



EXPLORING THE ROLE OF THE PORT OF SARANDA AS AN IMPORTANT DESTINATION IN THE MEDITERRANEAN REGION FOR THE CRUISE INDUSTRY

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Abstract

Cruise tourism is a luxury form of travel. Mediterranean area continues to be the dominant area for Europe. In relation to cruise ships, ports can act as "home port" or "port of call". Port of Saranda is a "port of call". The last seven years have been made in this port more investments to create infrastructure suitable for its operation as a "port of call". Through descriptive and comparative analysis, using existing statistical data from the official secondary sources obtained by JSC the Port of Saranda, we have reached the conclusion that the Port of Saranda is a "port of call" in its initial stages, which must constantly be adapted to the growing demands of the global cruise industry.

Keywords: Tourism, Cruise Industry, Port of Call, Port of Saranda, Albania

INTRODUCTION

Tourism is vital to many countries of the world due to the economic benefits generated not only as a result of the consumption of goods by the tourists but also from the revenue received from taxes imposed upon various businesses engaged in this industry or other tourism-related businesses. It also creates opportunities for employment and economic development.

"Cruise tourism is a luxurious type of voyage, including an all-inclusive holiday on a cruise ship at least for 48 hours, following an established itinerary, in which the cruise ship makes a call at several ports or cities" (Cruise Tourism, 2012).

Every day, hundreds of cruise ships sail the seas, including not only smaller river cruises but also huge ocean liners with more than three thousand passenger. These large ships feature amenities which keep the travellers entertained, like jacuzzis, swimming pools, casinos, night clubs, gyms, saunas, shops, cinemas, bars etc. During the last several years, luxury cruising has experienced a major increase in the number of passengers as well as in that of destinations being offered. The demand to travel these last 5 years has grown by 20.5%. In 2017 alone the number of passengers was 13.11 million from North America and 6.96million from Europe. This increase means a higher demand for cruise ships (CLIA, January 2018).

Luxury cruising is multifarious and includes pleasure voyages at sea. Today's market is characterised by an increase in the number of new destinations, expansion of the activities offered on board, new ships with greater capacity, and further destinations all over the world. *Today it is called the market of leisure travel.* The luxury cruise industry makes substantial contributions to the world economy. According to Cruise Lines International Association (CLIA), the number of passengers who have travelled in cruise ships in the world in 2017 compared with 2010 has grown by 28.6%. In 2017 the global economic impact of this industry was: 1,108,677 employed, 45.6billion \$US in salaries paid, 103.83\$ in average per-passenger expenses. The total global economic impact for the year 2017 was 134billion \$ US (CLIA, 2018).

During the last several years, the routes have been diversified and expanded on a global scale. Due to the huge growth in this industry, there is now a wider choice of destinations in the world of cruising and the number of routes has grown exponentially. The most sought-after region for cruises is North America, with the Caribbean occupying first place. The second most popular destination is Europe. The majority of European routes are centered around the Mediterranean, but the fastest grown options in this market segment involve the routes in the Baltic sea. As a result of this increase in demand, the usual routes are becoming over saturated, forcing the different companies to look for new destinations. Luxury tourism is gradually taking over Europe. A growing number of new destinations is a reality. Cruising has the potential to reach even the remotest destinations thus removing them from the "map of 'undiscovered gems'".

Luxury tourism is an instrument which helps the development of peripheral areas. European passengers prefer the Mediterranean three times as much as they do all other

destinations. The Albanian port cities also stand to benefit from this tendency by serving as “ports of call”, as we will see with the port that is the object of our study.

The role of the cruise industry in the tourist destinations where the cruises make a temporary call has been treated by various authors: Pavlic.I (2013) analyses the number of passengers aboard the cruises in Dubrovnik, with the aim of predicting their number for the coming 5-year period, so as to compute the potential consequences and the need for a better management: both to satisfy the demands of the cruise ship passengers but also to improve the standard of living of the local people.

Brida. J.G. and Zapata. S. (2010) talk about the evolution of the global cruise industry and analyse the impact of this industry in various destinations. They also describe various activities related to the cruise ships to identify the costs and benefits of the actors of the local economies.

For Dwyer, L., et al. (2004), computing the economic impact of the stop which a cruise ship makes is not an easy task. It must be taken into consideration whether it is a “home port” or a “port of call”, and if the infrastructure meets the demands of the passengers. The authors estimate the the costs of travelling using the data related to Cairns in Far North Queensland. Their model serves to evaluate the economic impacts of tourism in a port of call.

Seidl, A., et al (2006) view luxury cruising as an engine of the economic development in Costa Rica.

Diakomihalis, M. N., et al (2009) analyze the benefits and contributions that the shipping business can bring to local economies, studying the case for some islands in Greece. They point to the result that the shipping sector has a great economic impact on local economies.

For Castillo-Manzano, J.I., et al (2014), analyzing the capacity of ports in the Spanish region, conclude that the factors affecting the growth of navigational traffic are; the location of ports close to populated areas near airports, tourist ferry ports should be separated from the ports of commodity processing, the special infrastructure for the processing of tourist ferries.

Data about the region and the port of Saranda

Saranda is a town with more than 2000 years of history, situated in the southern part of the Albanian coastline, famous within Albania and in Europe for its cultural and archaeological heritage. It is situated around a natural harbor in the Ionian Sea in the central Mediterranean, about 14 km (8.7 mi) east of the north end of the Greek island of Corfu. It is bound by the Ionian Sea on the west. It has a typical Mediterranean climate. It offers the domestic and foreign visitors a spectacular view of blue waters. Near Saranda are the remains of the ancient city of Butrint, a UNESCO World Heritage site, which is visited by a lot of tourists annually and

generates lot of substantial revenue. The climate, beaches, museums, and World Heritage designated sites nearby (including Gjirokaster) make the region of Sarande very attractive to tourists. The Port of Saranda is one of the 4 ports offering passenger transport to and from Albania. The distinguishing characteristics of the Port of Saranda are:

- ✓ It has a direct connection to the Ionian sea. It is in close proximity to international shipping lanes. This constitutes a great advantage, as it is easy for cruise ships to make a call here while en route to various international destinations.
- ✓ It is conveniently situated in the Bay of Saranda, thus being naturally well-protected.
- ✓ It is also situated, near the inhabited centre of the town.
- ✓ It is connected by road to the ancient city of Gjirokaster, Butrint and Foinike. These cities are situated very near the port, enabling the tourists to spend a few hours exploring away from the coast.
- ✓ There is also a direct connection between the Port of Saranda and the Port of Corfu.
- ✓ It is considered a “clean port”, because the loading and unloading of shipped goods is handled at another location.

Evaluation of the available infrastructure and facilities

Saranda is a port town marina which enjoys geographical as well as infrastructural advantages. It has two ports one for passengers and one for goods. It has experienced a strong growth in the number of tourists coming in cruise ships following the expansion and renovation of its port. The development of cruise ship-related tourism in Saranda requires further investments in its port facilities. At the same time, such an investment will affect revenues, because an increase in tourism means more money spent by tourists which leads to an increase in revenues generated by tourism. The passengers travelling in these cruise ships usually belong to high socio-economic strata, therefore their expectations on shore are more sophisticated and require more than just the bare necessities in terms of infrastructure and facilities. It is important to understand that while international ports have a much older history and are better equipped to cater to the needs of the cruise industry, the Albanian cruise industry is still in its infancy. For this reason, the development of infrastructure in Albanian ports should precede the growing demands of this industry for new destinations. A lot of investments have been done in the Port of Saranda to adapt the existing ailing infrastructure to the needs of cruise ship tourism. In 2012 the World Bank completed a \$ 4.6 million investment as part of “The Integrated Management and Coastal Cleanup” project worth \$ 35.16 million (Speech by Minister Gjermeni, 2015). Through this investment the Port of Saranda was transformed with the completion of a new terminal dedicated to passengers and large ships. This investment increased the quality of the

service and the handling capacity for foreign tourists. According to the project the existing quay was extended from 40m to 180 m, the sea depth was increased from 5m to 9m and the passenger handling facility now covers a surface area of 2.000m².

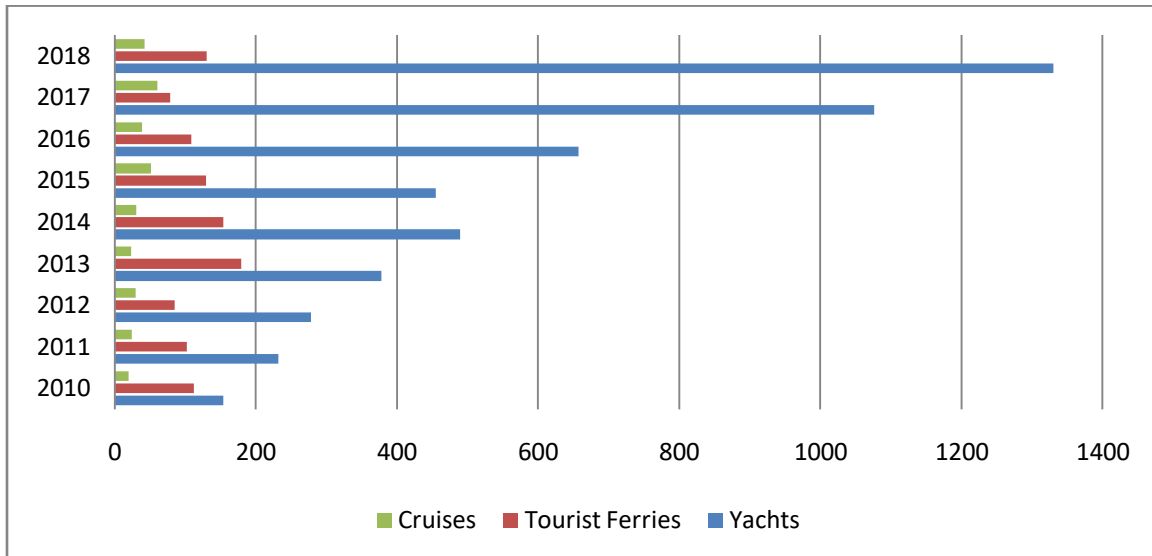
Despite this investment, the port of Saranda, with its existing infrastructure cannot meet the demands of the growing luxury cruise industry. The port facilities do not meet the basic standards a terminal is expected to have. In fact, compared with the global standards, the Port of Saranda lacks: A Gangway, Tourist Information Centre, Lockers, Internet Café/ Communication Centre, Duty free shop / Souvenir, Coach transfers or a shuttle bus, Domestic Airport or even a Health Clinic. In the town of Saranda there are two functioning Tourist Information Centres, which are situated outside of the Port territory. Travel agencies found very near the port territory perform their function. The port also lacks a Gangway, which enables the passengers to alight from the ship to the terminal. This is a source of concern for some older tourists especially the ones who are advanced in years who actually constitute a large percentage of the total number of the visitors to the port . The cruise ship passengers, in their stops at the various ports of call, prefer to buy unique gifts that are locally produced. The Port of Saranda does not have any such shops. However, there are souvenir shops outside of the port territory, near the main entrance to the port.

This lack of infrastructure has necessitated the building of a new terminal in line with international standards to be able to adapt to the needs of the projected tourist trade. In 2016 a new terminal was built which was financed by the JSC,Port of Saranda and brought an increase in the quality of customer service (Port of Saranda. JSC. 2018).

The Port of Saranda as “port-of-call”

In the cruise tourism industry we distinguish between two types of ports: “home-ports” and “ports-of call”. **Home port:** Port from which a cruise ship loads passengers and begins its itinerary, and to which it returns to disembark passengers upon conclusion of voyage. Sometimes referred to as "embarkation port" and "turn around port." **Port-of-call:** Port at which cruise ship makes a stop along its itinerary. Calls may range from five to 24 hours. Sometimes referred to as "transit port" and "destination port" (<http://www.maritime-technology.org/file/Maritime%20Terminology.pdf>). Being treated as a “port of call”, the Port of Saranda has become an important international destination. During the period 2010-2018 in the Port of Saranda have made their prohibition 1075 tourist ferries, 316 cruisers and 5046 yachts. Their number has been rising in all (Figure 1).

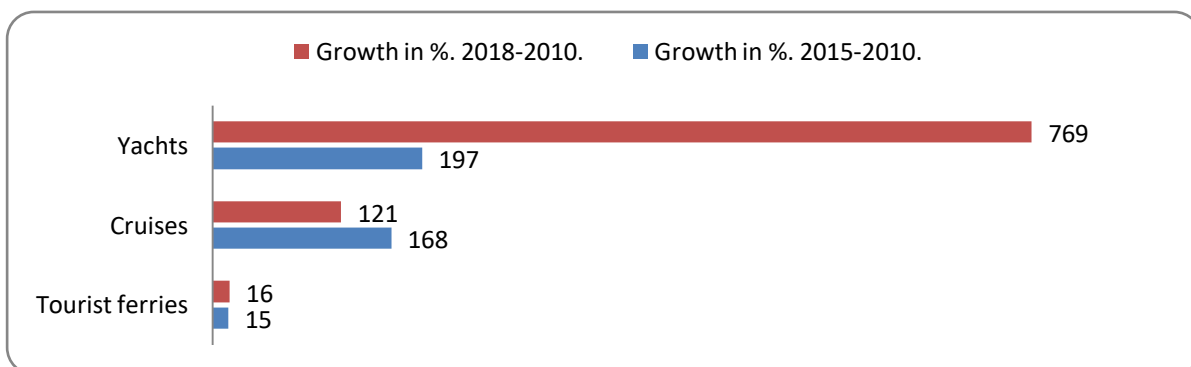
Figure 1: Tourist ferries, cruisers and yachts, processed at the Port of Saranda



Source: Port of Saranda. JSC. January, 2019

In 2015 compared with 2010, the number of tourist ferry has increased by 15%, the number of cruisers has increased 168% and the number of yachts has increased by 197%, while compared with 2018 by 2010, we have the following results: the number of tourist ferries has increased by 16%, the number of cruises has increased by 121% and the number of yachts has increased by 769%. (Graph 2) It should be noted that this large increase in the number of yachts that visit the Port of Saranda has another reason. Since 2016 in the ports of Saranda is offered bunkering service. The Bunkering Service - is the act or process of supplying a vessel with fuel. In 2016 and 2017, yachts that received bunkering service were respectively 12% and 35% of the total number of yachts that visited the Saranda region.

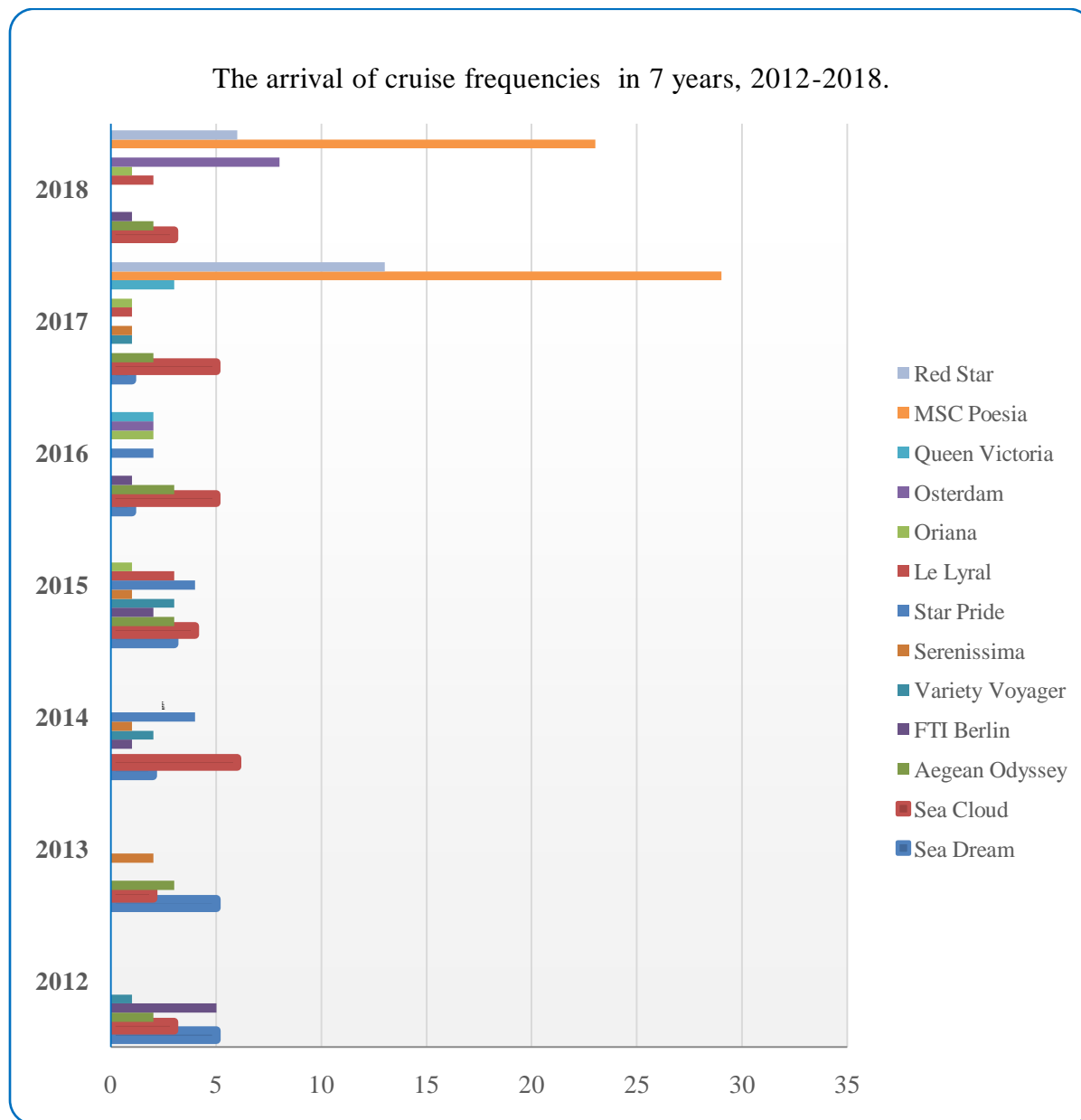
Figure 2: Change in the number of vessels in 2015 compared with 2010 and in 2018 compared with 2010.



Source: Own compilation based on data from the Port of Saranda. JSC. January, 2019.

From March to October the port of Saranda, in these last 7 years, has been "port of call" for 64 cruisers of various sizes.(Graph 3) Some of them stayed at the roads and some on the quay. Cause that some cruisers have stayed at the roads is the lack of infrastructure. Cruises like, MSC Poesia, Queen Victoria, Osterdam, Oriana, arecruises, which even during 2018 have stayed in roads, because of their size. This has its own negative impacts on the port and the community.

Figure 3: The arrival of cruise frequencies in 7 years, 2012-2018



Source: Port of Saranda. JSC. January, 2019.

As seen from the above data, tourism Cruise is getting a foothold quite appropriate also in the ports of the city of Saranda and if all stakeholders will be able to cooperate, then the economic development of this city in particular and our country in general. It would be safe.

CONCLUSIONS

- Developments of recent years have resulted industries of cruisers that cruise lines require as many new ports.
- Ports for cruise ships might need more than the cruise lines need them.
- To adapt to these rhythm, ports continue building new piers and terminals to attract cruise ships that they come back.
- Extension of quay of the port of Saranda in 2012 led to an increase in the number of cruisers who visited the region of Saranda.
- The port of Saranda is in its initial phase as a port of call. He must constantly be adapted to the growing demands of the global cruise industry, to bring regional economic benefits.
- In Albania and in particular the city of Saranda, tourism is one of the life-giving activities, distinguish between which Cruise tourism which although located in its initial phase, we judge it as an opportunity for further economic development of this city.

FURTHER STUDIES

Current study was focused on economic effects of tourism on macroeconomic indicators. In the future, further studies shall focus on the positive and negative effects of the cruise industry in the economy of the Saranda Region, Albania.

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