



THE COVID-19 PANDEMIC AND INTERNATIONAL TOURISM: THE CASE OF THE BALKAN COUNTRIES

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Abstract: The COVID-19 pandemic has brought numerous challenges to almost all sectors of the economy. Tourism, especially international tourism, was one of the most affected sectors. Data show that no crisis in the contemporary development of tourism has had such pronounced negative effects on international tourism as the crisis caused by the coronavirus. Although all countries in the world have faced this unexpected challenge, the repercussions may differ to some extent from country to country. The subject of this paper is the analysis of the impact of the COVID-19 pandemic on international tourism in the Balkan countries. The aim is to assess the intensity of this impact by monitoring the indicators of international tourism in the year before the crisis and in its first year in selected countries, as well as to compare their position. The comparative and cluster analysis methods have been applied. The results of the research provide an overview of the Balkan countries' position in the international tourism market in regular and crisis circumstances, and an assessment of their greater or lesser success in overcoming the negative effects of the COVID-19 pandemic on international tourism.

Keywords: international tourism; COVID-19; Balkan countries.

JEL: Z30, Z32

Introduction

During the modern period of its development, international tourism has periodically been affected by crises whose causes were of an economic or non-economic nature. However, none of those crises had such intense negative consequences on international tourism as the one caused by the COVID-19 pandemic. This crisis had unprecedented devastating effects on the tourism sector, incomparable to previous crises (Nagaj & Žuromskaitė, 2021). The virus led to the necessity of limiting contact between people. As tourism activities require the interaction of tourists with the local population and with each other, it stood out as one of the most affected sectors. In addition, the specificity of the crisis was reflected in the restriction of people's movement. The reasons were both of a subjective nature, i.e. the fear of individuals for their health safety and security, and of an objective nature, i.e. due to numerous restrictions that were introduced to prevent the spread of the virus, such as quarantine and closing national borders. Since tourism is based on the movement of people, it is logical that it was one of the most affected activities during the COVID-19 pandemic, especially international tourism.

In addition to the huge interest of the scientific public in studying the impact of COVID-19 on tourism, a smaller share of that research is exclusively focused on international tourism, especially in the

context of cross-country comparisons. Bearing this in mind, the paper attempts to compare the impact of the pandemic on international tourism in selected Balkan countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, North Macedonia, Romania, and Serbia). The aim is to assess this impact by monitoring the indicators of international tourism in the year before the crisis and in its first year, as well as to compare the position of the selected countries in the international tourism market.

Literature Review

In addition to the numerous challenges that the COVID-19 pandemic brought to the tourism sector, certain problems were particularly pronounced in international tourism. In the context of the latter, a special limiting factor was the suspension of international flights and the reduction of the number of passengers on the plane in order to protect them from the virus, especially in the initial months of the crisis, which led to a drastic decrease in both the number of flights on a global scale and the number of passengers (Haryanto, 2020). Also, travel and tourism are characterized as potentially dangerous activities that contribute to the spread of the virus. In this sense, one group of authors focused their research on studying and confirming the positive relationship between international tourism and cases of COVID-19 (Farzanegan et al., 2021). Moosa and Khatatbeh (2021) find that international tourist arrivals are the most significant determinant of the severity of COVID-19. Additionally, the fact that the most popular global tourist destinations around the world were the countries with the highest COVID-19 confirmed cases was observed (Kumar & Nafi, 2020). “Among the twelve more affected countries, 8 belong to the top 10 destinations, 6 to the top 10 world tourism earners and 8 to the top 10 world tourism spenders” (UNWTO, 2020, p. 15).

Along with the understanding of the negative dimensions and effects of the crisis on international tourism, the scientific public's interest in studying different aspects of the crisis has also grown. Certain studies are focused on the impact of the COVID-19 outbreak on international tourism globally, by region, or by individual countries. In her research on the coronavirus's impact, Kumudumali (2020) focused on all countries in the world and on their challenges and recovery strategies, and concluded that the crisis hit the tourism sector hard. Harchandani and Shome (2021), investigating the impact of the COVID-19 pandemic on tourism in global regions, established that the Asia-Pacific region was the most affected by the crisis, followed by the Middle East. The tourism of the Balkan countries was also the subject of research from a macro perspective, in the context of examining the extent of the crisis's impact and the recovery strategies (Miljković, 2021; Nientied & Shutina, 2020; Pagria, Risilia & Sula, 2022), and from a micro perspective, in the context of studying the attitudes and behaviour of tourists and their intentions in the new circumstances (Jovičić Vuković et al., 2022).

There are also studies on individual Balkan countries. Alshiqi and Sahiti (2022) and Leka (2020) systematized the gravity of the pandemic's impact on tourism in Albania, while Mitaj and Muco (2021) did so in the context of the option for sustainable recovery. Analyzing foreign arrivals and overnight stays in Bosnia and Herzegovina, Imeri and Gil-Alana (2022) came to the conclusion that the COVID-19 pandemic had led to increasing the level of persistence and decreasing the impact of seasonality in both observed variables. The persistence of Croatian tourism, the role of crisis management, tourist arrivals, or the economic effects on tourism in the conditions of COVID-19 are the subject of other studies (Payne, Gil-Alana & Mervar, 2020; Mikac & Kravaršćan, 2021; Gričar, Šugar & Baldigara, 2022; Payne et al., 2022; Kovačević, 2020). Marinov and Todorova (2020) investigated the impact of the COVID-19 pandemic on Bulgaria's tourism sector in general, while Varadzhakova and Mendoza (2020) focused on the competitiveness of tourism in pandemic conditions. Some authors deal with tourist traffic, the persistence of and future challenges to tourism in North Macedonia, brought by the disease (Zakoski, 2021; Imeri & Gil-Alana, 2022a). Montenegro is also subjected to analysis in terms of the post-pandemic development of tourism (Ratković, Tečević & Jablan, 2021). In the case of Romania, there are macrostudies on the effects of the COVID-19 pandemic on international tourist arrivals and tourist flows (Popescu, 2021; Aivaz & Micu, 2021). Research in Serbia focuses on consumer behaviour (Mandarić, Sekulić & Davidson, 2022) or on the impact of the COVID-19 pandemic on certain forms of tourism, such as rural tourism (Cvijanović, Pantović & Đorđević, 2021; Batričević & Stanković, 2021).

Data and Methodology

In accordance with the defined subject and aim of the research, the paper starts from the hypothesis that the negative impact of the COVID-19 pandemic on international tourism in the Balkan countries had relatively equal intensity, and that it did not lead to a change in their position on the international tourism market. Data from the World Bank on indicators of the development of international tourism for 2019 and 2020 are used in the research, and comparative and cluster analyses are applied. First, a comparative overview is provided of the analyzed indicators in selected Balkan countries in the year before the COVID crisis (2019) and in its first year (2020). After that, the cluster analysis is used to classify the Balkan countries according to the indicators in 2019 and 2020, with the aim of assessing the position of the Balkan countries in international tourism, as well as the change in their position under the influence of the pandemic.

Research Results and Discussions

A) Comparative Overview of Indicators of International Tourism

Table 1 gives a separate presentation of indicators of the development of international tourism in selected Balkan countries in 2019 and 2020.

Table. 1. International tourism indicators in the Balkan countries (2019 and 2020)

Country	International tourism receipts (% of total exports)	International tourism receipts (million US\$)	International tourism receipts for passenger transport items (million US\$)	International tourism receipts for travel items (million US\$)	International tourism expend. (% of total imports)	International tourism expenditures (million US\$)	Expenditures for passenger transport items (million US\$)	Expenditures for travel items (million US\$)	Number of arrivals
2019									
Albania	50.97	2,458	129	2,329	26.74	1,852	82	1,770	6,406,000
Bosnia and Herzegovina	14.94	1,225	52	1,173	3.52	393	108	285	1,198,000
Bulgaria	10.97	4,832	545	4,287	5.25	2,196	371	1,825	12,552,000
Croatia	38.00	11,974	221	11,753	5.70	1,811	47	1,764	60,021,000
Montenegro	52.64	1,276	52	1,224	1.99	72	14	58	2,510,000
North Macedonia	5.14	401	50	396	3.14	302	20	282	758,000
Romania	4.20	4,240	668	3,572	6.45	7,172	1,176	5,996	12,815,000
Serbia	7.65	2,000	396	1,604	6.39	2,000	194	1,806	1,847,000
2020									
Albania	35.92	1,243	109	1,134	14.19	805	42	763	2,658,000
Bosnia and Herzegovina	6.31	438	12	426	1.68	163	51	112	197,000
Bulgaria	4.53	1,792	156	1,636	3.31	1,263	215	1,048	4,973,000
Croatia	23.46	5,631	63	5,568	2.82	7,896	14	7,882	21,608,000
Montenegro	14.42	180	14	166	1.30	38	8	30	351,000
North Macedonia	3.52	253	1	252	1.74	153	6	147	118,000
Romania	1.73	1,611	178	1,433	3.34	3,472	450	3,022	5,023,000
Serbia	5.58	1,422	177	1,245	3.91	1,179	64	1,115	446,000

Source: The World Bank (2023). World Development Indicators, <https://databank.worldbank.org/source/world-development-indicators>

Based on the data for 2019, it can be concluded that Montenegro recorded the greatest importance of international tourism as an invisible export. Croatia was a more significant receptive destination, taking into account both international tourism receipts and the number of arrivals. At the same time, Croatia recorded the largest amount of international tourism receipts for travel items. The second greatest importance of international tourism as an invisible import was recorded in Albania. The highest amount of international tourism receipts for passenger transport items was recorded in Romania. Romania was also the most significant emotive destination, i.e. the largest consumer in international tourism, with the largest amount of international tourism expenditures in total and by category.

In 2020, the COVID-19 pandemic had a negative effect on all observed indicators in the Balkan countries. In addition to the decrease in the absolute amounts of certain indicators, i.e. income, consumption and the number of tourist arrivals, there was also a decrease in the importance of international tourism in the foreign trade exchange of countries. This once again confirms the fact that, although the pandemic affected all sectors of the economy, international tourism was particularly affected. Albania recorded the largest share of international tourism receipts in the country's exports this year. Croatia remained the most significant receptive country, with the largest amount of international tourism receipts and the largest number of tourist arrivals. Despite the significant decrease in consumption, Romania remained the largest consumer in international tourism among the analyzed Balkan countries in 2020.

B) Classification of the Balkan countries according to the international tourism indicators

In order to group the Balkan countries according to the analyzed indicators and to see the potential change in their position and role in the international tourism market under the influence of the COVID-19 pandemic, a cluster analysis was performed. The following tables present the results of this analysis.

Table 2 shows the final cluster centres, separated on the basis of the 2019 data. It can be concluded that Cluster 1 stands out as the cluster with the best performance (based on the values of the indicators shown in absolute amounts), followed by Cluster 3, while Cluster 2 is the one with the worst performance according to the indicators of international tourism.

Table. 2. Final Cluster Centers (2019)

Indicators	Cluster		
	1	2	3
International tourism receipts	38.00	26.27	7.59
(% of total exports)			
International tourism receipts (million US\$)	11,974	1,472	4,536
International tourism receipts for passenger transport items (million US\$)	221	136	607
International tourism receipts for travel items (million US\$)	11,753	1,345	3,929
International tourism expenditures (% of total imports)	5.70	8.36	5.85
International tourism expenditures (million US\$)	1,811	924	4,684
Expenditures for passenger transport items (million US\$)	47	84	774
Expenditures for travel items (million US\$)	1,764	840	3910
Number of arrivals	60,021,000	2,543,800	12,683,500

Source: Author

The membership of the countries to the identified clusters is shown in Table 3.

Table.3. Cluster Membership (2019)

Cluster	Country
1	Croatia

2	Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia
3	Bulgaria, Romania

Source: Author

Croatia is the only country that belongs to the first cluster, i.e. the one with the best performance. Cluster 3 as a cluster with moderate performance includes two countries: Bulgaria and Romania. Five out of a total of eight analyzed countries belong to Cluster 2, which is identified as the cluster with the worst performance when it comes to indicators of international tourism.

Table.4. Final Cluster Centers (2020)

Indicators	Cluster		
	1	2	3
International tourism receipts	23.46	7.46	14.06
(% of total exports)			
International tourism receipts (million US\$)	5,631	573	1,548
International tourism receipts for passenger transport items (million US\$)	63	51	147
International tourism receipts for travel items (million US\$)	5,568	522	1,401
International tourism expenditures (% of total imports)	2.82	2.16	6.95
International tourism expenditures (million US\$)	7,896	383	1,846
Expenditures for passenger transport items (million US\$)	14	32	235
Expenditures for travel items (million US\$)	7,882	351	1,611
Number of arrivals	21,608,000	278,000	4,218,000

Source: Author

Table 4 shows the final cluster centres for 2020. Also, Cluster 1 is identified as the cluster with the best performance, Cluster 3 as the cluster with moderate performance and Cluster 2 as the cluster with the worst performance when it comes to international tourism.

Table 5 shows the grouping of Balkan countries into identified clusters for 2020.

Table.5. Cluster Membership (2020)

Cluster	Country
1	Croatia
2	Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia
3	Albania, Bulgaria, Romania

Source: Author

Based on Table 5, it can be concluded that there was a very slight change in the relative position of the Balkan countries when it comes to the indicators of international tourism under the influence of the COVID-19 pandemic. Croatia remained the only country in the cluster with the best performance. Only Albania recorded a shift from the cluster with the worst performance (2) to the one with moderate performance (3) in 2020 compared to 2019. It should be noted that Albania occupied this position due to the retention of a relatively significant share of international tourism in the country's exports and imports in 2020, as well as to the lowest intensity of reduction of the international tourism receipts compared to almost all observed countries.

Conclusion

With the COVID-19 pandemic, international tourism experienced a crisis that had not been recorded before. The huge decline in tourist traffic was characteristic of all countries of the world. The Balkan countries were no exception. Data show a drastic reduction of international tourism receipts, international tourism expenditures and the number of tourist arrivals in all analyzed countries already in the first year of the crisis compared to the year before it. Also, the participation of tourism in the export and import of the observed countries decreased significantly. Although it can be said that there was a smaller or larger decrease in the value of the analyzed indicators of international tourism across countries, the decrease in all countries can be assessed as drastic. In order to determine the position of the Balkan countries in international tourism, a cluster analysis was carried out to group them into three clusters. It was conducted on the basis of the data for 2019 and 2020 separately in order to see the potential impact of the COVID-19 pandemic on the change in the relative position of the analyzed countries.

The results of the cluster analysis showed that Croatia was the leader within the analyzed group of countries in terms of international tourism; it was grouped in Cluster 1 as the cluster with the best performance according to 2019 and 2020 data. It was followed by the countries grouped in Cluster 3: Bulgaria and Romania (2019), and Bulgaria, Romania and Albania (2020). All other countries were grouped in Cluster 2 – the one with the worst performance. On this basis, it has been concluded that only Albania changed its position in the first year of the pandemic and moved to a cluster with better performance. This was primarily thanks to the relatively smaller reduction of international tourism receipts. Also, unlike other Balkan countries, Albania maintained a relatively high share of tourism in exports and imports. However, this may also be due to the decline in activity in other sectors of the economy. Bearing in mind the above, it can be concluded that the initial assumption of the research has been confirmed. The limitation of the latter is reflected in the analysis of only two years, the year before and the first year of the crisis. Future research can cover a wider period of time and trace the movement of international tourism indicators in the post-COVID period in order to assess the greater or lesser ability of countries to recover.

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