

TOURISTIC POTENTIALS AS A MAIN FACTOR ON INCREASING INVESTMENTS IN THE REGION OF PEJA.

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Abstract

Kosovo has wide and undiscovered resources that can attract the investment part and provide an amount of economic development in the tourism area. This paper aims to analyze the touristic potentials in the region of Peja as an important city in Kosovo, with cultural and historical potentials. The city itself is very attractive and contains a lot of cultures, more precisely its position, the natural beauties and resources together with the historical monuments. Today Peja is classified as the most important economical trade and tourist center of Kosovo. It has a main role in the economic development of the country in general. The majority of its surface is composed by agriculture area, the animal forming, the capacity to produce milk, meat and their products, fruits and their processing etc. The most developed tourism in the city of Peja is the alpine tourism, in the region of Rugova. The region has a very favorable foreign investment potential because of its position, climate, with temperatures reaching at the 25 degrees, which is very suitable for various kinds of home tourism and simultaneously the climate encourages the growth of medical plants, many of them still unknown for the international scientific community. The winter climate provides the region an incredibly favorable environment for skiing, hiking and climbing. This paper will provide various results by local and regional persons as development of tourism should not be an affair of government alone. It must be a partnership between the ordinary people, who will welcome and entertain the visitors, and the governments at all levels in order to raise tourism to an international standard. The development of tourism has a great impact in the economy of the country. Therefore, the main objective of this entire paper is to discern the most important parts of tourism in Peja and to present them as places of abundant investment potentials. Not only local investments because the region will utterly be worth the foreign investments. We are aware of the fact that the service sector generates the greatest number of employees therefore with the proper investments these potentials will provide a stable economic system in the entire region. Throughout, the phases of this project data will be collected from a variety of resources combining different kinds of scientific research methods. All of these phases and methods will provide the most accurate results.

1. Introduction

Tourism is now one of the global engines of development. Every year, more people are in motion than ever before in history. The supply and the demand of the tourist product meet on the market. This product includes natural beauties, goods and services. According to Jones.A & Philips.M (2011) nowadays the travel and tourism industry is the fastest growing sector of the global economy.

Tourism has a great impact in economy and industry, in social and cultural progress and it's a great promoting tool for countries in national and international aspect.

In Europe (Jones.A & Philips.M,2011,p.4), according to European Union's Environmental Agency the biggest driver of development in the regions coastal zone in recent years has been the demand of tourism, with 60% with international tourists.

In Kosovo, over the past decade have been tremendous social, cultural, political and technological changes, but not so much in the tourism sector, in the sense that using the many different resources and cultural/sport activities to develop this important part of the economy.

Kosovo is located in the heart of South East Europe, is situated between the 42° and 44° parallels of northern hemisphere and between the 20° and 22° meridians.

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Data on tourist arrivals in the country also show some seasonal variations. Climate and temperatures in Kosovo are variable during the four seasons of the year. The peak seasons are in the winter months and summer months (mostly people from Kosovo who live abroad). Tourist arrivals are low in the autumn and spring months. The average temperature goes down to - 2°C. Spring and autumn are cool and with seasonal rainfalls, whereas summer is hot and dry (not completely rainless), with an average temperature of +22°C. In Kosovo, average high temperatures during the year range between +25°C and +38°

According to Ministry of Trade and Industry - tourism department (2009).

With good planning and management, with good marketing and SIM development tourism in Kosovo can be a positive force, bringing benefits to destinations around the world and it could be one of the most important sectors that create the GDP of the country.

2. Tourism and Economic Development

The idea of using tourism to encourage economic development is now new. The City Beautiful movement, which was influential at the beginning of the twentieth century, believed physical improvements to a city's infrastructure would in turn help to improve the social relations of its citizens.

They specifically focused on cultural and civic improvement projects, such as civic centers, performance halls, parks and town squares. Of course these improvements cost money that taxpayers were not always willing to spend. Therefore those involved with the movement reminded local citizens, particularly those with businesses, that not only would the improvements make the city a more pleasant place in which to live, they would also attract tourists. The movement's supporters argued that these visitors would spend money which would increase business revenue and therefore indirectly benefit all citizens. (Cocks, 2001) The same argument is still being made today.

While cities welcome the money spent by visitors, cultural tourism is not the total answer to improving the economic health of economically troubled cities and towns. However it can be one part of the solution to increase business revenue, provide employment opportunities and even attract both new residents and new businesses. Developing a tourism industry can also change the image of the city, and this new more positive image can be the catalyst for other positive economic changes such as attracting new residents and new businesses. (Kotler, 1993)

City	Services	Art Experience
Architecture Street patterns Public parks Historic buildings Mountains	Hotel rooms Dining Entertainment Shopping Transportation Historic Tours	Festivals Music Plays Cinema Ethnic Public Art

Table 1. Model of the City and Arts as a Cultural Product

Cities can be described as being in one of three stages of economic health: economically strong, in decline, or in transition. An economically healthy city will have expanding business and industry sectors that result in new residents moving to the city because of employment opportunities. Such a city probably will already have strong cultural institutions that attract tourists. In fact local attendees might even complain about the negative effects caused by the many tourists visiting the institution.

However there are two reasons that even economically strong cities must still think about promoting their culture. First, if their tourism strategy is successful, it may be copied by a competing city that offers similar cultural attractions with less crowding. Secondly, even if the city has no fear of competition, a change in the public's opinion of the city or a desire for a new experience, can cause a decline in tourist numbers. For these reasons, even cities that are successful destinations for cultural tourists must remember that marketing is an ongoing effort.

3. Tourism industry

Tourism is currently one of the fastest growing industries across the world. It is primarily a service industry as it does not produce goods but renders services to various classes of people. It is a combination of various interrelated industries and trade like food industry, transport industry etc. It is a complicated business because it involves multiple socio-economic activities like attracting people to a destination, transporting them, housing, feeding and entertaining etc. In the process it brings about tremendous infrastructural improvements and helps in the development of the region. Perhaps tourism is one such rare industry, which earns foreign exchange without exporting national wealth. Tourism is the main stay of economics of many countries and in India it has emerged as a single largest net earner of foreign exchange.

Tourism, like other economic activities flourishes best when it fits into the context of general economic policies and programs designed to lead to the optimum growth of the economy of a country as a whole. (Gupta and Bansal 2001). Tourism industry is currently an extremely sensitive hybrid industry and incorporates distinct features of information society. Although the core product in the industry is physical service, which are produced and consumed in the physical world, it is dominated and achieved through information services. The perfect integration of information and physical services is the challenge for the contemporary tourism industry across the globe. Hence it is largely an information product. For instance, tourism destinations are those places the

environment are assumed to be unique and different from the everyday experience. One has to travel to the place of consumption to test the product or services and which cannot be done in advance for a trial.

Since, tourism services are consumed the very time they are produced, it is largely based on social interaction between the supplier and the consumer. The quality of the service or product is mainly defined by the interaction. To be more elaborate, consumer has access to only an abstract model of the product at the time of decision-making and contractual agreement. Hence decision-making and consumption are separated in time and space. Such gaps can be overcome by the information about the product, which is available in advance to the consumer. Thus tourism services and product are based on confidence, information and communication. The mechanism leads to the establishment of specific product distribution and long information and value adding chains. (Werthner and Klein 1999).

3.1 Transition in the Industry

Technological progress in the recent decades has made tourism's enterprise across the globe more innovative than even before.

The three important innovations, which have redefined the organizational structure of world tourism industry, are the following:

1. Development of the Computer Reservation System (CRS)
2. Development of the Global Distribution System (GDS)
3. The Internet.

GDS refers to the network connection integrating the automated booking systems of different organizations which enables the user to access it through the intermediation of a travel agency. The supply of services is presently concentrated with four global suppliers owned by airline companies namely Sabre, Amadeus, Galileo International and Worldspan. The functioning of these companies depend upon a network of agreements with local partners which ensures access to travel agencies all over the world. The advantages and evolution of CRS and Internet are well known. Internet strategy has provided all players in the industry an easy access to the end user. Exploitation of opportunities through Internet depends upon marketing strategy, communication strategy, pricing strategy etc. Direct communication with the clients, which is facilitated by the Internet, has made the industry more effective and efficient. For instance, according to Werthner and Klein (1999), following figures demonstrate the transformation in the industry.

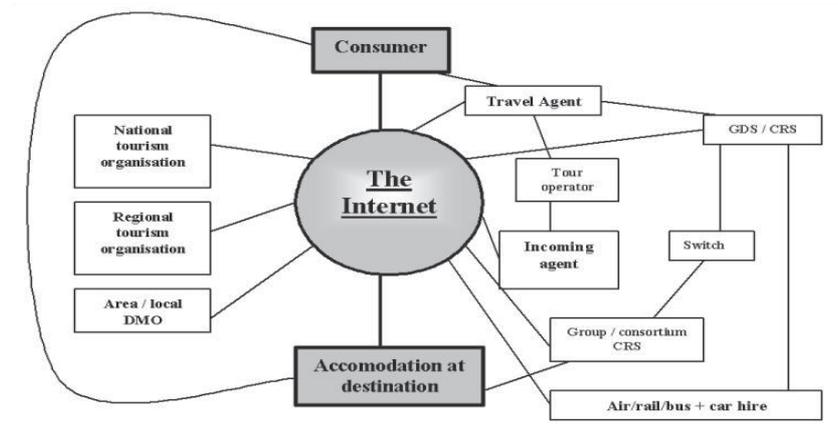


Figure 1 Internet based value chains, changing face of tourism in recent years.

The overall structure of the industry has been transformed ever since Internet has been the essential communication tool for the industry. Several new developments can be noted:¹

1. Direct selling to the customer has increased
2. Increase in new intermediaries such as Internet portals specialized in selling tourism products.
3. Customers have access to the distribution channels traditionally used by tour operators through Internet.
4. Companies can regularly alter products and services based on the needs and expectations of clients through regular interaction through Internet.
5. Increase in the transparency and the efficient relationship between customer and management.
6. Change in the consumer behavior. Consumers are now asking better services. They are more specific with regard to content and the details of the arrangement. They are more cost conscious and often tend to make comparisons between two products.

4. Tourism potentials in the region of Peja

The region of Peja has a great potential on developing the mountain tourism, based on many different resources and great hospitality of the people in the area. The city itself is very attractive and contains a lot of cultures, more precisely it's position, the natural beauties and resources together with the historical monuments. Today Peja is classified as the most important economical trade and tourist center of Kosovo. It has a main role in the economic development of the country in general.

Only 2 kms from Peja there is the national park of Rugova region, which is part of the "Accursed Mountains," is in the beautiful Rugova Valley, which is traversed by the 56 kms Lumbardhi River. According to 'Ministry of Trade and Industry - tourism department (2009) , Rugova Valley is

often compared to Switzerland and until now, the main activities included in this kind of tourism are :

land-based adventure activities such as: cycling, mountain biking, rock climbing, exploring caves, enjoying picnics with friends and **snow-dependent recreation activities** such as: skiing, heli-skiing, snow scoot ring, snowboarding ect.

A tourism association in Peja called 'Shoqata e bjeshkatarëve Gjeravica' organize international (climbers from all over the Balkan region and wider) mountain tours that may last hours, days or weeks and can involve a range of land-, snow- and freshwater-based activities.

There are temporary forms of accommodation, such as tents or camping based stays. The equipment and provisions needed for nature walks and camping activities vary depending on the duration of the walk, the weather conditions and predictability of the weather, and environmental conditions, such as the incline, likelihood of ice on trails or the level of snow.

How will the mountain tourism impact the tourism development in Peja region?²

Environmental impacts – if the region is managed in a proper and qualitative way by protecting the biodiversity, preserving the habitats and landscapes and supporting the communities, that visitors are coming to see.

In Peja there is a organization called ERA which is an NGO about the Environmentally Responsible Actions or more as a green organization.

As a part of their activities this organization has a 'Green Agenda'.

'Green Agenda is a participatory method for developing and implementing local sustainable development strategies and plans with active involvement of the different sectors in the local community where the process is conducted'.³

The method is special in three different ways, by:

- identifying local values rather than problems;

¹ GDS: Global distribution system
CRS: Central reservation system
DMC: Destination Management Company
DMO: Destination Marketing Organization

² The further points are based in Tourism and mounTains(2007,p.13)

³ http://www.greenagenda.net/kosovo/?page_id=2

- participation is open to all the groups who want to participate the process and its results are genuinely owned by the local people.

In 2009 Environmentally Responsible Action (ERA) group hosted 30 youth from 10 European states between 16 - 22 July 2009 for a training course on environmental issues, active citizenship and intercultural learning. The training course was called “youth PROTECT Peace and Environment” and is part of the long-term project “youth NET - Creative Partnerships with SEE”.

As part of the training course, the youth hiked across the mountainous border between Kosovo and Montenegro to promote cross-border cooperation in the region, and also to promote the idea of establishing a trans-boundary protected area shared personal perspectives and opinions about the environmental situation in Kosovo, and what citizens can do to make a difference - and especially youth. We look forward to future ways to continue to make GA visible in the community and world!!! And to partner with other GA stakeholders in the region for future projects!⁴

Socio-cultural impacts - increase the quality of visitor experiences by many diverse activities like interacting with local people, experiencing elements of local lifestyles, crafts, food and drink and visiting cultural and historical sites, uniqueness and authenticity of a culture that may be the primary attraction for increasing numbers of discerning customers. Based on Ministry of Trade and Industry - tourism department (2009) Kosovo presents a rich ethno-cultural, material and spiritual heritage treasure-house of different historical periods. With their unique characteristics, features, and qualities each culture has contributed its diverse values to the cultural heritage of Kosovo. The region of Peja has its impact in this particularly case because it's surrounded by many different little provinces with different ethno-cultural characteristics.

Economic impacts - maintain the viability of tourism businesses and maintain viable local businesses by providing for the tourists accommodation, transport and food outlets and growing list of recognised stakeholders in the tourism industry.

In the city of Peja there are different big businesses such as Dukagjini Corporation, Elkos Group, Devolli Company who have a great impact in the economy of the region who provide products, accommodation and attraction.

The municipality of Peja has opened an office specialized for tourism development and stimulation of tourism development. One of their main duties is to attract the investitures from developed countries, giving them better investing conditions and preparing plans such as regional space planning of the infrastructure and individual buildings.

The republic of Kosovo – Municipality of Peja and EKO Company with a professional consulting from ‘Holibraaten Consultin’ company in Oslo/Norway and Tourism Sector of Municipality of Peja have formed a project to make transform Rugova valley in to a touristic village zone.

⁴ Ellen(2009).<http://www.greenagenda.net/kosovo/?p=258>

The project has a great amount of investment activities proposed from EKO Company and has three phases such as :⁵

Budget: The company plans to invest 2 million euros (20% in Marketing)	
Phase 1: Construction of infrastructure	24 employees
Phase 2: Construction of cottages, sportive and camping areas	+ 25 employees
Phase 3: The finalization of the project (planned in its third year of construction)	Over 100 employees

Table 2. The investment activities and main budget planned from ECO Company

It's main focus is in:

8. Local – International focus
9. Promoting local products and vendors
10. International and local collaboration

Investments included are:

5. Investing in skiing activities
6. Create buildings for seminars and conferences
7. Create Medical/Rehab Sanatoriums
8. Create a Zoo
9. Create different projects to protect the environment, ect.

5. E-Tourism facilitates regional and tourism

Extensive and intensive Rural Tourism can be promoted through ICT application. Rural tourism can be main economic activity and can be crucial for agribusiness and rural development. It gives an opportunity for the farmers to profit from tourism directly besides generating new market for the agrarian products in the region. Activities revolving around rural tourism can be streamlined to support sustainable development and hence, it can be user friendly and environmental friendly.

Rural e-tourism is largely individual oriented and may or may not have a mass appeal unlike the industrial tourism. Budget constraints are bound to exist as small farmers may lack resources for advertise and promote their products. Rural e-tourism might bring many ancient historical monuments, galleries, museums, theatres and sites into mainstream tourism. While those in ruins are rescued and renovated, unknown heritages like old castles houses, villages etc may be rediscovered. It is essential to build a user friendly model for rural tourism, keeping in mind the ICT tools, cultural policy, state and local region. Information from the local communities can be also protect and preserve cultural heritage.

The use of ICT in tourism can have significant impact on the management and development of heritage sites. However intervention of the state and cultural policies is essential to make ICT application meaningful. Another obstacle to the development of local cultural heritage through ICT tools is the fact that it is the subject of

⁵ Republic of Kosovo. Municipality of Peja (2011). Proposal for hiring of municipal property, p.4-5

initiatives targeted on the local population. While the major players in the tourism industry have adopted ICT tools for sales and promotion, cultural sector are yet to comprehend the potential of ICT applications for preserving cultural heritage. They are yet to discover that heritage preservation is possible through e-tourism. Sustainable tourism can be the tool for preservation and development of natural and cultural heritage. ICT can open up new prospects for cultural and tourism policies through the convergence of resources preservation and development. A common ICT based heritage tourism development strategy can be evolved using the points of convergence between cultural sector and tourism industry. Such a strategy common to the culture and tourism sectors on a regional level could be an appropriate solution to overcome major challenges associated with ICT based heritage tourism development. It enables a delicate balance between both accessibility to heritage and its preservation.

Conclusion

The development of tourism has a great impact in today's social and economic world. No matter of the type of the tourism dominating in a specific region, it's impact and revolution it's rapid and always present.

The main stimulus to the tourism industry today is a good managing process and a great collaboration between people, government and investors, especially for countries in transition, like Kosovo. If the collaboration goes in a good direction than the whole region will benefit from it.

As we saw in this paper, tourism is an important factor in the economic development of mountain areas, like the

case of Rugova , where the potential of investing is very high and there are companies like EKO Company who are interested to invest in the region. The paper concludes that the region of Peja has a great potential on developing the mountain tourism, like land-based adventure activities, snow-dependent recreation activities.

Kosovo has wide and undiscovered resources, ethnographic characteristics, as a great potential and attraction to the investors.

What's evident for the region is the fact that there is a need of support, assistance, attention from the governmental institution's to develop beneficial projects such as tourist centers and especially to invest in the mountain tourism, with infrastructure, great equipments, support the communities that visitors are coming to see, maintain the viability of tourism businesses, maintain viable local businesses and simple create a great environment for the people. One great deal how the tourism is represented abroad and how this part is managed, as we saw in the paper, is with the development of the computer reservation system (crs), development of the global distribution system (gds) and the Internet. Internet has a great impact in this case, the overall structure of the industry has been transformed ever since Internet has been the essential communication tool, like the use of ICT in tourism, which can have a significant impact on the management and development of heritage sites. With this tools the region of Kosovo and local businesses can represent the rare beauties and resources and increase in the transparency and the efficient relationship between customers/visitors and management as well.

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