

### Pandemics, tourism and the consequences on seasonal businesses

It is unrealistic to think that the Covid-19 pandemic will be merely a transit point in the Balkans. Given that a good part of the member states are small economies, many of which are primarily dependent on tourism, it is expected that the impact will leave a mark.

In Albania, according to WTTC, the tourism and travel sector contributes about 25% of total employment and 27% of GDP. While in Croatia, Greece, and Montenegro, tourism revenues exceed 20% of GDP.

The impact on the money - the tourist season, is already evident, with cancellations of many reservations. Considering the recent measures taken by the Albanian government with the closure of borders and the suspension of air traffic with many tourist markets in Europe, it seems that the situation may take more serious marks.

In addition to the impact on cancellations, which in the best case are intended to be relocated in the autumn season, the impact of the tourism sector will follow other shocks in the supply industries or related to tourism. The tourism supply chain also consists of many other sectors related to it, such as agritourism, processing agro-industry, transport, food distribution services, etc.

According to the European Manifesto Alliance, millions of jobs are at risk, and many SMEs in the sector are at risk of closure. According to WTTC, the tourism and travel sector worldwide is at risk of cutting about 50 million jobs, and according to WTTC estimates it may take more than 10 months to recover the industry. Moreover, because the blockage of tourist activity can continue for months, the effects of COVID-19 on tourism will be even clearer in 2021.

According to UNWTO, world tourist arrivals will drop from 30% in 2019 to 20% in 2020.

However, to clearly analyze the effects that pandemics will have on tourism, we must also analyze how tourism is structured within the country. All the challenges that will arise in managing the pandemic crisis can clarify the creation of a sustainable plan for the further development of tourism. Of course, the focus on hygiene measures will be greater. In the case of Albania, one of the challenges of the tourism sector has been the extension of the tourist season, an element that must be stimulated this year.

Worldwide, the tourism sector, despite economic crises and natural disasters, has recovered relatively quickly. The question arises, but in the case of Albania, how elastic is the supply and demand for tourist products, as a result of such a friend?

Tourism recovery should be done in cooperation with the private sector. Both market players need to find ways to use resources in the most effective way possible. Tourism support should be a priority for support packages in response to the crisis, coupled with a recovery plan and action plan:

- State aid for the tourism and travel sector
- Quick and easy access to short-term and medium-term loans to offset current losses
- More support for participation in projects with a focus on Covid-19 recovery

- Short-term scheme to support employees of this sector as well retraining programs, but also support for self-employed in the sectors

- facilitating fiscal packages for enterprises of all types and sizes, mainly SME

- Awareness campaign not to completely cancel the bookings but postpone them for later. As a result of the crisis, most bookings are canceled and only part of them are postponed for months.

- Efforts to extend the tourist season

- Non-interruption of investments in the tourism sector, both small enterprises mainly before the season, but also large ones

- Reduction of travel taxes, support of destinations by increasing the budget for promotion and marketing, but also providing information in terms of advice from local authorities for the affected regions and measures taken.

Tourism is an industry heavily influenced by a range of shocks which are difficult to control, and moreover, once life activation businesses begins, the tourism sector needs even more time to adjust to renewal.

The industry will recover but that will take time. Only when consumers perceive that it is safe to move can there be a turnaround.

Under these conditions, domestic tourism will be the first to recover. Sure, this year's season won't be a normal season but let's hope at least a part of it will survive!

Until then, "Stay Safe"!

# Albanian Diaspora Business Chamber



### "Greek Businesses at the time of COVID-19"

By Arjan Gusho,

President of the "Association of Greek-Albanian businessmen in northern Greece"

It is true that COVID-19 has alarmed the whole world, even the strongest states. This pandemic will be written in modern history as a wound to humanity, because the number of infected has exceeded 1 million, and deaths have reached over 80,000. But what will history write about the economic side? Will it be a black page for the history of the economy, or will it be transformed into a "Success Story"?

Greece is one of the countries that reacted very quickly and gradually took measures, not only to limit the rate of mass spread of the virus, but also to stabilize the situation in the real economy. On 28.02.2020 the first effects began, carnivals and religious holidays were canceled. Schools, cinemas, shopping malls, and courts were gradually

closed. On 16.03.2020, the state declared the general quarantine, which continues today.

For the economy, the state applied an agreement with European Union institutions and guaranteed high funding. For employees who suspended businesses by government decision, € 800 will be given as a reward and they will have relief for the payment of rent. Also, businessmen are offered compensation measures of 600 to 800 euros, reduction of insurance and taxes (-25%) n.q.s they are paid on time, as well as other relief for citizens who have bank loans. Tax on hygienic products, eg gloves, masks, alcohol, etc., was reduced from 24% to 6%.



Measures in health sector seem to be working well because the rate of COVID-19 spread is declining. In the field of economy for Albanian businesses operating in Northern Greece, the situation has worsened and has experienced a significant decline ranging from 20% to 80% according to various professions and businesses, as well

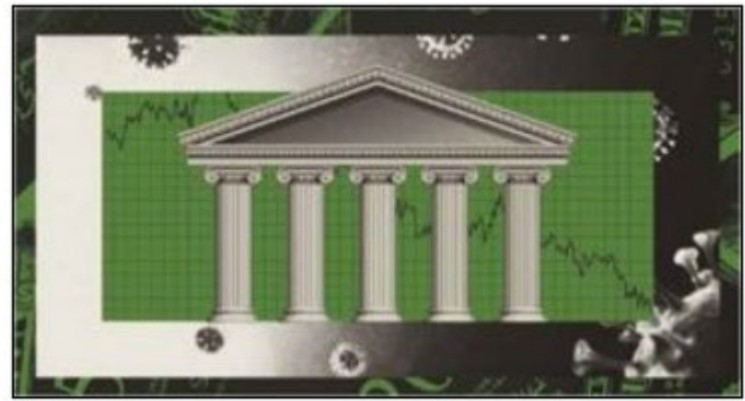
as a significant increase in unemployment. This immediate and unpredictable cessation of the economy as well as the measures taken by the government to limit the COVID-virus, led to a significant decline in economic development with a high probability of bankruptcy of up to 10% of businesses currently operating. It is clear that the assistance measures are positive, but not sufficient to meet the needs of businesses that are currently struggling.

In this situation, the "Association of Greek-Albanian Businessmen of Northern Greece" urges the central and local governments to set in motion and find effective methods to help these businesses negatively affected by the crisis to overcome economic difficulties and catch up with normal development. Whatever the situation, we are convinced that it will be overcome, even with pain. At the moment it is important to be healthy and ready to resume our economic activities with new ideas and practices. We are optimistic!



Remittances can be lowered to the level of the economic crisis of 2009

[> Link <](#)



How are the world's central banks intervening to support their economies?

[>Link <](#)

## Newsweek



We need optimism and hope and not fear and psychosis of terror and war!

[> Link <](#)



Economic measures, compared with Europe / Vienna Institute for International Studies: Package as 1.2% of GDP, the second highest rate in the region. [> Link <](#)

## Decisions



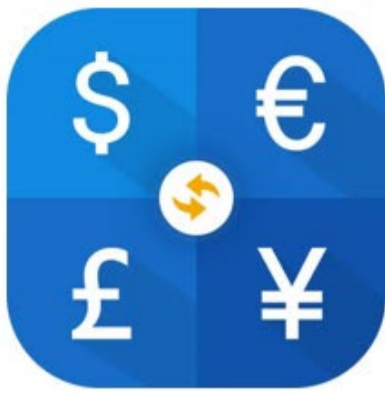
The Council of Ministers has approved Decision no. 277, dated 06.04.2020 "On the approval of the state loan guarantee with commercial banks for business salaries, whose activity has been affected by government decisions in the management of the situation created by COVID-19, as well as for determining the terms and conditions of the guarantee agreement and the agreement of understanding".

The approval of the state guarantee line, in the amount of 11,000,000,000 (eleven billion) ALL, in favor of the second level banks, which exercise their activity in the territory of the Republic of Albania, part of the guarantee scheme that will enable lending to cover the salaries of traders or companies, whose activity has been closed or affected by a reduction in turnover, as a result of decisions of the Council of Ministers and orders issued by the Ministry of Health and Social Protection, in the context of management of the situation created by COVID-9.

The decision sets out the terms and conditions for the state loan guarantee agreement and the understanding agreement for businesses that will receive loans, and the authorization of the Ministry of Finance and Economy to enter into agreements with banks.

At the link below you can read the full decision: [here](#)

## Official exchange rates



Dollar Amerikan	USD	115.61	-0.76	↓
Euro	EUR	126.34	-0.19	↓
Poundi Britanik	GBP	144.25	-0.13	↓
Franga Zvicerane	CHF	119.72	-0.21	↓
Jeni Japonez (100)	JPY	106.68	-0.16	↓
Dollari Australian	AUD	73.41	+0.84	↑
Dollari Kanadez	CAD	82.89	-0.05	↓

### About the Albanian Diaspora Business Chamber

The Albanian Diaspora Business Chamber is the first organization to offer services to Diaspora businesses. As an independent not-for-profit organization, we are fully committed to help and encourage businesses of all sizes to maximize their potential in Albania. The Diaspora Business Chamber is a real opportunity to support Diaspora investors who want to set up or expand their businesses back home.



Official partner website:

[www.monitor.al](http://www.monitor.al)



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