
Sea Cruises as a New Branch of the Tourism Industry in Albania and in the Region of Saranda

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Abstract

Tourism offers, for small and rural communities, significant opportunities for social and economic development. Cruise industry creates jobs and income for tourist destinations. The Mediterranean region is an important market for the global cruise industry. Albania is oriented in coastal tourism, cultural tourism and nature tourism. In coastal tourism involved and cruise tourism, that is a new industry in Albania. Albanian ports are investing in infrastructure to suit international travel. Port of Saranda is a "clean port", he has an ideal geographical position for "port of call" for the international tourist ships. The aim of the study is to analyze the development of cruise tourism in Albania, in the region of Saranda and the effects of this industry in the tourist destination. The study period is: 2009-2015. The data are taken from the Port of Saranda, JSC. Through analysis descriptive and comparative, using existing statistical data from official sources secondary, we have concluded that the industry of cruisers is a new branch of tourism for the region of Saranda, which is being developed with the fast rhythms and has positive effects for the region.

Keywords: sea cruise, tourism industry, Saranda region.

JEL classification: E22, Z31, Z32.

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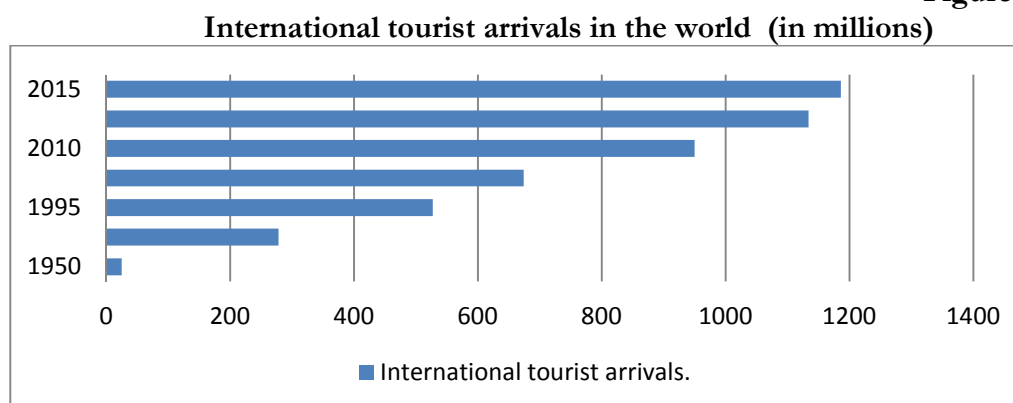
Introduction

Nowadays tourism is seen by many countries as a main instrument for development, increasing of the prosperity and the welfare of their peoples. A growing number of destinations around the world have invested in tourism, affecting the creation of new jobs, increase export earnings, as well as infrastructure development. International experience has shown that the tourism is becoming an economic sector with the highest growth rate in the world. (*Figure 1*)

By 2007, that marks the beginning of the financial crisis, the number of tourists in the world has increased on average by 3.3% annually, while 2014 marked the fifth consecutive year of strong growth over the long-term average. So by 2014 compared with 1950, tourist arrivals have increased by 45 times. If we compare the increase in the number of tourists in 2005 to 2010, which is 17%, with the increasing number of tourists from 2010 to 2015, which is 25%, we understand the development that has taken tourism after the global economic crisis.

Sea cruises include some passengers who spend some nights on board. Sea cruise ships sail across the seas and waterways in the world, making stops in the most beautiful places on earth. These boats are sea giants. They offer travelers all the services and facilities they need. If a port wants to accommodate these giant ships, he must have the appropriate infrastructure. Cruise ships are organized as floating hotels, with a staff full of hospitality.

Figure 1



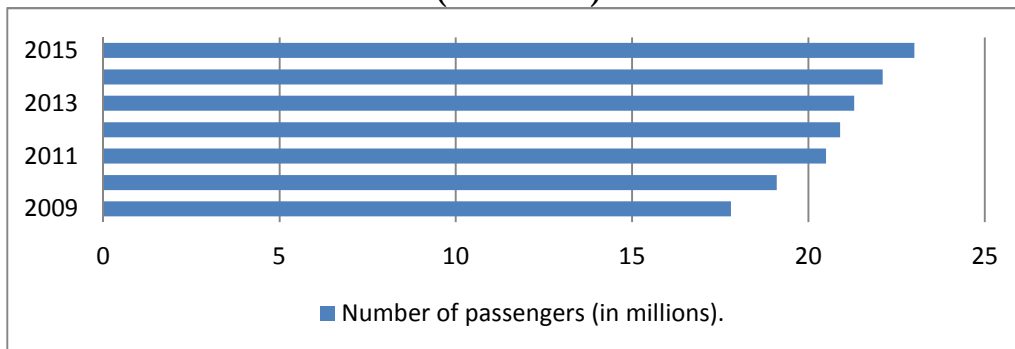
Source: UNWTO & Tourism Highlights 2016 Edition

A trip includes different destinations along the cruise. Cruise companies aimed at different segments of the market, to attract younger travelers, to build the capacity of navigation and to amend the duration of the cruise, prices and

itineraries. Analysis of this global phenomenon has shown an annual increase of 8% since 1980. (Figure 2)

Figure 2

**The number of passengers who traveled with cruisers in the world
(in millions)**



Source: CLIA. Cruise Industry Outlook. 2016.

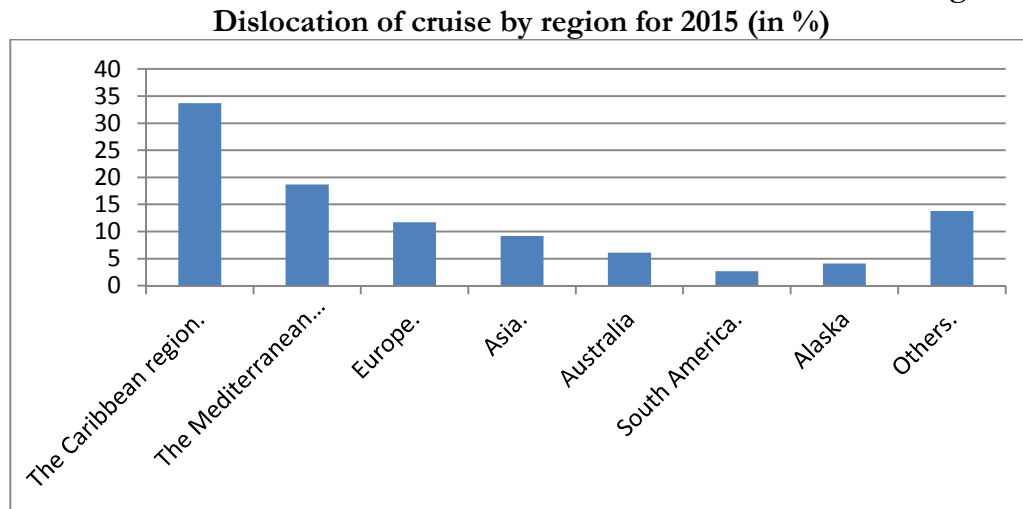
There are several factors that make tourists to choose the cruise vacation. Studies conducted in the cruise industry have identified five main reasons why cruising is estimated more than other types of vacations. These are pleasure, relaxation, the opportunity to visit several destinations, evaluation of cash, and a variety of activities.

The cruise industry continues to create jobs and income for tourist destinations. Global economic impact of the cruise industry for 2014 was 939 thousand employees and 119.9 billion US \$ total economic impact.

Tourists choose except from Europe and North America, and other new destinations. Europe is an important market for the global cruise industry. Firstly, with 6.39 million Europeans cruising in 2014, Europe represents the second largest source of great world market, after the US. Secondly, Europe is selected as the second travel destination in the world, after the Caribbean. Increasing the number of vessels it is followed by expanding the number of ports across the world, with nearly 1000 ports, and expansion of the regions visited by cruisers, including the Mediterranean, Asia and Australia. Especially the western Mediterranean region is more popular. In 2012, the Mediterranean region was chosen by 3303 thousand passengers in compared with 2825 thousand who had chosen the region in 2009.

Itineraries usually make stops in "ports of call", in Spain, France, Italy, Greece. These may also include stops in Portugal, Morocco, Tunisia, and Albania. (Figure 3)

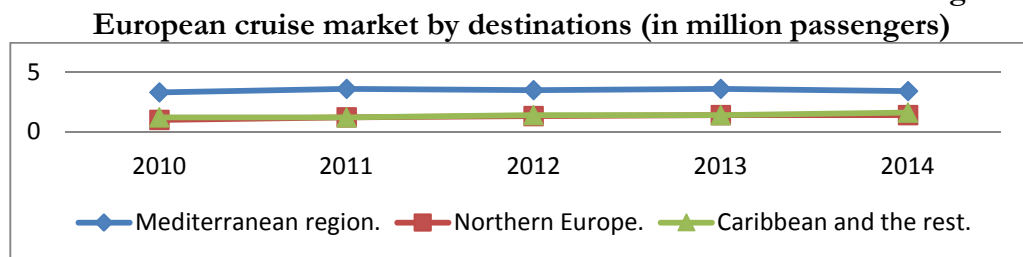
Figure 3



Source: CLIA. Cruise Industry Outlook.2016.

Cruise lines will continue to provide exceptional value across the entire spectrum of cruise holidays in all prices. This market gives consumers a unique opportunity to find holidays that suit their budget. European passengers prefer almost 3 times more the Mediterranean region than the other destinations. (Figure 4) From this trend benefit the ports of Albania as "ports of call", to which is included and the port of Saranda.

Figure 4



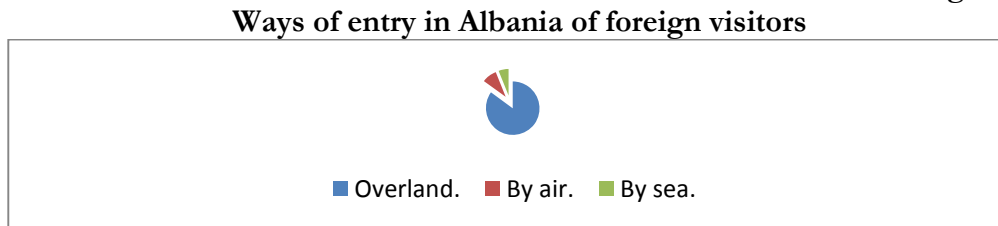
Source: CLIA. Cruise Lines International Association. Europe. Statistics and Markets. 2015

The cruise industry in Albania

Albania has significant tourist potential for locals and foreign tourists. It offers a fascinating nature with a diverse biodiversity, beaches with a long coastline and many beautiful. In Albania dominates the Mediterranean climate. But it does not lack a cultural heritage.

Foreign visitors enter the country by land, sea and air. The most widely used method is road transport. While 85% of all inflows to Albania implemented at land borders, only 9% of visitors arrive by air and 6% by sea. (Figure 5)

Figure 5



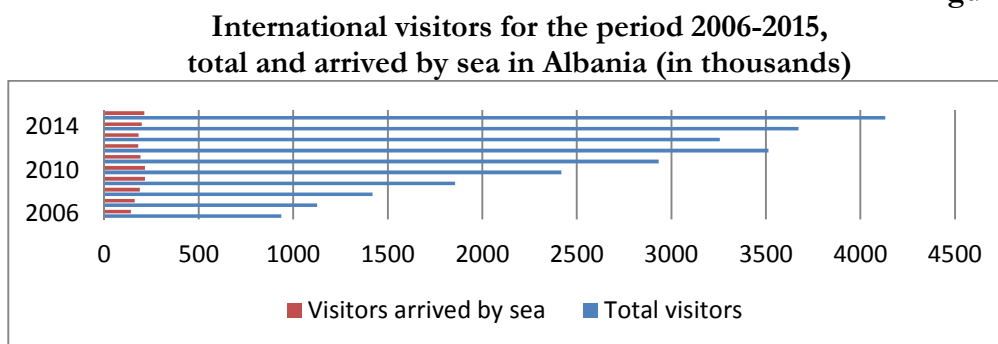
Source: www.INSTAT.gov.al. 2016.

This is most obvious with neighboring countries, which count up to 80% of the total number of tourists. 49% of tourists from Europe and the US arrive by road, 35% arrive by air in the airport and 16% come by sea in Albania.

Despite that Albania has four main ports, with appropriate infrastructure to host tourists; most of them will enter Albania overland. In 2015 compared with 2006, the number of tourists arrived by sea increased by 50.3%. While, % that make up the number of tourists by sea to the total number of tourists decreased by 15% it was in 2006, in 2014 it was 5,4% and in 2015 it made 5.1%.

This reduction is the result, not the decreased number of tourists by sea, but because the number of tourists total in 2015 compared to 2014 increased by 12.5% and but the same period the number of tourists by sea increased by 7 %. (Figure 6)

Figure 6



Source: www.INSTAT.gov.al. 2016.

"The future of Albania should be better linked with the future of tourism growth," said General Secretary of the World Tourism Organization, Taleb Rifai.

The Albanian government on the draft-strategy for the development of tourism in Albania, for 2020 is scheduled for the contribution of the tourism sector in the country's overall production should be increased to 8%. Also, the increase in revenues in foreign currency will reach a level of 5% per annum in the short term, 7% in the medium term and 10% in the long term, taking into account the 1.8 billion EUR in 2020, while the number of countries working in tourism businesses will reach 70,000 in 2020 and indirect jobs to 220,000. According to this draft strategy, the development of tourism in Albania should focus on: coastal tourism, cultural tourism and nature tourism. We included the coastal tourism and cruise tourism, as a special form of tourism in coastal destinations in Albania. The cruise industry is a new industry in Albania. It has started to be increased after 2000. The Albanian economy can benefit from this industry. Albanian ports are investing in infrastructure to suit international travel. Modernized passenger terminal in Durres and Saranda offers good conditions for passengers. Recent years, the number of cruise ships and passengers visiting Albania increased. 74 cruise ships arrived in Albania in 2013. Mainly cruise ships have visited Durres and Saranda.

The cruise industry in the region of Saranda

Saranda is a city with more than 2000 years of history and rich in rare value cultural and archaeological heritage, both Albanian and European. Saranda, the gateway to the southern Albania, is a small town of about 33.000 inhabitants, situated on a beautiful horseshoe bay between the mountains and the Ionian Sea. Saranda is related directly with the port of Corfu. This island is a port of the Mediterranean many tourist itineraries.

In the south west of Saranda lies seaport divided into two ports, the port of Saranda, which is the port of cruisers, ferries and yachts, so a port in the service of passengers and the port of Limion, wherein the processed cargo ships. Port of Saranda is created since 1945. Economic changes after 1990 were reflected in the activity of this seaport. After 2000, the activity of the port had increased tremendously. But the infrastructure was inadequate to support that growth. In 1999 it became rehabilitation of the main quay.

Subsequently invested for the construction of a quay length of 50 ml for mooring small ferry and the construction of service facilities. This investment was completed in 2003. In 2004 began the construction of the passenger terminal, where an area of 150 m² serves for the processing of passengers. In 2012 the Government of Albania in cooperation with the World Bank invested for the construction of a modern quay with a length 180 ml and depth 9 ml, a construction that was completed in 2013.

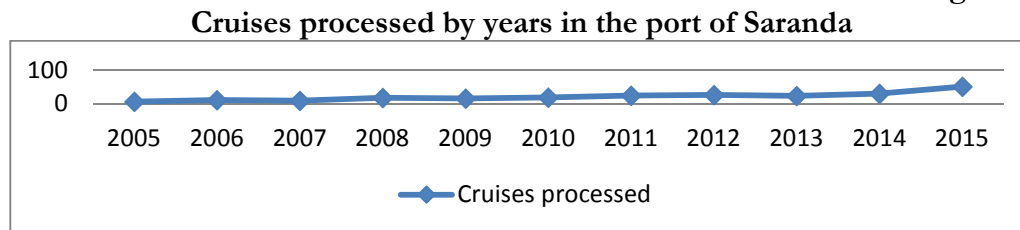
From this investment was benefit, the new quay for for processing cruise ships, a quay for small ferryboat, with a length of 50 ml and 4.5 ml depth, aprons

speedboats, passenger terminal, parking place for cars and buses and service facilities. In December 2015 he started a new investment for the construction of the terminal building. The new terminal is ready to receive travelers for the tourism season 2016. This investment is contributing to the creation of new jobs and improve the quality of passenger service. Companies also create opportunities to cruise tourism and to increase business tourism in the region of Saranda. Port of Saranda is a "clean port" because there is another port which deals with the movement of goods or hazardous cargoes such as oil and fuel.

The geographical position of the port of Saranda has made it an ideal port for "port of call" international tourist ships. Number of cruise processed has been increasing. In 2010 compared with 2005, the number of cruisers has increased by 3.2 times. In 2015 compared to 2005 increased by 8.5 times compared to 2010 and increased by 2.7 times.

After 2013, the year when the port of Saranda expanded, the number of cruises in this port got a large increase. In 2015 compared to 2012 their number grew by 76% and the number of passengers who visited Saranda rose by 167%. (Figure 7)

Figure 7



Source: Port of Saranda. JSC. 2016.

The increase in the number of cruises and touristic ferries is associated with the increased number of passengers who have visited Saranda through the port. (Figure 8) In 2015 compared to 2014, the number of incoming tourists by cruises increased by 101%, while the number of incoming tourists by sea increased by 65% while the total number of tourists who visited Saranda has been the same. For 2015 tourists arrived by sea constituted 5% of the total number of tourists and those who came with cruise constituted 2.6%.

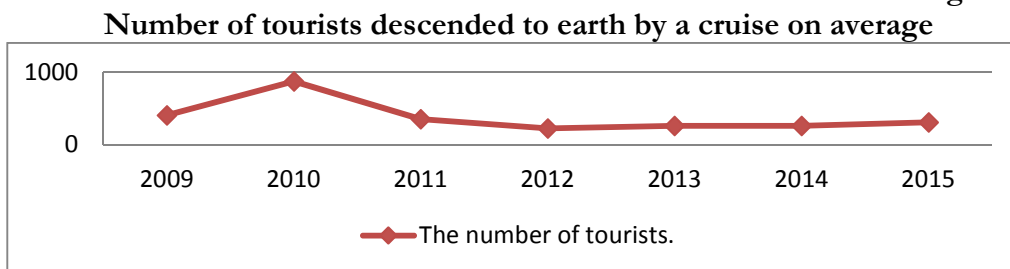
Figure 8



Source: Port of Saranda. JSC & Saranda Municipality, the Tourism Office, 2016.

But not all the passengers of the cruise get down to the port. Many passengers prefer to stay in the ship spending their money there and not in the region. (Figure 9) Usually, when a cruise ship arrives at a port, passengers can choose between three options: they can stay on board, they can buy tour packages and take part in local excursions, organized by the company or they can visit a destination according to their will.

Figure 9



Source: Port of Saranda. JSC, 2016.

Incoming visitors by touristic ferries come from the island of Corfu who is a "port of call". They stay a few hours in the region visiting the National Archaeological Park of Butrint, which is a perfect destination for nature lovers, the ancient city of Phoenicia, the ancient city of Gjirokastra etc. Cruises that have visited the port of Saranda, are cruises who have come from one to six times per year. (Table1), (Figure10)

Table 1
Cruises income in the port of Saranda in years

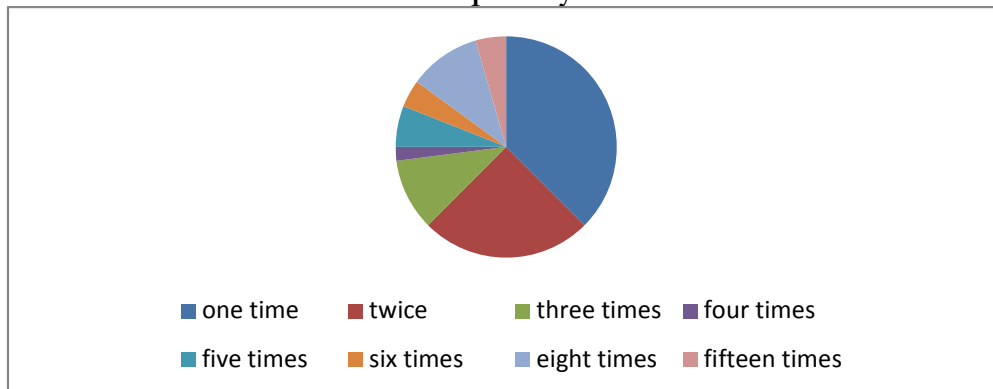
Cruises	2011	2012	2013	2014	2015
Adonia		1	1		
Aegean Odyssey		2	3		3
Amadea	1				
Artania					1
Astor	1				
Athena	1				
Celestyal Crystal					3
Clipper Odyssey	2	1			
Club Med II	1	1			
Columbus	1		1		
Corinthian			2	3	
Corinthian II		2			
Costa Marina	1				
Costa Voyager		2	3		
Cristal Serenity					1
Delphin Cruiz			1		
Europa 2				1	1
Fti Berlin		5		1	2
Hamburg		1			1
La Belle De L. Adriatique				1	
Le Lyril					3
Louis Aura					1
Minerva	2	1	1		4
Msc Lirika					1
Ocean Majesty				1	
Oriana					1
Orient Queen	8				
Queen Elizabeth				2	
Quest For Adventure			1		
Rotterdam					1
Royal Clipper		1			2
Saga Perla II					1
Sea Cloud		3	2	6	4
Sea Dream		5	5	2	3
Sea Dream II		1		2	3
Sea Cloud II	2	2	1		

Cruises	2011	2012	2013	2014	2015
Serenissima			2	1	1
Silver Cloud					1
Silver Wind				1	1
Spirit Of Adventure	1				
Star Breze					3
Star Pride				4	4
Tere Moana				1	1
The World	1				
Variety Voyager		1		2	3
Voyager				1	1
Wind Star	2				
Wind Surf				2	

Source: Port of Saranda. JSC, 2016.

Figure 10

Percentage of cruisers by frequency of touching the port of Saranda in the past 5 years



Source: Own compilation based on data from Port of Saranda. JSC. 2016.

The benefits of Saranda’s region from the cruise industry.

Tourist Destinations generate significant benefits from the cruise industry. Economic benefits of cruise tourism in any destination stem from three main sources:

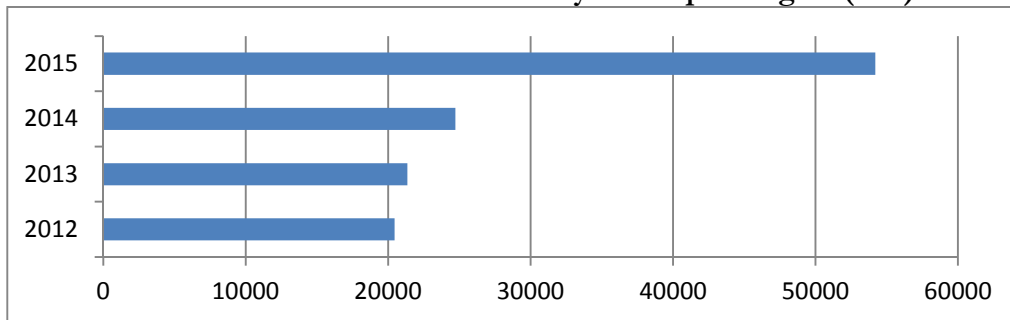
- Expenditure incurred by passengers when down to earth, which relate to retail purchases for clothing, jewelry and souvenirs, visits to museums, parks, etc.

- Expenditure made from the crew, which are concentrated in purchases of food and drinks, local transportation and retail purchases of clothing and souvenirs.
- Spending by the cruise lines for goods and services needed for cruise operations, expenditures by cruise lines for port services and expenditures by cruise lines for maintenance costs.

The economic impact of the cruise industry is estimated from the taxes that are paid from the passengers, who embarked on a ship. Every passenger who embark on a cruise at the port of Saranda, must pay € 3.5. The revenues from the embarkation fee in 2015, have grown 2.5 times more than in 2012. (Figure 11)

Figure 11

The income tax of embarkation by cruise passengers (in €)

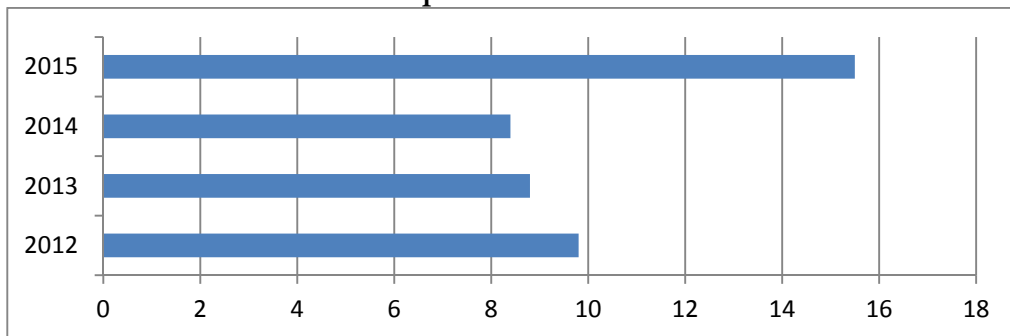


Source: Port of Saranda. JSC. 2016.

Also have been increased income cruises (%) to total revenues, provided by the passenger taxes at the port of Saranda. (Figure12)

Figure 12

% that constitute the proceeds of cruisers to total income



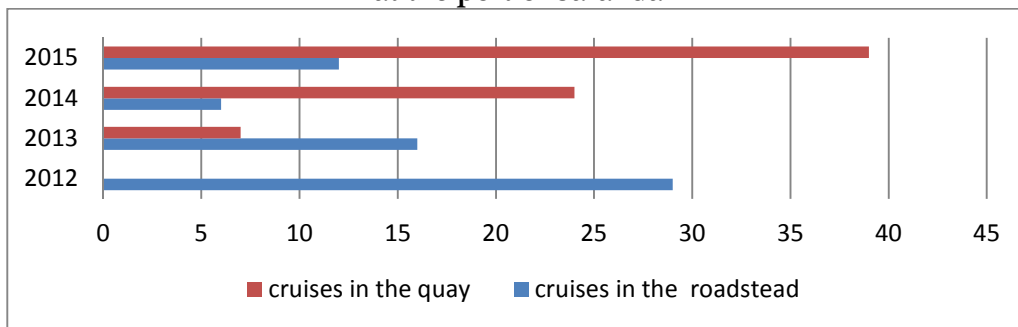
Source: Port of Saranda. JSC. 2016.

Also an income from tourism of cruisers is the tax of staying in the quay. If the ship stays in roadstead, it does not pay taxes, while if the ship stays in the quay, it pays taxes. Until 2013 the cruises do not stay in the quay at the port of Saranda because of the a small depth of this port.

In 2013, that took the port expansion and was deepened more, cruisers began to reside in the quay. After this year, the number of cruise handled in quay is increasing, reaching that in 2015, 24% of the cruise be processed in roadstead and 76% of them on the quay. (Figure 13)

Figure 13

Number of Cruises processed in the quay and in roadstead at the port of Saranda

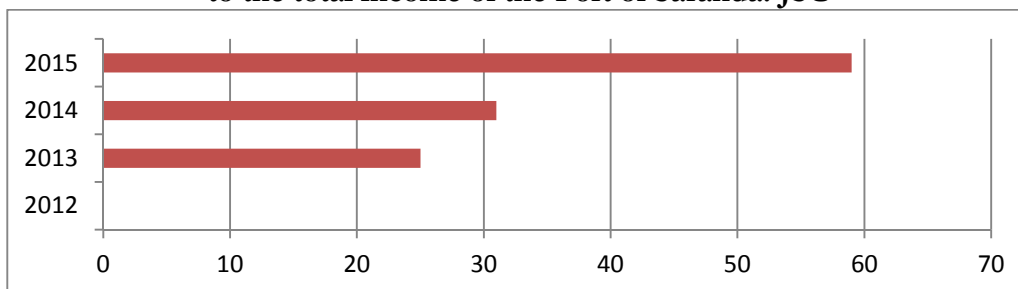


Source: Port of Saranda. JSC. 2016.

The income earned from this tax on cruises, constitute a large share in the total revenue obtained from this tax. (Figure 14) For 2015 they accounted for 59% of total income.

Figure 14

% that make up the revenue from the tax of staying in the quay to the total income of the Port of Saranda. JSC



Source: Port of Saranda. JSC. 2016.

Tourists spend very little in tourist destinations, because the ground excursions organized by cruise ships, who get most of the profit. According to Johnson, D. (2002) cruise lines are doing their best to maximize the money spent on board by minimizing the time of their stay in port. They also include all meals on board, entertainment, allowing minimal tourist expenses to the ground.

Conclusions

Tourism is important for the development of Albania and the region of Saranda. It is the only sector that grows constantly.

The cruise industry is a new branch of tourism for Albania and the region of Saranda, which after 2010, is developing rapidly.

Cruise ships bring revenue to local businesses, but ensuring the sustainable development of a "tourist port destination" has a very high cost.

Tourist destination, the region of Saranda with its port, gradually become part of the itinerary of the cruise who travel in the Mediterranean region.

Number of cruise processed at the port of Saranda in 2015 in comparison to 2010 has increased by 2.7 times.

Saranda port is a port with appropriate infrastructure to host cruisers of different sizes, however, he must change constantly in accordance with the growing demands of the industry.

The cruise industry has positive impacts for the region of Saranda.

While there is a policy from local governments to promote the tourism of cruisers, there is no policy by decision-makers to control the impact of this activity.

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