



Republika e Kosovës

Republika Kosova - Republic of Kosovo

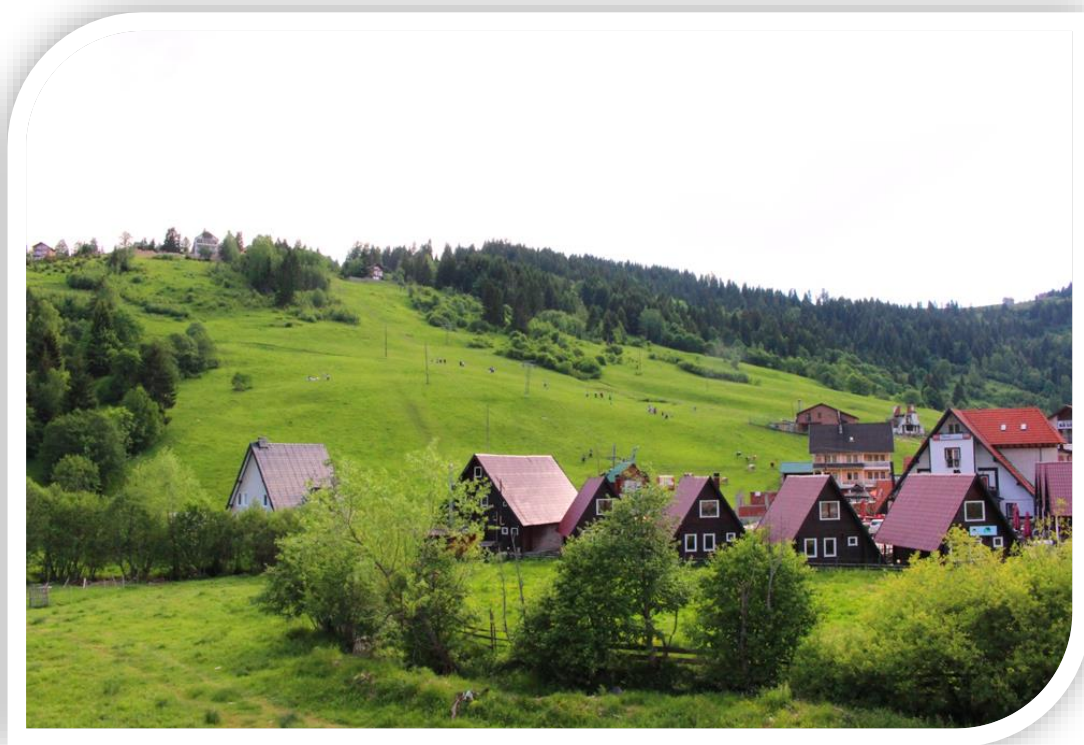
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Ministria e Tregtisë dhe Industrisë

Ministarstvo Trgovine i Industrije - Ministry of Trade and Industry

Departamenti i Turizmit / Department Turizma/ Department of Tourism

Analytical Report on the Accommodation Sector in the Republic of Kosovo



December 2018

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Introduction

The accommodation sector is one of the main components for the development of a tourist destination, therefore special attention is paid to it alongside other important and key components.

This report consists of a situation analysis of the entire territory of Kosovo, regarding accommodation capacities presenting the size of the accommodation sector in Kosovo in terms of the number of accommodation structures, beds and rooms based on the activity of accommodation structures functioning in Kosovo. In addition, the report presents the existence of accommodation structures distributed by tourist destinations, i.e. it tends to introduce the reader to an overview of areas of Kosovo which lack accommodation and need expansion or new investment in the accommodation sector.

The analysis is particularly focused on the private sector as most of the accommodation structures in Kosovo are privately owned. Among others, the types of accommodation structures that are lacking or are few in numbers have also been analysed. The report also provides information on the services offered within the accommodation sector, and presents the room occupancy within a year, providing at the same time an overview of room prices.

Findings from this analysis could directly serve foreign or local investors in the accommodation sector. Therefore, this report is primarily intended to serve as a promising basis for investors and potential companies in the accommodation sector, reflecting the need for establishing new accommodation units.

Methodology

The report on accommodation sector in Kosovo was developed using a descriptive and analytic approach.

This report is based on the data collected by institutions that are responsible for tourism and hospitality statistics, i.e. the Kosovo Agency of Statistics (KAS) and Border Police. To determine the accommodation capacities we used the database created by KAS which was the result of a field survey with all existing accommodation structures in Kosovo. This study has also made use of the reports developed under Promoting Private Sector Employment (PPSE) project implemented by Swisscontact in Kosovo, as well as other reports and documents related to accommodation sector or tourism in general.

A significant amount of data is based on a survey conducted by PPSE/Swisscontact with parties involved in the accommodation and tourism sector, i.e. with accommodation and hotel business representatives.

Data processing, graphical presentation and analysis were done by the Tourism Department of the Ministry of Trade and Industry.

1. Accommodation capacity in Kosovo

According to the KAS data deriving from the registration of accommodation capacities in Kosovo, the processed data by the Tourism Department shows that we have a total of 465 active accommodating structures.

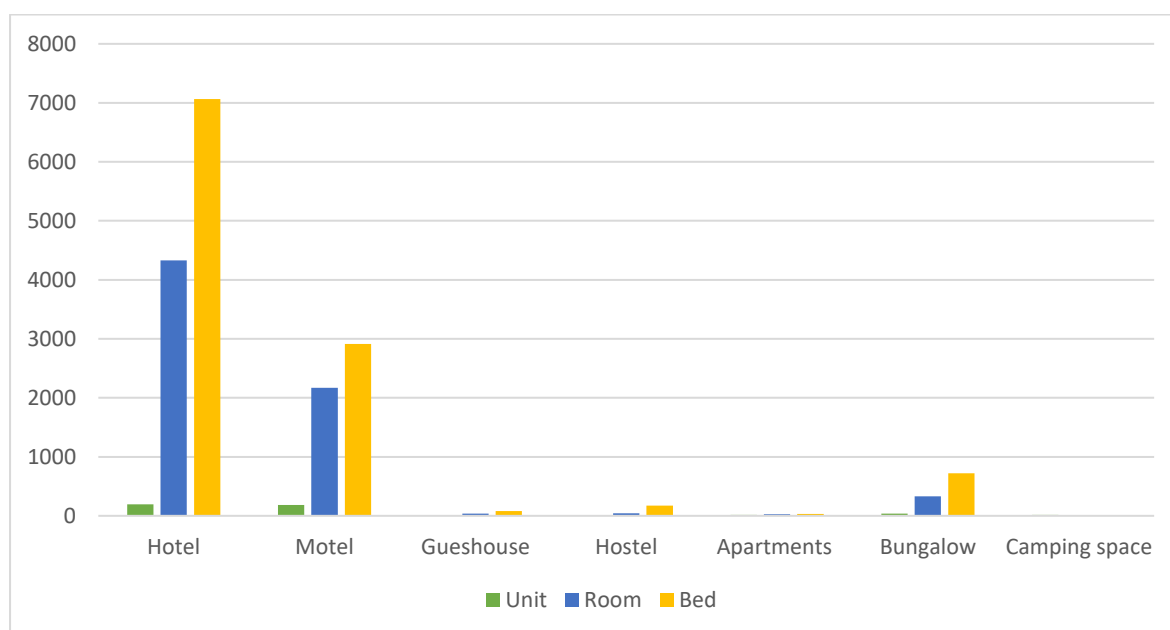


Figure 1: Graphic presentation of accommodation capacities in Kosovo¹

In the 198 active hotels there are over 4,300 rooms and around 7,000 beds, which is followed by around 182 motels with over 2,150 rooms and around 2,900 beds.

¹ Source: Own compilation (adjusted from KAS, 2016)

1.1 Accommodation capacity by Municipalities

The table shows that the largest number of accommodation structures is located in the municipality of Prishtina, followed by Peja, Prizren, Ferizaj, and so on. The main categories of accommodation units in Kosovo are hotels and motels.

	Municipality	Hotel	Motel	Guesthouse	Bungalow	Camping sites, recreational parks for vehicles and parks for camping-houses	Hostel	Apartments for visitors	Total accommodation structures
1	Deçan	3							3
2	Dragash	2							2
3	Drenas	5	2						7
4	Ferizaj	4	33	4					41
5	Fushë Kosovë	13	9						22
6	Gjakova	12	2		1				15
7	Gjilan	11	10		1				22
8	Graçanica	4	8		1				13
9	Hani i Elezit		1						1
10	Istog	7	6						13
11	Junik	1	1						2
12	Kaçanik	1	3	1					5
13	Kamenica	1	1						2
14	Klina	4	8			6			18
15	Lipjan	2	10		1				13
16	Malisheva	1	3						4
17	Mitrovicë	6	7						13
18	Novo Bërd		2		1				3
19	Obiliq	4	3						7
20	Peja	20	9		29	11			69
21	Podujeva	3	1						4
22	Prishtina	42	14	2			6	14	78
23	Prizren	34	12	1	3		3	1	54
24	Rahovec	3	6						9
25	Ranillug		1						1
26	Shtërpca	2	7		1				10
27	Shtime		5						5
28	Skenderaj	1	2						3
29	Suhareka	6	4	1					11
30	Vitija	2	4						6
31	Vushtrri	2	2						4
32	Zubin Potok	1	1						2
33	Zveçan	1	2						3
	Total	198	179	9	38	17	9	15	465

Table 1. Number of accommodation structures by municipality and type

Hotels constitute 42% and motels 39% of the total number of accommodation units. The other 19% consists of the smaller categories of accommodation structure in Kosovo, such as: guesthouses, hostels, apartments for visitors, bungalows and camping sites, which are under construction.

1.2 Top 10 municipalities with biggest number of accommodation structures

Regarding accommodation capacities, Prishtina leads in the aspect of units, rooms and bed capacities, followed by Prizren and Peja.

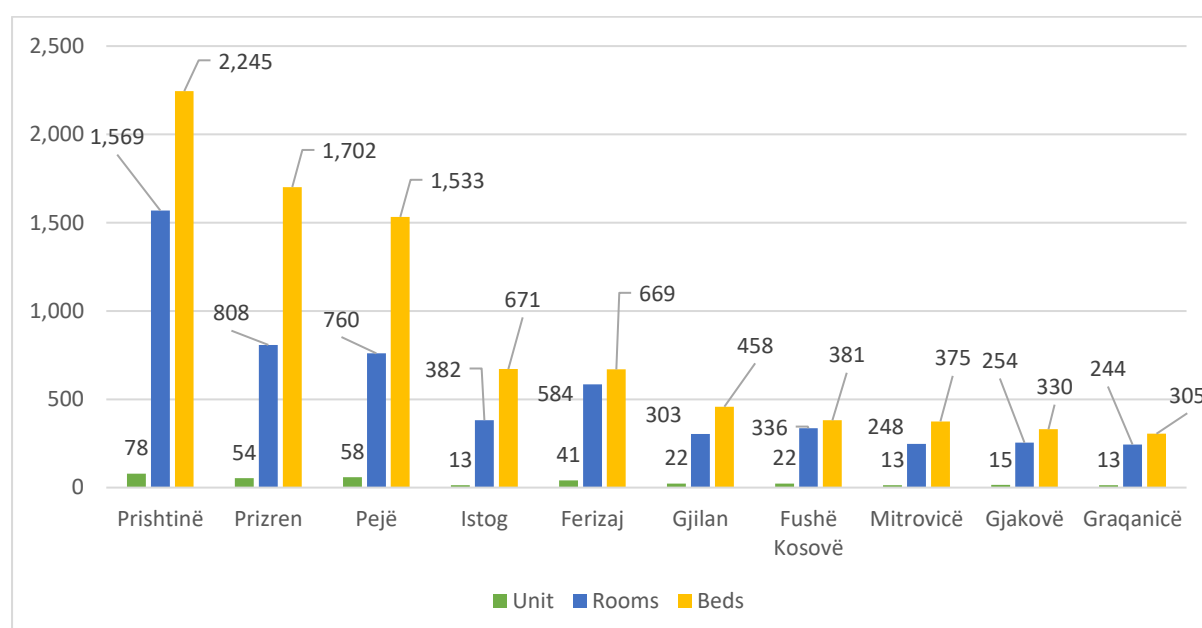


Figure 2. Cities with the largest accommodation capacity²

² Source: Own compilation (adjusted from KAS, 2016)

1.3 Number of workers in accommodation structures

According to the registered capacities, there are a total of 2.701 workers in 465 accommodation structures. 638 or 24% of the total number of workers are women.

No.	Municipality	Accommodation capacity	Number of employees	
		Accommodation structure	Total	Female
1	Deçan	3	10	-
2	Dragash	2	32	9
3	Drenas	7	23	-
4	Ferizaj	41	95	6
5	Fushë Kosovo	22	124	28
6	Gjakova	15	77	2
7	Gjilan	22	137	28
8	Graçanica	13	100	22
9	Istog	13	112	41
10	Junik	2	9	-
11	Kaçanik	5	21	1
12	Kamenica	2	15	4
13	Klina	18	45	6
14	Lipjan	13	41	3
15	Malisheva	4	13	1
16	Mitrovica	13	79	11
17	Obiliq	7	52	9
18	Peja	69	214	65
19	Podujeva	4	24	8
20	Prishtina	78	920	305
21	Prizren	54	305	67
22	Rahovec	9	49	1
23	Shtërpca	10	32	2
24	Skenderaj	3	7	-
25	Suhareka	11	58	4
26	Viti	6	17	1
27	Vushtrri	4	64	9
28	Zubin Potok	2	15	3
29	Zveçan	3	11	2
Total		465	2.701	638

Table 2. Number of employees by capacities of accommodation structures

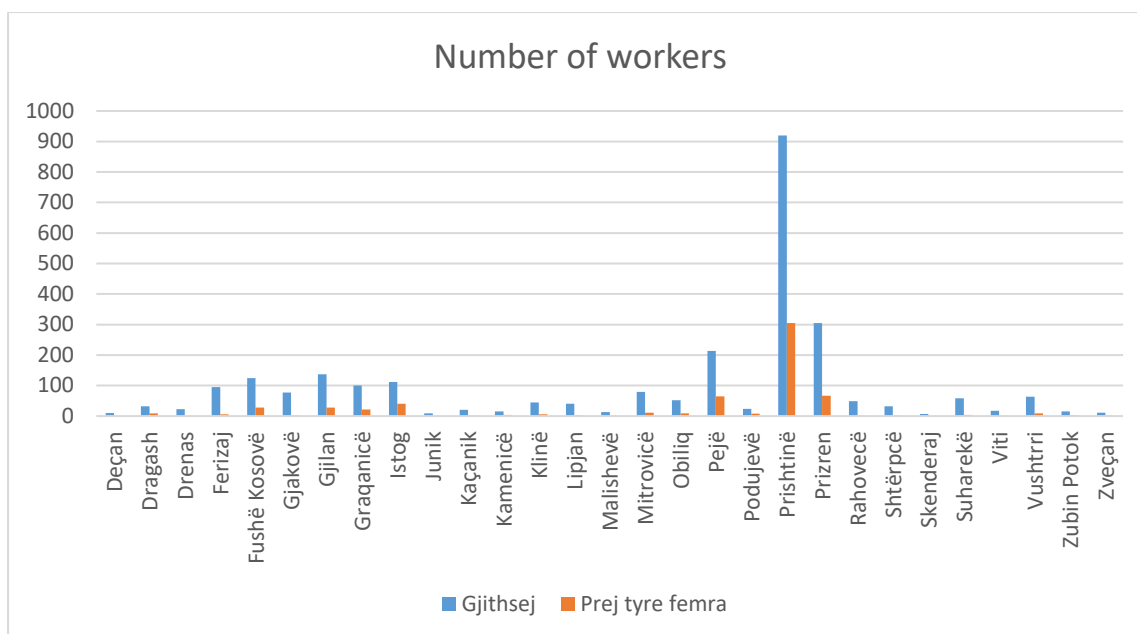


Figure 3. Graphic presentation of workers in accommodation structures by municipalities

The figure shows that the municipality with the largest number of workers in accommodation structures is the municipality of Prishtina with 920 workers, followed by Prizren with 305, Peja with 214, and Gjilan with 137, to continue further with Fushë Kosovo, which has 124 and Istog 112 workers in accommodation structures.

While municipalities with the smallest number of workers in the accommodation structures are the following: Skenderaj 7, Junik 9, Deçan 10, Zveçan 11, Zubin Potok 15 and Kamenica 15 employees in the accommodation structures.

2. Number of rooms, prices and the level of occupancy

According to the data provided by PPSE/Swisscontact project, the average number of standard single rooms in accommodations with restaurants is 10.9. For standard double rooms, the average is slightly bigger - 13.2. The total number of standard single rooms is 1,149, whereas the total number of standard double rooms is 1,671. The average price for a standard single room is EUR 40.1, and for a double room it is EUR 45.8. When calculated by the number of rooms available, the average price for a standard single and double room is EUR 50.1 and EUR 69.4 respectively. This change occurs due to the dominance of hotels with big number of rooms and higher prices. Moreover, findings show that only 29.9 per cent of all accommodations with restaurants raise their prices during the peak of the season, whereas the rest keep the prices unchanged. From all categories, as expected, hotels have the highest average price for both types of rooms, single (42.3 euro) and double (49.4 euro).

Standard single room	Average # of rooms	10.9
	Average price (EUR)	40.1
	Total # of rooms	1,149
Standard double room	Average # of rooms	13.2
	Average price (EUR)	45.8
	Total # of rooms	1,671
Standard triple room	Average # of rooms	6.0
	Average price (EUR)	53.1
	Total # of rooms	623
Standard quad room	Average # of rooms	8.9
	Average price (EUR)	49.5
	Total # of rooms	224

Table No.3. Accommodations with restaurants – Average number and price of standard rooms (2017)

According to the findings of this survey, the comparison of three top regions shows that Prishtina has the highest number/average of single and double rooms as well as the highest average prices.

		All country	Prishtina region	Peja region	Prizren region
Standard single room	Average # of rooms	10.9	17.1	11.6	6.9
	Average price (EUR)	40.1	50.2	35.6	34.4
	Total # of rooms	1,149	494	218	70
Standard double room	Average # of rooms	13.2	20.6	15	7.4
	Average price (EUR)	45.8	60.8	42	36.2
	Total # of rooms	1,671	768	320	145

Table No. 4. Accommodations with restaurants – Average number and price of standard rooms in top three regions (2017)

The annual level of occupancy is on average 42.6 per cent, varying from 33.3 per cent in February to 61.8 per cent in August. Of the top three regions, Peja region turns out to have the highest rate of occupancy³. The figure below shows the monthly fluctuation of occupancy.

³ PPSE, Swisscontact, KOSOVO TOURISM SUPPLY SIDE SURVEY 2017

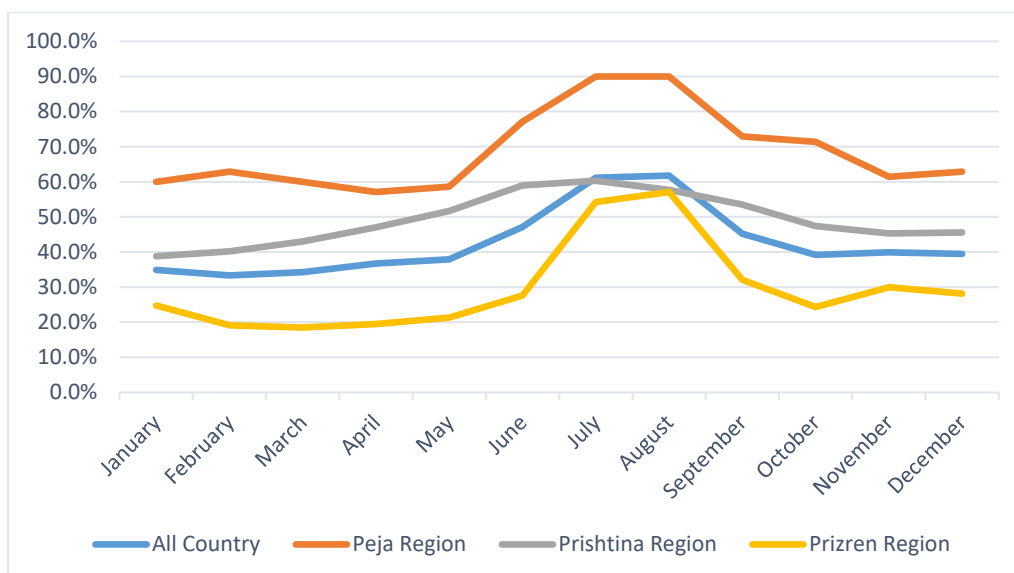


Figure 4. Accommodation and restaurants – level of occupancy in 2017, by month (in percentage)

3. Guest composition

Guest composition and the duration of their stay were also looked into. This survey shows that, regarding the origin of guests, internationals account for about half of the total guests - 50.6 per cent; diaspora, 22.7 per cent; domestic visitors (with more than 20 minutes of travel time), 14.9 per cent; and domestic visitors (with less than 20 minutes travel time), 11.8 per cent. The average stay is 3.2 nights.

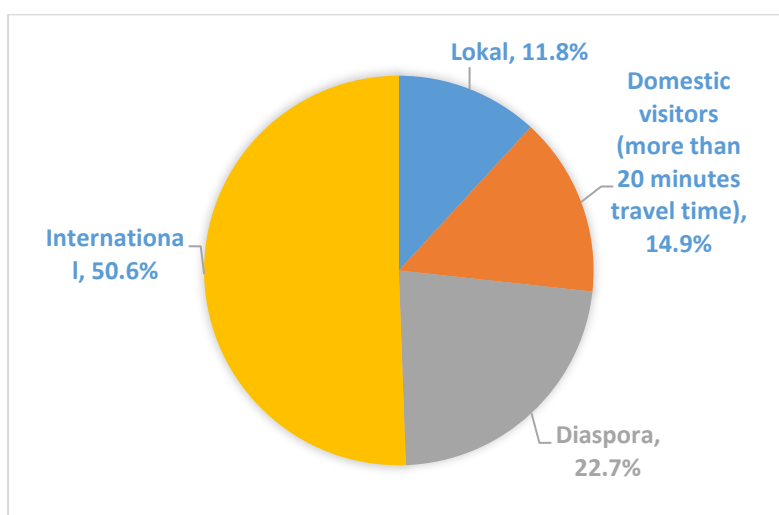


Figure 5. Accommodation with restaurants – guest composition in 2017, by origin

Restaurants of these accommodation structures receive an average of 90.3 guests per day. August appears to be the busiest month with an average of 125.5 visitors per day. Another finding shows that 55.4 per cent of guests visit these restaurants for food and drinks and spend an average of EUR 8.5; whereas 44.6 per cent only for drinks and spend an average of EUR 3.7.

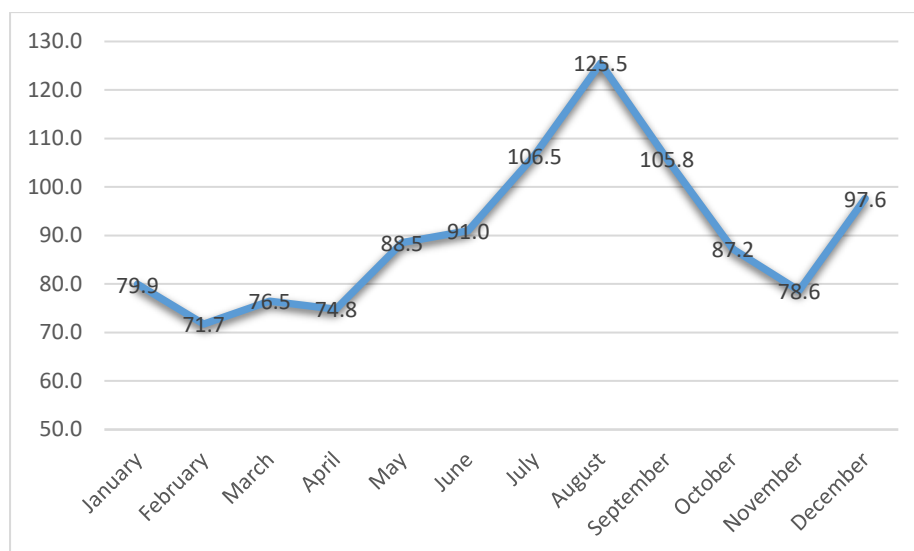


Figure 6. Average number of guests in restaurants of accommodation units, by month (2017)

4. Turnovers and investment

In terms of turnover, almost half of the accommodations with restaurants - 49.4 per cent – have performed 'better' or 'much better' compared to 2016; and 6.2 per cent have experienced the opposite; the rest of them (44.4 per cent) have not experienced any changes (as shown in the figure below). There is a very similar distribution of answers to the question related to the expected turnover for 2018.

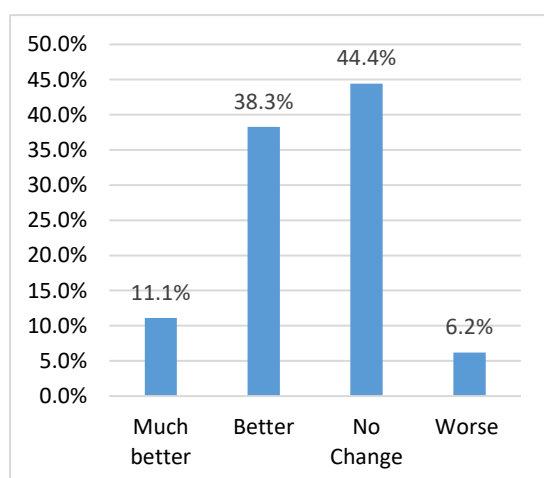


Figure 7. Accommodations with restaurants – turnover compared to 2016 (in %)

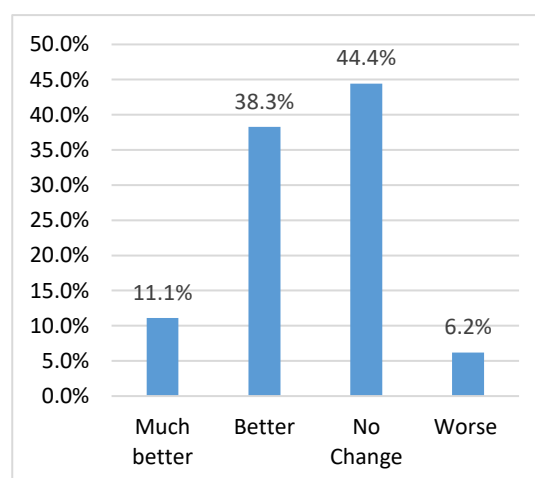


Figure 8. Accommodations with restaurants – turnover expected for 2018 (in %)

5. Services offered

In the question related to services offered, the most frequent answers were: laundry services (70.5 per cent of cases), guide services (66.7 per cent) and transportation services (43.6 per cent). For other types of services provided by accommodations with restaurants, see figure 6. It is worth noting that over one third of them - 35.6 per cent – offer space for weddings and other family events.

5.1. Main service offered in hotels

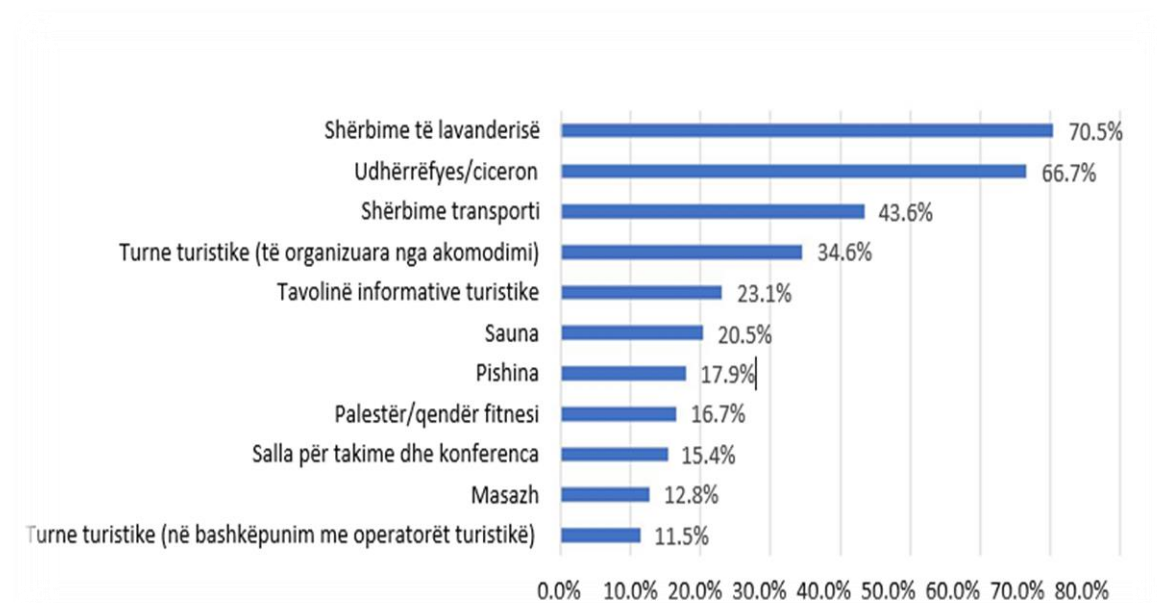


Figure 9. Accommodations with restaurants – services offered (in % of cases)

Services offered by hotels according to KAS

KAS has analysed the services offered by hotels, as presented in the figure below, which shows that most hotels offer basic hotel services. 94% offer WIFI internet services, 93% offer sufficient parking place, 88% offer air conditioning, and 83% offer restaurants inside their structures.

Very few of them (1%) offer casinos and game rooms, while 7% of hotels in Kosovo offer services for aesthetic treatments.

Share of hotels offering services:	(in %)
Restaurant	83%
Swimming pool	13%
Wedding hall	52%
Meeting hall	57%
Gym/Fitness centre	15%
Rooms for aesthetic treatment	7%
Playground for children	28%
Souvenir shop, newspapers shop, etc.	8%
Casino, game rooms	1%
Internet/WIFI	94%
Air conditioning	88%
Parking	3%
Room service	80%

Table 5. Services offered by hotels according to KAS

6. Barriers for doing business

Accommodations were also asked to choose the most restrictive barriers for doing business. 'Low level of region promotion' (61.6 per cent of all cases), 'low level of government efforts' (55.8 per cent) and 'road infrastructure' (50 per cent) are perceived by some accommodations as the most restrictive operative barriers, see Figure 24.



Figure 10. Accommodations with restaurants – barriers for doing business in 2017 (in % of cases)

7. Destination areas by tour operators in Kosovo

A database of the Tourism Department on tour operators offering touristic offers to visit Kosovo shows that we have 28 tour operators. In the table below we can see that there are 22 Inbound Tour Operators and 6 Inbound/Outbound Tour Operators. When distributed by locations, we see that most of them are from the city of Prishtina, followed by Peja and Prizren with 5 tour operators each.

The data shows that Inbound/Outbound Tour Operators operate only in Prishtina.

Main Destination	Inbound Tour Operator	Inbound/Outbound Tour Operator	Total
Brezovica	1		1
Gjeravica	1		1
Junik	1		1
Kosovo	6	6	12
Prishtina, Prizren	2		2
Prishtina	1		1
Prizren	4		4
Rugova	5		5
Western Kosovo	1		1
Total	22	6	28

Table 6. Tour operators offering inbound offers by destinations where they operate

Table 6 presents Tour Operators operating with inbound offers in Kosovo. Some of them also offer outbound offers but here we did not include Operators offering Outbound offers only.

In terms of operation destinations, we can see that 6 of them offer inbound offers and 6 others offer both inbound and outbound offers in the territory of Kosovo.

5 of the Tour Operators offering inbound touristic offers operate in the Rugova destination, while we have 4 Tour Operators offering inbound touristic offers in the destination of Prizren.

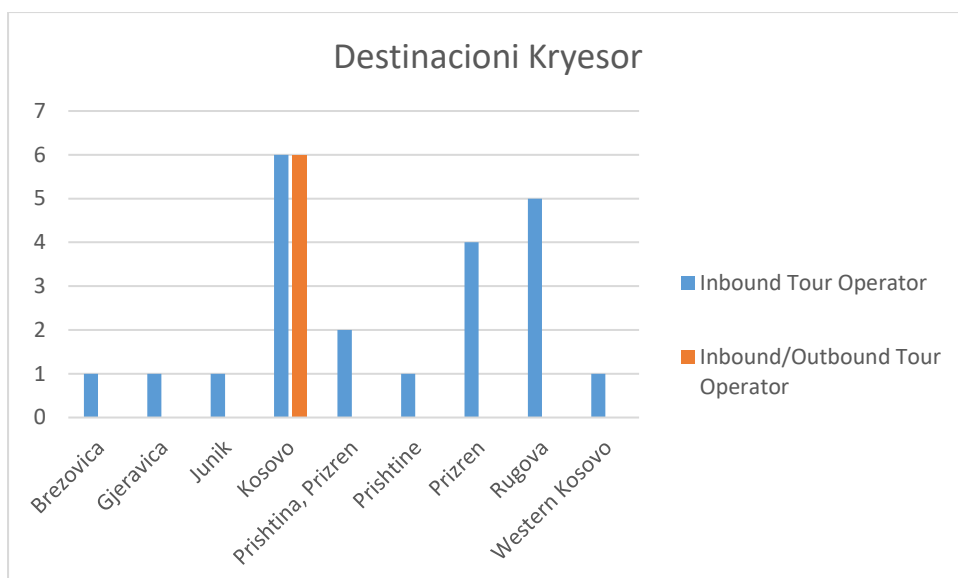


Figure 11. Graphical presentation of Tour Operators offering inbound offers by destinations where they operate

Tours and prices

Findings show that 56.5 per cent of tour operators work with inbound and outbound tourists and 43.5 only with inbound tourists. The total number of sold tours/journeys is 525, with an average of 17.4 people per tour. The average price reaches up to EUR 299.4.

Employment

Almost two thirds of workers (59.2 per cent) working for tour operators are men. Only half of them work full-time. Non-majority communities account for 93.3 per cent of the total number of workers. Workers aged between 15 and 34 account for the majority of the workers with 71.3 per cent. For more information see table 9.

Demographic employment (Tour Operators)						
Sex	Male			Female		
	59.2%			40.8%		
Full-time vs. Part-time	Full-time (Male)		Part time (Male)	Full-time (Female)	Part time (Female)	
	23.7%		35.5%	26.0%	14.8%	
Ethnicity	Albanian	Serb	Turk	RAE	Bosnian	Others
	96.7%	0.0%	0.8%	0.8%	0.0%	1.7%
Age	15-24	25-34	35-44	45-54	55-64	65<
	18.9%	52.4%	24.4%	3.7%	0.6%	0.0%

Table No.7. Demographic employment (Tour operators)

8. Tourism products most requested by tourists

The interviews carried out by PPSE with tour operators on the most requested tourism products, show that tourism products most requested by tourists are:

Peaks of Balkan	Bike tours
Ethno-culture	Cultural Tour
Dare adventure	Visit to Dukagjin
Regional tour	Horse riding
Climbing	Wine testing
Hiking and Yoga	Discover Kosovo
Tour Kosovo-Albania-Macedonia	Via Ferata
Sharri Mountains	Kosovo culture tour
Visit to City of Prizren	Tour Kosovo-Albania
Gjeravica	Prizren
Hiking tour	Cycling
Via Dinarica	Zip lining
Cave hiking	Snowshoeing
Visit to City of Prishtina	Visit the cities

Table 8. Most requested products by tourists

9. Visitors in Kosovo by regions

Number of international visitors and nights spent over the period presented in the graph below shows a consistent increase over the years with the highest numbers (86 thousand visitors and 144 thousand nights spent) reached in 2017.

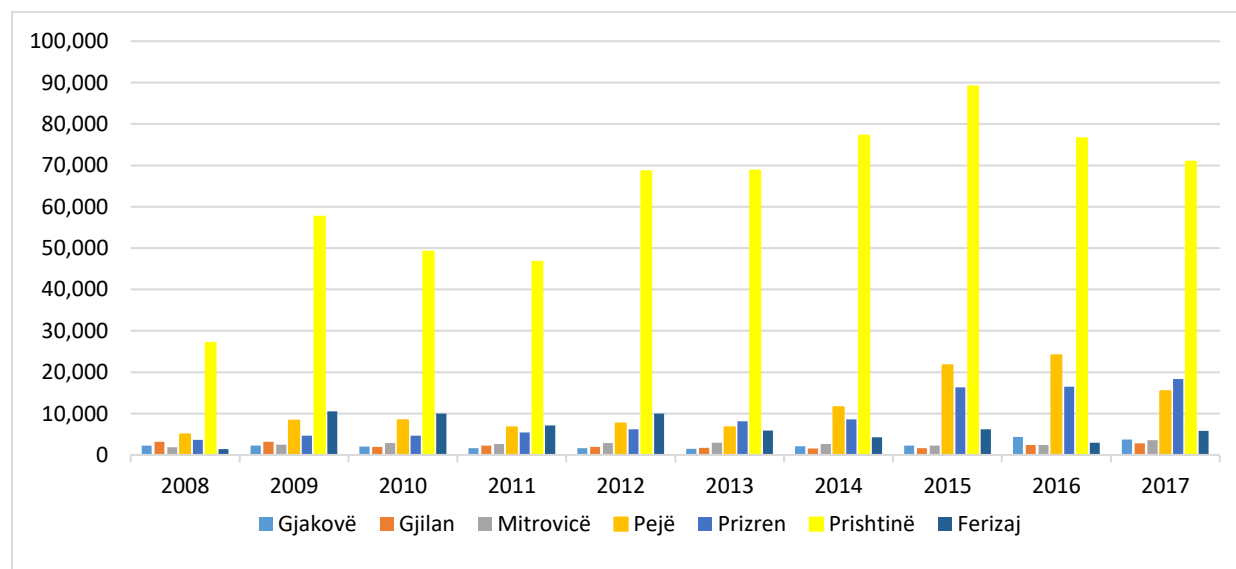


Figure No.12. Number of visitors by regions⁴

⁴ Source: Own compilation (adjusted from KAS, 2018)

As shown in the figure, Pristina region has the largest market share, reaching its peak in 2015 with over 89,000 visitors per year, followed by Peja and Prizren. Prizren and Ferizaj have the highest composite annual growth rate, while Gjilan has a negative composite annual growth rate.

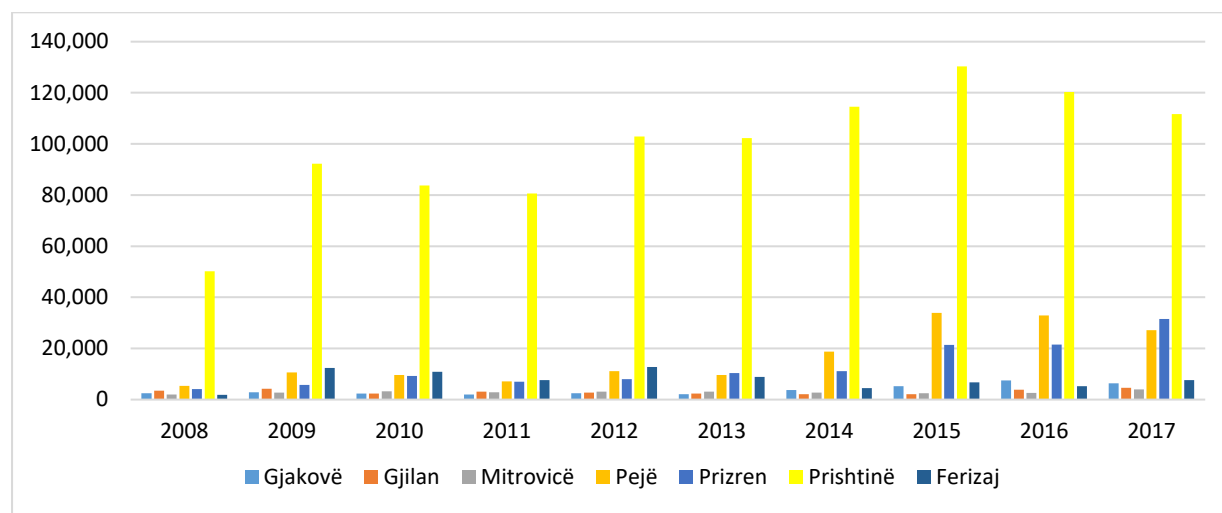


Figure No.13. Number of nights spent by regions⁵

Regarding nights spent by regions, Prishtina has the largest market share throughout the period, followed again by Peja and Prizren with a considerable growth registered during 2014 – 2015.

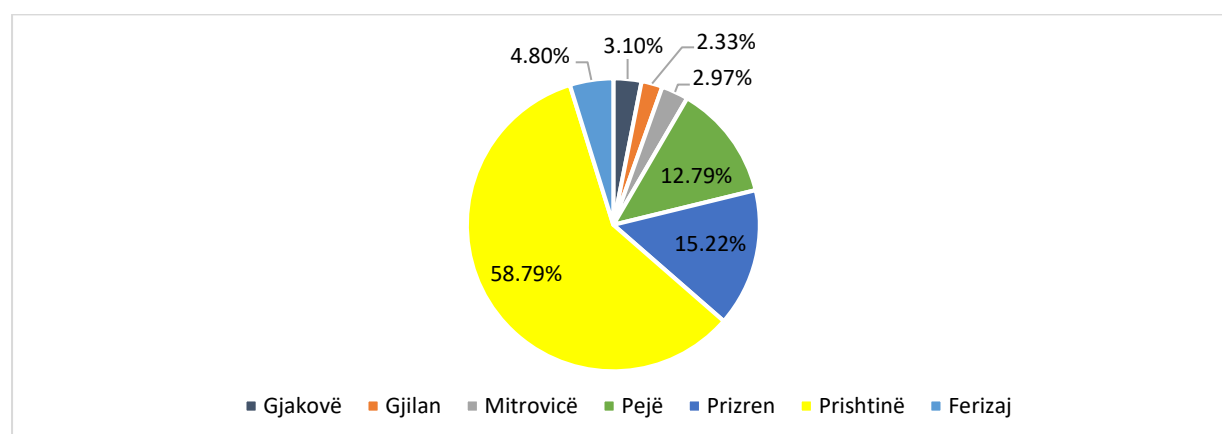


Figure No.14. Market shares by region (no. of visitors)

The Market share for 2017 is dominated by Prishtina with around 60%, and, same as in the previous years, it is followed by the city of Prizren (15%) and Peja (13%). The rest of the region has only 12% of the market share, which is significantly low compared with the first three; therefore, we need to find ways to increase the market share for the rest of the region, in order to have a more equal distribution of visitors.

⁵ Source: Own compilation (adjusted from KAS, 2018)

10. Conclusions and recommendations

The analysis carried out on the state of development of accommodation and tourism in Kosovo and the prospect that is expected to accompany its development in the future with a significant regional perspective. For the case study at hand (the case of Kosovo) these aspects of accommodation were analysed and considered of significant interest.

A well-developed tourist destination is considered a place that has developed the main components, where in addition to attractions, other components such as accommodation, activities, good access, accompanying elements etc. are also needed. This report has analysed accommodation as one of the main components.

Since hotels and motels represent the overwhelming majority (about 80% of the total) of accommodation structures and there are very few other structures, there is a great need to establish other structures such as: hostels, apartments, bungalows, camping sites, etc. This is also linked to the fact that the most developed tourism products in Kosovo should fit very well with accommodation structures. For example, tourism offers such as active tourism, adventure tourism, rural tourism etc.

This analysis shows that the majority of hotels are located in Prishtina region, Peja region, Prizren region, etc.

If we list municipalities based on the tourism potentials, we will have the following municipalities: Peja, Prizren, Shtërpca, Dragash, Deçan, Junik, Gjakova, Prishtina, Novobërda, Mitrovica, Zubin Potok, Zvečan, Rahovec and Gracanica. While the analysis showed that some municipalities with tourism potential are not in the top 10 municipalities in terms of accommodation capacities. In this list we can include the municipality of Deçan (with a total of 3 accommodation structures), Dragash (2), Junik (2), Mitrovica (13), Novobërde (3), Rahovec (9), Shtërpçë (10), Zubin Potok (2), and Zvečan (3).

Regarding the employment in accommodation, which is distributed in 465 accommodation structures, there are only 24% female workers. It is recommended to increase the number of female workers in the accommodation sector, as the practice in other countries has shown women to be very successful in the accommodation sector and the percentage of female employees is very high. According to Eurostat statistics, the labour force of the tourism industries in Europe includes more female workers (58%) than male workers. The highest proportions are seen in accommodation (60%)⁶.

⁶ https://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_industries_-_employment#Tourism_creates_jobs_for_women

Since the room occupancy was found to be in an unsatisfactory level, it is recommended that hotel operators cooperate more closely with tour operators and tourist agencies in order to increase the level of room occupancy in their accommodation structures. Tour operators will include accommodation within their tour packages and this requires reciprocal cooperation both from the accommodation sector and from the operations sector.

Due to the fact that the number of tourists from the region, and especially from Albania, is significantly increasing, now it is the right time to think about increasing capacities with a specific focus on centres close to the border, such as Prizren etc.

Recent research shows that accommodation capacities are not sufficient and do not meet the demand, especially knowing that the number of tourists is constantly increasing.