KOSOVO TOURISM SUPPLY SIDE SURVEY 2019

2020

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)

Contents

1. Introduction

This report presents the findings of the annual PPSE survey with supply-side actors of the tourism sector in Kosovo, which include accommodations, restaurants, attractions, tour operator, and national events/festivals, covering the fiscal year 2019. The PPSE tourism supply-side survey was commissioned for the first time in 2018, covering the fiscal year 2017, and this is the third consecutive survey since then. This report mainly interprets the findings of the fiscal year 2019 and depicts the changes that have occurred compared to the previous two periods. Different from the other two preceding surveys, this one also sheds some light on the effects of the pandemic covid-19 on the core supply-side actors of the tourism sector. This was possible because the data collection for 2019 took place in October 2020, around seven months after the first infected cases were reported in Kosovo.

One of the priority sectors of the PPSE project is tourism. Within this sector, the project is predominantly focused on facilitating the development of new tourism products, the reutilisation of attractions, promotional activities in international arena, and the entire sector reorganization – all this in view of generating new jobs in Kosovo.

Having accurate and up to date tourism data, as well as general market information, is key for the successful implementation of the project activities. The annual PPSE supply-side survey is of paramount importance for PPSE, because it enables the team to monitor the growth trends of the tourism sector and to develop tailor-made 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 and in the two preceding years, mainly by focusing on the revenue generated by the key actors, as well as provides the overall number of workers employed. Sections 5 discusses some of the effects of the covid-19 on the tourism sector.

2. Methodology

This section presents the methodological approach used to conduct the survey. It describes the questionnaire design, selection and training of enumerators, sampling framework, data collection process, and data processing and analysis.

2.1. Questionnaire Design

For comparison purposes, the questionnaire used this year is almost the same with the one used in the first survey. The only notable difference is that this year's questionnaire includes some pandemic-related questions as well. The questionnaire consists mainly of 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. Detailed 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

At the outset, it should be made clear that during the sample selection process, the objective was to identify tourist accessible entities only. To identify the list of the core supply side actors, various online platforms have been consulted. One priority was to interview the same entities as in the previous periods for the year-on-year comparisons to be credible and reliable. Below is the explanation how each population group was identified and the sample size.

- 465 tourist accessible accommodations (including Airbnbs) were identified on Booking.com, Trivago, AirBnB, and Facebook; 174 of them were interviewed; 95 were accommodations only, whereas 79 with accommodations with restaurants.
- 585 restaurants were found on TripAdvisor and Gjirafa; 247 were interviewed.
- 30 attractions and 17 tour operators drawn from a list provided by PPSE were interviewed.
- 31 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, 499 face-to-face interviews were conducted.

Table 1 provides some more detailed information on the interviews conducted in 2020 and shows the differences with 2019 and 2018. Note that some service providers interviewed in 2018 and 2019 could not be interviewed in 2020, 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)**	**Number of Interviews (2020)**	**Population per Category (2018)**	**Population per Category (2019)**	**Population per Category (2020)**
Accommodations with Restaurants	88	89	79	106	121	129
Accommodations	89	99	95	348	432	436
Restaurants	205	229	247	475	540	585
Attractions	32	17	30	-	-	-
Tour Operators	18	29	17	-	-	-
National Events/Festivals	36	32	31	-	-	-

2.4. Field Work

The recruited enumerators conducted face-to-face interviews with owners or managers of the identified entities. The data collection process for the fiscal year 2019 took place during October 2020. 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 the core tourism supply-side actors, including accommodations with restaurants, accommodations, restaurants, attractions, tour operators, and national events/festivals for the fiscal year 2019. It also compares these findings with those of 2018 and 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 including the general structure of the core supply side-actors, composition of guests and their behaviour, turnover changes across years, employment-related matters, types of services offered, barriers to doing business, participation of supply actors in the digital world, and similar. 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[1]

The General Structure of Accommodations with Restaurants

In 2019, 79.3 percent of all accommodations with restaurants were hotels. The rest were hostels (9.2 percent) and other accommodations (11.5 percent). To make comparisons with 2018 and 2017, see Figure 1. Most of the interviewed accommodations with restaurants were located in Prizren (39.1 percent) and Prishtina (27.7 percent) (see Figure 2). In 2019, 96.8 percent of accommodations with restaurants were operational throughout the entire year, compared to 90.7 percent in 2018 and 88.5 percent in 2017.

Figure 1: Type of Accomodations with Restaurants, 2017-2019

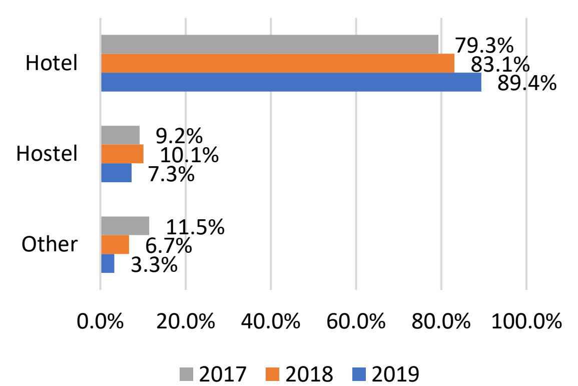
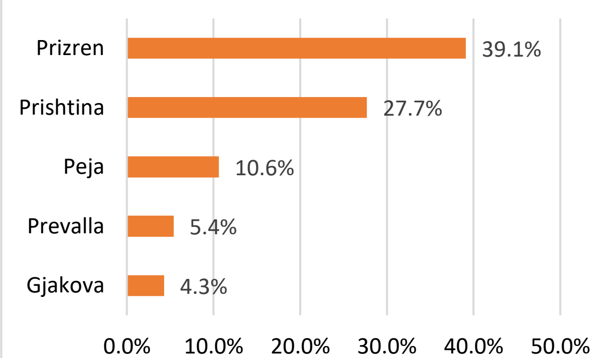


Figure 2: Accomodations with Restaurants, 2019, by Top Locations (in %)



Number of Rooms, Prices, and Occupancy Rate

In 2019, the average number of single standard rooms in accommodations with restaurants was 9.2. For double standard rooms, the average was slightly higher, 11.3. The total number of single standards rooms (adjusted to include the whole population) amounted to 1,171, whereas the total number of double standard rooms was 1,504. The average price for a single standard room was 39.4 EUR, while for a double one 54.2 EUR. For information on other types of rooms and to make comparisons with 2018 and 2017, see Table 2. Furthermore, the findings show that in 2019 only 19.6 percent of all accommodations with

[1] This includes all the accommodations that have a restaurant attached to their business.

restaurants increased their prices during the peak season; the rest kept their prices unchanged. The percentage of those who increase prices during the peak season was higher in 2018 (39.5 percent) and 2017 (29.9 percent).

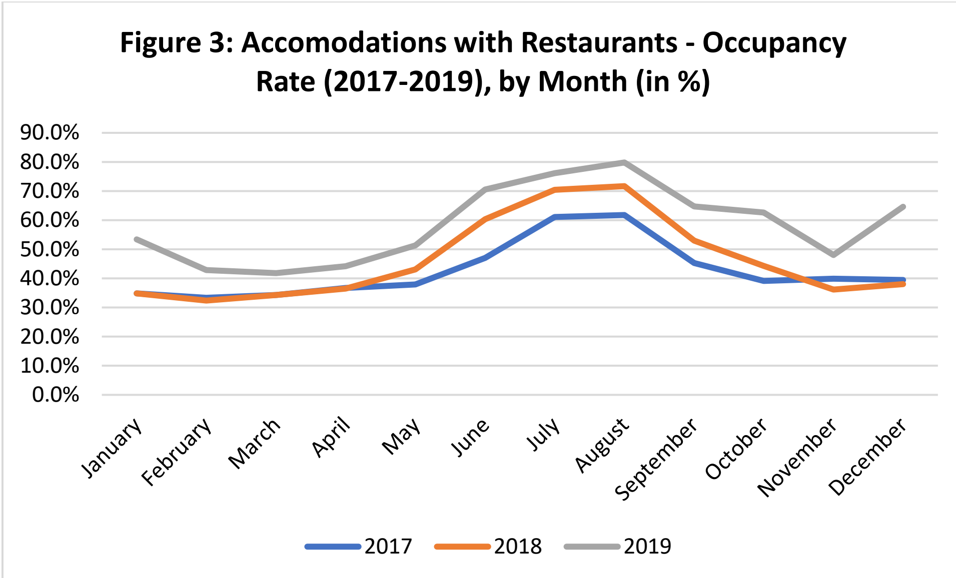
Table 2: Accommodations with Restaurants - Average Number and Price of Standard Rooms				
		2017	**2018**	**2019**
Single Standard Rooms	Avg. # of Rooms	10.9	11.1	9.2
	Avg. Price (EUR)	40.1	39.4	39.4
	Total # of Rooms	1,035	1,109	1,171
Double Standard Rooms	Avg. # of Rooms	13.2	14.0	11.3
	Avg. Price (EUR)	45.8	48.6	54.2
	Total # of Rooms	1,671	1,870	1,504
Triple Standard Rooms	Avg. # of Rooms	4.2	4.4	6.8
	Avg. Price (EUR)	53.1	52.8	69.6
	Total # of Rooms	274	335	636
Quad Standard Rooms	Avg. # of Rooms	2.6	2.4	2.8
	Avg. Price (EUR)	49.5	68.8	91.5
	Total # of Rooms	62	63	77

A disaggregation of the findings by the top three regions[2] 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 comparisons with 2018 and 2017, see Table 3.

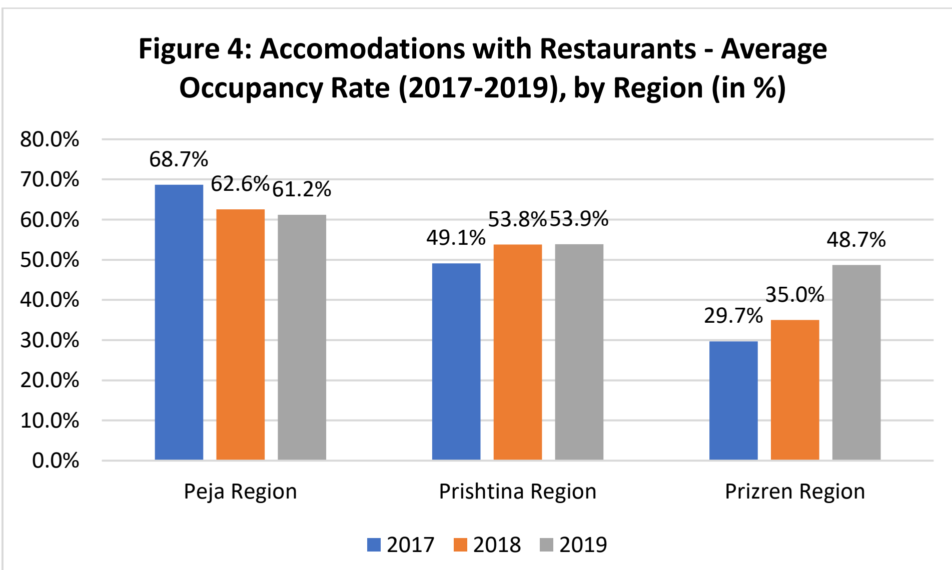
Table 3: Accommodations with Restaurants - Standard Rooms, by Main Regions										
		Prishtina Region (2017)	Prishtina Region (2018)	Prishtina Region (2019)	Peja Region (2017)	Peja Region (2018)	Peja Region (2019)	Prizren Region (2017)	Prizren Region (2018)	Prizren Region (2019)
Single Standard Rooms	Avg. Price (EUR)	50.2	52.2	51.2	35.6	34.8	33.2	34.4	27.8	34.4
	Total # of Rooms	494	516	531	70	94	125	216	225	342
Double Standard Rooms	Avg. Price (EUR)	60.8	66.1	68.3	42	39.9	41.8	36.2	37.3	49.8
	Total # of Rooms	768	888	766	144	218	305	312	368	357

The annual occupancy rate in 2019 averaged at 58.3 percent, varying from 41.8 percent in March to 79.8 percent in August. To see occupancy rate changes on a monthly basis in 2017, 2018 and 2019, refer to Figure 3.

[2] The other regions could not be considered here due to the small number of observations.



Of the top three regions in Kosovo, Peja Region turned out to have had the highest occupancy rate in the last three years. A notable finding is that Prizren Region has seen a notable increase in this aspect in 2019 (see Figure 4).

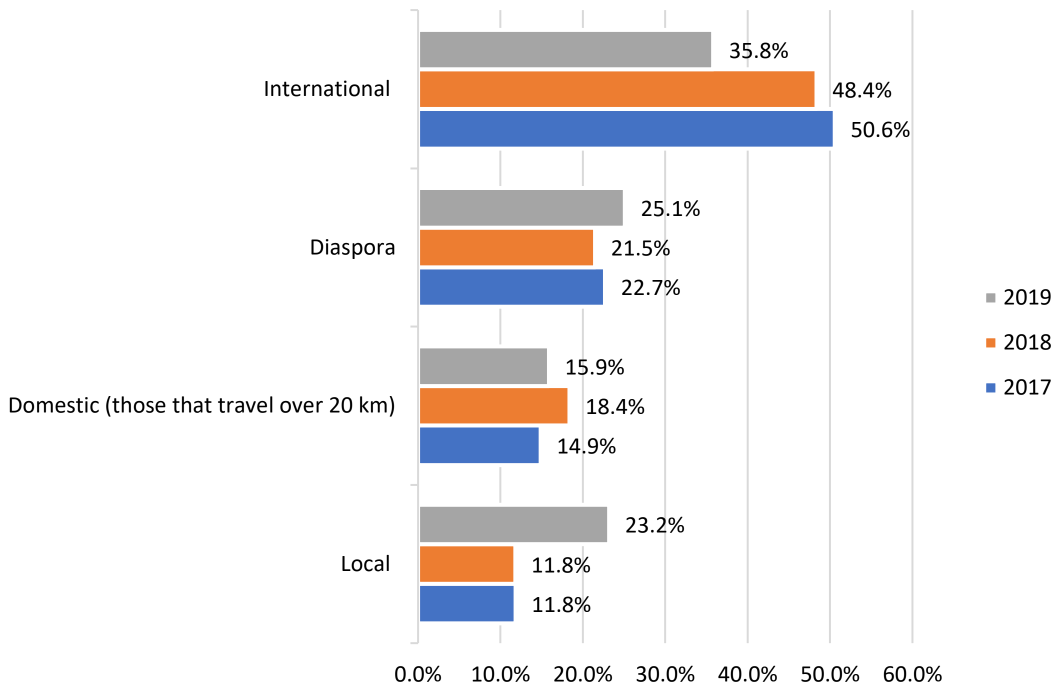


<u>Guests and their Behaviour</u>

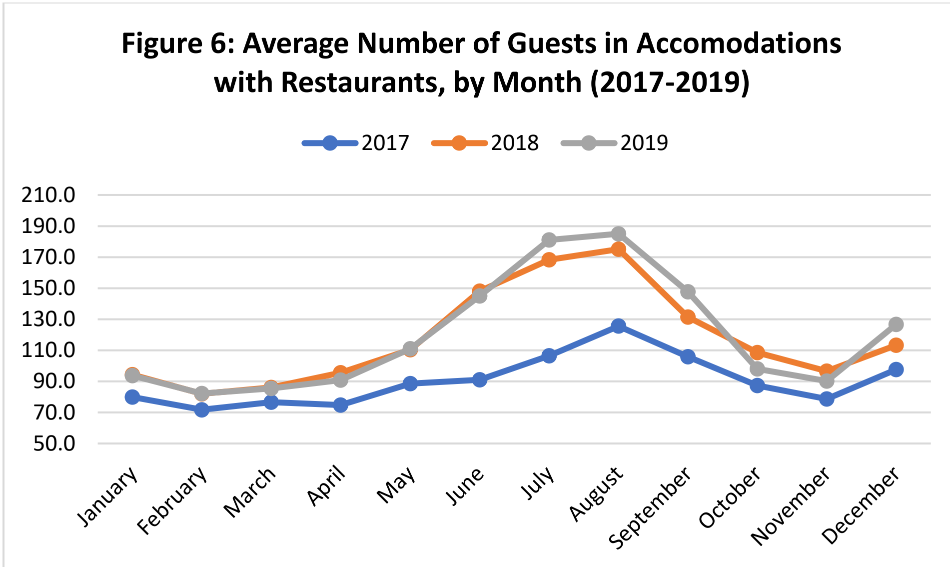
The survey also looks into the structure of guests and their duration of stay in 2019. Internationals constituted 35.8 percent of the overall guests; diaspora, 25.1 percent; local guests (less than 20 min. of travel), 23.2 percent; and domestic visitors (with more than 20 min. of travel), 15.9 percent. To make comparisons with 2018 and 2017, see Figure 5. A further analysis of the data reveals that there has been an overall increase in the number of guests in 2019, and local guests contributed significantly to this increase.

Their average stay in 2019 was 3.9, higher compared to 2018 and 2017 where it averaged at 3.7 and 3.2, respectively.

Figure 5: Accomodations with Restaurants - Composition of Guests (2017-2019), by Origin (in %)

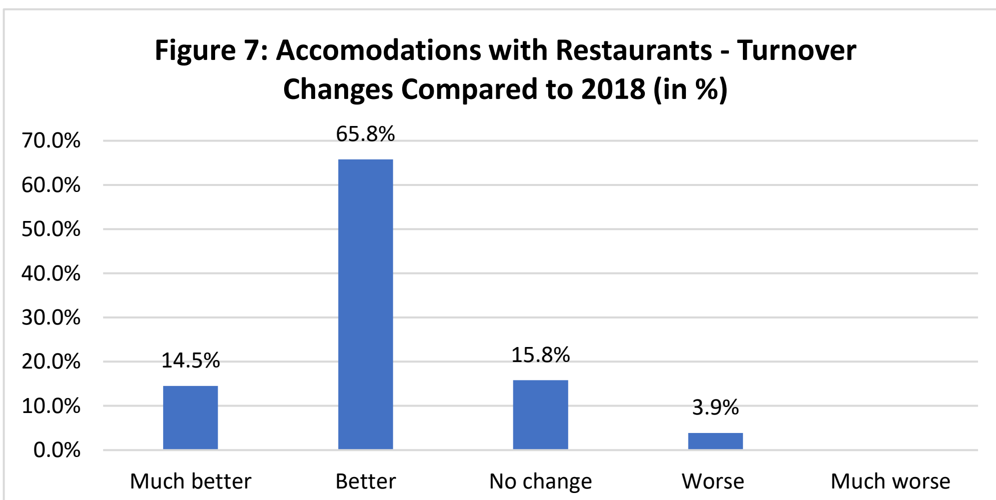


During 2017-2019, the average number of guests in the restaurants of this category of accommodations has increased by around 32.6 percent, from a daily average of 90.3 guests in 2017 to a daily average of 119.7 in 2019. Like in 2018 and 2017, also in 2019 August turned out to be the liveliest month, with an average of 185.0 guests per day. Figure 6 visually presents the detailed averages for 2017, 2018 and 2019. The share of guests who came for food and drinks in 2019 stood at 52.0 percent (49.1 percent in 2018 and 55.4 percent in 2017). The average bill for this category in 2019 was 7.4 EUR, compared to 9.9 EUR in 2018 and 8.5 EUR in 2017. On the other hand, the proportion of those who came for drinks only stood at 48.0 percent in 2019, compared to 50.9 percent in 2018 and 44.6 percent in 2017. The average bill for this category in 2019 was 3.0 EUR, compared to 2.6 EUR in 2018 and 3.7 EUR in 2017.

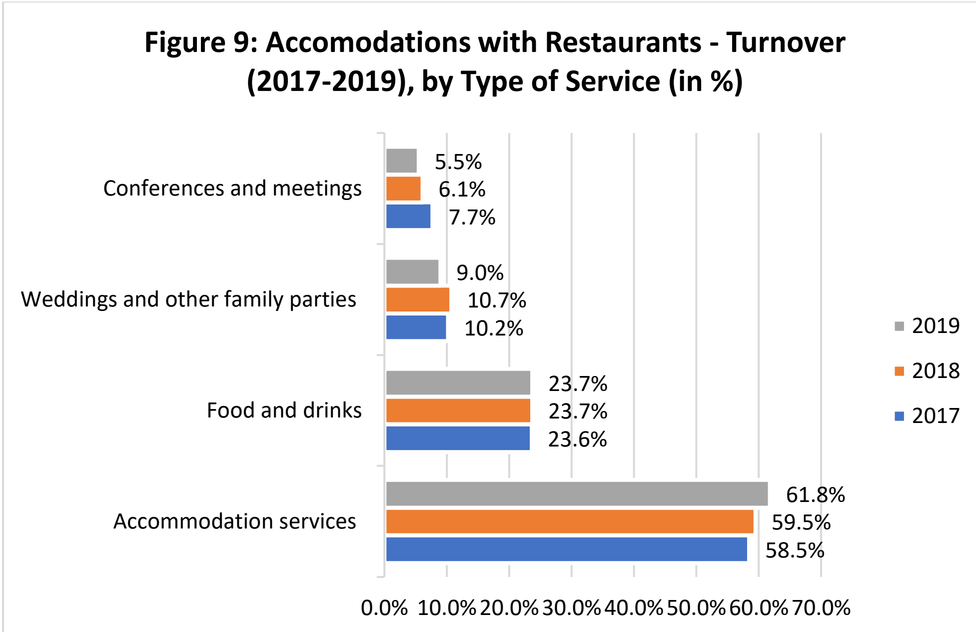


Turnover and Investments

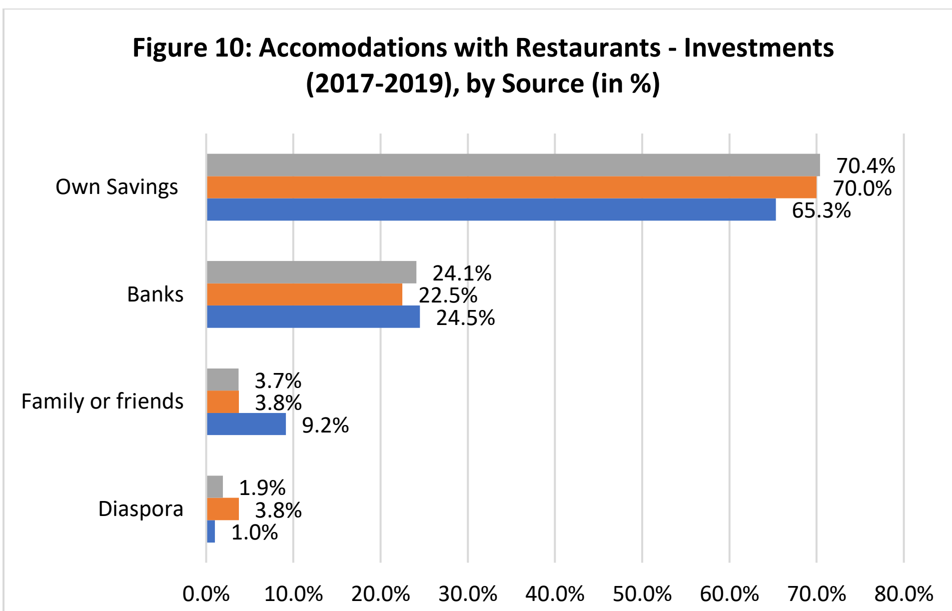
In terms of turnover, the overwhelming majority – 80.3 percent – reported to have performed *'better'* or *'much better'* compared to 2017; while 3.9 percent experienced the opposite; the rest (15.8 percent) experienced no change (see Figure 7).



A further analysis unveils that in 2019, accommodation services contributed with 61.8 percent towards the overall turnover; food and drinks with 23.7 percent; weddings and other family parties with 9.0 percent, and conference and meetings with 5.5 percent. To draw comparisons with 2018 and 2017, see Figure 9.



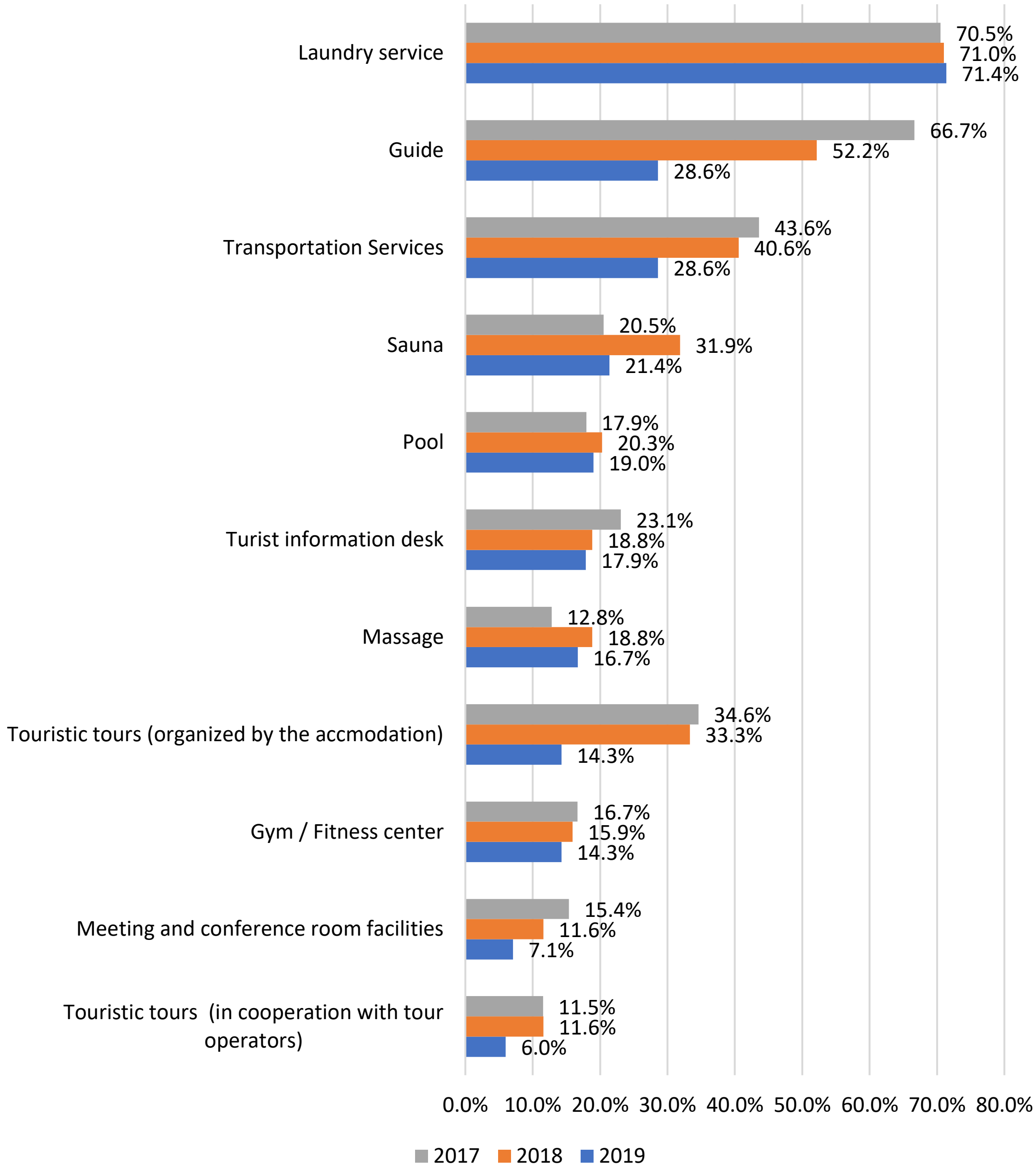
Half of the surveyed accommodations with restaurants, 51.1 percent, said to have made some sort of an investment in 2019, compared to 83.9 percent in 2018. In 2019, their investments were mostly financed with their own savings (70.4 percent) and banks (24.1 percent). To see other sources of investment and to compare with those of 2018 and 2017, refer to Figure 10.



Services Offered

When asked about the services offered, the most frequent answers in 2019 turned out to be: laundry services (70.5 percent of cases), guide (66.7 percent), and transportation services (43.6 percent). For other types of services offered by accommodations with restaurants in 2019 and for the services offered in 2019 and 2018, see Figure 11. It is worth noting also that 29.9 percent of restaurants offered space for weddings and other family parties in 2019, compared to 39.7 percent in 2018 and 35.6 percent in 2017.

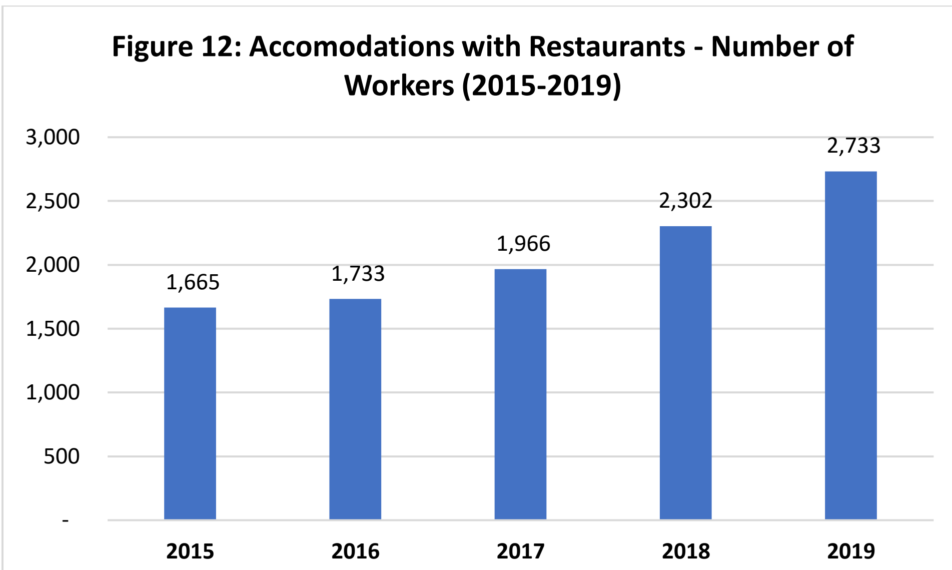
Figure 11: Accomodations with Restaurants - Services Offered, 2017-2019 (in % of Cases)



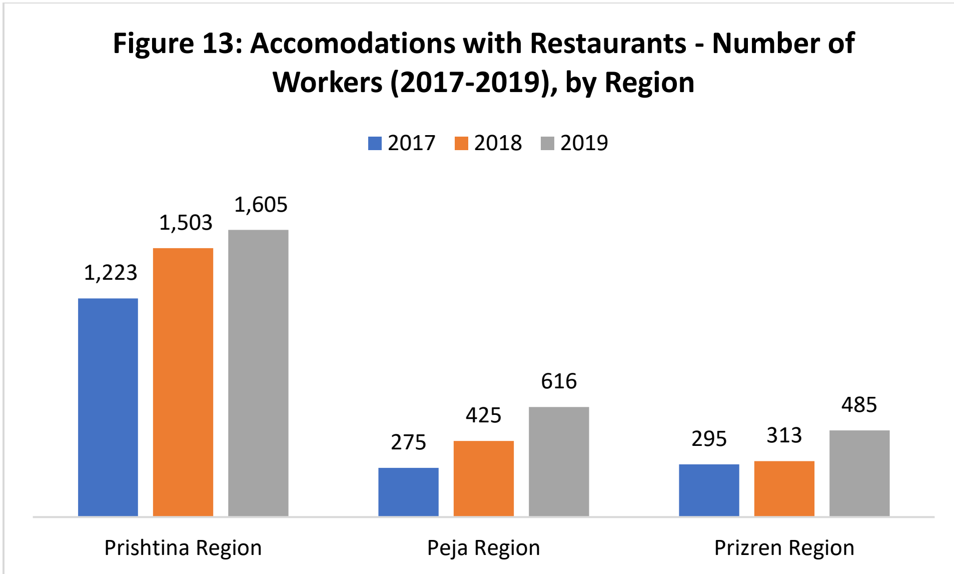
Employment

Knowing the importance of the tourism sector in employment, 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 1.401 – which means that the population includes 40.1 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 taken into account. 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 2019, the number of workers in accommodations with restaurants marked an increase of around 64.1 percent, from 1,665 in 2015 to 2,733 in 2019 (see Figure 12).



A breakdown of the findings by the top three regions shows that in 2019, accommodations with restaurants in Prishtina Region employed the largest number of workers, 1,605 in total. The number of workers in Peja Region and Prizren Region was significantly smaller, 616 and 485, respectively. To make comparisons with 2018 and 2017, see Figure 13.



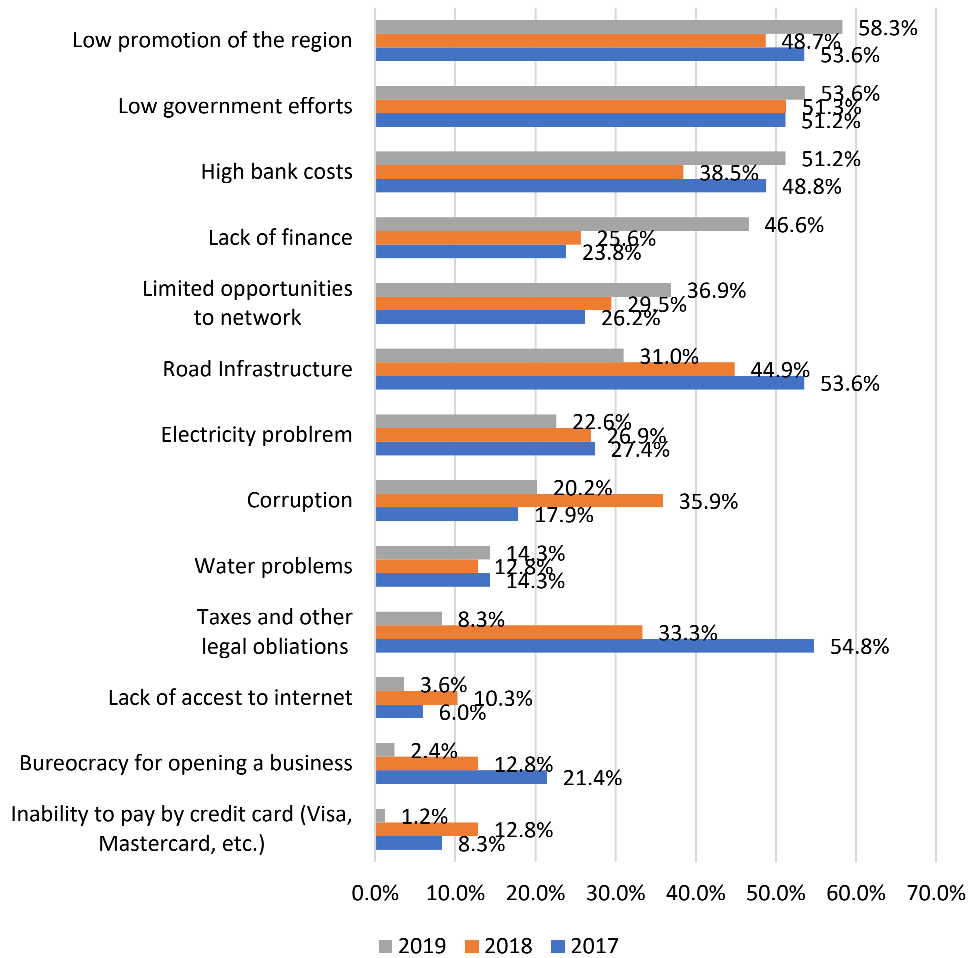
The following are some demographic characteristics on the workers employed in accommodations with restaurants in 2019. Men dominated with 62.2 percent. Out of all employed, only 9.1 percent worked on a part-time basis. A disaggregation of data by ethnic background reveals that workers were predominantly Kosovo Albanians – 96.8 percent; the rest consisted of Kosovo Serbs, 1.2 percent; Turks, 0.7 percent; Bosnians, 0.5 percent; RAE, 0.5 percent; and others, 0.3 percent. As per the age group, those falling in the range 25-44 constituted the majority with 65.5 percent. For more detailed information and to compare with employment demographics of 2018 and 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)**	**Part-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**		
	63.8%			36.2%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	55.9%		7.9%	33.3%	2.9%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**RAE**	**Bosnians**	**Others**
	95.9%	1.4%	0.9%	0.7%	1.0%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	19.0%	35.7%	30.3%	12.4%	2.3%	0.2%
2019						
Gender	**Men**			**Women**		
	62.2%			37.8%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	56.6%		5.6%	34.3%	3.5%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**RAE**	**Bosnians**	**Others**
	96.8%	1.2%	0.7%	0.5%	0.5%	0.3%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	23.4%	37.1%	28.4%	8.4%	2.6%	0.1%

Barriers

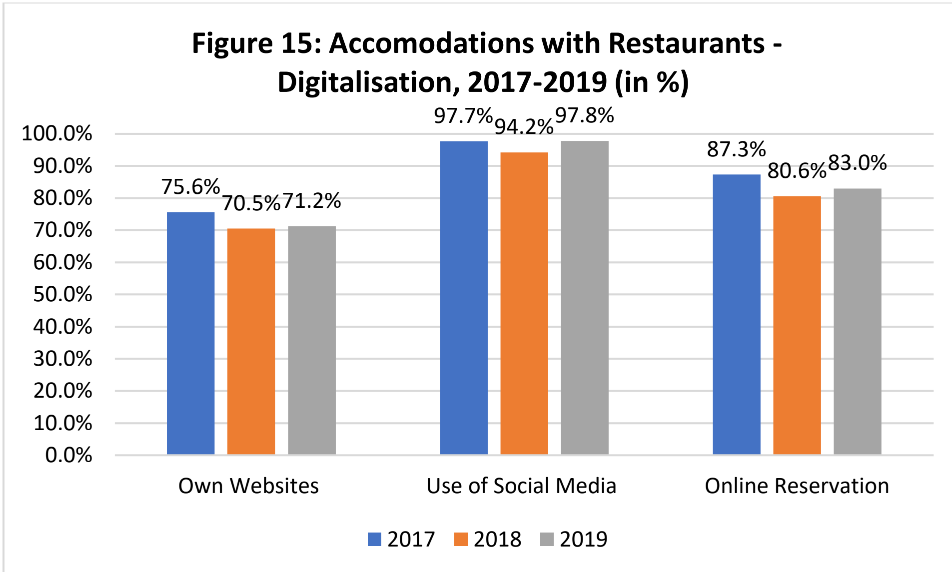
Accommodations with restaurants were provided with a list of 12 likely barriers (predominantly external) and were asked to choose the most severe ones. *'Low promotion of the region'* (58.3 percent), and *'low government efforts'* (53.6 percent of all cases), and *'high bank costs'* (51.2 percent) were considered to be the most pressing barriers by respondents in 2019. There are some notable differences compared to the previous two years. While *'taxes and other'* and *'road infrastructure'* have fallen significantly, *'lack of finance'*, on the other hand, has risen, becoming one of the most serious barriers. For more detailed information and to make comparisons with 2018 and 2017, see Figure 14.

Figure 14: Accomodations with Restaurants - Barriers to Doing Business (2017-2019)



Digitalisation

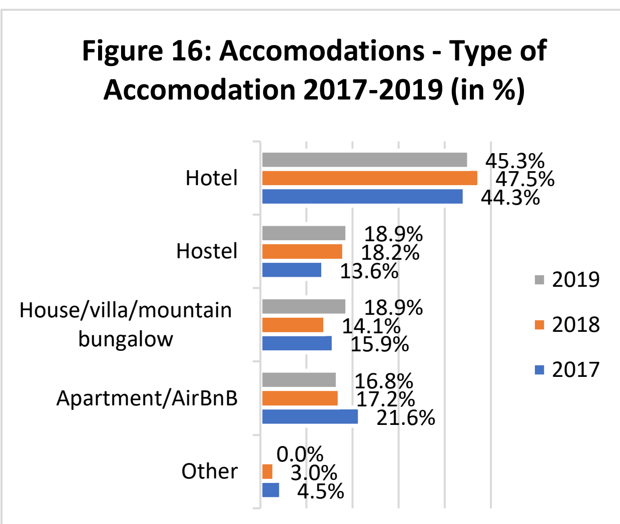
To understand whether accommodations with restaurants have been catching up with recent digitalization trends, the survey included a set of questions related to this subject. One finding shows that in 2019, 71.2 percent of accommodations with restaurants had their own websites. Moreover, the overwhelming majority 97.8 percent reported that they use social networks (Facebook mostly) as a means to promote their business. In the question regarding online reservations, 83.0 percent claimed to have this option. Reservations are made mostly through booking.com. To make a comparison with data from 2018 and 2017, see Figure 15.

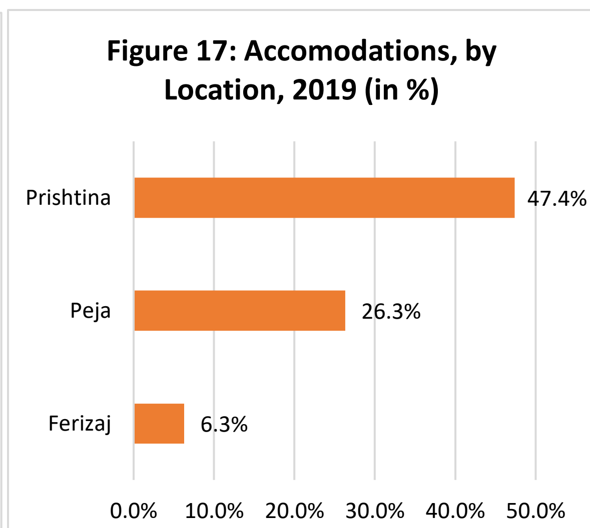


3.2. Accommodations (without Restaurants)[3]

General Structure

In 2019, of all accommodations, hotels dominated with 45.3 percent, followed by hostels with 18.9 percent, houses/villas/bungalows with 18.9 percent, and Airbnb apartments with 16.8 percent. To make comparisons with 2018 and 2017, see Figure 16. The majority of these accommodations were located in Prishtina (47.4 percent), Peja (26.3 percent), and Ferizaj (6.3 percent), see Figure 17.





[3] Different from the previous sub-section, this one reveals the findings of firms that provide accommodation services only (without restaurants).

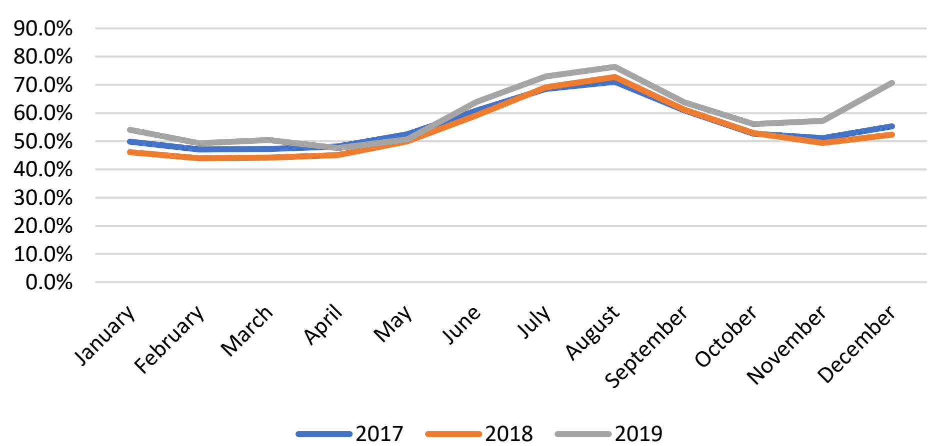
Number of Rooms, Prices and Occupancy Rate

The survey findings show that in 2019, accommodations had 9.1 standard single rooms and 10.5 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 678 and 986, respectively. The average price for a single standard room stood at 24.6 EUR, while for a double one at 34.3 EUR. For more detailed information about the average number of rooms and prices, as well as to make comparisons with 2018 and 2017, see Table 5.

Table 5: Accommodations - Average Number and Price of Standard Rooms				
		2017	**2018**	**2019**
Single Standard Rooms	Avg. # of Rooms	10.05	8.6	9.1
	Avg. Price (EUR)	27.3	25.0	24.6
	Total # of Rooms	582	680	678
Double Standard Rooms	Avg. # of Rooms	7.6	8.3	10.5
	Avg. Price (EUR)	31.7	32.4	34.3
	Total # of Rooms	573	923	986
Triple Standard Rooms	Avg. # of Rooms	3.0	4.7	6.9
	Avg. Price (EUR)	43.6	40.1	45.7
	Total # of Rooms	127	263	380
Four-bed Standard Rooms	Avg. # of Rooms	1.9	5.3	5.7
	Avg. Price (EUR)	49.9	50.3	62
	Total # of Rooms	70	127.3	174

In 2019, the occupancy rate of this category averaged at 59.4 percent, with the lowest rate taking place in February (49.3 percent) and the highest in August (76.4 percent). For more detailed results and to make comparisons with 2018 and 2017, see Figure 18.

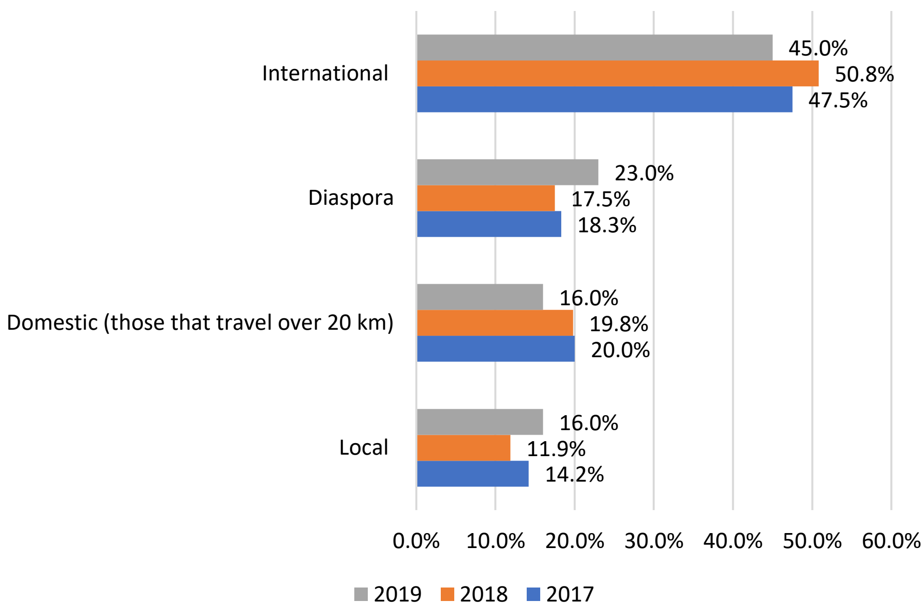
Figure 18: Accomodations - Occupancy Rate (2017-2019), by Month (in %)



Guests and their Behaviour

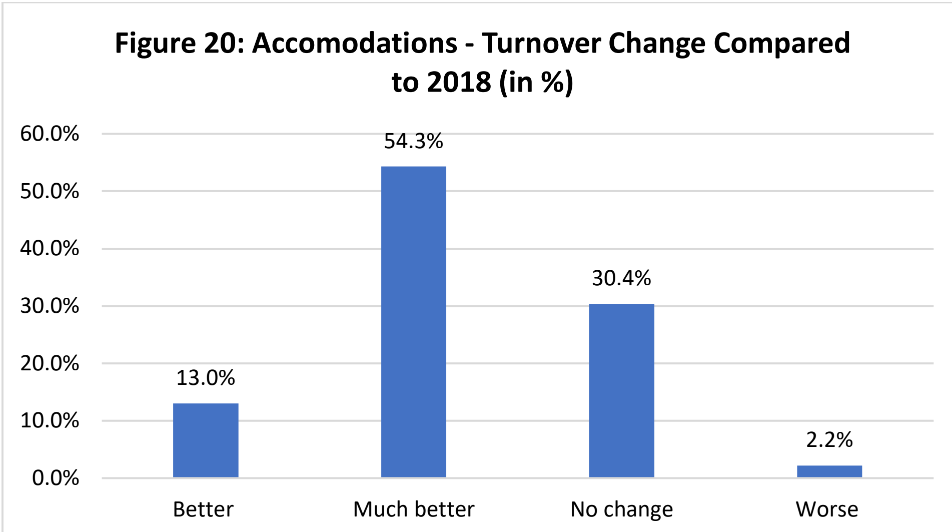
Findings reveal that in 2019 internationals (mostly from Germany and the US) comprised 45.0 percent of all visitors in accommodations without restaurant; diaspora, 23.0 percent; domestic visitors (with more than 20 min. of travel), 16.0 percent; and locals, 16.0 percent. To compare data with and 2018 and 2017, refer to Figure 19. The number of nights spent averaged at 3.5 in 2019, compared to 3.1 in 2018 and 3.2 in 2017.

Figure 19: Accomodations - Composition of Guests 2017-2019, by Origin (in %)

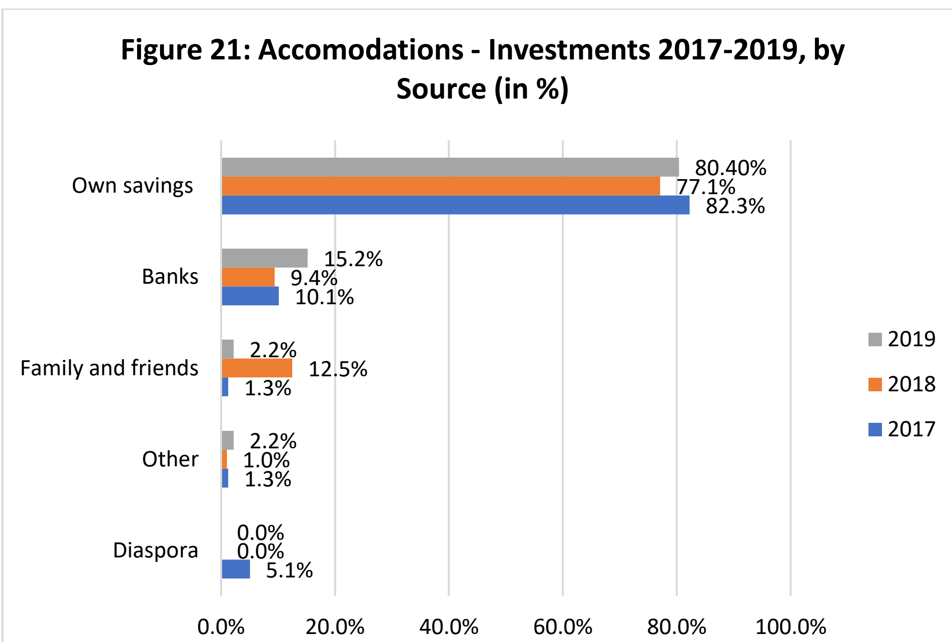


Revenue and Investments

The revenue findings reveal that in 2019, 67.3 percent of accommodations were *'better'* or *'much better'* compared to 2018; 2.2 percent *'worse'* or *'much worse'*; and 30.4 percent did not experience any change (see Figure 20).

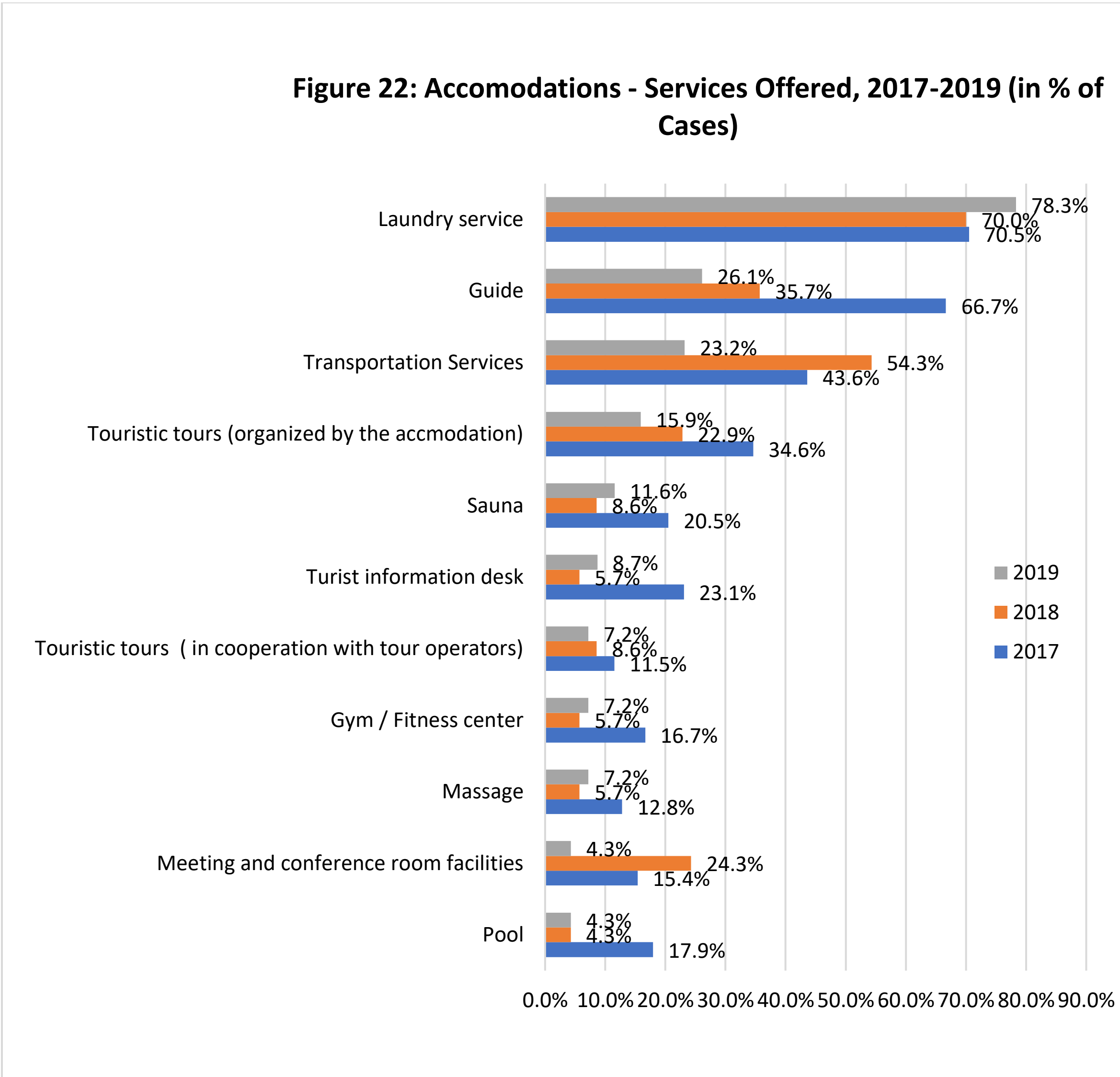


In response to the question about investment in 2019, 65.3 percent of accommodations said *'yes'*. Those who invested, financed their investment mostly from their own savings (80.4 percent). To see other sources of finance and to make comparisons with 2018 and 2017, refer to Figure 21. Another finding shows that 41.9 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 2019. The findings reveal that laundry services (78.3 percent), guide (26.1 percent), and transportation services (23.2 percent), were the most common services offered by accommodations in 2019. To see other services provided in 2019 and to compare them with 2018 and 2017, refer to Figure 22.

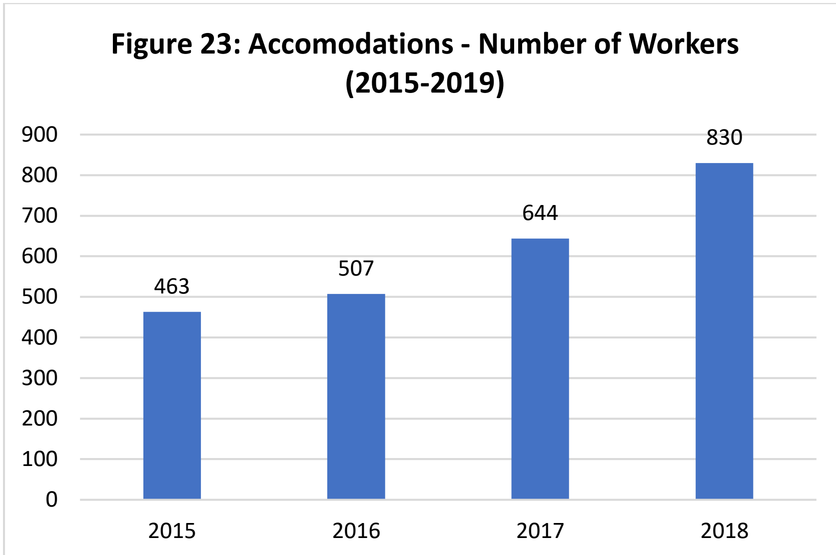


The 2019 findings further show that 22.8 percent of accommodations had special packages (i.e. for the weekend or vacation), compared to 41.8 percent in 2018 and 49.4 percent in 2017.

Employment

Employment data show that from 2015 to 2019, the number of workers in accommodations (excluding Airbnb apartments) recorded an increase of around 79 percent, from 463 in 2015 to 830 in 2019 (see

Figure 23).[4] Aribnb apartments, on the other hand, employed 741 workers in 2019, compared to 668 in 2018, and 467 in 2017.[5]



The following are some employment demographics for accommodations in 2018. Men comprised the majority (65.5 percent) of workers. Of all workers, 18.7 percent worked on a part-time basis. A breakdown of data by ethnicity shows that almost all workers were Kosovo Albanians, 98.6 percent. As per age groups, those at 25-44 age group constituted the majority with 76.7 percent. For more detailed information and to make comparisons with 2018 and 2017, see Table 6.

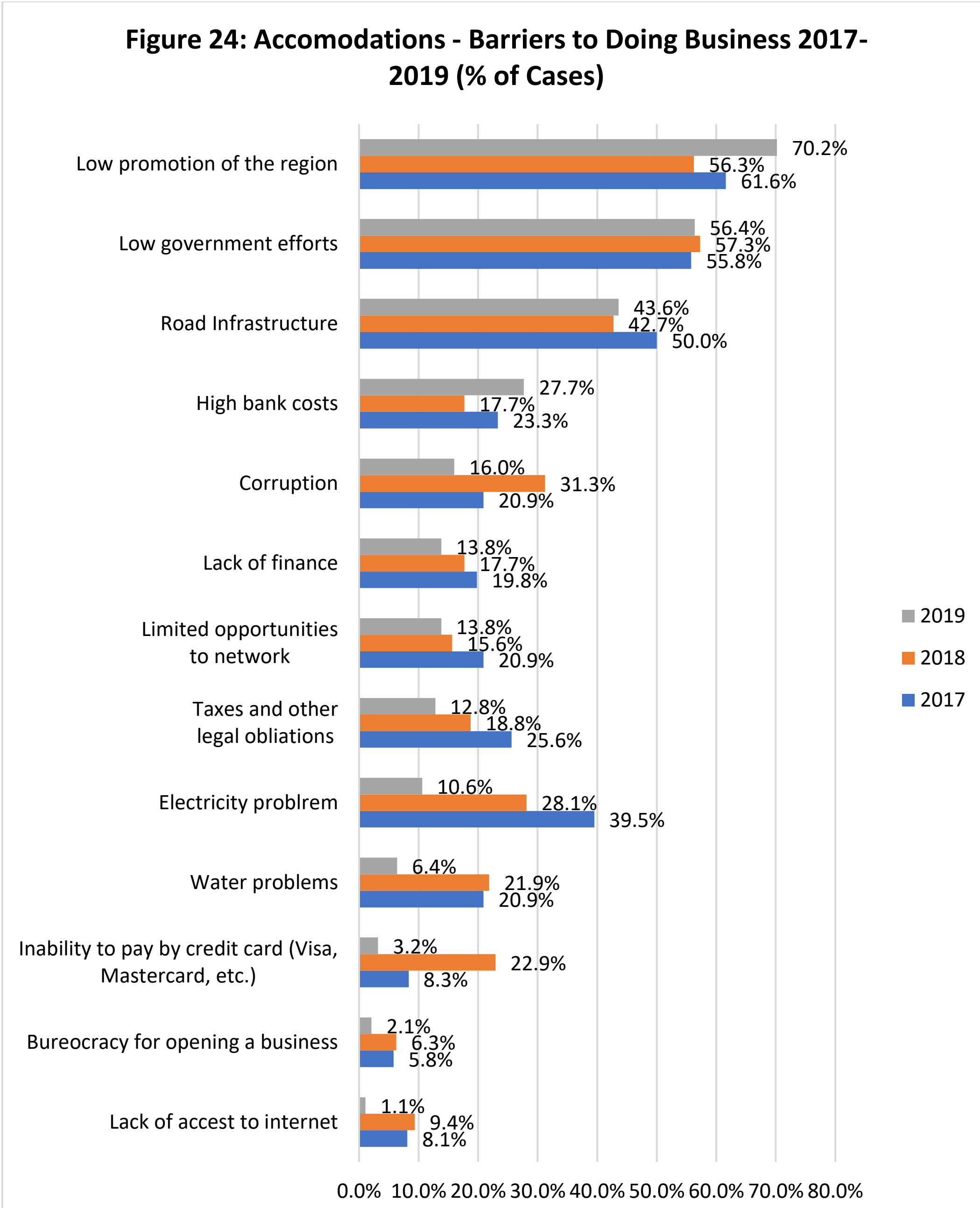
[4] Gross up factor for accommodations (excluding Airbnb apartments) ~1.401

[5] Gross up factor for Airbnb apartments~18.5

Table 6: Employment Demographics (Accomodations)						
2017						
Gender	Men			Women		
	65.5%			34.4%		
Full vs Part Time	Full-Time (Men)		Part-Time (Men)	Full-Time (Women)	Part-Time (Women)	
	51.4%		14.2%	28.9%	5.5%	
Ethnicity	Kosovo Albanians	Kosovo Serbs	Turks	RAE	Bosnians	Others
	99.1%	0.0%	0.0%	0.4%	0.5%	0.0%
Age Group	15-24	25-34	35-44	45-54	55-64	65<
	13.8%	42.5%	28.3%	13.2%	1.7%	0.4%
2018						
Gender	Men			Women		
	62.8%			37.2%		
Full vs Part Time	Full-Time (Men)		Part-Time (Men)	Full-Time (Women)	Part-Time (Women)	
	50.2%		12.6%	31.8%	5.4%	
Ethnicity	Kosovo Albanians	Kosovo Serbs	Turks	RAE	Bosnians	Others
	99.4%	0.0%	0.2%	0.4%	0.0%	0.0%
Age Group	15-24	25-34	35-44	45-54	55-64	65<
	15.3%	48.7%	22.1%	12.1%	0.6%	1.2%
2019						
Gender	Men			Women		
	71.7%			28.3%		
Full vs Part Time	Full-Time (Men)		Part-Time (Men)	Full-Time (Women)	Part-Time (Women)	
	63.2%		8.5%	26.8%	1.5%	
Ethnicity	Kosovo Albanians	Kosovo Serbs	Turks	RAE	Bosnians	Others
	98.6%	0.0%	0.5%	0.3%	0.3%	0.3%
Age Group	15-24	25-34	35-44	45-54	55-64	65<
	13.1%	51.5%	25.2%	8.9%	1.3%	0.0%

Barriers to Doing Business

Accommodations were also enquired to choose the most pressing barriers to doing business in 2019. '*Low promotion of the region'* (70.2 percent of all cases), *'low government efforts'* (56.4 percent), and '*road infrastructure'* (43.6 percent) were perceived to be the most pressing operating barriers by accommodations. This was the case in 2018 and 2017 as well. To see other barriers to doing business and to compare them with 2018 and 2017, refer to Figure 24.



Digitalisation

The survey findings reveal that 48.9 percent of accommodations had their own websites in 2019. The vast majority, 93.5 percent, were registered in Google Maps. A a similar percentage, 92.5 percent, claimed to have used social media to promote their accommodations. To compare the data with 2018 and 2017, see Figure 25.

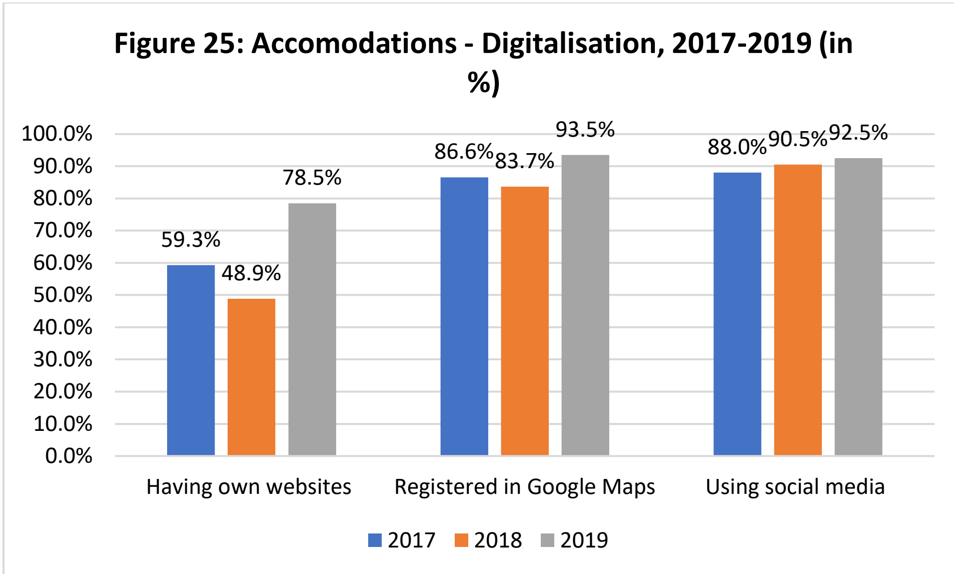
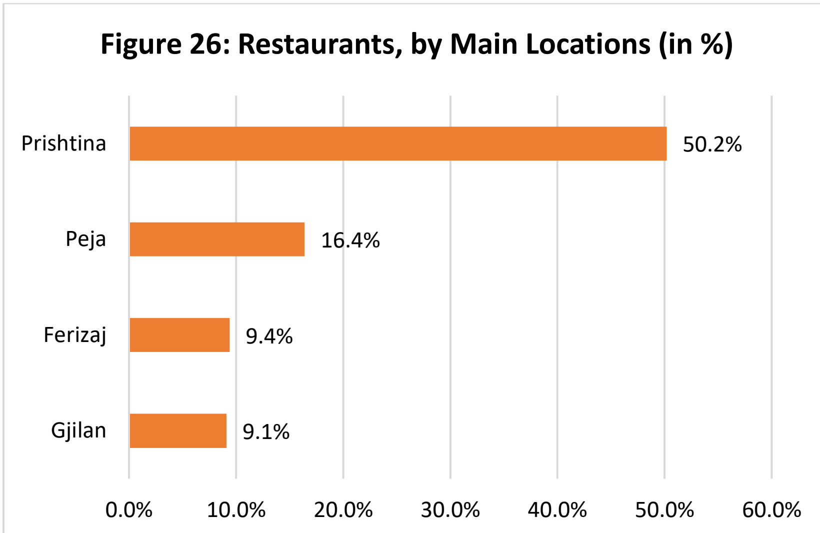


Figure 25: Accomodations - Digitalisation, 2017-2019 (in %)
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
59.3%
48.9%
78.5%
86.6%
83.7%
93.5%
88.0%
90.5%
92.5%
Having own websites
Registered in Google Maps
Using social media
2017
2018
2019

3.3. Restaurants

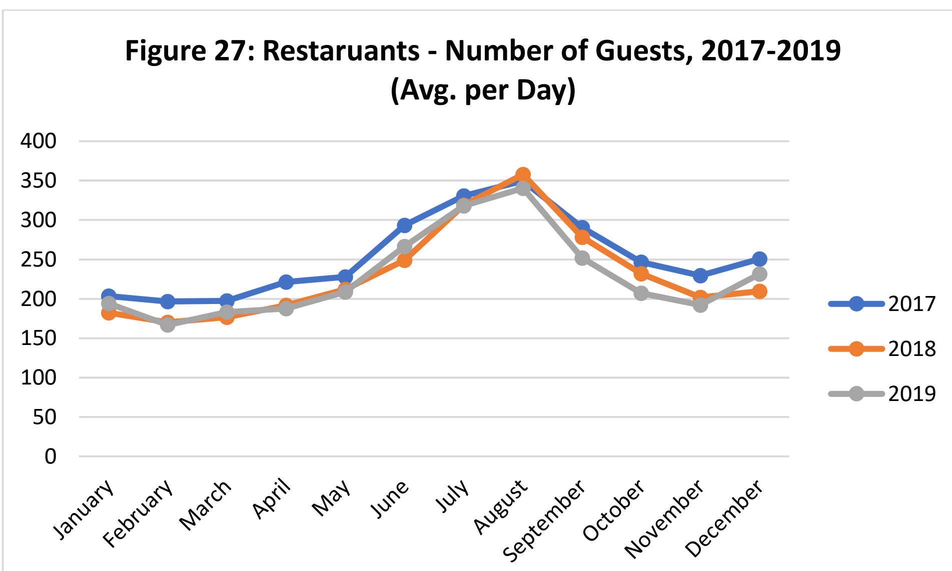
General Structure

In 2019, Prishtina dominated, with 50.2 percent of all restaurants in Kosovo, followed by Peja (16.4 percent), Ferizaj (9.4 percent) and Gjilan (5.1 percent) – see Figure 26.



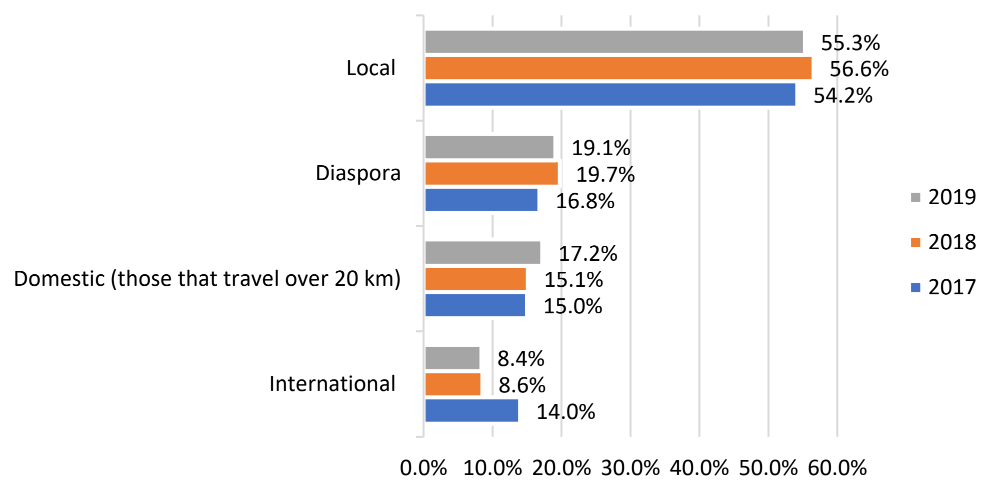
Guests and their Behaviour

The findings show that restaurants had 229.0 guests per day, on average, in 2019. During this year, the busiest months turned out to be July and August, with an average of 318.2 and 340.4 guests per day, respectively. For more detailed information and to compare averages with 2018 and 2017, refer to Figure 27.



The findings reveal that 55.3 percent of the clientele in restaurants consisted of locals; others included diaspora (19.1 percent), domestic visitors (17.2 percent) and internationals (8.4 percent). To compare with 2018 and 2017, see Figure 28. The data on restaurants show that in 2019, 62.0 percent (62.1 percent in 2018 and 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 6.4 EUR (7.1 EUR in 2018 and 7.2 EUR in 2017), while the average of the latter was 2.3 EUR (2.5 EUR in 2018 and 2.9 EUR in 2017).

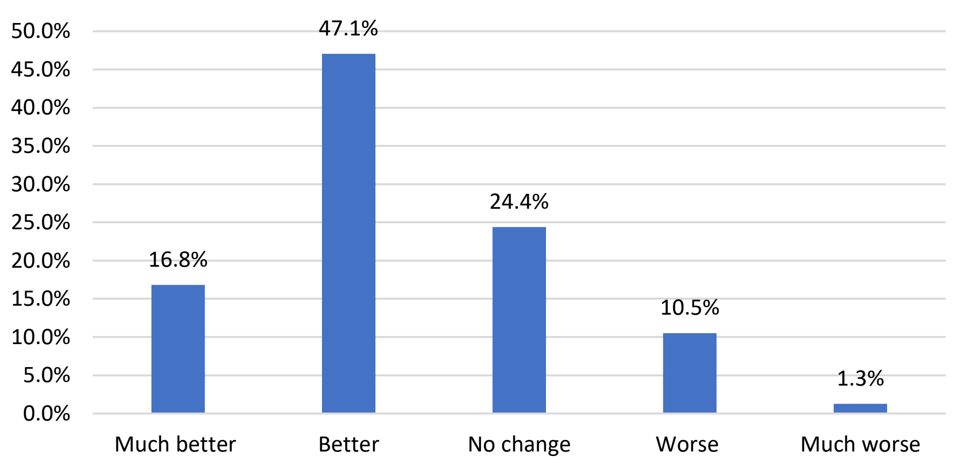
Figure 28: Restaurants - Composition of Guests (2017-2019), by Origin (in %)



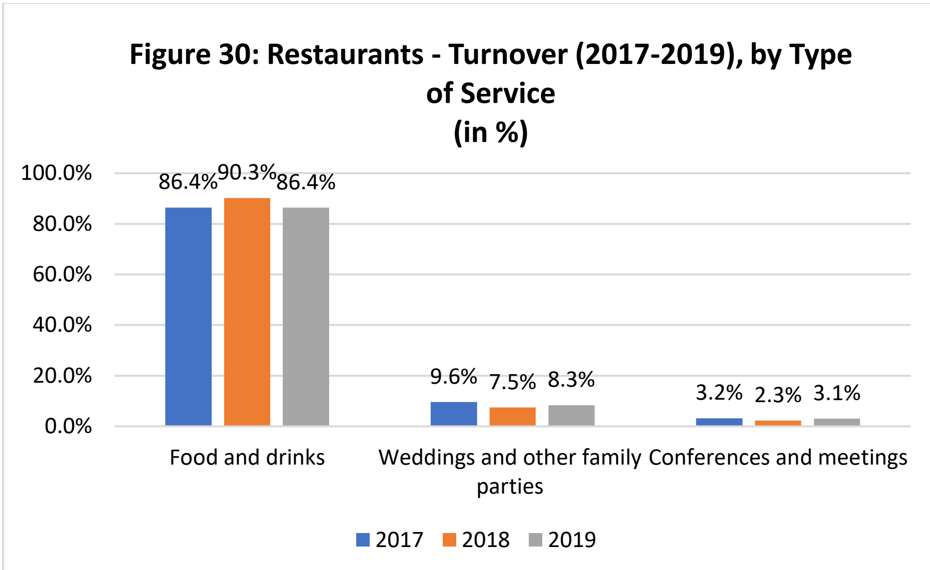
Revenues and Investments

When asked about the changes in turnover compared to 2018, 63.9 percent of the restaurants reported to have performed '*better*' or '*much better*'; on the other hand, 11.8 percent of them declared to have experienced the opposite; the rest said that they experienced no changes in turnover (see Figure 29).

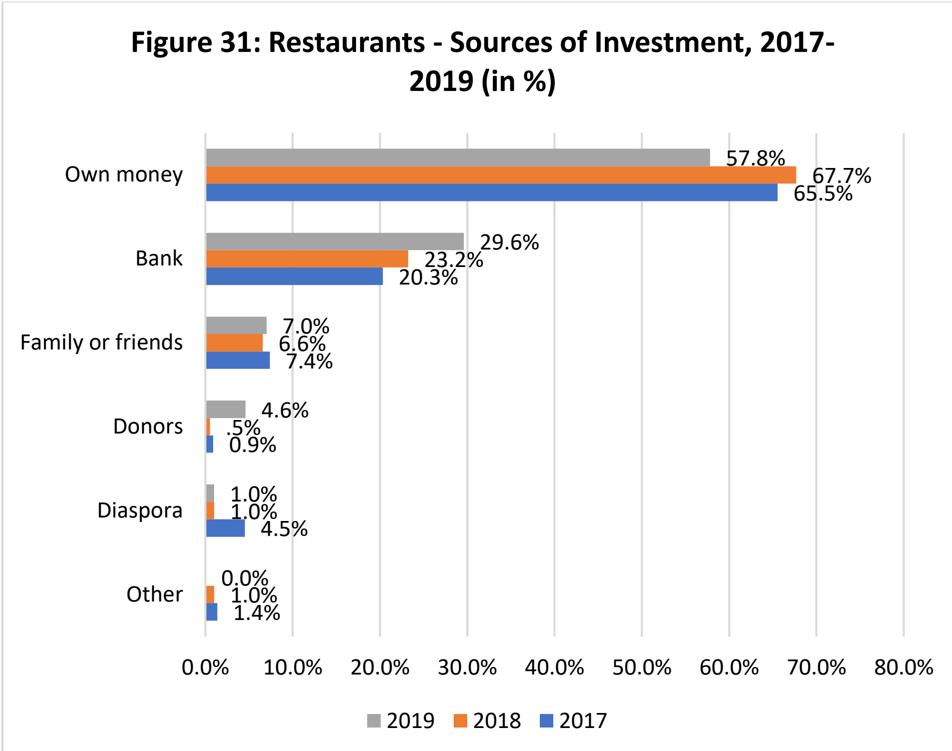
Figure 29: Restaurants - Turover Changes Compared to 2018 (in %)



A further analysis on the composition of annual turnover shows that in 2019, food and drinks comprised the main source of revenue for restaurants with 86.4 percent, accompanied by weddings and family services with 8.3 percent, and conference and meetings with 3.1 percent. To compare with 2018 and 2017, see Figure 30.



Of all restaurants, 63.8 percent claimed to have made some sort of an investments in 2019, compared to 69.9 percent in 2018 and 77.4 percent in 2017. Less than that, 46.2 percent, planned to make an investment in the upcoming two years. Those who invested in 2019, financed their investment mostly from their 'own money' (57.8 percent). To see other sources of finance and to compare with 2018 and 2017, see Figure 31.



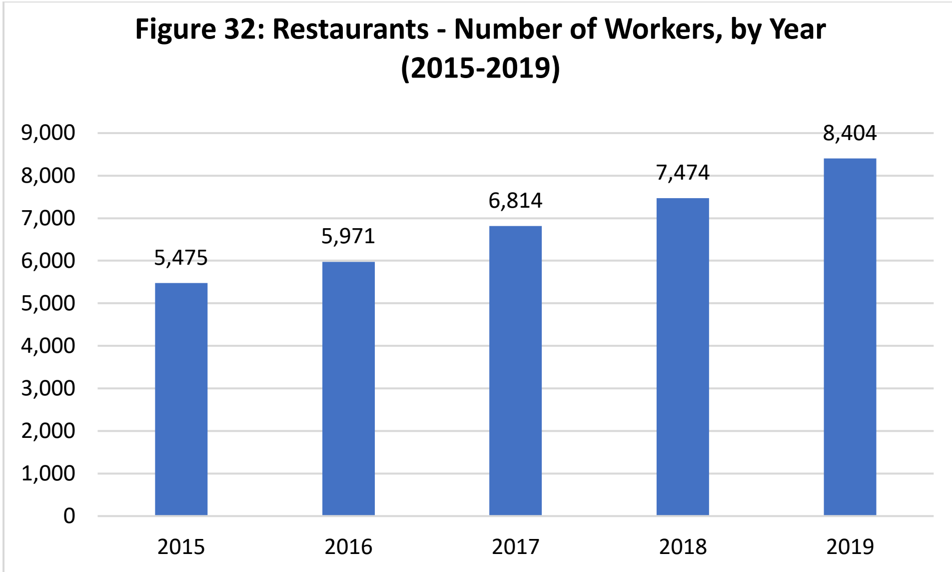
Services Offered

Apart from serving food and drinks at the restaurant, 40 percent of restaurants offered delivery services in 2019, compared to 21.7 percent in 2018 and 36.0 percent in 2017. One-fifth, 20.1 percent, offered space and services for weddings and family parties in 2019, compared to 24.1 percent in 2018 and 26.2 percent in 2017. The average number of weddings and family parties organized in 2019 was 31.2 in 2019, compared to 24.7 in 2018 and 22.7 in 2017. Members of Kosovo diaspora have been the most frequent organizers, constituting 52.8 percent. This compares with 46.3 percent in 2018 and 58.5 percent in 2017. When asked whether they provided commercial touristic products in 2019, the vast majority, 97.9 percent, said *'no'*, compared to 98.2 percent in 2018 and 96.0 percent in 2017.

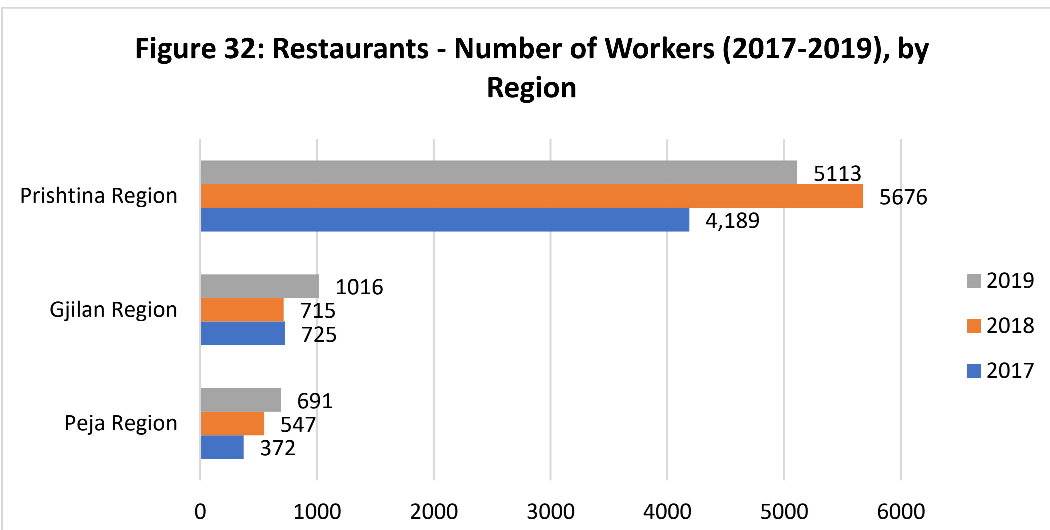
Employment

The employment data for restaurants show that during 2015-2019, the total number of employees has risen by 53.5 percent, from 5,475 in 2015 to 8,404 in 2019 (see Figure 32).[6] 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.

[6] Gross-up factor for restuarants~2.3684



A disaggregation of the data by the main regions reveals that Prishtina Region (5,113) constituted the largest number of workers employed in restaurants in 2019, followed by Gjilan (1,016), and Peja (691). To make comparisons with 2018 and 2017, refer to Figure 32.

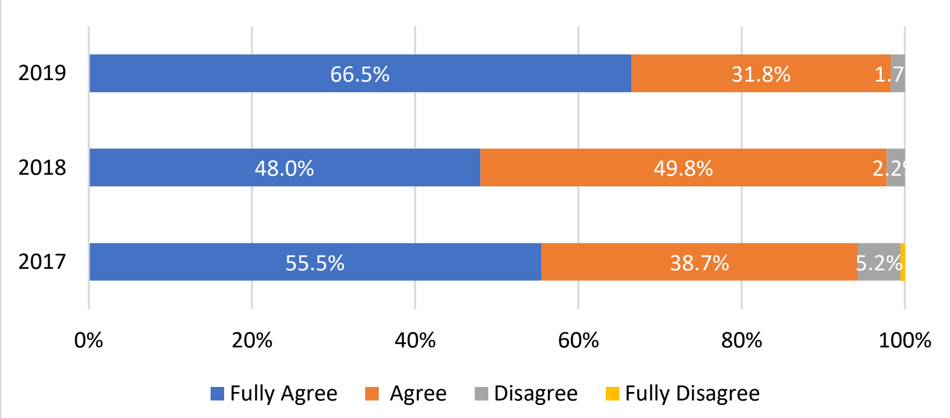


The following are some employment demographics for restaurants in 2019. Of all employed, the majority were men – 77.5 percent. The majority of workers, 91.4 percent, worked on a full-time basis. A negligible percentage (1.9 percent) was comprised of non-Kosovo Albanians. Moreover, 11.9 percent of restaurants employed non-Kosovo Albanians. In terms of age, those falling between 15-34 make up the most common group with 68.4 percent. For more information and to make comparisons with 2018 and 2017, see Table 7.

Table 7: Employment Demographics (Restaurants)						
2017						
Gender	**Men**			**Women**		
	74.4%			25.6%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	63.2%		11.2%	21.3%	4.3%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**RAE**	**Bosnians**	**Others**
	98.9%	0.1%	0.5%	0.2%	0.3%	0.1%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	34.1%	42.0%	19.0%	4.1%	0.9%	0.0%
2018						
Gender	**Men**			**Women**		
	78.7%			21.5%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	63.2%		15.2%	18.9%	2.6%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**RAE**	**Bosnians**	**Others**
	98.2%	0.3%	0.5%	0.5%	0.5%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	23.8%	55.2%	16.3%	3.9%	0.7%	0.0%
2019						
Gender	**Men**			**Women**		
	77.5%			22.5%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	71.7%		5.8%	19.6%	2.8%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**RAE**	**Bosnians**	**Others**
	98.1%	0.2%	0.4%	0.6%	0.6%	0.1%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	22.0%	48.4%	20.3%	7.9%	1.4%	0.0%

Similar to the last survey, restaurants were asked to share their opinion in relation to the statement, *"My employees have enough education to fulfil my needs."* It turned out that 98.3 percent either '*fully agree*' or '*agree*' with the statement, while the rest percent believed in the opposite. See Figure 33 to compare the position of restaurants regarding this statement in 2018 and 2017.

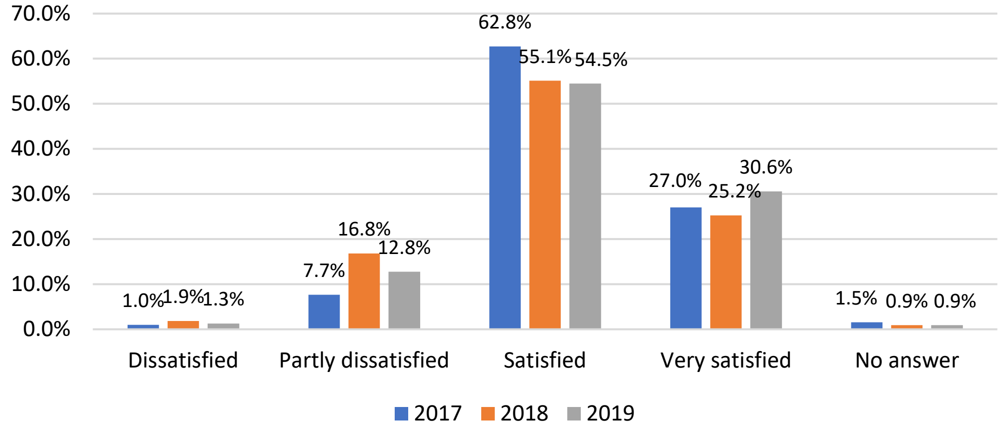
Figure 33: Restaurants - Level of Agreement with the Following Statement: *"My employees have enough education to fulfil my needs."* (in %)



Supplies

In response to the question about the origin of supplies used in 2019, 60.2 percent of restaurants believed that they were local, compared to 65.1 percent in 2018 and 59.0 in 2017. Supplies for their restaurant in 2019 were mainly sourced from wholesalers and supermarkets. Another finding reveals that restaurants have generally been satisfied with suppliers; 85.1 percent of restaurant declared to have been *'satisfied'* or *'very satisfied'* with their suppliers in 2019. For more information on the level of satisfaction and to compare data with 2018 and 2017, refer to Figure 34.

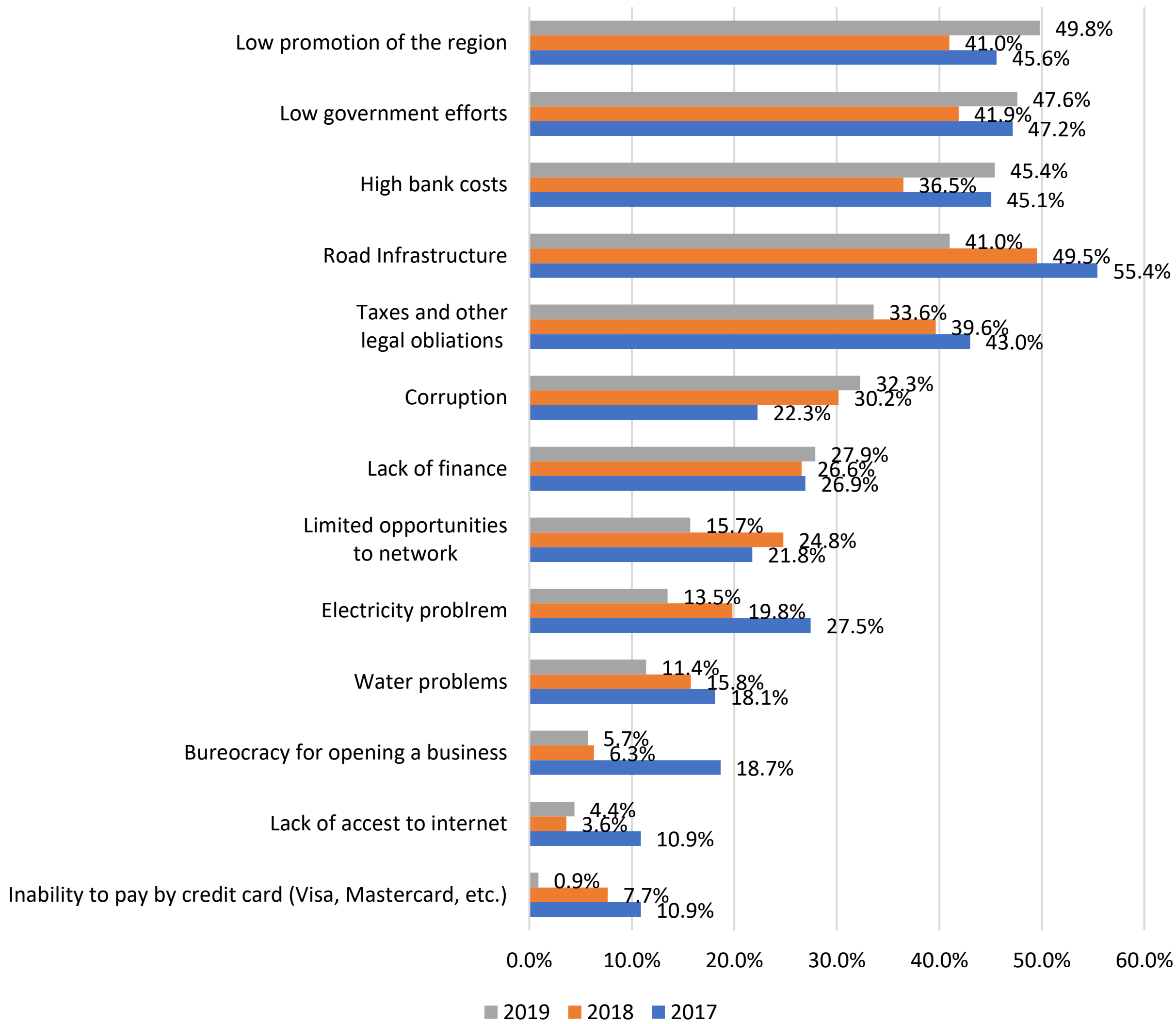
Figure 34: Restaurant - Level of Satisfaction with Suppliers, 2017-2019 (in %)



Barriers to Doing Business

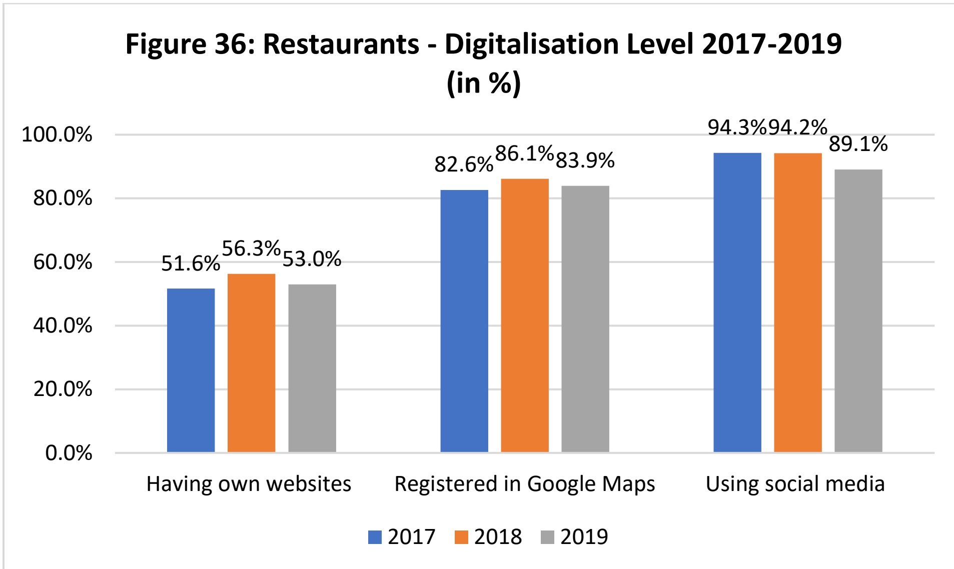
The potential barriers to doing business in 2019 were also tested with restaurants. It turned out that '*low promotion of the region'* with 49.8 percent, *'low government efforts'* with 47.6 percent, and *'high bank costs'* with 45.4 percent of all cases, were perceived to be the most severe operating barriers by respondents. For more detailed information and to make comparisons with 2018 and 2017, see Figure 35.

Figure 35: Restaurants - Barriers to Doing Business, 2017-2019 (% of Cases)



Digitalisation

More than half of restaurants, 53.0 percent, had their own websites in 2019, and 83.9 percent were registered in Google Maps. A higher percentage (89.1 percent) used social media to promote their services. To compare the data with 2018 and 2017, see Figure 36.

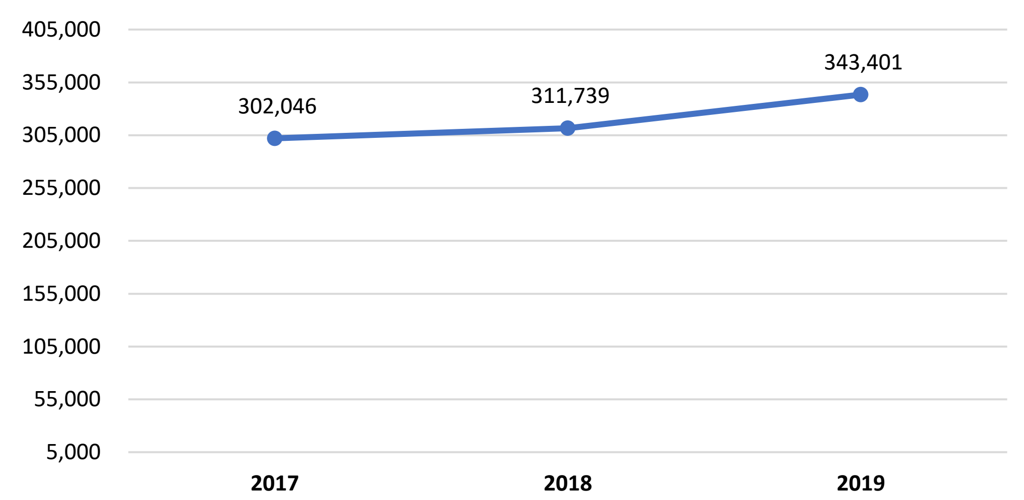


3.4. Attractions

Number of Visitors and their Characteristics

There has been an increasing number of visitors in tourist attractions over the last three years, from 302,045 in 2016 to 343,401 in 2019 (see Figure 37). 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.

Figure 37: Attractions - Number of Visits (2017-2019)



In 2019, the structure of visitors in attractions was dominated by internationals with 38.3 percent, followed by diaspora with 29.2 percent, and domestic visitors (those that travel more than 20 km) with 32.5 percent. To make comparisons with 2018 and 2017, see Figure 38. A further analysis of the findings reveals that Albanians, Germans, Americans, and Turks made up the majority of visitors in 2019 (to compare with 2018 and 2017, Figure 39).

Figure 38: Attractions - Composition of Visitors, 2017-2019, by Origin (in %)

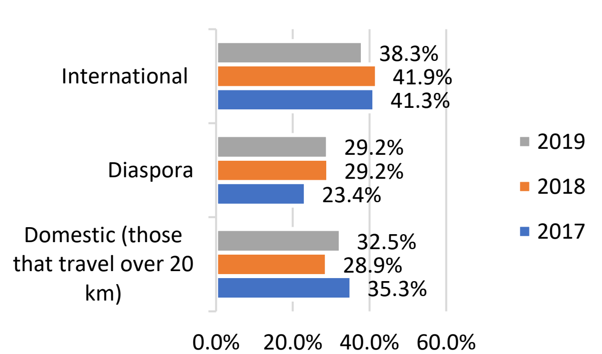
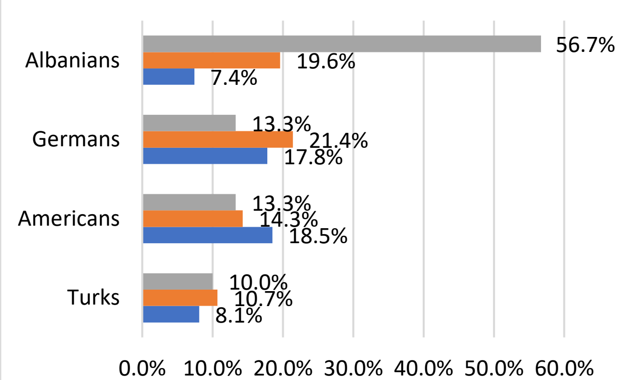


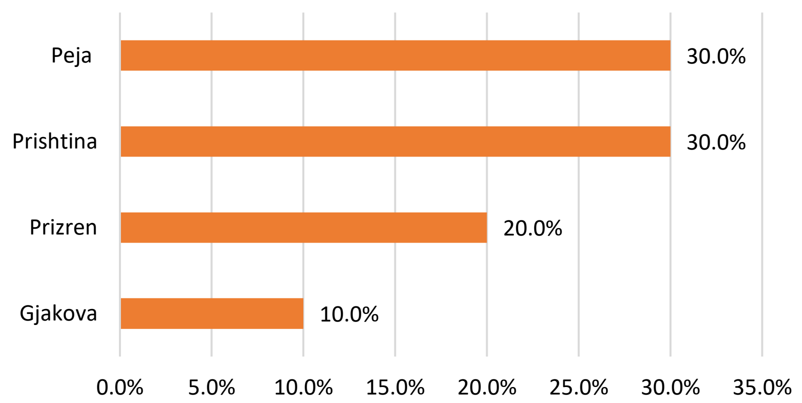
Figure 39: Attractions (2017-2019), by Origin of Visitors (in %)



Location and Prices

In 2019, the majority of attractions across Kosovo were concentrated in Peja, Prishtina, Prizren, and Gjakova (see Figure 40).

Figure 40: Attractions, by Top Five Locations, (in %)



Revenues

Compared to 2018, 52.0 percent of attractions performed *'much better'* or *'better'*, 44 percent performed like in the previous year; for the rest, it has been worse. 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 2019, attractions were slightly dominated by women workers with 52.7 percent. The majority (84.4 percent) worked full-time. Non-majority communities constituted only 3.3 percent of all workers. As per age group, 64.9 percent were 25-44. For more detailed results and to compare with 2018 and 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)**	**Part-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)**	**Part-Time (Women)**	
	46.9%		0.4%	51.6%	1.1%	
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%
2019						
Gender	**Men**			**Women**		
	47.3%			52.7%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	47.8%		8.0%	33.6%	10.6%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**RAE**	**Bosnians**	**Others**
	96.7%	0.7%	0.4%	0.7%	1.5%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	5.9%	26.2%	38.7%	18.4%	10.5%	0.3%

Digitalisation

The findings reveal that 40.0 percent had their own websites in 2019, while 85.7 percent of all attractions were registered in Google Maps. Moreover, 80.0 percent claimed to have used social networks for promotional purposes. To make comparisons with 2018 and 2017, see Figure 41.

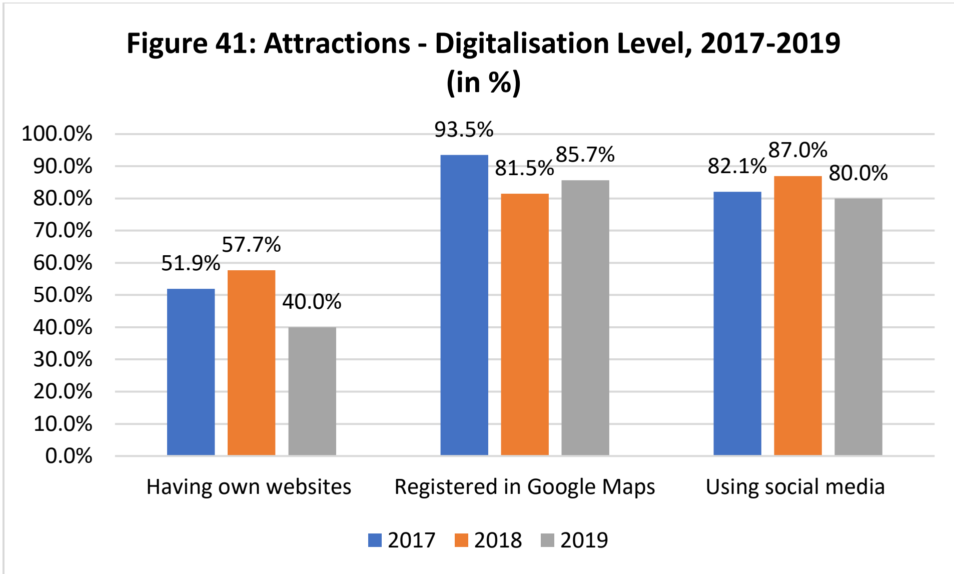


Figure 41: Attractions - Digitalisation Level, 2017-2019
(in %)
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
51.9%
57.7%
40.0%
93.5%
81.5%
85.7%
82.1%
87.0%
80.0%
Having own websites
Registered in Google Maps
Using social media
2017
2018
2019

3.5. Tour Operators

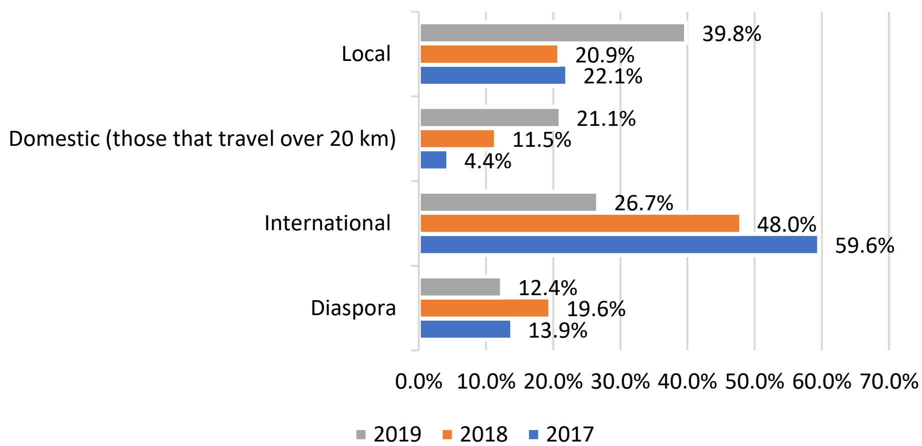
Tours, Prices, and Turnover

In 2019, 71.0 percent of tour operators worked both with inbound and outbound tourists, compared to 51.6 percent in 2018 and 56.5 percent in 2017. The rest worked with inbound tourists only. The total number of tours sold in 2019 stood at 2,133 (1,326 in 2018 and 525 tours in 2017), with an average number of people per tour being 17.9 (14.8 in 2018 and 17.4 in 2017). The average annual turnover per tour operator in 2019 was 42,631 EUR, compared to 35,444 EUR in 2018 and 26,000 EUR in 2017.

Composition of Visitors

In 2019, the clientele of tour operators mostly consisted of locals in 2019 (39.8 percent) and internationals (26.7 percent). For more information and to compare with 2018 and 2017, see Figure 42.

Figure 42: Tour Operators - Visitors (2017-2019), by Origin (in %)



Employment

The following are some employment demographics for tour operators in 2019. The average number of employees working for tour operators was 4.53 in 2019, compared to 4.46 in 2018 and 4.61 in 2017. The findings reveal that 59.2 percent of tour operator workers were men. Only around half of them worked on a full-time basis. Kosovo Albanians comprised 97.6 percent of all workers. Those aged between 25-44 comprised the majority of workers, 79.1 percent. For more information and to compare with 2018 and 2017, see Table 9.

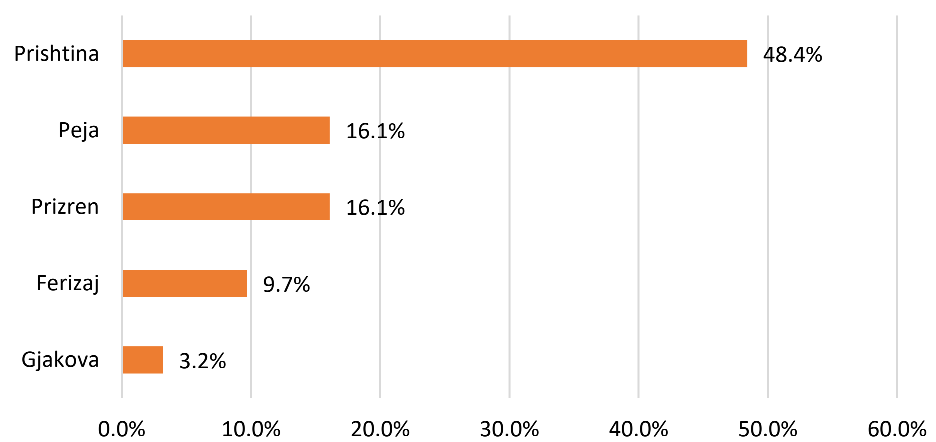
Table 9: Employment Demographics (Tur-Operators)						
2017						
Gender	**Men**			**Women**		
	59.2%			40.8%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	23.7%		35.5%	26.0%	14.8%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**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)**	**Part-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%
2019						
Gender	**Men**			**Women**		
	52.9%			47.1%		
Full vs Part Time	**Full-Time (Men)**		**Part-Time (Men)**	**Full-Time (Women)**	**Part-Time (Women)**	
	40.0%		12.9%	38.8%	8.2%	
Ethnicity	**Kosovo Albanians**	**Kosovo Serbs**	**Turks**	**RAE**	**Bosnians**	**Others**
	97.6%	0.0%	1.2%	0.0%	1.2%	0.0%
Age Group	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65<**
	16.4%	58.2%	20.9%	3.0%	1.5%	0.0%

3.6. National Events/Festivals

The General Data

In 2019, the majority of national events/festivals were concentrated in Prishtina (48.4 percent), Peja (16.1 percent), and Prizren (16.1 percent). For more information, refer to Figure 43.

Figure 43: National Events/Festivals, by Top Five Locations, 2019 (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 726,390 in 2017 to 905,000 in 2019 (see Figure 44). These values should be cautiously interpreted as they indicate the trend only, not the overall number of visitors in the country. In 2019, the overall clientele was dominated by locals with 50.5 percent, followed by domestic visitors with 21.6 percent, internationals with 14.1 percent, and diaspora with 14.7 percent. To make comparisons with 2018 and 2017, see Figure 45.

Figure 44: National Events/Festivals - Number of Visitors (2016-2019)

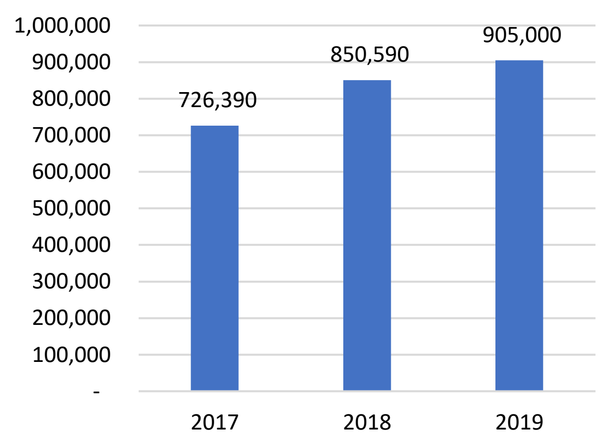
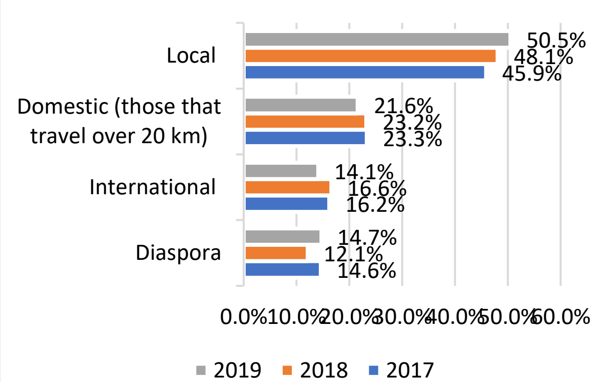


Figure 45: National Events/Festivals - Visitors (2017-2019), by Origin (in %)



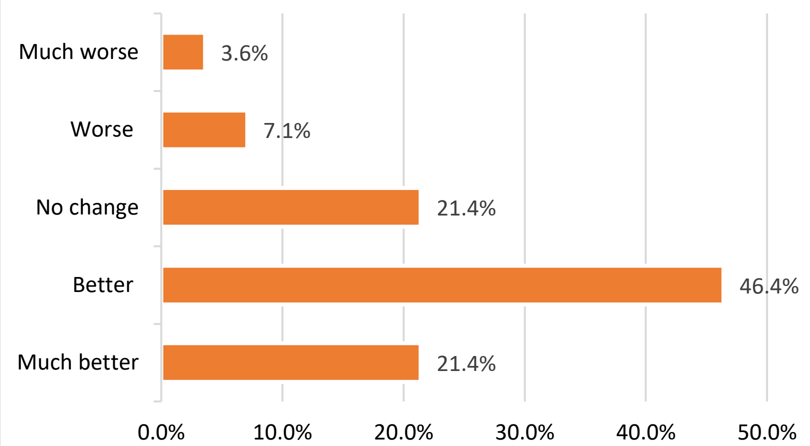
Prices

The ticket price for a festival in 2019 averaged at 7.0 EUR, compared to 6.8 EUR in 2018 and 6.0 EUR in 2017. When asked about the average expenditures of visitors per night in 2019, the representatives of events/festivals said that it was 13.6 EUR, compared to 14.9 EUR in 2018 and 19.5 EUR in 2017.

Revenues

The revenue data show that in 2019, 67.8 of events/festivals performed '*better*' or '*much better*' compared to 2018; as opposed to 10.7 percent who performed *'worse'* or *'much worse'*; for 21.4 percent, it has been the same, see Figure 46.

Figure 46: National Events/Festivals - Turnover Changes Compared to 2018 (in %)



Employment

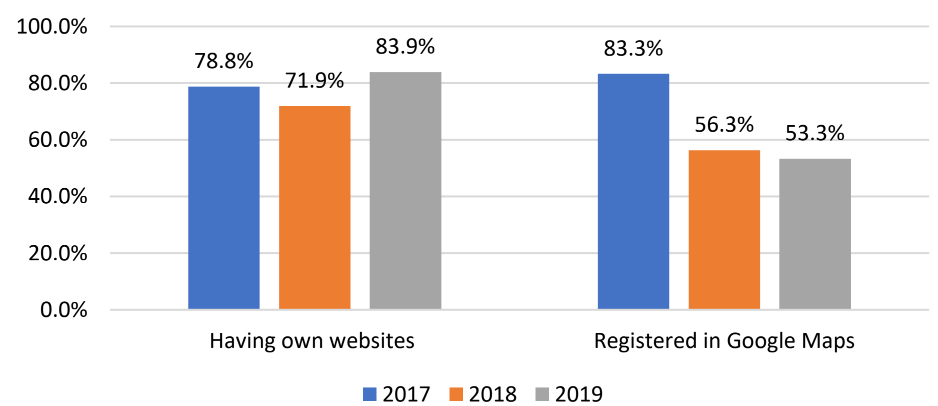
The majority (68.4 percent) of those employed in national events and festivals in 2019 were men. The proportion of those working part time was not as high as it used to be in the previous years, standing at 26.7 percent. Non-Kosovo Albanians comprised a negligible percentage in 2019 (1.3 percent). Those aged between 15-34 dominated, by constituting 86.4 percent of all workers. For more information and to make comparisons with 2018 and 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)	Part-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)	Part-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%
2019						
Gender	Men			Women		
	68.4%			31.6%		
Full vs Part Time	Full-Time (Men)		Part-Time (Men)	Full-Time (Women)	Part-Time (Women)	
	51.0%		17.5%	22.4%	9.2%	
Ethnicity	Kosovo Albanians	Kosovo Serbs	Turks	RAE	Bosnians	Others
	98.7%	0.3%	0.3%	0.5%	0.2%	0.0%
Age Group	15-24	25-34	35-44	45-54	55-64	65<
	31.2%	55.2%	10.2%	3.0%	0.4%	0.0%

Digitalisation

The findings of 2019 on digitalisation level reveal that 83.8 percent had their own websites. Moreover, 53.3 percent of all events/festivals were registered in Google Maps. To compare with 2018 and 2017, refer to Figure 47.

Figure 47: National Event and Festivals: Digitalisation Level 2017-2019 (in %)



4. Economic Impact

This section examines the economic impact of accommodations, Airbnb apartments, and restaurants in 2019 and compares the overall results with 2018 and 2017.[7] 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 2019 amounted to **51.7 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 2019 reached a value of **7.8 mil. EUR.** For more information on the main steps of the approach, see Table 11 and Table 12.

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**
485,815	657,730	264,260	105,485	42,705	92,710
(b) Average Occupancy Rate (%)					
56.60%					
(c) Number of Room-Nights Occupied per Year (a*b)					
Single Room	**Double Room**	**Triple Room**	**Quad Room**	**Vila**	**Other**
274,971	372,275	149,571	59,705	24,171	52,474
(d) Proportion of Room-Nights Occupied by Locals (%)					
15.70%					
(e) Number of Room-Nights Occupied per Year, Excluding Locals (c-d)					
Single Room	**Double Room**	**Triple Room**	**Quad Room**	**Vila**	**Other**
231,801	313,828	126,088	50,331	20,376	44,235
(f) Average Prices (€)**					
Single Room	**Double Room**	**Triple Room**	**Quad Room**	**Vila**	**Other**
32	44.25	57.65	66.85	82.1	75.4
(g) Estimated Accommodation Revenue from the Sample (€) Σ (e*f)					
36,946,374					
(h) Gross-Up Factor/Coefficient					
1.401					

[7] In the case of accommodations with restaurants, one portion of the revenue was allocated to accommodations and the other was allocated to restaurants. The division was made based on the declarations provided in the survey.

(i) Estimated Accommodation Sector Revenue (€) (g*h)
51,761,870
*It excludes Airbnb apartments **Adjusted by taking into account the prices of superior rooms

Table 12: Economic Impact – Airbnb Apartments					
(a) Number of Available Room-Nights per Year*					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
3285	7665	3285	1825	2555	1095
(b) Average Occupancy Rate (%)					
59.30%					
(c) Number of Room-Nights Occupied per Year (a*b)					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
1948	4545	1948	1082	1515	649
(d) Proportion of Room-Nights Occupied by Locals (%)					
4.80%					
(e) Number of Room-Nights Occupied per Year, Excluding Locals (c-d)					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
1855	4327	1855	1030	1442	618
(f) Average Prices (€)**					
Single Room	Double Room	Triple Room	Quad Room	Vila	Other
27	29.7	31	52.3	76.6	35
(g) Estimated Accommodation Sector Revenue from the Sample (€) Σ (e*f)					
422,084					
(h) Gross-Up Factor/Coefficient					
18.5					
(i) Estimated Accommodation Sector Revenue (€) (g*h)					
7,808,561					

4.2. Restaurants

Similar to the case of accommodations, the number of client visits in 2019 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 2019 was generated, which is **158.5 mil. EUR.**

Table 13: Economic Impact – Restaurants	
(a) Number of Client Visits per Year	
21,840,140	
(b) Proportion of Locals (%)	
47.05%	
(c) Number of Client Visits per Year, Excluding Locals (a-b)	
11,564,354	
(d) Food and Drinks Towards Total Revenue (%)	
Food and Drinks	Drinks Only
62%	38%
(e) Average Price (€)	
Food and Drinks	Drinks Only
7.5	3
(f) Total Estimated Revenue from the Sample (€) (c*d*e)	
Food and Drinks	Drinks Only
53,774,247	13,183,364
(g) Gross-Up Factor/Coefficient	
2.368	
(h) Estimated Restaurants Sector Revenue (€) Σ(f*g)	
158,555,621	

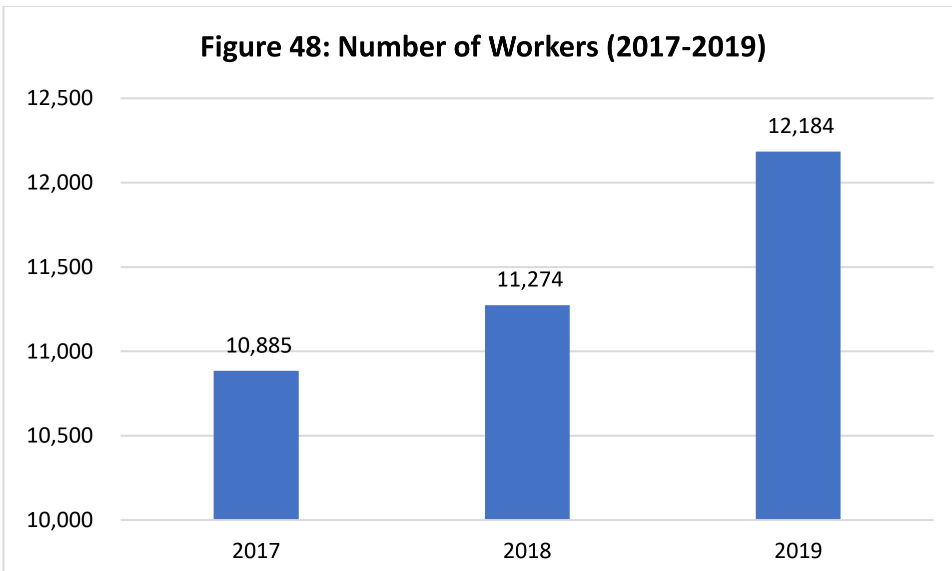
4.3. Overall Estimated Revenue and Employment

During 2017-2019, the overall estimated revenue from accommodations, Airbnb apartments, and restaurants has increased by around 56.2 percent, from 139.6 mil. EUR to 218.1 mil. EUR. The most notable increase was noted in restaurants, 66.0 percent. For more detailed information, see Table 13.

Table 13: Estimated Revenue (€), 2017-2019[8]

Year	Accommodations	Airbnb Apartments	Restaurants	Total
2017	37,911,108	6,249,743	95,521,337	**139,682,188**
2018	42,384,201	7,460,332	140,712,183	**190,556,716**
2019	51,761,870	7,808,561	158,555,621	**218,126,052**

The overall number of workers compared to 2017 has increased by 11.0 percent, from 10,885 in 2017 to 12,184 in 2019 (see Figure 48).



[8] In the case of accommodations with restaurants, one portion of the revenue was allocated to accommodations and the other was allocated to restaurants. The division was made based on the declarations provided in the survey.

5. The Effects of the Covid-19 Pandemic

The tourism sector is one of the hardest hit sectors by the covid-19 pandemic. To be able to measure some of the effects of the pandemic on the key sector actors in Kosovo, a set of specific pandemic-related was introduced to the questionnaire. Given that the field work took place in October 2020, it was possible to gather data that capture the effects of the complete lockdown months, starting from mid-March until around mid-June, as well as to estimate the effect in the following post full-lockdown months.

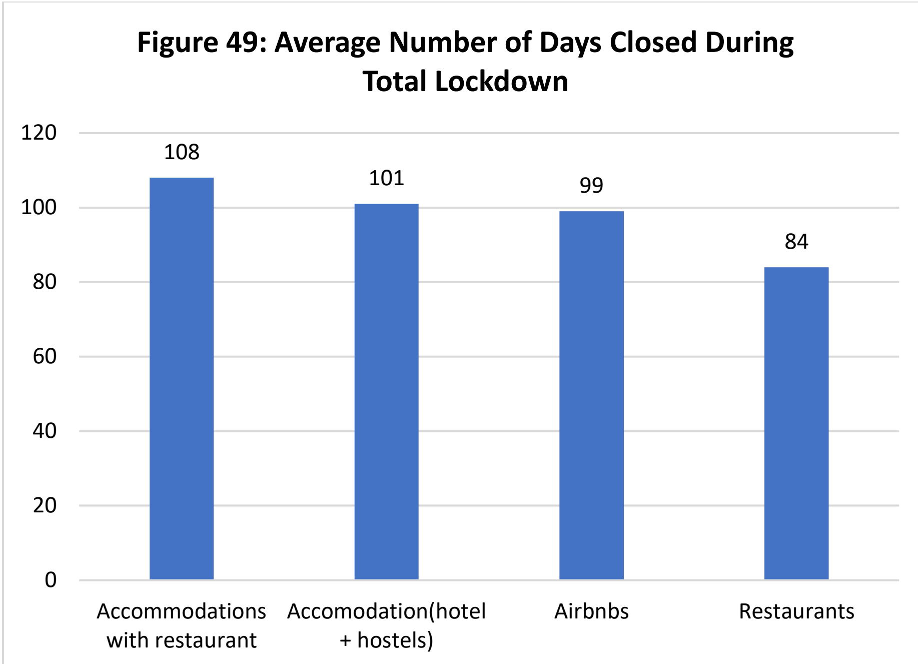
The methodology for estimating the economic impact of COVID-19 was done based on the information collected by SMEs. Initially, three periods of 2020 were assumed: (a) the period before the outbreak of COVID-19 – when no economic impact was assumed as a result of pandemics, (b) period during total lockdown – when SMEs were fully closed and therefore did not generate any turnover, and (c) period after re-opening – when the sector was affected by various measures from travel restrictions to curfews. With regards to the impact on jobs, SMEs were asked directly if they had to layoff any employee due to COVID-19 impact.

To estimate the impact of COVID-19 in the tourism sector in Kosovo, losses were estimated for the period during total lockdown (a) and losses for the period after re-opening. This estimation was done for three separate categories: accommodations such as hotels, Airbnb units and restaurants. The calculations of economic impact for the two periods (a and b) were done in the following formula:

- For the period of total lockdown (a), information on the length of total closure of all SMEs was collected, deriving an average number of total days when a specific SME category was closed. The impact for this period was calculated by multiplying the average daily turnover of SME category (based on the information from the Tourism Supply Side Survey 2018) with the average number of days of total closure and the total number of SMEs affected. For this period, two limits were calculated, one with a daily turnover of SME category (the upper limit) and the other with a seasonal adjusted daily turnover of SME category (the lower limit).
- For the period after re-opening, information was collected on the percentage of SMEs with declined sales and on the percentage of decline in sales. These percentages were afterwards multiplied to number of days from re-opening until the end of 2020, to the average daily turnover of SME category and the overall number of total number of SMEs.

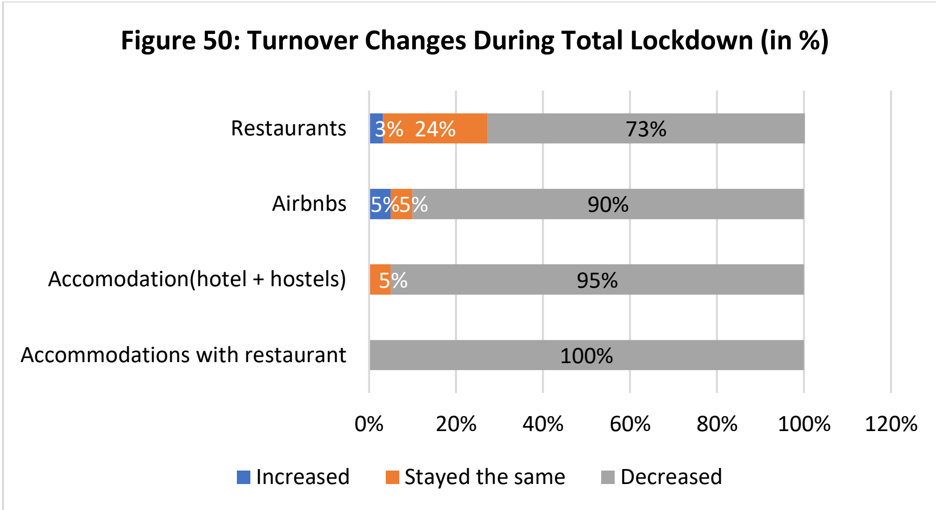
Detailed results from the estimation of economic impact are presented in Table 14.

During the period of total lockdown, on average, accommodations with restaurants were closed for 108 days, accommodations (without restaurants) for 101 days, Airbnbs for 99 days, and restaurants for 84 days – see Figure 49.



All the interviewed restaurants with accommodations have seen a decline in turnover during the lockdown months compared to the same period in the previous year. This was also the case for 95 percent of accommodations without restaurants[9] and 90 percent of Airbnbs. In the case of restaurants, the share of firms that experienced a decline is somewhat lower, standing at 73 percent. Those restaurants that kept the turnover unaffected or even had an increase managed to do so through delivery services. The majority of restaurants, on the other hand, seem to have lacked the infrastructure and experience to execute a successful delivery business. Refer to Figure 50 for more information. The magnitude of turnover decrease was the highest in accommodations with restaurants and Airbnbs, reaching an average of 80 percent and 72 percent, respectively. In accommodations without restaurants and restaurants alone, the magnitude was slightly lower, averaging 62 percent and 54 percent, respectively.

[9] Only hotels are hostels are included.



Employment, as well, has been largely affected by the pandemic (see Figure 51). In both accommodation categories, roughly one half declared to have experienced a decline in the number of employees, whereas the other half reported to have had no changes in that regard. In Airbnbs, on the other hand, perhaps mainly because they are generally self-managed by the owners, there has been no changes in employment in 95 percent of the cases. The majority of restaurants (77 percent), too, reported no changes in the number of employees or even an increase, as opposed to 23 percent that declared to have terminated the contracts with some employees. The average decline of employees in those firms that reported to have had a decline varies from 5.33 in accommodations without restaurants to 5.50 in restaurants.

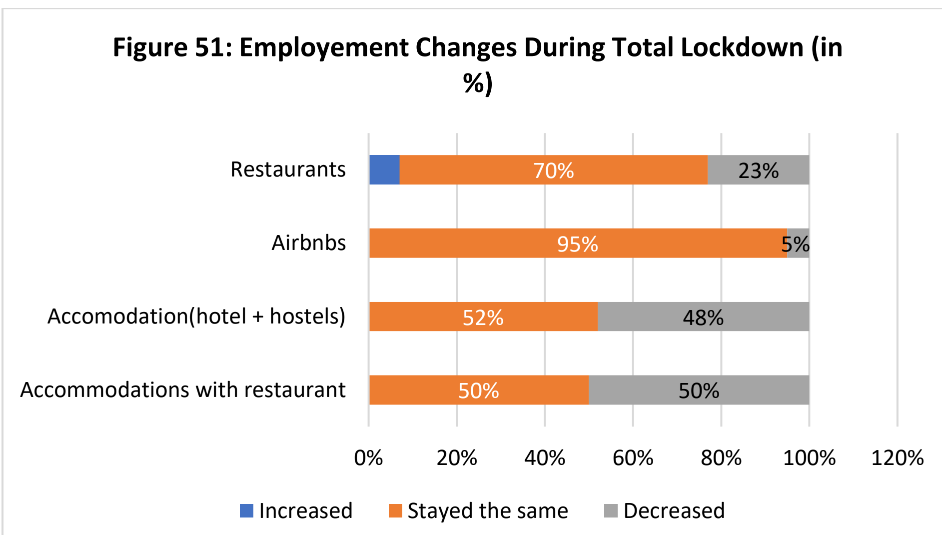


Table 14 presents the estimated revenue losses from mid-March, when the total lockdown was imposed, until the end of the year. In this whole period, the overall revenue losses in accommodations, Airbnbs, and restaurants altogether, are estimated to range between 98.6 mil. EUR (Scenario I) to 110.2 mil. EUR (Scenario II). The minimum value of estimated losses represents: (i) losses during the total lockdown period, generated by applying the average percentage of decline to the annual average turnover (only lockdown days included), adjusted for seasonality based on the annual PPSE supply-side data; and (ii) losses during the post total lockdown period, generated by applying the average percentage of decline to the annual average turnover based on the PPSE supply-side data for 2019. The only difference in the maximum value is that the seasonality effect is not applied to estimate the losses during the total lockdown period. Restaurants were the hardest hit tourism entities with estimated losses ranging from 64.4 mil. EUR to 72.1 mil.

Table 14: The Estimated Effects of the Pandemic Covid-19 – Revenues in EUR					
	(a) During Total Lockdown (Scenario I)[10]	(b) During Total Lockdown (Scenario II)	(c) After Total Lockdown	(d) Total Estimated Losses by Category - Scenario I (a+c)	(e) Total Estimated Losses by Category - Scenario II (b+c)
Estimated Revenue Losses in Accommodations (EUR)	11,262,816	14,819,494	18,501,323	**29,764,139**	**33,320,817**
Estimated Revenue Losses in Airbnbs (EUR)	1,757,889	2,117,938	2,675,534	**4,433,423**	**4,793,472**
Estimated Revenue Losses in Restaurants (EUR)	28,826,715	36,489,513	35,617,935	**64,444,650**	**72,107,448**
Grand Total Estimated Revenue Losses (EUR)	**41,847,420**	**53,426,946**	**56,794,792**	**98,642,211**	**110,221,737**

The estimated job losses in the period under analysis are 1,435. This is around 12 percent less compared to 2019. Job losses in restaurants are estimated to be 740, while in accommodations 695 (see Figure 52).

[10] Accommodations – assuming 76% of the average in low season (based on supply side survey seasonality variation from yearly average turnover)
Airbnbs – assuming 83% of the average in low season (based on supply side survey seasonality variation from yearly average turnover)
Restaurants – assuming 79% of the average in low season (based on supply side survey seasonality variation from yearly average turnover)

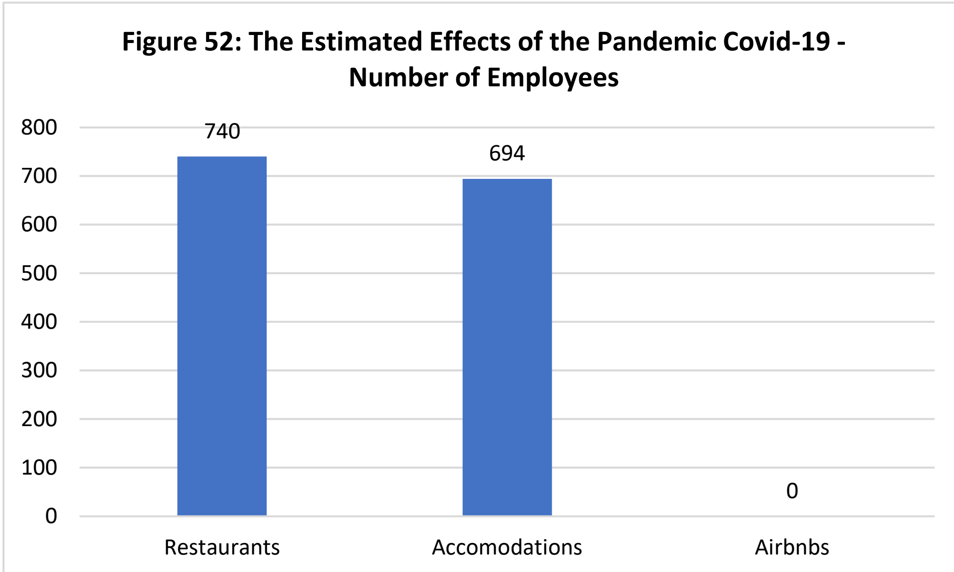


Figure 52: The Estimated Effects of the Pandemic Covid-19 - Number of Employees
800
700
600
500
400
300
200
100
0
740
694
0
Restaurants
Accomodations
Airbnbs