key challenges currently hindering the advancement of tourism in the country. The identified challenges span across multiple dimensions, from policy and governance to market development and infrastructure. They highlight critical areas that require attention and strategic intervention.

1. Policy and Regulatory Framework

- Lack of Vision and Strategy: A comprehensive and long-term strategic plan for tourism is indispensable, focusing on specific objectives, identifying target markets, and establishing development models. There is a clear need for the strategy to be both implementable and approachable.
- Inadequate Hotel Classification, Categorisation and Quality Standard: The absence of a vigorous hotel classification and categorisation system and lack of enforcement of standards lead to inconsistent quality of services, impacting tourist satisfaction and repeat visits. At present, most hotels self-assign their star ratings, with only those under international brands being genuinely categorized.
- Inefficiencies in the Taxation Framework: Currently, a significant share of accommodation providers evade tourist tax due to operating without registration. Initiatives like charging higher commissions for unregistered accommodations on Booking.com have been launched to encourage more providers to register and pay taxes. However, these measures have not been very successful so far, as unregistered establishments incur lower costs compared to if they were officially registered. There is an urgent need to address and regulate taxation issues promptly.

2. Tourism Management

- Underdeveloped destination management system: At present, Albania signifies a lack of comprehensive and coordinated management structures at local, regional, and national levels. Currently, there is no regional management and only a few local-level destination management organisations, which are of questionable efficiency and effectiveness.
- Absence of Coordinated Marketing and Promotion: Currently, the lack of coordinated efforts indicates a disjointed approach to promoting Albania as a desirable tourist destination, as different stakeholders are following their marketing strategies without a cohesive and unified national branding message. This situation highlights the need for a well-thought-out marketing strategy that can effectively highlight the country's strengths. It is essential to develop a unified narrative that is clear and not perplexing to potential tourists, unlike the current situation.
- Poor communication between public and private sectors: The current communication gap leads to low levels of stakeholder engagement and community involvement, resulting in ineffective policy implementation, misaligned marketing strategies and inefficient resource allocation.

3. Infrastructure and Accessibility

- Poor Intra-destination Mobility: In Albania, challenges in road access and intra-destination mobility stem from limited public transportation options, especially in rural areas, and poor road conditions. Additionally, inadequate signage and seasonal variability in transport services hinder travel, leading to an over-reliance on private vehicles.
- Underdeveloped infrastructure: There is a strong need to improve infrastructure, especially in less accessible areas as current poor road conditions and insufficient road network limit tourism movement and affect the more favourable distribution of tourism across the country.

4. Human Capital and Educational Development

- Shortage of Tourism Education and Training: Strong need for specialized education and training facilities to build a skilled tourism workforce.
- Deficiency of Qualified Workforce: Closely related to the above, this challenge indicates a huge lack of skilled professionals needed in the tourism sector. The significant exodus of highly skilled Albanian workers aggravates this challenge, underlining the necessity to incentivise tourism employers to remain in the country.

5. Market Development and Diversification

- Poor Source Market Diversification: Albanian tourism is currently heavily relying on a few source markets. There is an expressed need for diversifying source markets to reduce dependency and improve resilience against market-specific downturns.
- Lack of Higher Added Value Tourism Products: At present, there is a lack of proactive development in tourism products, with a tendency towards reactive development instead. This approach highlights the urgent need for a more dynamic and diverse range of destination products, capitalizing on a rich resource base. Additionally, there is a clear demand for the creation of unique and premium tourism experiences. These should cater to various tourist demographics, particularly those who are inclined to spend more, thereby boosting overall revenue.
- Prominent Seasonal Dependency: Albanian tourism is strongly reliant on the summer season, pointing to the need to develop additional products and experiences that would stimulate year-round tourism.

6. Market Intelligence and Data Collection

- Insufficient Statistical Data Collection on Tourism Traffic: At present, systematic gathering, analysis, and interpretation of data related to the flow of tourists are inadequate. This data refers to the number of visitors, their demographics, spending patterns, destinations, duration of stay, and other relevant metrics.
- Lack of Business Intelligence on Tourism: The tourism sector lacks robust data analysis that would facilitate informed decision-making based on understanding tourist behaviours, patterns, demand and trends.

7. Sustainable and Integrated Tourism Development

- Insufficient Cross-Sectoral Collaboration: Limited collaboration of tourism with other sectors such as culture, transportation, agriculture and similar hinders the development of cohesive tourism products. There is a strong need to integrate tourism with other economic sectors for holistic development.
- Sustainability and Over-Tourism Challenges: Expresses concern about the need to balance tourism growth with environmental and social sustainability.

8. Economic and Political Dynamics

- Negative Impact of Construction Lobbying: Concerns were raised about the negative impact of biased lending practices in the construction sector, as lenders are favouring residential construction projects over tourism-related developments due to the quicker return on investment. By prioritizing short-term gains associated with residential construction, lenders are inadvertently inhibiting the growth and potential of tourism infrastructure in the region.

1.5.3. Key identified opportunities

After conducting the interviews, the Consultant gained a deeper understanding of the main factors that key industry players believe are essential for advancing the tourism sector in the country.

1. Valorisation of Natural and Cultural Heritage

Albania's rich cultural heritage, historical sites, traditional practices, and natural beauty are recognized as the country's major assets. Leveraging these advantages could attract visitors seeking authentic cultural experiences and natural beauty and provide them with diverse and authentic experiences. Capitalizing on these attributes could alleviate the pressure on tourism points of interest reliant on sun and beach tourism, and contribute to a more favourable geographic and seasonal spread of tourist flow.

2. Focus on Sustainable and Diverse Tourism Experiences

Among the key players in the market, the importance of emphasizing sustainability is strongly recognized in line with global tourism trends towards responsible travel. Concurrently, in line with these global

movements, there's a growing demand among travellers for varied and genuine experiences. This has led to the recognition of a crucial requirement to broaden Albania's tourism offerings, leveraging its rich resource base.

3. Further Development of Blue Tourism

The expansion of coastal and marine tourism, encompassing activities like nautical tourism, fishing, diving, and more, presents a prime opportunity for further utilizing Albania's beaches and maritime heritage. Additionally, the necessity for careful management of these resources has been recognized to prevent environmental degradation.

4. Leveraging Albania's Favourable Geographical Location

Albania's location in the Mediterranean, bordering two seas, positions it as a central hub for regional tourism with easy access to nearby countries. Its geographical advantage offers a mix of landscapes, including untouched nature, mountains, lakes, and coasts, while its favourable climate conditions allow for year-round tourism.

5. Activation of Inland Tourism

While the activation of inland tourism may require significant investment in infrastructure and marketing to make less-known areas attractive to tourists, it represents the opportunity to disperse tourism benefits across the country and reduce over-tourism in coastal regions.

6. Capitalisation of Investors' Interest

As a relatively new and rapidly growing tourist destination, Albania is attracting increasing interest from foreign and domestic investors. This opportunity, when leveraged effectively, can help Albania develop a robust and sustainable tourism sector.

7. Enhanced Public-Private Sector Collaboration

Strengthening public-private cooperation in the Albanian tourism sector is recognized as a key step for the further development of tourism, especially to encourage innovation and investment in the private sector with public funds and political support. This synergy can lead to more effective development and marketing strategies, encouraging sustainable tourism growth. In addition, it ensures that stakeholders' interests are aligned, leading to a more resilient and competitive tourism industry. Additionally, stakeholders acknowledged the necessity of enhancing the regulation of tourism's continued growth by establishing more precise rules, clearer guidelines, and frameworks provided by the public sector, aiming to limit excessive and unregulated construction.

I.6. TOURISM MANAGEMENT AND REGULATORY SYSTEM ANALYSIS

The analysis of tourism management and regulatory systems aims to provide a comprehensive understanding of how the tourism industry is managed and governed in Albania.

The assessments include an in-depth examination of tourism management organizations at national, regional, and local levels, focusing on their structural organization, governance, functional roles and responsibilities, and legal and regulatory frameworks. Additionally, it explores the budgeting and funding sources and their consequential impact on the development of tourism destinations.

Following that, the evaluation of Albania's regulatory framework entailed a comprehensive legal examination of the principal laws, regulations, and policies governing tourism activities. This analysis examined multiple aspects, such as licensing prerequisites, environmental regulations, and their influence on the growth of tourism. This effort delineates the current regulatory architecture, evaluates its efficacy, and suggests enhancements at a strategic level.

I.6.1. Tourism management system analysis

In Albania, the tourism management system is still developing, particularly in the context of Destination Management Organizations (DMOs).

The National Strategy for Sustainable Tourism Development 2019 – 2023 laid out objectives for creating DMOs across Albania, particularly in major regions, aiming to establish a legislative framework to support the functioning and financial sustainability of DMOs. However, progress has been slow, and many DMOs like DMO Korca, Visit Tirana, and Visit Gjirokastra, are operating sporadically, largely dependent on donor funding and without a standardized operational model that is sustainable in the long-term, without external factors.

On the other hand, Municipalities are vital components in the current tourism management system, yet their strategic, operational, and financial contributions vary from one municipality to another.

At the national level, the Albanian National Tourist Association (Hereinafter: ANTA) should play an important role. ANTA's core responsibility is to market Albania as a prime tourism destination, focusing on both domestic and international tourism sectors.

The following overview will provide insight into how each entity contributes to the overall growth and management of tourism in Albania.

VISIT GJIROKASTRA

Among the formed DMOs, Visit Gjirokastra emerges as the most prominent. Visit Gjirokastra Association (Hereinafter: VGA) is a not-for-profit organisation established in 2019 with the assistance of RisiAlbania, a project by Helveta under the Swiss Agency for Cooperation and Development.

RisiAlbania has provided financial and expertise support to Visit Gjirokastra for various purposes, including its founding, marketing initiatives (website, social media, participation in fairs), product development, capacity building, event organization, staff salaries, operational costs, as well as lobbying and advocacy efforts. Besides RisiAlbania, Visit Gjirokastra had other partners such as GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit.

VGA's key functions are categorized into two groups: "Enabling" and "Core" functions.

The Core functions of this organization encompass strategic and operational planning, data and research, product and experience development, destination marketing and sales, visitor and destination services, events development, and skills development.

Enabling functions include partner and stakeholder engagement, advocacy and corporate industry communication, fundraising and financial management, performance management, and the application of digital systems. These functions collectively drive the organization's effectiveness and growth in its respective fields.

The association is governed by a 9-member Board, comprising 7 representatives from private operators, one representative each from the Prefecture and Academia. These members are elected biennially by the general assembly of the association. The Board's leadership includes a chairman and a vice chairman.

VISIT GJIROKASTRA BUDGET (IN EUR)

BUDGET	2019	2020	2021	2022	2023
VGA Total budget	69,040	39,700	73,000	69,600	64,400
RisiAlbania contribution	37,500	17,500	21,700	29,800	8,600

Source: RisiAlbania, Horwath HTL, 2024

The funding sources for Visit Gjirokastra have varied annually, comprising approximately 15% from participating municipalities, 45-50% from member contributions (including fees and in-kind support), and 35-% from RisiAlbania, although, in 2023, RisiAlbania's contribution was limited to 13%.

Notably, 2024 will mark the final year of RisiAlbania's support for Visit Gjirokastra. Furthermore, the organization charges an annual membership fee of 150 EUR for tourism businesses located in towns and 80 EUR for those in rural areas. Additionally, Board members contribute through voluntary work, which is considered an "in kind" contribution.

OTHER ATTEMPTS TO ESTABLISH DMO IN ALBANIA

RisiAlbania has provided support to the destinations of Korca and Saranda through knowledge sharing, facilitation, and expert exchanges with Visit Gjirokastra, including assisting Visit Saranda in creating a website and training 20 local guides.

In contrast, the assistance to the Shkodra DMO project, initiated by GIZ in 2020, was limited to capacity building with tourism stakeholders to raise awareness about DMOs but did not continue further.

The attempts to establish Destination Management Organizations (DMOs) in Korca and Vlora serve as examples of the challenges in DMO establishment. The DMO in Korca, which operated from 2009 to 2021, was initially supported by an SNV-UNWTO project and was managed by a local, active travel business. This DMO managed both a promotional website for Korca and a tourist information office. However, it ultimately failed in 2020 when the collaboration between the municipality and the operating travel business ceased, leading to the municipality withdrawing its financial support and leaving the travel business to cover all expenses.

In Vlora, the scenario was different but similarly unsuccessful. In 2017, under the Helvetas project, which was backed by the Swiss Agency for Cooperation and Development, the feasibility of establishing a DMO was explored but ultimately judged to be low. This assessment indicates the inherent difficulties and complexities involved in setting up effective and sustainable DMOs in Albania.

The operational challenges faced by Destination Management Organizations (DMOs) in Albania can be attributed to a variety of factors. These include an unclear governance model, absence of an adequate legislative system, lack of a strong management model on the national/regional/local level, lack of stable financing mechanism for DMOs, strong dependency on various donors' projects and similar factors that make DMO system voluntary, rather than highly regulated system.

MUNICIPAL TOURISM OFFICES

Municipalities in Albania are local government units that play a crucial role in the administration and development of their respective regions and have the authority to make decisions on local development, including tourism.

Albania underwent a significant territorial reorganization in 2015, which reduced the number of municipalities from 373 to 61. This reorganization aimed to improve efficiency and service delivery at the local level. Each municipality may include what were previously separate towns or communes, and they are now larger and more comprehensive in terms of the area they cover.

After consulting with various municipalities and examining publicly available information, it is apparent that the emphasis on tourism varies significantly across municipalities. The table below categorizes municipalities based on how they integrate tourism into their administrative structures. Notably, a significant share of municipalities do not prioritize tourism as a key function.

TOURISM FUNCTION AS PART OF CITY/MUNICIPAL ADMINISTRATION

Municipality	Designated tourism department	Tourism section within a department of mix functions	Appointed tourism specialist/s within a department of mix functions
Malesi e Madhe		√	
Shkodra	√		
Lezhe		√	
Durres	√		
Kruje			√
Tirana	√		
Kavaje			
Pogradec		√	
Korca		√	
Berat	√		
Permet		√	
Vlora		√	
Himara			√
Tepelene			√
Gjirokastra		√	
Saranda		√	
Diber		√	
Kolonje		√	
Elbasan		√	

Source: Municipalities, Horwath HTL, 2024

Specifically, only the municipalities of Shkodra, Durres, Tirana, and Berat have established distinct departments dedicated solely to tourism. Several other municipalities have a tourism section within a

broadier department that encompasses a range of different functions, as detailed in the second column of the table.

Additionally, there are a few municipalities where tourism is represented by just a single specialist within a multi-functional department.

MUNICIPALITIES' BUDGET ALLOCATION FOR TOURISM-RELATED ACTIVITIES (IN EUR)

DESTINATION	Annual budget in EUR				
	2019	2020	2021	2022	2023
Malesi e Madhe	35,900	35,970	36,500	43,700	45,300
Shkodra	61,300	65,540	59,300	57,260	84,610
Lezhe	11,285	11,200	20,210	26,000	32,740
Durres	n/a	n/a	18,140	51,300	147,220
Tirana	n/a	115,490	94,650	144,200	213,030
Pogradec	14,436	19,250	21,170	24,060	21,150
Korca	87,390	102,450	111,540	112,025	108,390
Berat	2,900	9,600	14,400	19,230	19,230
Permet	2,900	4,800	19,230	19,230	19,230
Gjirokastra	12,900	4,800	88,540	557,700	625,760
Saranda	88,940	88,940	135,195	183,270	197,120
TOTAL	306,666	458,040	618,885	1,237,975	1,513,780

Source: Municipalities, Horwath HTL, 2024

The table above displays the budgets of 11 municipalities, which encompass expenditures on tourism and cultural activities, as well as other municipal functions.

Most municipalities have shown a trend of increasing budgets over the years. Notably, Gjirokastra shows a significant budget increase, particularly in 2022 and 2023. Tirana also displays a substantial increase in budget over the years. In contrast, municipalities like Berat and Permet have relatively lower budgets throughout the period while municipalities like Lezhe, Berat, Permet, and Pogradec have significantly lower budget allocations.

ALBANIAN NATIONAL TOURISM AGENCY

Albanian National Tourism Agency (ANTA) is a public entity, operating under the auspices of the Ministry of Tourism and Environment. Initially established in 2005 as the National Tourism Organization, it was rebranded to its current name in 2007. ANTA is dedicated to supporting and implementing tourism-related policies and regulations, including the Constitution, Law no. 93/2015, titled "For Tourism", and other pertinent legal frameworks and subordinate legislation.

The primary function of ANTA is to promote Albania as an attractive travel destination both domestically and on the global tourism stage. This includes organizing and managing Albania's presence at international travel trade shows, engaging in digital marketing, creating promotional materials, arranging familiarization tours for international tour operators and media groups, and conducting various other promotional initiatives.

Moreover, one of the key responsibilities of the Agency is to provide information to visitors, travellers, and tourists about tourism services, products, and destinations in Albania. This encompasses cultural and sports events, along with other relevant information.

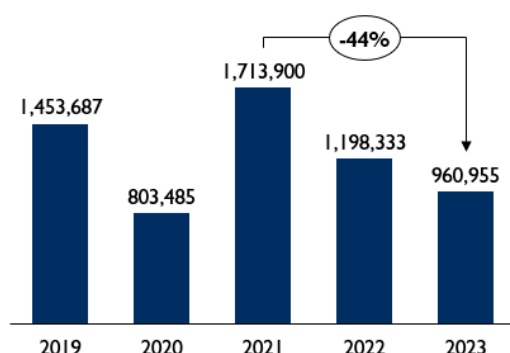
The agency's additional roles encompass a variety of tasks, including:

- Advocating for investment in key tourism development areas, in collaboration with other public entities that promote investment in the country;
- Initiating and endorsing tourism-related projects within its scope, subject to the approval of the Ministry of Tourism and Environment;
- Creating and evolving promotional materials to align with current tourism market trends;
- Implementing both the national strategy for tourism development and the national marketing strategy specific to the tourism sector;
- Recommending changes to tourism-related laws and regulations to the Minister of Tourism and Environment, providing justifications for these suggestions;
- Regularly monitoring, enhancing, and updating the official website dedicated to Albanian tourism promotion.

Furthermore, the ANTA is responsible for managing revenues from leasing agreements for land allocated for tourism development. This involves ensuring compliance with the legal framework for the disbursement of these funds and overseeing the adherence to criteria outlined in existing leasing and development agreements, particularly those concerning "incentivised person" entities.

A recent addition to the agency's responsibilities is the conception, organization, and coordination of the National Calendar of Cultural Tourism Events. This includes events related to arts, heritage, sports, culinary arts, and traditions, managed through the Tourism Events of Albania (TEA) Application.

ALBANIAN NATIONAL TOURISM AGENCY'S BUDGET (IN EUR)



Source: Albanian National Tourism Agency, Horwath HTL, 2024

Over the past five years, the budget of ANTA has experienced notable fluctuations, with the peak allocation occurring in 2021 at EUR 1.7 million. However, in the following years, there was a substantial decrease, resulting in a 44% drop from the record amount, bringing the budget down to less than one million euros. This significant reduction in funding highlights the variability and unpredictability in the financial resources available to the Agency, impacting its ability to plan and execute consistent tourism marketing strategies. It should be noted that the annual budget for ANTA is determined within the broader framework of the budget allocated to the Ministry of Tourism and Environment.

Also, decisions regarding programs or activities of ANTA are made or approved by the Ministry of Tourism and Environment, as stipulated by the tourism law.

In terms of private sector engagement with ANTA's budget or activities, there has been minimal involvement. Historically, the private sector participated in international travel trade fairs as part of the Albanian exhibit. However, since the ITB Berlin 2023 event, the Ministry of Tourism has chosen to represent Albania exclusively as a public entity, excluding private sector participation at the stand.

Additionally, in other promotional and advertising efforts undertaken by ANTA, such as features in prominent international media outlets (CNN, Financial Times, etc.) and television segments like BBC Travel, the private sector plays no role.

I.6.2. Key identified challenges of the tourism management system

1. Lack of Regulation and Structure

The absence of a regulated and consistent structure for tourism management at local and regional levels leads to failures and inefficiencies. Different municipalities taking on tourism management roles without a standardized approach results in fragmented efforts and a lack of cohesive strategy. With municipalities partly taking over these roles, there are significant variances in the scope of work, tasks, employees, and budgets dedicated to tourism. This creates inequalities and inconsistencies in tourism development across different destinations.

2. Financial Viability and Long-term Sustainability of DMOs

A major obstacle in creating and operating Destination Management Organizations (DMOs) within today's tourism management framework is their struggle to secure dependable revenue streams necessary for financial reliance. The challenge of maintaining steady funding for DMOs after the conclusion of donor-supported initiatives persists, casting doubt on their financial viability over time. Furthermore, the objectives outlined by these donor initiatives might inadvertently impact the DMOs' ability to sustain themselves financially in the long run.

3. Insufficient Stakeholder Engagement

The effectiveness of tourism management greatly depends on collaboration among various stakeholders, such as government agencies, local enterprises, community groups, and NGOs. A shortfall in the engagement of these key players can result in disjointed efforts, undermining the creation of a unified and sustainable approach to tourism. Additionally, the minimal engagement between private and public sectors translates to lost chances for pooling resources, exchanging knowledge, and leveraging expertise. Moreover, in the context of Albania, inadequate involvement of local stakeholders might result in the formulation of tourism strategies that fail to sufficiently consider the specific needs and cultural nuances of local communities, potentially resulting in their disillusionment or resistance.

4. ANTA's dependency on the Ministry of Tourism and Environment

Currently, the Albanian National Tourism Organization (ANTA) is significantly reliant on the Ministry of Tourism and Environment for key aspects like budget allocation and determining the scope of activities. As ANTA is meant to serve as the central figure in the national tourism management system, it's crucial for it to have more autonomy and responsibility. Additionally, ANTA's role should expand beyond just promotion to encompass broader destination management responsibilities. This shift will necessitate bolstering the organization's capabilities and resources, including enhancing its physical infrastructure and financial strength. This enhancement is essential for ANTA to effectively lead and innovate within Albania's tourism sector, in line with best practices in Europe.

I.6.3. Regulatory system analysis

In Albania, there is a comprehensive legal regime which affects the tourism sector and industry. The primary organic laws and related subordinate legislation establish a vertical legal structure addressing various facets of the tourism industry.

These regulations cover essential aspects such as defining the regulatory powers of central and local authorities and ensuring safe and predictable tourism for both national and foreign visitors. The framework includes requirements for licensing, classification, and certification requirements for tourist operators and entrepreneurs, as well as regulations for the establishment and functioning of hospitality structures. Additionally, specific regulations govern various tourist activities, prioritize certain areas, and interact with other related laws, including those about planning, territory development, cadastres, strategic investors, local taxes, control and supervision of permanent works, licenses, authorizations, permits, and the establishment and functioning of state inspectorates.

These laws collectively shape the conditions for the initiation and progression of tourism activities in the country.

The subsequent sections provide a comprehensive summary of the key laws and regulations that impact the tourism industry. Furthermore, based on this information, the primary challenges within Albania's tourism regulatory framework are identified.

KEY LAWS AND REGULATIONS GOVERNING THE TOURISM INDUSTRY

Law Nr 23/2015 as amended “On Tourism” / Council of Ministers Decision nr 93/2015 “On Tourism” (CMD)

This Law and its corresponding Council of Minister Decision (Hereinafter: CMD) aim to position Albania as an appealing destination for both domestic and international tourists. The goal is to foster the growth of a robust tourism industry while ensuring that providers of tourism services align with tourists' expectations, offering a secure and healthy environment.

Key features:

- Regulation and harmonisation of relationships between public and state institutions and private entities involved in tourism activities, both domestic and foreign, as well as determination of rights and liabilities by the standards outlined in this law and related sector matters;
- Regulation of collaborative relationships between central state authorities and local authorities in formulating policies and developing strategies within the tourism industry;
- Formulation of rules for the harmonization of work and interaction between responsible authorities in the tourism sector;
- Regulation of interaction between state authorities and potential investors, whether national or foreign, based on principles of public interest and tourism development;
- Formulation and definition of the roles and powers of each authority responsible for the tourism sector, including the Ministry of Tourism, Advisory Committee of Private Sector in Tourism, Coastal National Agency, National Agency of Tourism, Territorial Branches of Tourism, Tourism Inspectorate, Local Authorities, and the Commission of Standardization of tourism activities

Council of Ministers Decision Nr 730/2016

This CMD, through regulatory means, aims to identify and endorse criteria, conditions, tariffs, time schedules, and procedures for the classification (qualification/requalification/refusal of certification or revocation of certificate) of tourism hospitality structures.

Key features:

- Applies to all hospitality structures except those structures which are classified as part of cultural heritage;
- Establishes the specific application procedure for classification moved by tourist entrepreneurs to the Ministry and/or the relevant Qualification/Classification Commission on Standardization of Tourist Activities;

- Encompasses the distinctive procedure outlined in the 2019 Order by the Minister of Tourism, specifically designed for the classification of 4-star and 5-star hospitality structures that hold recognized international brands.

**Law Nr 43/2020 “On activities of naval tourism /
Council of Ministers Decision Ref Nr 845/2020
“On Approval of Detailed Rules about the development of naval activities carried out by naval
equipment for tourism and entertainment purposes”**

The purpose of this Law and respective CMD is to define the rules, conditions and criteria for naval tourism activities, sailing equipment for tourism purposes and entertainment in terms of necessary infrastructure for such purposes as well as the determination of institutional responsibilities in this regard.

Key features:

- Applies to all naval tourism activities, national or foreign individuals who carry out sails for tourist purposes within the internal territorial waters of Albania and for sailing national and foreign equipment which purport to enter, stay, sail and use the Albania naval space for private and commercial or trade aims;
- Determination of the criteria and procedure for certification of the licensed naval tourism operators together with standards which must characterize their ethical conduct during the exercise of tourism activity.

Council of Minister Decision Nr 845/ 2020

The scope of this CMD is to designate detailed rules for the development of naval tourist activities carried out by sailing means and equipment for tourist and entertainment purposes.

Key features:

- Applies to the exercise of sailing activity by licensed tourist operators/entrepreneurs, be those physical or legal persons, nationals or foreigners;
- Establishes the procedure and qualification criteria for those who sail in coastal shore, naval space and internal waters in the Republic of Albania for tourist or entertainment purposes against a Lease Agreement/with or without crew, including the provision of accommodation services, drinks/beverages and food for the Clients on board.

OTHER RELEVANT REGULATIONS GOVERNING THE TOURISM INDUSTRY

Selected key regulations – Brief description	
Council of Ministers Decision Nr 285/2022	The scope of this CMD is to establish the criteria for the installation and functioning of seasonal anchoring stations.
Decision Number 2 of Territory Council, dated 28 July 2020	The primary objective of this Decision is to identify priority areas for the advancement of naval tourism and endorse the mapping of activities across 60 designated zones of interest.
Council of Ministers Decision Nr 257/2018	The scope of this CMD is the determination of criteria, procedures and documentation applicable for subjects or entities applying for the Status of Investor in Accommodation Hospitality Structures of 4 and 5 stars and Special Status.
Council of Ministers Decision Nr 22/2018	The scope of this CMD is the approval of the criteria and procedures for the certification of the Agrotourism industry and the Erection of Structures and Objects in support of such industry.

Ordinance number 8707, dated 31 October 2016	The scope is to adopt the format for the collection and processing of statistical data from travel agencies, tour operators and hospitality structures.
Council of Ministers Decision Nr 281/2016	This CMD aims to determine the criteria and time schedules for the presentation of draft proposals regarding financial support of Projects in the Tourism sector.
Council of Ministers Decision Nr 162/2016	The primary objective of this CMD is to establish rules and procedures for allocating state-owned immovable properties to zones or areas prioritized for tourism development.
Council of Ministers Decision Nr 321/2014	This CMD aims to enhance regulations and policies concerning the safety of beaches and internal waters within the country's territorial boundaries, including lakes, rivers, streams, and other recreational and leisure areas.

SHORT OVERVIEW OF THE TOURISM-RELATED LAWS AND SUBORDINATE LEGISLATION

Law Nr 55/2015 as amended “On Strategic Investment in the Republic of Albania”

The purpose of this Law is to encourage the attraction of investments, both domestic and foreign, in strategically defined sectors of the economy, encompassing tourism.

Key features:

- Implementation of special, favourable, or expedited administrative procedures to support and facilitate investments;
- Addressing the procedures and rules which are enforced by state authorities in reviewing, approving and supporting strategic investments;
- Establishing the option for state-owned land properties to be leased for 99 years to a strategic investor for the construction and advancement of tourism resorts.

Law Nr 9632/2006 “On the system of local taxes”

This Law aims to establish the regulations governing how local authorities fulfil obligations in the imposition and collection of local taxes.

Key features:

- Determination of rules by which local authorities exercise their rights and obligations in imposing and collecting local taxes;
- One of the local taxes foreseen in the Law is the bed tax the value of which is finally determined by way of Municipality Hall/Council Decision.

Law Nr 107/2014 “On Zoning/Planning and Development of Territory”

This Law aims to safeguard the territory and ensure the stable development of constructions by preserving natural resources, the ecosystem, quality of life, tourism, and cultural heritage.

Key features:

- Ensuring the coordination and harmonization of activities and licensing roles between central authorities with local authorities to induce the integrated development of the whole territory;
- Establishing the roles and responsibilities of planning and construction licensing authorities at central, regional and local levels.

Law Nr 10081/2009 “On licenses, authorizations, permits”

The objective of this Law is to enhance the business environment by reducing administrative obstacles, thereby fostering entrepreneurship in economic, commercial, and professional activities, as well as facilitating the utilization of public goods.

Key features:

- Ensuring the protection of public interest in the execution of the above-mentioned activities;
- Applies to all spectrums of economic activity, including the authorizations, or licenses for tourism activities or services like hotelier activities, accommodation structures activities and for the providers of such activities or services like tourist agencies, tour operators, and tour guides;
- Defining the proper licensing authorities, the rights and obligations of tourism players to the licensing authorities, the procedures of reviewing, licensing and annulment of such licensing, the appeal procedure and so forth.

Law Nr 111/ 2018 “On the Cadastres”

This Law establishes the regulations governing the registration of immovable properties, whether they are state-owned or private, and includes properties under the administration of ministries, such as those within tourism zones or designated areas.

Key features:

- Describing the rules and procedures for keeping a public registry of immovable properties, the real rights disposed of them, the chain of transactions affecting the immovable properties and the system of legal titles.

National Strategy for Gender Equality 2021 – 2030

The New Strategy for Gender Equality 2021 -2030 and its action plan have guided the government's efforts for a society that values gender equality and gender justice and is based on the principle of zero tolerance against harmful practices, violence against women and domestic violence.

Key features:

- Strategy includes a specific measure regarding the efforts to enhance the capacities of rural local advisory services and relevant central-level institutions to provide gender-responsive services for rural tourism, agri-business, and value chain development.

1.6.4. Key identified challenges of the regulatory system

After thoroughly examining the pertinent laws and regulations impacting Albania's tourism development, the primary obstacles within the existing regulatory framework have been identified. These challenges are mainly manifested in two areas: the effectiveness of tourism laws implementation in practice of tourism laws and the alignment of these laws with prevailing market conditions

1. Challenges in Implementing Tourism Laws

Apart from the positive impact of designing a model of the tourism regulatory system, the implementation of Tourism Laws in Albania faces functional challenges within tourism agencies and inspectorates. The diminishing coherence within Territorial Tourism Branches calls for enhanced roles for the National Tourism Agency and National Coastal Agency. Proposed Law amendments advocate shifting certain oversight and enforcement duties from the inefficient tourism inspectorate to these agencies. However, the efficacy of this approach, particularly in managing tour operators and accommodations, remains unproven. Additionally, the

slow adaptation of institutions to market trends and the reliance on tourist numbers as the sole success metric further hinder the effective implementation of tourism laws.

2. Need for Market Formalisation and Consumer Protection

The need for further formalizing the tourism market to enhance consumer protection is evident. Although the existing legal framework regulates the procedures and criteria for the categorization or classification of hotels and other catering establishments, the actual categorization often falls short, likely due to insufficient resources and enforcement. Following that, it is of critical importance that a scheme of separation and categorization of fiscal burden according to the classification, location and size of touristic sites, be further elaborated.

The 2016 criteria for classifying accommodation facilities require updating to align with current trends as well. Moreover, the implementation of these criteria is inconsistent, often limited to well-known hotels with strategic investor status.

Construction standards for accommodations, including safety measures and accessibility for guests with disabilities, need thorough revision. This calls for expert input in developing these criteria. Additionally, bars and restaurants require standardized evaluations before opening or licensing. Although hotels, categorized by the Ministry responsible for tourism, constitute the largest legal category of accommodation facilities, they face diverse taxes at both state and local levels.

Albania faces challenges in enforcing its 'city tax,' which is supposed to vary by hotel classification but often goes uncollected, revealing enforcement issues within its tourism laws. The country's tourism taxation system, currently based on the number of rooms rather than their actual use, results in widespread informality and inaccurate occupancy reporting. This undermines both tax fairness and the accurate valuation of the sector's economic impact. In response, proposed amendments aim to reform the system by basing taxes on real usage, setting minimum usage thresholds, and penalizing false reporting. These reforms are intended to improve transparency, fairness, and the overall economic contribution of the tourism industry. However, the effectiveness of its implementation remains to be seen.

3. Inadequate Legal Framework for Data Collection

In the Albanian tourism sector, one of the primary challenges lies in the inadequacy of the existing legal framework to facilitate the collection of complete, reliable, and precise statistics. Despite having a structured legal foundation aimed at regulating and promoting the tourism industry, the framework has fallen short in ensuring the availability of accurate and comprehensive data essential for informed decision-making and policy formulation. This shortfall persists even with recent legislative efforts to bridge the gap, notably through the establishment of the 'Interinstitutional Council of Statistics as part of the latest amendments to the tourism law. The Council was conceived as a solution to improve data collection and analysis across various stakeholders within the tourism sector. However, the effectiveness of this new structure in overcoming the entrenched challenges of data gathering and reliability underscores a significant hurdle. It highlights the complexity of implementing robust statistical systems within the regulatory framework, reflecting broader issues of coordination, enforcement, and compliance that hinder the Albanian tourism sector's ability to harness its full potential and make evidence-based strategic developments.

4. Regulatory Gap in Albania's Unregulated Tourism Accommodations

Recent developments in Albania's tourism sector reveal that existing laws have not fully encompassed the range of tourist accommodations, particularly informal structures like apartments, rooms, or villas. These often operate on online platforms without proper legalization or regulation, leading to unfair competition and potential service quality issues compared to formally recognized entities. However, recent amendments to the tourism law now mandate the registration of such accommodations on these platforms. Additionally, the Ministry of Finance has revised tax regulations to include these structures. This inclusion of informal

accommodations in the legal framework is expected to significantly impact the overall system of income tax declaration.

5. *Non-compliance with Market Conditions*

There is an ongoing need to formalize and potentially re-regulate the operations of tourism businesses in order to remain aligned with market conditions. This includes revising or simplifying the licensing processes for tourism guides, agrotourism, and beach stations, as well as enhancing price transparency and the appeals process accessible to all tourism entities. Additionally, it's crucial for all licensed hospitality and accommodation providers to electronically record their clients' data. Moreover, the current grievance system for individuals who suffer damages due to the negligent or improper actions of tourism agencies or operators is inadequate. It fails to address market realities effectively. Therefore, it is essential to establish a regulated third-party liability insurance system, making it mandatory through legal provisions, to better protect individuals in such scenarios.

6. *Regulatory Gap in Mixed-use Project Planning*

There is a notable gap related to the planning of mixed-use projects in Albania. Namely, today investors can freely decide on the ratio between hotel and non-hotel accommodation units in mixed-use projects. This often leads to projects with heavy real estate components and underdeveloped hotel components. Such practice can lead to unsustainable development practices and oversupply in the context of residential capacities as opposed to real hotel capacities.

7. *Gender inequality*

Despite a solid normative policy and legal framework, implementation is insufficient to achieve SDG 5 and other SDGs with a gender element. The Gender Equality Index for the Republic of Albania reached 60.4 in 2019, indicating a substantial gender gap. When Albania is compared to individual EU Member States, Serbia and North Macedonia, it is ranked 17th out of 31 countries. According to the calculations of INSTAT, during 2022 the value of the Gender Inequality Index decreased from 0.09 to 0.06, compared to last year. This speaks of a loss in human development as a result of a gender inequality of 6.0 %. This finding confirms the need for stakeholders, including government, private sector, civil society and citizens to renew their commitment and efforts to achieve full gender equality.

I.7. BENCHMARK ANALYSIS

After a thorough analysis of the tourism and hospitality market in Albania, which highlighted various gaps and opportunities, the benchmark analysis will focus on examining best practices in areas identified as crucial for future tourism development. In this case, the benchmark analysis will focus on case studies from the following domains - sustainable tourism development, tourism product development, tourism management and tourism policy. Each case study analysed will provide a detailed context of the initiative, explaining its fundamental components through the element of “Features” and explaining the potential benefits of implementing these initiatives and impact on the tourism sector through the element of “Implications”.

I.7.1. Sustainable tourism development

Over recent years, sustainability has become a key factor in shaping tourism development. The new tourism development in Albania should adhere to sustainable practices. As a country still emerging in the tourism sector, Albania does not face the challenges encountered by more established tourist destinations, however, given the nation's growing appeal to international visitors, Albania must establish a comprehensive, nationwide framework for sustainable development. A framework to guide all subsequent development projects and to align them with the principles of sustainability, ensuring environmental protection, social responsibility, and economic feasibility. That is why the sustainability benchmark includes several key areas, including the establishment of a legal framework, the formulation of a national sustainability strategy, the promotion of community-based tourism projects, and the conducting of surveys among residents.

Case studies examined in this area are:

- Green Scheme, Slovenia
- Business Toolkit for Community Tourism Projects, Ireland
- Tourism Law, Croatia
- Resident Sentiment Survey Towards Tourism, Copenhagen

Green Scheme, Slovenia

Green Scheme is a nationally implemented certification programme intended for introducing and supporting sustainable development models to Slovenian tourism, including both destinations and service providers. The strategic guidelines cover all aspects of sustainable development taking into account economic, social, cultural and natural aspects of the environment. The initiative also promotes the participants and their sustainable practices, while building Slovenia's competitive advantage and strengthening its tourism brand.



Source: slovenia.info

Features:








- Slovenian Tourist Board lead initiative, intended to streamline the future tourism development of green and sustainable tourism;
- Certification is based on the European Tourism Indicators System (ETIS) and globally renowned criteria of the Green Destinations Standard (GDS), supported by the Global Sustainable Tourism Council (GSTC);
- NTO active involvement in the initiative - managing and upgrading the program, offering educational support and promoting the participants of the program;
- Accredited partner in charge of assessment and licensing using the Green Destinations Standard;
- Tools for evaluating and improving sustainable practices;
- Eleven-step process of assessing destination's compliance with the initiative, resulting in different levels of label - Destination Bronze, Destination Silver, Destination Gold, or Destination Platinum;
- To achieve the Gold and Platinum label, the destination must also have at least one accommodation provider with the Slovenia Green Accommodation label;
- Parks can receive the Slovenia Green Park label;
- Service providers can obtain the labels in categories of accommodation, agency, attraction, beach or cuisine.

Implications:

- Only national-level sustainable frameworks can successfully streamline future tourism developments and achieve synergies across all industry stakeholders, including destinations and service providers;
- Successfully implemented national initiatives help create a strong competitive advantage in the international market.

Business Toolkit for Community Tourism Projects, Ireland

Toolkit developed by Failte Ireland, which introduces the concept of community-based tourism products, explains their benefits and supports their establishment by offering clear guidelines for their establishment including organisation structure, business planning advice, staffing procedures, necessary expertise of people involved, and monitoring tools.

IF YOU SEE YOUR COMMUNITY GROUP HERE, THIS GUIDE IS FOR YOU!		Sample Project Types	Current Offers	New / Improved Offers
 Trails and outdoor recreation	 Festivals of arts, music, food and culture	Heritage Centre with café	<ul style="list-style-type: none"> • A self-guided Heritage Centre Tour (Tuesday to Sunday, March to October). • 1-hour guided tours on Wednesdays at 11 from March to October. 	<ul style="list-style-type: none"> • Explorer pack produced for children and details added to the website. • Guided Tour & Tea package added on Mondays (a trial run in September and October that could become more permanent). • Better promotion for the weekly guided tour which is now bookable online.
 Culture-based attractions (storytelling, music, art and dancing)	 Heritage-based attractions (local and themed museums, as well as heritage centres)			
 Services (tourism information centres, tourism ambassador programmes, genealogy services and community cafés)	 Discovery parks (nature, heritage)	Community-run walking route	<ul style="list-style-type: none"> • A 3-day, self-guided looped walk (free). • 20 short looped and linear walking routes (1 > 6 hours; easy > difficult). 	<ul style="list-style-type: none"> • One-day annual walking festival to showcase loops and the route's biodiversity. • A bookable guided walk package added to your website in partnership with a local guide and accommodation providers.
 Tourism networks and clusters / destination marketing groups				

Source: support.failteireland.ie

Features:

- Step-by-step process for setting up new community-based tourism projects;
- Tool for improving benefits from already existing projects;
- Detailed insight into demand-driven trends in the tourism market;

- Advice for packaging, distributing and promoting tourism products;
- Overview of different marketing approaches;
- Readily available templates for downloading for business plan creation and cashflow;
- Different guides and additional toolkits that support the operationalisation of the new ideas (Storytelling toolkit, Ireland's content pool...);
- Intended for projects like visitor attractions, festivals, community cafes or walking trails;
- List of potential funding sources interested in supporting potential initiatives.

Implications:

- Community tourism initiatives are essential in strengthening local communities and stimulating rural areas, both from social and economic perspectives;
- Comprehensive guidebooks with elaborated details on specific tourism product development initiatives have a crucial role in assisting the introduction of added-value tourism products to the market.

Tourism Law, Croatia

New Croatian law on tourism provides a framework for the sustainable development of tourism until 2030. The Law on Tourism, which entered into force at the beginning of 2024, is the umbrella law on Tourism, which, among other things, will require the adoption of a destination management plan. The Law establishes the organizational structure for overseeing tourism development, which includes the Ministry responsible for tourism policy, the Council for Tourism Development Management, the network of tourist boards, and the Scientific and Expert Council. Emphasis of the Law is placed on tourist boards' transitioning into Destination Management Organizations (DMOs) and taking on a renewed role in destination management. Beyond offering marketing assistance, these organizations also focus on assembling and coordinating stakeholders. Their goal is to facilitate integrated management of destinations, steering them towards sustainable development.

Features:

- Coordination of stakeholders with the aim of integrated management of the destination in the direction of sustainability;
- Introducing the obligation to adopt a destination management plan for a four-year period;
- Encouraging participation in the development of plans by all relevant stakeholders, including local and regional self-government units and citizens;
- Implementing effective regulation within the tourism industry, steering the development of tourism towards sustainability through comprehensive data collection, monitoring, and analysis;
- Establishing a robust destination management system, alongside a sector-specific incentive framework, while also diligently monitoring and analysing tourism investments;
- Introducing monitoring tools, such as the index of tourism development, satellite account of sustainable tourism;
- Introducing indicators of sustainability, which relate to the quality of the sea, the burden of tourism on the area, the consumption of drinking water and electricity, municipal waste and others;
- Strengthening the local tourism authorities' power;
- Limiting the carrying capacities of destinations;
- Introduction of tourism ecology tax.

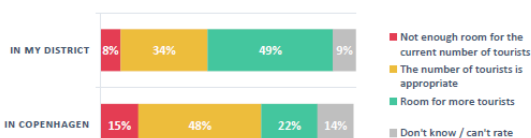
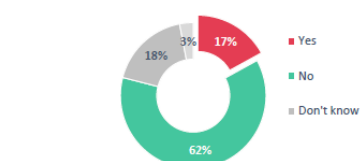
Implications:

- Incorporating sustainable development criteria into the legislative framework commits all stakeholders in the tourism industry to not only adhere to sustainable tourism practices but also to monitor them.

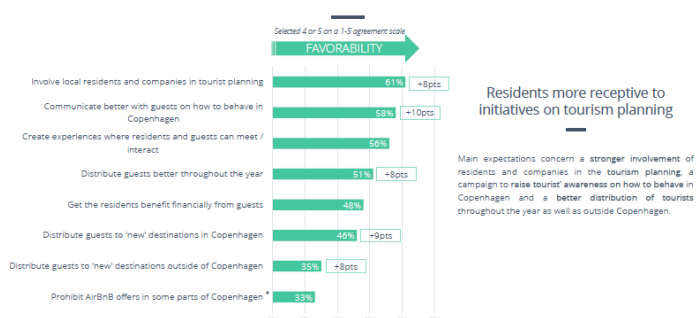
Resident Sentiment Survey Towards Tourism, Copenhagen

As a part of their sustainability strategy Tourism for Good, the tourism board of Copenhagen, Wonderful Copenhagen is dedicated to achieving more sustainable tourism, and that includes balancing the wants of the local community with the ones of tourists. In efforts to develop their tourism more sustainably, the tourist board conducts resident sentiment research which enables tracking the sentiments of locals toward tourists, because residents' attitude towards the visitor is one of the most important aspects of the visitor experience.

Is Copenhagen affected by overtourism?



Source: 10xcopenhagen.com, wonderfulcopenhagen.com



Features:

- In-person interviews with locals, tourists and business owners in relation to tourism product development, inspecting positive and negative aspects of gentrifying areas;
- Understanding residents' attitudes towards tourists;
- Identification of main strengths, opportunities, weaknesses and threats.

Implications:

- Only by including the opinions of the local population regarding tourism development can a balanced developmental approach be achieved;
- Through a such bottom-up approach, local authorities can improve their decision-making by consulting residents who are aware of which areas need which kind of development;
- Destinations that are primarily attractive and intended for the local population will also be appealing to visitors.

1.7.2. Tourism Product Development

Tourism product development has also been identified as a key area for enhancement in Albania's tourism sector. As the country is experiencing its most significant phase of tourism growth to date, coupled with increasing international interest, the industry must evolve to meet and surpass visitor expectations. This evolution involves creating unique experiences that foster strong loyalty and encourage repeat visits. Currently, the level of tourism product development in Albania is relatively low, despite the untapped potential of its natural, cultural, and gastronomic resources. The focus should be on introducing market products based on authentic, local experiences and enhancing these through tourism valorisation. Geographic diversification is also crucial, ensuring that tourism activities extend beyond coastal areas and spread economic benefits throughout the country. In the benchmarking analysis, tourism product

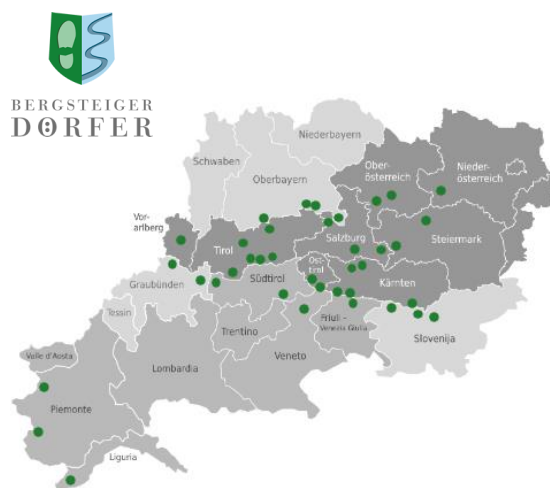
development was examined as a comprehensive initiative, including national labelling systems for unique experiences or locally sourced products, supporting initiatives for tourism-related businesses, developing travel routes, and others.

Case studies examined in this area are:

- The Mountaineering Villages initiative, Alpine countries
- Unique Experiences, Slovenia
- Tourism Incubator Capsulate, Greece
- DMC support program, Croatia National Tourist Board, Croatia
- Herzeg House, Bosnia and Herzegovina
- Südtirol corporate brand, Austria
- Grand Tour Catalonia, Spain
- Rural Tourism Infrastructure Fund, Visit Scotland
- Ecomusee d'Alsace, France
- Nature's Best, Sweden

The Mountaineering Villages initiative, Alpine countries

The initiative focused on developing and promoting sustainable tourism in the Alpine region and connecting villages that are a part of mountaineering traditions, where the activity occupies an important part of local culture, tradition, and tourist activities. The initiative includes villages from Germany, Austria, Slovenia, Switzerland and Italy making this initiative a cross-country initiative. The project aims to preserve the specific environment and culture in the participating villages, by catering to the needs of special niche tourists, namely outdoor and adrenaline enthusiasts. This tourism niche requires no hard infrastructure interventions and harnesses appreciation and admiration towards nature.



Source: eng.bergsteigerdoerfer.org



Features:

- The villages fully meet the aims of the Alpine Convention, a treaty which commits signatories to sustainable development;
- Alpine villages as exemplary regional development hubs demonstrating sustainable mountain tourism;
- Fostering the development of soft infrastructure while preserving the natural environment;
- Focus is on the collective responsibility and environmentally aware approach;

- High standards of all construction activities, ensuring that structures align with the local aesthetic in design, scale and materials;
- Engagement of local authorities as proactive contributors responsible for maintenance;
- Focusing on attracting visitors that use public transport;
- Establishing a knowledge network and reciprocal exchange of best practices;
- Catering to the niche tourism market.

Implications:

- Initiative that spans across countries, connecting destinations based on their similar offer of tourism experiences allows for joint presence in the international tourism market, increasing the visibility of each destination in the targeted niche market;
- System that allows aligned destination development offering uniform guidelines and standards.

Unique Experiences, Slovenia

This initiative by the Slovenian Tourist Board is designed to enhance and promote the quality of tourism experiences in Slovenia, while also inspiring the development of novel authentic experiences. It is a certification program that supports original, boutique and local tourist experiences, from the ideation to the implementation phase.

The main aim is to showcase Slovenia's unique heritage, gastronomy, natural beauty and creativity of the community while providing authentic, exclusive, one-of-a-kind and immersive experiences that deepen the connection with the destination. Certified experiences are carefully curated to ensure high standards of quality, sustainability and originality. This initiative is a part of the broader strategy to promote sustainable and responsible tourism, aligning with the country's commitment to green and eco-friendly tourism practices.



Source: slovenia.info



A hike with "sheep salting" above Česka koča



Fish & Fly Trio

Features:

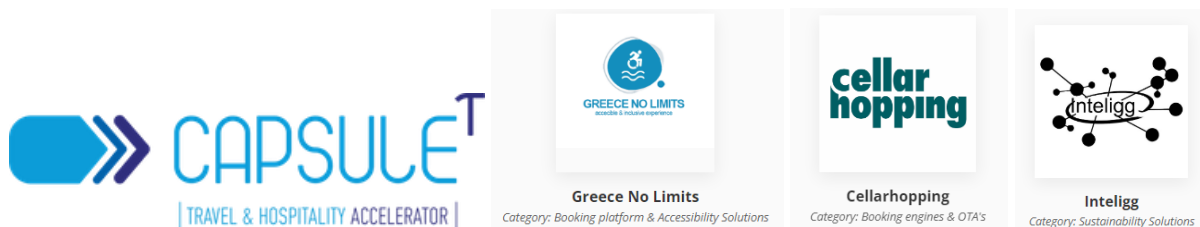
- Focus on genuine, unique experiences that reflect Slovenia's traditions and culture;
- Emphasis on eco-friendly and sustainable tourism practices;
- Quality standards that ensure exceptional experiences;
- Inclusion and active participation of local communities, and businesses;
- Incorporating educational elements that educate about the local environment, biodiversity and the importance of sustainability;
- Ability to tailor-make experiences to preferences;
- Storytelling as a base for designing experiences;
- Branding that ensures recognition and enhances trust and loyalty;
- Marketing and promotional support from the Slovenian Tourist Board.

Implications:

- National certification system has the power to standardise framework and conditions for declaring experiences as unique;
- Creating a distinctive branding label results in increasing the visibility of experiences that are based on local and authentic activities and facilitates further development of higher-value-added tourism products, widening and deepening existing tourism niches.

Tourism Incubator CapsuleT, Greece

The CapsuleT Greece Accelerator is an innovative program designed to foster innovation, development and growth within the travel and hospitality sector in Greece, through technology and entrepreneurship. The core idea is to identify, assist and promote startups that are envisaged to bring transformative solutions to the tourism industry, which is one of Greece's most vital economic sectors. By providing resources, mentorship and other types of support, CapsuleT Accelerator aims to help startups scale their operations and impact to cultivate a new wave of technological innovation in Greek tourism and enhance industry competitiveness, sustainability and overall service quality.



Source: capsuletaccelerator.gr

Features:

- The program consists of an intensive period of training and development, where selected startups receive guidance from industry experts, access to the investor's network and opportunities to test their business models;
- Emphasis on the use of innovative technologies and approaches to revolutionize the sector;
- Participants of the program receive mentorship and guidance from experienced professionals in the industry;
- Offers opportunity for networking with industry experts, potential investors and other startups;
- Comprehensive training sessions and workshops to equip participants with essential skills and knowledge;
- Focus on promoting sustainable and responsible practices;
- The program encourages the integration of Greek heritage into travel experiences;
- Contribution to the overall growth and development of the tourism industry in Greece.

Implications:

- Start-up support initiative that combines public and private engagement, enables startups to receive more comprehensive feedback from both public and private stakeholders and consequently enables a more efficient integration into the existing tourism value chain;
- Enabling start-ups to early on in the process have access to investors' network increases their opportunities to create economically viable product.

DMC support program, Croatia National Tourist Board, Croatia

The Croatian National Tourist Board has launched an initiative to allocate funds to destination management companies (DMCs) to develop programs and create complex tourist products tailored to special niche markets. Selected DMCs receive both technical and advisory support. This includes general advisory assistance, specific guidance in preparing and implementing the DMC's business plan and model, and specialized support in developing new, intricate tourist products for the special interest market.

Source: htz.hr

Features:

- The total budget allocated for this initiative is approximately EUR 212,300;
- Individual program applicants may receive funding ranging from EUR 6,634 to EUR 13,269, but a single applicant is eligible to receive a maximum of EUR 33,179 in funding;
- One applicant can apply a maximum of three packages;
- In 2022, 42 destination management companies were awarded the funding and entered the support program;
- Defined framework for groups of products intended for complex tourism products creation (such as culture and city break, cyclo tourism and active outdoor, gastro and eno, health tourism, nautical, rural and agrotourism);
- Applicants who have already been granted support within the same program, are not eligible;
- Clear criteria and scoring guidelines.

Implications:

- Only the initiative led by the main tourism authority (National Tourism Organisation) can establish a clear framework for eligible product developments, that aligns with the overall tourism strategy and put more emphasis on the activation of under-valorised and non-valorised tourism resources.

Herzeg House, Bosnia and Herzegovina

Herzeg House is a boutique store located in the heart of Trebinje, right next to the tourist information centre. It offers a unique and authentic shopping experience, featuring a carefully curated selection of local products from all over Herzegovina. In addition to its physical store, Herzeg House also offers an online e-store, making these local products more accessible. The initiative has expanded to operate under four facilities located in Trebinje, Banja Luka, East Sarajevo, and Belgrade and boasts a diverse selection of over 1000 products and collaborates with 120 businesses.



Source: herzeghouse.com



Features:

- Product range includes indigenous items such as cheese, prosciutto, honey, wines, teas, plant-based preparations (including creams and essential oils), and fresh produce from the region;

- All products at Herzeg House adhere to strict guiding principles - they are homemade, grown locally in Herzegovina, and natural, free from artificial additives, preservatives, emulsifiers, artificial colours, aromas, and flavour enhancers;
- Exploring the region through sensory experiences;
- Enhancing transparency in the production;
- Increasing the visibility of the products through an online presence;
- Supporting small SMEs.

Implications:

- One-stop shop that expands the availability of local products beyond the borders of local production, allowing for increased awareness and visibility of products and widening local tourism chains.

Südtirol corporate brand, Austria

The Südtirol corporate brand is an umbrella regional brand that plays a crucial role in positioning tourism products and locally made products in the market, offering a common vision and promotion strategy. The umbrella brand reinforces existing brands and concentrates its strengths, increasing visibility and presence on the market.

Umbrella brand

Quality brand

Localization brand

Labels for products with European destination of origin



Features:

- Including destinations and accommodation that are certified according to the GSTC-recognized standard;
- Including a label certification for locally made products, Alto Adige Quality that guarantees South Tyrolean origin and certified quality for agricultural products;
- Producers must meet specific criteria and requirements, including the use of raw materials, following strict production standards, and compliance with environmental and sustainability regulations;
- The label is also an essential part of the region's agri-food marketing strategy, promoting local products and supporting the local economy;
- Promotional tool for raising the visibility of locally made products;
- Strengthening the brand of the destination;
- Supporting the local SMEs.

Implications:

- Establishment of an overarching regional or national brand, increases the visibility of labelled products and services, enabling differentiation in the market;
- Improved collaboration with external partners and stakeholders in tourism and business sectors.

Grand Tour Catalonia, Spain

The Grand Tour of Catalonia, an initiative developed by Catalonia Tourism aims to showcase numerous experiences that Catalonia has to offer. This comprehensive tour is designed as a circular route, spanning over 2,000 kilometres, and inspires travellers to explore the region's diverse landscapes. The storytelling journey through Catalonia's cultural heritage highlights Catalonia's rich gastronomy, available accommodation, local guides, and transportation providing a holistic and immersive experience.



Source: grandtour.catalunya.com

Features:

- Comprehensive regional tour guide with ready-to-download materials;
- Developing distinctive tourism brands inside one region;
- Personalised travel planner option;
- Available playlists and podcasts;
- Elaborated social media campaign and smart usage of user-generated content (UGC);
- High-quality audiovisual content;
- Developed corresponding mobile app.

Implications:

- Developed tour guide on a regional level fosters the distribution of tourist flows and their economic benefits throughout the whole region, including lesser-known rural and urban areas;
- Facilitates customizing the portfolio of tourism products to align with the unique characteristics of each region, resulting in a creation of a well-rounded tourism product and contributing to the diversification of tourism products on the country level.

Rural Tourism Infrastructure Fund, Visit Scotland

The Scottish Government established the Rural Tourism Infrastructure Fund (RTIF), which is managed by VisitScotland on its behalf. Since its inception in 2018, the fund has allocated approximately €20.5 million in grant funding to 74 projects throughout rural Scotland. The RTIF aims to support collaborative initiatives that enhance the visitor experience in rural Scottish areas experiencing pressure on their infrastructure and communities due to high tourist numbers.

Source: visitscotland.org

Features:

- Enabling a more strategic approach to the development of visitor infrastructure;
- Alignment with the goals of Scotland Outlook 2030 and the new National Strategy for Economic Development;

- Creation of 24 Strategic Tourism Infrastructure Development Plans in various rural locations across Scotland, that will guide the allocation of RTIF resources and set the priorities for the next three to five years;
- Focusing on areas that will most effectively improve tourism infrastructure in rural Scotland;
- Funding applications are open to local authorities and national park authorities;
- Community groups and other organizations can submit their eligible projects to their local authority or national park for consideration;
- Individual business entities are not qualified to receive this funding;
- Projects that may receive support include a range of facilities, such as parking areas, motorhome amenities, scenic viewpoints, walking trails, public restrooms, and charging stations for electric vehicles and electric bikes.

Implications:

- Only initiatives instituted by the top-level government and managed by the national tourism organisations, with significant allocated funding have the capacity to initiate rural tourism developments;
- National tourism organisations establish criteria necessary for funding approval, facilitating that way the alignment of future rural developments with the existing national strategies.

Ecomusee d'Alsace, France

Located in the town of Ungersheim, the Écomusée d'Alsace is France's largest open-air museum. It showcases over 75 buildings, ranging from a medieval fortified tower to an 18th-century timber-framed farmhouse, each illustrating different aspects of traditional Alsatian village life and the region's unique architectural heritage. These traditional houses were dismantled from their original locations and reconstructed at the EcomusEe d'Alsace. Each building's interior offers a reconstructed scene, complete with specific craftsmen workshops.



Sources: ecomusee.alsace

Features:

- Authentic depiction of traditional architecture, customs and crafts;
- Preservation of cultural heritage;
- Variety of activities, including pottery, barbering, saddlery, winemaking, and fishing, and a real-life stable;
- More than 20 unique experiences daily - tractor and boat rides, interactive sessions with craftsmen, activities such as feeding pigs, and milk processing and history and educational lessons;
- Immersive experience into Alsatian culture and history.

Implications:

- Comprehensive display of centuries of traditions and customs in one place offers not only the preservation of the cultural heritage but also an immersive experience into the rich cultural heritage of a country or a region for the visitors;
- Traditional and authentic experiences provided by open-air museums broaden the tourism value chain by offering tourists supplementary experiences.

Nature's Best, Sweden

Nature's Best is Sweden's first eco-label, also a GSTC member party, that assures quality and compliance with the sustainability approach of tour operators and their experiences, accommodation providers and other service providers in the tourism industry. Specially designed to align with Swedish ecotourism strategic goals, it certifies and promotes unique nature-based experiences.



Kajak/Kanot



Escapades



Geunja Sami Eco Lodge –
Laplandsafari



Guide Natura

Source: naturesbestsweden.com

Features:

- Comprehensive framework helping nature and cultural tourism companies in sustainable development while also assuring their quality;
- Including eco-accommodation, kayaking, canoeing, fishing, hunting, skiing, Sami experiences, bird watching, diving, rafting, horse riding, snowshoeing, and other similar activities;
- Map with the designated certified experiences and companies;
- Respecting the destination's carrying capacity;
- Preserving nature and protecting the cultural and ecological viability of the area;
- Brining benefits to the local economy;
- Supporting environmentally conscious business practices;
- Support discovery and respect by providing education;
- Quality and security as top priorities.

Implications:

- Nation-wide certification supported by GSTC criteria encourages tourism stakeholders to develop tourism products that are aligned with the sustainable standards recognized worldwide;
- Certification of sustainable tourism experiences positions the country as a leader in sustainability in the international tourism industry.

1.7.3. Tourism Management System

Next, the area of tourism management has been pinpointed as another crucial sector for advancement. A fundamental requirement for the cohesive development of tourism at national, regional, and local levels is the establishment of a robust tourism management system. Now, Albania significantly lacks a comprehensive framework and effective tools for managing tourism altogether. In the realm of tourism management, case

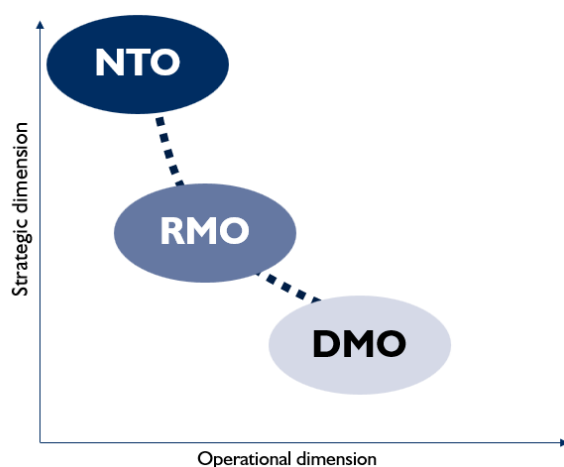
studies will highlight best practices from various fields, including systems for data collection, tourism intelligence, initiatives for managing tourism flows, plans for visitor management, and forums focused on tourism investment.

Case studies examined in this area are:

1. Tourism Destination Management System, Croatia
2. e-Visitor, Croatia
3. Visit Valencia - SIT: Tourism Intelligence System
4. How to Athens, Greece
5. Regional experience brands, Ireland
6. Visitor Management Plan, Visit Scotland
7. Tourism Investment Forum, Turkiye

Tourism Destination Management System, Croatia

Croatia is a good example of a systematic management of tourism through the system of national, regional and local tourist boards. Destination management organisation (DMO) system in Croatia is a multi-tiered system designed to effectively manage and promote tourism on all levels. The Croatian National Tourist Board (CNTB) is at the top of the hierarchy, having the most strategic and the least operational role. Its task includes setting the overarching tourism strategy at a national level and marketing the country to enhance Croatia's image in the international tourism market. The National Tourist Organisation (NTO), that is CNTB, works in close collaboration with regional management organisations (RMOs), which are responsible for the development of tourism products on the regional level and promotion within specific geographical regions. Regional organisations play a crucial role in aligning their strategy with the national strategy and tailoring it to the unique attributes and offerings of their regions, ensuring cultural, historical, and natural resources are optimally utilized and preserved. Destination management organisations (DMOs) are engaged in the operational management level within their towns or municipalities. They are instrumental in implementing localised tourism initiatives, managing day-to-day tourist activities, and assuring that the tourism development aligns with the community's needs and sustainability goals while collaborating with local stakeholders. This hierarchical and collaborative structure allows for cohesive tourism management while enabling the implementation of specific needs of different regions and areas.



Source: htz.hr

Features:

- Clearly set hierarchy and division of NTO, RMOs and DMOs;

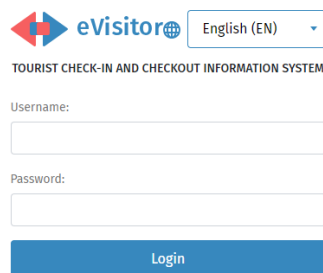
- Clear division of responsibilities and accountabilities;
- One tourism authority determining the strategic, national-level tourism management and marketing;
- Regional and local tourism authorities align strategies with the national strategy.

Implications:

- Clearly defined tourism management system encompassing national, regional, and local levels enables enhanced coordination and more streamlined tourism management;
- Top-down approach fosters systematic sustainable development;
- Separated management facilitates the creation of distinct national, regional, and local tourism brands.

e-Visitor, Croatia

E-Visitor is a comprehensive tourism data collection and analysis tool. An innovative digital platform, implemented by the Croatian National Tourist Board, serves as a centralized registry for both international and domestic tourists. It streamlines the registration and check-out process for accommodation providers, enhancing their operational efficiency.



TOURIST CHECK-IN AND CHECKOUT INFORMATION SYSTEM

Username:

Password:

Login

Source: evisitor.hr

Features:

- Collecting valuable data on tourist demographics, travel patterns, length of stay, and preferences;
- Offering real-time insights into tourism data;
- Facilitating the operational engagement of hoteliers and renters;
- Automatic guest bookkeeping;
- Register of all accommodation service providers and their facilities;
- Calculation and control of tourist tax collection;
- One data point for all gathered information about the inbound tourism;
- Data processing analysis and reporting for statistical purposes.

Implications:

- National level visitor registration system facilitates standardisation of guest registration process across all service providers;
- Due to its mandatory characteristics for all private and professional renters, it reduces the number of unregistered overnight stays, resulting in a decrease in the extent of the grey economy;
- Comprehensive data collected through this system provides detailed insights into sectors' real-time dynamics, enabling a more targeted and effective approach for all stakeholders involved.

Visit Valencia - SIT: Tourism Intelligence System

Visit Valencia offers all interested stakeholders and partners in the destination insight into a comprehensive database of relevant tourism data in the destination. In 2022, the Tourist Board of the City of Valencia launched a new database on tourism, that is, a new Tourism Intelligence System (SIT) on its website.



Source: visitvalencia.com

Features:

- Comprehensive set of tourism industry data;
- Collected information on the tourism sector, in cooperation with the city of Valencia, relevant stakeholders in the destination and companies that can provide optimised data in real time;
- Publicly available systematized data, such as tourism demand, accommodation offer, occupancy rates, ADR and RevPAR rates and air traffic data;
- Continuously updated databases;
- Real-time update of the available information.

Implications:

- Freely available already data to all stakeholders interested, compiled into ready-to-use reports, enables a detailed understanding of the tourism sector and facilitates optimised decision-making.

How to Athens, Greece

This is Athens (Tourist Association of Athens) launched a new initiative called How to Athens with the aim of decentralizing tourist traffic and informing visitors about lesser-known locations in the destination. The online initiative was launched on the destination's official website, with the intention of activating secondary products and experiences of Athens tourism - undiscovered neighbourhoods, modern architecture, street art, street food restaurants and local craft shops.



Source: thisisathens.org

Features:

- Based on strategic collaboration with the local community;
- Including local guides, recommendations from experts, architects, curators and service providers;
- Decentralization of tourist flows;
- Visitor flow management initiative;

- Strategic orientation towards raising the average daily consumption of tourists;
- Mobilization of insufficiently used resources;
- Online accessible material.

Implications:

- Introducing already-made city guides facilitates tourism decentralisation away from the main points of attractions while activating secondary tourism resources, therefore enabling more balanced and sustainable tourism development.

Regional experience brands, Ireland

Fáilte Ireland has strategically developed four distinct destination brands, each representing a unique tourism region in Ireland. These include Ireland's Hidden Heartlands, Ireland's Ancient East, Wild Atlantic Way, and Dublin. Each destination brand is supported by a comprehensive strategy document and destination development plans tailored to each region.



Source: failteireland.ie

Features:

- Strategic approach to overall tourism development;
- Strategic approach to tourism product diversification;
- Well-defined brand guidelines and marketing materials, readily available for use by all interested stakeholders;
- More framework documents are provided according to each region's specific characteristics, such as the destination experience document, which offers detailed insights into the unique experiences available in each area;
- Various toolkits are also available for local businesses, aiding them in capitalizing on the unique aspects of their region, such as documents identifying the destination's hidden gems or one elaborating on children's activities;
- Large range of available materials for tourism development and marketing.

Implications:

- Division of experiential tourism regions done by the National tourism organisations, and the creation of unique brand identities contributes to the distinct and beneficial positioning of each individual experiential region on the international tourism market.

Visitor Management Plan, Visit Scotland

Visit Scotland has developed a comprehensive, country-wide plan for improved visitor management, encompassing both strategic and operational aspects. The core objective of this strategy is to educate key audiences on how to experience the destination responsibly.

Action	Lead (support)
1. Develop and implement co-ordinated responsible behaviour campaign for 2023, and include a specific focus on: <ul style="list-style-type: none"> fires and BBQs camping activity (not commercial camp sites) wildlife disturbance "know before you go" and capacity management messages utilising and developing the central shared resource, tool kit/library and SOAC banner for content/assets. 	Education & Marketing sub-group VisitScotland NatureScot NAF RAS
2. Improve tent-based camping messages, including definitions, to support operational management and communications.	NatureScot NAF Operational Sub Group
3. Keep messaging on fires under review and aligned with any developments of fire risk warning protocols/systems.	NatureScot NAF Scottish Fire and Rescue Service Operational Sub Group



Source: visitscotland.org

Features:

- Strategy outlines both current and future actions, aligned with the industry's desired direction;
- Strategy presents a clear vision and mission, emphasizing guiding principles and strategic pillars;
- The visitor management action plan elaborates on the key actions derived from the strategy and prioritizes them accordingly;
- Each identified priority is associated with a set of actions, and for each action, leading and supporting organizations are designated to take responsibility;
- Collaborative efforts among multiple stakeholders, including tourist management organizations, nature protection groups, police and authorities, and national park authorities;
- Long-term strategic planning;
- Permanent infrastructure developments;
- Marketing campaign to raise awareness about responsible tourism – Keep Scotland Unspoiled;
- Creating a media toolkit with images, content, and film, to enable tourism stakeholders to easily share the key messages across their channels;
- Partnering with regional organisations to spread and synergize the effect of the initiative;
- Utilizing technology and innovation to tackle visitor management challenges (destination apps that enable visitors to check how busy destinations are, journey planner apps that provide all possible travel options and information in one place, data collecting platform that counts footfall, predicts future flows and patterns and suggests alternative places to visit).

Implications:

- Clearly defined action plan with detailed initiatives for enhancing visitor flow management that is implemented on the country level, facilitates a systematic approach to managing congested tourism hotspots and standardises the process across the country;
- Distinct and designated roles for each of the stakeholders involved help streamline day-to-day operations and enhance overall project efficiency.

Tourism Investment Forum, Türkiye

The Turkey Tourism Investment Forum is an event that brings together various stakeholders in the tourism industry to discuss and explore investment opportunities within Turkey's tourism sector.



Source: tif.com.tr

Features:

- Showcasing potential investment projects, discussing market trends and strategies, and promoting sustainable tourism practices;
- International audience learning about the tourism potential of the country;
- Creating attractive investment opportunities for international investors;
- Platform for investors, developers, government representatives, and other key players to network, share knowledge, and collaborate on tourism development projects.

Implications:

- Nationally branded event supported by key country authorities and major stakeholders, not only elevates the country's profile in the international investment market and encourage foreign investment but also contribute to raising tourism standards to the global level.

1.7.4. Tourism Policy

The final component of the benchmark analysis will focus on tourism policy, specifically examining best practices where a well-structured legal framework played a key role in facilitating tourism development. The analysis will explore various international examples, and identify key legislative and regulatory strategies that have supported industry improvement.

Case studies examined in this area are:

8. Hotelstars Union, European International trademark and branding for hotels
9. Accommodation Categorisation System, United Kingdom
10. Regulation of private accommodation, Italy
11. Tourism Law, Serbia
12. Destination Development Companies, Serbia
13. Mountain Resorts of Georgia, Georgia
14. Rulebook on Types, Minimum Technical Conditions and Categorization of. Catering Facilities, Montenegro

Hotelstars Union, European International trademark and branding for hotels

Founded in 2009 under the patronage of HOTREC, the umbrella association of hotels, restaurants and cafes in Europe, the Hotelstars Union categorisation system was established to harmonize hotel classification across Europe. It aims to ensure comparability by offering standardised criteria and procedures.



Source: hotelstars.eu

Features:

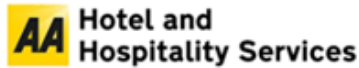
- Involves regular inspections to guarantee that hotels maintain up-to-date compliance with the criteria;
- Includes more than 22,000 classified hotels across 21 member countries (Armenia, Austria, Azerbaijan, Belgium, Czech Republic, Denmark, Estonia, Georgia, Germany, Greece, Hungary, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Poland, Slovenia, Sweden, Switzerland) and 7 observer countries;
- The system categorizes hotels into a range of classifications, spanning from 1 to 5 stars;
- Additional “Superior” accreditation which indicates excellent hotels that score considerably beyond the threshold points of their category but do not meet the minimum criteria for the next higher category;
- “Superior” label is accessible to all hotels, including “Hotel Garni”;
- For hotels ranging from three to five stars, the Hotelstars Union employs "mystery guests" to regularly assess service quality;
- Compliance with legal requirements is a prerequisite to classification in each member state;
- The system is based on 248 harmonized criteria, encompassing both mandatory and optional criteria;
- The criteria undergo revision every 5 to years, with new criteria currently in the draft phase and set for implementation in 2025;
- The comprehensive catalogue of criteria covers eight areas - General Hotel Info, Reception and Services, Rooms, Gastronomy, Event Facilities (MICE), Leisure, Quality and Online Activities;
- The system also establishes minimum points for classification in each of the five categories.

Implications:

- Introducing the categorisation system at the national level, recognized across the industry and the continent, aids in establishing a regulatory framework for hoteliers and standardizes the criteria for each category;
- Defined necessary conditions for each category result in elevating hotel supply to international standards;
- Regular updates to category conditions, including new requirements such as digitalization or environmental, social, and governance (ESG) criteria, help providers stay aligned with industry standards.

Accommodation Categorisation System, United Kingdom

United Kingdom has implemented a comprehensive categorisation system for tourist accommodation, aimed at providing travellers with clear and reliable information about the standard and type of accommodation available. The system employs a 1 to 5-star rating to classify accommodations, including hotels (Hotel, Country House Hotel, Small Hotel, Town House Hotel, Metro Hotel, Budget Hotel), guest accommodations (B&B, Guest House, Farmhouse, Inn, Restaurant with Rooms, Guest Accommodation), self-catering and serviced accommodation and caravan parks, campsites and glamping sites.



Source: theaa.com

Features:

- Developed subcategories to help consumers understand more clearly the different types of hotels available;
- Three elements to satisfy to reach a particular star rating: achieve a percentage score within the designated range for each star level (ranging from 30% for one star to 80% for five stars), maintain the relevant standard of quality in the six critical areas (hospitality, service, bedrooms, bathrooms, cleanliness, food), and meet the star rating level across these areas;
- Additional facilities, such as spas, are also assessed if they fall within the three remaining assessment areas (exterior/public area, dining room & restaurants);
- Legal compliance is mandatory for classification, including Public Liability Insurance and adherence to statutory obligations like fire risk assessment, food safety, health and safety, and various regulatory acts;
- Hotels with full AA recognition through annual inspections are eligible for special AA Awards, such as AA Hotel of the Year and Rosettes for food;
- These awards are given to hotels that significantly exceed the expectations of their star classification, with various categories based on inspector recommendations or nominations from hotel scheme members;
- Awards include Hotel of the Year, Eco Hotel of the Year, Wine Award of the Year, Food Service Award, Housekeeper of the Year, and Customer Choice Award.

Implications:

- Implementing a categorization system that includes not only hotels but all types of accommodation establishments aids in standardising the required conditions for each category and aligning it with international levels;
- Conducting regular inspections motivates accommodation providers to uphold high service standards and incentivises establishments to enhance their facilities and services to attain a higher star rating.

Regulation of private accommodation, Italy

Italy has a comprehensive and detailed system of regulating private accommodation. Depending on the type of private accommodation, different tax rates are applicable. There are two types of private accommodation – family business and professional renters. The owner of private accommodation must be an individual, and the number of beds permitted varies by region, ranging from 3-12. Tax rates in this case are determined based on the total profit, where the profit is calculated by subtracting the costs associated with the business

from the revenue earned from providing accommodation services. There are five tax brackets, starting at 23% for profits up to EUR 15,000 and going up to 43% for profits exceeding EUR 75,000. There is an option to pay an annual flat rate of 21% on the gross rent, for the first property, and the subsequent properties the rate increases to 26%. Professional engagement in rental services is subject to more taxation, including corporate income tax (It. IRES), personal income tax (It. IRPEF), and regional tax on productive activities (It. IRAP). If the accommodation provider is engaged in rental services professionally, a VAT rate of 10% is applied, while if renting is a family business there is no obligation to pay VAT. The family business has a limit of 45 consecutive days of operation and a maximum of 270 working days per year.

Source: www.expert-travel.it, www.bedandbreakfastdisuccesso.it

Features:

- Clear distinction between professionally done renting and renting as a family business;
- Progressive profit based taxation for family renters;
- Limiting operation period for family renters;
- Comprehensive taxation system when renting is done professionally.

Implications:

- Well-defined legal framework that differentiates between family renters and professional renters enables distinct tax treatments, leading to an increase in overall tax collection volume.

Tourism Law, Serbia

The updates on the Serbian Law on Tourism introduce a new procedure in destination management and development that innovatively approaches the identification and development of development zones. An area that, due to its characteristics, values, and prioritized touristic purpose, requires a special regime of organization, arrangement, usage, and protection, or where the construction of nationally significant facilities is planned, is declared a special tourism area by the Government, upon the proposal of the Ministry.

Source: paragraf.rs

Features:

- Parts of the area that are protected natural areas or have immovable cultural heritage sites, protection regimes are applied;
- The initiative to declare an area as a tourism area can be submitted by an autonomous province or a local authority unit, located within the tourism area, with prior consent from the Ministry;
- The manager of that new tourism area can be an existing public service or a company founded by a public enterprise, that is, the Republic of Serbia, an autonomous province, or a local government unit, where the capital of that founder is the majority.

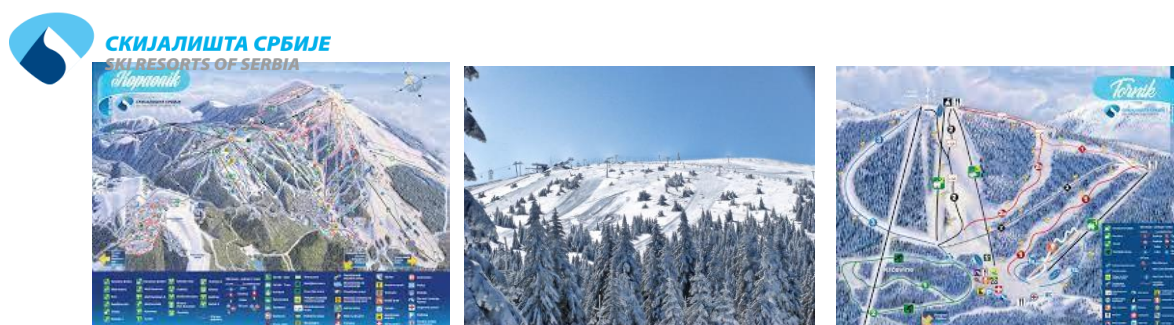
Implications:

- Only with the legislative framework, that is supported by the national tourism authorities and organisation, can priority areas for tourism development be identified as special zones with unique development conditions.

Destination Development Companies, Serbia

Serbia has two types of entities jointly working on the development of mountain resorts in the country

1. Ski Resorts of Serbia – a single entity on a national level that is in charge of the development of ski infrastructure in all ski resorts in Serbia. This entity invests in cable cars and ski slopes in multiple destinations in the country and operates and maintains them.
2. Destination development companies – created as governmental/public companies by national law on public companies. For each destination, there is a separate public company in charge of the specific destination. Such a public company is in charge of implementing a destination master plan and development strategy and is funded by the governmental budget. The management of the company consists of various stakeholders, including ministries, local government, national parks, the private sector, etc.



Source: skijalistasrbije.rs

Features:

- Comprehensive management system for developing mountain tourism;
- Designated entities in charge of mountain tourism development;
- National level development company;
- Destination-level development companies;
- Standardised resort management and daily operation, including maintenance, staff management and customer service.

Implications:

- Establishment of different levels of companies responsible for tourism development, including ones specifically for various tourism products and another for destination management, facilitates streamlined management;
- At the destination level, public-private companies tasked with operational management, help in aligning all development efforts with the overarching existing strategy.

Mountain Resorts of Georgia

In Georgia, the Mountain Resorts Development Company Ltd is the sole entity responsible for managing all the country's mountain resorts. Established in 2013, this company falls under the LEPL National Agency for State Property, which is part of the Ministry of Economy and Sustainable Development of Georgia. The Georgian Government has recently made significant investments in the Gudauri mountain destination, with plans to invest over USD 276 million, supported by financing from the World Bank.



Source: gnta.ge



Features:

- Standardised resort management and daily operation, including maintenance, staff management and customer service;
- Implemented safety protocols;
- Unified investment cycles in infrastructure development, such as ski lifts, trails and lodges;
- Strategic approach to marketing and promotion;
- Joint appearance in domestic and international markets;
- Implementing sustainable practices to minimize the environmental impact of resort operations;
- Offering a variety of recreational activities beyond skiing.

Implications:

- A government-established entity overseeing all mountain resorts within the country ensures cohesive development across these destinations, standardizes the visitor experience, and uniformly elevates their standards;
- Joint market presence of all mountain resorts enhances their visibility, improves their position in the international investment market, and strengthens their position in attracting international visitors.

Mixed-use resort development regulation, Montenegro

The Government of Montenegro adopted the Rulebook on Types, Minimum Technical Conditions and Categorization of Catering Facilities, among which it clearly defined all criteria for mixed-use resort development.



Government
of Montenegro

Source: gov.me

Features:

- Rulebook precisely delineates the concept of a tourist resort;
- Clearly states the criteria for tourist resort development, with a detailed explanation of main requirements, including:
 - Required minimum (5 hectares) and maximum (150 hectares) land area;
 - Obligatory features and range of facilities;
 - Minimal operational period (12 months);
 - Minimum number of accommodation units (120 units);

- Prioritization in construction (*Accommodation facilities can be developed in phases, starting with the hotel*);
- Clearly defined rules for the construction of villas and residential establishments (*The share of accommodation units in villas is based on the land development coefficient and the resort's size*).

Implications:

- The successful regulation of mixed-use resorts, benefiting both tourism advancement and the local community, requires the adoption of a clear set of guidelines by the appropriate government authority.

I.8. DIAGNOSIS

After conducting an in-depth analysis and gathering valuable insights, the Consultant systematically reviewed and assessed the existing state of tourism development in Albania. This process enabled us to pinpoint crucial challenges within the sector. Identifying these key challenges provides a comprehensive understanding of Albania's tourism development potential, laying the groundwork for well-informed and targeted recommendations and development guidelines in subsequent stages.

The following section will present the primary identified challenges.

I. UNFAVOURABLE INTRA- AND INTER-DESTINATION MOBILITY

Unfavourable intra and inter-destination mobility, caused primarily by poor infrastructure, represents a significant challenge for the development of tourism in Albania for several reasons, affecting the overall tourist experience, accessibility and perception of Albania as a tourist destination. Albania boasts a rich array of natural and cultural attractions, including pristine beaches, historic sites and mountainous areas. Insufficient mobility options limit tourists' ability to access these attractions, especially those located in more remote or rural areas. This results in the concentration of tourist activities in more accessible areas, leading to overcrowding and underutilization of potential tourist sites throughout the country.

Furthermore, the ease with which tourists can navigate directly affects their overall experience and satisfaction. Difficulty getting from one place to another due to inadequate public transport, poorly maintained roads and a lack of clear signage can lead to frustration and discourage tourists from exploring beyond the main hubs.

Poor mobility is an obstacle to the development of sustainable tourism. When tourists are limited in their mobility, they are also limited in their choices of where to stay, eat and engage in activities. This not only affects the distribution of tourism revenues in different regions but also hampers efforts to promote sustainable tourism practices by stimulating the growth of local economies and reducing environmental impacts in concentrated areas.

Insufficient mobility opportunities can also affect the inclusivity of tourism in Albania. Older visitors, families with young children and people with disabilities can find it particularly difficult to navigate the country if transport options are not available or adapted to different needs.

Addressing these challenges requires extensive planning and investment in infrastructure, including roads, public transport and signage, as well as innovative solutions such as digital information and booking platforms.

Improving mobility within and between destinations not only improves the tourist experience but also contributes to the economic and social development of the wider community, making tourism a more sustainable and equitable contributor to Albania's growth.

2. NEED FOR DIVERSIFICATION OF AIR ACCESS OPTIONS

Tirana Airport, which is still the main gateway to Albania, is strongly reliant on Wizz Air, which currently holds a significant 61% of the total market share. The heavy dependence on a single airline means that any operational changes, financial difficulties or strategic U-turns by Wizz Air could have a disproportionate impact on the Albanian tourism sector.

In addition, heavy reliance on any single carrier can limit the airport's and, by extension, the country's bargaining power in terms of fees, routes and services. This may affect the economic benefits of tourism, as the country may have to make concessions to keep the airline in business.

Low-cost carriers tend to operate with a focus on cost efficiency, which can sometimes lead to less favourable flight times, additional fees for services that are usually standard with traditional carriers, and the use of secondary airports away from tourist destinations. While this model may offer lower base prices, it may not always provide the best value or experience for tourists looking for convenience and a wider range of services.

It's debatable whether prioritizing cost-efficiency aligns with the strategic goals of Albania's tourism industry. Therefore, it is beneficial for destinations to strategically select airlines that not only offer cost-effective options but also support Albania's tourism objectives through effective market segmentation and positioning for future growth.

The opening of the new airport in Vlora presents a significant opportunity to diversify airline options in terms of both carriers and destinations. This development is a chance that should be fully leveraged to enhance the variety of flight options.

3. INSUFFICIENTLY DIVERSIFIED TOURIST PRODUCTS AND EXPERIENCES

The poor diversification of tourism products and experiences significantly hampers Albania's tourism sector development, impacting the industry from multiple angles.

The focus predominantly on sun and beach tourism has resulted in a strong geographic concentration of visitors on the coast and in a few popular inland destinations, aggravating overcrowding in these areas. Many protected areas, although being very attractive, are not internationally competitive due to underinvestment and restrictive, unbalanced policies. Furthermore, there is currently a shortage of tours and excursions that delve into these aspects, leaving visitors without an opportunity to immerse themselves in an enriching experience.

This concentration not only limits tourism to a few destinations but also leads to pronounced seasonality of tourist traffic, with the peak of tourist activity during the summer months.

Such a narrow approach makes it hard to exploit the potential for expansion into other types of tourism, such as active outdoor, cultural, nautical and wellness experiences, which could diversify demand and attract a wider range of tourist segments.

Insufficiently diversified tourist products and experiences ultimately have an unfavourable effect on environmental, social and governance (ESG) components, as it does not promote sustainable practices, equitable economic benefits or the protection of cultural and natural assets.

4. DEFICIENCY OF QUALIFIED WORKFORCE

Albania's tourism sector grapples with a critical challenge stemming from the shortage of a qualified workforce, significantly impeding its development and competitiveness on the global stage. This deficiency not only hampers the sector's ability to provide high-quality services but also undermines operational efficiency and innovation, hindering Albania's capacity to meet international tourism standards and fulfil traveller expectations.

The challenge arises from two primary factors. Firstly, Albania is witnessing a notable outflow of skilled workers who are choosing to migrate abroad for better opportunities. Secondly, vocational schools, educational institutions, and capacity-building centres within the country are lacking both in terms of quantity and quality. Also, the current training programs do not sufficiently align with the practical demands of the tourism sector, rendering them unattractive, especially to younger generations who are increasingly disinclined to pursue training in this field.

The ramifications of this workforce shortfall extend across various facets of the tourism experience, creating a ripple effect that adversely affects the overall appeal of Albania as a global tourism destination. Suboptimal service quality, inefficiencies in operations, and a lack of innovative offerings collectively contribute to the country's struggle to position itself competitively in the international tourism landscape.

Despite the presence of various training centres, vocational schools and initiatives that have been successfully implemented or are yet to be implemented, the number is still inadequate given that the majority of Albania's workforce is underperforming, as indicated by the results.

5. NON-FUNCTIONAL DESTINATION MANAGEMENT SYSTEM

The inadequate state of the destination management system in Albania poses a significant challenge to the development of tourism, impacting the coordination and sustainable growth of the sector.

Presently, the Albanian National Tourist Organization operates at the national level, with limited capacity primarily due to a heavy reliance on resources provided by the Ministry of Tourism and Environment.

Additionally, the absence of regional tourism boards and the lack of clearly defined roles and responsibilities for municipalities, which partially assume these functions, further hinder effective management. With municipalities partly taking over these roles, there are significant variances in the scope of work, tasks, employees, and budgets dedicated to tourism. This creates inequalities and inconsistencies in tourism development across different destinations.

At the local level, some Destination Management Organizations (DMOs) operate only partially, lacking the full capacity required to be a truly competitive global DMO. A major obstacle in DMOs within today's tourism management framework is their struggle to secure dependable revenue streams necessary for financial reliance, especially after the conclusion of donor-supported initiatives.

Effective destination management encompasses planning, development, marketing, and the overall administration of tourist destinations in a manner that harmonizes the needs of tourists, the environment, and local communities. In Albania, deficiencies in this area have the potential to result in missed opportunities for integrated tourism development, ineffective marketing strategies, and insufficient responses to tourist demands.

6. OUTDATED REGULATORY FRAMEWORK LACKING IMPLEMENTATION

The outdated and inadequately enforced regulatory framework in Albania poses a significant challenge to the development of tourism. While amendments to the Tourism Law were approved in January 2024 the potential and effectiveness of implementing these changes remain uncertain.

Regulatory challenges span various aspects of the tourism sector, commencing with a regulatory gap in the registration of tourist accommodation, an undefined legal framework for data collection, and the non-application of the hotel accommodation categorisation system, among other issues. This obstacle hinders the establishment of contemporary and effective standards for tourism businesses, environmental conservation, and further sustainable growth.

In the absence of a robust regulatory framework and consistent enforcement, Albania encounters difficulties in ensuring quality, sustainability, and competitiveness within its tourism sector. This deficiency impacts investor confidence as well and compromises the overall visitor experience.

a. INEFFICIENT TOURISM TAXATION SYSTEM

Albania's tourism sector faces a significant challenge with its underperforming taxation system, which has struggled to effectively capture the economic value generated by hotels and other accommodation structures. Currently, Albania operates under a tourism taxation system primarily reliant on the sojourn tax, where a fee is levied per person per night in certified tourist accommodations overseen by the General Directorate of Taxation (GDT) Administration.

However, a critical issue arises due to the limited proportion of licensed accommodations within the GDT, resulting in substantial losses in tax revenue.

Such practices not only undermine the fairness of the tax system but also detract from the accurate assessment and contribution of the tourism sector to the national economy.

In response to these challenges, proposed amendments to the tourism law aim to overhaul this system by transitioning the tax base from overnight stays to minimum occupancy thresholds. The intention is to combat informality and ensure a more precise reflection of the sector's economic activity.

However, this approach may not fully align with actual market trends and could still leave considerable room for informal practices, ultimately limiting the realization of potential tax revenues.

b. UNREGULATED MIXED-USE RESORT DEVELOPMENT

Present regulations allow investors considerable flexibility in deciding the allocation between hotel accommodations and non-hotel residential units within these developments. This autonomy has led to a predominance of projects with a substantial real estate focus, often at the expense of adequately developed hotel facilities.

Such an imbalance not only leans towards immediate real estate profitability over the strategic growth of the hospitality industry but also risks creating a surplus in residential spaces, overshadowing the necessary expansion and improvement of hotel capacities. The consequence of this trend is a potential for unsustainable development practices that could saturate the market with residential units while failing to meet the actual needs and growth prospects of the tourism sector.

This approach compromises the sustainable development of Albania's tourism infrastructure by neglecting to bolster the sector's capacity to host an increasing number of visitors and enhance its service offerings. Over time, this imbalance could significantly diminish Albania's appeal as a tourist destination and impair its competitive edge globally, as a well-balanced mix of accommodations is crucial for catering to diverse tourist demographics and supporting the broader tourism ecosystem. The need for a more structured and strategic framework in the planning and execution of mixed-use projects is apparent, highlighting the importance of

aligning development efforts with the long-term objectives and sustainability of the tourism industry in Albania.

c. UNREGULATED SHORT-TERM RENTAL MARKET

The majority of short-term rental markets operate without oversight and are not incorporated into national and local regulatory and fiscal systems. Without licensing and certification by the Ministry of Tourism and Environment, these accommodations escape the standardization processes that ensure quality, safety, and service levels, making it difficult to categorize and control them. This absence of regulation leads to a disparity in the quality of tourist accommodations, potentially undermining the overall tourist experience and Albania's reputation as a destination.

Moreover, the fact that these unregulated properties in most cases do not pay taxes represents a substantial financial loss for both the government and local municipalities. The revenue that could be collected from these operations is critical for funding infrastructure improvements, marketing campaigns, and other tourism-related projects that could enhance the attractiveness and competitiveness of Albania as a tourist destination. The evasion of taxes by unregulated short-term rentals creates an uneven playing field, disadvantaging licensed and regulated businesses that comply with tax obligations and contribute to public funds.

The social impact of the unregistered expansion of short-term rentals is another considerable concern. As these properties proliferate, they can lead to disruptions in local communities, such as noise, increased waste, and a strain on local resources. Additionally, the conversion of residential properties into short-term rentals can exacerbate housing shortages and drive up rental prices, affecting the affordability of housing for local residents. The dissatisfaction among local communities stems from these changes, which can diminish the quality of life in neighbourhoods heavily populated with short-term rentals.

d. INCONSISTENT COLLECTION OF TOURISM STATISTICAL DATA & KPIS

The absence of reliable and all-encompassing data substantially impedes understanding the multifaceted aspects of tourist behaviour, preferences, and the economic ramifications of tourism activities. This gap in information critically obstructs the capacity for making well-informed decisions and crafting policies that could otherwise nurture a flourishing tourism industry.

This lack of thorough data collection adversely affects Albania's ability to monitor its sector's growth, pinpoint new trends, and optimally distribute resources. Without precise data, the foundation for devising targeted marketing strategies is weakened; insights into the demographics of visitors, their spending habits, and interests are crucial for developing compelling promotional initiatives that resonate with potential tourists.

The challenge of inconsistent data collection represents a fundamental obstacle to realizing the tourism sector's potential in Albania. The absence of a solid framework for data acquisition not only hinders the strategic advancement of tourism but also limits the opportunity for Albania to enhance its appeal and competitiveness on the global tourism stage.

7. LACK OF STRATEGIC AND OPERATIONAL MARKETING SYSTEM/APPROACH

The current approach to tourism marketing in the country lacks a foundational strategy, with no clear vision or mission guiding promotional activities. This ad-hoc, "go with the flow" methodology results in ineffective market penetration and diversification, leaving Albania underrepresented and inadequately marketed in the global tourism landscape. The consequences of this deficiency are evident in the country's over-reliance on tourists from neighbouring countries and the Albanian diaspora. Such dependence underscores a missed

opportunity to attract a broader, more diverse visitor base through a targeted marketing strategy that leverages data, statistics, and knowledge-based decision-making to identify and appeal to potential new markets.

The perceived inefficiency of the Albanian National Tourism Agency (ANTA) among business sector stakeholders further exacerbates the issue. As the national tourism organization, ANTA's primary role should be to spearhead strategic marketing efforts to enhance Albania's tourism sector. However, the general consensus that ANTA falls short in fulfilling this role highlights a critical gap in the country's tourism development framework.

Addressing this challenge requires a concerted effort to develop and execute a comprehensive marketing strategy that encompasses clear objectives, target market segmentation, and competitive positioning. By adopting a fact-based, analytical approach to marketing, Albania could better showcase its unique attractions and experiences, diversify its tourist base, and reduce its dependency on traditional sources of visitors. This strategic shift is essential for driving sustainable growth in the tourism sector, attracting investment, and enhancing the country's reputation as a desirable destination.

8. LACK OF FORMAL STAKEHOLDER COORDINATION MECHANISM

Currently, communication between the public sector and key stakeholders in tourism is informal, a system that is unsustainable for long-term progress. Sustainable growth and development can only be achieved through a clearly defined system that outlines specific criteria for voting rights and sector management.

This deficiency in stakeholder engagement leads to the development of policies and strategic directions that may not align with the on-the-ground realities of the tourism sector. Without incorporating input from those directly impacted by tourism policies there's a significant risk of overlooking essential challenges and missing out on opportunities for growth and development. Such misalignment can result in initiatives that are either ineffective or poorly targeted, hindering the sector's resilience, competitiveness, and sustainability.

Moreover, the absence of a collaborative approach to policy development limits the sector's ability to adapt to changing market dynamics and consumer preferences, limiting its capacity for innovative and sustainable growth. Engaging a broad spectrum of stakeholders in meaningful dialogue is crucial for ensuring that policies are reflective of and responsive to the diverse interests and expertise within the tourism ecosystem. Without this engagement, Albania's tourism sector risks following paths that do not fully leverage its assets or overcome its growth barriers, thereby impeding progress toward long-term sustainability and inclusivity in tourism development.

2. STRATEGIC FRAMEWORK

2.1 DEFINITION OF THE ALTERNATIVE DEVELOPMENT SCENARIOS

Based on the prior analysis and diagnosis of the tourism sector in Albania, along with aggregate data and specific indicators of success for various key activities in Albanian tourism, utilising sufficiently precise assumptions derived from historical data, relationships, and international comparisons, the Consultant has created a growth calculation model. Within this model, the Consultant has formulated two distinct development scenarios based on different assumptions, projecting the outcomes of tourism development in 2030.

These scenarios are intended to provide a foundation for strategic decision-making in the remainder of this document.



Source: Horwath HTL, 2024

The assumptions behind the scenario are categorised into three fundamental dimensions of sustainable development: Environmental, Social, and Economic.

In the environmental aspect, the assumptions revolve around the ecological impact of tourism development, including, but not limited to, insufficient funding for infrastructure in protected areas and unregulated growth negatively affecting landscapes and ecosystems.

On the social front, the Consultant considers the human aspects of sustainability, such as workforce migration, low interest in tourism careers, and social implications of housing conversions and affordability.

Economically, the assumptions focus on the financial implications of tourism, including, among others, infrastructure deficiencies, economic disparities due to seasonal concentration, and regulatory shortcomings affecting taxation, licensing, and market oversight.

Methodology:

The baseline figure for all subsequent calculations was bed count, while the baseline year was set as 2023.

Given the lack of precise information for each indicator, baseline figures across all categories were derived from a combination of available sources, primary and secondary research data, and benchmarking exercises. This involved comparing available data with tourism markets in similar developmental stages to ensure accuracy and reliability.

The following outlines the methodology employed for each of the quantitative indicators baseline figure:

TOURISM SUPPLY	
Hotel bed places	Number provided by the Ministry of Tourism and Environment

Short-term rental (STR) bed places	Data on bed places from AllTheRooms.com platforms, along with estimated capacities for off-the-grid accommodations (estimated at 60% of the visible platform capacity)
Undistributed bed places	The sum of bed placed that do not fall into hotel or STR category (Hostels, Camping, Motel, Healing centre, B&B, Uncategorized)
Total bed places	Sum of Hotel, Undistributed and Short-term rental bed places
TOURISM DEMAND	
Hotel arrivals	Hotel overnight stays divided by the average length of stay, which is based on benchmark data
Short-term rental arrivals	Short-term rental overnight stays divided by the average length of stay, based on benchmark data
Undistributed arrivals	Undistributed overnight stays divided by the average length of stay, based on benchmark data
Total arrivals	Sum of Hotel, Undistributed and Short-term rental arrivals
Hotel overnights	The maximum hotel bed capacity multiplied by the average annual occupancy, which is derived from primary research and benchmark data
Short-term rental overnights	The maximum short-term rental bed capacity multiplied by the average annual occupancy, sourced from AllTheRooms.com data and benchmark data
Undistributed overnights	The maximum undistributed bed capacity multiplied by the average annual occupancy, sourced from benchmark data
Total commercial overnights	Sum of Hotel, Undistributed and Short-term rental overnights
Total non-commercial overnights	30% of commercial overnights, based on benchmark data and Consultant's expertise
Total overnights	Sum of Commercial and Non-commercial overnights
Hotel bed occupancy	Inputs from primary research conducted through Horwath HTL scheduled research on hotel market performances in July 2023, supplemented by benchmark data
Short-term rental occupancy	Data obtained from AllTheRooms.com supplemented by benchmark data
Undistributed bed occupancy	Based on benchmark data and the Consultant's expertise
Average annual bed occupancy	Potential maximum overnights divided by the actual overnights achieved
Hotel ALS	Primary research conducted through Horwath HTL's scheduled research on hotel market performances in July 2023, combined with benchmark data
Short-term rental ALS	Data obtained from AllTheRooms.com supplemented by benchmark data
Undistributed ALS	Based on benchmark data and the Consultant's expertise
Average length of stay	The average of Hotel, Undistributed and Short-term rental ALS
TOURISM TAX REVENUE	
Overnight tax revenue	Hotel and undistributed overnight stays multiplied by the average sojourn tax rate of 2 EUR
Flat tax revenue Status-quo scenario	Short-term rental beds multiplied by the flat tax rate of 20 EUR
Flat tax revenue Sustainable development scenario	Short-term rental beds multiplied by the flat tax rate of 50 EUR
Total tax revenue	The sum of Overnight tax revenue and Flat tax revenue
TOURISM REVENUE	

Total tourism revenues	Based on available data from the Bank of Albania for total tourism revenue for 2022 and for the first three quarters of 2023, the total amount of tourism revenue for 2023 was assumed
EMPLOYMENT AND EDUCATION	
Number of tourism employees	Data from the INSTAT
Total number of tourism students in public vocational schools	Data from the Ministry of Education
Total number of tourism & hospitality students in higher education institutions	Data from the Ministry of Education

2.1.1 Status-quo scenario

In the initial scenario, designated as the Status-quo scenario, the Albanian tourism industry witnesses a proliferation of the current model, leading to unbalanced development across the country. This imbalance puts immense pressure on the sustainability of natural resources and cultural heritage. The lack of proper systems and support exacerbates the situation, resulting in partial and/or poor implementation of various solutions.

Without substantial intervention, the sector risks stagnation hindered growth and diminished competitiveness in the mid- to long-term period.

The assumptions behind the Status-quo scenario are as follows:

Environmental:

- Insufficient funding is being allocated to the development of tourist infrastructure within protected natural areas;
- Expansion of tourism is executed without adequate oversight, monitoring, and regulation, thus negatively impacting the landscape and space;
- Unregulated growth and over-construction of short-term rentals & second homes persists - *golemization*;
- Mixed-use resort development is not regulated and is causing environmental disturbances (waste management, strain on utilities, pollution etc.);
- High seasonality of tourism activity is placing excessive pressure on local resources;

Social:

- Continued strong outflow of qualified workforce in Albania persists;
- Interest in pursuing careers in the tourism sector is low;
- Legislative and fiscal policies are not creating attractive employment opportunities;
- Residential spaces are being widely converted into short-term rentals;
- Affordability of living in Albania is being reduced;
- Public support for tourism growth is declining;
- Unsustainable development is causing resentment and irritation by the local population in tourist destinations;

Economic:

- Persisting deficiencies in road access, public transport, and clear signage;
- Satisfaction among tourists at overcrowded natural and cultural attractions is decreasing;

- High geographical and seasonal concentration of tourist traffic is limiting the distribution of economic benefits throughout the country;
- Limited diversity in air access options persists;
- The destination management system remains disjointed and incoherent across all levels;
- The tax payment from tourism activity is still nonfunctioning, causing high levels of informality and a grey economy, resulting in significant tax losses;
- Regulatory guidelines for licensing, categorisation, and taxation within the short-term rental market are not being enforced;
- There is a lack of regulation and definition within the legislative framework for mixed-use resorts;
- The absence of a centralised system for collecting statistical data on tourism continues;
- Persisting lack of foundational and coordinated marketing plan, clear overarching strategy, vision and mission guiding the promotional efforts.

The table below presents quantitative indicators and the results of Scenario I, based on the assumptions elaborated above. The table elaborates on the quantitative factors and assesses their status in the year 2030. Moreover, it explores their connection to the baseline year of the analysis, 2023.

Quantitative indicator	2023	2030	2030 vs. 2023	CAGR
Hotel bed places	59,673	73,390	23%	3%
Short-term rental bed places	176,000	496,085	182%	16%
Undistributed bed places	35,000	51,570	47%	6%
Total bed places	270,673	552,857	104%	13%
Hotel arrivals	1,905,806	2,821,043	48%	6%
Short-term rental arrivals	1,939,321	5,856,024	202%	17%
Undistributed arrivals	638,750	1,008,308	58%	7%
Total arrivals	4,483,877	9,685,375	116%	12%
Hotel overnights	7,623,226	12,098,158	59%	7%
Short-term rental overnights	10,278,400	33,275,789	224%	18%
Undistributed overnights	3,193,750	5,405,212	69%	8%
Total commercial overnights	21,095,376	50,779,159	141%	13%
Total non-commercial overnights	6,328,613	11,568,952	83%	9%
Total overnights	27,423,988	62,348,110	127%	12%
Hotel bed occupancy	35%	45%	29%	4%
Short-term rental bed occupancy	16%	18%	15%	2%
Undistributed bed occupancy	25%	29%	15%	2%
Average annual bed occupancy	21%	22%	5%	0,69%
Hotel ALS	4,0	4,3	7%	1%
Short-term rental ALS	5,3	5,7	7%	1%
Undistributed ALS	5,0	5,4	7%	1%
Average length of stay	4,8	5,1	7%	1%
Overnight tax revenue	21,633,951 €	35,006,740 €	62%	7%
Flat tax revenue	0,0 €	9,921,699 €	/	/
Total tax revenue	21,633,951 €	44,928,439 €	108%	11%
Total tourism revenues	4,164,776,318 €	5,720,480 €	37%	5%
Number of tourism employees	42,698	60,646	42%	5%

Total number of tourism students in public vocational schools	2,900	3,300	15%	2%
Total number of tourism & hospitality students in higher education institutions	2,312	2,655	15%	2%

Source: Horwath HTL, 2024

2.1.2 Sustainable development scenario

In the sustainable development scenario, there is a concerted effort towards achieving balanced development in Albanian tourism. Sustainability is prioritized without being seen as a barrier to growth, allowing for innovative solutions to emerge. There is a strong focus on developing robust systems to support sustainable practices across the industry. Solutions are impartially designed to benefit all stakeholders involved. Moreover, there is a commitment to full implementation and a professional approach, ensuring that strategies are executed effectively and efficiently.

The premise is that Albania can achieve a sustainable expansion of its tourism sector by enacting comprehensive reforms, with a special emphasis on overhauling the regulatory framework and enhancing the destination management system.

The assumptions of the second observed scenario (Sustainable development scenarios) are as follows:

Environmental:

- Functional legislative framework regulates the construction of new accommodation capacities in Albania, with an emphasis on sustainable growth, development and smart protection of the area;
- The short-term rental market is expanding under the directive, focusing on minimising adverse environmental impacts;
- Mix-used development projects are being executed within clearly defined regulatory frameworks;
- Tourist infrastructure in protected areas is being improved through various investments, with an emphasis on area protection and sustainable growth;

Social:

- Educational curricula in educational institutions are aligned with tourism trends and sector needs;
- Initiatives and strategies are being implemented to increase workforce retention within the Albanian tourism sector;
- Legislative framework regulates the ratio of residential and hospitality accommodation facilities to the benefit of both tourism and the local population;
- General public support for further tourism development is on the rise;

Economic/Governance:

- Strategies are being enforced to enhance transportation connectivity and mobility in Albania, prioritising upgrades to road accessibility, expansion of public transit routes, and the seamless integration of cutting-edge digital solutions;
- Initiatives to attract investments are being implemented, enhancing the competitiveness of existing tourist resources
- The scope of tourist products and experiences is broadening;
- A comprehensive air accessibility strategy supporting the sustainable growth of the tourism sector is in place;
- A new destination management model encompassing national, regional, and local levels has been established;

- The ongoing DMO system implementation process prioritises a transparent division of responsibilities and roles, underpinned by a well-defined legal framework;
- A clear model of the regulation of mixed-use resort development is in force, ensuring long-term sustainability and basic rules;
- A new tourism taxation system is in force, based on real numbers and principles of fairness, not approximations;
- A real-time platform for visitor registration is operating, leveraging technology to streamline data collection processes and providing all key stakeholders with access to real-time data;
- Mechanisms for ensuring compliance with regulations are strengthened through measures such as conducting routine inspections and imposing penalties for violations;
- Tourism marketing and strategic planning approach in being adopted, emphasizing analytics, data-driven insights, and clear goal setting.

Below is a table displaying quantitative indicators and outcomes for Scenario 2, in line with the assumptions outlined above.

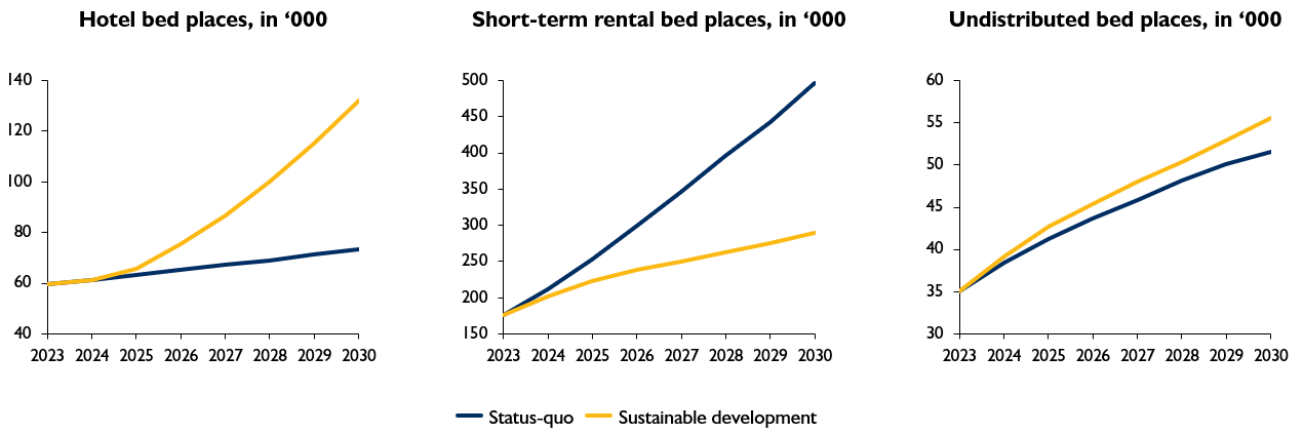
Quantitative indicator	2023	2030	2030 vs. 2023	CAGR
Hotel bed places	59,673	132,278	122%	12%
Short-term rental bed places	176,000	289,564	65%	7%
Undistributed bed places	35,000	55,572	59%	7%
Total bed places	270,673	477,414	76%	8%
Hotel arrivals	1,905,806	4,915,870	158%	14%
Short-term rental arrivals	1,939,321	3,654,225	88%	9%
Undistributed arrivals	638,750	1,235,368	93%	10%
Total arrivals	4,483,877	9,805,463	119%	12%
Hotel overnights	7,623,226	27,886,454	266%	20%
Short-term rental overnights	10,278,400	23,121,405	125%	12%
Undistributed overnights	3,193,750	7,376,556	131%	13%
Total commercial overnights	21,095,376	58,384,415	177%	16%
Total non-commercial overnights	8,438,150	11,873,325	41%	5%
Total overnights	29,533,526	70,257,740	138%	13%
Hotel bed occupancy	35%	53%	58%	9%
Short-term rental bed occupancy	16%	23%	22%	13%
Undistributed bed occupancy	25%	34%	36%	9%
Average annual bed occupancy	21%	31%	34%	7%
Hotel ALS	4,0	5,7	42%	5%
Short-term rental ALS	5,3	6,3	19%	3%
Undistributed ALS	5,0	6,0	19%	3%
Average length of stay	4,8	6,0	26%	3%
Overnight tax revenue	21,633,951 €	70,526,019 €	226%	18%
Flat tax revenue	0,0 €	14,478,186 €	/	/
Total tax revenue	21,633,951 €	85,004,206 €	293%	22%
Total tourism revenues	4,164,776,318 €	6,679,545 €	60%	7%
Number of tourism employees	42,698	73,778	73%	8%

Total number of tourism students in public vocational schools	2,900	4,687	62%	7%
Total number of tourism & hospitality students in higher education institutions	2,312	3,810	65%	7%

Source: Horwath HTL, 2024

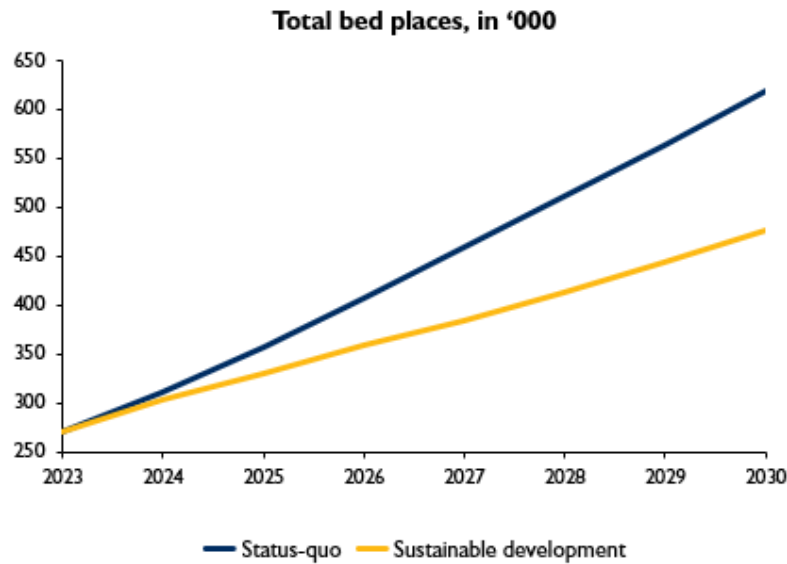
2.1.3 Comparison of Status quo and Sustainable development quantitative indicators

BED PLACES, 2023 – 2030

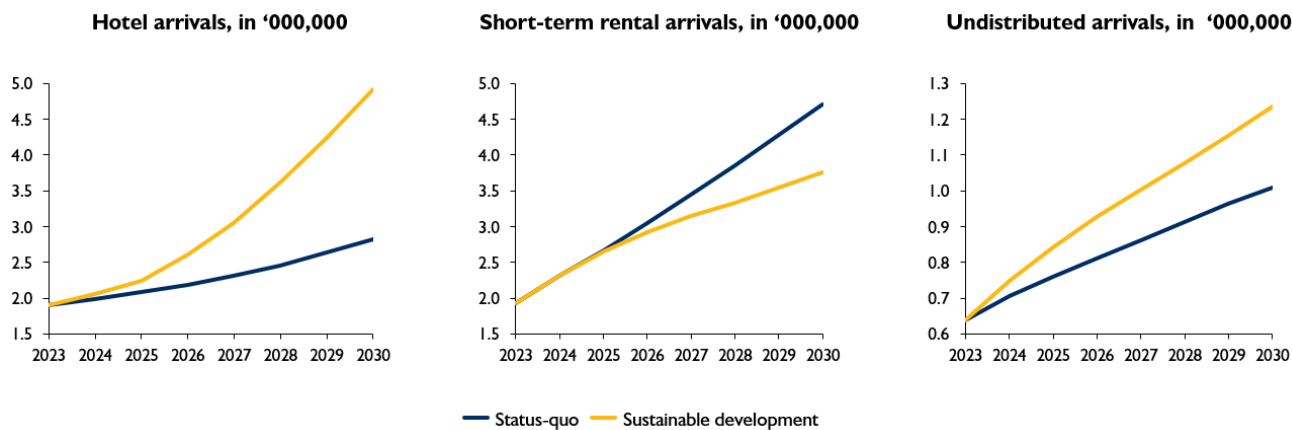


Source: Horwath HTL, 2024

TOTAL BED PLACES, 2023 – 2030

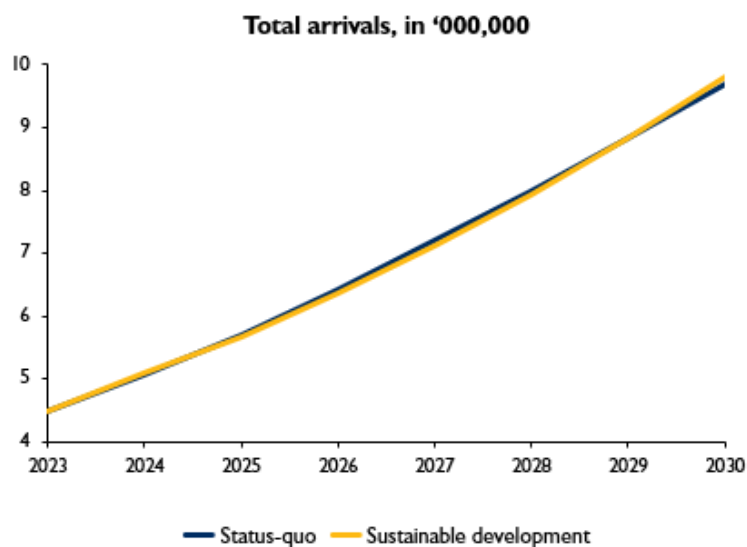


TOURISM ARRIVALS, 2023 – 2030



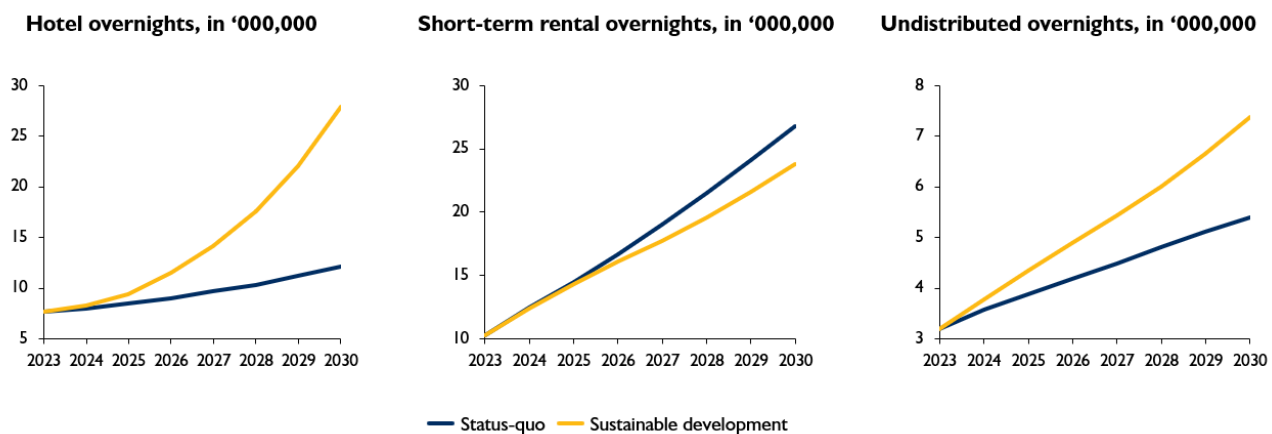
Source: Horwath HTL, 2024

TOTAL TOURISM ARRIVALS, 2023 – 2030



Source: Horwath HTL, 2024

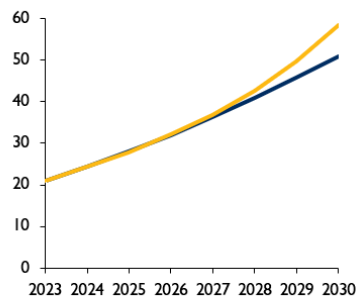
COMMERCIAL OVERNIGHTS, 2023 – 2030



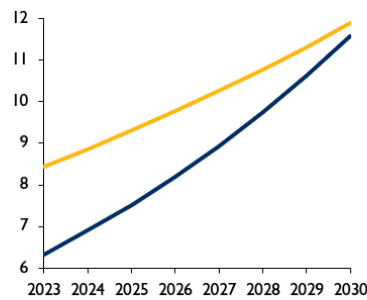
Source: Horwath HTL, 2024

TOTAL OVERNIGHTS, 2023 – 2030

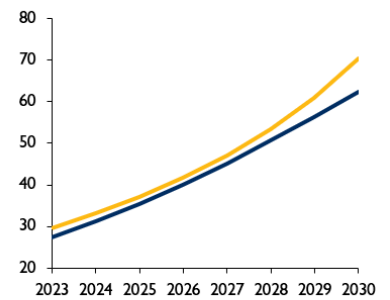
Total commercial overnights, in '000,000



Total non-commercial overnights, in '000,000



Total overnights, in '000,000

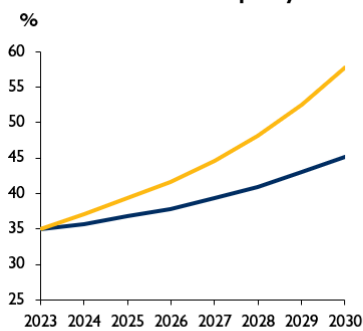


— Status-quo — Sustainable development

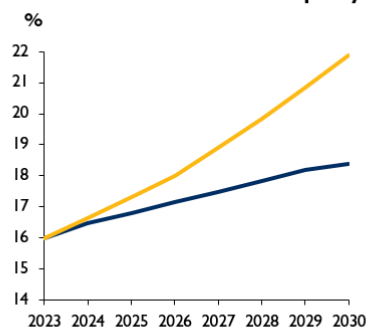
Source: Horwath HTL, 2024

OCCUPANCY, 2023 – 2030

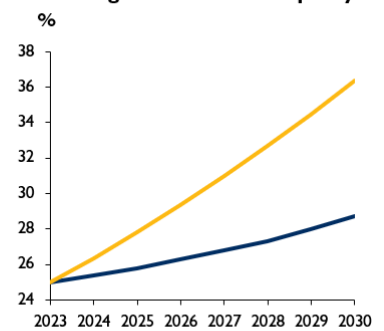
Hotel bed occupancy



Short-term rental bed occupancy



Average annual bed occupancy

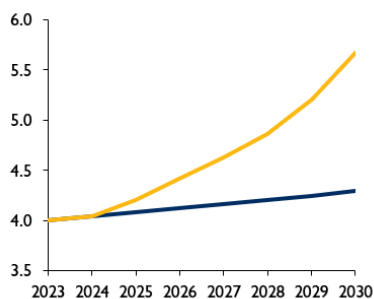


— Status-quo — Sustainable development

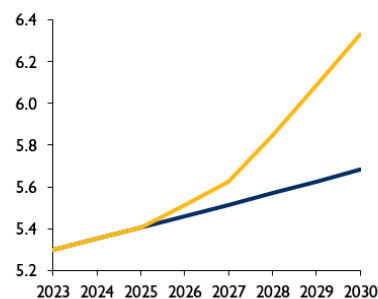
Source: Horwath HTL, 2024

AVERAGE LENGTH OF STAY, 2023 – 2030

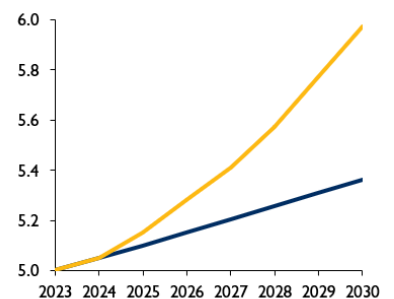
Hotel ALS



Short-term rental ALS



Average ALS

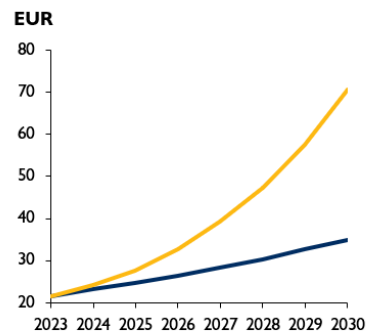


— Status-quo — Sustainable development

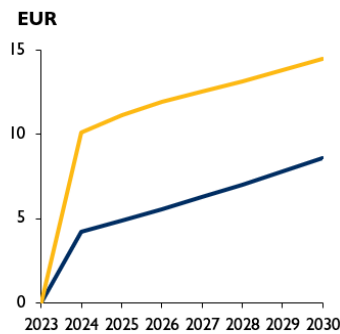
Source: Horwath HTL, 2024

TAX REVENUES, 2023 – 2030

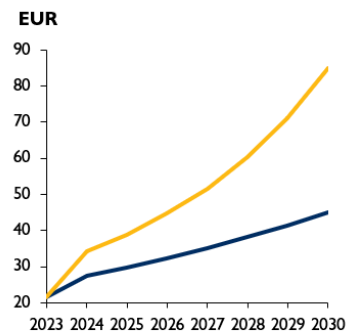
Overnight tax revenues, in '000,000



Flat tax revenues, in '000,000



Total tax revenues, in '000,000

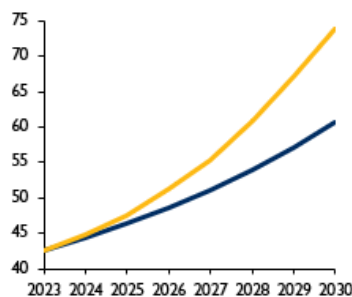


— Status-quo — Sustainable development

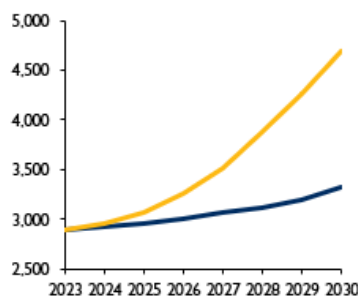
Source: Horwath HTL, 2024

EMPLOYMENT AND EDUCATION, 2023 – 2030

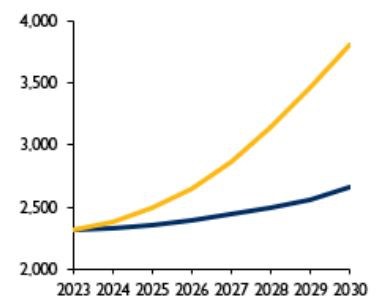
Number of employees in tourism, in '000



Number of tourism students in public vocational schools



Total number of tourism & hospitality students in higher education institutions

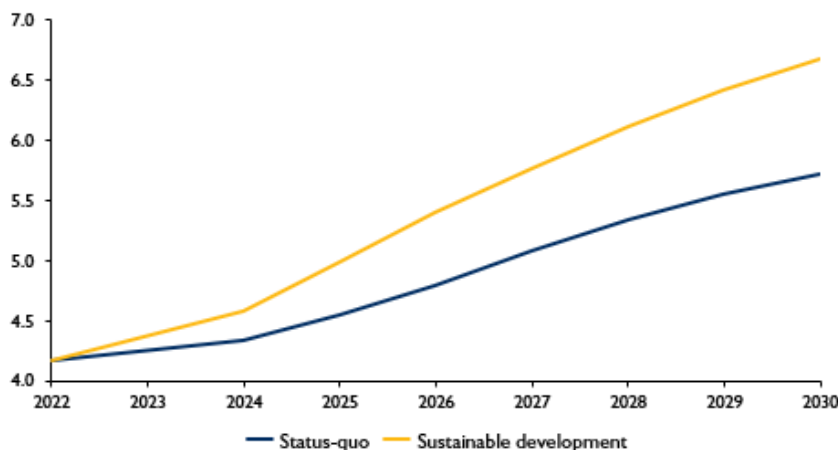


— Status-quo — Sustainable development

Source: Horwath HTL, 2024

TOTAL TOURISM REVENUES, 2023 – 2030

Total tourism revenues, in '000,000,000



Source: Horwath HTL, 2024

2.1.4 Main conclusions & implications

The Consultant outlined two distinct development scenarios for the Albanian tourism sector and projected their potential outcomes up to 2030. The first scenario, maintaining the status quo, anticipates a continuation of the current tourism development model, where the Ministry of Tourism and Environment plays a central role in driving growth. This approach, however, is marked by reactive rather than proactive strategies, limited by financial, human, and time resources. Despite an inevitable increase in tourist traffic due to Albania's growing popularity, this scenario suggests a future of unregulated growth that may not be sustainable in the long term, potentially compromising economic, social, and environmental sustainability. Status-quo scenario emphasises the challenges of unbalanced development, stemming from a lack of comprehensive systems and support, and the implementation of only partial solutions.

Conversely, the second scenario proposes a sustainable growth model, contingent on significant reforms in tourism management. The sustainable development scenario prioritizes long-term sustainability, implying that the tourism sector must undergo various changes, including the development of a new regulatory framework, redefinition of the destination management system, clear delineation of responsibilities, and the adoption of new management methods to monitor performance indicators effectively. This approach does not view sustainable development as a limitation but as an essential foundation for future growth, emphasizing the need for a systematic and fully implemented strategy at all levels of tourism management to ensure balanced and sustainable development across economic, social, and environmental dimensions.

At the second strategic workshop conducted on February 29th, the Consultant introduced the Client to two potential development scenarios. At the workshop, in collaboration with the Client, a unanimous decision was made to prioritize sustainable development as the sole path for future progress. Subsequently, it was mutually agreed upon to proceed with project activities within the framework of this determined scenario.

2.2 STRATEGIC VISION AND POSITIONING

2.2.1 Strategic vision

Looking ahead to the year 2030, the vision for Albanian tourism has been created, outlining the objectives for the next seven years. This vision forms the foundation upon which all strategic initiatives will be built and aligned, emphasizing the imperative for strategic transformation to foster a more prosperous sector. The strategic vision of Albanian tourism is an internal, aspirational statement for all tourism industry stakeholders of Albania. It is not intended for direct communication with tourists but as a short, aspirational mantra embedded in the minds and actions of all tourism stakeholders of Albania.



Source: Horwath HTL, 2024

Vision 2030 foundations:

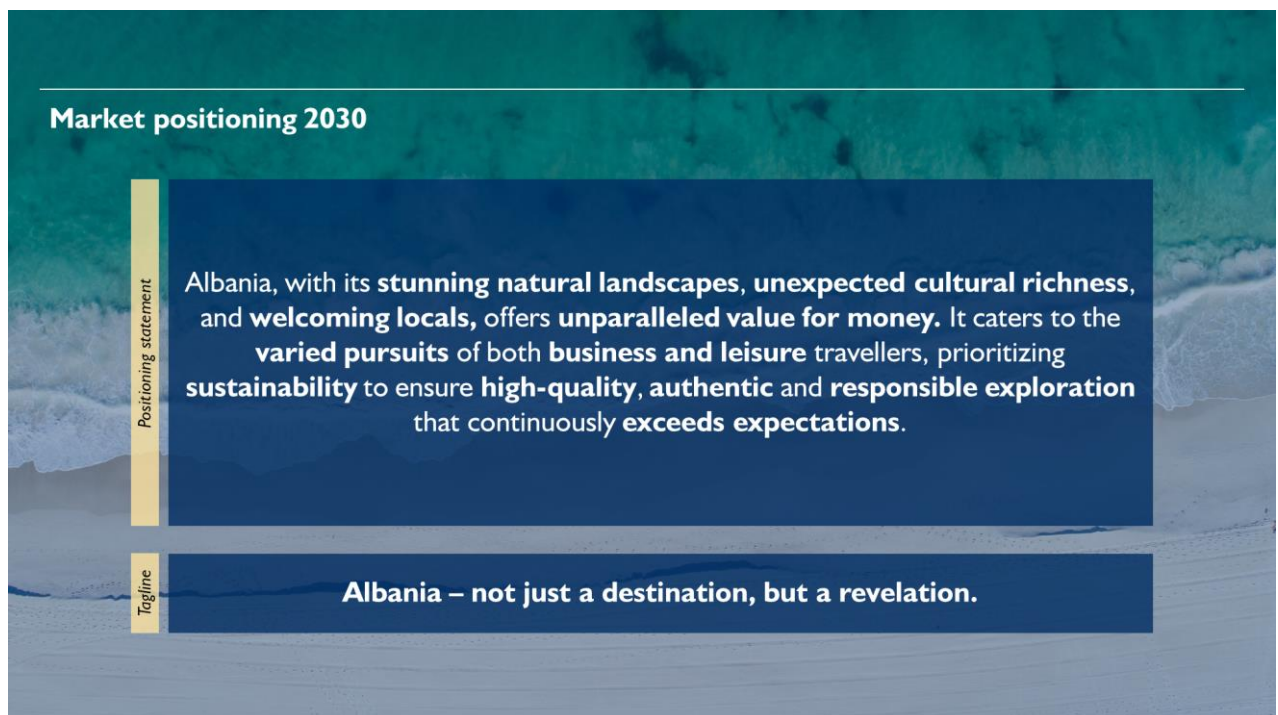
1. **Europe's most exciting new destination** – Albania, while still emerging, is gaining recognition as Europe's most appealing new destination, attracting visitors with its exotic charm and unexplored landscapes.
2. **Offering the best value** – Albania aims to provide unparalleled experiences at competitive prices, ensuring tourists receive excellent services, authentic experiences that exceed their expectations and provide comparably best value for money among all European destinations.
3. **Quality** – The focus on quality emphasizes Albania's commitment to high standards in all aspects of tourism, from accommodations and services to unique cultural and natural experiences. It also underlines the tourism sector stakeholder's determination to improve internal capabilities and raise quality throughout the entire tourism value chain.
4. **Inclusivity** – Albania is determined to make its tourism accessible to all, regardless of background or ability, fostering an environment where diverse visitors feel welcomed, valued, and part of the community.

5. **Sustainability** – Albania is committed to preserving its natural and cultural heritage for future generations, promoting responsible tourism development and practices that minimize environmental impact and support local communities.

2.2.2 Positioning

In alignment with the newly established strategic vision, a corresponding market positioning was also defined, aimed at shaping the desired identity within the tourism market, tourists and business partners, by 2030. This vision and positioning are inherently connected, with each deriving significance from the other.

However, while the vision focuses inwardly, outlining the objectives for 2030, the market positioning looks outwardly, describing the desired perception of Albania as a tourist destination in the eyes of the global audience.



Source: Horwath HTL, 2024

Positioning foundations:

1. **Culture, Nature, and Hospitality as Cornerstones** - Albania's tourism offer is fundamentally built on three pillars: its vibrant culture, stunning natural landscapes, and the exceptional hospitality of its local population. These elements are recognized not only by tourists but also by stakeholders in both the public and private sectors as the distinctive features that set Albania apart from other destinations. The integration of rich cultural heritage and natural beauty, coupled with the warmth and welcoming spirit of the Albanians, creates a compelling proposition. The aim is to enhance these assets further to develop a tourism offer that is not just attractive but deeply enriching for visitors.
2. **Unparalleled Value Proposition** - One of Albania's key competitive advantages in the tourism market is its superior value proposition. The country offers a range of high-quality products and experiences that cater to a broad spectrum of preferences and budgets, making it a leading destination for value for money in the region. This aspect is crucial in attracting visitors who seek meaningful and authentic experiences without excessive expenditure. Albania's commitment to providing accessible yet enriching experiences emphasises its appeal to a wide audience of travellers.

3. ***For business and leisure travellers*** - Albania's market position emphasises Albania as a multi-segment destination, appealing to a broad spectrum of visitor interests and preferences. Whether visitors seek leisure activities, such as adventure, culture, relaxation, culinary experiences, or business engagements, Albania provides a diverse array of products and experiences, catering to their needs.
4. ***Commitment to Sustainable Tourism*** - Central to Albania's market positioning is the principle of sustainable development. The focus is on fostering a tourism sector that grows in harmony with the environment and local communities. This commitment to sustainability involves minimizing negative impacts on the environment, society, and economy while preserving and celebrating Albania's unique identity and natural and cultural resources. By prioritizing sustainable practices, Albania aims to ensure that its tourism development is responsible, ethical, and beneficial for both visitors and locals alike.
5. ***High-quality, authentic and responsible exploration*** - Positioned to cater to a growing demand for immersive and ethical travel experiences, Albania's tourism strategy is to offer superior-quality services that authentically represent its cultural and natural wealth, appealing to travellers who prioritize sustainability and genuine encounters over mere sightseeing.
6. ***Continuously exceed expectations*** - Albania aims to consistently outperform the evolving expectations of travellers, by consistently innovating and enhancing the tourist experience, ensuring that every time offers something new, exciting and beyond what travellers imagine. This commitment not only meets but surpasses the demand for unique and enriching travel opportunities, positioning Albania as a forward-thinking destination in the competitive global tourism market.
7. ***Not just a destination, but a revelation***

As it develops a tourism niche for itself, Albania will not just be a destination but a revelation, offering a journey that is as diverse and dynamic as the landscape itself. This effort is expected to enhance Albania's reputation as a top travel choice, making it a defining part of the European travel experience.

2.3 GROWTH TARGETS

Following a comprehensive analysis and selection process, a development scenario was identified that aligns with Albania's vision and positioning. This scenario served as the foundation for setting both quantitative (numerical) and qualitative (descriptive) growth targets, pinpointing the major key indicators Albania aims to reach by 2030.

These targets are multifaceted, emphasizing not just numerical targets but also a dedication to sustainable development, economic success, and enhancing the well-being of all citizens. By closely examining these objectives, the growth targets detail Albania's strategic direction to unlock its potential and secure a successful development for its tourism industry.

2.3.1 Quantitative growth targets

Based on the assumptions from the Sustainable Development scenario, quantitative growth targets to achieve by 2030 were established.

GROWTH AREA		GROWTH TARGET 2030
1	TOURISM SUPPLY	<ul style="list-style-type: none">• Increase the number of total bed places by 76%, to 477,414• Increase the share of hotel beds in the total structure to 28% and reduce short-term rental beds to 61%
2	TOURISM DEMAND	<ul style="list-style-type: none">• Increase the registered tourism arrivals to 9.8 million• Increase the commercial tourism overnights to 58.4 million• Increase the average annual occupancy from 21% to 34%• Increase the average length of stay from 4.8 to 6.0
3	TAX REVENUES	<ul style="list-style-type: none">• Increase the total tourism tax revenues to EUR 85.1 million
4	EMPLOYMENT & EDUCATION	<ul style="list-style-type: none">• Increase the number of tourism employees to 73,778• Increase the number of tourism & hospitality students in public vocational schools to 4,687• Increase the number of tourism & hospitality university students to 3,810
5	TOURISM REVENUES	<ul style="list-style-type: none">• Increase the total tourism revenues to EUR 6.7 billion

Source: Horwath HTL, 2024

Rationale:

1. TOURISM SUPPLY

- Over the past five years, the number of bed places has steadily increased, reaching an estimated 270,000 in 2023 with further growth expected. The total bed capacity is projected to grow at an 8% compound annual growth rate (CAGR), **reaching 477,414 beds over seven years**;
- Tighter control of short-term rentals and better regulation of new hotel developments, such as mixed-use resorts, will drive **faster growth in hotel capacities at a 12% CAGR**. On the other hand, the **increase in short-term rental beds is anticipated to progress at a slower rate of 7% CAGR**, a rate that aligns with the growth projections for beds in undistributed accommodations;
- By 2030, **hotel bed capacity** is expected to increase to **28% of the market** compared to an estimated 22% in 2023, while **short-term rentals** and other categories will see **declines in market share to 61%** and 12%, respectively, from 65% and 13%.

2. TOURISM DEMAND

- There is currently no reliable data on the definite number of tourist arrivals and overnight stays. Assuming that a real-time platform for recording tourist traffic will be introduced by 2030, and in accordance with the growth of tourist supply that will cater to more diverse demand, it is estimated that the **tourist arrivals will increase to 9.8 million** while the **commercial overnight stays** will amount **to 58.4 million**;
- Additionally, diversification of motives for arrivals, coupled with further development of tourist products and experiences, will reduce the share of overnight stays during the peak summer season (June – September). It is anticipated that by 2030, **overnight stays outside the peak season** will constitute approximately **35% of total recorded overnight stays**;
- The current annual average bed occupancy rate across all accommodation establishments is approximately 21%. With rising demand, ongoing development of year-round tourism products and experiences, and expansion in tourism supply it is projected that the **annual average bed occupancy will surge to 34% by 2030**;
- The current average length of stay is estimated at 4.8 nights. With a more appealing and competitive range of tourism products and experiences, aimed at encouraging longer stays, along with the creation of new motives for visiting, the **average length of stay** is expected to rise to **6.0 nights**.

3. TAX REVENUES

- Currently, there's a lack of reliable data on the total income from the tourist tax in Albania. Considering that the tourism tax system presently relies on overnight tax, applicable only to capacities registered with the General Directorate of Taxation (GDT), which are primarily hotel capacities, it's estimated that total revenue from the tax stands at approximately EUR 21.6 million. With the implementation of a **revised tourism tax collection system including a flat tax**, it's projected that **total income from the tourist tax will reach EUR 85.1 million by 2030**.

4. EMPLOYMENT AND EDUCATION

- The Ministry of Education reports that there are 2,900 students enrolled in tourism and hospitality programs at public vocational schools and 2,312 students pursuing similar studies at higher education institutions. Plans to enhance the curriculum aim to better align these educational programs with the actual demands of the tourism sector. It is projected that these improvements will increase the total number of **students in public vocational schools to 4,687** and **3,810 in higher education institutions**;
- In 2023, INSTAT reported that the tourism sector employed 42,698 individuals. Given the rising demand for tourism services, along with an increase in both the number of students pursuing tourism and hospitality education and the sector's growing appeal, it is projected that by 2030, **employment in Albania's tourism industry will reach 73,778**, reflecting an overall growth of the tourism sector.

5. TOURISM REVENUES

- Based on data from the Bank of Albania, the total tourism revenues for 2023 were estimated at EUR 4.16 billion. This figure is expected to reach **EUR 6.7 billion by 2030**. This forecasted growth is attributed to increasing demand and is in line with broader global travel trends. It also reflects Albania's ongoing economic development and the strategic efforts being made to enhance its tourism sector.

2.3.2 Qualitative growth targets

In addition to quantitative targets, the Consultant has detailed qualitative objectives aimed at advancing the Albanian tourism sector by 2030. These objectives emphasize the quality and character of outcomes, going beyond just numbers. The focus is on sustainable practices, creative offerings, and inclusive strategies that will enhance the Albanian tourism sector's competitive edge.

QUALITATIVE GROWTH TARGETS 2030



Source: Horwath HTL, 2024

1. **The introduction of new products and experiences** aims at diversifying tourism offers beyond the traditional sun and beach products, incorporating experiences that would attract visitors year-round, cater to diverse interests, and encourage extended stays such as cultural tourism, nautical, active-outdoor, city break and similar. This target focuses on a more equitable distribution of tourism's economic benefits across various seasons and locations, significantly boosting the tourism sector's sustainability.
2. The objective of **increasing national brand awareness** is to fortify Albania's image by reshaping its tourism brand to reflect the country's unique attributes and identity values, aiming to position Albania as a memorable and esteemed brand in the international tourism market by 2030.
3. **Improving the regulatory framework**, with a focus on **practical application** involves reforming the laws and bylaws that oversee tourism activities. This target requires a dedicated and continuous effort to implement these reforms effectively. The goal is to combat issues like the grey economy, a lack of transparency, and unfair treatment of tourism stakeholders.
4. **Enhancing the destination management system** by 2030 seeks to foster a more competitive and efficient organizational landscape in the DMO system, focusing on a streamlined division of responsibilities and organizational processes across all levels – national, regional and local.
5. The goal of **improving the destination marketing system** is to establish an agile and proactive marketing framework capable of generating innovative content and successfully promoting Albania in the international tourism stage. Through a new marketing strategy, this system should more effectively leverage favourable opportunities to promote the unique identity of Albania that resonates with the target segments.
6. **Sustainable valorisation of cultural and natural resources** seeks to enhance existing tourist attractions, particularly focusing on underutilized natural and cultural attractions beyond coastal areas. This involves adopting a smart protection approach that strives to achieve a balance among economic, social, and environmental sustainability facets.

7. **Strategic utilisation of space to foster sustainable tourism expansion** involves carefully planning and managing new development projects to ensure that tourism growth is environmentally sustainable, economically viable, and socially equitable. This approach aims to distribute tourism activities and new projects more evenly across regions, reducing pressure on over-visited areas and enhancing the visitor experience while safeguarding natural and cultural resources.
8. **Cross-sectorial collaboration** aims to build partnerships across different industries. This approach is especially focused on working together with various government ministries to create a unified strategy for developing tourism. By doing so, it utilizes a wide range of resources and expertise. For example, this includes working alongside the Ministry of Agritourism, Ministry of Education, and Ministry of Infrastructure and Energy, among others.
9. **Enhancing inclusivity, accessibility, and diversity within the tourism sector** is aimed at ensuring that tourism experiences are open and welcoming to all, regardless of physical ability, background, or personal circumstances. This approach focuses on creating a more equitable and varied tourism landscape that celebrates differences and provides enriching experiences for a broader audience.

2.3.3 Overarching Goal – Net Promoter Score (NPS)

Given that Albania is still in the emerging stages of developing its tourism sector and is gradually establishing itself as a contender in the global tourism market, there's a critical need to consistently measure how it is perceived by international visitors. Understanding this perception is of crucial importance, as it directly influences Albania's ability to attract tourists and compete on the global tourism stage. One effective method to assess this perception is through the Net Promoter Score (NPS). The NPS serves as a valuable tool in measuring the willingness of tourists to recommend Albania as a travel destination to others, thus providing insights into the country's tourism appeal and areas for improvement. This continuous feedback loop is essential for Albania to refine its tourism offer and enhance its competitiveness in the international tourism landscape.

Following the above, the Consultant established one overarching target - **to achieve and maintain the NPS score in Albania at or above 40.**

To determine NPS, tourists are asked a direct question:

"On a scale of 0 to 10, how likely are you to recommend Albania to a friend or colleague?"

Responses categorize respondents into three groups:

1. **DETRACTORS** – those who rate their likelihood to recommend between 0 and 6.
2. **PASSIVES** – those whose ratings fall between 7 and 8.
3. **PROMOTERS** – those who give the score from 9 to 10

The NPS is then calculated by subtracting the percentage of detractors from the percentage of promoters. This method provides a clear metric for understanding customer or traveller satisfaction and the potential for word-of-mouth promotion.

NET PROMOTER SCORE RANGE



Source: Horwath HTL, 2024

To maintain or exceed a Net Promoter Score (NPS) of 40, ensuring tourists are satisfied with a destination, it's essential to provide high-quality products and experiences across the entire tourism value chain. Critical components identified by research include:

- Providing **high-added value tourism products** that cater to a **diverse range of interests and preferences**. This includes cultural, natural, gastronomic, active-outdoor, and other leisure activities;
- Given the growing trend for local and indigenous products and experiences, **including community-based activities** in tourism product development is essential. This approach fosters more personalized and authentic experiences for visitors, enhancing their overall satisfaction;
- **Improving the quality of services provided** requires further enhancement of tourism workforce competitiveness. This can be achieved through targeted education, workshops, and training, aimed at ensuring exceptional service at every stage of the visitor's journey;
- A key strategy in promoting a destination and achieving a Net Promoter Score (NPS) of 40 or higher is to **leverage marketing effectively**. Creating a robust network of **destination ambassadors**, or visitors who share their positive experiences, can significantly influence the destination's perception. These shared stories help promote positive experiences and maintain a high NPS.

Regular, yearly measurement of the NPS, conducted in a way to incorporate visitors of Albania on a year-round basis, is essential for understanding visitor sentiment toward Albanian tourism offers. Consequently, Albania must engage in regular research into visitor sentiment and experiences. This will allow national policymakers, destination managers, destination marketers, local administrations and private sector stakeholders to work efficiently towards the creation of a competitive and resilient Albanian tourism sector.

2.4 TOURISM CLUSTERING AND PRIORITY TOURISM PRODUCTS

The primary focus of tourism clustering involved identifying larger geographical areas that are sharing certain features (experiential, geo-morphological, etc.) where a set of comparable and similar tourism products, activities, experiences, attractions and infrastructure related to tourism are concentrated or should be developed in the coming period. Following the above, six tourism clusters were identified:

1. **Adriatic Coast Cluster**
2. **Inland North Cluster**
3. **Tirana City Cluster**
4. **Central Cluster**
5. **Ionian Coast Cluster**
6. **Inland South Cluster**

TOURISM CLUSTERS OVERVIEW



Source: Horwath HTL, 2024

Beyond identifying tourism clusters, the Consultant has also established a comprehensive set of variables for each identified cluster. These variables offer an in-depth overview and characterization of each cluster, encompassing essential aspects such as primary and secondary tourism products, key resources and attractions, and the principal experiences available to tourists.

2.4.1 Adriatic Coast Cluster



KEY DESTINATIONS		RESOURCES & ATTRACTIONS	
1	Velipoja	<ul style="list-style-type: none">Buna RiverVelipojaa beachSpille beachViluni lagoonRenci MountRana e HedhunShengjin beachLezha CastleKune-Vain-Tale lagoonsCape of Rodon	<ul style="list-style-type: none">Durres amphitheatreDurres Archaeological MuseumMuseum of Scanderbeg in KrujeBazaar of KrujeBashtova castleDivjaka-Karavasta National ParkSeman and Darzeze beachesApollonia Archaeological ParkBylis Archaeological Park
2	Lezhe		
3	Durres		
4	Kruje		
5	Fier		
6	Kavaja		
7	Golem		

LEADING EXPERIENCES

- Coastal getaways** (pristine beaches, crystal-clear waters, coastal landscapes, sunbathing, swimming, vibrant nightlife, water sports, relaxation...)
- Cultural exploration** (historical landmarks, medieval castles and fortresses, ancient ruins...)
- Countryside adventures** (eco-tourism, nature walks, hiking, cycling, wine tasting, local cuisine, camping and picnicking...)


Source: Horwath HTL, 2024

The Adriatic Coast Cluster in Albania is a thoughtfully delineated tourist area that showcases the rich diversity and beauty of Albania's northern and central coastal zones along the Adriatic Sea. This cluster encompasses the entire stretch of Albania's northern coast, extending from the country's border with Montenegro in the north down to river Vjosa in the central part of the country. It includes the coastal areas of several counties: Shkodra, Lezhe, Tirana, and Fier. The delineation of this cluster is significant as it captures a variety of landscapes, from pristine beaches to historic towns and hinterlands, offering a comprehensive Albanian Adriatic experience.

This cluster allows for a multi-faceted tourism approach, blending traditional beach holidays with cultural, historical, and nature-based experiences. By extending into the hinterlands, Adriatic Coast Clusters offers a deeper exploration of Albania's diverse landscapes and heritage, appealing to a broader spectrum of travellers. This approach not only enriches the tourist experience but also encourages sustainable and inclusive tourism development, spreading economic benefits across more rural and less-developed areas.

PRIMARY TOURISM PRODUCTS:

SUN & BEACH



The primary allure for many visitors, the cluster's coastlines offer endless opportunities for sunbathing, swimming, and water sports, with well-developed facilities for tourists. From a long-term perspective, this product will represent the strongest demand driver in the cluster.

Development Footholds:

- Situated along the Adriatic Sea, the cluster enjoys a prime coastal location with extensive beaches that are easily accessible from major Albanian cities and neighbouring countries;
- The Mediterranean climate of the region, characterized by hot summers and mild winters, creates an ideal environment for beach activities and seaside relaxation for an extended part of the year;
- Beyond sunbathing and swimming, the cluster offers a variety of water sports and recreational activities, such as sailing, windsurfing, and diving, appealing to adventure seekers and families alike;
- Velipoja, known for its long sandy beaches and natural reserves, is a starting point in this cluster, offering a blend of relaxation and nature exploration;

- Another beach destination, Shengjin is noted for its scenic coastline, vibrant summer atmosphere, and proximity to the lagoon of Kune-Vain;
- As one of Albania's largest cities and most ancient, Durres also boasts stretches of sandy beaches;
- Golem Beach in Albania is renowned for its long, sandy shoreline and crystal-clear waters, offering an idyllic setting for sunbathing, swimming, and various water sports;
- Plazhi General (General's Beach) is famous for its unique combination of historical heritage and natural beauty, offering visitors a scenic beach experience with the added opportunity of exploring Albania's heritage;
- Seman and Darzeze beaches, located in the Fier region and spanning approximately 30 kilometres along the coast, offer significant potential for the development of sun and beach tourism infrastructure.

CULTURE



The coastal areas and nearby hinterlands of the cluster are rich in historical and cultural heritage, offering visitors a chance to explore ancient ruins, medieval castles, and historical cities like Lezhe, Durres and Kruje. This enriches the sun and beach experiences with opportunities for cultural excursions.

Development Footholds:

- Kruje is famous for its historical significance, ancient castle, and the Skanderbeg Museum, located within a picturesque mountainous landscape;
- The cluster is home to numerous archaeological sites, such as the ancient city of Apollonia near Fier and the Roman amphitheatre in Durres, attracting history enthusiasts;
- Throughout the year, the cluster hosts various cultural events and festivals that celebrate local traditions, crafts, and music, providing the opportunity for visitors to better understand the local culture and community life.

AGRITOURISM



Beyond the beaches, Adriatic Coast Cluster sites are complemented by agritourism experiences that connect visitors with local traditions, cuisine, and rural life.

Development Footholds:

- The inland areas are marked by landscapes filled with hills, olive groves, and vineyards, making them ideal for agricultural activities;
- Agriculture acts as a foundation for showcasing local gastronomy and fresh, seasonal, organic products such as wine, citrus fruits, and olive oil, enabling visitors to experience traditional Albanian cuisine at agritourism farms;
- Agritourism farms provide opportunities for visitors to engage in hands-on activities like olive picking, wine making, and cooking classes, offering authentic experiences;
- Accommodation options, including rustic farm stays and authentic guesthouses in the hinterland, are designed to deliver an authentic experience.

SECONDARY TOURISM PRODUCTS:

NATURE



Although it is not the primary motive of arrival, nature based and eco-tourism tourism in the Adriatic coast cluster in Albania offers a unique mix of natural beauty, diverse ecosystems and outdoor activities. This cluster is characterized by stunning landscapes, from pristine beaches to rolling hills and protected areas.

Development Footholds:

- Inland from the coast, the terrain becomes more mountainous, offering numerous trails for hiking and trekking. These trails provide stunning views of the coast and the hinterland, connecting visitors with the area's natural beauty;
- The Cluster includes several protected areas and national parks, such as the Viluni lagoon, Kune-Vain lagoons, Divjake-Karavasta National Park and protected landscape Vjose-Narte which are renowned for rich wetlands and lagoons and offer opportunities for activities such as birdwatching, biking and nature photography.
- The area features several rivers and wetlands, offering opportunities for fishing, kayaking, and bird watching. The Buna River near Shkoder is particularly noted for its scenic beauty and biodiversity;
- The diverse habitats in this region support a wide range of flora and fauna. Nature enthusiasts can explore the area's biodiversity through guided tours and wildlife observation;
- Nature tourism in the area can be further enhanced by educational programs that offer insights into local ecosystems, conservation efforts, and the importance of biodiversity.

GASTRONOMY



The Adriatic Coast Cluster has been a crossroads of civilizations over centuries, including Illyrian, Hellenic, Roman, Ottoman, and Italian influences. This diverse historical influence has created a rich culinary tradition that blends Mediterranean flavours with Balkan ones, offering a unique gastronomic experience.

Development Footholds:

- Given its coastal location, the cluster offers an abundance of fresh seafood. Dishes featuring fish, mussels, and other seafood are central to the local cuisine, prepared using traditional methods;
- The emphasis on fresh, locally sourced, and organic ingredients in the cluster's cuisine contributes to its appeal;
- The integration of agritourism allows visitors to experience farm-to-table dining, where they can participate in the harvesting, preparation, and enjoyment of meals.

ENTERTAINMENT



In recent years, the Albanian Adriatic coast has seen a growth in its nightlife offerings, with an increasing number of bars, clubs, and beachfront venues that cater to a variety of tastes and preferences.

Development Footholds:

- The cluster boasts several beach clubs that offer a combination of relaxation by day and entertainment by night, including DJ sets, live music, and themed parties;

- Beyond clubbing and partying, the Adriatic Coast Cluster is rich in cultural events, including music festivals, concerts, and open-air performances, such as UNUM Festival at Rana e Hedhun, Durres Fest, etc.;
- Cluster also offers a variety of dining experiences, cafes, and bars that offer a more laid-back atmosphere;
- Local people are known for their hospitality and welcoming nature, providing the visitors with a social and friendly atmosphere that extends into the nightlife, making for an enjoyable and safe partying experience.

2.4.2 Inland North Cluster



KEY DESTINATIONS		RESOURCES & ATTRACTIONS	
1	Shkoder	<ul style="list-style-type: none"> Shkodra Lake Rozafa Castle Shkoder Ethnographic Museum Marubi Photographic Museum Accursed Mountains Lepushe Valley Canyon of Vermosh Theth National Park Grunas Canyon 	<ul style="list-style-type: none"> Grunas Waterfall Shala River valley Lake Koman Drini River Fierza Lake Valbona Valley National Park Lura National Park Korab Mountain Gjallica Mountain
2	Tamare		
3	Kukes		
4	Peshkopi		
LEADING EXPERIENCES			
<ol style="list-style-type: none"> Rural retreats (agrotourism, homestays, eco-villages, organic food, farming activities, relaxation, rich agricultural and pastoral traditions...) Nature adventures & scenic encounters (picturesque landscapes, mountaineering, hiking, wildlife observation, nature walks, fishing, skiing...) Local culture immersion (traditional culinary experiences, traditional stone houses, community-based experiences...) 			

Source: Horwath HTL, 2024

Located in the northwest of Albania, the Inland North Tourism Cluster encompasses Kukes and Diber counties in their entirety, along with the inland areas of Shkoder County. This region is noted for its natural landscapes and rugged terrain, providing a tranquil alternative to the more frequented coastal destinations. The area features a mix of high mountains, quiet valleys, and dense forests, offering visitors a wide range of activities for both adventure and relaxation.

The geography of this cluster is diverse, marked by the Albanian Alps to the north, the calm waters of Lake Shkoder, and the picturesque highlands of Kukes and Diber counties. Such variety in landscapes not only caters to outdoor enthusiasts looking for adventure but also showcases the authentic rural and cultural heritage of Albania. The Inland North Cluster is also an opportunity for visitors to experience a traditional lifestyle that has been maintained for generations.

PRIMARY TOURISM PRODUCTS:

NATURE



The Inland North boasts dramatic landscapes, including rugged mountains, pristine rivers, and dense forests, providing numerous opportunities for nature enthusiasts.

Development Footholds:

- The cluster is characterized by a variety of landscapes, from the peaks of the Albanian Alps to serene river valleys and dense forests. This diversity offers visitors a wide range of scenic views and nature experiences;

- The mountain range of Accursed Mountains provides visitors with dramatic peaks, deep valleys and some of the most famous trails in the country;
- Shala River, which springs from Albanian Alps and flows into Koman Lake, is known for the picturesque views such as this at Porta e Shales (Shala's Gate), as well as some amazing exotic beaches frequented from sun bathers, as well as other water activities, as kayaking, boat trips;
- Albanian Alps National Park is famous for its traditional stone houses and lock-in tower, but also for natural wonders such as the Selca Waterfall and Canyon, Jezerca Lakes, Grunas Waterfall and Canyon, glacial lakes in Doberbol and Sylbice and the Blue Eye of Theth;
- The area of the cluster is home to several protected parks and reserves, including the Valbona Valley National Park and the Lure National Park. These parks protect a significant portion of Albania's biodiversity, offering opportunities for activities such as wildlife watching and botanical tours;
- Lake Koman provides beautiful and serene water landscapes surrounded by high mountains, ideal for boat tours and enjoying the tranquil ambience;
- Kukes Lakes is another artificial lake formed by a dam, offering picturesque views and peaceful spots for fishing, picnicking, and leisurely walks.

ACTIVE-OUTDOOR



The diverse terrain offers numerous opportunities for outdoor activities such as mountaineering, mountain biking, camping, winter sports, hiking, and trekking. These activities allow visitors to explore the natural beauty of the area up close, with chances to engage in adventurous activities.

Development Footholds:

- The rugged terrain and natural features of the clusters lend themselves to adventure sports such as mountaineering, rock climbing, and river rafting, especially in areas like the Valbona;
- The Albanian Alps provide ample opportunities for mountaineering and climbing enthusiasts, with peaks like Jezerca Mountain, Harapi Mountain, Radohima Mountain, Gjalica Mountain, Koritniku Mountain and Mount Korab offering challenges for even the most experienced climbers;
- The rivers in the region, such as the Valbona River, offer exciting opportunities for rafting and kayaking, especially during the spring when the snowmelt increases the river flow;
- The varied terrain, from gentle hills to rugged mountain paths, provides numerous trails for mountain biking enthusiasts;
- In winter, certain parts of the cluster, particularly in Valbona, Shistavec in Kukes, and Radomirw-Mount Korab in Diber, transform into destinations for winter sports like skiing and snowboarding.

AGRITOURISM



The region's rural setting is ideal for agrotourism and homestays, where visitors can stay in traditional homes or eco-villages, experiencing life in harmony with nature.

Development Footholds:

- The cluster provides the visitors with opportunities for direct engagement with farming activities, as visitors can stay in farmhouses or rural homes where they have the chance to participate in daily farming activities;

- Many agritourism farms focus on organic farming methods, allowing visitors to enjoy fresh, seasonal produce directly from the garden to the table. The famous Mrizi I Zanave agritourism model is located in the cluster, near Fishta area;
- In areas with vineyards and olive groves, visitors can participate in tastings and learn about the production processes of wine and olive oil; Among these, Kantina Arberi in Mirdita stands out not just for its exceptional wine but also for offering tourists an immersive experience that goes beyond mere tasting
- Depending on the time of year, visitors can engage in seasonal activities such as berry picking, mushroom foraging, or snowshoeing in winter, adding to the rural experience.

SECONDARY TOURISM PRODUCTS:

CULTURE



The rich cultural heritage of the region is interwoven with its natural landscape. Ancient castles, churches, and traditional villages dot the area, offering insights into the region's history and traditions.

Development Footholds:

- Combining physical activity with cultural immersion, several trails lead to remote villages where visitors can learn about traditional Albanian life, architecture, and customs;
- Shkoder Ethnographic Museum, located in a traditional Shkodran house, showcases the artisanal handicraft, mastery, and lifestyle of Shkoder through its collection of handicrafts, costumes, and crafts. It offers visitors a glimpse into the rich cultural traditions of the region, highlighting the intricate work of local artisans;
- Rozafa Castle is one of the most iconic historical landmarks in Shkoder. It offers tourists not only the chance to explore the ruins of a castle steeped in legend and history but also to enjoy breathtaking views of the city and Lake Shkodra;
- Marubi National Museum of Photography, houses an extensive collection of photographs by the Marubi dynasty, documenting Albanian history from the independence movement through to the communist era under Enver Hoxha;
- Some rural tourism initiatives offer workshops in traditional crafts such as weaving, embroidery, or wood carving, providing insight into the region's cultural heritage;
- This area of the cluster known for Albanian xhubleta, the traditional handcraft garment characterised by its undulating bell form, which is part of the UNESCO intangible cultural heritage list since 2022;
- By interacting with local communities (community-based experiences), visitors can gain a deeper understanding of rural life, traditional agriculture practices, customs and traditions, oral expressions of legends/myths/stories/tales, hospitality and the challenges faced by rural areas in Albania.

GASTRONOMY



The culinary traditions in the Inland North reflect the area's rich cultural heritage, with an emphasis on local ingredients and traditional cooking methods. Visitors can enjoy authentic dishes that are hard to find elsewhere, offering a unique taste of local life.

Development Footholds:

- The emphasis of the gastronomy in Inland North Cluster is on organic and locally sourced ingredients, reflecting the region's strong agricultural traditions;

- There is a strong potential for creating gastronomy-based activities, such as cooking classes, where visitors can learn to prepare traditional Albanian dishes using local ingredients;
- Many agritourism farms offer farm-to-table dining experiences, where guests can enjoy meals prepared with ingredients freshly harvested from the farm or sourced from local producers;
- Guided visits to local markets allow tourists to explore the vibrant food culture of the region.

2.4.3 Tirana City Cluster


	KEY DESTINATION		Tirana
	RESOURCES & ATTRACTIONS		
	<div><div><ul style="list-style-type: none">• Skanderberg Square• National Historical Museum• National Archaeological Museum• National Art Gallery• House of Leaves</div><div><ul style="list-style-type: none">• Bunk'Art I and Bunk'Art2• Blloku District• Tirana Castle• Tirana Pyramid• Et'hem Bej Mosque</div><div><ul style="list-style-type: none">• Grand Park of Tirana• Farka Lake Park• Tirana Mosaic</div></div>		
	LEADING EXPERIENCES		
	<div><div><ol style="list-style-type: none">1. Urban escapes (walking tours, relaxation, entertainment, street art, parks, cafes, restaurants, boutiques, vibrant nightlife, neighbourhoods...)2. Heritage exploration (landmarks, museums, galleries, historical sites, cultural monuments, natural heritage...)3. Nature adventures (rural landscapes, wine-tasting, local culinary delicacies, breathtaking views, paragliding, hiking, golfing, ziplining ...)</div></div>		

Source: Horwath HTL, 2024

The decision to designate Tirana and its metropolitan area as a distinct tourism cluster is grounded in the city's unique blend of urban vibrancy, rich historical heritage, and accessible natural landscapes.

This multifaceted approach aims to position Tirana not just as Albania's capital but as a standalone city break destination that caters to a wide range of interests and experiences. The concept of Tirana as a city break destination or cluster is centred on the idea of offering a compact yet diverse experience that combines the convenience of urban tourism with heritage exploration and nature adventures.

PRIMARY TOURISM PRODUCTS:

CITY BREAK	
	<p>Tirana, as a city break destination, offers a dynamic and enriching experience for visitors looking for a blend of culture, history, gastronomy, and relaxation. The capital city of Albania stands out for its vibrant urban life, rich heritage, and proximity to natural beauty.</p>

Development Footholds:

- Tirana offers a comprehensive experience, appealing to a wide audience, from culture to history enthusiasts to foodies and nature lovers;
- Tirana is a destination that can be explored over a weekend or a short break;
- Tirana is easily accessible, compact and relatively easy to navigate, with many of its key attractions within walking distance from the city centre;
- Places like Skanderbeg Square and the recently developed pedestrian zones encourage leisurely exploration and interaction with the city's vibrant public life;
- Tirana's religious tolerance is evident in its diverse religious sites, including mosques, churches, and a cathedral, which coexist harmoniously and reflect the city's multicultural fabric;

- Compared to many other European capitals, Tirana offers cost-effective city break options, with affordable accommodation, dining and entertainment options.

CULTURE



Tirana, as a cultural tourism destination, presents visitors with a variety of experiences that showcase the city's historical heritage, artistic vibrancy, and diverse cultural heritage.

Development Footholds:

- Sites like the Et'hem Bey Mosque, the Clock Tower, and the Pyramid of Tirana provide insights into the city's multifaceted past, from Ottoman influences to its communist history and the transitions that have shaped the modern capital;
- Bunk'Art Museums, housed in former communist-era bunkers, combine art and interactive exhibits;
- Tirana is home to many other museums, such as the National Historical Museum and the National Art Gallery, which offer insights into Albania's rich history and cultural heritage;
- The city's streets and public spaces are rich in vibrant street art and murals, adding a contemporary layer to Tirana's historical background;
- Efforts to revitalize urban spaces have transformed areas of the city with colourful facades and public art, contributing to Tirana's contemporary cultural identity.

GASTRONOMY



Tirana offers a compelling mix of traditional flavours, modern culinary innovations, and a vibrant café and bar culture, making it an attractive option for food enthusiasts.

Development Footholds:

- Visitors can explore traditional Albanian cuisine, including dishes like byrek, tave kosi and fergese etc.;
- Tirana hosts a range of restaurants that offer modern takes on traditional dishes or fusion cuisine, blending Albanian flavours with international influences;
- The cuisine in Tirana is characterized by the use of fresh, locally sourced ingredients;
- The areas surrounding Tirana are known for their vineyards, where visitors can engage in wine-tasting tours and wine-making traditions;
- Several restaurants and culinary schools in Tirana offer cooking classes, providing hands-on experience in preparing traditional dishes;
- Tirana's lively café culture is an integral part of its social life. The city's numerous cafés serve as gathering spots where visitors can enjoy Albanian coffee, sweets, and the laid-back atmosphere;
- The city also boasts a dynamic nightlife scene, with bars and clubs offering a range of local and international drinks, including Albanian rakia and craft beers;
- Throughout the year, Tirana hosts various food festivals and culinary events that celebrate Albanian cuisine, local produce, and international food traditions, providing a platform for tasting and discovery.

SECONDARY TOURISM PRODUCTS:

NATURE



While Tirana itself is an urban area, it is closely surrounded by natural landscapes like Dajti Mountain, offering opportunities for hiking, mountain biking, and paragliding.

Development Footholds:

- The cable car to Dajti Mountain provides easy access to nature and stunning views over Tirana;
- The Grand Park of Tirana, with its artificial lake, and the Rinia Park are popular spots for leisure and relaxation within the urban environment;
- Both the city and its outskirts provide routes for cycling enthusiasts. The countryside offers scenic rides through rural landscapes, while Dajti Mountain presents more challenging terrain for mountain bikers.

HEALTH TOURISM

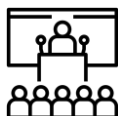


The city is increasingly recognized for its medical tourism, offering a range of medical services, including dental, cosmetic, and surgical treatments, at competitive prices.

Development Footholds:

- Tirana is home to several private clinics and hospitals that offer high-quality medical services across various specialities. These facilities are equipped with modern technology and staffed by healthcare professionals who often have international training and experience;
- One of the primary appeals of health tourism in Tirana is the cost-effectiveness of its services. Visitors can access healthcare procedures and treatments at significantly lower prices than in Western Europe or North America, without compromising on quality;
- The city's pleasant climate and the availability of comfortable accommodation options make it an ideal location for patients to recover following medical procedures or treatments.

MICE




Tirana offers a variety of venues for hosting international conferences, business meetings, and exhibitions, including the Palace of Congresses, Tirana International Hotel & Conference Centre and the modern facilities at the Expo City Albania.

Development Footholds:

- The city provides a wide range of accommodation options, catering to the needs of business and leisure travellers alike;
- Tirana's international airport, coupled with its growing network of flights, makes it an accessible destination for international visitors;
- The city's infrastructure supports the logistics of MICE tourism, including modern transportation and technological services;
- MICE visitors in Tirana can benefit from a variety of cultural and recreational activities that can be incorporated into conference agendas or offered as incentives.

2.4.4 Central Cluster



KEY DESTINATIONS		RESOURCES & ATTRACTIONS	
1	Elbasan	<ul style="list-style-type: none">Elbasan CastleElbasan Historical MuseumEthnographic Museum of ElbasanKing MosqueVia EgnatiaBelsh LakesShebenik-Jabllanice National Park	<ul style="list-style-type: none">Shengjergji valleyGorge of TujanBovilla reservoirErzeni River valleyBlack cave in Pellumbas VillagePetrela Castle...
2	Blesh		
3	Librazhd		

LEADING EXPERIENCES

- 1. Adventurous outdoor activities** (hiking, trekking, canyoning, rafting, paragliding, horseback riding..)
- 2. Cultural immersion** (historic sites, museums, culinary tours, thermal baths, old cities and villages, cultural events and festivals..)
- 3. Experiencing rural life** (rural homestays, traditional cooking classes, wine and olive oil tasting, agricultural workshops, nature walks and educational tours..)


Source: Horwath HTL, 2024

The central tourism cluster in Albania, encompassing Elbasan County and the inland rural regions of Tirana County excluding Tirana city, is distinguished by its variety of geographical features that form the foundation of its tourism offering. The cluster is primarily known for its diverse tourist products including nature, culture, agritourism, gastronomy, and active vacation options.

Key experiences within this cluster cater to a wide range of interests, from adventurous outdoor activities like hiking, trekking, canyoning, rafting, and paragliding, to cultural immersion through visits to historic sites, museums, culinary tours, and participation in cultural events and festivals. Additionally, the cluster offers a unique window into rural life, allowing visitors to engage in rural homestays, traditional cooking classes, and agricultural workshops, enriching their travel experience with educational tours, nature walks, and tastings of local produce such as wine and olive oil.

PRIMARY TOURISM PRODUCTS:

NATURE



The Central Cluster boasts a rich variety of landscapes, from mountainous terrains and hills to river valleys and natural lakes, providing visitors with various nature-based activities.

Development Footholds:

- Shebenik-Jabllanice National Park, located partly in Elbasan County is ideal for hiking, bird watching, and exploring rare floral species;
- Belsh Lakes, a collection of over 85 natural and artificial lakes, offer opportunities for fishing, boating, and bird watching amidst tranquil settings;
- Sotira Waterfall, found in the Gramsh District of Elbasan County, is a natural beauty spot, offering picturesque views and a serene environment for nature walks and picnics;
- The area of the cluster includes also protected environments that are home to diverse flora and fauna. These areas are crucial for conservation efforts and provide unique experiences for the development of eco-tourism.

CULTURE



This Cluster combines historical, architectural, and cultural landmarks with the natural environment, making it a compelling destination for those interested in exploring Albania's cultural depth.

Development Footholds:

- The area of the cluster is rich in archaeological sites and historical ruins that tell the story of Albania's ancient civilizations, including Illyrian, Roman, and Ottoman influences, such as Elbasan Castle, a well-preserved historical site dating back to the Ottoman era;
- Visitors can explore a variety of architectural styles, from traditional Ottoman houses and medieval castles to Byzantine churches and mosques, reflecting the diverse cultures of the region such as the King mosque in Elbasan and St. Mary Church, both located within the castle quarter in Elbasan;
- The area of the Cluster holds a significant part of the via Egnatia, the main road connection in Roman time, build in 2nd century BC and running across Albania, North Macedonia, Greece and European Turkey;
- The cluster hosts various cultural festivals and events throughout the year, celebrating traditional music, dance, crafts, and culinary arts, providing insights into the local way of life and traditions;
- The Ethnographic Museum of Elbasan offers a deep dive into the traditional lifestyle, customs, and artefacts of the local population, housed within a beautiful traditional building.

AGRITOURISM



Agritourism within the central tourism cluster of Albania has been growing in popularity, offering visitors a blend of agricultural experiences and rural lifestyle immersion.

Development Footholds:

- Visitors can stay in rural homes or farmhouses, experiencing the hospitality of local families and gaining insights into daily rural life;
- Agritourism provides an excellent base for exploring the natural beauty of the region, with activities like hiking, horseback riding, and nature walks;
- The region's climate and terrain are conducive to vineyard and olive grove cultivation, with several farms offering tastings and tours to explore the local wine and olive oil production.

SECONDARY TOURISM PRODUCTS:

GASTRONOMY



The area is renowned for its diverse array of traditional dishes that reflect a blend of Mediterranean and Balkan influences, with a strong emphasis on fresh, locally sourced ingredients.

Development Footholds:

- Many restaurants and agritourism farms in the area focus on farm-to-table dining, allowing guests to enjoy meals prepared with the freshest ingredients;
- The region hosts food festivals and culinary events that celebrate local products such as wine, olive oil, and traditional foods;

- Visitors have the opportunity to participate in cooking classes where they can learn to prepare traditional dishes of the region, such as *ballokume*, *quilli me arra*, *tava e kosit e Elbasanit*, *tava me pistil* etc.;
- Many local taverns and restaurants serve traditional dishes, reflecting the area's cultural and historical heritage.

ACTIVE-OUTDOOR



Adventure tourism of the Central Cluster leverages the diverse natural landscapes to offer a wide range of outdoor activities and experiences that cater to thrill-seekers and nature enthusiasts alike.

Development Footholds:

- The varied terrain offers numerous trails for all levels of hikers, from scenic walks in the countryside to challenging mountain treks;
- Rivers and lakes in the region provide opportunities for rafting, canoeing, and kayaking;
- The diverse terrain is suited for mountain biking and cycling, offering routes through scenic landscapes and traditional villages;
- The region's gorges and rock formations present opportunities for canyoning and climbing, catering to adventurers.

2.4.5 Ionian Coast Cluster



KEY DESTINATIONS		RESOURCES & ATTRACTIONS	
1	Vlorë	<ul style="list-style-type: none"> • Independence Monument • Vlorë old town • Zverneci island and Narta lagoon • Orikum Archaeological Park • Kanina Castle • Amantia Archaeological Site • Lungara Mountain • Llogara Pass & National Park • Karaburun - Sazan 	<ul style="list-style-type: none"> • Old Himara village • Old Qeparo village • Porto Palermo • Borshi castle • Lekursi castle • Blue Eye spring • Butrint National Park • Ali Pasha castle in Vivari canal • Archaeological site of Foeniche
2	Orikum		
3	Dhermi		
4	Saranda		
5	Ksamil		
LEADING EXPERIENCES			
<ol style="list-style-type: none"> 1. Beach hopping (pebble shores, sandy beaches, crystal-clear waters, vibrant nightlife, beach bars, restaurants, swimming, sunbathing, diving, water sports...) 2. Cultural & historical exploration (archaeological sites, castles, UNESCO world heritage, museums...) 3. Experiencing local cuisine (fresh seafood, locally produced wines, variety of F&B options, vineyards...) 4. Outdoor ventures (water spring, mountains, birdwatching, paragliding...) 			

Source: Horwath HTL, 2024

The Ionian Coast Cluster encompasses the entirety of Vlorë County (both coastal and inland areas) and has been precisely delineated due to the uniformity of experiences and tourism products it offers across its entire area. Primarily, the cluster is celebrated for its sun and beach tourism, with beach hopping being the essential activity for visitors seeking the pristine shores and crystal-clear waters of the Ionian Sea.

The cluster is not just famous for its beautiful beaches, it also offers a strong cultural and gastronomical experience, giving visitors a chance to understand the local traditions and enjoy the local cuisine. Moreover, Vlorë County is great for visitors interested in nature and outdoor activities, with plenty of options to explore the scenic views and engage in various outdoor adventures away from the beach.

PRIMARY TOURISM PRODUCTS:

SUN & BEACH



The Ionian coast of Albania is renowned for its stunning coastline, featuring a mix of sandy beaches and rocky coves, crystal-clear turquoise waters, and a mild Mediterranean climate that makes it an ideal destination for beach enthusiasts.

Development Footholds:

- The Albanian Riviera, which extends from Vlorë southward toward Sarandë, is renowned for its picturesque coastline, featuring a mix of secluded bays, white pebble beaches, and clear turquoise waters;
- The Vlorë area of the cluster is known also for its numerous beaches, such as Dhermi and Jale, offering crystal-clear waters and numerous beachside activities, such as swimming, sunbathing etc.
- These beaches are not only popular for their natural beauty and swimming opportunities but also for their beachside bars, restaurants, and clubs that provide entertainment and relaxation for tourists. Dhermi is known for its crystal-clear waters and vibrant nightlife, while Jale is renowned for its pristine waters and laid-back atmosphere;
- Accessible by boat from Vlorë, Karabun Peninsula and Sazan Island, offer spectacular diving spots, secluded beaches, and the chance to explore untouched Mediterranean landscapes;
- The castle of Porto Palermo, said to be built by Ali Pasha of Tepelene, is located by a beautiful bay that's ideal for swimming and snorkelling;
- Moving further south, Ksamil is famous for its beautiful sandy beaches and crystal-clear waters of the Ionian Sea. The main beaches in Ksamil are easily accessible and offer various amenities for visitors;
- The Albanian Riviera has recently become a popular location for various festivals, including the Southdoor Festival, Kala Festival, and Turtle Fest, among others. Meanwhile, Sarandë hosts several events like the Solar Music Festival, Sarandë Folk etc.

CULTURE



The Ionian Coast Cluster is rich in historical cultural heritage, making it an attractive destination for cultural tourism. The area offers a deep dive into the history, traditions, and lifestyles of Albania, providing a unique experience that goes beyond the typical seaside holiday.

Development Footholds:

- Close to Sarandë and Ksamil, Butrint National Park is a remarkable site that includes the ancient ruins of Butrint, showcasing a blend of archaeological treasures, wetlands, and a variety of ecosystems;
- The archaeological sites of Orikum and Amantia provide further insights into Albania's rich ancient history. These locations are celebrated for their significant historical value and the well-preserved remnants of ancient civilizations;
- In addition to these archaeological sites, the Cluster is home to notable monuments such as the Muradie Mosque, a prime example of Ottoman architecture, and Kaninë Castle. Dating back to the 3rd century B.C., Kaninë Castle offers stunning panoramic views;
- Zvernec Monastery, situated on Zvernec Island within the Narta Lagoon and dating back to the 13th century, is accessible via a wooden bridge and stands as a serene and picturesque retreat;
- Overlooking Sarandë, Lekuresi Castle offers breathtaking views of the Ionian Sea and the city below. Constructed in the 16th century, it served as a strategic defence point against Ottoman invasions;

- This area is known also for the Albanian iso-polyphony, which is part of the UNESCO intangible heritage list, especially the villages along the Riviera;
- Further enriching the cultural heritage of the region, the traditional villages of Old Himare and Old Qeparo along the Albanian Riviera offer an authentic look into Albania's heritage. These villages are renowned for their picturesque beauty, traditional architecture, and the preservation of Albanian culture, making them essential to understanding the area's historical and cultural context.

GASTRONOMY



Gastronomy in the Ionian Coast Cluster offers a rich experience that highlights the Mediterranean diet's freshest and most authentic aspects. The region's culinary offerings are a testament to its diverse history, geography, and culture, making it an attractive destination for food enthusiasts.

Development Footholds:

- Being close to the Ionian Sea, local cuisine mainly features seafood. Coastal restaurants and tavernas often serve fresh seafood caught that day, making it attractive to those who enjoy food and want to taste authentic local dishes;
- The Riviera is renowned for its olive groves and citrus orchards. The local olive oil is of exceptional quality and is used generously in cooking. Citrus fruits, especially lemons and oranges, add a fresh zest to many local dishes and beverages;
- The Albanian Riviera hosts various culinary festivals and events throughout the year, celebrating everything from seafood to olive oil. These events represent an opportunity to sample local cuisine, learn about traditional cooking techniques, and engage with local producers and chefs.

SECONDARY TOURISM PRODUCTS:

NATURE



Other than pristine beaches, the Ionian coast cluster is renowned for its stunning landscapes, crystal-clear waters, rugged mountains, and lush national parks.

Development Footholds:

- Llogara Pass offers breathtaking views of the Ionian Sea and leads to the Llogara National Park, home to diverse flora and fauna;
- Albania's only marine park, Karaburun-Sazan Marine Park, offers unique opportunities for diving and snorkelling to explore marine biodiversity, underwater caves, and shipwrecks;
- The region's diverse habitats are ideal for bird watching, especially in areas like Butrint National Park and the Llogara National Park.

ACTIVE-OUTDOOR



Adventure tourism of the Ionian Coast Cluster leverages the diverse natural landscapes to offer a wide range of outdoor activities and experiences that cater to thrill-seekers and nature enthusiasts alike.

Development Footholds:

- Hikers can explore the trails along the Ceraunian Mountains, which offer stunning views of the coastline and the opportunity to discover remote villages and ancient ruins;
- The Llogara Pass is also a popular spot for paragliding, offering the thrill of flying over the Riviera with spectacular views;
- The rugged terrain and scenic landscapes provide perfect trails for mountain biking and off-roading adventures;
- The cluster area offers a variety of water sports adventures, such as including snorkelling, diving (exploring underwater ruins and marine life), kayaking, and sailing.

2.4.6 Inland South Cluster



KEY DESTINATIONS		RESOURCES & ATTRACTIONS	
1	Berat	• Berat Ethnographic Museum	• Zagoria Valley
2	Gjirokastra	• Onufri Museum	• Catle of Ali Pasha in Tepelene
3	Korca	• Gorica and Mangalem	• Vjosa Wild River National Park
4	Pogradec	• Osumi Canyon	• Tomorr Mountain National Park
5	Permet	• Lake Ohrid	• Prespa National Park
		• Gjirokastra Castle & Bazaar	• Korca Brewery
		• Voskopoja & Dardha villages	• Korca Bazaar
		• Cold War Tunnel Museum	• National Park Fir tree of Drenova
		• Antigonea Archeological Park	• Driloni National Park
LEADING EXPERIENCES			
1. Cultural heritage tours (UNESCO-listed heritage, castles, mosques, bazaars, Ottoman-style houses, museums, music, dances, folklore and cultural events...)			
2. Nature exploration & Outdoor Adventures (canyons, rivers, lakes, waterfalls, rafting, hiking, traditional villages, natural landscapes...)			
3. Eno-gastronomy discoveries (vineyard, traditional cuisine, local wines, cooking classes, beer tasting...)			

Source: Horwath HTL, 2024

The Inland South Cluster, encompassing the counties of Berat, Gjirokastra, and Korca, has been strategically delineated based on the commonality of experiences these counties offer. This delineation is based on the rich cultural heritage and natural beauty of the area. The cluster is a hub for cultural heritage tours, featuring an array of UNESCO-listed sites, castles, mosques, byzantine churches, bazaars, Ottoman-style houses, and museums, which are complemented by music, dance, and a calendar of cultural events.

Additionally, it serves as a centre for nature exploration and outdoor adventures, with its diverse landscapes offering opportunities for rafting, hiking, and the exploration of traditional villages. The cluster also promotes eno-gastronomic tourism through its vineyards, local culinary traditions, wine tasting, and cooking classes, highlighting local produce and cuisine.

PRIMARY TOURISM PRODUCTS:

CULTURE



Cultural tourism within the Inland South Cluster of Albania is characterized by its focus on preserving and showcasing the region's rich historical legacy and living traditions.

Development Footholds:

- UNESCO World Heritage Sites are the foundations of cultural tourism in the Cluster, offering visitors a chance to witness history preserved over centuries. Berat and Gjirokastra, known as the

'Cities of Stone,' are recognized for their well-preserved Ottoman-era architecture and historic urban centres;

- The cluster boasts distinctive architectural styles, from Byzantine churches and mosques to Ottoman-style houses with characteristic wooden facades and stonework;
- Local museums display artefacts that span Albania's history, from ancient Illyrian times through the classical and medieval periods, up to the Ottoman era and beyond;
- Traditional music and dance play a crucial role in the cultural identity of the region, with performances and festivals regularly organized to celebrate and preserve these art forms. The Gjirokastra Folk Festival, a prominent event in Albania that has been held since 1968, is one of the notable examples;
- Berat has also introduced several events, including the Olive Festival, Firefly Festival, Cherry Festival, and "Wine & Stories of Berat," among others;
- Traditional crafts such as textile weaving, wood and stone carving, and silversmithing are featured in local bazaars, where artisans often demonstrate their skills;
- Folklore events, often in the form of festivals, provide insight into the region's customs and traditions. These events are a draw for both domestic and international tourists, providing a platform for cultural exchange.

NATURE



Nature tourism in the Inland South Cluster leverages the region's diverse landscapes and natural resources to offer a wide range of outdoor experiences.

Development Footholds:

- The cluster encompasses a variety of natural landscapes, including mountains, valleys, rivers, canyons, and lakes, which are ideal for a range of outdoor activities;
- Tomorr Mountain, attracting nature enthusiasts, is not only a natural wonder but holds cultural significance, with an annual pilgrimage taking place there;
- Osumi Canyon, is renowned for its river-carved canyon walls and waterfalls;
- Vjosa River is one of Europe's last wild rivers and is a vital habitat for a wide range of flora and fauna;
- Shushica River valley, which has access towards the Ionian coast, as well as towards Tepelene, offers opportunities for nature-based activities such as enjoyment of landscape and nature, thematic walking and hiking, biking, horseback riding, camping, canyoning and leisure activities in the river's ponds in Shushica River;
- Lake Ohrid is one of the oldest and deepest lakes in Europe, offering recreational activities such as swimming, boating, and fishing, with Pogradec being a charming lakeside town;
- Encompassing the Fir of Hotova forest, the Hotova-Dangelli National Park is perfect for exploring Albania's unique forest ecosystems;
- Gramoz Mountain and Barmash Nature Reserve are known for their alpine landscapes, endemic plant life, and trails that cater to both casual walkers and serious mountaineers.

GASTRONOMY



Gastronomy in the Inland South Cluster is a reflection of the region's rich culinary traditions, reflecting a blend of historical influences, including Ottoman, Mediterranean, and Balkan flavours and offering a rich culinary heritage for tourists to explore.

Development Footholds:

- Emphasis on fresh, locally sourced ingredients, including organic fruits, vegetables, cheeses, and meats, provides the visitors with the opportunity to try the integral ingredients of traditional Albanian dishes;
- The region is known for its vineyards and winemaking traditions, with local wineries offering tastings and tours that explore Albania's indigenous grape varieties;
- Visitors can participate in cooking classes to learn how to prepare traditional Albanian cuisine, fostering a hands-on connection with the culinary culture;
- The cities of Berat and Gjirokastra offer culinary tours where traditional dishes and local specialties, such as the Berat meatballs or Gjirokastra's qifqi (rice balls), can be tried;
- Korca is known for its dairy products, especially the local cheese, as well as traditional pies and beer, with the Korca Beer Festival being a significant event.

SECONDARY TOURISM PRODUCTS:

AGRITOURISM



With its rural landscapes, the cluster offers a variety of agritourism experiences, where visitors can experience farm life, participate in agricultural activities, and enjoy organic local produce.

Development Footholds:

- Visitors can stay on working farms, experiencing the rural lifestyle and participating in daily agricultural activities;
- Visitors can engage in educational tours that teach about local agriculture, sustainability practices and the importance of preserving traditional farming methods;
- Tourists can take part in seasonal activities like fruit picking, olive harvesting, and grape picking.

ACTIVE-OUTDOOR



The Cluster's area provides ample opportunities for outdoor sports and adventures, such as hiking, mountain biking, rafting, and paragliding.

Development Footholds:

- The region's numerous trails cater to a variety of skill levels, from gentle walks through the countryside to more challenging mountain treks;
- For thrill-seekers, activities such as mountain biking, paragliding, and rock climbing are available;
- Areas like the Morava Mountain offer potential for winter sports such as skiing and snowshoeing;
- The Osumi and Vjosa Rivers both provide rafting experiences suitable for everyone, featuring various difficulty levels.

2.5 DEVELOPMENT PRIORITIES IDENTIFICATION

The Consultant has identified and elaborated six key development priorities critical for the further successful and balanced development of tourism in Albania. This project activity provides a closer look at each development priority area, while further elaboration of development measures related to each priority area will be provided in the operational strategy. It's important that these six development priority areas are seen as the top strategic priorities going forward.

Focusing on these essential strategic areas as development priorities means directly tackling the challenges and seizing the opportunities in Albania's tourism sector.

The key development areas are the following:



Source: Horwath HTL, 2024

2.5.1 Investments

This strategic area focuses on creating a balanced and inviting environment that both welcomes investments and ensures the sustainable use of resources. To foster a thriving Albanian tourism sector, this development priority aims to attract investments that ensure long-term benefits for the entire tourism sector and local community alike. Unlike the current trend of focusing on seasonal projects, the investments should emphasize the importance of high-quality, year-round tourism offerings spread across the whole country.

Key objectives of this development priority include:

1. **Implementing a range of fiscal incentives, supportive mechanisms, and tailored investment schemes** to attract both local and international investors to strategic tourism projects;

2. Initiating measures and developments aimed at **lowering the barriers for investment**. This includes streamlining complex administrative processes and offering valuable insights into the tourism market, through non-tax incentives;
3. Carefully selecting and designating specific **areas for tourism development**. This approach aims to channel investments towards areas with the highest potential for growth and the highest strategic interest in the country;
4. Providing substantial **support to micro, small and medium-sized tourism businesses (MSME)** by allocating resources for product and experience enhancement, and for the broader development of these enterprises;
5. Ensuring access to more **favourable financing options** for strategic tourism projects and related infrastructure.

These focused efforts are designed to improve the investment climate, with the goal of developing high-quality, year-round tourism offers in Albania.

2.5.2 Tourism Regulatory & Fiscal Policy

Tourism is one of the backbones of the development of the Albanian economy and as such it is extremely important that it has an adequate regulatory framework. This updated framework should not only address contemporary challenges, such as the use of booking platforms and the demand for real-time market data but also tackle the current shortcomings areas.

Key improvement should be focused on:

1. Refining the **tourism taxation system**, focused on minimising the current significant tax revenue losses. To enhance revenue and ensure fair taxation, a new approach is needed to include all accommodation providers under one umbrella law, particularly those offering short-term rentals;
2. **Improving the investment incentive schemes** - A transparent and efficient regulatory environment is essential for drawing investments into the tourism sector, including the construction of hotels, resorts, and other tourism infrastructure. This ensures that development is both sustainable and in line with Albania's long-term tourism goals;
3. **Licensing and certification** for both existing and new accommodation facilities. Improving regulations that establish and enforce quality and safety standards is crucial for protecting tourists and improving their experiences. This includes everything from ensuring the safety of accommodations and transport services to upholding hygiene standards in restaurants. A strong regulatory system is key to establishing Albania as a safe and dependable tourism destination, crucial for attracting sophisticated/affluent tourism demand;
4. **Regulating the construction** of new short-term rentals and hotels. As tourism expands, there's a risk of environmental degradation and the dilution of cultural identity if not managed properly. An improved regulatory framework can help Albania promote sustainable tourism practices that minimize environmental impact, preserve natural resources, and respect local culture;
5. **Establishing a legal framework that sets minimum service standards** and clarifies the obligations and rights of both tourism service providers and consumers is crucial for ensuring transparency and quality across the tourism industry.

A central focus should be on ensuring these improvements are **practical and enforceable**, with the goal of reducing the informal economy within the tourism sector.

2.5.3 Destination management

Albania must improve its destination management efforts to tap into the full potential of tourism, protect its natural and cultural heritage, increase its global competitiveness, and enhance the well-being of its citizens.

Effective destination management is key to ensuring sustainable tourism development, which reduces negative effects on the environment and local communities.

The overhaul of Albania's destination management model must incorporate a layered approach focusing on:

1. Recognizing the **distinct roles and responsibilities at the national, regional, and local levels**;
2. Creation of a **coherent legal framework that clearly outlines responsibilities**, ensuring that every level of management works towards common objectives;
3. **Identifying a robust financing mechanism** that matches the country's tourism performance;
4. Establishing a **tourism management information system**, which should be collecting real-time data and analytics, enabling a knowledge-driven approach to destination management. Such a system is instrumental in making informed decisions that can adapt to market dynamics and various traveller preferences.

The management of a destination significantly influences its brand and international reputation as well. By enhancing its destination management system, Albania can elevate its competitiveness, not just regionally but also on a global scale.

2.5.4 Tourism product development

Albania is well-positioned for significant enhancements and diversification in its tourism offerings and experiences. The approach for improving the competitiveness of Albania's tourism offer should be focused on:

1. Emphasizing its **outstanding value for money**. This approach relies not on low-cost options but on delivering exceptional quality and value that remains more cost-effective compared to its regional and European peers;
2. Providing an **attractive, year-round tourism products & experiences**. This can be realized by expanding the offer beyond the predominant sun & beach tourism to include cultural tours, city escapes, outdoor activities, agritourism, and similar experiences. Furthermore, the expected introduction of an additional airport in Albania opens new possibilities for more evenly distributing tourism throughout the year and across different regions. This development should be accompanied by products and experiences that offer great added value;
3. **Recognizing the role of Destination Management Companies (DMCs)** as pivotal in creating innovative and unique tourism experiences that form the foundation of Albania's evolving tourism sector. By strengthening and supporting destination management companies (DMCs), Albania can stimulate the creation of **new, high-value tourism experiences and products** that align with a unified vision for tourism growth. This effort is expected to enrich the tourism portfolio and improve the visitor experience significantly;
4. Focusing on **creating experiences through innovative value design** aims to position Albania's tourism offerings as both competitive and unique, appealing to a wider range of tourists' preferences. These include cultural tourism, active outdoor activities, agritourism, MICE, and nautical opportunities, ensuring attractions are available throughout the year, not just seasonally;
5. Recognizing the critical role of **community engagement**. **Incorporating community-based tourism** and promoting gender-inclusive activities can lead to more equitable economic outcomes.

In essence, further tourism product development is intended to build a robust tourism sector that is diverse, sustainable, inclusive, and economically beneficial for Albania.

2.5.5 Destination Marketing

In the upcoming period, the Albanian tourism industry needs to align its marketing efforts with both the latest market trends and its strategic goals.

Key objectives of this development priority include:

1. **Methodical approach to planning, designing, executing, and evaluating marketing activities** to ensure success;
2. **Clear roles and responsibilities** must be established among all stakeholders involved in marketing within the tourism sector;
3. The foundation of marketing efforts should be a **comprehensive marketing strategy** that outlines crucial elements such as target source markets, market segments, communication channels, objectives, specific initiatives, and budget allocations;
4. Developing and **managing Albania's tourism brand** is essential for enhancing its presence in the international market, aligning with the country's strategic objectives. This includes the creation and promotion of sub-brands that highlight the unique attributes of individual destinations and products, thereby increasing their visibility and appeal. Building a strong, recognizable brand will not only attract more visitors but also contribute to sustainable growth in the tourism sector.

2.5.6 Capacity building

To elevate the tourism sector in Albania and align it with international tourism standards, a comprehensive upgrade of both internal and external capabilities is essential.

This upgrade should encompass:

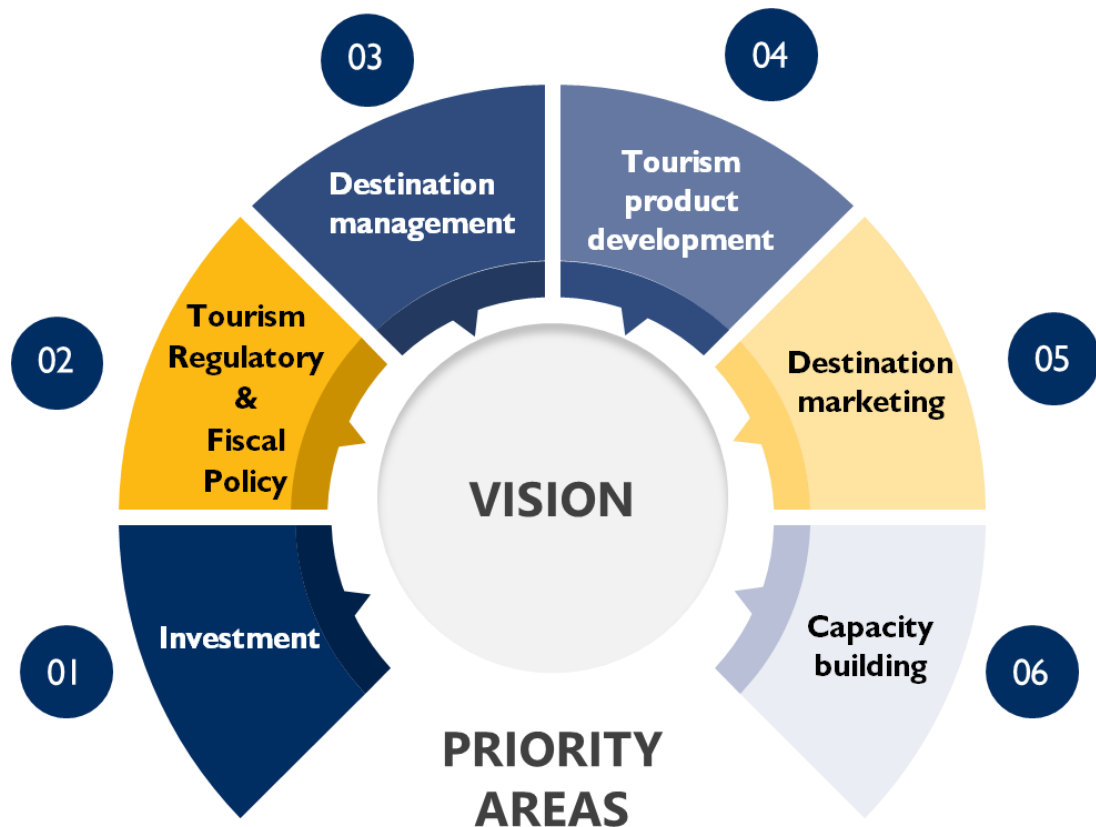
1. **Advancements in formal education** by ensuring that the curricula in universities, public vocational schools, and other educational institutions reflect the latest market trends and specific needs of the tourism industry. Improving formal education also involves updating and refining educational content and methodologies to **prepare a workforce capable of meeting the dynamic demands of the global tourism market**. This includes integrating real-time scenarios into the curriculum and offering specialized programs that cater to the evolving needs of the tourism sector.
2. Substantial **investments in informal education** are also crucial. Stakeholders across the business and public sectors should have access to a variety of learning opportunities, including workshops, training sessions, presentations, certification programs, and the development of digital platforms and academies. These initiatives aim to raise the overall standards and capabilities of the tourism industry.
3. An integral component of this comprehensive approach to capacity building should include **fostering inclusivity**, particularly by encouraging the participation of women in tourism initiatives. By integrating gender inclusivity into these educational and training programs, Albania can ensure a more diverse and inclusive tourism sector.

This approach not only promotes equality but also harnesses a wider range of perspectives and skills, contributing to a more robust and competitive tourism industry.

3. DEVELOPMENT STRATEGY

3.1 DEVELOPMENT STRATEGIES

Building on the identification of developmental priorities, which are categorised into six strategic areas, the Consultant has elaborated development measures. These development measures, i.e. operational strategies, are in direct alignment with the previously established priority areas:



In the subsequent chapters, the Consultant delineates the following components for each development measure:

- **Concept**
- **Key features**
- **Entity responsible for the implementation**
- **Implementation steps**
- **Assessment of the range of potential/necessary investment/budget**

These strategies are designed to directly confront and resolve the previously identified challenges faced by the tourism sector in Albania.

I. Investments

I.1 EMPOWERING ALBANIAN INVESTMENT CORPORATION (AIC)	
Concept	
<p>The Albanian Investment Corporation (Hereinafter: AIC) should play a crucial role in mobilizing Albania's tourism investment potential. This development measure is designed to augment AIC's capabilities in collaborating effectively with private sector entities by creating investment opportunities and investment models adjusted for stronger penetration of domestic and international investors into added-value and distinctive tourism projects throughout Albania.</p> <p>The focus is on establishing a proactive framework that would streamline internal processes regarding the identification and initial ideation of large-scale tourism investment opportunities for private sector investments or through the Public-Private Partnership (PPP) investment model, relying heavily on the activation of public sector-owned development sites or zones.</p> <p>Creating a strong and specialised team internally and establishing professional relations with specialised consultants and partners in the industry, would unlock significant investment potential that Albania has, in the most effective manner. Furthermore, the goal is to enhance AIC's organisational strength and efficiency in drawing and managing strategic investments in the tourism industry through capacity building and training.</p> <p>AIC would also need to structure attractive investment opportunities, consolidated in a well-elaborated national tourism investment portfolio, showcasing realistic investment opportunities, supported by national, regional and local-level governments, streamlining project realisation. An investment portfolio should be promoted to international and local investors, which would be a long-term process of finding and acquiring the right investors for important projects.</p>	
Key features	
<ul style="list-style-type: none">• Improvement strategy for tourism through tailored capacity building and training of AIC staff is recommended via collaborative work with selected hospitality business consultants that could work together with the AIC team on various tasks, executing capacity building through the learn-by-doing method in addition to standard training and capacity building activities;• Developing customized business model options that facilitate collaboration with private sector stakeholders. This includes identifying and refining strategies to attract and secure commitments from international financial partners, local investors, and investor groups. Additionally, it involves defining and implementing the most suitable Public-Private Partnership (PPP) frameworks for the joint utilization of public lands and assets, where applicable. This step is crucial to ensure beneficial and sustainable collaborations, leveraging public resources to attract private investment and expertise;• Creation of a national investment portfolio representing strategic investment projects in Albania. Each project or investment opportunity undergoes a meticulous process, which includes a market study, the development of the highest and best-use concept, and a financial pre-feasibility assessment. These components are meticulously crafted into project investment teasers or project fiches. These documents are essential for engaging with both the domestic and international investment markets, ensuring the projects are presented in a manner that is internationally recognised and appealing to potential investors.	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none">▪ Albanian Investment Corporation (AIC) <p>Support:</p> <ul style="list-style-type: none">▪ Ministry of Tourism and Environment	

■ International experts / Advisory firms	
Implementation steps	Budget
1. AIC improvement strategy for tourism - capacity building & training of AIC staff in tourism and hospitality according to identified needs	The estimated budget for the creation of an improvement strategy is EUR 80,000 . This includes international experts' and/or advisory firms' costs.
2. Approval of business models and public sector funding	No additional budget is required.
3. Creation of a national investment portfolio	<p>The estimated budget for the national investment portfolio is EUR 800,000. This includes the preparation of approximately 10 investment projects consisting of the following deliverables, per each investment opportunity/project:</p> <ol style="list-style-type: none"> 1. Market analysis 2. Highest and best Concept proposal 3. Indicative land use plans with mood boards 4. Financial pre-feasibility financial assessment 5. Investment teaser/project fiche <p>The proposed average budget per project is estimated at EUR 80,000 but can vary greatly in the case of more complex projects like mountain resorts, ski resorts and similar.</p>

I.2 EMPOWERING ALBANIAN INVESTMENT DEVELOPMENT AGENCY (AIDA)	
Concept	
<p>Given AIDA's mandate and the ongoing need to enhance the business environment for strategic investors in the tourism and hospitality sector, this initiative aims to improve investment facilitation specifically for strategic investments in the tourism sector. AIDA needs to evolve into an entity with full internal capacities to evaluate and control strategic investment projects and their impacts, adhere to forecasted results and streamline the strategic investment process in the tourism sector.</p> <p>Through strong collaboration with AIC and MTE, AIDA is working together to promote international investment opportunities, investment incentives and other reasons to invest in Albania (Related to I.3).</p> <p>AIDA focuses on creating strong and competitive investment incentives, tailored to the needs of tourism and hospitality investors. AIDA can significantly boost investment in Albania's tourism sector by aligning policies with the Ministry of Tourism and Environment, streamlining regulations, and promoting the country as a prime destination for tourism investments.</p> <p>In addition, AIDA not only focuses on large-scale investments but also supports MSME investments in the tourism and hospitality sector of Albania.</p> <p>Additionally, partnering with financial institutions and enhancing workforce capabilities through training will enable AIDA to attract and support sustainable investments.</p> <p>By implementing these measures, AIDA's ability to attract and manage strategic investments in the tourism sector can be significantly enhanced.</p>	
Key features	
<ul style="list-style-type: none"> • Collaborating closely with the Ministry of Tourism and Environment (Hereinafter: MTE) to ensure that investment policies and incentives are aligned with the Albanian national goals for tourism; • Collaborating closely with the AIC to approve strategic investment incentives for projects in a national investment portfolio, and investments streamlining; • Streamlining regulations and procedures that impact the tourism sector, making it easier for investors to start and operate businesses in Albania; • Facilitating access to finance through International Financial Institutions (IFIs such as WB/IFC, EBRD, EIB etc.) funds and commercial banks; • Engaging in capacity building and training programs for the AIDA staff, on the latest trends in investment facilitation (Related to Initiative 6.2). 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Albanian National Development Agency (AIDA) <p>Support:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment ▪ International experts / Advisory firms ▪ Strategic Investment Committee 	
Implementation steps	Budget
I. Capacity building & workshop development for AIDA staff	The estimated budget for capacity building & workshop development for AIDA's staff is EUR 100,000 . This includes the creation of diverse training modules and the holding of several training programs by international experts focusing on assessing project

	feasibility in hospitality projects, planning standards in hospitality, hospitality branding, key performance indicators, investment performance, investment benchmarking, regional transaction market activity, etc.
--	---

I.3 TOURISM INVESTMENT PROMOTION STRATEGY

Concept

To attract and secure potential investors for Albania's growing tourism sector, there is a pressing need to **formulate detailed promotion plans** that effectively **highlight the country's investment opportunities**. This initiative involves the development of a **comprehensive national investment promotion plan**, which encompasses **strategic frameworks and an operational roadmap** designed to execute detailed presentations.

Key elements of this plan include organising a **schedule of roadshows and forums** specifically targeting key **domestic and international investors**.

The primary objective is to effectively **communicate the unique advantages and significant opportunities of investing in Albania's tourism sector** to a global audience.

Furthermore, the strategy should incorporate mechanisms for the **joint promotion of investment opportunities across multiple sectors**, emphasizing the collaboration between the **Ministry of Tourism and Environment (MTE)**, the **Albanian Investment Development Agency (AIDA)**, and the **Albanian Investment Corporation (AIC)** (Related to Initiatives I.1 and I.2).

A pivotal focus of this promotional effort is to highlight investment opportunities within designated Tourism Development Zones (TDZ) (Related to Initiative I.5) and to actively promote projects listed in the national investment portfolio (Related to Initiative I.1). By doing so, the initiative aims to create a compelling investment case, fostering economic growth and development within Albania's tourism industry.

Key features

- Formulating **detailed promotion plans** to promote investment opportunities to potential investors. The plan should include creating detailed presentations and organising a schedule of roadshows and forums that target key domestic and international investors. The intention is to effectively communicate the advantages and opportunities of investing in Albania's tourism sector to a global audience;
- **Organization of roadshows and forums** targeting key domestic and international investors;
- **Effective communication** of Albania's tourism investment advantages to a global audience;
- **Collaboration between AIDA, AIC and MTE** to jointly promote Albania as a leading destination for strategic tourism investments at investment forums, trade shows, and roadshows, both internationally and domestically.

Entity responsible for the implementation

Lead:

- Albanian Investment Corporation (AIC) & Albanian National Development Agency (AIDA)

Support:

- Ministry of Tourism and Environment
- International experts / Advisory firms

Implementation steps

Budget

I. Creation of a national investment promotion strategy

The estimated budget of **EUR 200,000** is intended for the creation of promotional and marketing strategies by international experts and/or advisory firms to efficiently promote investment opportunities in Albania.

I.4 TOURISM INVESTMENT INCENTIVE SCHEMES

Concept

The tourism sector faces significant challenges due to high investment and financing costs. These financial barriers hinder both small-medium enterprises (MSMEs) and larger investment projects from securing the necessary capital to initiate or expand operations. Today, large-scale investment projects are basing their financial feasibility primarily on the sales of the real estate/residences, or through their capital, as commercial financing terms at this stage do not provide a feasible source of financing for such projects, both in terms of payback periods and interest rates. Consequently, smaller-scale tourism development projects are limited in financing options, while large-scale projects are focused strongly on the residential component, driving the whole development narrative more to real estate overdevelopment in “resorts” rather than creating professionally executed tourism mixed-use resorts.

Therefore, the Albanian government should be addressing market inefficiencies through tailored incentive schemes enabling the creation of fully functional and professionally developed **mixed-use resorts** and **small-scale private hospitality projects**. By regulating mixed-use developments, it is objective to streamline the **investment cycle towards long-term sustainability**, and in current market conditions, the government needs to provide **targeted incentives** to enable **balanced development** between hotel rooms, branded residences and non-branded residences, as opposed to today’s situation.

The investment cycle must continue, but be properly directed, which can be done through a **well-structured and focused investment incentive scheme**.

These schemes should **leverage various financial instruments and partnerships** to create a robust support system for developers and entrepreneurs, potentially including instruments like **fiscal incentives, non-fiscal incentives, interest rate subsidies, reducing financial barriers, low-interest loans, grants** and similar. With the introduction of proposed measures, tourism investment schemes will not only **lower the financial barriers** associated with large-scale projects in the tourism and hospitality sector **but also stimulate economic growth**, increase MSME investment activity, contribute toward sector formalisation, create jobs, and promote Albania as a leading destination in sustainable tourism.

Key features

- **The formation of a new investment scheme for mixed-use development.** The direction of these schemes includes strategic urban planning and policy reforms that **incentivize developers through fiscal subsidies like interest rate subsidies, tax breaks or streamlined permitting processes** (Related to Initiatives 1.1, 2.2 and 2.3). Financial mechanisms such as **public-private partnerships (PPPs) might be employed to distribute the financial risk and encourage private investment** in public projects. The scheme needs to emphasize sustainability, reflecting broader urban development goals to create more cohesive, efficient, and attractive urban spaces;
- **Investment schemes for MSMEs in the tourism sector.** MSMEs typically have limited access to large capital, making it difficult for them to commence or expand operations without external financial support. By introducing specific investment schemes for MSMEs, such as **interest rate subsidies, grants**, or fiscal incentives like **tax relief**, the financial burden on these smaller enterprises can be significantly reduced. This facilitates their participation in the tourism market, which they might otherwise be unable to afford;
- **Investment schemes for tourism development zones.** This set of incentives should be specific to investments in tourism development zones only. They should consist of **various fiscal and non-fiscal incentives**, further incentivizing investments in tourism development zones (Related to Initiative 1.5). Such investments should complement other incentives and could be combined.

Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> Ministry of Finance International Financial Institutions & Commercial banks International experts / Advisory firms 	
Implementation steps	Budget
1. Development of an updated investment incentive framework	<p>The estimated budget for the development of specific financial instruments is EUR 350,000. This includes the engagement of international financial experts & tourism advisory firms who would be assigned to identify the needs, identify the most appropriate financial instruments and provide guidelines for key subsidy instruments/elements.</p> <p>Governmental institutions will operationalise the measure within regular activities/scope of work.</p>
2. Securing funding sources	Work executed by governmental institutions within the regular scope of work.
3. Tourism investment incentive schemes launch	<p>There is no estimated budget for the launch, as the launch includes the implementation of designed and approved financial instruments and the promotion of financial instruments to potential investors, or SMSEs, managing the application process, disbursing the funds and monitoring their use, which is within the MTE's primary mandate.</p>

I.5 ACTIVATION OF TOURISM DEVELOPMENT ZONES (TDZ)

Concept

Activating **tourism development zones** (Hereinafter: **TDZ**) is a strategic approach to streamlining tourism development within geographic areas with significant development potential, or areas where tourism development is recognised as strategic importance on a national level. The primary objective is to **identify specific, strategic zones within Albania with high tourism potential** and stimulate their development through **targeted investments**, infrastructure upgrades, marketing, and other initiatives.

Tourism development zones are large areas, often encompassing significant portions of government-owned land. These zones should be designated as **large geographic regions where tourism development is anticipated to profoundly impact the broader economic and social ecosystems**. Such areas include, but are not limited to, mountainous regions, rural locales, remote areas, underdeveloped zones, and regions with high potential that require substantial infrastructural improvements.

A crucial initial step is to **define what constitutes a tourism development zone**. After identification and definition, comprehensive, top-down, development **master plans** should be created for each zone, and investments facilitated through **transparent mechanisms**.

Projects in TDZ should be **supported through investment incentive schemes** (Related to Initiative I.4), but also additionally subject to specific incentives related to tourism development zones.

The goal is to:

- Direct investments into less developed / more complex areas for tourism;
- Foster development through coordinated master planning by the Government;
- Support local economies and communities.

In areas that have high development potential, but require strongly coordinated and Governmentally-supported development facilitation due to various reasons, including but not limited to investment volumes, geographic location, accessibility, ownership etc.

Key features

- **Defining tourism development zones (TDZ);**
- **Identification of potential TDZ** based on factors such as natural and cultural resources, accessibility, or other attractions in public, private and/or public-private ownership. This is where the specific boundaries and characteristics of each zone are defined;
- **Developing a detailed master plan for each zone**, outlining the **vision** for the zone, the specific **objectives**, and the **strategies** to achieve these objectives. It should envisage **needs** for infrastructure/utility provision, development **massing and sizing**, and community-based tourism activities, all with a strong emphasis on creating long-term sustainable tourism destinations;
- **Establishing a funding model** in order to effectively finance infrastructure provision. This could be public funds, private investments, or a combination of both. The funding model should be sustainable and able to support long-term development. It is recommended to engage with IFIs on this particular challenge due to their experience and available financing sources;
- **Investing in necessary infrastructure**, including transportation, accommodation and other tourist facilities as outlined in the masterplan and funded according to the established funding model;
- **Defining roles and responsibilities** across different government bodies and private stakeholders, ensuring clarity and coordination.

Entity responsible for the implementation

Lead:

- Albanian Investment Corporation (AIC)

Support: <ul style="list-style-type: none"> Ministry of Tourism and Environment International experts / Advisory firms 	
Implementation steps	Budget
1. TDZ scoping and prioritization	The approximate budget for the identification and definition of TDZ is EUR 200,000 . This includes the international experts/ advisory firms' costs for scoping and prioritization of potential TDZ areas.
2. TDZ master planning	The estimated budget for masterplan creation by international experts and/or advisory firms is EUR 900,000 , subject to size, and needed specialized expertise. Price can significantly increase in case of complex projects like mountain development zones and similar. We recommend the execution of at least 3 TDZ master planning projects in the first phase.

I.6 BIDDING PLATFORM CREATION	
Concept	
<p>This development measure proposes the introduction of a competitive bidding process that will not only streamline the allocation of strategic investor statuses but also manage unsolicited and solicited proposals for tourism development zones (TDZ), as well as projects included in a national investment portfolio (Related to Initiatives I.1 and I.5).</p> <p>A specialized bidding platform needs to be developed to facilitate this process, ensuring transparency and accessibility. This platform will guide stakeholders through the various stages of bidding, from proposal submission to final selection, and will be equipped with features that uphold integrity and fairness;</p> <p>The competitive bidding process will adhere to a detailed timeline, specifying milestones from the launch to the commencement of development activities. To ensure the adequate functioning of the platforms it is important to clearly define the roles and responsibilities of different government bodies and private stakeholders, among which the most important elements it to define who is the owner and in charge of coordinating and promoting the platform.</p> <p>This initiative holds strategic importance for enhancing the efficiency and transparency of tourism development in Albania. By fostering a competitive environment, this measure aims to not only optimize the development of tourism zones but also ensure that these developments provide maximum benefit to the country and its people.</p>	
Key features	
<ul style="list-style-type: none"> • Creation of a specialized bidding platform. This platform will streamline the process for allocating strategic investor statuses and managing both solicited and unsolicited proposals. It will serve as the primary interface for submitting, reviewing, and selecting proposals related to tourism development zones and projects within the national investment portfolio. Also, this platform needs to be designed to ensure all processes are visible and accessible to all stakeholders, reducing the risk of bias and ensuring a level playing field. The platform will guide stakeholders through each stage of the bidding process, from proposal submission to the final selection, ensuring clarity and compliance with all regulatory requirements; • Implementation of pricing strategies that respond to market demands and project specifics, which could include fixed rates for certain types of investments and dynamic pricing for others based on real-time demand; • Clearly delineating the timeline from project initiation, through bidding, to project commencement, detailing key milestones to ensure timely progress and stakeholder alignment. The platform could be used to provide updates and track progress against these milestones, ensuring all parties are informed of timelines and adjustment 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Albanian Investment Corporation (AIC) <p>Support:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment ▪ Web developers / Technology partners ▪ International experts / Advisory firms 	

Implementation steps	Budget
1. Platform design	The estimated cost for developing the bidding platform is EUR 50,000 , covering expenses for international experts and web developers responsible for designing its technical architecture. This phase encompasses defining the functional requirements, security features, user interface design, and integration capabilities with existing systems. The proposal aims to enhance the current e-Procurement platform by adding functionalities for bidding on both Tourism Development Zones (TDZ) and projects listed in the national investment portfolio.
2. Stakeholder training and platform onboarding	The estimated cost for the creation of a bidding platform is EUR 50,000 and it includes the expenses for international experts and/or advisory firms' engagement in conducting training sessions and workshops for all potential users, including government officials, investors, and other stakeholders. These sessions should focus on how to use the platform effectively, understanding the bidding process, and clarifying any operational queries.
3. Bidding platform launch	No additional budget is required.

I.7 TOURISM INFRASTRUCTURE INVESTMENT SCOPING

Concept

Being an emerging tourism destination, Albania lacks various types of tourism infrastructure to support tourism value chain improvement in various tourism products. Tourism infrastructure aims to improve quality, extend seasonality, provide support for private sector tourism stakeholders, establish new tourism points of interest, to revitalize improving infrastructure in natural and cultural areas, beaches, natural parks, and protected areas, among others.

This measure aims to provide a comprehensive framework to **identify, prioritize, and implement strategic investments in tourism infrastructure** across Albania, focusing on:

- Identification of missing tourism infrastructure;
- Prioritisation of investment needs, consisting of **two distinctive scopes**:
 - **Signature projects** of tourism infrastructure;
 - **Standard projects** of tourism infrastructure;
- Development of investment concepts, and assessing financial feasibility.

The provision of public tourism infrastructure is the primary **task of the public sector** – on local, regional and national levels. The success of this extensive and **cross-sectoral investment program** requires substantial financial resources, support, and **coordinated efforts among various stakeholders**, including the Ministry of Tourism and Environment (MTE), the Ministry of Infrastructure and Energy (MIE), Ministry of Economy, Culture and Innovation (MECI), and the Albanian Development Fund (ADF), among others.

Key features

- **Conducting comprehensive nationwide assessments** to identify key missing elements in tourism infrastructure;
- **Prioritization of the needs of signature tourism infrastructure projects**, focusing on **highlighting major Unique Selling Points (USPs)** of Albanian tourism and **emphasizing Albania's primary tourism products**, attractions, resources, and cultural narratives. These projects are of **national-level importance** and significantly enhance the tourism identity and appeal of Albania;
- **Prioritization of the needs of standard tourism infrastructure projects**, which typically include standard, less financially demanding public tourism infrastructure projects. These projects, while more generic, are crucial for enhancing Albania's overall tourism profile;
- **Developing concepts and conducting feasibility studies** for **signature** projects, ensuring the procurement of necessary financing;
- **Develop concepts and conduct feasibility studies** for **standard** projects, securing the financing required for these initiatives.

Entity responsible for the implementation

Lead:

- Albanian Development Fund (ADF)

Support:

- Ministry of Tourism and Environment
- Ministry of Infrastructure and Energy
- Regional and Local government entities
- International experts / Advisory firms

Implementation steps

I. Identification of key missing elements of tourism infrastructure and project prioritisation

Budget

The approximate budget for nationwide infrastructure assessments is **EUR 300,000**. This includes the

	international experts / advisory firms' costs for a comprehensive audit and identification of existing gaps.
2. Developing project concepts and conducting feasibility studies for signature projects	The estimated budget for the activity is EUR 100,000 per project and it includes the international experts and financial advisory firms' expenses for the development of project concepts and conducting feasibility studies of selected signature projects.
3. Developing project guidelines for standard tourism infrastructure projects	<p>The objective should be the production of guidelines/guidebook on implementing standard tourism infrastructure projects with basic guidelines including massing and sizing, spatial parameters, urban parameters, construction and design guidelines for a set of standard tourism infrastructure projects.</p> <p>The estimated budget for the activity is EUR 280,000 for 8 to 10 various typologies of standard tourism infrastructure projects. The budget includes the engagement of international experts consisting of tourism experts, architects and master planners supported by local architects and/or master planners.</p>
4. Securing necessary funding	There is no estimated budget for the implementation steps, as developing partnerships with private investors and NGOs to secure necessary funding is within ADF's mandate.

I.8 TOURISM ENABLING INFRASTRUCTURE INVESTMENT SCOPING

Concept

The initiative focuses on **identifying, evaluating, and strategically promoting** the necessary infrastructure to support sustainable tourism growth. This includes **not only primary tourist infrastructure** but general infrastructure, including but not limited to waste management systems, water and electricity supply, road development, ports and harbours, cable cars, and similar components.

By gaining access to the detailed **assessment of these investment** needs, the Albanian Ministry of Tourism and Environment (MTE) can **develop a plan to collaborate** with relevant stakeholders and ensure that critical infrastructure aligns with tourism development goals. Although supporting infrastructure is not within MTE's primary mandate, it plays a crucial role in sustainable tourism development. Therefore, the **MTE should advocate for investment in supporting infrastructure and lobby the Government** and other responsible bodies to stimulate and implement infrastructure projects that will improve the listed infrastructure.

It should be emphasized that while the Ministry of Tourism will not directly undertake these development projects, it is crucial that they actively lobby for their implementation.

Key features

- Conducting a **holistic assessment of existing supporting tourism infrastructure**;
- **Identification of gaps, deficiencies, and opportunities** in energy, waste management, transportation, supporting tourism services and similar;
- **Prioritizing infrastructure investment needs** based on impact, feasibility, and alignment with tourism growth strategies;
- **Collaborating with relevant stakeholders**, including governmental bodies, local authorities, private sector, and international organizations;
- **Lobbying the Government** to explore funding sources such as government budget, grants, loans, and private investment to support the projects.

Entity responsible for the implementation

Lead:

- Albanian Development Fund (ADF)
- Ministry of Tourism and Environment

Support:

- Ministry of Infrastructure and Energy and other governmental bodies
- Regional and Local government entities
- International experts / Advisory firms

Implementation steps

Budget

1. Baseline infrastructure assessment & prioritisation	There is no estimated budget for the implementation steps as this is a cognitive exercise to be executed by ADF and MTE.
2. Lobbying the government	There is no estimated budget for the implementation steps, as promoting the needs and lobbying the government to secure the funds is within the primary mandate of the Ministry of Tourism and Environment.

2. Tourism Regulatory & Fiscal Policy

2.1 TOURISM LAW UPDATE	
Concept	
<p>The challenges identified in the implementation of the legislative framework governing tourist activities in Albania highlight the urgent need for a comprehensive update of Tourism Law and bylaws. This need extends beyond merely revising the existing Tourism Law, it encompasses a broad array of subordinate legislation that impacts tourism, including fiscal and tax policies, spatial planning, investment promotion, regulations for the collection of tourist statistical data and more.</p> <p>The Tourism Law must serve as the foundation upon which related legal documents are developed and adjusted, fostering a harmonised and efficient regulatory environment for tourism. This approach ensures that the legislative framework not only addresses current inadequacies but also lays down a solid groundwork for sustainable tourism development, accommodating evolving industry trends and stakeholder needs.</p>	
Key features	
<ul style="list-style-type: none"> • Focused in-depth intervention into the tourism law, with a special focus on:: <ul style="list-style-type: none"> ○ Recognition of mixed-use resorts and other accommodation typologies such as condominiums, glamping, villas etc.; ○ Recognition of destination management system levels (national, regional, local) and self-sustainable financing model ○ Tourism taxation system; ○ Introduction of special tourism development zones; ○ Recognition of real-time tourist registration system; ○ Sophistication of tourism incentive schemes; ○ Legal definition of various tourism activities recognized by the law (various tourism service and experience providers). 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ■ Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> ■ Other governmental ministries (Ministry of Economy, Culture and Innovation; Ministry of Finance; Ministry of Agriculture and Rural Development; Ministry of Infrastructure and Energy etc.) ■ Legal experts / Advisory Firms 	
Implementation steps	Budget
I. As-is analysis and new tourism law creation / deep improvement	<p>The estimated budget for the as-is analysis and deep improvement is set at EUR 350,000. This allocation will cover the expenses associated with hiring specialists to analyze the current conditions and provide essential information about changes to the legal framework. It also includes the preparation of materials detailing the proposed changes. The drafting of the law will be handled by legal experts and the MTE team, with an additional internal cost estimated at EUR 100,000.</p>

2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.
------------------------------	--

2.2 MIXED-USE RESORT DEVELOPMENT REGULATION

Concept

This regulation will define a **clear framework for developing tourism projects with multiple components including hotels, and branded and non-branded residences**. Achieving a **well-balanced structure of various accommodation typologies** within future tourism resorts in Albania is crucial for ensuring long-term sustainability and preventing over construction which Albania is facing.

This regulation needs to ensure the long-term sustainability of the tourism sector of Albania through careful regulation of acceptable types of real estate development within tourism resorts, preventing various issues, including but not limited to:

- Environmental sustainability;
- Hospitality usage as an alibi for over-construction in tourism zones;
- Infrastructure management;
- Community impact and liveability;
- Real-estate market destabilisation through oversupply;
- Affordable housing availability;
- Overconstruction, etc.

To prevent such challenges, the Government should **formally regulate development standards and ratios of tourism zones/resorts** to prevent over-construction of non-tourism capacities within tourism zones and ensure that these zones primarily cater to tourism demand.

The economics of investments into resorts has to be carefully redefined towards **increasing the importance of hotel and branded-residential components**, as opposed to non-branded residences. This can be done by **defining the total capacity of the tourism zone and mandatory adherence to ratios between hotel capacities and residential capacities**.

By restricting the number of residential capacities in resort developments, investors might see a decline in the financial profitability of their projects, compared to the situation today. Therefore, to maintain the investment cycle, the Government should come up with carefully curated and well-balanced investment incentives to ensure acceptable and attractive returns on the investment (related to Initiatives 1.4 and 2.3).

Key features

- Establishing the **legal definition of the resort**;
- **Outlining the structure of the resort's facilities**, encompassing wellness centres, restaurants, sports facilities, and golf courses, among others;
- Determining the **minimum operational period** for the resort to ensure sustained service delivery;
- Defining the **minimum level of quality** of mixed-use resorts (measured by stars);
- Defining **precise ratio between hotel capacities and residential capacities**, limiting the proportion of residential capacity development against the total capacity of the resort;
- Demanding **prioritisation of hotel capacity development** as opposed to residential development, or at best allowing parallel construction process (preventing constructing residences first, with questionable construction of hotel components);
- **Legal recognition of resort management companies** and their roles and responsibilities together with the definition of the business model;
- Definition of **minimum space per branded or non-branded residential units**.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support: <ul style="list-style-type: none"> Other governmental ministries and/or agencies (Ministry of Infrastructure and Energy, National Territorial Planning Agency, etc.) Legal experts / Advisory firms 	
Implementation steps	Budget
1. As-is analysis and regulatory framework development	The estimated budget for this step is EUR 200,000 , which covers the cost of hiring experts responsible for conducting a comprehensive analysis of the as-is situation and the regulatory framework development and for the provision of needed content regarding changes in the legal frame. Includes delivery of content for changes, while the law is to be drafted by legal experts and the team of MTE (estimated additional internal cost of EUR 60,000).
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

2.3 TOURISM INVESTMENT INCENTIVES REDEFINITION

Concept

The redefinition of tourism investment incentives is geared towards a comprehensive overhaul of the legislative framework in order **to align with the evolving expectations of investors** and **to better support the sustainable growth** and competitiveness of **micro, small, and medium-sized enterprises** within the sector (Related to Initiative 1.4 and 2.2) as well as to **maintain existing investment cycle in large-scale tourism infrastructure projects** of the private sector.

This initiative includes **refining laws regarding investment promotion** and **enhancing incentives** linked to maritime estates, seaports, spatial planning, and construction to improve the business environment indirectly, among others. Additionally, it **strengthens support for investors** by offering **more favourable lending terms** and **enhancing fiscal benefits** to provide significant economic relief, thereby positioning Albania as an attractive investment destination.

Tourism investment incentives redefinition addresses two main directions of incentives:

- **For capital private projects:** This includes hotels, resorts, mixed-use projects, nautical marinas, mountain resorts, and thermal projects, where real estate has traditionally been a primary source of financing. Given the current challenging conditions in commercial banking, such as high interest rates and short repayment terms, it is crucial to maintain satisfactory returns on investment. To achieve this, various forms of assistance will be considered, including **subsidizing interest rates**, establishing a **national credit program** for developing tourist infrastructure, and offering **fiscal relief** once the project is operational;
- **For MSMEs and entrepreneurial ventures:** This encompasses travel agencies, restaurants, souvenir shops, and similar ventures. To counteract the unfavourable financial conditions imposed by commercial banks, the initiative proposes **subsidized loans for entrepreneurial initiatives**. This measure aims to **enhance the financial viability** and growth potential of these businesses.

The ultimate goal of this measure is to **secure official legislative recognition** for various models of subsidized investment within the Albanian tourism sector, thereby fostering an environment conducive to sustainable growth and robust economic development.

Key features

- **Revising laws to support both large-scale investments and smaller entrepreneurial ventures in tourism.** This includes the provision of more favourable lending terms tailored to different scales of operation, including both short-term and long-term financing options;
- Developing a **specific legal framework** to expand fiscal incentives. These should include **tax exemptions** for strategic investments in tourism infrastructure, **reduced profit taxes**, and **lowered VAT rates**, aimed at encouraging substantial private investment in tourism projects such as hotels, resorts, and marinas;
- Establishing a comprehensive legal framework to **streamline non-fiscal incentives**, including simplified administrative procedures and enhanced coordination and supervision of the investment approval process;
- Developing a legal framework to **allocate grants specifically designed to assist Destination Management Companies (DMCs)** and other key stakeholders in creating high-value tourism products, thus boosting the overall quality and appeal of Albania's tourism offerings (Related to Initiative 4.1);
- Establishing a legislative framework to **allocate funds aimed at supporting small and medium-sized tourism entrepreneurs**. This framework should enhance the overall tourism value chain by fostering business growth, competitiveness, and the integration of innovative practices in the sector.

Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> Other governmental ministries (Ministry of Economy, Culture and Innovation; Ministry of Finance; Ministry of Agriculture and Rural Development; Ministry of Infrastructure and Energy etc.) Legal experts / Advisory firms 	
Implementation steps	Budget
1. As-is analysis & redefinition of tourism investment incentives	The budget for this phase is set at EUR 150,000 . This allocation will cover the expenses associated with hiring specialists tasked with performing a detailed analysis of the current situation and developing extensive materials for the redefinition of tourism investment incentives. The drafting of the legislation will be undertaken by legal experts in collaboration with the MTE team, with an additional estimated internal cost of EUR 40,000 .
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

2.4 TOURISM TAXATION SYSTEM REFORM

Concept

This initiative aims to enhance tax revenues and **mitigate tax losses within the tourism sector**. Central to the initiative is the proposal to **establish a comprehensive tourism taxation framework** that **mandates all accommodation providers**, including those offering short-term rentals and traditional hotel services, to contribute to tourism taxes. This reform is crucial, as short-term rental operators, representing a significant market segment, are currently not subject to these taxes. By **integrating all types of accommodations into the tax system**, it can be ensured that the collection of tourism taxes is fair and transparent, thereby supporting sustainable tourism development and the equitable distribution of economic benefits across the industry. The revised tax system should be **based on actual**, rather than estimated, figures.

A practical step in collecting tourism taxes would be to develop a **platform for real-time registration of tourists**, based on their arrivals and overnight stays (Related to Initiatives 2.7 and 3.4). This platform would need to **interface with both the General Directorate of Taxation (GDT) and the Ministry of Tourism and Environment (MTE)**, among other entities.

A pivotal aspect of the reformed tax system should be establishing a **clear penalty regime** for any provider that fails to comply with the tourist tax collection requirements (Related to Initiative 2.8).

Key features

- Introduction of **new legislation mandating tourist tax compliance** with clearly specified liable parties. The new legislation on tourism taxation would clearly define tax obligations, stating that **all individuals staying in accommodation facilities** (such as hotels, apartments, camps, guesthouses, and marinas) within a municipality or town where they are not permanent residents **are obliged to pay tourism taxes**;
- Precisely **defining the tourism tax rate**. Besides the current **per-night tourist tax**, introducing a **yearly flat tax**, calculated based on the number of beds offered, is recommended for short-term rental operators and other accommodation types to incentivise registration and decrease costs of control/inspections;
- **Recognition of task force** for suppressing grey economy (Related to Initiative 2.8);
- **Defining the allocation method** of collected **tourism tax revenues**, which would specify the distribution of fees collected in a destination, primarily allocating them to the local DMO, followed by the regional level management organisation, and finally to ANTA and other beneficiaries. This allocation ensures the financial stability of the DMO system in Albania (Related to Initiatives 3.1, 3.2 and 3.3);
- Define potential other users of tourism tax revenues (for instance firefighters, mountain rescue, ambulance services, border police, or similar)
- Recognise the need for the creation of a **real-time tourism registration** platform (Related to Initiative 3.4);
- Outlining procedures for **oversight and enforcement mechanisms** in response to non-adherence to the regulations;
- Establishing a **clear penalty regime** for accommodation providers who fail to comply with tax collection requirements, including fines and potential legal action.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- General Directorate of Taxation
- Other governmental ministries (Ministry of Economy, Culture and Innovation; Ministry of Finance; Ministry of Agriculture and Rural Development; Ministry of Infrastructure and Energy etc.)
- Legal experts / Advisory firms

Implementation steps	Budget
1. As-is analysis & tourism taxation framework development	The estimated budget for this phase is EUR 250,000 , which covers the cost of hiring experts responsible for conducting a comprehensive analysis of the as-is situation and providing detailed and comprehensive content for the new law creation. The law is to be drafted by legal experts and the team of MTE (estimated additional internal cost of EUR 80,000).
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

2.5 ACCOMMODATION CLASSIFICATION IMPROVEMENT

Concept

To more effectively regulate the hospitality industry, it is crucial to introduce a **new comprehensive law on accommodation classification**. This legislation will **outline the minimum requirements for the development and equipment of various accommodation establishments**, encompassing **all service providers**. It aims to establish a **clear legal framework for classifying** different types of accommodations, including hotels, short-term rentals, campsites, and other non-traditional lodging options. **Each type of accommodation will be clearly defined in the law**, detailing essential conditions.

Moreover, there is an urgent need **to overhaul the current system used for categorizing accommodations**, which at present is primarily applied to hotels and suffers from incomplete implementation and in cases of short-term rentals non-implementation. The new legislation will explicitly state how each type of accommodation is to be categorized, setting forth **the minimum standards required for each category**.

In addition to the classification standards, the proposed legislation will also **establish safety and security requirements across all accommodation types**, ensuring a **consistent and high level of protection** for all guests. It will set forth **clear accessibility guidelines** to make **accommodations inclusive** for individuals with reduced mobility and disabilities. This comprehensive approach enhances guest safety and inclusivity and aligns with international best practices, elevating the overall quality and competitiveness of Albania's tourism offerings.

To maintain the integrity and trustworthiness of the system, **regular inspections** will be mandated to verify that accommodations continually meet their classification and category standards.

Key features

- Defining the **clear typology of accommodation capacities**, ranging from hotels and short-term rentals to campsites and other undistributed accommodation options;
- Elaborating a **detailed legal definition that specifies the essential conditions for each type of accommodation**. These conditions should cover aspects such as infrastructure, sanitation facilities, individual accommodation units, and standards for food and drink preparation and service;
- Defining the **potential types of facilities included within each classification/typology**, for instance, indicating that the short-term rental category encompasses rooms, apartments, holiday villas, and similar properties;
- Establishing **clear categories** (2-star, 3-star, 4-star, 5-star) **for every type of accommodation facility**;
- Defining **precise criteria for each category**, including the **minimum standards required** and focusing on aspects like decor, equipment, appliances, services, and similar. For utmost transparency, every accommodation establishment must undergo categorization based on **type-specific regulations**, ensuring adherence to the minimum technical standards of its category;
- Establishing clear **safety and security requirements**, as well as **clear accessibility guidelines**;
- Introducing **local and regional government bodies** to the updated method of category assignment for accommodations;
- Implementing consistent checks to ensure the accommodation services meet the standards of their assigned category, including **regular inspections**.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

<p>■ Legal experts / Advisory firms</p>	
Implementation steps	Budget
1. As-is analysis & accommodation classification framework development	<p>The projected budget for this phase is set at EUR 200,000. This amount will cover the expenses of engaging specialists to perform a thorough analysis of the current state and to formulate the conditions and content necessary for the classification and categorization of accommodation capacities. Additionally, the drafting of the law will be undertaken by legal experts in conjunction with the team from the Ministry of Tourism and Environment, with an anticipated additional cost of EUR 80,000.</p>
2. Adoption and introduction	<p>There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.</p>

2.6 DESTINATION MANAGEMENT LAW CREATION

Concept

In order to enhance the effectiveness of destination management and ensure **cohesive system-wide synergy**, especially at the regional and local levels, it is crucial to enact **new legislation governing destination management**. The destination management system is a basic prerequisite for the **coordinated and synergetic development** of tourism in a sustainable way.

The objective is to **alleviate the Ministry of Tourism and the Environment from its extensive responsibilities**, allowing it to refocus on its foundational tasks and thereby fostering a more equitable development of tourism.

The proposed Law on destination management is structured around three key components that delineate roles and responsibilities across different governance levels:

- **National Tourism Organization (NTO):** Tasked with national coordination, branding, international marketing, and strategic planning, ensuring Albania's tourism is cohesive and well-represented on a global scale; (Related to Initiative 3.1)
- **Regional Management Organizations (RMOs):** Responsible for formulating regional strategies and, to a certain extent, managing operational activities to promote regional tourism interests; (Related to Initiative 3.3)
- **Destination Management Organisation (DMOs):** Focused primarily on operational activities, aiming to enhance local tourism experiences and development (Related to Initiative 3.2).

Key features

- Outlining **the framework for the creation** of Destination Management Organizations (DMOs) and Regional Management Organisations (RMO) focusing on the legal procedure of creation, their members and management bodies, method of financing and area of management;
- Precisely **delineating the jurisdiction of each entity**, ensuring they are established not merely based on geographic or political boundaries but around coherent tourist regions which might extend beyond the confines of municipalities or counties;
- Establishing **the roles and responsibilities** across all levels of destination management;
- Establishing the **role, powers, duties, and term length of the DMO directors or heads**, ensuring a well-defined governance structure that supports effective destination management;
- Defining a **model of collaboration with other governmental bodies** (DMOs and local government authorities, RMOs and regional government authorities/municipalities, NTO and MTE);
- Establishing oversight mechanisms, i.e. **setting up regulatory bodies at each operational level** to monitor the DMOs' activities. The law must specify how frequently these oversight bodies convene and detail their authorities, which includes approving annual work plans, reviewing and endorsing reports on activity implementation, and confirming budgets for activities, among other responsibilities. The appointment of these oversight committee members should be for a defined term, with **clear legal guidelines on the election process**;
- Incorporating a principle where members of the oversight bodies are selected **based on their contribution to the tourist tax** within the operational area;
- Specifying the **allocation of tourism tax revenue across the three levels of organisation** to ensure sustainable financing.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:	
<ul style="list-style-type: none"> Legal experts / Advisory firms 	
Implementation steps	Budget
1. As-is analysis & destination management law creation	The budget allocated for this phase is EUR 230,000 , which encompasses the costs associated with engaging experts to carry out an exhaustive analysis of the existing conditions and to develop detailed content for the creation of the destination management law. The drafting of this law will be executed by legal experts, with the internal costs for the Ministry of Tourism and Environment estimated at EUR 50,000 .
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

2.7 TOURISM STATISTICS REFORM

Concept

The primary objective of the initiative is to equip Albania with **accurate and timely statistics** that offer a **comprehensive understanding of current trends within the tourism sector, tailored to the needs of various stakeholders**. For the **public sector**, this data is essential for effective policy-making, regulatory oversight, and strategic development management. The **private sector** relies on these statistics for making informed business decisions, planning, and competitive analysis, while the **civil sector** uses the data for academic research, educational purposes, and sustainability projects, as well as for crafting policy recommendations.

To achieve this, the initiative aims to introduce **legislation requiring all accommodation providers to register their properties and systematically report tourist arrivals and overnight stays through a sophisticated digital system**.

This system will require accommodation owners, including individual entities and business owners, to register their facilities and guests in a manner **that allows data to be collected locally, then aggregated regionally and centralized nationally** (Related to Initiative 3.4). This approach is designed to provide **real-time insights into tourist traffic** and accommodation capacities, aiding in the generation of statistical reports and marketing indicators.

Furthermore, to ensure effective sector monitoring, this data must be **legally consolidated and made accessible to key stakeholders** such as the Ministry of Tourism and the Environment, the General Directorate of Taxation, and the Ministry of Internal Affairs, along with INSTAT, the national statistical agency.

The framework **also includes regular performance evaluations of the tourism sector**, focusing on key performance indicators like Average Daily Rate (ADR), occupancy rates, Revenue per Available Room (RevPAR), and Total Revenue per Available Room (TrevPAR), to support sector oversight and fiscal compliance.

Key features

- Defining **the legislative framework and/or rulebook that would oblige all accommodation providers to register** their facilities for the **real-time tourism statistical system**, as well as tourist arrivals and overnights realized in it;
- **Outlining the precise process** for registering an accommodation facility, specifying requirements for both legal and natural persons;
- Detailing the **specific procedure for registering guests' arrivals and departures in real-time** (Related to Initiative 3.4);
- Establishing the legal framework for the **entity responsible for gathering statistical data**, and ensuring coverage at **local, regional, and national** levels in real-time;
- Legally mandating **the consolidation and accessibility of data for key stakeholders**. The Ministry of Tourism and the Environment should lead this initiative, acting as the main institution overseeing data management. This data should also be available to the General Directorate of Taxation, enabling them to accurately levy taxes on accommodation providers based on real-time information. (Related to Initiative 2.4). Additionally, seamless data exchange with the Ministry of Internal Affairs and INSTAT, the national statistical agency, is essential;
- Defining the approach, frequency, and scope of **regular market surveying** to evaluate performance.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support: <ul style="list-style-type: none"> ■ INSTAT ■ National Agency of ICT (AKSHI) ■ General Directorate of Taxation ■ Ministry of Finance ■ Ministry of Internal ■ Legal experts / Advisory firms 	
Implementation steps	Budget
1. As-is analysis & tourism statistics regulatory framework reform	The estimated budget for this phase is set at EUR 200,000 . This allocation will cover expenses related to engaging specialists who will perform a thorough review of the current state and develop the regulatory framework. It also includes costs for providing essential information on modifications to the legal structure. Additionally, the preparation of content detailing these changes is included. The drafting of the law itself will be handled by legal professionals and the MTE team, with an anticipated extra internal cost of EUR 40,000 .
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

2.8 TASK FORCE ON SUPPRESSING GREY ECONOMY IN TOURISM

Concept

With the introduction of a comprehensive legislative framework, encompassing a wide array of new regulations governing tourist activities, reforms in tourism taxation, development of new accommodation facilities, and the licensing and categorization of tourist services, it becomes imperative to **establish a dedicated oversight task force**. This task force will play a crucial role in **ensuring the consistent application and enforcement of these regulations**. It will be established through a **specific law or ordinance**, tasked with **ongoing monitoring, supervision, and reporting activities**, especially during the initial phase of implementation.

Important leverage would be reliance on **digital big data solutions**. Related to Initiative 3.7, MTE, as an extended arm of ANTA, will gain access to big data platforms, acquired from specialised data providers, enabling the task force team to analyse various aspects of tourism activity on a national, regional and local level, enabling inspectors to **approach very precisely non-formalised accommodation suppliers**. The digital task force team would be in charge of identifying/tagging all illegal and/or non-registered accommodation providers and direct inspectors in specific areas to execute the issuance of penalties. Specific focus should be put in the first phase on accommodation providers as there is a significant gap present. Following this, the task force can focus on other service providers by means of other instruments to identify offenders.

To facilitate thorough and continuous supervision, each member of this task force must oversee a team of inspectors or operatives. This approach aims to minimize violations of the legislation, **enhance transparency** and efficiency across the tourism sector, ensure uniform compliance for all involved stakeholders, and ultimately **reduce the grey economy**.

Key features

- Creating a **specialized cross-sectorial task force** through specific legislation or ordinance to oversee the implementation of new regulations related to tourism with **specific focus on accommodation providers**;
- Including representatives **from multiple agencies and ministries** such as the National Coast Agency, the Ministry of Tourism and the Environment, the Ministry of Culture, the General Directorate of Taxation, and the Ministry of Finance and Economy;
- Ongoing **monitoring, supervision, and reporting** on the consistent application and enforcement of the new tourism-related regulations, especially tourism accommodation taxation;
- Planning and coordinating **the enforcement of legal standards** within the tourism sector, including the imposition of **penalties** and **addressing instances of non-compliance**.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- General Directorate of Taxation
- Other governmental bodies (Ministry of Finance; Ministry of the Interior, Ministry of Economy, Culture and Innovation, etc.)
- National Coastal Agency
- Legal experts / Advisory firms

Implementation steps	Budget
1. Accessing state-level data on short-term rentals	The estimated budget for this step is EUR 15,000 annually , which covers the costs of accessing data on short-term rentals from external sources, ranging from state level down to individual properties.
2. Training and capacity building	The estimated budget for this activity is EUR 30,000 , allocated for hiring a specialized team to educate and train task-force employees on database usage and offender identification techniques.
3. Digital task-force department creation	The estimated cost for this activity is EUR 20,000 , which covers the hiring of external experts to develop a digital task force, including the departmental organisational chart and structure, systematisation, elaboration of job descriptions, and related elements.
4. Recruitment of task-force employees	There is no estimated budget for this step due to its reliance on employing 10 operational staff for ongoing monitoring, violator identification, field communication, and other tasks. The cost depends on several variables including the number and type of workplaces, salary coefficients, and other factors, all of which fall under the purview of the Ministry of Tourism and the Environment. Consequently, budget estimation is not feasible without these specified parameters

2.9 REGULATION OF TOURISM ACTIVITY

Concept	
<p>To ensure transparent tourism activity across the entire tourism value chain, establishing minimum service standards and defining the rights and responsibilities of both providers and consumers is essential. This legal framework should clearly categorize tourism services, identify eligible providers, and outline provider roles and responsibilities, including transparency in transactions, precise billing, and efficient complaint resolution mechanisms. This approach will help safeguard consumer interests and uphold service quality across the tourism industry.</p>	
Key features	
<ul style="list-style-type: none"> • Defining the scope of services provided in the tourism sector, including travel agency operations, tourist guide services, vehicle rental businesses (like car, bike, scooters, motorbike, boat, jetski and other rental services), and offerings related to active and adventure tourism, health and congress tourism, as well as nautical tourism services, among others; • Outlining service provision conditions (minimum requirements, venue requirements, oversight authorities, and licensing/qualification processes); • Detailing service providers' and visitors' rights and obligations to protect travellers and ensure fair service delivery. This includes contracts for package deals through travel agencies, recreational equipment rentals, and similar arrangements; • Setting the legal standards for digital tourism service provision. Given the increasing reliance on digital platforms, regulations must address online service obligations, setting minimum standards for virtual service provision; • Assigning monitoring and supervision responsibilities; • Implement regulatory inspections, specify responsible bodies, and outline procedures for handling violations; • Enforce penalties for non-compliance to maintain service quality and protect consumer interests. 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> ▪ Other governmental ministries (Ministry of Economy, Culture and Innovation; Ministry of Finance; Ministry of Agriculture and Rural Development; Ministry of Infrastructure and Energy etc.); ▪ National Coastal Agency ▪ Legal experts / Advisory firms 	
Implementation steps	Budget
1. As-is analysis & regulatory framework development	The estimated budget for this phase is EUR 150,000 , which covers the cost of hiring experts responsible for conducting a comprehensive analysis of the as-is situation and elaborating detailed content for the regulation of tourism activity.
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

2.10 REGULATION OF TOURISM ACTIVITY IN PROTECTED AREAS

Concept

A considerable amount of tourism activities in Albania take place within or adjacent to protected natural areas. It's essential to establish regulations governing these activities. These regulations are vital to uphold Albania's commitment to conserving its diverse natural heritage, while at the same time further developing its tourism offer. While these regulatory measures might **not constitute a standalone law**, they should be part of broader legislation designed to offer special protection to areas of ecological, cultural, historical, and economic significance.

Crucially, it is important to **systematically categorize and enumerate all protected areas**, aligning them with the categories recognized by the International Union for Conservation of Nature (IUCN). These categories range from **strict reserves** and **national parks** to **special reserves**, **nature parks**, **regional parks**, **natural monuments**, **park forests**, and **park architecture monuments**. Each category should be governed by **specific management levels and oversight mechanisms**, involving entities from local and regional authorities up to national ministries.

Most importantly, there should be defined rules for possible interventions in those areas, not preventing any interventions, but smartly **balancing between protection and sustainable development**. Particularly large areas, like national parks, should be properly regulated with defined areas in which visitor services can be provided, visitor infrastructure constructed, accommodation supply provided, etc. The major objective is to define a sustainable development framework, that would attract businesses to start operations in protected areas and provide opportunities for local communities to stay within protected areas and start entrepreneurial activities.

This approach ensures that tourism in Albania's protected natural areas is conducted in an environmentally sustainable and **legally compliant manner**.

Key features

- Systematically **categorizing and enumerating all protected areas**;
- Aligning the **categorization of protected areas with International Union for Conservation of Nature (IUCN)** standards;
- Establishing **regulations for tourism activities in protected areas**, focusing on a balance between **protection and sustainable development and local community empowerment**;
- **Integrating these regulations into broader laws** protecting ecological, cultural, and historical sites;
- Defining **management and oversight responsibilities** across local, regional, and national levels;
- Improving **tourist flow management**, and legally limiting over-development;
- Enhancing **urban planning and environmental regulations** by focusing on developing nature protection infrastructure to safeguard protected areas;
- **Detailing permissible tourist services**, provider qualifications, and service provision conditions in line with competitive legal frameworks globally;
- Identifying legal exemptions;
- Assigning **enforcement responsibilities**;
- Implement **regulatory inspections**, specify responsible bodies, and outline procedures for handling violations;
- **Enforce penalties for non-compliance** to maintain service quality and protect consumer interests.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support: <ul style="list-style-type: none"> Other governmental ministries (Ministry of Economy, Culture and Innovation; Ministry of Finance; Ministry of Agriculture and Rural Development; Ministry of Infrastructure and Energy etc.); Legal experts / Advisory firms 	
Implementation steps	Budget
1. As-is analysis & regulatory framework development	The estimated budget for this phase is EUR 200,000 . This amount covers the costs of hiring experts to conduct a comprehensive analysis of the current situation and provide detailed input for developing a new legislative framework. Legal experts will be responsible for drafting the law, with an additional internal cost of EUR 50,000 allocated to the competent ministry.
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

2.1 | PERMANENT SEASONAL EMPLOYMENT PROGRAM

Concept

In order to **improve workforce retention**, but also support seasonal workers and **ensure their financial stability throughout the year**, it is crucial to implement **a measure that offers continuous employment benefits and financial support during off-peak periods**.

A prerequisite for the successful implementation of this measure is the **establishment of a clear legislative framework that outlines the guidelines and regulations** under which the measure will be administered. This framework should **target seasonal workers** in the tourism industry, ensuring they receive **adequate compensation when not actively working**, and **incentivize employers to retain their workforce** for subsequent seasons. By adopting a similar approach to Croatia's "[Permanent Seasonal Worker Scheme](#)," Albania can **enhance job security for seasonal workers** and **maintain a steady supply of skilled labour for seasonal industries**.

Although the measure is primarily aimed at workers in the tourism and hospitality sector, there is potential to extend financial support to other seasonal workers during their off-periods. This extension would ensure a necessary workforce for employers across various industries that experience reduced workloads due to the seasonal nature of their business.

This approach will help sustain worker livelihoods and provide employers with a reliable workforce, thereby contributing to economic stability in sectors with seasonal fluctuations.

Key features

- **Clearly defining the target groups and beneficiaries** covered by this measure (both employees and employers);
 - Determining the **minimum period for which employees must be employed continuously** by the same employer to qualify for the measure (for example at least six months and at least one season);
 - **Identify the types of employers and economic activities eligible for subsidies**, such as businesses experiencing reduced work volume during off-peak seasons due to the seasonal nature of their operations;
- Setting the **maximum duration of the measure**, i.e. specifying how long the financial support will be provided (for example, up to six months after the end of the season);
- **Specifying the share of the cost for extended pension and health insurance** that will be covered by the government in place of employer for the duration of the measure;
- **Defining the amount of financial aid workers will receive**, calculated based on unemployment benefits, and the percentage of the average salary covered during the measure period;
- **Clearly define the obligations of beneficiaries**, such as ensuring the re-employment of permanent seasonal workers in the following season after the measure expires, and maintaining the number of employees as of the application submission date for a specified period.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- Ministry of Finance;
- Albanian tourism associations and business chamber;
- Legal experts / Advisory firms

Implementation steps	Budget
1. As-is analysis & regulatory framework development	The budget for this phase is estimated at EUR 15,000 . This amount will cover the costs of hiring experts to conduct a comprehensive analysis of the current situation and provide detailed recommendations for developing a new legislative framework for this measure. Legal experts will draft the regulatory document, incurring an additional internal cost of EUR 20,000 .
2. Adoption and introduction	There is no estimated budget for this step because implementing the law falls within the mandate of the Ministry of Tourism and the Environment.

3. Destination Management

3.1 STRENGTHENING ALBANIAN NATIONAL TOURISM AGENCY (ANTA)	
Concept	
<p>The Albanian National Tourism Agency (ANTA) should become the ultimate tourism management and marketing authority on the national level. To achieve this goal, ANTA must take the lead within a newly proposed Destination Management Organization (DMO) system (Related to Initiative 2.6), which aims at improving the overall destination management efficiency and effectiveness throughout Albania.</p> <p>This pivotal change requires ANTA to gain more financial and operational freedom from the Ministry of Tourism and Environment (MTE), but closely collaborate and align on overarching development goals of tourism defined and regulated by MTE. Such independence would allow ANTA to formulate and execute its plans and strategies to enhance tourism marketing, branding and destination management. These plans should serve the collective interests of all stakeholders involved in Albania's tourism sector.</p> <p>The push for a new legislative framework signifies a strategic move towards decentralization, with a focus on effective destination management rather than a top-down approach (Related to Initiative 2.6). Despite these changes, ANTA's core responsibilities would remain strategic coordination of the Albanian national tourism marketing and destination management systems.</p> <p>For ANTA to effectively steer in this changing environment, a significant increase in its budget and human resources is crucial. This financial boost will empower ANTA to broaden its responsibilities, ultimately becoming the leading authority in setting strategic directions for ongoing marketing efforts. Financial boost is envisaged to be self-sustainable, through tourism taxation system reform (Related to Initiative 2.4).</p> <p>To guarantee the transparency of ANTA's activities, continuous oversight from a legally established supervisory body is crucial. This body must have clearly defined roles, functions, and authority. Moreover, this supervisory entity should include key private sector and public sector tourism representatives, selected based on criteria and for durations specified by law.</p> <p>Also, while ANTA will enjoy increased autonomy under the new Destination Management Organization (DMO) framework, MTE is recommended to remain closely connected with ANTA through its position in the supervisory entity and possibly through the position of ANTA President.</p>	
Key features	
<ul style="list-style-type: none">Increasing ANTA's financial and strategic independence from the Ministry of Tourism and Environment by implementing a self-sustainable financing model based on the new taxation (Related to Initiative 2.4) to enable ANTA to function as a professional organization, capable of fulfilling all its responsibilities effectively;Expanding ANTA's roles and responsibilities, encompassing a broad range of activities aimed at enhancing and promoting Albania's tourism sector. These responsibilities include:<ul style="list-style-type: none">Developing, managing, and enhancing Albania's tourism brand to make it widely recognized;Creating and implementing comprehensive tourism marketing plans for promoting Albanian tourism both domestically and internationally. This includes a mix of online and offline promotional activities, organizing trade fair appearances, workshops, and special presentations, arranging study tours for journalists and travel organizers, and similar. The foundation and initial step of any marketing planning process involves the adoption of a strategic and operational marketing plan spanning several years. Based on the established guidelines and objectives outlined in this plan, annual marketing plans are developed, and both mid-term and long-term marketing budgets are allocated accordingly;Working closely with key partners, other national tourism organizations, and international associations to execute strategic marketing projects;	

<ul style="list-style-type: none"> ○ Coordinating the destination management system at regional and local levels by systematically providing support and organizing education, training, coaching, and similar activities. This approach aims to ensure maximum effectiveness, professionalism, and efficiency; ○ Coordinating and aligning marketing activities with regional tourism boards to ensure consistency in marketing planning; ○ Conducting tourism market research to inform and guide promotional activities; ○ Overseeing the tourist information and business intelligence systems at a national level, ensuring these systems are effectively integrated across all levels of the tourist management system; ○ Regularly reporting on the tourism sector's performance, including annual and seasonal achievements, through reports, infographics, and other publications. ● Positioning ANTA as the central authority in the new DMO system; ● Strengthening ANTA's capabilities; ● Developing and implementing independent working plans and strategies; ● Aligning ANTA's activities with the interests of all tourism stakeholders in Albania; ● Monitoring and evaluation of ANTA's performance. 	
Entity responsible for the implementation	
Lead: <ul style="list-style-type: none"> ■ Albanian National Tourism Agency Support: <ul style="list-style-type: none"> ■ Ministry of Tourism and Environment ■ International experts / Advisory firms 	
Implementation steps	Budget
1. Development of strategic and operational tourism marketing plan	The estimated budget for the creation of a strategic and operational marketing plan is EUR 360,000 . The amount includes the expenses for international experts/advisory firms in charge of developing the marketing plan encompassing in-depth tourism market analysis, development of strategic marketing plans and the creation of operational marketing strategies.
2. Restructuring and reorganisation of ANTA to accommodate new functions	The estimated budget for the restructuring and reorganization of ANTA is EUR 120,000 . This budget covers the engagement of international experts and advisory firms tasked with identifying challenges and areas for improvement, designing new structures, developing departmental and job descriptions, and creating the overall restructuring plan.
3. ANTA technical support and capacity building	The estimated budget for capacity building of ANTA's staff is EUR 120,000 yearly with the recommendation of 3 years of engagement, which includes expenses for international experts conducting training sessions, workshops, and presentations.

3.2 DESTINATION MANAGEMENT ORGANISATIONS (DMOs) INTRODUCTION

Concept

In the new DMO system, Destination Management Organizations (DMOs) must have **clearly defined responsibilities and authorities**. As the **highest operational bodies in the new destination management system**, DMOs play essential roles encompassing various functions.

These include **focusing on destination management and product development**, either independently or in collaboration with private and public sector stakeholders. They also **coordinate and organize the calendar of events** at the destination level, and work closely with neighboring destinations, Regional Management Organizations (RMOs), and ANTA.

Additionally, DMOs are responsible for **strategic and operational planning, marketing and branding**, and **conducting visitor satisfaction surveys**. Local DMOs must **align their activities** with the strategic marketing guidelines and **directives set by both regional and national tourism organizations** to ensure a unified and effective approach to destination marketing at all levels.

It is important to emphasise again that in the new system, DMOs are **primarily operational bodies** with **fewer strategic functions** compared to regional and national organisations.

Securing **stable financing sources** is also crucial, especially in light of proposed reforms in the destination management law, which foresee the allocation of income derived from tourism taxes within the areas managed by the DMOs (Related to Initiative 2.4 and 2.6).

Finally, DMOs must establish **oversight bodies** to evaluate the effectiveness of their activities and initiatives. These bodies should include key stakeholders from the destination's tourism sector, chosen based on legally defined criteria (related to Initiative 2.6), to ensure that the oversight is comprehensive, well-informed, and aligned with the destination's tourism goals.

Key features

- **Establishing and registering local-level tourism management organisations** according to legally prescribed criteria;
- Defining the **structure of DMOs**, including the main prescribed roles and responsibilities. As the most operational entity in the new DMO system, local destination management organisations must primarily focus on:
 - **Tourism product development:** DMOs should lead the creation of tourism products by integrating various elements of the destination's offerings into attractive products and experiences. This involves organizing events and other attractions that appeal to both individual visitors and groups, **working closely with both public and private sector stakeholders** within the destination.
 - **Destination management:** DMO should be in charge of coordinating tourism activities on the local level, collaborating with private and public sector stakeholders, managing visitor services, and ensuring sustainable tourism practices, among other activities.
 - **Coordination with RMOs:** DMOs must work in tandem with the regional tourism organisations to execute operational marketing and development activities effectively. This includes the coordination of efforts at the local level that meet established standards and promote the destination's unique attributes.
 - **Collection of detailed data on tourism traffic** from stakeholders in the destination (number of accommodation establishments, number of tourism arrivals and overnights etc).
 - **Quality information distribution:** In collaboration with local public and private sectors, DMOs are responsible for creating and disseminating high-quality informational materials about the destination.

This ensures that accurate and appealing information about the destination's offerings is readily available.

- Although **DMOs are more focused on operational activities** such as product development and destination management at the local level, they should still **assume some strategic functions**. The extent to which they do so depends on the level of development of the individual destination. Specifically, DMOs that exceed a defined threshold in tourist traffic (arrivals and overnight stays) can and should perform the following functions:
 - **Strategic and operational planning:** These organizations are tasked with both the strategic and operational planning of tourism at the local level. They play a crucial role in formulating strategic and development plans for tourism growth within the destination they manage.
 - **Marketing and branding activities:** The responsibility of implementing strategic and operational marketing initiatives at the local level falls upon the DMOs. This encompasses the branding of the destination, both online and offline marketing efforts, managing websites and social media profiles, attending fairs, organizing study trips and presentations, and engaging in partnerships and sponsorships, among others.
 - **Educational Initiatives:** Focusing on education and enhancing the skills of employees and stakeholders in the tourism sector within the destination area
 - **Conduction of visitor satisfaction surveys on destination level.**
- Defining the **oversight bodies and appointing their members;**
- **Creating annual working plans** in collaboration with the destination's stakeholders and in alignment with RMO's and NTO's strategic directions;
- **Collecting tourism statistical data** on the destination's level;
- **Continuous reporting** on activities to ensure transparency and effective use of resources.

Entity responsible for the implementation

Lead:

- Local government bodies

Support:

- Albanian National Tourism Organisation
- Ministry of Tourism and Environment
- International experts / Advisory firms

Implementation steps	Budget
1. Albania DMO toolkit / handbook	The estimated budget for this activity is EUR 80,000 , which includes the engagement of international experts or advisory firms to create a comprehensive handbook on destination management, covering key responsibilities and tasks, methods of operation, optimal organizational structure, budgeting process, and similar.
2. National DMO pilot implementation in selected destination	The approximate budget for this activity is EUR 120,000 per destination per year , which includes the creation of a comprehensive plan for launching DMOs in selected destinations and support in the first year of operations focusing on coaching and training regarding key needs and functions of newly-launched DMOs. The task should be executed in close

	cooperation with ANTA and MTE by selected destination management advisors.
3. Fine-tuning of the legislation framework (Related to Initiative 2.6)	There is no estimated budget for this measure, as the fine-tuning of the legislation framework falls under the primary mandate of the Ministry of Tourism and Environment.
4. National DMO roll-out	This implementation step implies the following costs: space rent and equipment, staff recruitment, other operating costs, salaries, budgets and the like. These costs depend on the previous implementation steps and structure definition, which can largely vary subject to the number of employees, budget allocated to DMO, salaries etc. Therefore, at this point, it is impossible to estimate the budget.

3.3 REGIONAL MANAGEMENT ORGANISATIONS (RMOs) INTRODUCTION

Concept

Regional management organizations (RMOs) are set up to **manage tourism activity in clusters** defined by this strategy. Unlike local-level DMOs, these regional entities play a **more strategic rather than operational role**. At the same time, RMOs must ensure that all their activities are **consistent with the strategic marketing principles and directives issued by ANTA**.

It should be emphasized that RMOs serve as **regional coordinators for local DMOs**. In addition to their strategic activities, RMOs are responsible for **coordinating key regional initiatives** for product development, which may involve multiple destinations or DMOs, as well as **multi-regional projects aimed at developing tourism products and infrastructure**.

Similar to local Destination Marketing Organizations (DMOs) and National Tourism Organizations (NTOs), Regional Marketing Organizations (RMOs) should be **overseen by a supervisory body**. This body should be elected for a **term specified by law** and it should consist of members representing the tourism sector of that particular cluster. These members should be selected based on criteria outlined in the Destination Management Law (Related to Initiative 2.6).

Key features

- Establishing and registering **cluster-level tourism management** organisations according to legally prescribed criteria;
- Defining the **structure of RMOs**, including the main prescribed roles and responsibilities which encompass:
 - **Strategic tourism planning:** They are tasked with formulating strategic plans for the development of tourism within their respective clusters. This involves creating key documents and plans in collaboration with important stakeholders within the tourism sector of the cluster.
 - **Strategic marketing planning:** Developing a marketing strategy for their cluster that aligns with the national strategic marketing plan for tourism set by the Albanian National Tourism Agency (ANTA).
 - **Legislation and planning involvement:** Engaging in legislative processes, spatial planning, and other regulatory and management activities at the cluster level to promote competitive and sustainable tourism development.
 - **Collaboration with stakeholders and other tourism industry key players:** Working alongside key partners, other RMOs, and DMOs at all levels to enhance the tourism offerings within and between clusters.
 - **Coordination of local DMOs:** Coordinating the activities of local DMOs within their cluster to ensure coherent destination management.
 - **Data collection:** Gathering comprehensive tourism statistics from the cluster area through local DMOs.
 - **Marketing and branding:** Executing strategic and operational marketing initiatives for the cluster, including branding, digital and offline marketing efforts, managing online presence, organizing fairs, study trips, presentations, and establishing partnerships and sponsorships.
- Defining the **oversight bodies and appointing their members**;
- **Creating annual working plans** in collaboration with the destination's stakeholders and in alignment with NTO's strategic directions;
- **Collecting tourism statistical data** on the cluster's level;
- **Continuous reporting** on activities to ensure transparency and effective use of resources.

Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> Regional government bodies / municipalities <p>Support:</p> <ul style="list-style-type: none"> Albanian National Tourism Organisation Ministry of Tourism and Environment International experts / Advisory firms 	
Implementation steps	Budget
1. Albania RMO toolkit / handbook	The estimated budget for this activity is EUR 60,000 , which includes the engagement of international experts or advisory firms to create a comprehensive handbook on destination management, covering key responsibilities and tasks, methods of operation, optimal organizational structure, budgeting process, and similar.
2. National RMO pilot implementation in selected cluster	The approximate budget for this activity is EUR 100,000 per region per year, which includes the creation of a comprehensive plan for launching RMOs in selected destinations and support in the first year of operations focusing on coaching and training regarding key needs and functions of newly-launched RMOs. The task should be executed in close cooperation with ANTA and MTE by selected destination management advisors.
3. Fine-tuning of the legislation framework (Related to Initiative 2.6)	There is no estimated budget for this measure, as the fine-tuning of the legislation framework falls under the primary mandate of the Ministry of Tourism and Environment.
4. National RMO roll-out	This implementation step implies the following costs: space rent and equipment, staff recruitment, other operating costs, salaries, budgets and the like. These costs depend on the previous implementation steps and structure definition, which can largely vary subject to the number of employees, budget allocated to RMO, salaries etc. Therefore, at this point, it is impossible to estimate the budget.

3.4 TOURISM MANAGEMENT INFORMATION SYSTEM CREATION

Concept

To **enhance the monitoring and analysis of tourism traffic and accommodation capacities in real-time**, the Albanian tourism sector needs to adopt an **online tourism management information system**. This platform should be designed to provide **immediate access to statistical data** and reports on tourism activities, facilitating **on-the-spot tracking, based on the real-time tourist registration function**. At its core, this system aims to supply users, particularly those offering accommodation within Albania's tourism industry, with a **sophisticated but easy system for data entry**.

Implementing such a system will **transform the collection of statistical data** within the tourism industry by **simplifying procedures** and **improving data accuracy**. Owners will input data directly into the system, which will then be regularly checked for inconsistencies to guarantee the reliability and quality of information (Related to Initiative 2.7).

Furthermore, this tourism management system is designed to significantly enhance the transparency and oversight of financial transactions, thus improving and potentially even **automating tourism tax revenue** collection improving its efficiency and time responsiveness. It ensures that **financial obligations and payments are visible to all relevant authorities** across different levels, including local and national management bodies and the Ministry of Finance (Related to Initiative 2.4). This transparency helps prevent the coverup or delay of payments, as all stakeholders would have access to uniform and detailed reports.

The importance of implementation of this system is essential toward providing foundations **to fight tax evasion** and frauds, the grey economy while at the same time offering unparalleled insights into tourism sector dynamics and real-time transparency into key metrics for the private sector, investors, policymakers, regulators, inspections and other interested stakeholders.

Key features

- Developing an online tourism management information system for Albania in the form of a **digital platform** enabling the real-time registration of **guest arrivals and departures at accommodation facilities**;
- Catering to both short-term rental providers and large hotel chain operators with **equal access**. Accommodation providers would have access to an intuitive web or API interface for guest registration, streamlining and automating the management of guest records and the calculation of fees;
- Enabling the system to **automatically generate statistical reports** for various institutions, including INSTAT, the Ministry of Tourism and Environment, and the Ministry of the Interior, serving purposes like security, development, planning, analysis, evaluation, and oversight;
- Ensuring **data reliability** through regular checks for inconsistencies, with access control implemented based on user roles and data sensitivity, ensuring that personal information is treated with the utmost confidentiality
- Implementing **access control** based on user roles and **data sensitivity** for data protection;
- **Enhancing transparency** and oversight of financial transactions within the tourism sector;
- **Improving tourism tax revenue collection** efficiency and preventing payment delays.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- National Agency for ICT (AKSHI)
- Web developers / technology partners
- International Finance Institutions (IFIs)

Implementation steps	Budget
1. Preparations for platform development	The estimated cost for this phase is EUR 100,000 . This includes the engagement of external experts who, in collaboration with technological partners, will define all the necessary features and capabilities of the platform. They will also establish the framework for its development. This phase is crucial, as the success of the platform's development is highly dependent on thorough and effective preparation
2. Development of the online platform	The estimated budget for this activity is EUR 500,000 , which includes hiring international experts, and technology companies, which would be in charge of creating programming and online platforms. These experts would, among other things, be in charge of defining the design and infrastructure, front-end and back-end development and all other platform components. On top of that, there is an additional cost of EUR 100,000 cost for hardware expenses.
3. Maintenance and quality assurance	The estimated budget for maintaining the system is EUR 210,000 for the three-year period. This includes the expenses for technology partners in charge of the deployment process, monitoring performance and scalability, implementing security measures and similar.
4. Training sessions for all system users	The estimated budget for the implementation step is EUR 60,000 , including the costs for advisory firms & international experts who would create and hold the training sessions, workshops and presentations.

3.5 TOURISM THINK-TANK GROUPS ESTABLISHMENT

Concept

The primary objective of establishing tourism think tank groups is to **foster innovation and development within Albania's tourism sector** by harnessing **the creative and advisory potential of industry professionals**, organized around specific tourism products or related activities. Functioning **independently of institutional or business affiliations**, they will provide a platform for sharing innovative ideas, concepts, and trends.

Participation in the TTT groups will be **voluntary but by invitation from the Ministry of Tourism and Environment (MTE)**, which will lead these groups. The MTE will invite participants to brainstorm various developmental, strategic, and operational aspects of tourism. This **honorary role** will serve as a platform to **better connect the public and private sectors**, as well as those indirectly involved in tourism, such as in culture design, sports, and similar.

Initially, the Tourism Think Tank will be a large think tank group, which will later **evolve into smaller, specialized, and thematic think tanks**. By assembling experts from diverse fields, the TTT groups will offer **impartial consultation and advice**, benefiting professionals, businesses, and institutions within the tourism sector, as well as the broader social sector.

Key features

- Establishing a Tourism Think-Thank group by inviting **professionals from diverse aspects of tourism**, such as cultural & history experts, hoteliers, MICE experts, tourism services providers, airlines, DMC representatives and similar;
- Inviting participants **on a voluntary basis**, led by the Ministry of Tourism and Environment (MTE), to ensure a broad representation of expertise and perspectives;
- **Facilitate sessions and workshops** for participants to share innovative ideas, concepts, and trends, focusing on developmental, strategic, and operational aspects of tourism;
- **Developing clear communication and collaboration channels** among the TTT group and relevant parties, such as focus groups, workshops, presentations and meetings;
- Using the TTT platform to **better connect public and private sector entities**, along with those indirectly involved in tourism, thus promoting holistic and inclusive tourism development;
- **Gathering and disseminating actionable insights and recommendations** to professionals, companies, and institutions within the tourism sector, fostering a unified and effective approach to tourism development and innovation.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- Albanian National Tourism Agency

Implementation steps

Budget

1. Definition TTT groups

2. Engagement of experts

3. Organization of an inaugural workshop

There is no estimated budget for this initiative, as it will be incorporated into the regular activities of the Ministry of Tourism and Environment (MTE) within the scope of industry engagement efforts. Participation in the Tourism Think Tank (TTT) will be an honorary function, with no associated fees or charges.

3.6 INTRODUCTION OF AIR ACCESSIBILITY IMPROVEMENT PROGRAM

Concept

The first step in this initiative involves **assigning a dedicated team of experts** tasked with **developing and implementing a network development strategy** aligned with the national strategic marketing plan.

In most cases, network development efforts are organised individually by respective airports, while tourism ministries usually do not engage as this is out of their direct impact, which is a tremendous lack of efficiency and tourism development potential of the county. **Attracting “right passengers” should become a priority** over “any passengers”. Airports dominantly focus on maximising the “passenger numbers”, while the ministries of tourism and national tourism organisations in this aspect should aim to maximise “passenger value”. Through this initiative, the Ministry of Tourism and Environment (MTE) and ANTA will lead by example, demonstrating **best-in-class practices to optimise tourism marketing expenditures**. They will **proactively approach the strategic development of connectivity** with **prioritized tourism source markets**, thereby enabling a **more streamlined and financially efficient model** for supporting tourism marketing.

Network development strategy should be developed **following approval of the tourism strategic marketing plan**, and should be regularly updated reflecting changes in strategic marketing goals and objectives.

The team in charge of creating a network development strategy will **conduct market analyses** and **create tailored business cases** for each targeted airline, emphasizing the benefits of operating in Albania. These benefits will include insights into market demand, competitive advantages, and strategic support mechanisms available to airline partners.

A crucial component of the program is offering **clearly defined and well-communicated incentives to airlines**, such as financial incentives, operational support, risk-sharing models, and marketing assistance, to foster mutually beneficial partnerships. Tourism budgets for destination marketing can and should effectively be deployed towards network development efforts, ensuring long-term alignment between marketing strategy and guest acquisition efforts.

Key features

- Assigning a **dedicated team of experts** to develop a **network development strategy**, encompassing:
 - **Assessment & prioritization of potential origin markets** based on strategic alignment and feasibility;
 - **Creation of tailored business cases for each target airline**, highlighting the benefits of operating in Albania, such as market demand insights, competitive advantages, and strategic support mechanisms;
 - **Defining and communicating incentives and benefits** for airlines to establish new routes to Albania. This includes detailing financial incentives, operational support, and marketing assistance to foster a profitable partnership;
- **Creation of a model** to measure the impact of network development initiatives. This step is of crucial importance for several reasons. First, it provides a **quantitative framework** to **evaluate the effectiveness of strategic decisions**, ensuring that **resources are optimally allocated** and generating the highest possible return on investment. By systematically assessing performance, the Ministry of Tourism and Environment (MTE) and ANTA can identify successful practices and areas requiring improvement, thereby refining their approach over time. Additionally, such a model enables transparent reporting and accountability, which is essential for securing continued funding and support from stakeholders;
- **Developing a financial model and financial instruments** to support network development activities, aligning with the strategy and defined network development models. This model allows for precise

<p>budgeting and financial planning, reducing the risk of overspending or resource misallocation. Furthermore, a clear financial model helps in attracting and negotiating with airlines by demonstrating the availability of financial support and incentives, thereby enhancing Albania's competitiveness as a destination. It also provides a mechanism to evaluate the financial viability and potential return of each network development activity, ensuring that investments are targeted towards the most promising opportunities.</p>	
<p>Entity responsible for the implementation</p>	
<p>Lead:</p> <ul style="list-style-type: none"> Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> Albanian National Tourism Agency (ANTA) International experts / Advisory firms 	
Implementation steps	Budget
1. Creation of network development strategy	The estimated budget for this activity is EUR 300,000 . This budget includes identifying and proposing key destinations, developing a support network model for airlines, and creating financial and other related models. External experts will be engaged to develop this strategy, and this budget covers their professional fees.
2. Development of an impact measurement model	The estimated value of this activity is EUR 150,000 , which includes engaging external experts responsible for creating a model to measure the success and impact of implemented development measures.
3. Formation of a financial model to support network development activities	There is no estimated budget for this step, given that it is an operational activity based on strategic recommendations.

3.7 MARKET INTELLIGENCE & RESEARCH

Concept

In order to **optimize adaptation to market trends** and **enhance operational efficiency**, Albania's tourism sector needs to implement **structured processes for market research** along with the utilization of **statistical and analytical tools** for data processing and interpretation.

The research focus should include, among others, the following areas: **visitor surveys, non-visitor surveys, brand surveys** in priority source markets, **hotel market performance surveys**, short-term rental market performance research, visitor segmentation and profiling, and expenditure surveys.

This strategic approach would enable the tourism sector to **make well-informed and impactful decisions**, particularly in areas of sustainable development and marketing. Such research and intelligence should cater to various user types, such as:

- Private sector stakeholders;
- Public sector stakeholders;
- Albanian education system and researchers;
- Civil sector;
- Associations.

Key features

- **Forming an internal dedicated team** to conduct and manage **ongoing market research and analysis**. This team would be tasked with conducting detailed market research and analysis, directly or through contracting research. Its responsibilities would include not only gathering and analysing data but also **packaging and disseminating insights** in a way that meets both internal (ANTA, MTE) and external needs (tourism sector stakeholders, associations, civil sector, academia and researchers). This structure ensures that decisions across the tourism sector are based on solid, timely data. This team will also be responsible for **managing procurement processes**, acquiring research materials, enhancing access to big data platforms, and performing other essential market intelligence functions;
- Creation of a **market intelligence system**. Building on the foundation of ongoing research and analysis, it is crucial to develop a comprehensive market intelligence database. This database should capture detailed insights on market trends, consumer preferences, and shifts within the tourism industry, among other key metrics. Such a system would serve as the backbone for strategic planning, helping to refine marketing efforts and development initiatives by providing a robust base of evidence for decision-making. This system needs to be developed in cooperation with external experts/technology partners ;
- Implementing **tools for advanced data processing** and interpretation, such as Python; Power BI, Tableau and similar;
- Gaining access to **big-data platforms**. The Albanian tourism sector should secure access to top-tier digital data platforms offering valuable insights specifically tailored for tourism. Data from big data platforms will be utilized for **multiple purposes**. Primarily, it will support market research and trend analysis, and contribute to the market intelligence database. Additionally, this data will be provided to the Ministry of Tourism and the Environment. As mentioned in Initiative 2.8, it will also be specifically employed to combat the grey economy in tourism;
- **Creation of a dissemination model for market insights**. It is vital to establish a clear and efficient model for disseminating the insights gathered from market research. This involves defining who the stakeholders are, how and when the information will be communicated, and ensuring the method of dissemination is aligned with the stakeholders' needs. This step is critical to ensure that all parties involved in the tourism sector, from government agencies to private businesses, are well-informed and can make decisions that are timely and responsive to market dynamics;

<ul style="list-style-type: none"> • Using insights from market research to guide efforts in sustainable tourism development and targeted marketing activities. 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Albanian National Tourism Agency <p>Support:</p> <ul style="list-style-type: none"> ▪ National Agency for ICT (AKSHI) ▪ Ministry of Tourism and Environment ▪ International experts / Technology partners 	
Implementation steps	Budget
1. Creation of an internal market intelligence team	There is no estimated budget for this measure because it depends on the agreed number of team members, their salaries, coefficients, and similar factors, which will be determined by the responsible body (ANTA) overseeing the implementation of the activity.
2. Creation of a market intelligence dashboard	The estimated budget for this measure is EUR 100,000 , including the expenses for technology partners and/or advisor firms in charge of infrastructure setup, database development and integration, data analytics and visualisation, maintenance and support.
3. Implementation of advanced data processing tools & gaining access to big-data platforms (Related to 2.8)	The estimated budget for the measure is EUR 200,000 yearly . This includes acquiring a license for programming languages that would be able to perform data scraping, analysis and reporting. Also, this implementation step includes the acquisition of licenses for big-data platforms that aggregate and process various data sources.

4. Tourism Product Development

4.1 STRENGTHENING & EMPOWERING DMCS
Concept
<p>Destination Management Companies (DMCs) are essential for developing high-value tourism products and experiences. To support their growth, the formation of a national-level DMC Incubator and Accelerator program is proposed.</p> <p>The Incubator supports the development of new DMCs, offering strategic, financial, and operational support to help them access the market and successfully launch their business idea.</p> <p>The Accelerator is aimed at already established DMCs, focusing on supporting them in developing new product lines, launching new products, improving commercial performances, buying new equipment, improving marketing, their online presence or any other operational and strategic aspect of their business.</p> <p>The main support measures to employ within the Incubator & Accelerator programs are:</p> <ul style="list-style-type: none"> • Financial – grants, product development incentives, tax reliefs/subsidies, office rent subsidy, interest rate subsidy, marketing co-financing; • Administrative & legal – setting up advisory, licenses, visas, employment advisory, administrative and legal compliance, insurance etc. • Know how – professional training, SOPs, culture, history, art, suppliers etc. • Destination marketing and sales – marketplace, marketing collaterals & design, foreign market representation, co-marketing, trade shows & exhibitions etc. <p>Supporting DMCs will instantly generate positive impacts related to tourism products and experiences diversification and sophistication. DMCs are instrumental in creating shoulder season tourism offers, and dispersing tourism flows and should be strongly and systematically supported to create a strong and innovative national tourism product portfolio.</p> <p>DMC Incubator and Accelerator are means of effective support to fostering entrepreneurial activities within micro, small, and medium enterprises, as well as in less developed and less urbanised parts of the country (Related to Initiatives 1.4 and 2.3).</p> <p>Additionally, the program includes strategic support through educational and operational workshops and training to keep DMCs updated with the latest market trends and practices, operational business advisory and coaching, ensuring their operations are efficient and market-responsive.</p>
Key features
<ul style="list-style-type: none"> • Comprehensive assessment of Albania's DMC landscape, aiming to understand the overall state of the market & DMC businesses; • Setting up and launching a DMC Incubator program. The program is designed for newly established DMCs, providing them with strategic, financial, or operational support to better access key target segments and penetrate major source markets; • Setting up and launching the DMC Accelerator program. The program focuses on existing DMCs that are already specialized in their destinations and products. The objective here is to support the development of new product lines and assist in the commercialization of these new products & experiences; • Implementing an incentive program offering financial, administrative, operational and strategic support for the creation of new initiatives, which are aligned with strategic tourism development goals; • Providing regular coaching and support to participating Destination Management Companies (DMCs) for activities such as the development and revision of business plans, creation of marketing strategies,

<p>and product development and similar. This includes offering comprehensive coaching and know-how to help new DMCs get started and to assist established DMCs in advancing operations.</p> <ul style="list-style-type: none"> • Clearly defining support models, terms and conditions, eligibility, and utilization, particularly supporting entrepreneurial activities in micro, small, and medium enterprises (Related to Initiatives 1.4 and 2.3); 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> ▪ Albanian National Tourism Agency ▪ Financial institutions (national banks, development banks, IFIs) ▪ International experts / Advisory firms 	
Implementation steps	Budget
1. Creation of DMC support strategy DMC and destination audit	The estimated budget for developing the DMC support strategy is EUR 230,000 . This budget covers the engagement of international experts and consulting firms to perform a comprehensive audit of the destination and DMC market, along with an assessment of the MSME business climate. The analysis will evaluate attractions, assets, attributes, and the current DMC market. Additionally, the strategy will involve developing the DMC support program, incorporating various support schemes and measures such as accelerators, incubators, educational programs, and financing schemes. It will also define eligibility criteria for participation and include the creation of a national DMC handbook.
2. DMC incubation and acceleration roll-out	There is no allocated budget for this grant allocation, as it depends on the funds raised for its implementation by the Ministry of Tourism and Environmental Protection. However, there is an annual cost of EUR 100,000 yearly for hiring international experts to assist with the program's implementation. These experts will support MTE by evaluating applicants, providing operational assistance, creating annual reports, and updating the DMC handbook with new insights and experiences (if applicable).
3. DMC Forum organisation	The estimated annual budget for this activity is EUR 40,000 yearly . This budget includes organizing at least one event each year dedicated to destination management companies (DMC) and destination management organizations (DMO), facilitated by ANTA.

4.2 ALBANIA VALUE DESIGN	
Concept	
<p>Value design involves the proactive, continuous development of complex, high-value tourism products and experiences, utilising the destination's resources effectively. A key focus of value design is on integrating existing resources to create new tourism products, experiences, events, and programs. This approach also involves enhancing existing and well-known tourist attractions by developing additional experiences around them, without requiring significant investment in new infrastructure. Instead, it emphasizes collaboration between private and public sector stakeholders at the national, regional, and local levels, concentrating on soft product development.</p> <p>Albania, with its rich but underutilized resources, stands to benefit significantly from creating new, attractive experiences that align with current tourist trends and traveller preferences.</p> <p>These experiences should be designed to reflect the latest market trends and cater to the varied interests of travellers, considering inclusivity and sustainability principles. This will not only improve tourist satisfaction and extend their stays but also boost the destination's market presence through innovative and distinctive offerings.</p> <p>Central to this approach is the formation of a dedicated value design team, comprising experts in various fields. This team will not only design and execute innovative activities but also continuously adapt to market trends to authentically showcase Albania's unique attractions.</p> <p>Furthermore, the establishment of the "Signature Experiences of Albania" program will recognise and promote exceptional tourism experiences, presenting a curated collection of distinctive travel experiences that highlight the best of what Albania has to offer.</p>	
Key features	
<ul style="list-style-type: none"> Forming a specialised team responsible for the continuous development of competitive and sustainable tourism experiences. This team should comprise individuals with expertise in various fields such as culture, outdoor activities, and gastronomy, ensuring a holistic approach to fulfilling diverse tourism needs; Ensuring the team is knowledgeable about existing offerings and stays updated with global tourism trends to design authentic experiences; Designing new tourism experiences that align with current market trends and travellers' preferences. This includes creating tailored self-guided itineraries, designing particular programs and events at the destination, and/or establishing a system for evaluating and rewarding innovative and unique experiences (Related to Initiative 4.1); Facilitating ongoing collaboration with stakeholders to support the effective implementation of these experiences, leveraging a public-private management model; Introducing an annual 'Signature Experiences of Albania' program to recognise service providers who create unique, value-driven tourist packages. This program could be implemented through an annual invitational tender, where independent private entries are submitted based on clearly defined application and selection criteria, structured to align with the strategic goals of tourism development in Albania. The signature experiences collection should represent a collection of authentic, niche experiences branded under a common label; Creation, promotion and branding of the "Signature Experiences of Albania" collection. 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> Albanian National Tourism Agency <p>Support:</p>	

<ul style="list-style-type: none"> Ministry of Tourism and Environment International Experts / Advisory firms 	
Implementation steps	Budget
1. Specialized team establishment	The budget for this step cannot be estimated at this stage, as it depends on factors such as the number of people to be hired, agreed-upon salaries, and coefficients, all of which will be determined by the lead entity.
2. Creation of value design strategic and operational plan	The estimated budget for developing a value design strategic and operational plan is EUR 150,000 . This includes costs for engaging international experts and/or advisory firms. The selected expert will be responsible for comprehensive market research, conducting a resource audit, developing the value design framework, formulating strategies, setting goals and KPIs, and creating the operational plan with allocated budgets for implementation. Additionally, this plan will involve identifying key experience groups and developing initial proposals for typical experiences to guide value design activities.
3. 'Signature Experiences of Albania' launch	The estimated budget for the implementation step is EUR 40,000 , including the costs for international expert engagement. The experts would be in charge of defining application and selection criteria, and prescribing methods of evaluation, implementation and monitoring of compliance with prescribed criteria.

4.3 YEAR-ROUND TOURISM PRODUCTS DEVELOPMENT

Concept

Year-round product development focuses on creating tourism products that can be enjoyed throughout the year. The approach to developing year-round tourism products consists of two main components:

- **Soft-product development**, i.e. creating new experiences based on principles of value design;
- **Hard-product development**, i.e. tourism product infrastructure.

To promote year-round tourism, it is crucial to establish **comprehensive strategic plans**. These plans aim to develop destination products, **addressing gaps in both hard and soft products** and **market-ready experiences**. A clear **implementation plan** for product development activities is essential.

The foundation for a successful year-round tourist product lies in **strategic infrastructure investments**. As mentioned in previous measures (1.7 and 1.8), these investments are essential for increasing tourism diversity and quality across all seasons, particularly in underdeveloped regions.

Strategic plans should also prioritise **soft-product development initiatives** such as themed tours, unique events, and immersive experiences (Related to Initiative 4.2). These initiatives aim to make tourist offerings more attractive and distinctive while integrating popular destinations with surrounding areas.

Effective implementation requires the **involvement of various stakeholders**, such as accommodation and food service providers, to ensure local community support.

Additionally, establishing **clear, measurable success indicators** is essential for monitoring progress and making necessary adjustments. This ensures the strategic plan aligns with long-term sustainability and enhances the market position of the tourist product.

It should be noted that this step is strongly connected with Initiatives 1.7 and 1.8, and as such **must precede the mentioned initiatives**. This means that before we can effectively implement Initiatives 1.7 and 1.8, we need to lay the groundwork through comprehensive strategic plans for year-round tourism product development. By doing so, we ensure that the conditions are optimal for the success of Initiatives 1.7 and 1.7, thereby creating a more cohesive and effective approach to improving tourism diversity and quality throughout the year.

Key features

- Conducting a **comprehensive needs assessment** to understand the current tourism landscape, and identify gaps in destination products and experiences;
- Establishing a comprehensive **strategic plan** for specific tourism product development, **such as cultural tourism, MICE tourism, health tourism, agritourism and active outdoor tourism**. It would be highly beneficial to conduct **development plans at the national level**;
- Elaboration of **strategic guidelines and development measures** for product development through a dual approach: hard infrastructure development and soft-product development initiative, focusing on:
 - **Prioritisation of signature and standard infrastructure projects** (Related to Initiatives 1.7 and 1.8);
 - **Development of thematic tours, unique events, and immersive experiences**, all characterised by their novelty, attractiveness, and distinctiveness, aiming to achieve more favourable geographical and seasonal spread of tourism activity (Related to Initiative 4.2);
 - Strengthening the **digital infrastructure** and implementing **modern technological solutions**, such as interactive displays, multilingual guides, augmented reality and similar to enhance visitor experience;
 - **Connecting popular tourist destinations with surrounding areas** and the hinterland to maximize the consumption of products and services by visitors. This includes promoting the local

<p>gastronomy and various attractions like events, fairs, and exhibitions, particularly during the off-season and in regions not primarily known for sun and beach tourism;</p> <ul style="list-style-type: none"> ○ Involving key stakeholders such as accommodation and food service providers, and cultural institutions. Their inclusion is vital for the effective execution of the planned initiatives and projects, as well as for garnering robust support from the local community; ○ Setting clear, measurable success indicators for monitoring and analysis. These indicators will serve as benchmarks for monitoring the implementation progress. They will also facilitate a structured analysis of outcomes, enabling timely adjustments to the plan as needed; ○ Making timely adjustments to the plan based on performance outcomes. 	
<p align="center">Entity responsible for the implementation</p>	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> ▪ Albanian National Tourism Agency ▪ International experts / Advisory firms 	
Implementation steps	Budget
<p>I. Creation of comprehensive tourism product development plans</p>	<p>The estimated cost of creating a comprehensive development plan for an individual tourist product is EUR 100,000. This price includes the development of a strategic product plan and covers the expenses for engaging international experts and advisory firms. These firms will conduct detailed analyses, prioritize development needs, and create a strategic development plan and product roadmap. The plan will define the vision, goals, and objectives for year-round tourism development and will provide a detailed roadmap for implementing the product development activities. The proposal aims to create strategic development plans for Albania's six priority products (Culture, Gastronomy, Active-Outdoor, Nature, City Breaks, and Agritourism) over the coming medium-term period. The focus on Sun & Beach tourism will be addressed through a separate initiative 4.4.</p>

4.4 ENHANCED SUN & BEACH TOURISM

Concept

The predominant tourism product, sun and beach tourism, needs enhancement through a **dedicated strategic plan specifically** tailored to advance this segment of the tourism offerings. Improving the sun and beach tourism product should embrace a **proactive rather than reactive approach to development**, ensuring sustainable growth for the future.

Similar to the previous initiative (4.3), this new plan should focus equally on **enhancing both soft and hard infrastructure**. The primary goal is to ensure that Albania's most developed tourism product **continues to grow sustainably**, delivering long-term benefits for the tourism sector, the economy, and the local community while minimizing potential drawbacks.

The overarching aim of this strategic plan is to **improve the quality of services and promote sustainable practices in sun and beach tourism**. By enriching the visitor experience and safeguarding the interests and well-being of the local community, this plan will generate benefits for the entire tourism sector.

Key features

- Conducting a **thorough needs assessment** to identify current challenges and opportunities within the sun and beach tourism segment;
- Engaging in **beach classification and thematization at the national level** and cascading it down to regional and local levels through RMOs (Regional Management Organizations) and DMOs (Destination Management Organizations). These organizations will use the thematization guidelines for detailed planning and operational implementation in their respective areas. The thematization of beaches is primarily aimed at enhancing the market value of beach areas and increasing the overall attractiveness of the destination's offerings;
- Prescribing **the minimum technical conditions that each beach should meet**, depending on the typology and theme;
- Adopting a **regional/cluster approach** to planning, and **implementing strategic beach management plans** on a region-by-region basis. This plan will **outline all development** needs in the short, medium, and long term, prioritizing them accordingly;
- Including recommendations for improving the beach experience through **targeted investments, effective management, and well-structured concessions**. The focus should be on both enhancing existing beaches and creating or activating new ones. This requires **comprehensive infrastructure development**, including access routes, parking facilities, services, and utility connections, to support the overall beach tourism experience (Related to initiative 1.8) ;
- **Stimulating investments in high-quality tourist infrastructure**, particularly by promoting investments that align with strategic development objectives (Related to Initiative 1.7);
- **Implementing quality standards and certifications** for tourism services providers (accommodation, F&B, tours and excursions, etc.) in order to enhance the visitor experience and ensure safety (Related to Initiative 6.3);
- Developing and enforcing **beach management plans**, focused on enforcing strict environmental regulations to preserve coastal zones;
- Regulating the balance between public and private beach usage to ensure a **fair and equitable distribution for the benefit of all stakeholders**;
- **Encouraging sustainable practices** among businesses, including waste management, water conservation, and similar;
- Stimulating the creation of additional **attractions that complement beach tourism**, such as water sports, hiking trails, and cultural festivals;

- **Promoting off-season tourism** by leveraging the mild climate of coastal areas during spring and autumn, accompanied by special events and pricing strategies.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- Albanian National Tourism Agency
- International experts / Advisory firms

Implementation steps	Budget
1. National beach classification & thematisation	The estimated budget for this step is EUR 50,000 . This will cover the development of a framework for the classification and thematization of beaches, as well as the definition of minimum technical standards based on specific themes. The budget will fund the engagement of external experts and consulting firms responsible for creating content and providing expertise.
2. Regional beach management plans	The estimated budget for the creation of regional programs for the development and management of beaches is EUR 150,000 per plan . This budget includes the engagement of international experts and advisory firms, encompassing the development of a methodology that involves an analysis of the cluster's resource base/ inventarisation, thematization guidelines, management standards and business model recommendations, KPIs and an accompanying action plan.

4.5 COMMUNITY-BASED TOURISM

Concept

Community-based tourism (Hereinafter: CBT) refers to tourism experiences that are owned, hosted, and managed by local communities. These experiences offer **authentic insights into the daily lives of the community, creating immersive and enriching interactions for visitors**. Well-managed CBT initiatives generate employment, provide income, and help preserve the local environment. Additionally, CBT fosters cross-cultural understanding, giving travellers a deeper connection to the community.

A key characteristic of successful CBT is its adherence to **sustainability principles**, ensuring activities are visible, measurable, and transparent. Many CBT projects are located in **rural areas**, appealing to **environmentally conscious travellers** who value the protection of local landscapes.

Albania, with its rich and well-preserved culture and heritage, is well-positioned to develop community-based tourism. Examples of potential CBT activities in Albania include offering accommodation on **local farms** where tourists can participate in daily farming activities, **hands-on cooking classes** where tourists can learn to prepare traditional Albanian meals, classes on **traditional music, dance and local art**, as well as **demonstrations of traditional crafts**, and similar.

Developing community-based tourism (Hereinafter: CBT) in Albania involves **creating opportunities that engage residents and visitors in authentic and meaningful interactions**, with an emphasis on sustainable community empowerment through tourism activity.

The development of CBT centres around several core elements. Firstly, **local communities must own and manage tourism experiences**, ensuring they get direct financial benefits and contribute to self-governance and economic development. Secondly, these tourism offerings must **reflect Albania's unique lifestyle, culture, and traditions, thereby showcasing the distinct identities of the destination**. Additionally, these experiences should positively impact the local community, enhancing it without damaging the environment or offending local cultures and customs. Sustainable management practices are essential, especially in rural areas, to align with the environmental preferences of eco-conscious travellers.

Effective collaboration among the government, local communities, NGOs, and the private sector is required to achieve these goals. It's essential to highlight that while local communities should lead their initiatives, initially, the **Ministry plays a critical role in kick-starting and enhancing the community-based tourism (CBT) program**. As the project progresses and the destination management system matures, taking on its central functions and roles, the responsibility for managing the CBT program will transition to regional and local destination management organizations in subsequent development phases.

Key features

- **Identification of opportunities and prioritisation of experiences and products** based on their market readiness and the investments required;
- Developing products and experiences that accurately reflect **Albania's lifestyle, culture, and traditions**, showcasing the distinct identity of the destination. This includes developing programs that showcase traditional Albanian crafts, music, dance, and culinary practices and similar. Workshops, festivals, and fairs where these traditions are demonstrated and taught can create immersive experiences for visitors and provide economic opportunities for local artisans;
- Forming **partnerships with local providers** to offer authentic experiences, such as establishing partnerships between local farmers and restaurants to provide farm-to-table dining experiences. This not only supports local agriculture but also offers tourists a taste of authentic local cuisine;
- **Enabling the local community to own and manage tourism experiences**, enhancing self-governance and economic growth;

<ul style="list-style-type: none"> • Creating volunteer programs that allow visitors to contribute to community projects such as building schools, planting trees, or participating in community art/handicraft projects; • Ensuring that tourism activities positively impact the local community while being environmentally and culturally respectful. 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ MTE supporting local government and DMOs/RMOs <p>Support:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment ▪ Albanian Local Capacity Development Foundation (ALCDF) ▪ International experts / Advisory firms 	
Implementation steps	Budget
I. Creation of CBT products and experience development plans	<p>The estimated budget for this activity is EUR 150,000. This includes the engagement of external experts / advisory firms in charge of a detailed assessment of opportunities and prioritization, as well as the formulation of comprehensive strategic and operational plans aimed at fostering tourism experiences rooted in community-based principles. In addition to the identification of development potential, these plans will also include the definition of support mechanisms, guidelines for marketing and promotion, and similar strategic components. This initiative necessitates collaboration with NGOs, civic organizations, RMOs, DMOs, and advisory firms to ensure a holistic approach.</p>

4.6 100% ALBANIAN STORE	
Concept	
<p>In line with ongoing government initiatives, the focus of the 100% Albanian initiative is to create a premier physical one-stop shop that showcases the best of Albania's local products, promoting national heritage and supporting local economies. This initiative includes the opening of strategically located physical stores in major cities and tourist points of interest across Albania. These stores will be designed to reflect the country's cultural heritage and provide a tangible, immersive shopping experience for both locals and tourists.</p> <p>Partnerships with local farmers, artisans, and producers will ensure the authenticity and quality of the products offered in these stores, aligning with Initiative 4.5. The creation of a distinctive brand that leverages Albania's national colours and traditional motifs is central to this initiative, enhancing the visibility and appeal of Albanian products.</p> <p>Following the establishment of these local shops, the government can, in the mid-to-long term, develop a user-friendly, multilingual online platform. This platform will showcase a variety of authentic Albanian products, such as traditional cheeses, premium olive oils, exclusive wines, aromatic coffee, and innovative plant-based products.</p> <p>By leveraging the rich agricultural and cultural heritage of Albania, the 100% Albanian initiative aims to become a landmark platform for promoting and distributing Albanian products worldwide, fostering a sustainable and prosperous local economy.</p>	
Key features	
<ul style="list-style-type: none"> • Comprehensive retail experience creation, serving as a one-stop-shop for authentic Albanian products with physical stores in major cities and tourist locations offering immersive local shopping experiences; • Featuring a wide array of genuine Albanian products on the platform, including traditional cheeses, premium olive oils, exclusive wines, aromatic coffee, and innovative plant-based products. This variety showcases the rich culinary and agricultural heritage of Albania; • Creation of a distinctive brand identity that incorporates Albania's national colours and traditional motifs, enhancing brand recognition and appeal on the international stage; • Strategic partnerships with local farmers, artisans, and producers to source products. This not only ensures the authenticity and quality of the merchandise but also supports the local economy by providing broader market access; • Development of a user-friendly, multilingual website in mid-term that caters to a global audience, making it easier for non-Albanian speakers to explore and purchase Albanian products. 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment <p>Support:</p> <ul style="list-style-type: none"> ▪ Ministry of Agriculture and Rural Development ▪ Web developers / Technology partners ▪ International experts / Creative agencies 	
Implementation steps	Budget
I. Identification of potential MSME partners and product lines	There is no estimated budget for this step since it falls within the primary mandate of the Ministry of Agritourism and Rural Development.

2. Development of a distinctive brand and label	The estimated budget for developing a distinctive brand and label is EUR 30,000 . This amount covers the expenses associated with engaging experts and/or advisory and creative agencies tasked with creating the visual identity, establishing criteria, and implementing the labelling system.
3. Flagship physical stores set up	There is no estimated budget for this measure because it heavily depends on various factors such as the number of stores to be opened, the size of the spaces, the rent, and the number of employees needed. These variables can vary significantly and are determined by the project owner. Therefore, we can't provide a fixed budget without knowing these specifics.
4. Development of the online platform and mobile app	The approximate budget for the development of the online platform and mobile app is EUR 150,000 , including the expenses for technology partners and web developers assigned to design, test and deploy the platform.

4.7 ALBANIA MARKETPLACE	
Concept	
<p>The primary goal of the Albanian Tourist Marketplace Initiative is to create a centralized platform that brings together all aspects of Albania's tourism offer in one central digital marketplace, provided by the Government of Albania, making it easier for travellers to access and businesses to manage their visibility. This platform aims to strengthen the distribution of both B2B and B2C tourism products, thereby reducing reliance on external distribution systems. Examples of successful tourism marketplaces include:</p> <ul style="list-style-type: none"> • Visit Great Britain's national marketplace, which offers a wide range of tourism products and services, categorized by topics such as travel and transport, attractions, sightseeing tickets, tours, and excursions. Additionally, the marketplace organizes these offerings by geographical areas, including London, England, Wales, Scotland, and Northern Ireland; (https://www.visitbritainshop.com/) • Tourism Exchange Australia (TXA): This is the national marketplace for Australian tourism stakeholders. TXA brings together a variety of tourism products and services, facilitating seamless connections between suppliers and consumers. (https://www.txa.com.au/) <p>Marketplace, among others, can be a good platform for marketing the Signature experiences of Albania collection, mentioned in the earlier initiative 4.2.</p> <p>Furthermore, the initiative intends to utilize the power of data to enhance market insights, allowing for the effective tailoring of services and promotions. By providing small and medium-sized enterprises (SMEs) with tools previously available only to larger entities, the initiative will empower local businesses.</p> <p>The platform will enable businesses to make data-driven decisions through an advanced analytics dashboard that offers insights into consumer patterns. This, in turn, will help businesses refine their offerings and marketing strategies.</p> <p>Depending on the chosen business model, Albania Marketplace can be a governmental initiative or can be a public-private partnership with interested private sector stakeholders willing to operate Albania Marketplace, while GoA provides marketing support, mobilisation support, risk offsetting an agreed number of years, etc.</p>	
Key features	
<ul style="list-style-type: none"> • Engaging with local tourism businesses, technology providers, and government bodies to design the marketplace framework; • Hosting comprehensive presentations to elaborate the full range of marketplace, functionalities, and benefits of the system, aiming to foster stakeholder engagement and encourage their participation; • Developing a comprehensive platform and beta testing with select stakeholders to refine functionalities. Hotels, tours, cultural experiences, and transportation options should be listed within the platform, with user-friendly interfaces for both providers and consumers; • Launching the marketplace with a digital marketing campaign targeting both domestic and international tourists; • Utilizing data analytics to provide businesses with insights into consumer patterns, helping them to make informed decisions and tailor their offerings; • Ensuring wide accessibility, usability, and multi-language support, to cater to an international audience. 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment 	

Support:

- Web developers / Technology partners
- Albanian National Tourism Agency

Implementation steps	Budget
1. Creation of a business plan and financing model	The estimated budget for developing a business plan and financing model is approximately EUR 70,000 . This budget covers the costs for international experts and technology partners responsible for creating the framework and planning the platform. Their tasks will include developing the business and financial models in detail.
2. Establishment of the platform	The estimated cost for this phase is EUR 450,000 , which includes hiring technology partners responsible for programming the platform, adapting it to the specific market, and conducting thorough testing. It should be noted that, in addition to this cost, a monthly budget of up to EUR 50,000 is allocated for the ongoing maintenance of the platform.
3. Platform launch	This step involves the commercialization of the platform, including promotional activities and vendor acquisition. The anticipated budget for publicly announcing the marketplace through a targeted national and international marketing campaign is EUR 200,000 .

5. Destination Marketing

5.1 NATIONAL TOURISM REBRANDING
Concept
<p>This development initiative aims to enhance Albania's national tourism brand along with its visual identity, thereby boosting the country's visibility and attractiveness on the global stage. A robust national brand not only draws more tourists by showcasing Albania's unique cultural, historical, and natural offerings, but it also helps to dispel any misconceptions and fosters a positive international reputation. This, in turn, encourages more investment and cooperation opportunities.</p> <p>The goal is to clearly define the elements and attributes that set Albania apart from its competitors, laying the groundwork for a strong brand foundation. The brand should convey an authentic image of Albania, reflecting key aspects of its tourism offerings that resonate with target audiences. Moreover, a compelling visual identity needs to be consistently communicated across all channels, including websites, social media, and marketing campaigns. By establishing a strong destination brand, Albania can forge a deeper connection with potential tourists, significantly enhancing their motivation to visit.</p> <p>As part of the national tourism rebranding strategy, it's important to create not only an umbrella national brand but also distinct brands for primary and secondary tourism products. Additionally, it's crucial to develop specific brands for each tourist cluster. These cluster brands should convey the cluster's unique identity and maintain consistency with the overarching national tourism brand.</p> <p>A visual representation of the above information can be found in the Appendix, which will be sent as a separate document.</p>
Key features
<ul style="list-style-type: none">• Conducting market research and interviews is essential to identify the distinct identity and key attributes of the destination. This foundational understanding allows for the effective building of the brand and differentiation of the destination from its competitors. The objective is to cultivate a unique perception of the destination in the minds of tourists, fostering an emotional connection with the brand over time. This strategic approach ensures that the branding not only captures the essence of the destination but also resonates deeply with potential visitors;• Creating a branding strategy with a brand brief, which is based on the identified unique attributes of Albania. The strategy should therefore define and select key elements among the identified attributes and distinguishing factors of the destination, which will form the essence of the brand;• One of the main outcomes of the branding strategy is the creation of a brand brief. A branding brief within the context of a branding strategy is a foundational document that outlines the core elements and objectives of a brand's identity and messaging. It serves as a guideline for all branding efforts and ensures consistency across different marketing initiatives and communication channels;• Creation of the 'big idea', which involves developing a central theme that encapsulates the essence of the destination. This theme serves as the foundation for all subsequent marketing activities and should convey the unique identity of the destination, resonating with the target audience. The emphasis is on authenticity and creativity, as the theme needs to further distinguish the destination from its competitors. Additionally, the big idea should be both simple and memorable, effectively communicating the emotional values of the destination to foster a connection with tourists. While the big idea emphasizes uniqueness and consistency, it allows for slight adaptations to suit different campaigns or communication channels;• The creation of a new logo and visual identity for the national tourism brand of Albania requires the development of a symbol whose shapes and colours align with the country's identity and competitive

<p>advantages. This new visual identity should be in harmony with the big idea. Brand architecture should include the creation of a national brand and logo, as well as cluster (geographic) and product brands;</p> <ul style="list-style-type: none"> • Elaboration of the brand book. This document will serve as a detailed manual, outlining the brand's values, architecture, and identity. It will also provide a comprehensive guide for public communication, including examples of how the umbrella brand aligns with cluster and product brands. Additionally, the brand book will specify the type of font and colour palette to be used, among other essential branding elements. 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Albanian National Tourism Agency (ANTA) <p>Support:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment ▪ International experts / Creative agencies 	
Implementation steps	Budget
1. Creation of branding strategy with branding brief	The estimated budget for this stage is EUR 120,000 , covering expenses related to engaging international experts and creative agencies.
2. Creation of a big idea & new visual identity for the national tourism brand of Albania	Approximately EUR 300,000 is allocated for the development of the big idea, inclusive of costs associated with hiring creative agencies to create both the big idea and new visual identity, including elements such as signage, logos, brand books, and visual identities, building upon the previously established big idea.

5.2 STRATEGIC PARTNERSHIPS & COLLABORATION

Concept

Effective marketing efforts demand substantial financial investment to compete with major players and ensure a basic level of marketing presence in each target market. This development measure aims to **enhance collaboration among tourism stakeholders and other key industry players**. By doing so, the Albanian tourism sector can **boost the volume and effectiveness of marketing efforts and ensure they align with strategic goals through synergistic actions**.

For Albania's branding initiatives as a tourist destination to be successful, it's crucial to foster **stronger partnerships** not only within the tourism sector within the country but also with **airlines, tour operators, travel agencies, and media brand representatives**. These entities share **common interests** in promoting the destination. Collaborating with these partners allows for joint projects that can enhance communication and sales efforts in the tourism markets.

Key features

- **Identifying opportunities for cooperation and** proactively defining potential areas for partnership rather than reacting to existing circumstances. Proactively seeking partnerships allows businesses and organisations to shape their environment and capitalize on emerging trends and market demands before they become saturated;
- **Crafting comprehensive proposals** and reaching out to potential partners demonstrates a commitment to mutual benefits and preparedness, which can significantly increase the likelihood of successful partnerships. This approach helps align the objectives and expectations of all parties involved, ensuring that each stakeholder understands their role and the potential gains from the partnership;
- **Cooperative marketing initiatives with :**
 - **Online travel agencies (OTAs):** Collaborations with OTAs can extend the reach of marketing campaigns far beyond what individual businesses or institutions could achieve alone. OTAs have vast audiences and data insights that can tailor marketing efforts to specific demographics and behaviours;
 - **Tourism service providers:** Partnering with both general and specialized service providers can help in creating comprehensive travel packages and experiences, making offerings more attractive to potential tourists;
 - **International airlines and brands:** Airlines and international brands can help penetrate different markets by leveraging their global presence and customer base, thus increasing visibility and reach (Related to 3.6);
- **Establishing diverse types of cooperative opportunities:**
 - **Joint ventures:** These allow for shared risk and increased resource pooling, which can be especially beneficial in high-cost areas such as international marketing and large-scale promotions;
 - **Sponsorship:** This can be an effective way to fund marketing efforts. Sponsors gain visibility and association with positive experiences or destinations, while the sponsored parties receive financial or other support that helps amplify their marketing capabilities;
- **Regularly assessing the effectiveness of partnerships** is crucial to ensuring that resources are being used efficiently. This evaluation helps determine the tangible benefits (like ROI) of each partnership, guiding future decisions about continuing, adjusting, or terminating collaborations.

Entity responsible for the implementation

Lead:

- Albanian National Tourism Agency

Support:

- Ministry of Tourism and Environment

Implementation steps	Budget
1. Identification of partnership opportunities	No budget estimate is provided for this activity since it falls within ANTA's primary mandate.
2. Proposals development	No budget estimate is provided for this activity since it falls within ANTA's primary mandate.
3. Cooperative marketing activities fund	The estimated budget for the cooperative marketing activities launch is EUR 1,000,000 yearly , including the costs of creating the campaign, and monitoring and evaluation of marketing activities KPIs.

5.3 ENHANCING ONLINE FOOTPRINT

Concept

Digital presentation of a destination often serves as a traveller's initial introduction to a destination, potentially influencing their decision to visit. Therefore, the content they encounter must be **engaging, user-friendly, and inspiring**. To enhance the online footprint, a redesign of the existing website pages should prioritize **interactivity, visual appeal, and intuitive, user-centric content**. The website should feature high-quality production, including inspiring articles, videos, and virtual tours that not only uphold but also **promote the destination's unique identity or brand**.

Additionally, social media management should be refined by **tailoring content to the distinct characteristics of each platform** and launching targeted marketing campaigns. These efforts should foster **greater interaction with the audience** and encourage users to share the destinations' content. By improving both the website and social media presence, the Albanian tourism sector can significantly enhance its visibility and appeal, thus positioning it more competitively in the tourism market.

Key features

- **Creation of Albania's new tourism website.** The development of a new tourism website by ANTA aims to offer an enhanced user experience through a **visually appealing design** that aligns with the brand standards. The website should feature **engaging and inviting content** that encourages visitors to explore the destination. By integrating innovative, **well-structured**, and interactive visual elements, the website will improve information accessibility and engage users more effectively, increasing their time on the site;
- **Improving presentation on social networks.** Social networks are becoming essential tools for researching and finding inspiration about travel destinations. However, each platform caters to a distinct audience and has its own usage culture, **necessitating tailored content** that aligns with the unique characteristics of each social network. Therefore, it is very important to create management plans for each of the individual social networks, for which it is possible to hire external PR agencies and social network management agencies, or employ an in-house social media manager;
- **Quality content production and placement.** Currently, it is challenging to find high-quality web content that captures the audience's attention and inspires them to visit Albania. Effective content encompasses not only photos but also videos, inspiring articles, creative copy, and catchy phrases. It is crucial to produce a diverse range of content, such as photos, videos, articles, and texts, with the goal of providing additional value through inspiration and education. The focus should be on creating quality, innovative content that stands out from the competition and fosters an emotional connection with the audience. Such content can greatly enhance communication via websites and social networks, increasing interest in the destination.

Entity responsible for the implementation

Lead:

- Albanian National Tourism Agency

Support:

- Web developers
- Creative agencies
- PR agencies

Implementation steps

I. Content development strategy creation

Budget

The estimated cost for developing a content strategy is **EUR 30,000**. This includes the engagement of

	external collaborators and creative agencies, who will establish precise guidelines to ensure clarity in objectives and desired outcomes, aligned with the new brand. This strategic approach will facilitate the systematic creation of a comprehensive media bank that is both long-term and consistent.
2. National tourism website redesign	The estimated budget for redesigning the national tourism webpage is EUR 300,000 . The amount includes the expenses for web developers & creative agencies assigned to create a new content strategy, information infrastructure, visual design and developing the new web page.
3. Development of social media management plans	The estimated budget for creating social media management plans is EUR 50,000 . This includes expenses for hiring PR agencies to develop comprehensive social media handbooks, one for each platform. These handbooks will outline yearly timeframes and content strategies for each social media channel.

6. Capacity Building

6.1 FORMAL EDUCATION ENHANCEMENT

Concept

The tourism and hospitality industry in Albania is fragmented, discouraging young people from pursuing careers due to its unclear paths and uninspiring outlook. Challenges include a **skills gap** caused by **inadequate attractiveness**, **poor educational integration**, and **limited post-secondary options**.

To address these challenges, it is crucial to **enhance both vocational and higher education frameworks** specific to this industry. **Updating curricula** to reflect **applied knowledge**, particularly at the secondary level, will equip students with **practical skills** that align with industry demands, thereby making the sector more appealing to young people. This initiative adopts a twofold approach.

- Firstly, **higher education programs must be aligned with market and sector needs**, emphasizing specialized programs in **destination and hotel management**. These programs should aim to create **professional staff** for the growing number of hotels and resorts, as well as for the entire Destination Management Organization (DMO) system (Related to Initiative 2.6). Engaging existing university lectures in development programs, and integrating university programs into academy certification systems such as the **UN Tourism.TedQual** program, and networks like **AACSB International** (The Association to Advance Collegiate Schools of Business), will facilitate immediate implementation while **strengthening local programs**. Consequently, **curricula improvements** in the medium term will ensure Albania produces highly educated experts in tourism and hospitality;
- Secondly, the establishment of **regional centres of competence in vocational education for tourism and hospitality** will adapt the educational system to meet the dynamic labor market's needs. These centres will serve as **places of excellence**, offering **work-based learning, training**, and further development activities to enhance the quality of vocational education and training. By adopting this model, similar to the successful implementation in Croatia, Albania can ensure the quality of **practical training**, strengthen cooperation with employers and universities, and increase curriculum relevance.

This comprehensive approach will **build a more competent, industry-aligned workforce**, enhancing the overall appeal and effectiveness of Albania's tourism and hospitality sector. Ultimately, addressing these educational needs will **lead to a more skilled workforce** and a more vibrant industry, driving growth and development within Albania's tourism sector.

Key features

- Updating a **comprehensive hospitality and tourism education** framework, beginning with **vocational education** and extending to **higher (secondary) education**. It is crucial to introduce officially **recognized and accredited programs** that cater to the development of skilled professionals;
- Engage in **capacity building for university staff and lecturers** by participating in existing programs designed for the professional development of university employees;
- **Update the higher education curriculum** to align with current market trends and global standards, ensuring it meets the evolving needs of the industry;
- **Implementing professional education solutions**, i.e implementing additional vocational education and training initiatives, which provide a structured education pathway allowing individuals to gain academic qualifications in tourism and hospitality;
- **Establishing regional centres of competence in vocational education for tourism and hospitality**. The program will be founded on innovative teaching methods and learning models, promoting vertical mobility, teacher excellence, high-quality infrastructure, and constructive, creative

<p>collaboration with social partners, the public sector, businesses, universities, and other interested community institutions;</p> <ul style="list-style-type: none"> • Enhancing the collaboration between existing hospitality VET schools and industry representatives. This partnership should aim to provide practical, work-based learning opportunities and ensure that the educational curricula are aligned with real-world industry requirements; 	
Entity responsible for the implementation	
<p>Lead:</p> <ul style="list-style-type: none"> ▪ Ministry of Education, Sports and Youth <p>Support:</p> <ul style="list-style-type: none"> ▪ Ministry of Tourism and Environment ▪ Higher education institutions ▪ International experts / Advisory firms 	
Implementation steps	Budget
1. Enhancement of hospitality and tourism higher educational framework	At this time, it is not feasible to determine the precise cost of implementing this initiative. The overall expenditure will be influenced by the number of universities that choose to enhance their educational programs. Additionally, the cost will vary based on the number of certification and accreditation programs the universities decide to engage in, as well as the number of participants who opt to improve their skills and professional development. These factors collectively make it challenging to estimate a specific budget at this stage.
2. Structured vocational education and training programs improvement	Currently, estimating an approximate budget for enhancing structural vocational education is not possible. The cost will depend on the level of interest from vocational schools that aspire to become regional centres of excellence in tourism and hospitality. Furthermore, the budget will be influenced by the number of programs established and the funds available from various international financial institutions or government sources dedicated to achieving this objective. These variables make it difficult to project a precise financial requirement at this time.

6.2 WORKSHOPS AND TRAINING SESSIONS FOR TOURISM SECTOR

Concept

This development measure aims to enhance the Albanian tourism sector through **targeted training and capacity building for existing employees in tourism**. This initiative will equip both private and public sector representatives, frontline professionals, and all those who interact directly with tourists, with essential skills to ensure high-quality interactions. The focus will be on fostering positive relationships that enhance the tourist experience.

To achieve this, **specialized training programs** should be developed. These programs will concentrate on **delivering exceptional service** and will help employees adopt a mindset of **service excellence**. Participants will learn **valuable skills that enable them to become ambassadors of the tourism industry** at their destinations.

Additionally, this initiative will address the **industry's human resource challenges** by offering training opportunities to all those seeking seasonal sector employment, such as students and retirees. This approach will not only expand the workforce but also elevate the quality of service in the Albanian tourism sector.

Key features

- To enhance the effectiveness of training in the tourism and hospitality sectors, it is crucial to first **identify the essential competencies and key training segments required**. This process begins with job mapping, which involves pinpointing the crucial points of interaction between visitors and different segments of the workforce. Following this, a sector needs assessment should be conducted. This assessment will gather insights from **current employees** and employers within the tourism and hospitality industries to determine the critical knowledge and skills necessary for delivering outstanding service. This strategic approach ensures that the **training is targeted and relevant, addressing the specific needs for service excellence**;
- **Creation of training modules and capacity-building programs**, incorporating diverse educational methods, including **hands-on training, presentations, and digital learning**. Each training format should be **tailored to the needs of the target participants** to maximize effectiveness. **Key learning outcomes need to be defined** to align with the operational objectives within a structured framework of desired competencies. These outcomes should be organized coherently to facilitate a smooth learning process. It is of essential importance to engage top experts to conduct the development training and capacity-building programs;
- **Stimulating stakeholder engagement**. Conducting workshops and facilitate sessions that bring together private and public sector representatives to align on service standards and share best practices;
- **Developing a digital learning platform** by integrating digital education tools and e-learning modules that allow flexible learning opportunities. These platforms often include a wide range of courses covering various aspects of tourism such as hospitality management, travel planning, sustainable tourism, and customer service. Content is typically designed to be engaging and interactive, incorporating videos, quizzes, and simulations to enhance learning. One of the biggest advantages of digital learning platforms is their **accessibility**.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- Ministry of Education, Sports and Youth
- National Agency of ICT
- Web development / Technology partners

<p>■ International experts / Advisory firms</p>	
Implementation steps	Budget
1. Job mapping and sector needs assessment	No specific budget has been proposed for this activity, as it falls within the primary mandate of the Ministry responsible for its implementation.
2. Creation of diverse training modules	The estimated budget for the implementation step is EUR 50,000 , allocated for hiring a team of experts to develop comprehensive guides, workbooks, and online modules, and to conduct training through various channels, including in-person workshops, online courses, and webinars.
3. Development of a digital learning platform	At this time, no budget estimate is available for this step. The platform's format, modules, materials, and scope cannot be determined yet, as these will depend on the results of the needs assessment from the first step.

6.3 QUALITY & SUSTAINABILITY STANDARD CERTIFICATION PROGRAMS

Concept

The Albanian Ministry of Tourism and Environment is set to introduce two programs aimed at **elevating the standards of the tourism industry through education and certification**. These programs will focus on **service excellence and sustainability**, positioning Albania as a premier destination committed to quality and sustainable tourism practices.

- The first program should be an **educational initiative designed to enhance the skills and knowledge of tourism service providers across Albania**. This **Service Excellence Academy** will offer comprehensive training on delivering superior customer service, exceptional hospitality, and rigorous safety protocols. By focusing on **practical, hands-on training modules**, the program will ensure that participants can provide outstanding experiences to tourists. The curriculum will include modules on effective communication, personalized service, problem-solving, and cultural sensitivity, all crucial for meeting and exceeding the expectations of international travellers. The **Ministry will oversee this program and co-finance the training costs as well as certification costs**, making it accessible to a wide range of service providers, from hotel staff to tour operators. Upon completion of the program, participants will receive a certificate that enhances their credibility as service providers.
- The second program will focus on sustainability certification, aligned with the **selected international sustainability standards**. This initiative aims to implement a certification program that promotes **sustainable practices** within the tourism industry. The program will provide **comprehensive guidelines and a structured framework to assist tourism operators in understanding, applying for, and achieving certification**. It will cover a **broad spectrum of sustainability criteria**, including energy efficiency, waste management, water conservation, employee welfare, and community engagement. By adhering to these standards, tourism businesses can significantly reduce their environmental impact while contributing positively to the local community.

The Ministry will support the **programs by co-financing the certification costs**, thereby **encouraging widespread participation among tourism operators**. By integrating sustainability into their operations, certified businesses will not only enhance their appeal to eco-conscious travellers but also contribute to the long-term viability of Albania's natural and cultural resources.

Together, these two programs will create a robust framework for **improving the overall tourist experience in Albania**. The Service Excellence Academy will equip service providers with the skills needed to deliver world-class hospitality, while the sustainability certification will ensure that tourism practices are environmentally responsible and socially beneficial.

Key features

- The first step in creating a certification program is **deciding on the approach**: whether **to develop a new educational module** with defined standards and criteria and create a corresponding certificate or label **or to adopt and implement an existing program**;
- **Conducting training and awareness workshops** and educating tourism operators about the standards and how to implement them. This involves training programs, workshops, and written materials that provide detailed guidelines and best practices;
- **Awarding certifications** to businesses that meet the standards, often with levels of certification to encourage continuous improvement;
- **Using the certificate as a promotional tool**. Tourism businesses that achieve certification can use it as a marketing tool to attract customers who value quality and reliability. The certifying body should also promote certified businesses, providing them with greater visibility;

- After certification, **ongoing monitoring** ensures that standards are maintained. Regular re-assessment and encouragement of continuous improvement help businesses stay competitive and up-to-date with industry best practices.

Entity responsible for the implementation

Lead:

- Ministry of Tourism and Environment

Support:

- Albanian National Tourism Agency

Implementation steps	Budget
1. Analysis and selection of suitable programs for private sector companies and destinations	The estimated cost for this step is EUR 80,000 . This amount includes the engagement of external experts and advisory firms responsible for conducting an in-depth market analysis and evaluating existing certification programs. Their task will be to recommend the most suitable options for the program holder, the Ministry of Tourism and Environment.
2. Comprehensive quality and sustainability standards implementation	Currently, it is not possible to forecast the budget as it heavily depends on the chosen course of action. Opting to develop a completely new program would require significantly more resources, whether human, time, or financial, compared to joining an existing program.
3. Training programs & workshops conduction	Defining the price is not possible at this stage because the access method and scale of the program are still undetermined. The number of training sessions will depend on factors such as the number of educational modules, the program's purpose, the number of participants, the type of training, and similar parameters.
4. Certification awarding	There is no estimated budget for this step since it is subject to the number of certificates awarded, the form of the certificate (digital or not digital), the way of awarding and similar factors which at the moment cannot be determined.

6.4 KNOWLEDGE HUB

Concept

A Knowledge Hub in tourism is envisaged as a **central repository designed to streamline the aggregation, organization, and dissemination of critical information relevant to the Albanian tourism sector**. The Hub will provide access to a **diverse range of materials** including **research findings, data analytics, case studies, and industry best practices**, tailored to enrich stakeholders' understanding and strategic capabilities. It is important to note that a substantial base of knowledge and materials already exists, particularly in the areas of research, studies, and analytics. The first step in creating a knowledge hub should be to gather, centralize, and upload this existing database. This will provide access to a wide range of stakeholders and achieve significant synergistic effects

Furthermore, in the mid-to-long-term period, the Knowledge Hub should double as a **B2B media bank as well**, where a curated selection of multimedia resources - such as high-quality images, inspiring articles, detailed instructional guides, and up-to-date statistics - will be available. These resources will focus on travel preferences and global trends, thereby aiding tourism professionals in crafting appealing and relevant offerings. This step is closely related to Initiative 5.3, which involves creating a content strategy, followed by the acquisition and production of high-quality materials. It is also related to Initiative 3.7, as the findings from research and market analysis can be integrated into the knowledge hub platform.

Additionally, the Hub will offer **comprehensive educational materials and training programs** designed to bolster the professional development of tourism operators and enhance their competencies. A digital learning platform, previously outlined in Initiative 6.3, can be seamlessly integrated into the Hub.

By fostering an environment of continuous learning and collaboration, the Knowledge Hub aims to elevate the overall efficiency and sustainability of Albania's tourism industry.

Key features

- Defining the objectives of the knowledge hub, **identifying the primary audience** (e.g., tourism operators, policymakers, academic researchers);
- **Engaging with key stakeholders**, including tourism businesses, government agencies, academic institutions, and non-governmental organizations to gather insights and support;
- **Developing the website or online platform** with essential features such as a searchable database, discussion forums, and multimedia support;
- **Collecting, curating, and creating high-quality content** relevant to the tourism industry, including video and photo material, a curated collection of photos, inspiring stories and articles (Related to Initiative 5.3);
- **Plugging in the market intelligence** collected during the market research and analysis, to facilitate external decision-making by providing a comprehensive and detailed overview of the tourism data (Related to Initiative 3.7);
- Ensuring content is **regularly updated** and remains relevant to current industry trends and needs.

Rela

Lead:

- Ministry of Tourism and Environment

Support:

- Creative agencies
- Web developers / Technology partners
- Albanian National Tourism Agency

Implementation steps	Budget
I. Online platform development	The estimated value of creating the platform is EUR 100,000 . It includes the engagement of technological partners and/or web developers who would create a new site, but integrate it into the existing MTE web, which would serve as a platform that would unify all information and content relevant to improving the competencies of the tourism sector in Albania.

Contribution to SDG goals

The National Tourism Strategy for Albania was designed to align with the three pillars of sustainability: social, environmental, and economic, as detailed in previous project phases. This alignment ensured that each development measure in the final project phase supports the achievement of the Sustainable Development Goals (SDGs).

The following table details the impact of the development measures on the relevant SDGs. It is important to note that only the SDGs pertinent to the current stage of Albania's tourism development were considered, focusing on goals particularly relevant to the country's needs.

Following that, each proposed development initiative was assessed for its impact on these relevant SDGs, with the effects categorized as low, medium, or high. These impacts are visually represented by shades of green: dark green indicates a strong impact, while light green indicates a lower contribution.

The strategy places significant emphasis on SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure). This focus aims to create sustainable economic opportunities and improve infrastructure, both of which are critical to the country's development. SDG 8 aims to promote sustainable, inclusive, and sustained economic growth, full and productive employment, and decent work for all. This includes improving labour market conditions and creating jobs in the tourism sector, stimulating economic growth and development. On the other hand, SDG 9 focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation. This goal is key to developing the necessary infrastructure to support tourism, such as transport networks, hotels, and other facilities while encouraging innovation within the industry.

To summarize, the strategy integrates sustainability principles across all priority areas, including investment, tourism regulatory and fiscal policy, destination management, destination marketing, tourism product development, and capacity building.

By embedding sustainability into these areas, the strategy ensures a comprehensive approach to developing Albania's tourism sector. This approach aims to balance economic growth with environmental protection and social inclusion, making sustainability the central and overarching goal of the strategy.

DEVELOPMENT MEASURES		1	4	5	6	7	8	9	10	11	12	15	16
		NO POVERTY	QUALITY EDUCATION	GENDER EQUALITY	CLEAN WATER AND SANITATION	AFFORDABLE AND CLEAN ENERGY	DECENT WORK AND ECONOMIC GROWTH	INDUSTRY, INNOVATION AND INFRASTRUCTURE	REDUCED INEQUALITIES	SUSTAINABLE CITIES AND COMMUNITIES	RESPONSIBLE CONSUMPTION AND PRODUCTION	LIFE ON LAND	PEACE, JUSTICE AND STRONG INSTITUTIONS
INVESTMENTS	1.1 EMPOWERING ALBANIAN INVESTMENT CORPORATION (AIC)												
	1.2 EMPOWERING ALBANIAN INVESTMENT DEVELOPMENT AGENCY (AIDA)												
	1.3 TOURISM INVESTMENT PROMOTION STRATEGY												
	1.4 TOURISM INVESTMENT INCENTIVE SCHEMES												
	1.5 ACTIVATION OF TOURISM DEVELOPMENT ZONES												
	1.6 BIDDING PLATFORM CREATION												
	1.7 TOURISM INFRASTRUCTURE INVESTMENT SCOPING												
	1.8 TOURISM ENABLING INFRASTRUCTURE INVESTMENT SCOPING												
TOURISM REGULATORY AND FISCAL POLICY	2.1 TOURISM LAW UPDATE												
	2.2 MIXED-USE RESORT DEVELOPMENT REGULATION												
	2.3 TOURISM INVESTMENT INCENTIVES REDEFINITION												
	2.4 TOURISM TAXATION SYSTEM REFORM												
	2.5 ACCOMMODATION CLASSIFICATION IMPROVEMENT												
	2.6 DESTINATION MANAGEMENT LAW CREATION												
	2.7 TOURISM STATISTICS REFORM												
	2.8 TASK FORCE ON SUPPRESSING GREY ECONOMY IN TOURISM												
	2.9 REGULATION OF TOURISM ACTIVITY												
	2.10 REGULATION OF TOURISM ACTIVITY IN PROTECTED AREAS												
	2.11 PERMANENT SEASONAL EMPLOYMENT PROGRAM												
DESTINATION MANAGEMENT	3.1 STRENGTHENING ALBANIAN NATIONAL TOURISM AGENCY (ANTA)												
	3.2 DESTINATION MANAGEMENT ORGANISATIONS (DMOs) INTRODUCTION												
	3.3 REGIONAL MANAGEMENT ORGANISATIONS (RMOs) INTRODUCTION												
	3.4 TOURISM MANAGEMENT INFORMATION SYSTEM CREATION												
	3.5 TOURISM THINK-TANK GROUPS ESTABLISHMENT												
	3.6 INTRODUCTION OF AIR ACCESSIBILITY IMPROVEMENT PROGRAM												
	3.7 MARKET INTELLIGENCE & RESEARCH												
PRODUCT DEVELOPMENT	4.1 STRENGTHENING & EMPOWERING DMCs												
	4.2 ALBANIA VALUE DESIGN												
	4.3 YEAR-ROUND TOURISM PRODUCTS DEVELOPMENT												
	4.4 ENHANCED SUN & BEACH TOURISM												
	4.5 COMMUNITY-BASED TOURISM												
	4.6 100% ALBANIAN STORE												
	4.7 ALBANIA MARKETPLACE												
DESTINATION MARKETING	5.1 NATIONAL TOURISM REBRANDING												
	5.2 STRATEGIC PARTNERSHIPS & COLLABORATION												
	5.3 ENHANCING ONLINE FOOTPRINT												
CAPACITY BUILDING	6.1 FORMAL EDUCATION ENHANCEMENT												
	6.2 WORKSHOPS AND TRAINING SESSIONS FOR TOURISM SECTOR												
	6.3 QUALITY & SUSTAINABILITY STANDARD CERTIFICATION PROGRAMS												
	6.4 KNOWLEDGE HUB												

3.2 ACTION PLAN, BUDGETING, MONITORING AND EVALUATION

I. Investments

# I.	DEVELOPMENT MEASURE (INVESTMENTS)	Estimated budget (EUR)	Time frame												Quantitative and qualitative implementation indicators	
			2025				2026				2027					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
I.1	EMPOWERING ALBANIAN INVESTMENT CORPORATION (AIC) Lead entity: Albanian Investment Corporation (AIC)	880.000 €														I. Number of PPP projects initiated; 2. Investment volume; 3. Number of strategic partnerships formed; 4. Organisational development
	AIC improvement strategy for tourism	80.000 €														Strategy created/Not created
	Approval of appropriate engagement / business models and public sector funding	n/a														Business model approved/Not approved
	Creation of national investment portfolio	800.000 €														Portfolio created/Not created
I.2	EMPOWERING ALBANIAN INVESTMENT DEVELOPMENT AGENCY (AIDA) Lead entity: Albanian Investment Development Agency (AIDA)	100.000 €														I. Number of strategic investments facilitated; 2. Investor satisfaction; 3. AIDA's workforce competence
	Capacity building & workshop development for AIDA staff	100.000 €														Number od workshops and training conducted
I.3	TOURISM INVESTMENT PROMOTION STRATEGY Lead entity: Albanian Investment Corporation (AIC) & Albanian Investment Development Agency (AIDA)	200.000 €														Number of investments promotional events held
	Creation of a national investment promotion strategy	200.000 €														Promotion strategy created/Not created
I.4	TOURISM INVESTMENT INCENTIVE SCHEMES Lead entity: Ministry of Tourism and Environment (MTE)	350.000 €														I. Number of mixed-used development projects supported; 2. Number of MSMEs in the tourism sector supported; 3. Number of projects in tourism development zones supported
	Development of updated investment incentive framework	350.000 €														Yes/No
	Securing funding sources	n/a														Yes/No
	Tourism investment incentive schemes launch	n/a														Tourism investment schemes launched/Not launched

# I.	DEVELOPMENT MEASURE (INVESTMENTS)	Estimated budget (EUR)	Time frame												Quantitative and qualitative implementation indicators
			2025				2026				2027				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
I.5	ACTIVATION OF TOURISM DEVELOPMENT ZONES Lead entity: Albanian Investment Corporation (AIC)	1.100.000 €													I. Number of tourism development zones identified; 2. Number of projects in TDZ initiated; 3. Number of projects in TDZ completed; 4. Tourist traffic increase in TDZ
	TDZ scoping and prioritization	200.000 €													I. Tourism development zones identified Yes/No; 2. Tourism development zones prioritised Yes/No
	TDZ master planning	900.000 €													Three TDZ master plans developed / Not developed
I.6	BIDDING PLATFORM CREATION Lead entity: Albanian Investment Corporation (AIC)	100.000 €													Bidding platform created / Not created
	Platform design	50.000 €													Platform designed / Not designed
	Stakeholder traning and platform onboarding	50.000 €													Number of stakeholder traning sessions held
	Bidding platrform launch	n/a													Platform launched / Not launched
I.7	TOURISM INFRASTRUCTURE INVESTMENT SCOPING Lead entity: Albanian Development Fund (ADF)	680.000 €													I. Number of signature projects of tourism infrastructure initiated; 2. Number of signature projects of tourism infrastructure completed; 3. Number of standard tourism infrastructure projects initiated; 4. Number of standard tourism infrastructure projects completed
	Identification of key missing elements of tourism infrastructure and projects prioritisation	300.000 €													Analysis & prioritisation conducted/not conducted
	Developing project concepts and conducting feasibility studies for signature projects	100.000 €													Yes/No
	Developing project guidelines for standard tourism infrastructure projects	280.000 €													Yes/No
	Securing necessary funding	n/a													Funding secured/Not secured
I.8	TOURISM ENABLING INFRASTRUCTURE INVESTMENT SCOPING Lead entity: Ministry of Tourism and Environment (MTE) & Albanian Development Fund (ADF)	0 €													I. Amount of budget allocated for tourism enabling infrastructure improvements; 2 Amount of funding secured from grants, loans or private investments; 3. Count of tourism enabling infrastructure projects completed
	Baseline assessments & prioritisation	n/a													Analysis & prioritisation conducted/not conducted
	Lobbying the government	n/a													Yes/No

2. Tourism Regulatory & Fiscal Policy

#	DEVELOPMENT MEASURE	Estimated budget (EUR)	Time frame												Quantitative and qualitative implementation indicators
			2024				2025				2026				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
2.1	TOURISM LAW UPDATE Lead entity: Ministry of Tourism and Environment (MTE)	450.000 €													Tourism law updated/Not updated
	As-is analysis and new tourism law creation / deep improvement	450.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No
2.2	MIXED-USE RESORT DEVELOPMENT REGULATION Lead entity: Ministry of Tourism and Environment (MTE)	260.000 €													Mixed-use resort development regulation created/Not created
	As-is analysis and regulatory framework development	260.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No
2.3	TOURISM INVESTMENT INCENTIVES REDEFINITION Lead entity: Ministry of Tourism and Environment (MTE)	190.000 €													Tourism investment incentives redefined/Not redefined
	As-is analysis & redefinition of tourism investment incentives	190.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No
2.4	TOURISM TAXATION SYSTEM REFORM Lead entity: Ministry of Tourism and Environment (MTE)	330.000 €													Tourism taxation system reformed/Not reformed
	As-is analysis and tourism taxation framework development	330.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No
2.5	ACCOMMODATION CLASSIFICATION IMPROVEMENT Lead entity: Ministry of Tourism and Environment (MTE)	280.000 €													Accommodation classification improved/Not improved
	As-is analysis & accommodation classification framework development	280.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No
2.6	DESTINATION MANAGEMENT LAW CREATION Lead entity: Ministry of Tourism and Environment (MTE)	280.000 €													Destination management law created/Not created
	As-is analysis && destination management law creation	280.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No
2.7	TOURISM STATISTICS REFORM Lead entity: Ministry of Tourism and Environment (MTE)	240.000 €													Tourism statistics reformed/Not reformed
	As-is analysis & tourism statistics regulatory framework reform	240.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No

#	DEVELOPMENT MEASURE	Estimated budget (EUR)	Time frame												Quantitative and qualitative implementation indicators
			2024				2025				2026				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
2	TOURISM REGULATORY & FISCAL POLICY														
2.8	TASK FORCE ON SUPPRESING GREY ECONOMY IN TOURISM Lead entity: Ministry of Tourism and Environment (MTE)	65.000 €													Task force established/Not established
	Accessing state-level data on short-term rentals	15.000 €													Yes/No
	Training and capacity building	30.000 €													Yes/No
	Digital task-force department creation	20.000 €													Yes/No
	Recruitment of task-force employees	n/a													Yes/No
2.9	REGULATION OF TOURISM ACTIVITY Lead entity: Ministry of Tourism and Environment (MTE)	150.000 €													Tourism activity regulated/Not regulated
	As-is analysis & regulatory framework development	150.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No
2.10	REGULATION OF TOURISM ACTIVITY IN PROTECTED AREAS Lead entity: Ministry of Tourism and Environment (MTE)	250.000 €													Tourism activity in protected areas regulated/Not regulated
	As-is analysis & regulatory framework development	250.000 €													Yes/No
	Adoption & introduction	n/a													Yes/No

3. Destination Management

#	DEVELOPMENT MEASURE DESTINATION MANAGEMENT	Estimated budget (EUR)	Time frame																Quantitative and qualitative implementation indicators
			2024				2025				2026				2027				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
3.1	STRENGTHENING ALBANIAN NATIONAL TOURISM AGENCY (ANTA) Lead entity: Albanian National Tourism Agency (ANTA)	600.000 €																	1. Increase in annual budget allocation and expenditure of ANTA; 2. Number of strategic initiatives formulated and implemented by ANTA independently; 3. Increase in ANTA's number of employees
	Development of strategic and operational tourism marketing plan	360.000 €																	Plan developed/not developed
	Restructuring and reorganisation of ANTA to accommodate new functions	120.000 €																	ANTA restructured/Not restructured
	ANTA technical support and capacity building	120.000 €																	Number of training and capacity building sessions for ANTA's staff
3.2	DESTINATION MANAGEMENT ORGANISATIONS (DMOs) INTRODUCTION Lead entity: Local government bodies	200.000 €																	Number of DMOs created
	Albania DMO toolkit / handbook	80.000 €																	Toolkit created/Not created
	National DMO pilot implementation in selected destination	120.000 €																	Pilot implemented/Not implemented
	Fine-tuning of the legislation framework	n/a																	Legislation fine tuned/Not fine tuned
	National DMO roll-out	n/a																	Destination management system introduced/Not introduced
3.3	REGIONAL MANAGEMENT ORGANISATIONS (RMOs) INTRODUCTION Lead entity: Regional government bodies/municipalities	160.000 €																	Number of RMOs created
	Albania RMO toolkit / handbook	60.000 €																	Toolkit created/Not created
	National RMO pilot implementation in selected cluster	100.000 €																	Pilot implemented/Not implemented
	Fine tuning of the legislation framework	n/a																	Legislation fine tuned/Not fine tuned
	National RMO roll-out	n/a																	Regional management system introduced/Not introduced
3.4	TOURISM MANAGEMENT INFORMATION SYSTEM CREATION Lead entity: Ministry of Tourism and Environment (MTE)	970.000 €																	1. Tourism management system created; 2. User adoption rate; 3. Increase in tax collection efficiency; 4. Stakeholders compliance
	Preparation for platform development	100.000 €																	Online platform created/Not created
	Development of the online platform	600.000 €																	Testing conducted/Not conducted
	Maintenance and quality assurance	210.000 €																	System launched/Not launched
	Training sessions for all system users	60.000 €																	Number of traning sessions held

#	DEVELOPMENT MEASURE	Estimated budget (EUR)	Time frame																Quantitative and qualitative implementation indicators
			2024				2025				2026				2027				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
3	DESTINATION MANAGEMENT																		
3.5	TOURISM THINK-TANK GROUPS ESTABLISHMENT Lead entity: Ministry of Tourism and Environment (MTE)	0 €																	Tourism think-tank groups established/Not established
	Definition of TTT groups	n/a																	TTT groups defined/not defined
	Engagement of experts	n/a																	Experts recruited/Not recruited
	Organisation of an inaugural workahop	n/a																	Inaugural workshop held/Not held
3.6	INTRODUCTION OF AIR ACCESSIBILITY IMPROVEMENT PROGRAM Lead entity: Ministry of Tourism and Environment (MTE)	450.000 €																	1. Number of new routes established 2. Number of new airlines engaged; 3. Increase in air passenger numbers; 4. New market penetration success; 5. Partnerships quality
	Creation of network development strategy	300.000 €																	Strategy created/Not created
	Development of a impact measurement model	150.000 €																	Impact measurement model developed/Not developed
	Formation of financial model to support network development activities	n/a																	Financial model formulated/Not formulated
3.7	MARKET INTELLIGENCE & RESEARCH Lead entity: Albanian National Tourism Agency (ANTA)	300.000 €																	1. Number of reports generated; 2. Number of reports shared with the tourism sector; 3. Number of surveys conducted
	Creation of an internal market intelligence team	n/a																	Team established/Not esablished
	Development of a market intelligence dashboard	100.000 €																	Market intelligence dashboard created/Not created
	Implementation of advanced data processing tools & gaining access to big-data platforms	200.000 €																	Data processing tools implemented/Not implemented

4. Product Development

#	DEVELOPMENT MEASURE PRODUCT DEVELOPMENT	Estimated budget (EUR)	Time frame																Quantitative and qualitative implementation indicators
			2026				2027				2028				2029				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
4.1	STRENGTHENING & EMPOWERING DMCs Lead entity: Ministry of Tourism and Environment (MTE)	370.000 €																	1. Number of DMC enrolled in the program; 2. Number of new tourism products & experiences created
	Creation of DMC support strategy DMC and destination audit	230.000 €																	DMC and destination audit performed/Not performed
	DMC incubation and acceleration roll-out	100.000 €																	DMC support program established/Not established
	DMC Forum organisation	40.000 €																	DMC Forum organised / Not organised
4.2	ALBANIA VALUE DESIGN Lead entity: Albanian National Tourism Agency (ANTA)	190.000 €																	1. Number of new experiences created; 2. Number of experiences labeled as Signature Experience of Albania; 3. Signature Experiences of Albania collection consolidated on the web; 4. Number of partners involved in the value design program
	Specialized team establishment	n/a																	Team established/Not established
	Creation of value design strategic and operational plan	150.000 €																	Strategic and operational plan created/Not created
	"Signature Experiences of Albania" launch	40.000 €																	Signature experiences of Albania launched/Not launched
4.3	YEAR-ROUND TOURISM PRODUCTS DEVELOPMENT Lead entity: Albanian National Tourism Agency (ANTA) & Regional Management Organisations (RMOs)	600.000 €																	1. Number of new year-round tourist products developed 2. Off-peak increase in tourism arrivals and overnights; 3. Reduction of the share of tourist traffic in the coastal areas
	Creation of comprehensive tourism product development plan	100.000 €																	Strategic plan created/Not created
	Creation of comprehensive tourism product development plan	100.000 €																	Strategic plan created/Not created
	Creation of comprehensive tourism product development plan	100.000 €																	Strategic plan created/Not created
	Creation of comprehensive tourism product development plan	100.000 €																	Strategic plan created/Not created
	Creation of comprehensive tourism product development plan	100.000 €																	Strategic plan created/Not created
	Creation of comprehensive tourism product development plan	100.000 €																	Strategic plan created/Not created
4.4	ENHANCED SUN & BEACH TOURISM Lead entity: Albanian National Tourism Agency (ANTA)	350.000 €																	1. Number of beaches classified and thematized; 2. Number of regional/cluster strategic beach management plans implemented; 3. Investment amount in infrastructure projects
	National beach classification & thematisation	50.000 €																	National beach thematisation established/Not established
	Regional beach management plans	150.000 €																	Regional beach management plans created/Not created
	Regional beach management plans	150.000 €																	Regional beach management plans created/Not created

#	DEVELOPMENT MEASURE	Estimated budget (EUR)	Time frame																Quantitative and qualitative implementation indicators
			2026				2027				2028				2029				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
4	PRODUCT DEVELOPMENT																		
4.5	COMMUNITY-BASED TOURISM Lead entity: Ministry of Tourism and Environment (MTE) supporting RMOs & DMOs	150.000 €																	Number of CBT products & experiences created
	Creation of CBT products and experience development plans	150.000 €																	Product development plan created/Not created
4.6	100% ALBANIAN STORE Lead entity: Ministry of Tourism and Environment (MTE)	180.000 €																	1. Number of 100% Albanian physical stores open; 2. 100% Albanian online platform developed
	Identification of potential MSME partners and product lines	n/a																	Partners identified/Not identified
	Development of a distinctive brand and label	30.000 €																	Brand and label created/Not created
	Flagship physical stores set up	n/a																	Online platform and mobile app developed/Not developed
	Development of the online platform	150.000 €																	Stores opened/Not opened
4.7	ALBANIA MARKETPLACE Lead entity: Ministry of Tourism and Environment (MTE)	1.320.000 €																	1. Albania Marketplace created/Not created; 2. Number of providers included in the marketplace; 3. Total number of Marketplace users
	Creation of business plan and financing model	70.000 €																	Platform developed/Not developed
	Establishment of the platform	1.050.000 €																	Number of partners involved
	Platform launch	200.000 €																	Marketplace launched/Not launched

5. Destination Marketing

#	DEVELOPMENT MEASURE DESTINATION MARKETING	Estimated budget (EUR)	Time frame												Quantitative and qualitative implementation indicators	
			2026				2027				2028					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
5.1	NATIONAL TOURISM REBRANDING Lead entity: Albanian National Tourism Agency (ANTA)	420.000 €														1. Defined and structured national tourism branding system; 2. Developed and implemented cluster brands; 3. Developed and implemented product brands; 4. Created new Albanian tourism visual identity; 4.Increased brand awareness
	Creation of branding strategy with branding brief	120.000 €														Branding strategy created/not created
	Creation of a big idea & new visual identity for the national tourism brand of Albania	300.000 €														Big idea created/not created
5.2	STRATEGIC PARTNERSHIPS & COLLABORATION Lead entity: Albanian National Tourism Agency (ANTA)	1.000.000 €														1. Number of strategic partnerships established; 2. Number of collaborative campaigns launched
	Identification of partnership opportunities	n/a														Partners identified/not identified
	Proposals development	n/a														Proposals developed/Not developed
	Cooperative marketing activities fund	1.000.000 €														Cooperative marketing activities launched/not launched
5.3	ENHANCING ONLINE FOOTPRINT Lead entity: Albanian National Tourism Agency (ANTA)	380.000 €														1. Total number of website visits; 2. Average time spent on the web; 3. Bounce rate; 4. Social media growth; 5. Social media engagement; 6. Cross-platform consistency
	Creation of content development strategy	30.000 €														Content produced/not produced
	National tourism website redesign	300.000 €														National website redesigned/not redesigned
	Development of social media management plans	50.000 €														Social media management plan created/not created

6. Capacity Building

#	DEVELOPMENT MEASURE	Estimated budget (EUR)	Time frame												Quantitative and qualitative implementation indicators	
			2027				2028				2029					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
6	CAPACITY BUILDING															
6.1	FORMAL EDUCATION ENHANCEMENT Lead entity: Ministry of Education, Sports and Youth	0 €														1. Number of accredited vocational and higher education programs introduced; 2. Number of students completing VET programs; 3. Number of partnerships formed between VET schools and industry representatives
	Enhancement of hospitality and tourism higher educational framework	n/a														Educational framework developed/Not developed
	Structured vocational education & training programs improvement	n/a														Number of vocational education and trainig programs held
6.2	WORKSHOPS AND TRAINING SESSIONS FOR TOURISM SECTOR Lead entity: Ministry of Tourism and Environment (MTE)	50.000 €														1. Number of trained service providers in tourism; 2. Number of education and traning session held
	Job mapping and sector needs assessment	n/a														Yes/No
	Creation of diverse training modules	50.000 €														Yes/No
	Development of a digital learning platform	n/a														Yes/No
6.3	QUALITY & SUSTAINABILITY STANDARD CERTIFICATION PROGRAMS Lead entity: Ministry of Tourism and Environment (MTE)	80.000 €														Quaility and sustainability certification program lauched /Not launched
	Analysis and selection of suitable programs for private sector companies and destinations	80.000 €														Analysis and selection executed/Not executed
	Comprehensive quality and sustainability standards implementation	n/a														Certification program implemented/Not implemented
	Training programs & workshops conduction	n/a														Number of traning programs & workshops held
	Certification awarding	n/a														Yes/No
6.4	KNOWLEDGE HUB Lead entity: Ministry of Tourism and Environment (MTE)	100.000 €														1. Knowledge hub created /Not created; 2. Number of knowledge hub users
	Online platform development	100.000 €														Platform created/Not created

Action plan budget consolidation

	#	DEVELOPMENT MEASURE	Budget per year						Total budget	Prerequisite for another development measure	If yes, which one
			2024	2025	2026	2027	2028	2029			
INVESTMENTS	1.1	EMPOWERING ALBANIAN INVESTMENT CORPORATION (AIC)		880.000 €					880.000 €	Yes	1.3
	1.2	EMPOWERING ALBANIAN INVESTMENT DEVELOPMENT AGENCY (AIDA)		100.000 €					100.000 €	Yes	1.3
	1.3	TOURISM INVESTMENT PROMOTION STRATEGY			200.000 €				200.000 €	No	
	1.4	TOURISM INVESTMENT INCENTIVE SCHEMES		350.000 €					350.000 €	No	
	1.5	ACTIVATION OF TOURISM DEVELOPMENT ZONES		500.000 €	600.000 €				1.100.000 €	Yes	1.3
	1.6	BIDDING PLATFORM CREATION			100.000 €				100.000 €	No	
	1.7	TOURISM INFRASTRUCTURE INVESTMENT SCOPING			680.000 €				680.000 €	No	
	1.8	TOURISM ENABLING INFRASTRUCTURE INVESTMENT SCOPING							0 €	No	
TOURISM REGULATORY AND FISCAL POLICY	2.1	TOURISM LAW UPDATE	100.000 €	350.000 €					450.000 €	Yes	1.5; 2.2; 2.3; 2.4; 2.5; 2.7; 2.9; 2.10
	2.2	MIXED-USE RESORT DEVELOPMENT REGULATION		260.000 €					260.000 €	Yes	1.4; 2.3
	2.3	TOURISM INVESTMENT INCENTIVES REDEFINITION		190.000 €					190.000 €	Yes	1.4
	2.4	TOURISM TAXATION SYSTEM REFORM		330.000 €					330.000 €	Yes	3.4
	2.5	ACCOMMODATION CLASSIFICATION IMPROVEMENT			280.000 €				280.000 €	No	
	2.6	DESTINATION MANAGEMENT LAW CREATION		280.000 €					280.000 €	Yes	3.1; 3.2; 3.3
	2.7	TOURISM STATISTICS REFORM		240.000 €					240.000 €	Yes	3.4
	2.8	TASK FORCE ON SUPPRESSING GREY ECONOMY IN TOURISM		30.000 €	35.000 €				65.000 €	No	
	2.9	REGULATION OF TOURISM ACTIVITY			150.000 €				150.000 €	No	
	2.10	REGULATION OF TOURISM ACTIVITY IN PROTECTED AREAS			250.000 €				250.000 €	No	
DESTINATION MANAGEMENT	3.1	STRENGTHENING ALBANIAN NATIONAL TOURISM AGENCY (ANTA)		600.000 €					600.000 €	No	
	3.2	DESTINATION MANAGEMENT ORGANISATIONS (DMOs) INTRODUCTION		110.000 €	90.000 €				200.000 €	No	
	3.3	REGIONAL MANAGEMENT ORGANISATIONS (RMOs) INTRODUCTION		85.000 €	75.000 €				160.000 €	No	
	3.4	TOURISM MANAGEMENT INFORMATION SYSTEM CREATION		460.000 €	370.000 €	70.000 €	70.000 €		970.000 €	Yes	3.7
	3.5	TOURISM THINK-TANK GROUPS ESTABLISHMENT							0 €	No	
	3.6	INTRODUCTION OF AIR ACCESSIBILITY IMPROVEMENT PROGRAM	375.000 €	75.000 €					450.000 €	Yes	5.2
	3.7	MARKET INTELLIGENCE & RESEARCH			100.000 €	200.000 €			300.000 €	No	
PRODUCT DEVELOPMENT	4.1	STRENGTHENING & EMPOWERING DMCs			330.000 €	40.000 €			370.000 €	No	
	4.2	ALBANIA VALUE DESIGN			190.000 €				190.000 €	No	
	4.3	YEAR-ROUND TOURISM PRODUCTS DEVELOPMENT			200.000 €	200.000 €	200.000 €		600.000 €	Yes	1.7; 1.8
	4.4	ENHANCED SUN & BEACH TOURISM			200.000 €	150.000 €			350.000 €	Yes	1.7; 1.8
	4.5	COMMUNITY-BASED TOURISM						150.000 €	150.000 €	No	
	4.6	100% ALBANIAN STORE			180.000 €				180.000 €	No	
	4.7	ALBANIA MARKETPLACE				1.320.000 €			1.320.000 €	No	
DESTINATION MARKETING	5.1	NATIONAL TOURISM REBRANDING			320.000 €	100.000 €			420.000 €	Yes	5.3
	5.2	STRATEGIC PARTNERSHIPS & COLLABORATION				1.000.000 €			1.000.000 €	No	
	5.3	ENHANCING ONLINE FOOTPRINT				380.000 €			380.000 €	No	
CAPACITY BUILDING	6.1	FORMAL EDUCATION ENHANCEMENT							0 €	No	
	6.2	WORKSHOPS AND TRAINING SESSIONS FOR TOURISM SECTOR				50.000 €			50.000 €	No	
	6.3	QUALITY & SUSTAINABILITY STANDARD CERTIFICATION PROGRAMS					80.000 €		80.000 €	No	
	6.4	KNOWLEDGE HUB				100.000 €			100.000 €	No	
	#	BUDGET	475.000 €	4.840.000 €	4.350.000 €	3.610.000 €	350.000 €	150.000 €	13.775.000 €		

Action plan timeline & lead entity consolidation

	#	DEVELOPMENT MEASURE	Timeline						Lead entity
			2024	2025	2026	2027	2028	2029	
INVESTMENTS	1.1	EMPOWERING ALBANIAN INVESTMENT CORPORATION (AIC)							Albanian Investment Corporation (AIC)
	1.2	EMPOWERING ALBANIAN INVESTMENT DEVELOPMENT AGENCY (AIDA)							Albanian Investment Development Agency (AIDA)
	1.3	TOURISM INVESTMENT PROMOTION STRATEGY							AIC & AIDA
	1.4	TOURISM INVESTMENT INCENTIVE SCHEMES							Ministry of tourism and Environment (MTE)
	1.5	ACTIVATION OF TOURISM DEVELOPMENT ZONES							AIC & AIDA
	1.6	BIDDING PLATFORM CREATION							Albanian Development Fund (ADF)
	1.7	TOURISM INFRASTRUCTURE INVESTMENT SCOPING							ADF
	1.8	TOURISM ENABLING INFRASTRUCTURE INVESTMENT SCOPING							MTE & ADF
TOURISM REGULATORY AND FISCAL POLICY	2.1	TOURISM LAW UPDATE							MTE
	2.2	MIXED-USE RESORT DEVELOPMENT REGULATION							MTE
	2.3	TOURISM INVESTMENT INCENTIVES REDEFINITION							MTE
	2.4	TOURISM TAXATION SYSTEM REFORM							MTE
	2.5	ACCOMMODATION CLASSIFICATION IMPROVEMENT							MTE
	2.6	DESTINATION MANAGEMENT LAW CREATION							MTE
	2.7	TOURISM STATISTICS REFORM							MTE
	2.8	TASK FORCE ON SUPPRESSING GREY ECONOMY IN TOURISM							MTE
	2.9	REGULATION OF TOURISM ACTIVITY							MTE
	2.10	REGULATION OF TOURISM ACTIVITY IN PROTECTED AREAS							MTE
DESTINATION MANAGEMENT	3.1	STRENGTHENING ALBANIAN NATIONAL TOURISM AGENCY (ANTA)							Albanian National Tourism Agency (ANTA)
	3.2	DESTINATION MANAGEMENT ORGANISATIONS (DMOs) INTRODUCTION							Local government bodies
	3.3	REGIONAL MANAGEMENT ORGANISATIONS (RMOs) INTRODUCTION							Regional government bodies / municipalities
	3.4	TOURISM MANAGEMENT INFORMATION SYSTEM CREATION							MTE
	3.5	TOURISM THINK-TANK GROUPS ESTABLISHMENT							MTE
	3.6	INTRODUCTION OF AIR ACCESSIBILITY IMPROVEMENT PROGRAM							MTE
	3.7	MARKET INTELLIGENCE & RESEARCH							ANTA
PRODUCT DEVELOPMENT	4.1	STRENGTHENING & EMPOWERING DMCs							MTE
	4.2	ALBANIA VALUE DESIGN							ANTA
	4.3	YEAR-ROUND TOURISM PRODUCTS DEVELOPMENT							ANTA & RMOs
	4.4	ENHANCED SUN & BEACH TOURISM							ANTA
	4.5	COMMUNITY-BASED TOURISM							MTE supporting RMOs & DMOs
	4.6	100% ALBANIAN STORE							MTE
	4.7	ALBANIA MARKETPLACE							ANTA
DESTINATION MARKETING	5.1	NATIONAL TOURISM REBRANDING							ANTA
	5.2	STRATEGIC PARTNERSHIPS & COLLABORATION							ANTA
	5.3	ENHANCING ONLINE FOOTPRINT							ANTA
CAPACITY BUILDING	6.1	FORMAL EDUCATION ENHANCEMENT							Ministry of Education, Sports and Youth
	6.2	WORKSHOPS AND TRAINING SESSIONS FOR TOURISM SECTOR							MTE
	6.3	QUALITY & SUSTAINABILITY STANDARD CERTIFICATION PROGRAMS							MTE
	6.4	KNOWLEDGE HUB							MTE



Financed by:



Implemented by



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Swiss Agency for Development
and Cooperation SDC**

Implemented by:



Horwath HTL™

Hotel, Tourism and Leisure

Horwath & Horwath Consulting Zagreb d.o.o.

Member of Horwath HTL International

Matrix Office Park, Slavenska avenija 1b,

10000 Zagreb

Croatia

Tel. +385 (0)1 4877 200

www.horwathHTL.hr

www.horwathHTL.com