KOSOVO TOURISM SUPPLY SIDE SURVEY 2018

Prepared by:
Promoting Private Sector Employment (PPSE)
The PPSE Project is implemented by Swisscontact as the lead implementer, in a consortium with Riinvest Institute. It is funded by the Swiss Agency for Development and Cooperation in Kosovo (SDC)

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1. Introduction

This report presents the main findings of a survey that was conducted with a sample of 495 core supply side actors of the tourism sector in Kosovo, including: accommodations, restaurants, attractions, tour operators, and national events/festivals. Although the survey was carried out during May and June 2019, it contains data for 2018. A similar survey was conducted with the same group of actors one year before. Therefore, this report, in addition to interpreting the findings of 2018, it also depicts the changes that have occurred compared to the previous year.

This activity is commissioned as part of Promoting Private Sector Employment (PPSE), which is a project in Kosovo financed by the Swiss Agency for Development and Cooperation (SDC) and implemented by Swisscontact and Riinvest Institute.

One of the priority sectors of the project is tourism, particularly tourism product development, reutilisation of tourism attractions, international promotion, specialised tourism occupations, and sector organization.

Availability of tourism data and market information is key to the successful implementation of these interventions. This survey is of paramount importance for PPSE to monitor the growth trends of the tourism sector and to develop its own interventions. It is also very valuable for policymakers, tourism service providers, and other stakeholders when it comes to strategic planning processes and decision making in general.

The rest of this survey report is organized as follows. Section 2 provides an overview of the general methodology employed for data collection. Section 3 presents the main findings of the survey and provides illustrations that show the annual changes. Section 4 analyses the economic impact in 2018 and the year before, mainly by focusing on the revenue generated by the key actors, as well as provides the overall number of workers employed.

This report presents the main findings of a survey that was conducted with a sample of 495 core supply side actors of the tourism sector in Kosovo, including: accommodations, restaurants, attractions, tour operators, and national events/festivals.

2. Methodology

This section presents the methodological approach used to conduct the survey. It describes the questionnaire, enumerators, sample design, field work, as well as the data processing and analysis.

2.1. Questionnaire Design

In order to be able to draw comparisons, the survey used in 2018 was also used for this year's survey, with some small technical changes. The final questionnaires consisted of mainly multiple-choice and some open-ended questions – both very important to obtain the intended information.

2.2. Enumerators

Around 30 enumerators have been recruited to conduct the interviews with the tourism supply side actors. To familiarize the recruited enumerators with the main goal and specific needs of the survey, a one-day training session was organized. Further explanations were provided on the included variables and also some advises about the interviewing process. In addition, a hands-on exercise was organized to evaluate whether the enumerators were able to follow the provided instructions.

2.3. Sample Design

First of all, it is noteworthy to mention that during the sample selection process, the objective was to identify tourist accessible entities. In other words, the idea was to capture entities that relate to tourism in order to measure the direct impact of this sector. To identify the list of the core supply side actors, various online platforms have been consulted. The priority was to interview the same enterprises as last year so that the comparison could be more credible and reliable. Below is the explanation how each population group was identified and the sample size.

- 453 tourist accessible accommodations (including Airbnbs) were identified on Booking.com, Trivago, AirBnB, and Facebook; 178 of them were interviewed; 99 were accommodations, whereas 89 with restaurants
- 540 restaurants were found on TripAdvisor and Gjirafa; 229 were interviewed.
- 17 attractions and 29 tour operators drawn from a list provided by PPSE were interviewed.
- 32 National Events/Festivals identified via Google Search were interviewed.
- Note that the whole population for attractions, tour operators, and national events/festivals could not be determined.
- In total, 495 face-to-face interviews were conducted.

Table 1 provides some more detailed information on the interviews conducted in 2019 and shows the differences with 2018. Note that some service providers interviewed in 2018 could not be interviewed in 2019, either because they closed their business or did not accept to participate in the survey. Some others, which are now listed in one of the tourist accessible platforms, have been added to the sample.

Table 1: Distribution of Interviews and Population Size

Type of Service Provider	Number of Interviews (2018)	Number of Interviews (2019)	Population per Category (2018)	Population per Category (2019)	Interviewed in 2018, but not in 2019	Interviewed in 2019, but not in 2018
Accommodations with Restaurants	88	89	106	121	22	24
Accommodations	89	99	348	432	11	24
Restaurants	205	229	475	540	57	77
Attractions	32	17	-	-	8	7
Tour Operators	18	29	-	-	7	3
National Events/Festivals	36	32	-	-	6	2

2.4. Field Work

The recruited enumerators conducted face-to-face interviews with owners or managers of the identified respondents. The data collection process took place during May and June 2019. Each interview lasted about 30-40 minutes.

2.5. Data Processing and Analysis

The collected data were inserted into excel data sheets prepared specifically for this survey. The data were then transferred to SPSS (software package), where they were further processed and analysed. All the specification errors, checking errors, and tabulation errors were addressed before the final findings were generated.

3.Survey Findings

This section reveals the main findings generated from the survey with core tourism supply side actors, including accommodations with restaurants, accommodations, restaurants, attractions, tour operators, and national events/festivals for 2018. It also compares these findings with those of 2017. Note that the annual changes should be interpreted with caution, as they may be a result of the changes in the sample structure. The findings capture various internal and external aspects, such as: the general structure of core supply actors; composition of guests and their behaviour; turnover changes across years; employment-related matters; type of services offered; barriers to doing business; and participation of supply actors in the digital world. It is noteworthy to mention, however, that these topics could not be applied in all cases due to the specific nature of some service providers.

3.1. Accommodations with Restaurants

The General Structure of Accommodations with Restaurants

In 2018, 83.1 percent of all accommodations with restaurants were hotels. The rest were hostels (10.1 percent) and other accommodations (6.7 percent). To make a comparison with 2017, see Figure 1. Most of the interviewed accommodations with restaurants in 2018 were located in Prizren (36.0 percent) and Prishtina (25.8 percent). For more detailed results, see Figure 2. In 2018, 90.7 percent of accommodations with restaurants were operational throughout the entire year, compared to 88.5 percent in 2017

Figure 1: Type of Accomodations with Restaurants, 2017-2018

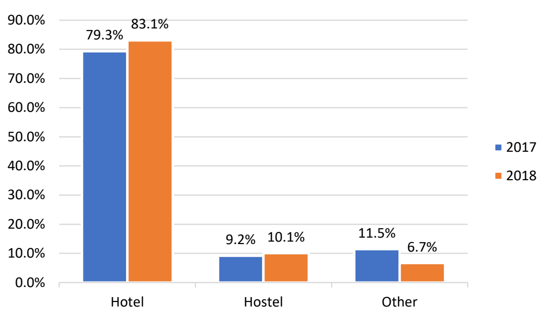
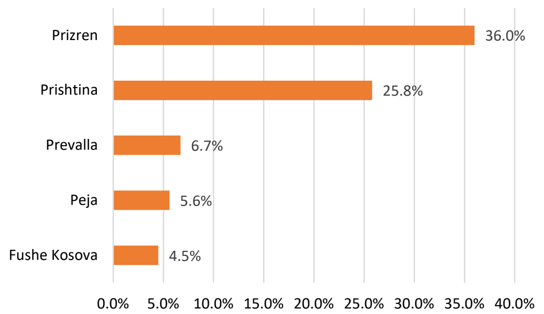


Figure 2: Accomodations with Restaurants, 2018, by Top Locations (in %)



Number of Rooms, Prices, and Occupancy Rate

In 2018, the average number of single standard rooms in accommodations with restaurants stood at 11.1. For double standard rooms, the average was slightly higher – 14.0. The total number of single standards rooms (adjusted to include the whole population) amounted to 1,109, whereas the total number of double standard rooms reached 1,870. The average price for a single standard room was 39.4 EUR; while for a double one was 48.6 EUR. For information on other types of rooms and to make a comparison with 2017, see Table 2. Furthermore, the findings show that in 2018 only 39.5 percent (29.9 percent in 2017) of all accommodations with restaurants increased their prices during peak season; the rest kept their prices unchanged

Table 2: Accommodations with Restaurants - Average Number and Price of Standard Rooms

		2017	2018
Single Standard Rooms	Avg. # of Rooms	10.9	11.1
	Avg. Price (EUR)	40.1	39.4
	Total # of Rooms	1,035	1,109
Double Standard Rooms	Avg. # of Rooms	13.2	14.0
	Avg. Price (EUR)	45.8	48.6
	Total # of Rooms	1,671	1,870
Triple Standard Rooms	Avg. # of Rooms	4.2	4.4
	Avg. Price (EUR)	53.1	52.8
	Total # of Rooms	274	335
Quad Standard Rooms	Avg. # of Rooms	2.6	2.4
	Avg. Price (EUR)	49.5	68.8
	Total # of Rooms	62	63

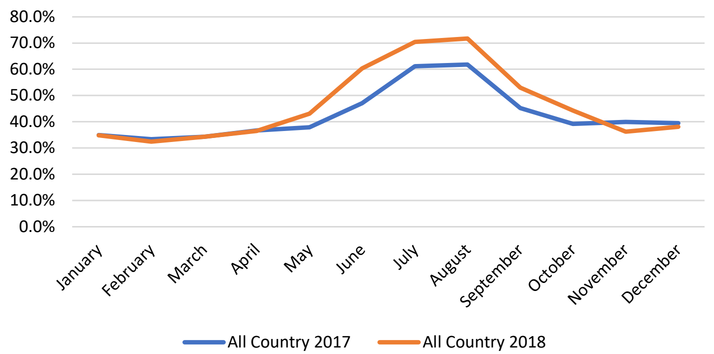
A disaggregation of findings by the top three regions reveals that Prishtina has the highest number of single and double standard rooms and the highest average prices. For more detailed information and to make a comparison with 2017, see Table 3.

Table 1: Distribution of Interviews and Population Size

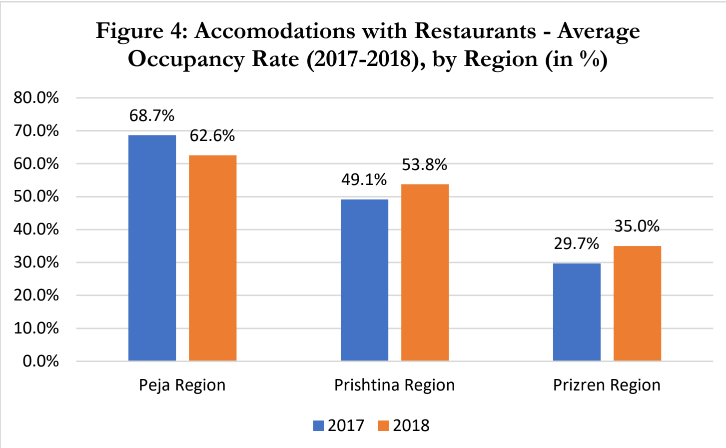
Type of Service Provider		Number of Interviews (2018)	Number of Interviews (2019)	Population per Category (2018)	Population per Category (2019)	Interviewed in 2018, but not in 2019	Interviewed in 2019, but not in 2018
Single Standard Rooms	Avg. Price (EUR)	50.2	52.2	35.6	34.8	34.4	27.8
	Total # of Rooms	494	516	70	94	216	225
Double Standard Rooms	Avg. Price (EUR)	60.8	66.1	42	39.9	36.2	37.3
	Total # of Rooms	768	888	144	218	312	368

The annual occupancy rate in 2018 averaged at 42.6 percent, varying from 33.3 percent in February to 61.8 percent in August. To see occupancy rate changes on a monthly basis in 2017 and 2018, refer to Figure 3.

Figure 3: Accomodations with Restaurants - Occupancy Rate (2017-2018), by Month (in %)

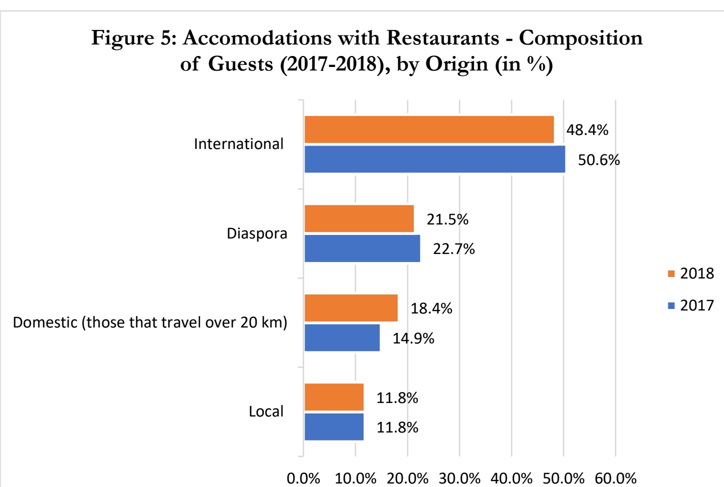


Of the top three regions in Kosovo, Peja Region turned out to have had the highest occupancy rate in both years. This was the case in 2017 as well (see Figure 4).



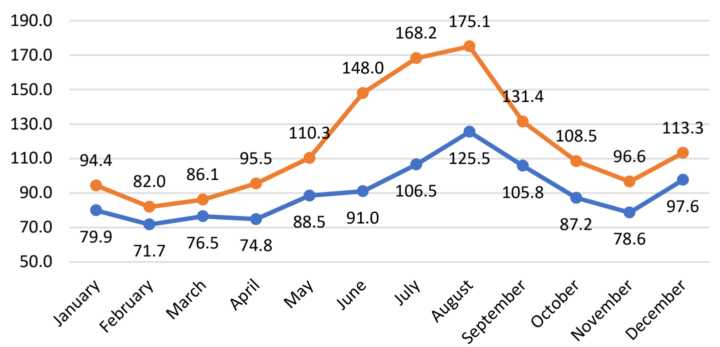
Guests and their Behaviour

The survey also sheds light on the structure of guests and their duration of stay in 2018. Internationals constituted close to half of the overall guests – 48.4 percent; diaspora, 21.5 percent; domestic visitors (with more than 20 min. of travel), 18.4 percent; and local guests (less than 20 min. of travel), 11.8 percent. To make a comparison with 2017, see Figure 5. Their average stay in 2018 was 3.7 nights, compared to 3.2 in 2017.



The number of guests in restaurants of this category of accommodations has increased by around 30 percent, from a daily average of 90.3 guests in 2017 to 117.5 in 2018. Like in 2017, August turned out to be the liveliest month, with an average of 175.1 guests per day. To see the average number of guests per day in 2017 and 2018, refer to Figure 6. The share of guests who came for food and drinks in 2018 stood at 49.1 percent (55.4 percent in 2017); while the average price was 9.9 EUR (8.5 EUR in 2017). On the other hand, the proportion of those who came for drinks only stood at 50.9 percent in 2018 (44.6 percent in 2017); while the price averaged at 2.6 EUR (3.7 EUR in 2017).

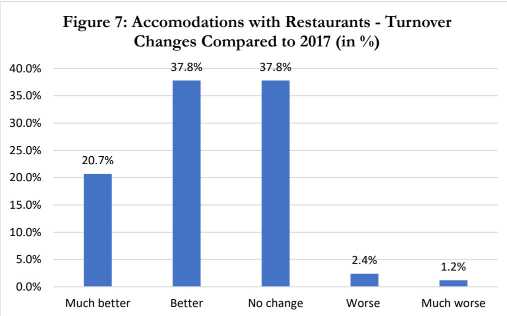
Figure 6: Average Number of Guests in Accomodations with Restaurants, by Month (2017-2018)

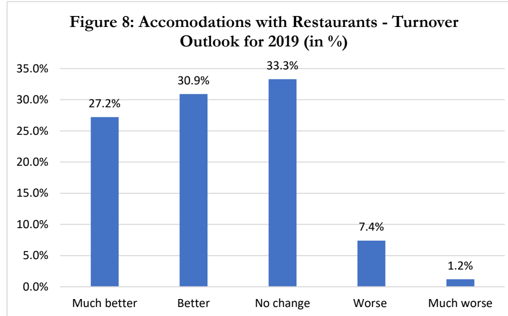


The survey also sheds light on the structure of guests and their duration of stay in 2018.

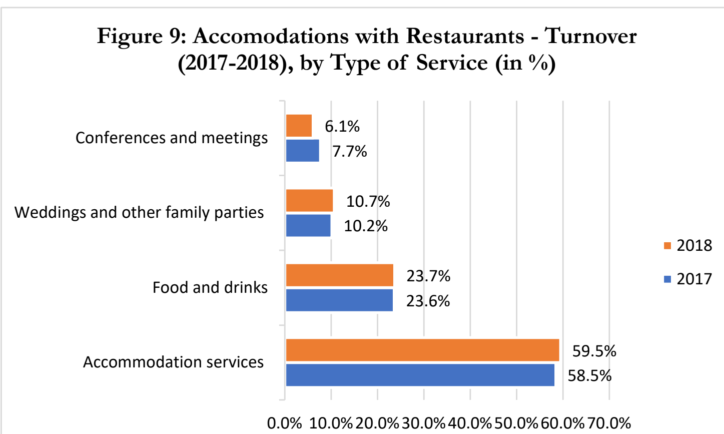
Turnover and Investments

In terms of turnover, almost one-third of accommodations with restaurants – 58.5 percent – reported to have performed 'better' or 'much better' compared to 2017; while 3.6 percent experienced the opposite; the rest (37.8 percent) experienced no change (see Figure 7). There is a pretty much similar distribution of responses in the question about the expected turnover for the next year (see Figure 8)



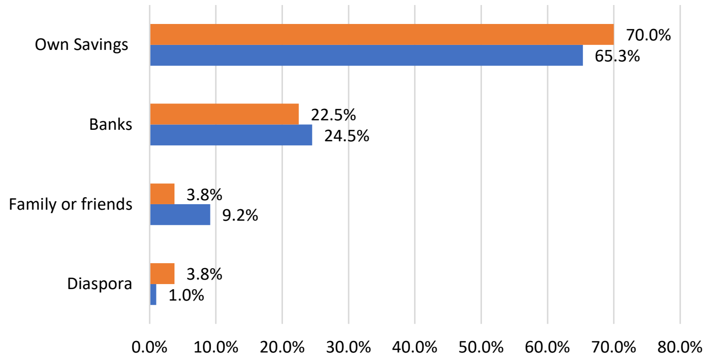


A further analysis unveils that in 2018, accommodation services contributed with 59.5 percent towards the overall turnover; food and drinks with 23.7 percent; weddings and other family parties with 10.7 percent, and other services with 6.1 percent. To draw a comparison with 2017, see Figure 9.



The overwhelming majority – 83.9 percent – said to have made some sort of an investment in 2018. The capital was sourced mostly from their own savings (70.0 percent) and banks (22.5 percent). To see other sources of investments and to compare those with 2017, refer to Figure 10.

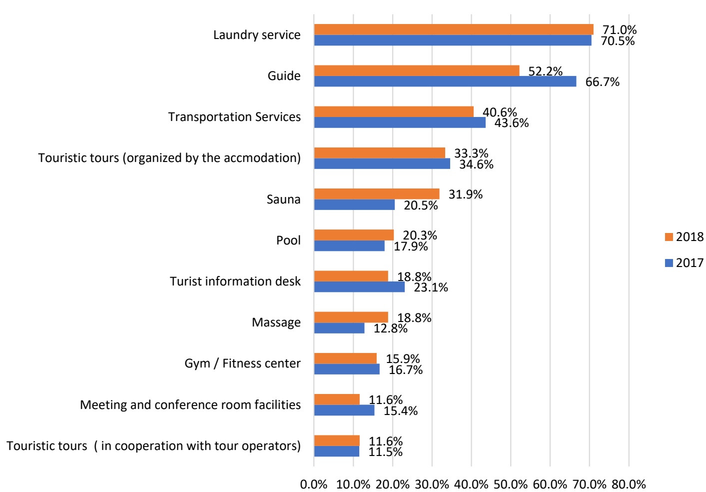
Figure 10: Accomodations with Restaurants - Investments (2017-2018), by Source (in %)



Services Offered

When asked about the services offered, the most frequent answers in 2018 turned out to be: laundry services (71.0 percent of cases), guide (52.2 percent), and transportation services (40.6 percent). For other types of services offered by accommodations with restaurants and for services offered in 2017, see Figure 11. It is worth noting that 39.7 percent of restaurants offered space for weddings and other family parties in 2018, compared to 35.6 percent in 2017.

Figure 11: Accomodations with Restaurants - Services Offered, 2017-2018 (in % of Cases)



Employment

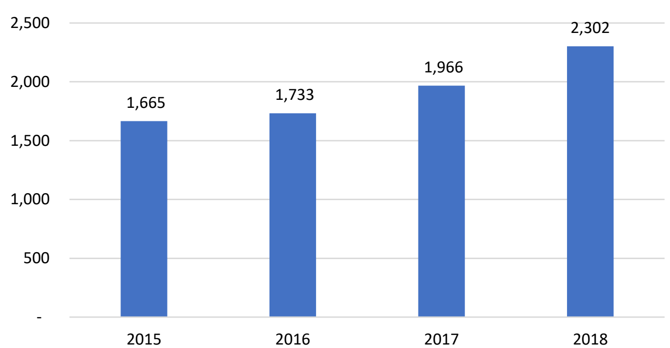
Knowing the importance of the tourism sector in the labour market, extra efforts have been put to this sub-section. In order to generate the total number of workers in the category of accommodations with restaurants, a population-based weighting approach was employed. The sample data were multiplied with a gross-up factor of 1.33 – which means that the population includes 33 percent more entities. Note that when calculating the factor, all Kosovo accommodations with restaurants listed in Booking.com, TripAdvisor, Gjirafa, and in other similar platforms have been considered. This is considered a tourism valid population by the researchers and the PPSE team. The same logic, with different gross-up factors though, was applied to accommodations (without restaurants) and restaurants. On the other hand, this approach could not be applied to the rest of the actors (attractions, tour operators, national events/festivals) due to lack of population size data. Nonetheless, workers' demographic characteristics are described in each case.

Employment findings show that from 2015 to 2018, the number of workers in accommodations with restaurants marked an increase of around 38.0 percent, from 1,665 in 2015 to 2,302 in 2018 (see Figure 12).

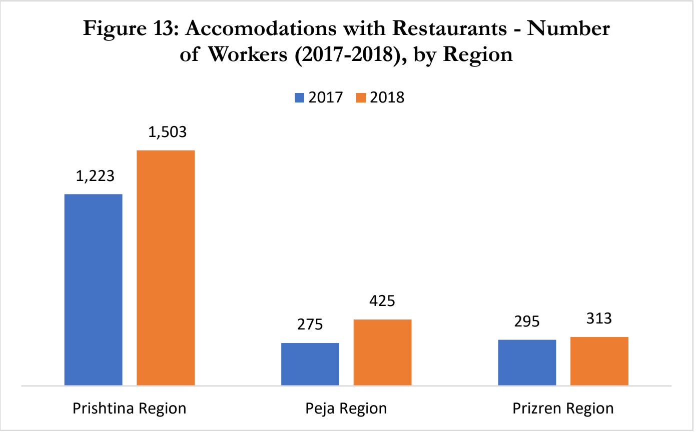
38%

Employment findings show that from 2015 to 2018, the number of workers in accommodations with restaurants marked an increase of around 38%

Figure 12: Accomodations with Restaurants - Number of Workers (2015-2018)



A breakdown of findings by the top three regions shows that in 2018, accommodations with restaurants in Prishtina Region employed the largest number of workers, 1,503 in total. The number of workers in Peja Region and Prizren Region was significantly smaller – 425 and 313, respectively. To make a comparison with 2017, see Figure 13.



Following are some demographic characteristics on the workers employed in accommodations with restaurants in 2018. Men dominated with 63.8 percent of all workers. Out of all employed, only 10.8 percent worked on a part-time basis. A disaggregation of data by ethnic background reveals that workers were predominantly Kosovo Albanians – 95.9 percent; the rest consist of Kosovo Serbs, 1.4 percent; Bosnians, 1.0 percent; Turks, 0.9 percent; and RAE, 0.7 percent. Moreover, the majority of accommodations with restaurants (56.3 percent) did not employ non-Kosovo Albanian workers. As per age groups, those falling in the range 25-44 constitute the majority with 66.0 percent. For more detailed information and to compare with employment demographics of 2017, see Table 4.

Table 4: Employment Demographics

2017

Gender	**Men**			**Women**		
	61.5%			38.5		
Full vs Part Time	**Full-Time (Men)**	**Part-Time (Men)**		**Full-Time (Women)**	**Full-Time (Women)**	
	51.6%	9.9%		34.2%	4.3%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**Rae**	**Bosnians**	**Others**
	94.4%	2.5%	1.0%	0.7%	1.5%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	16.3%	40.4%	24.8%	15.5%	2.9%	0.1%

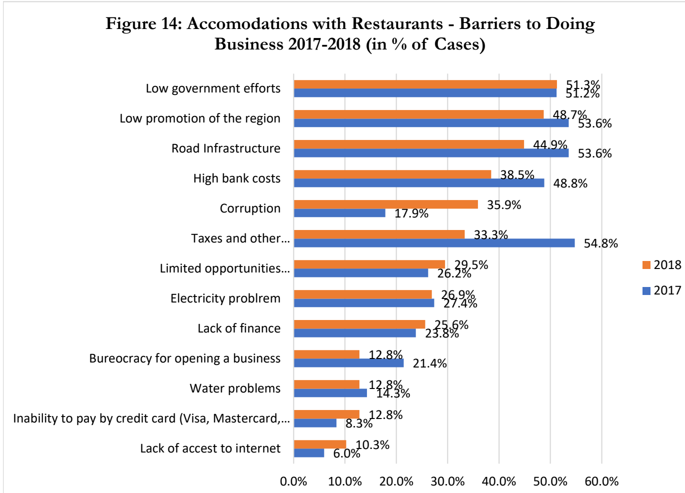
2018

Gender	**Men**			**Women**		
	61.5%			38.5		
Full vs Part Time	**Full-Time (Men)**	**Part-Time (Men)**		**Full-Time (Women)**	**Full-Time (Women)**	
	51.6%	9.9%		34.2%	4.3%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**Rae**	**Bosnians**	**Others**
	94.4%	2.5%	1.0%	0.7%	1.5%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	16.3%	40.4%	24.8%	15.5%	2.9%	0.1%

Only 13.8 percent of accommodations with restaurants provided training (other than on the job training) in 2018, compared to 18.4 percent in 2017. Moreover, 42.2 percent of this category of accommodations provided internship programs in 2018, compared to 50.6 percent in 2017.

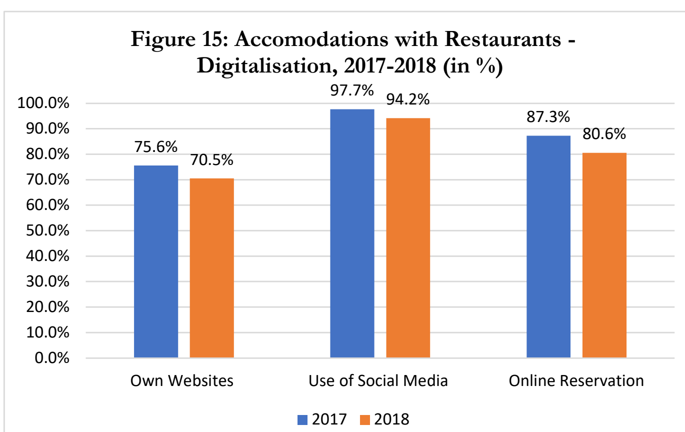
Barriers

Accommodations with restaurants were provided with a list of 12 likely barriers (predominantly external) and were asked to choose the most severe ones. 'Low government efforts' (51.3 percent of all cases), 'low promotion of the region' (48.7 percent) and 'road infrastructure' (44.9 percent) were considered to be the most pressing barriers by respondents in 2018. The overall ranking is quite similar with 2017; however, barriers seem to be less severe in general. One notable difference is on 'taxes and other'. In 2017, it was the most serious barrier, while in 2018 it has fallen significantly. For more detailed information and to make a comparison with 2017, see Figure 14.



Digitalisation

To understand whether accommodations with restaurants have been catching up with recent digitalization trends, the survey included a set of questions on this matter. One finding shows that in 2018, 70.6 percent of accommodations with restaurants had their own websites. The overwhelming majority 94.2 percent reported that that they use social networks (Facebook mostly) as a means to promote their business. In the question regarding online reservations, 80.6 percent claimed to have this option. Reservations are made mostly through booking.com. To make a comparison with data from 2017, see Figure 15.



3.2. Accommodations (without Restaurants)

General Structure

In 2018, of all accommodations, hotels dominated with 47.5 percent, followed by hostels with 18.2 percent, Airbnb apartments with 17.2 percent, houses/villas/bungalows with 14.1 percent, and others with 3.0 percent. To make a comparison with 2017, see Figure 16. The majority of these accommodations were located in Prishtina (51.5 percent), Peja (24.2 percent), and Ferizaj (5.1 percent), see Figure 17.

Figure 16: Accomodations - Type of Accomodation 2017-2018 (in %)

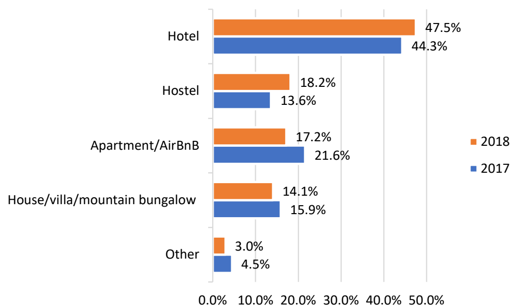
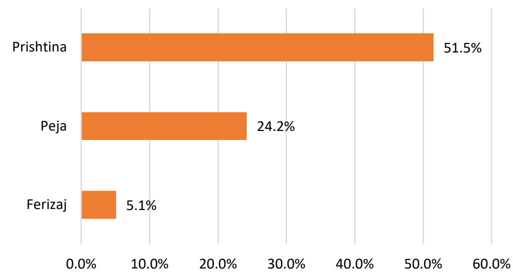


Figure 18: Accomodations, by Location, 2018 (in %)



Number of Rooms, Prices and Occupancy Rate

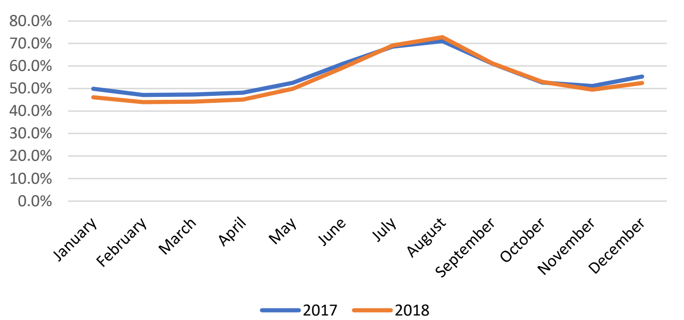
The survey findings show that in 2018, accommodations had 8.6 standard single rooms and 8.3 standard double rooms, on average. In the same year, the total number of single and double standard rooms (adjusted to include the whole population) was 680 and 923, respectively. The average price for a single standard room stood at around 25.0 EUR, while for a double one at 32.4 EUR. For more detailed information about the average number of rooms and prices, as well as to make a comparison with 2017, see Table 5.

Table 5: Accommodations - Average Number and Price of Standard Rooms

		2017	2018
Single Standard Rooms	Avg. # of Rooms	10.05	8.6
	Avg. Price (EUR)	27.3	25.0
	Total # of Rooms	582	680
Double Standard Rooms	Avg. # of Rooms	7.6	8.3
	Avg. Price (EUR)	31.7	32.4
	Total # of Rooms	573	923
Triple Standard Rooms	Avg. # of Rooms	3.0	4.7
	Avg. Price (EUR)	43.6	40.1
	Total # of Rooms	127	263
Quad Standard Rooms	Avg. # of Rooms	1.9	5.3
	Avg. Price (EUR)	49.9	50.3
	Total # of Rooms	70	127.3

In 2018, the occupancy rate of this category averaged at 53.9 percent, with the lowest rate taking place in February (40.0 percent) and the highest in August (72.8 percent). For more detailed results and to make a comparison with 2017, see Figure 18.

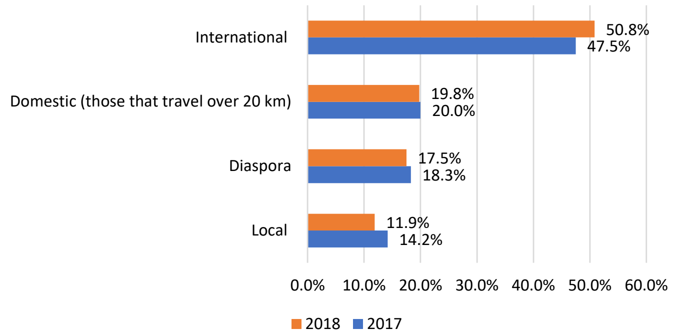
Figure 18: Accomodations - Occupancy Rate (2017-2018), by Month (in %)



Guests and their Behaviour

Findings reveal that in 2018 internationals (mostly from Germany and the US) comprised half (50.8 percent) of all visitors in these accommodations; domestic visitors (with more than 20 min. of travel), 19.8 percent; diaspora, 17.5 percent; and locals, 11.9 percent. To compare data with 2017, refer to Figure 19. The number of nights spent averaged at 3.1 in 2018, compared to 3.2 in 2017.

Figure 19: Accomodations - Composition of Guests 2017-2018, by Origin (in %)



64.6 %

Another finding shows that 64.6 percent were planning to invest in the next two years.

Revenue and Investments

The revenue findings reveal that in 2018, 60.3 percent of accommodations were 'better' or 'much better' compared to 2017; 13.2 percent 'worse' or 'much worse'; and 26.5 percent did not experience any change (see Figure 20). The outlook turns out to be positive; the majority (62.2 percent) of accommodations expected to perform 'better' or 'much better' in 2019 (see Figure 21).

Figure 20: Accomodations - Turnover Change Compared to 2017 (in %)

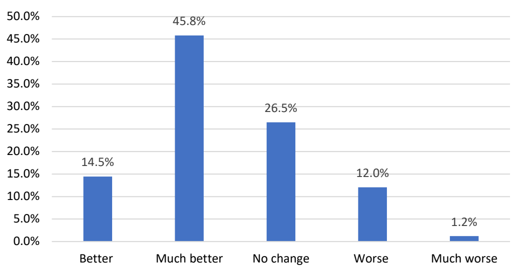
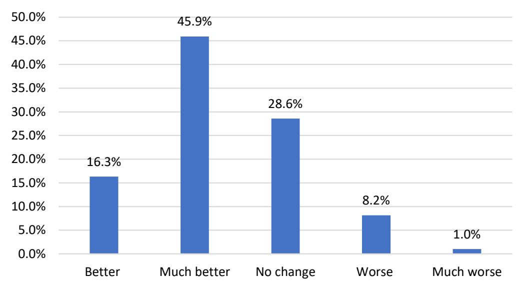
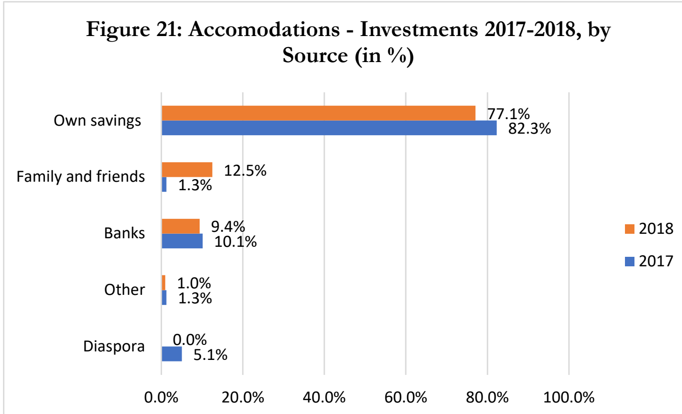


Figure 21: Accomodations - Turnover Outlook for 2019 (in %)

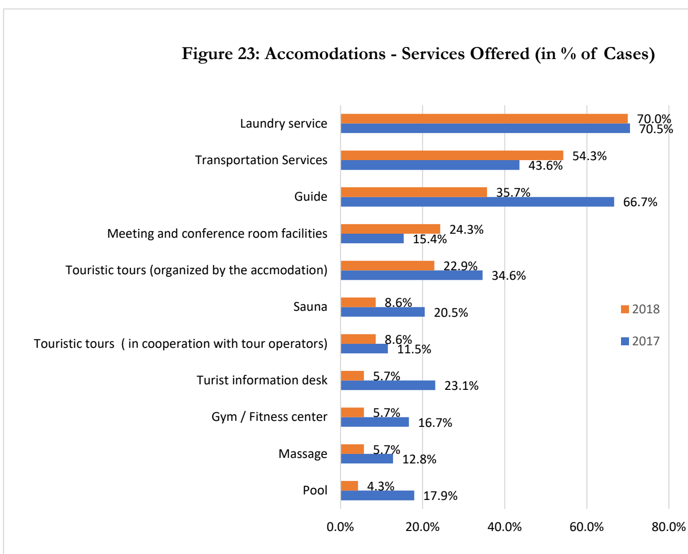


In response to the question about whether they have invested in 2018, the majority, 78.8 percent (77.3 percent in 2017) said 'yes'. The capital was sourced mostly from their own savings (77.1 percent). To see other sources of finance and to make a comparison with 2017, refer to Figure 22. Another finding shows that 64.6 percent were planning to invest in the next two years.



Services Offered

Accommodations were also provided with a list of common services and were asked to select the ones they offered in 2018. The findings reveal that laundry services (71.8 percent), transportation services (54.3 percent), and guide (35.7 percent) were the most common services offered by accommodations in 2018. To see other services provided in 2018 and to compare them with 2017, refer to Figure 23.



The findings further show that 41.8 percent of accommodations had special packages (i.e. for the weekend or vacation), compared to 49.4 percent in 2017.

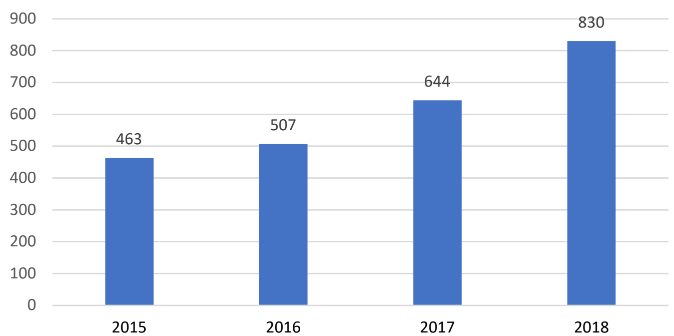
41.8 %

The findings further show that 41.8 percent of accommodati-ons had special packages (i.e. for the weekend or vacation)

Employment

Employment data show that from 2015 to 2018, the number of workers in accommodations (excluding Airbnb apartments) recorded an increase of around 79 percent, from 463 to 830 (see Figure 24). Aribnb apartments, on the other hand, employed about 668 in 2018, 201 more than in 2017.

Figure 24: Accomodations - Number of Workers (2015-2018)



Following are some employment demographics for accommodations in 2018. Men comprised the majority (62.8 percent) of workers. Of all workers, 18.0 percent worked on a part-time basis. A breakdown of data by ethnicity shows that almost all workers were Kosovo Albanians – 99.4. As per age groups, those at 25-44 age group constituted the majority with 70.8 percent. For more detailed information and to make a comparison with 2017, see Table 6.

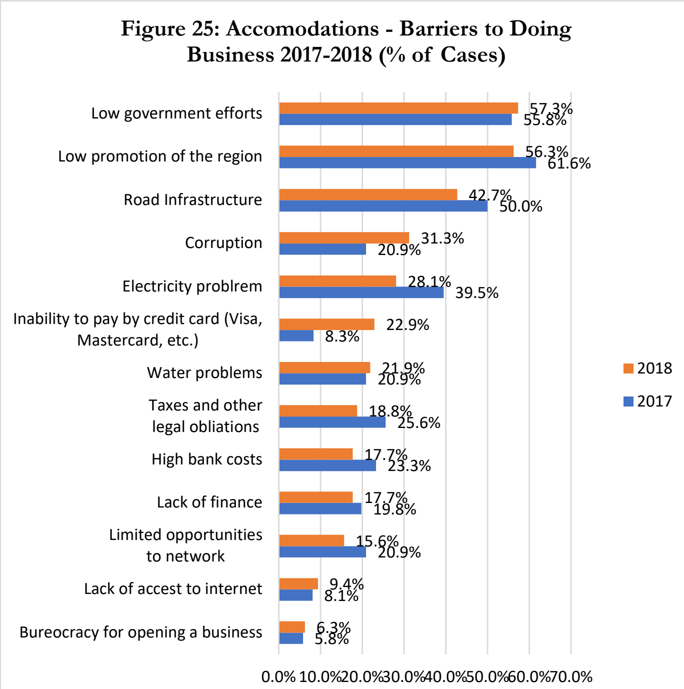
Table 4: Employment Demographics

<table>
<tr><th colspan="13">2017</th></tr>
<tr><td rowspan="2">Gender</td><td colspan="6">Men</td><td colspan="6">Women</td></tr>
<tr><td colspan="6">65.5%</td><td colspan="6">34.4%</td></tr>
<tr><td rowspan="2">Full vs Part Time</td><td colspan="3">Full-Time (Men)</td><td colspan="3">Part-Time (Men)</td><td colspan="3">Full-Time (Women)</td><td colspan="3">Full-Time (Women)</td></tr>
<tr><td colspan="3">51.4%</td><td colspan="3">14.2%</td><td colspan="3">28.9%</td><td colspan="3">5.5%</td></tr>
<tr><td rowspan="2">Ethnicity</td><td colspan="2">Kosovo Albanians</td><td colspan="2">Kosovo Serbs</td><td colspan="2">Turks</td><td colspan="2">Rae</td><td colspan="2">Bosnians</td><td colspan="2">Others</td></tr>
<tr><td colspan="2">99.1%</td><td colspan="2">0.0%</td><td colspan="2">0.0%</td><td colspan="2">0.4%</td><td colspan="2">0.5%</td><td colspan="2">0.0%</td></tr>
<tr><td rowspan="2">Age Group</td><td colspan="2">15-24</td><td colspan="2">25-34</td><td colspan="2">35-44</td><td colspan="2">45-54</td><td colspan="2">55-64</td><td colspan="2">65<</td></tr>
<tr><td colspan="2">13.8%</td><td colspan="2">42.5%</td><td colspan="2">28.3%</td><td colspan="2">13.2%</td><td colspan="2">1.7%</td><td colspan="2">0.4%</td></tr>
<tr><th colspan="13">2018</th></tr>
<tr><td rowspan="2">Gender</td><td colspan="6">Men</td><td colspan="6">Women</td></tr>
<tr><td colspan="6">62.8%</td><td colspan="6">37.2%</td></tr>
<tr><td rowspan="2">Full vs Part Time</td><td colspan="3">Full-Time (Men)</td><td colspan="3">Part-Time (Men)</td><td colspan="3">Full-Time (Women)</td><td colspan="3">Full-Time (Women)</td></tr>
<tr><td colspan="3">50.2%</td><td colspan="3">12.6%</td><td colspan="3">31.8%</td><td colspan="3">5.4%</td></tr>
<tr><td rowspan="2">Ethnicity</td><td colspan="2">Kosovo Albanians</td><td colspan="2">Kosovo Serbs</td><td colspan="2">Turks</td><td colspan="2">Rae</td><td colspan="2">Bosnians</td><td colspan="2">Others</td></tr>
<tr><td colspan="2">99.4%</td><td colspan="2">0.0%</td><td colspan="2">0.2%</td><td colspan="2">0.4%</td><td colspan="2">0.0%</td><td colspan="2">0.0%</td></tr>
<tr><td rowspan="2">Age Group</td><td colspan="2">15-24</td><td colspan="2">25-34</td><td colspan="2">35-44</td><td colspan="2">45-54</td><td colspan="2">55-64</td><td colspan="2">65<</td></tr>
<tr><td colspan="2">15.3%</td><td colspan="2">48.7%</td><td colspan="2">22.1%</td><td colspan="2">12.1%</td><td colspan="2">0.6%</td><td colspan="2">1.2%</td></tr>
</table>

When asked whether they provided training in 2018 (different from on the job training), 93.8 percent (96.5 percent in 2017) said 'no'. Moreover, the majority of accommodations, 73.7 percent (84.3 percent in 2017), did not provide any internship program.

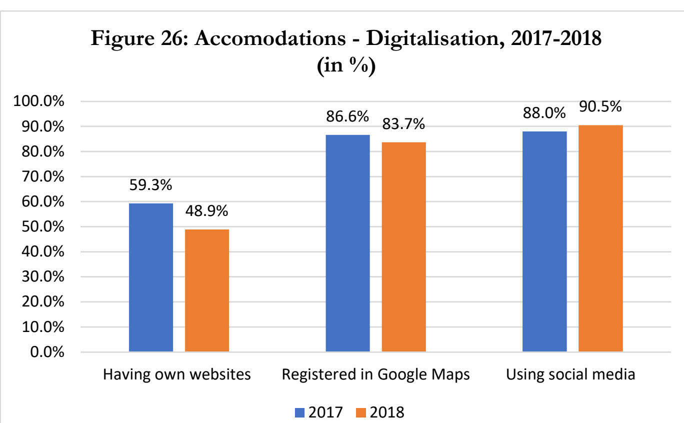
Barriers to Doing Business

Accommodations were also enquired to choose the most pressing barriers to doing business in 2018. 'Low government efforts' (57.3 percent), 'low promotion of the region' (56.3 percent of all cases), and 'road infrastructure' (42.7 percent) were perceived to be the most pressing operating barriers by accommodations. This was the case in 2017 as well. To see other barriers to doing business and to compare them with 2017, refer to Figure 25.



Digitalisation

The survey findings reveal that close to half of accommodations, 48.9 percent, had their own websites in 2018. The majority, 86.6 percent, were registered in Google Maps. A higher percentage, 90.5 percent, claimed to have used social media to promote their accommodations. To compare data with 2017, see Figure 26.

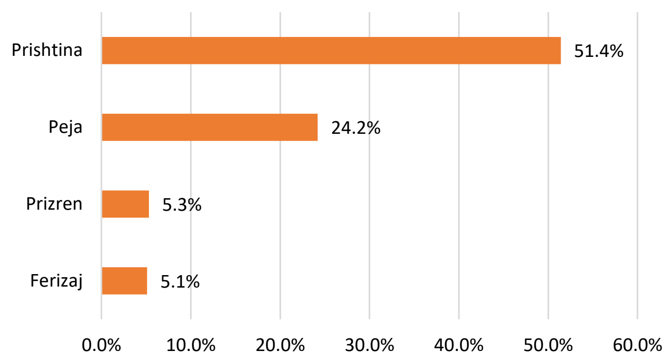


3.3. Restaurants

General Structure

In 2018, Prishtina dominated, with 51.4 percent of all restaurants, followed by Peja (24.2 percent), Prizren (5.3 percent) and Ferizaj (5.1 percent). To make a comparison with 2017, see Figure 27.

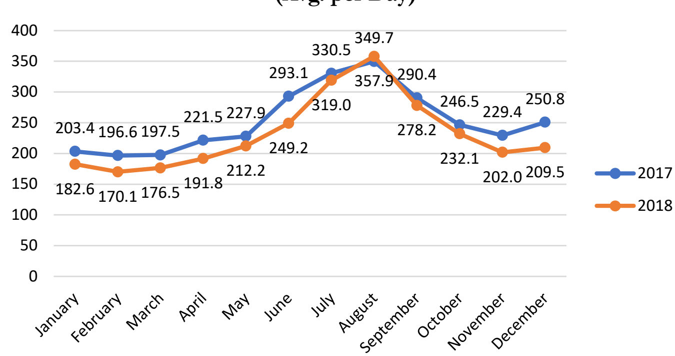
Figure 27: Restaurants, by Main Locations (in %)



Guests and their Behaviour

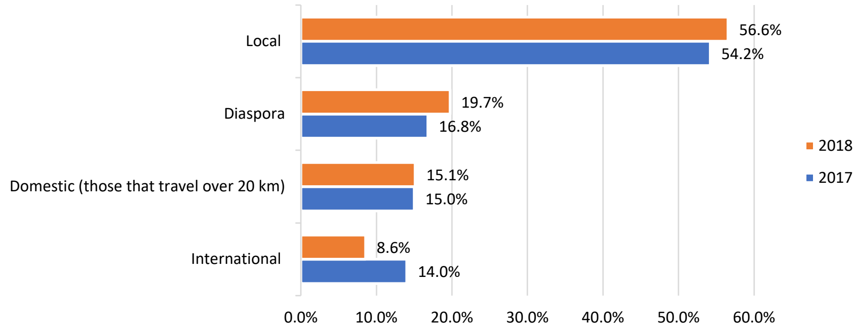
The findings disclose that restaurants had 231.8 guests per day, on average, in 2018. During this year, the busiest months turned out to be July and August, with an average of 319.0 and 357.9 guests per day, respectively. For more detailed information and to compare averages with 2017, refer to Figure 28.

Figure 28: Restaruants - Number of Guests, 2017-2018 (Avg. per Day)



The findings reveal that 56.6 percent of the clientele in restaurants consisted of locals; others included diaspora (19.7 percent), domestic visitors (15.1 percent) and internationals (8.6 percent). To make a comparison with 2017, see Figure 29. The data on restaurants show that in 2018, 62.1 percent (65.0 percent in 2017) of all guests went to restaurants for food and drinks, while the rest for drinks only. The average expenditures per serving of the former group amounted to 7.1 EUR (7.2 EUR in 2017), while the average of the latter stood at 2.5 EUR (1.9 EUR in 2017).

Figure 29: Restaurants - Composition of Guests (2017-2018), by Origin (in %)

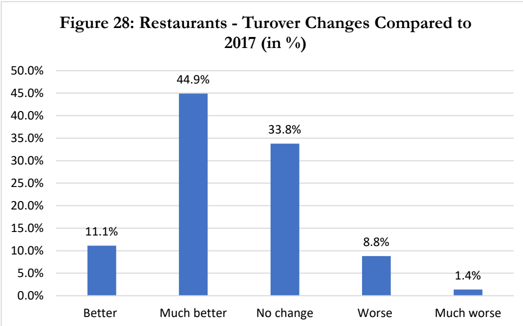


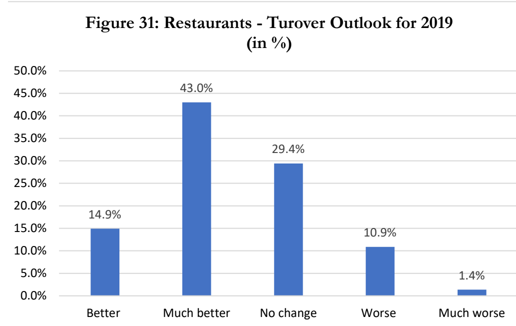
Revenues and Investments

When asked about the changes in turnover compared to 2017, 56.0 percent of the restaurants reported to have performed 'better' or 'much better'; on the other hand, 10.2 percent of them declared to have experienced the opposite; the rest said that they experienced no changes in turnover (see Figure 30). More than half of them (57.9 percent) expected 2019 to be 'better' or 'much better', as opposed to 12.3 percent who expected to perform 'worse' or 'much worse' (see Figure 31). The remaining (29.4 percent) declared that it is going to be the same.

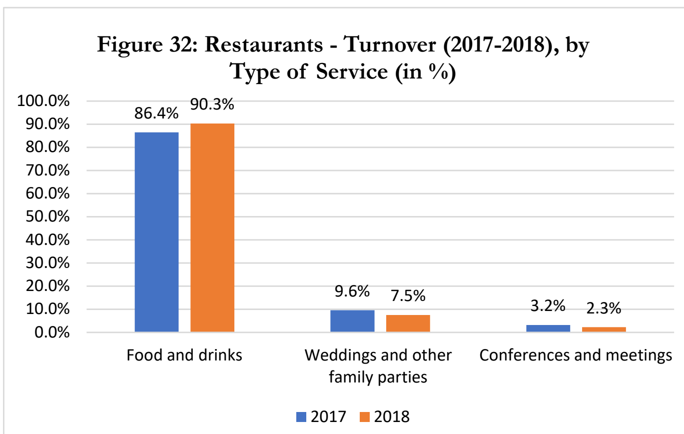
56.6 %

The findings reveal that 56.6 percent of the clientele in restaurants consisted of locals

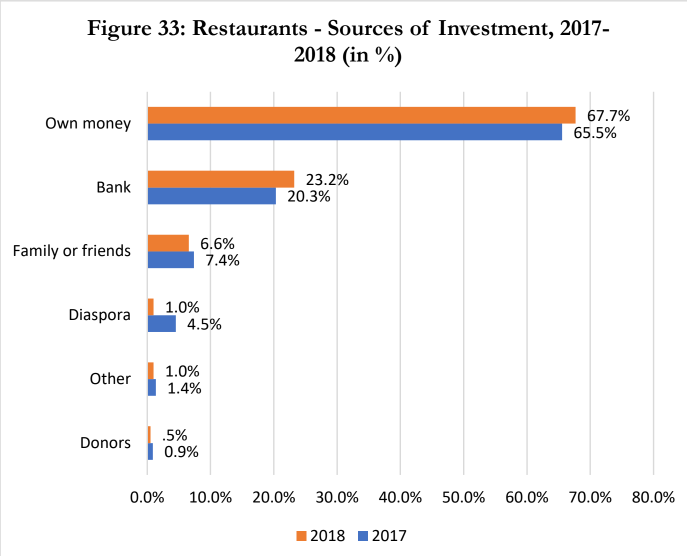




A further analysis on the composition of annual turnover shows that in 2018, food and drinks comprised the main source of revenue for restaurants with 90.3 percent, accompanied by weddings and family services with 7.5 percent, and conference and meetings with 2.3 percent. To compare with 2017, see Figure 32.



Of all restaurants, 69.9 claimed to have made some sort of an investments in 2018, compared to 77.4 percent in 2017. Slightly less, 61.5 percent, planned to make an investment in the upcoming two years. The most important source of finance in 2018 was 'own money' (67.7 percent). For other sources of finance and to compare with 2017, see Figure 33.



Services Offered

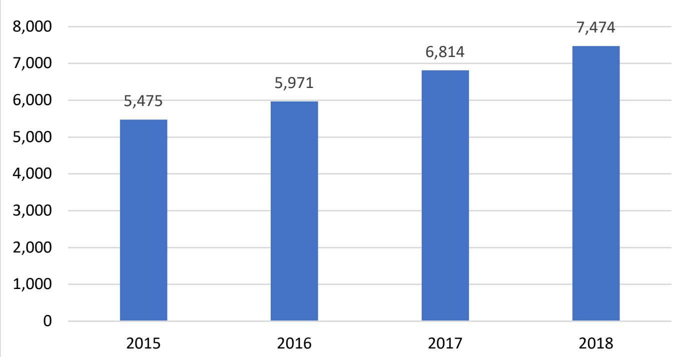
Apart from serving food and drinks at the restaurant, 21.7 percent of them offered delivery services in 2018, compared to 36.0 percent in 2017. Less than a quarter, 24.1 percent of restaurants in 2018 offered space and services for weddings and family parties, compared to 26.2 percent in 2017. The average number of weddings and family parties organized in 2018 was 24.7, compared to 22.7 in 2017. Members of Kosovo diaspora have been the most frequent organizers, constituting 46.3 percent in 2018 (58.5 percent in 2017). When asked whether they provided commercial touristic products in 2018, the vast majority, 98.2 percent, said 'no', compared to 96.0 percent in 2017.

Employment

The employment data for restaurants show that the total number of employees has noted an increase of 36.5 percent, from 5,475 in 2015 to 7,474 in 2018 (see Figure 34). A closer look at the data unveils that almost all restaurants that have been interviewed in both periods have seen increases in the number of workers.

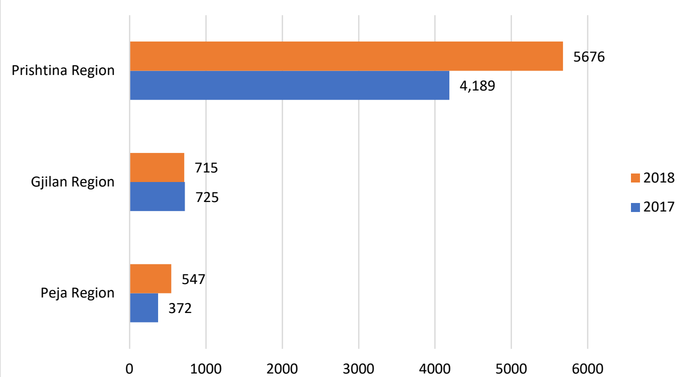
A closer look at the data unveils that almost all restaurants that have been interviewed in both periods have seen increases in the number of workers.

Figure 34: Restaurants - Number of Workers, by Year (2015-2018)



A disaggregation of data by the main regions reveals that Prishtina Region (4,189) constituted the largest number of workers employed in restaurants in 2018, followed by Gjilan (715), and Peja (547). To make a comparison with 2017, refer to Figure 35.

Figure 35: Restaurants - Number of Workers (2017-2018), by Region



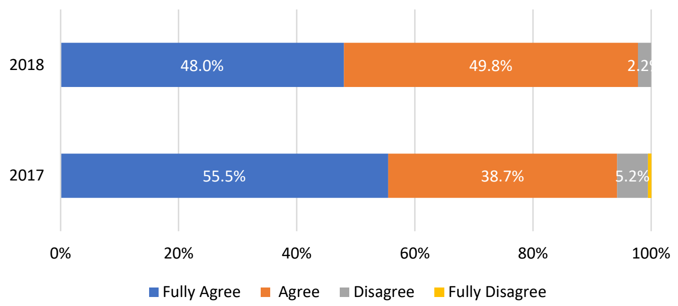
Following are some employment demographics for restaurants in 2018. Of all employed, the majority were men – 78.7 percent. The majority of workers, 82.1 percent, worked on a full-time basis. A negligible percentage (1.8 percent) was comprised non-Kosovo Albanians. Moreover, 11.5 percent of restaurants employed non-Kosovo Albanians. In terms of age, those falling between 15-34 make up the most common group with 78.0 percent. For more information and to make comparisons with 2017, see Table 7.

Table 4: Employment Demographics

<table>
<tr><th colspan="9">2017</th></tr>
<tr><td rowspan="2">Gender</td><td colspan="4">Men</td><td colspan="4">Women</td></tr>
<tr><td colspan="4">74.4%</td><td colspan="4">25.6%</td></tr>
<tr><td rowspan="2">Full vs Part Time</td><td colspan="2">Full-Time (Men)</td><td colspan="2">Part-Time (Men)</td><td colspan="2">Full-Time (Women)</td><td colspan="2">Full-Time (Women)</td></tr>
<tr><td colspan="2">63.2%</td><td colspan="2">11.2%</td><td colspan="2">21.3%</td><td colspan="2">4.3%</td></tr>
<tr><td rowspan="2">Ethnicity</td><td>Kosovo Albanians</td><td colspan="2">Kosovo Serbs</td><td>Turks</td><td>Rae</td><td colspan="2">Bosnians</td><td>Others</td></tr>
<tr><td>98.9%</td><td colspan="2">0.1%</td><td>0.5%</td><td>0.2%</td><td colspan="2">0.3%</td><td>0.1%</td></tr>
<tr><td rowspan="2">Age Group</td><td>15-24</td><td colspan="2">25-34</td><td>35-44</td><td>45-54</td><td colspan="2">55-64</td><td>65<</td></tr>
<tr><td>34.1%</td><td colspan="2">42.0%</td><td>19.0%</td><td>4.1%</td><td colspan="2">0.9%</td><td>0.0%</td></tr>
<tr><th colspan="9">2018</th></tr>
<tr><td rowspan="2">Gender</td><td colspan="4">Men</td><td colspan="4">Women</td></tr>
<tr><td colspan="4">78.7%</td><td colspan="4">21.5%</td></tr>
<tr><td rowspan="2">Full vs Part Time</td><td colspan="2">Full-Time (Men)</td><td colspan="2">Part-Time (Men)</td><td colspan="2">Full-Time (Women)</td><td colspan="2">Full-Time (Women)</td></tr>
<tr><td colspan="2">63.2%</td><td colspan="2">15.2%</td><td colspan="2">18.9%</td><td colspan="2">2.6%</td></tr>
<tr><td rowspan="2">Ethnicity</td><td>Kosovo Albanians</td><td colspan="2">Kosovo Serbs</td><td>Turks</td><td>Rae</td><td colspan="2">Bosnians</td><td>Others</td></tr>
<tr><td>98.2%</td><td colspan="2">0.3%</td><td>0.5%</td><td>0.5%</td><td colspan="2">0.5%</td><td>0.0%</td></tr>
<tr><td rowspan="2">Age Group</td><td>15-24</td><td colspan="2">25-34</td><td>35-44</td><td>45-54</td><td colspan="2">55-64</td><td>65<</td></tr>
<tr><td>23.8%</td><td colspan="2">55.2%</td><td>16.3%</td><td>3.9%</td><td colspan="2">0.7%</td><td>0.0%</td></tr>
</table>

Similar to the last survey, restaurants were asked to share their opinion in relation to the following statement, “My employees have enough education to fulfil my needs.” It turned out that 97.8 percent either ‘fully agree’ or ‘agree’ with the statement, while 2.2 percent believed in the opposite. See Figure 36 to compare the position of restaurants regarding this statement in 2017. Perhaps because of this, 86.6 percent did not provide any other training other than on the job training in 2018, compared to 74.7 percent in 2017. Similar to 2017, in 2018 47.5 percent of restaurants provided internships.

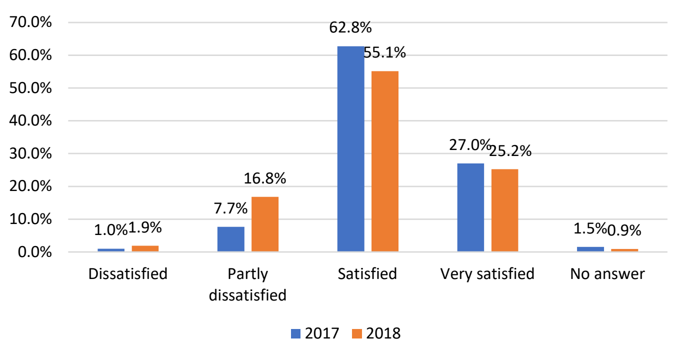
Figure 36: Restaurants - Level of Agreement with the Following Statement: *"My employees have enough education to fulfil my needs."* (in %)



Supplies

In response to the question about the origin of supplies used in 2018, 65.1 percent of restaurants believed that they were local, compared to 59.0 in 2017. Supplies for their restaurant in 2018 were mainly sourced from wholesalers and supermarkets. Another finding reveals that restaurants have generally been satisfied with suppliers; 80.3 percent of restaurant declared to have been 'satisfied' or 'very satisfied' with their suppliers in 2018. For more information on the level of satisfaction and to compare data with 2017, refer to Figure 37.

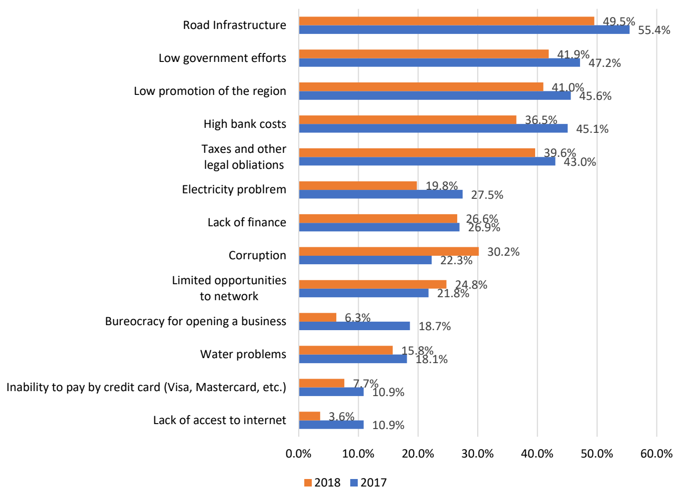
Figure 37: Restaurant - Level of Satisfaction with Suppliers (in %)



Barriers to Doing Business

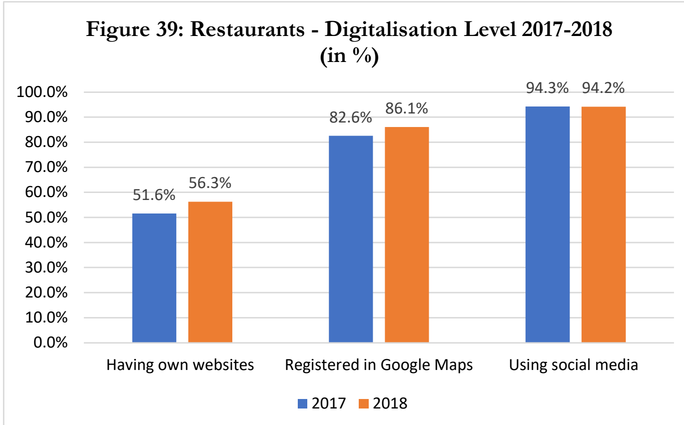
The potential barriers to doing business in 2018 were also tested with restaurants. It turned out that 'road infrastructure' (49.5 percent of all cases), 'low government efforts' (41.9 percent), and 'low promotion of the region' (41.0 percent) were perceived to be the most severe operating barriers by respondents. These have been the top barriers in 2017 as well. For more detailed information and to make a comparison with 2017, see Figure 38.

Figure 38: Restaurants - Barriers to Doing Business, 2017-2018 (% of Cases)



Digitalisation

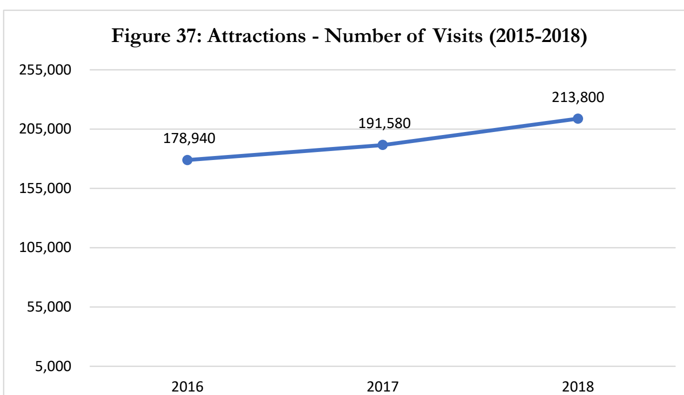
More than half of restaurants, 56.3 percent, had their own websites in 2018, while 86.1 percent were registered in Google Maps. A higher percentage (94.2 percent) used social media to promote their services. To compare data with 2017, see Figure 39.



3.4. Attractions

Number of Visitors and their Characteristics

There has been an increasing number of visitors in tourist attractions over the last three years, from 178,940 in 2016 to 213,800 in 2018 (see Figure 40). Note that these figures were taken from the interviewed attractions only. As such, they do not show the overall number of visits in the country, but only an indication of the trend. This is because there was no available information on the exact population landscape.



In 2018, the structure of visitors in attractions was dominated by internationals with 41.9 percent, followed by diaspora with 29.2 percent, and domestic visitors (those that travel more than 20 km) with 28.9 percent. To make a comparison with 2017, see Figure 41. A further analysis of the findings reveals that Germans, Albanians, Americans and Turks made up the majority of visitors in 2018 (to compare with 2017, Figure 42).

Figure 38: Attractions - Composition of Visitors, 2017-2018, by Origin (in %)

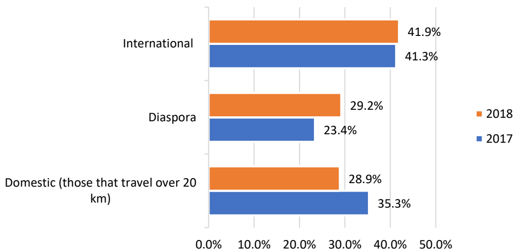
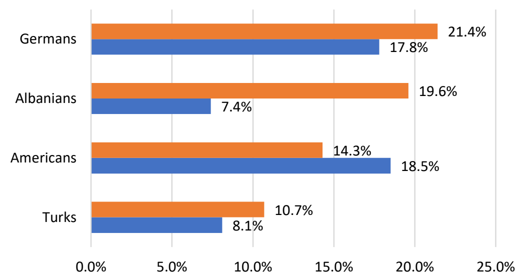


Figure 42: Attractions (2017-2018), by Origin of Visitors (in %)



Location and Prices

In 2018, the majority of attractions across Kosovo were concentrated in Prizren, Prishtina, and Peja, each comprising 21.4 percent of visitors, see Figure 43. Average prices varied, depending on the type of attraction: adventures, 20.0 EUR; natural attractions, 5 EUR; cultural and religious, 1.4 EUR. To compare with 2017, see Figure 44.

Figure 43: Attractions, by Top Five Locations, 2017-2018 (in %)

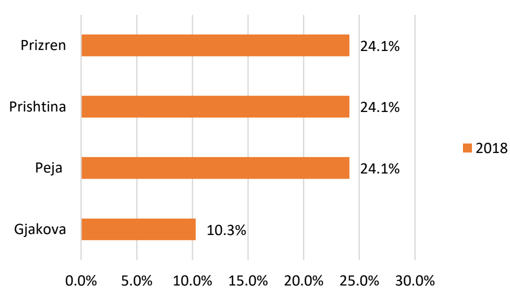
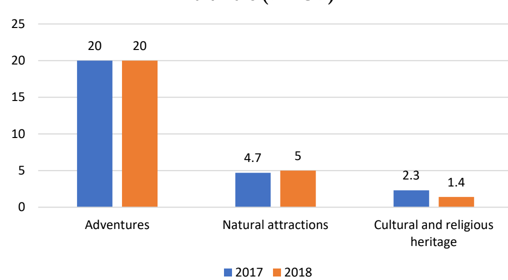


Figure 44: Average Prices, by Type of Attraction, 2017-2018 (in EUR)



Revenues

Compared to 2017, 52.4 percent of attractions performed ‘much better’ or ‘better’, while for the rest it has been the same. Furthermore, 66.7 percent expected to perform ‘better’ or ‘much better’ next year. Note that religious sites and some other cultural heritage monuments do not generate any revenues at all, therefore, this question was not asked to them.

Employment

In 2018, attractions were dominated by men workers with 73.6 percent. One-third of them (60 percent) worked full-time. Of non-majority communities, Kosovo Serbs dominated with 13.2 percent. Similar to restaurants, the majority of workers (69.6 percent) were of an age between 15-34. For more detailed results and to compare with 2017, see Table 8.

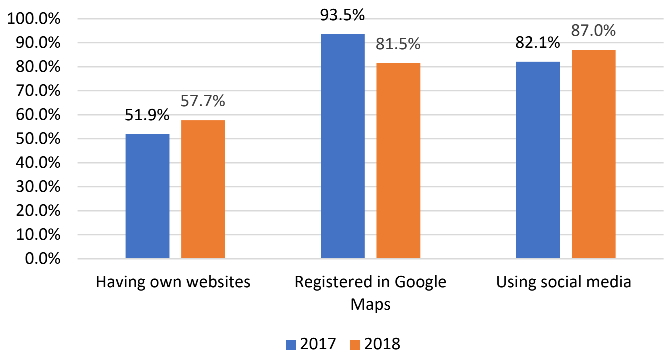
Table 8: Employment Demographics (Attractions)

	2017					
Gender	**Men**			**Women**		
	73.6%			26.4%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**		**Full-Time (Women)**
	60.0%		13.6%	24.4%		2.0%
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**Rae**	**Bosnians**	**Others**
	84.3%	13.2%	0.9%	0.9%	0.6%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	13.7%	28.9%	36.5%	14.4%	5.3%	1.1%
	2018					
Gender	**Men**			**Women**		
	55.8%			44.2%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**		**Full-Time (Women)**
	47.8%		8.0%	33.6%		10.6%
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**Rae**	**Bosnians**	**Others**
	96.4%	0.0%	0.9%	0.9%	1.8%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	4.8%	22.1%	47.1%	19.2%	6.7%	0.0%

Digitalisation

The findings reveal that 57.7 percent had their own websites in 2018, while 81.5 percent of all attractions were registered in Google Maps. Moreover, 87.0 percent claimed to have used social networks for promotional purposes. To make a comparison with 2017, see Figure 45.

Figure 44: Attractions - Digitalisation Level, 2017-2018 (in %)



3.5. Tour Operators

Tours and Prices

In 2018, 51.6 percent of tour operators worked with both inbound and outbound tourists, compared to 56.5 percent in 2017. The rest worked with inbound tourists only. The total number of tours sold in 2018 stood at 1,326 (525 tours in 2017), with an average number of people per tour being 14.8 (17.4 in 2017). The average price in 2018 amounted to 185.8 EUR (299.0 in 2017).

Employment

Following are some employment demographics for tour operators in 2018. The findings reveal that 69.9 percent of tour operator workers were men. Only around half of them worked on a full-time basis. Kosovo Albanians comprised 95.3 percent of all workers. Those aged between 15-34 comprised the majority of workers, 78.9 percent. For more information and to make a comparison with 2017, see Table 9.

Table 9: Employment Demographics (Tur-Operators)

2017						
Gender	**Men**			**Women**		
	59.2%			40.8%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**		**Full-Time (Women)**
	23.7%		35.5%	26.0%		14.8%
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**Rae**	**Bosnians**	**Others**
	96.7%	0.0%	0.8%	0.8%	0.0%	1.7%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	18.9%	52.4%	24.4%	3.7%	0.6%	0.0%

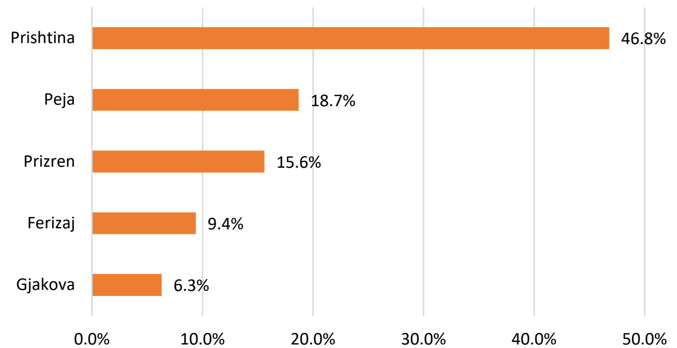
2018						
Gender	**Men**			**Women**		
	69.9%			30.1%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**		**Full-Time (Women)**
	33.3%		36.6%	16.3%		13.7%
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**Rae**	**Bosnians**	**Others**
	95.3%	2.0%	2.0%	0.0%	0.7%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	22.2%	56.7%	15.6%	4.4%	1.1%	0.0%

3.6. National Events/Festivals

The General Data

In 2018, the majority of national events/festivals were concentrated in Prishtina (46.8 percent), Peja (18.7 percent), and Prizren (15.6 percent). For more information, refer to Figure 46.

Figure 46: National Events/Festivals, by Top Five Locations, 2017-2018 (in %)



Number of Visitors and their Characteristics

The interviewed events/festivals recorded a positive trend over the last three years, with the number of visitors increasing from 19,291 in 2016 to 26,271 in 2018 (see Figure 47). These values should be cautiously interpreted as they indicate the trend only, not the overall number of visitors in the country. In 2018, the overall clientele was dominated by locals with 48.1 percent, followed by domestic visitors with 23.2 percent, internationals with 16.6 percent, and diaspora with 12.1 percent. To make a comparison with 2017, see Figure 48.

Figure 47: National Events/Festivals - Number of Visitors (2016-2018)

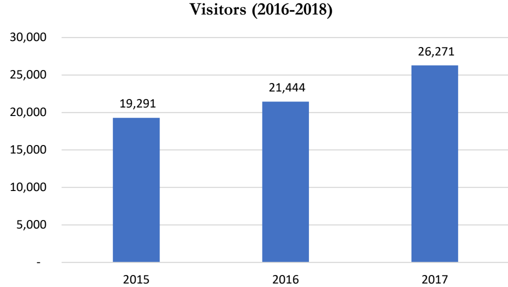
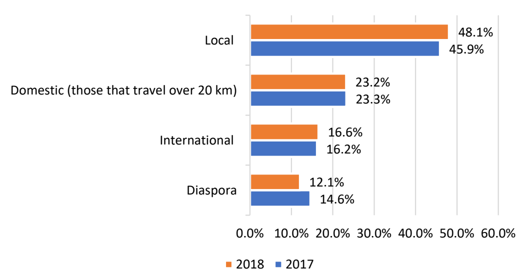


Figure 48: National Events/Festivals - Visitors (2017-2018), by Origin (in %)



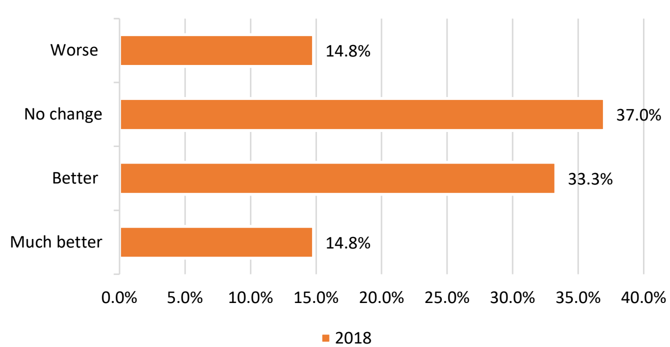
Prices

The ticket price for a festival averaged at 6.8 EUR in 2018, compared to 6 EUR in 2017. When asked about the average expenditures of visitors per night in 2018, the representatives of events/festivals said that it was 14.9 EUR, compared to 19.5 EUR in 2017.

Revenues

The revenue data show that in 2018, 48.1 of events/festivals performed 'better' or 'much better' compared to 2017; as opposed to 21.4 percent who performed 'worse'; for 37.0 percent it has been the same, see Figure 49.

Figure 49: National Events/Festivals - Turnover Changes Compared to 2017 (in %)



Employment

The majority (70.6 percent) of those employed in national events and festivals in 2018 were men. The proportion of those working part time was relatively high in 2018, standing at 62.0 percent. Non-Kosovo Albanians comprised a negligible percentage in this period (3.9 percent). Those aged between 15-35 dominated, by constituting 94.4 percent of all workers. For more information and to make a comparison with 2017, see Table 10.

Table 10: Employment Demographics (Events/Festivals)

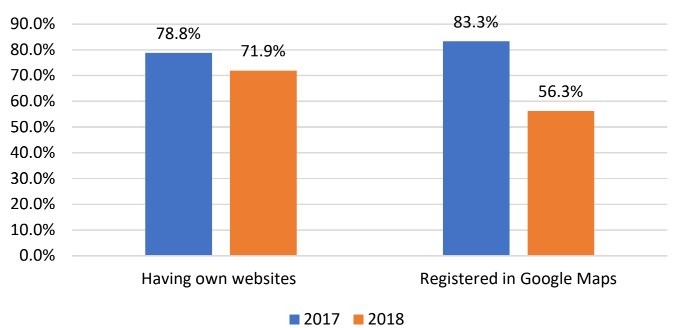
2017						
Gender	Men			Women		
	70.6%			29.4%		
Full vs Part Time	Full-Time (Men)		Part-Time (Men)	Full-Time (Women)		Full-Time (Women)
	25.7%		44.9%	9.1%		20.3%
Ethnicity	Kosovo Albanians	Kosovo Serbs	Turks	Rae	Bosnians	Others
	98.9%	0.5%	0.3%	0.1%	0.5%	0.1%
Age Group	15-24	25-34	35-44	45-54	55-64	65<
	18.5%	59.6%	20.3%	1.5%	0.2%	0.0%

2018						
Gender	Men			Women		
	70.9%			29.1%		
Full vs Part Time	Full-Time (Men)		Part-Time (Men)	Full-Time (Women)		Full-Time (Women)
	26.7%		44.2%	11.3%		17.8%
Ethnicity	Kosovo Albanians	Kosovo Serbs	Turks	Rae	Bosnians	Others
	96.1%	0.5%	0.9%	1.7%	0.8%	0.0%
Age Group	15-24	25-34	35-44	45-54	55-64	65<
	35.9%	58.4%	5.6%	0.0%	0.0%	0.0%

Digitalisation

The findings on digitalisation level reveal that 78.8 percent had their own websites. Moreover, 83.3 percent of all events/festivals were registered in Google Maps. To make a comparison with 2017, refer to Figure 50.

Figure 50: National Event and Festivals: Digitalisation Level 2017-2018 (in %)



4. Economic Impact

This section examines the economic impact of accommodations, Airbnb apartments, and restaurants in 2018 and compares the overall results with 2017. Specifically, it estimates the overall revenue generated by each actor. In addition, it also provides the overall number of workers employed. Due to the unknown population size, this approach could not be extended to other actors of the value chain.

4.1. Accommodations

The starting point of this economic analysis was the total number of available room-nights per year. This figure was multiplied by the average occupancy rate to generate the total number of occupied rooms per year. Since this report focuses on tourism, locals were subtracted. The average prices (adjusted by taking into account superior rooms as well) have been multiple with the total number of occupied rooms per year, excluding locals. This produced an estimated accommodation revenue from the sample. To make it representative, a gross up factor was applied. The overall sector revenue in 2018 amounted to 42.3 mil. EUR. The same approach was used to generate the revenue of Airbnb apartments as well. The estimated revenue by this category of accommodations in 2018 reached a value of 7.4 mil. EUR. For more information on the main steps of the approach, see Table 11 and Table 12.

The findings further show that 41.8 percent of accommodations had special packages (i.e. for the weekend or vacation)

Table 11: Economic Impact – Accommodations (Excluding Airbnb Apartments)

(a) Number of Available Room-Nights per Year*					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
479,610	754,090	154,030	40,150	42,705	55,845
(b) Average Occupancy Rate (%)					
49.2%					
(c) Number of Room-Nights Occupied per Year (a*b)					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
235,805	370,756	75,730	19,740	20,996	27,457
(d) Proportion of Room-Nights Occupied by Locals (%)					
11.85%					
(e) Number of Room-Nights Occupied per Year, Excluding Locals (c-d)					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
207,862	326,822	66,756	17,401	18,508	24,203
(f) Average Prices (€)**					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
37.3	43.9	49.1	62.7	93.4	143.0
(g) Estimated Accommodation Revenue from the Sample (€) Σ (e*f)					
31,656,250					
(h) Gross-Up Factor/Coefficient					
1.3388					
(i) Estimated Accommodation Sector Revenue (€) (g*h)					
42,384,201					

4.2. Restaurants

Similar to the case of accommodations, the number of client visits in 2018 was taken as an initial figure. After excluding locals, this figure was multiplied by the average price of food and drinks per visit on the hand, and the average price of drinks only, on the other hand. This produced the estimated revenue generated by the sampled restaurants. After applying the gross up factor, the overall estimated restaurant revenue for 2018 was generated, which is 140.7 mil. EUR.

Table 13: Economic Impact – Restaurants

(a) Number of Available Room-Nights per Year*	
22,869,151	
(b) Proportion of Locals (%)	
53.3%	
(c) Number of Client Visits per Year, Excluding Locals (a-b)	
10,685,391	
(d) Food and Drinks Towards Total Revenue (%)	
Food and Drinks	**Drinks Only**
60%	40%
(e) Average Price (€)	
Food and Drinks	**Drinks Only**
7.6	2.5
(f) Total Estimated Revenue from the Sample (€) (c*d*e)	
Food and Drinks	**Drinks Only**
48,519,726	10,902,649
(g) Gross-Up Factor/Coefficient	
2.368	
(h) Estimated Restaurants Sector Revenue (€) Σ(f*g)	
140,712,183	

4.3. Overall Estimated Revenue and Employment

The overall estimated revenue from accommodations, Airbnb apartments, and restaurants in 2018 has increased by around 41 percent compared to 2017, from 134.5 mil. EUR to 190.5 mil. EUR. The most notable increase was noted in restaurants, 52.1 percent. For more detailed information, see Table 13.

Table 13: Estimated Revenue (€), 2017-2018

Year	Accommodations	Airbnb Apartments	Restaurants	Total
2017	35,864,209	6,249,743	92,466,230	**134,580,182**
2018	42,384,201	7,460,332	140,712,183	**190,556,716**

The overall number of workers compared with 2017 has increased by 13.8 percent, from 9,904 to 11,274 (see Figure 51).

Figure 51: Number of Workers (2017-2018)