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УНИВЕРСИТЕТ НА ТИРАНА, АЛБАНИЯ

ПОТЕНЦИАЛНИТЕ ВЪЗМОЖНОСТИ НА РЕГИОН КОРЧА (АЛБАНИЯ) И НА СЕКТОРИТЕ, КОИТО МОГАТ ДА БЪДАТ ЕФЕКТИВНИ ЗА УВЕЛИЧАВАНЕ НА КОНКУРЕНТОСПОСОБНОСТТА В СТРАНАТА. РЕГИОНАЛНА МАРКА

POTENTIALS OF KORCA REGION (ALBANIA) AND SECTORS WHICH CAN MAKE EFFECTIVE FOR INCREASING THE COMPETITIVENESS IN COUNTRY. REGIONAL BRAND

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Abstract: The essence of this survey was to present the potentials of Korca Region through an analysis based upon the collected data and their interpretation which could show the way how competitive advantages are achieved. Each area or Region could have its advantages, but these unique values should be promoted in a clearer way. Using the Regional Brand or Regional Logo is a way to do this. The survey brought these conclusions:

1. Agriculture as priority sector in the Region was greatly developed, especially the fruit growing sector which tends to a greater development in the future.

2- Farmers' initiatives and interests on fruit growing sector supported from the Government policies made this sector one of the most important where competitive advantages could be achieved.

3- Sustainable economic development in the Region is achieved through cooperation between public and private institutions and such initiatives like that of using Regional Brand is a good example.

Key words: Region, agro-business, potentials, brand, logo, marketing, competitiveness.

INTRODUCTION

The main objectives in realizing this survey were:

1- To show the potentials of Korca Region and the way how the competitive advantages can be achieved relying on these potentials.

2- To show the development of agriculture sector in this Region, focusing on fruit-growing sector.

3- To show the Promotion of Region's potentials through the Regional Brand which will serve not only as a Logo but as a guaranty in products' quality as well. The previous studies such as drafting the Regional Development Strategy of Korca Region compiled by the Regional Council

and supported from other organizations like GTZ and SNV, considered agriculture among many other sectors. Their data and statistical interpretations were used in this study.

The reasons of undertaking such study and its importance are related to the fact that:

1- Agriculture in Korca Region is one of the most essential sectors of its development as well as one of the priorities of Government policies.

2- During the last years, agriculture in the Region is greatly developed as it is obvious from the increasing areas planted especially with fruit trees.

3- Revealing the Region's potentials and their promotion with such means like Regional Brand, these could serve as incentive for other regions in the country to identify their unique values through using logos or brands as guarantee signs for their products.

MATERIALS AND METHODS

A general view on Korca Region.

Korca Region is one of the biggest and more developed areas in Albania. It is distinguished for its high development in the economic and commercial aspect as well as for its cultural and educational values. As far as geographical position is concerned, Korca Region is situated in an area of about 3697 km² taking the second place in Republic from its size. It is situated in the southeastern part of Albania, bordering the Elbasan Region and FYROM to the North, Berat Region to the West, Greek Republic to the East and Gjirokastra Region to the South. It is clear that Korca Region has a very favorable geographical position as it connects to an EU country (Greece) which enables it to have optimal exchanges with Macedonian Republic too.

Korca Region is 850 m high above the sea level and in the middle of it is situated the down of Korca surrounded from mountains and hills. Climate is continental thus suitable for the development of mountain tourism and the cultivation of some agricultural products (fruit tress) that this Region is well-known about. Richness is also its flora and fauna, rivers and lakes where we could mention Ohrid Lake, small and great Prespa, Devolli River, etc. Korca Region is rich in underground resources of metal and non-metal kind.

Main sectors of business development in the Region.

Traditionally, Korca Region has been dominated from agriculture, stock breeding and fishing. Agriculture provides 32 % of general production on regional level and it is thought to be the main sector in the coming years. During last years, the area planted with fruit trees and vegetables has increased considerably. There has been an increase in the stock breeding aspect but

areas planted with industrial varieties are reduced. Their reduction is because of closing the processing industries and beginning to compete the foreign market. Garment industry constitutes 31% of the regional economy; there are employed 4500-5000 workers, females mainly. The majority of joint companies that operate in this sector are Greek-Albanian. An important role plays the construction sector with 35 operating companies. This sector is a great potential for economic growth. Thanks the tourist potentials of the Region and infrastructure development, tourism takes an important place too. Agro-processing sector is an important one especially in meat processing, dairy products, alcoholic and soft drinks too.

RESULTS AND ARGUMENTS

Agricultural potentials in achieving competitive advantages.

As mentioned above, the agricultural sector is one of the most important in the regional economy. This is obvious from the fact that agriculture provides 32% of the incomes and on National level (according the Global Competitiveness Report 2008) the agricultural contribution as a percentage of GDP is 22.8%. Concerning the land structure, Korca Region is the second classified (having 91191 ha land) after Fieri Region. Considering the climatic conditions, Korca Region has the possibility to cultivate the field crops such as wheat, maize, rye, oats, barley, tobacco, etc which have high productivity compared with other regions of the Republic especially in wheat, rye and fodder. Fruit growing sector is greatly developed in the course of last years and the results are very satisfactory. Concerning to that, an important role played the stimulating policies from the Government in supporting the farmers with grants in agriculture and stock breeding. The effect of these policies reflected the increased number of fruit trees and their production. Based on the data taken from the Statistical Year-Book 2007, Korca Region has the greatest number of fruit-trees 2232 in the whole Republic, and its production reaches 28331 tones. From here, we draw the

conclusion that, the potentials Korca region possesses supported even from the stimulating Governmental policies, have raised the interest of farmers of the Region to increase the planted areas which latter affected the increase of their incomes. In return, this means improvement of living standards and development of Region's economy. Thus, in Korca Region during 2007-2008, has been an increase of the planted areas with fruit trees and vineyards about 800 ha. Moreover, the sales of agricultural and stock breeding products during 3 last years is 2-3 folded which affected the family incomes of the farmers in 60-70% compared with 2005.

The analyses done only for the Korca Country considers the production in tones of fruit trees for a relatively long period in 1990-2007 and the forecast for 2008. The estimation of Index of Production amount is

done by considering the previous period. From the estimations, it resulted that the Index of Production amount has increased in the course of years. 2007 compared with 2000 has the highest index 325.9%, and the increase in percentage is 25.9%. The Index of Production amount for 2007-2008 is 105.9%, while the increase percentage is not displayed on the chart for confusion reasons, as in this case only a 1-year period is taken into account, not 5-years period as in previous cases. During 2008 there is an increase of production amount, but it should be considered the fact that the highest number of fruit trees planted will produce the third or the fourth year after being planted. The data on fruit trees production (in tones) are given on the table 1, the Index of Production amount for the previous period on Table 2 and the product progress in % on Chart 1.

Table 1. Production of fruit trees for Korça Region (in tons).

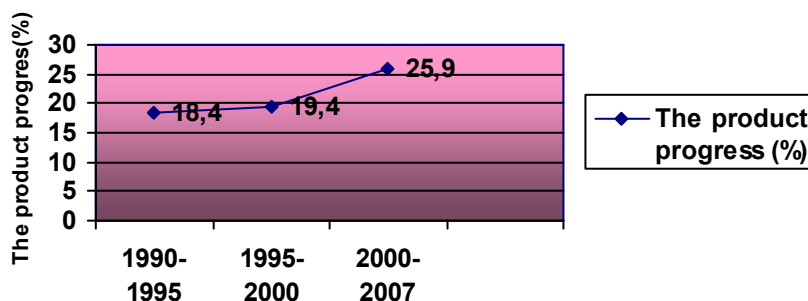
Year	1990	1995	2000	2007	Forecast for 2008
Production (in tons)	3800	4500	5377	19356	20500

Source :Directory of Agriculture,Food and Consumer Protection Korçë.

Table 2.The Index of Production amount for the previous period.

Year	1995-1990	2000-1995	2000-2007	Forecast 2008-2007
Index of Production amount for the previous period	118.4	119.48	359.9	105.9

Graph 1:The product progress on fruit trees in Korca Region in %

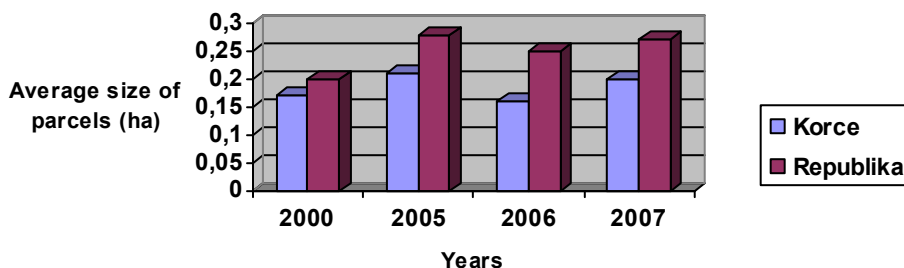


In order to have high productivity, the introduction of new technologies and agricultural mechanics play an important role. In this aspect too, the stimulating policies are important to assist and support the farmers. In Korca region for the year 2008 were supported and benefited 190 farmers for a 142.5 ha area, of which 132 ha with fruit trees and 10.5 ha with vineyards spending thus the whole fund granted of about 50 million Lek. Introducing new technologies like the one of watering system with drops in the orchards is an advantage for achieving good results. It is a fact that the competitiveness from the imported products is high, and even the domestic products cannot meet the market demands during the whole year. Thus, the

farmers are realizing that increasing the areas planted and introducing new technologies are the only ways for facing the competitiveness and providing higher incomes. In Korca Region are applied watering systems with drops from the simplest to the electronic ones as in Mollaj commune in a 10 ha area with fruit trees owned by a farmer.

Although, introducing new technologies and agricultural mechanics is difficult to be performed in small areas. It is a fact that the land fragmentation created smaller plots where is difficult to use mechanized means. Chart 2 gives some data on average size of plots in Korça Region and on national level for the period 2000-2007.

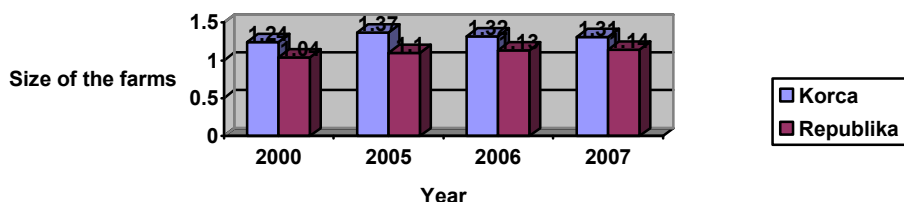
Chart 2: Average size of parcels in Korca Region (ha)



In analyzing the data of the chart we can see that the size of plots in Korça Region and on national level was greater in 2005; in 2006 in Korça Region there was a reduction and again in 2007 there was an increase. The same reasoning is valid for the other indicator: the size of the farm in hectares. Data are shown on Chart 3.

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Chart 3: Size of the farms (in ha)



For the year 2005 compared with 2000 there is an increase with 0.13 ha, but this

did not happen further and in 2007 it was lower than in 2006 respectively in 1.31ha

and 1.32ha. In more detailed analyses about the fruit tree growing sector, we could draw some conclusions. The highest percentage 52.5% is taken from the farms with an area up to 1 dyn, 39.3% the farms

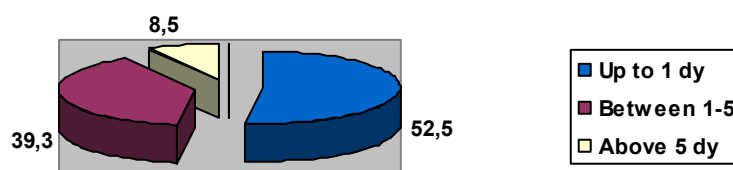
between 1-5 dyn area, while the lowest percentage 8.5 % is taken from the farms above 5 dyn. The results are shown in Table 3 and Chart 4.

Table 3: Number and the surface of farms with fruit trees in Korca Region.

Nr	Description	Farms with fruit trees	Furit trees dyn			
			Total up to 1dy between above 1-5 dy 5 dy			
1.	Number	12265	9447	4969	3670	808
2.	Surface (ha)	3257	2427	998	1009.53	419.8

Source: Directory of Agriculture, Food and Consumer Protection Korçë 2007.

Chart 4: Number of farms with fruit trees according to surface



Efforts of farmers to establish big farms as the case in Mollaj commune show the efficiency the farmers has in investing in big farms and in the same time the assistance provided from the Government in such cases.

Of the whole frame we can draw an important conclusion that in Korca Region the farmers' initiatives, their interest on fruit growing sector and the support provided from governmental policies about applying modern technologies made this sector one of the most important where could be

achieved competitive advantages. In this case becomes apparent once more the importance of governmental policymaking to support the development in special sectors of agriculture (as in fruit growing case). An important element in achieving good results is using mechanized means in order to have high productivity. Compared with other regions, Korça Region takes the third place after Fier and Elbasan Region in using agricultural mechanized means. Data compared with other regions are shown on Table 4.

Table 4: Korça compared with other regions in using agricultural mechanized.

Region	Weels	Seeder	Cultived
Korça	789	385	650
Fier	2034	1065	929
Elbasan	805	308	388

Source Statistical Yearbook 2007.

As far as agro-processing industry is concerned, in Korca region the number of enterprises since 2005 to 2007 is reduced

along with investments in this sector. Data are shown on Table 5.

Table 5: Number of enterprises and investment in food industry in(000 lek), Korça Region.

Year	2000	2005	2006	2007
Number of enterprises	199	216	196	166
Investment in food industry	140935	391884	373158	153817

Source Statistical Yearbook 2007.

Regional Brand. Promotion of Regional Potentials

One of the ways in achieving competitive advantages is to establish the identity or the unique image of the region, thus the story the Region tells for itself. Korça Region as mentioned above is reputed for many agricultural products among the many are apples, onions, beans, medicinal herbs, etc. This reputation is established thanks to specific potentials related to productive land, products produced without stimulants, production tradition, etc. However, besides the strengths, there are even weaknesses related to the lack of a logo which would accompany the products, the marketing and packaging problems. Through promotion, business tells about itself and is heard from the others. Promotion aims to inform, persuade and remind. In order to realize these functions, there can be used several forms such as trade fairs, catalogs, events for promoting products, etc. In Korça Region, besides using these above-mentioned forms, promotion is applied through the Regional Brand. If we would have a look to the past, branding is a process that began since mediaeval period and the signs put on products and services aimed to make these ones distinguishable to those of the competitors and made them

serve as quality standards. In this aspect, a Regional Brand is more than a Logo or a distinctive sign; it a registered brand from the Chamber of Commerce and Industry. Using this brand from businesses and they are a few who use it (honey producers and meat processors) not only identifies their production, but it is a guarantee for a sustainable quality of their products. This guarantee is ensured from the Chamber of Commerce and Industry or other controlling mechanisms.

Using the Regional Brand for typical regional products such as fruits and specifically apples or fresh vegetables or raki with typical kind of regional grape, not only identifies better the potentials of Korça region but it serves as well as a guarantee to these products.

In this way, the regional economy is affected further, the social cooperation is strengthened, the regional products and services have added values and the last but not the least a sustainable development is provided. This could serve as an impulse in attracting new investors and funds. Cooperation between public and private institutions, creating a clear vision and the supporting governmental policies would provide the competitive advantages and a better promotion to its values

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