
TOURISM DEVELOPMENT IN KOSOVO AND ITS CONSEQUENCES (SARS-COV-2)

Petrit Hasanaj

University of Applied Sciences Ferizaj, Kosovo, petrit.hasanaj@ushaf.net

Bekë Kuqi

University “Haxhi Zeka” Peja, Kosovo, bekë.kuqi@unhz.eu

Abstract: The consequences caused by SARS-CoV-2, in the world, but also in Kosovo, has affected most the industry of tourism, several other industries affiliated to the development of tourism, particularly hotels, crafts and transportation, as well as financial investments in tourism and countless other projects in tourism, both in the public/private sector. SARS-CoV-2 in addition to causing a health-economic crisis, it has also affected the behavior of people and their daily habits, which has caused major changes in economic development in our country. The consequences of SARS-CoV-2 every day more and more are being observed and affected the revenues of our country. The great uncertainty regarding the longevity of SARS-CoV-2 and the level of harshness of the pandemic has force our country's government to take rigid measures, such as confine the movement of people, goods and services, banning tourist tours, etc.

Keywords: SARS-CoV-2, tourist travel, tourism development, health crisis etc.

1. INTRODUCTION

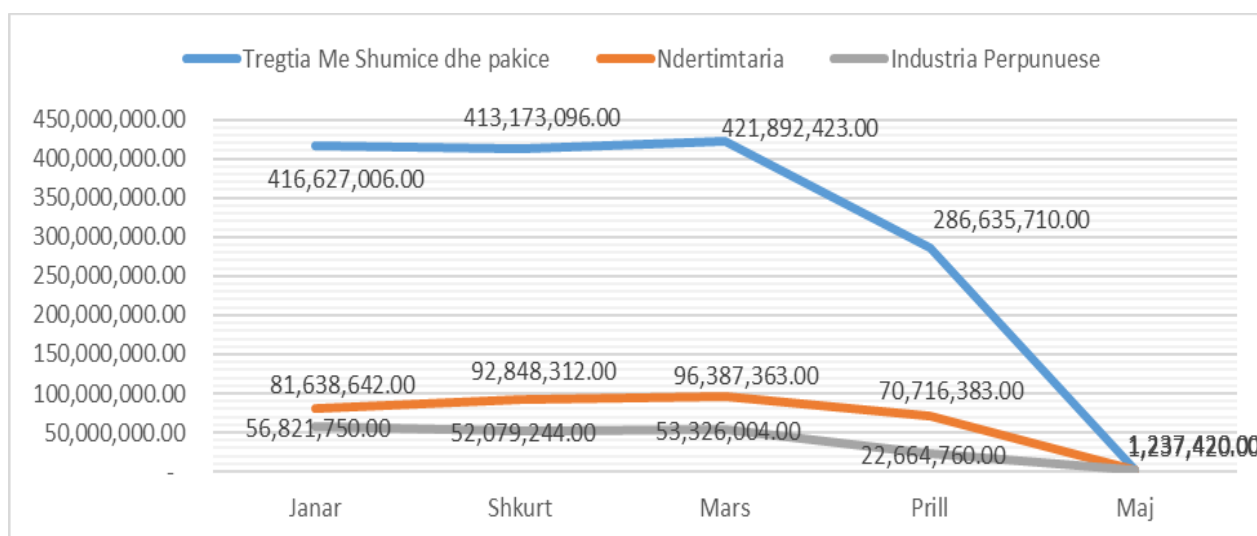
Depending on the tourist potentials, whatever they are, the new tourist flows will have orientations in space. These precious potentials require interest, care and rational exploitation. In an effort to realize the civic needs, the country's institutions, public and private, other and tourist, are being functionalized, i.e. further development of capacities to face various challenges in this important economic, social, cultural sector etc. Either way, this requires time and professional commitment, which is not easy to do. The education system in Kosovo, similar to the regional one, has its deficits, which must be overcome to come to the aid and to meet the needs of the market. In the current circumstances, this segment in the Kosovar society has defects. These and other ongoing aspects are closely related to the tourism development of the country, to which this paper aims to contribute. Since the start Covid-19 pandemic on March 2020, restrictions on the movement and development of economic activity have had a major impact on Kosovo's economy, especially in the labor market. The development of tourism will result in increase in the number of visitor's nature protected areas and natural monuments, but our country does not have developed tourism and educational capacities and offer for visitors (leaflets, maps, tourist guides). Kosovo in terms of tourism consists five different touristic regions: Central region(Pristina), Albanian Alps region, Sharr region, Anamorava region, and Mitrovica region. Prior to the COVID-19 crisis in early 2020, most countries in the region and also our country Kosovo had made significant progress towards reducing poverty and increasing household incomes and raising the standard of living in the country. Since the spread of (SARS-CoV-2), the country began to weaken. The cases of 2020, respectively COVID-19 pandemic has exceptionally worsened the international economy, including all the Balkan countries. Faced with such a global health problem, governments, like the countries of the Western Balkans, began the application of some immediate control policies, which have frozen some large parts of the country's economy, a model of new structures in terms of adaptation to the context of uncertainty (Seraphin, Gowreesunkar and Platania, 2019; Kuqi et al., 2021; Kuqi et al., 2022). From 13 March 2020, the Government of Kosovo has taken the first measures at the national level to curve the spread of the pandemic COVID-19. Measures taken include restricting movement and meetings, interrupting work in schools and universities, suspending the vast majority of business activities, interrupting urban and interurban transport. These measures have affected all municipalities, including those that have not yet identified any cases COVID-19. The most important thing is that the climate in Kosovo is very suitable for visitors because there are four seasons according to the official calendar and in rare cases the climate happens to be different, which season differs from the other with its different characteristics (Kuqi, 2018; Kuqi, Elezaj and Hasanaj 2020). Citizens are restricted from visiting shops, theatres, cinemas, museums, bars, restaurants and commuting. Trying to prevent the spread of (SARS-CoV-2), which is inevitably heading for an economic recession and most likely, and if all this continues, even an economic depression, to an extent that is not we have seen it before in today's economy. There is no such situation nowadays. There is consensus among experts that the "economic pain" will go through several stages: the first stage is the "unplanned shutdown", so that all of a sudden all economic activities in the country stop as happened with (SARS-CoV-2).

2. METHODOLOGY

During the work, a methodology was applied to analyze the current general situation in the economic development sector, the importance of tourism as an important economic category, and how tourism affects as a potential source for economic development in Kosovo research methodology is a process based on a set of primary and secondary data from the data of licensed Government institutions. The methodology of this paper is based on literature study and empirical study. official publications, websites while the empirical study consists of the Tourism Development in Kosovo and its Consequences (SARS-CoV-2). Therefore, the entire information base is based on the data of the questionnaire (Elezaj et al., 2021) In the analysis of the case study, two types of qualitative and quantitative research methods were used.

3. RESULTS AND DISCUSSION

Kosovo has great opportunities for tourism development. It has abundant natural attractions, with convenient geographical locations. There are a considerable number of gorges, caves and canyons. The Albanian Alps and the Sharr massif are the richest regions with gorges, caves and canyons. The most popular gorges in Kosovo are: Rugova Gorge, Kaçanik Gorge, Carraleva Gorge, Ibar Gorge, etc. Rugova gorge with its natural beauties is the most famous gorge in the region and beyond. Before the outbreak of COVID-19, forecasts for the growth of the economy of the Republic of Kosovo for 2020 were promising and very desirable. Analyzes made so far by a World Bank (WB) team predicted a 4% increase in Gross Domestic Product (GDP) in 2020. Considering the rapid change in conditions due to the restrictions of COVID-19, economic growth has already stagnated and the risk of economic contraction is high in the country. Like other economies in developing countries, the virus is predicted to have a negative impact on the poor market of Kosovo. The risk for the duration and severity of the virus has made Kosovo take quick and restrictive measures, regarding the restriction on the movement of people, services and goods, transportation bans, education bans, business closures and partial quarantine of the population. Restrictions can have a positive impact on stopping the spread of the virus and preventing the worsening of the health crisis, the effects and consequences of shutting down the economy for a long time can be severe, a study conducted by the US Chameria in collaboration with four other businesses. Representative organizations during the first three weeks of the pandemic to measure the impact of COVID-19 on the activities of member companies has shown disturbing results. Based on the data of the analysis, the crisis caused by COVID-19 has deeply affected the development of the private sector to operate, where 39% of the enterprises surveyed have gone bankrupt completely, 30.7% have been working with reduced capacity and 13.8% worked part-time. At this time, 60% of respondents believed that the COVID-19 crisis will reduce the development and livelihood of their business (American Chamber of Commerce in Kosovo, 2020; Kuqi et al., 2021). Enterprises reported economic losses (77.78%) and lack of liquidity (43.72%) as their main concerns, followed by work inefficiency (39.37%) and production capacity (26.81%). 3 No Surprisingly, wholesale (74.42%) and retail (76.04%) are reported to have suffered the greatest economic losses, as consumer demand was noticeably low. (see fig. 1).



Source: Data from ATK. Calculation: American Chamber 2020

Since the level of economic decline at this time cannot be fully estimated and known, due to uncertainties in the rise and other events, some estimates have already been made. According to the International Monetary Fund (2020) report, Kosovo's GDP is expected to decline by 5% in 2020, followed by an increase of 7.5% in 2021 (International Monetary Fund). Fiscal revenues are expected to decrease by up to 12% by 2020, given the immediate decline in Value Added Tax (VAT) and customs duties.

Table 1. Forecasts for basic macroeconomic indicators 2020 (growth / decrease rates in % compared to the previous year)

	2019 (evaluation)	2020 (review)
Gross domestic product (GDP)	4	-3
Consumption	2.5	-1.2
Investments	3.7	-14.5
Export	6.3	-10.4
Imports	2.3	-9.6
Consumer price index	2.7	1
Current account balance	-5.8	-7.8
Trade balance	-39.9	-37.4
Unemployment rate	25.7	

Source: Ministry of Finance, Directorate of Budget and Finance

The decline in economic activity and consequently investment will inevitably have implications for employment. A large number of jobs will only be partially exploited with an improvement with the easing of measures and the opening up of the economy, but another number are in danger of being lost permanently. As a result of the decline in demand, imports and consequently tax revenues collected on imports (VAT and customs tariffs) will decrease, as extremely important sources for filling the Kosovo budget. Kosovo is characterized as a small and open economy, mainly dependent on trade. Therefore, the first thing that comes to mind is the fact that it is hit hard by the downturn and disruption in world trade (we mean non-essential goods and services) (Riinvest Institute, 2020).

Table 2. Foreign visitors and their nights -stays, by regions for Q1 periods of years 2019 – 2021.

ID	Regions	2019		2020		2021	
		Q 1 Visito-r	Night	Q 1 Visito-r	Night	Q 1 Visito-r	Night
1	Gjakova	959	1643	297	525	319	801
2	Gjilani	426	937	365	766	597	1090
3	Mitrovica	821	932	1611	1743	2188	2777
4	Peja	4010	8591	4376	8375	7738	14037
5	Prizereni	8622	11261	7753	11399	11411	16121
6	Prishtina	21429	37197	15767	26859	13506	20704
7	Ferizaj	1688	2700	801	1143	1176	1927
Total:		37953	63260	30970	50809	36935	57457

Source: Kosovo Agency of Statistics, Series 3: Economic Statistics 2021

In the first quarter of 2021 the frequency of foreign visitors is about 36 935 while the frequency of nights of their net stays is 57 457. Thus, the largest number of foreign visitors is concentrated in Prishtina, Prizren, Peja etc. Self-recovery and economic transformation will depend on a number of factors including the possibility of a new pandemic wave, the pandemic prolongation interval and its implications for consumer and business loyalty, but also the ability of businesses to was adapted "novelty situation". The Republic of Kosovo, respectively its government must be proactive in providing support to citizens and companies, but must also be very flexible to adapt to any new

circumstances and conditions that may arise: 1) investments in the health spectrum are addressed towards the health of citizens and to curb the virus and control it, 2) focus on creating digitalization of the administration and at the same time its impact on reducing bureaucracy. Also, organizations should be funded to digitalize their business processes and increase business activities through doing business in electronic form, 3) program to support and integrate Kosovar organizations in global supply chains, 4) financial program created for the special conditions for the support and promotion of gastronomy of the tourism and hotel sector, as two of the sectors most affected by the pandemic, 5) The creation of tax and legal facilities for the construction sector, a sector that may be involved in a crisis in the coming months, as a result of the cash flow problems of companies active in this sector, including the reduction of construction taxes and the creation of a legal basis. for temporary cadastral registration of buildings under construction, 6) stimulation of aggregate demand by stimulating purchases in certain periods (0% VAT for weekend purchases), 7) creation of financial instruments, for financing the transition to more sustainable solutions and efficient electricity supply for businesses and households. Referring to the data obtained, it appears that the most attacked sector is tourism and therefore the government should use policies at the level of incentives and financial support for this sector. The economy in general and the activity of the tourism sector has been further affected by the non-arrival of our relatives living in the diaspora, due to the pandemic, thus causing great losses in the tourism industry.

4. CONCLUSION

Confinement of movement created a rigid decrease in commercial engagement activities on the one hand, whilst the bankruptcy of many undertakings has left many people jobless and especially that of the tourism industry. There should be an adequate and comprehensive plan for economic recovery in the country, the number of unemployed may increase even more in the coming months if there is no concrete plan. But the easing of restrictive measures and the gradual opening of business activities does not mean an immediate return to the pre-pandemic situation, but it will take a long time to normalize the country's economic shape. The economic development market might not recover or be the same as it used to be before the pandemic era. Furthermore, the post-pandemic era might be a fresh beginning for many policies such as social and economic well-being in the country. The main thing is to define long-term, medium-term and short-term goals for the country's economic development, through policies, instruments and measures that put the private sector in the deserved position - generating the country's economic growth. Importance, instruments, policies and phases must meet three basic criteria: be thirdly compatible with the rules of the market economy of modern countries, be based on data and cost-benefit analysis and be budgeted, including resources of funding to identify where international finance, institutions. and the donor community also play an important role. Tourism must be in the function of economic development and integration processes in the conditions of economic crisis, which we must oppose with a consistent strategy, as part of a long-term development strategy. Establishment of a cooperation agreement between the countries of the region in the tourism sector.

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