

The COVID-19 Pandemic Impact on the Tourist Turnover in the Republic of North Macedonia

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According to the United Nations World Tourism Organization (UNWTO), the international arrival of tourists in 2019 has reached the number of 1.5 million. Every 10th person in the world is employed in the tourist sector. According to the statistical data in the Republic of North Macedonia, the tourist turnover has been continuously on the rise year after year (State Statistical Office, 2019). The international tourism is especially “sensitive” to influences such as war conflicts, terrorism, natural disasters and catastrophes, as well as the spread of various diseases, to name a few. The impact of epidemics from contagious diseases on the international tourism is known from earlier, such as the cases of swine flu, bird flu, SARS, and others (Henderson, 2003). The COVID-19 pandemic declared by the World Health Organization (WHO) back in December 2019 (ongoing today) made the overall economies stagnant. The tourist sector has been especially affected as a result of the restricted travels causing a health concern. UNWTO foresees tourism decline of about 20-30% in 2020 compared to 2019 as a result of the COVID-19 crisis (<https://www.unwto.org>). This paper researches the question of what is the situation like in the tourist turnover in Macedonia in times of the COVID-19 pandemic. The tourist turnover was analyzed and compared in the period starting January concluding September 2020, with the same time range the year before, 2019. This paper used secondary sources of data through consulting the relevant literature in tourism and hospitality related to the COVID-19 pandemic.

Keywords: tourism, tourist turnover, pandemic

Introduction

Despite the positive social, cultural, and economic influences the tourism provides, it is quite “sensitive” to influences such as war conflicts, terrorism, natural disasters and catastrophes, as well as the spread of various diseases which result in restricting or preventing tourist travel (Dzambazovski & Metodievski, 2020). The COVID-19 crisis, emerging late 2019, made the WHO declare global pandemic—the spread of this virus all over the world incited restrictions in people’s movements and a change in people’s lifestyle, which, as a result—led to stagnation of the overall economies. Undoubtedly, the crisis will lead towards changes in the everyday living habits of people, as well as their habits of travelling (<https://tourismmacedonia.gov.mk>). Ever since the emerging of the crisis related to COVID-19 pandemics, we witnessed a number of international online meetings, conferences, and panel discussions directed towards developing appropriate measures and steps for successful management in the tourism and hospitality sector in the newly created environment.

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The Organization for Economic Cooperation and Development (OECD) organizes the measures taken by the countries in attempt to manage the COVID-19 crisis in three categories, as follows:

- People protection (tourists and employees in the tourist sector);
- Business-sector protection (viability of the tourist and hospitality companies through set of measures); and
- Sector politics (coordination of the tourist and hospitality sector and its recovery, promotion, etc.).

OECD emphasized 23 active recommendations divided in three key areas through its Committee for global crisis in tourism:

1. First key area: Crisis management and impact mitigation

The recommendations are directed towards maintaining workplaces, self-employed workers' support, securing liquidity, promotion of skills development, and reorganization of taxes and regulations related to travel and tourism. These recommendations are given out as a result of the prospects for a global economic recession with an impact on the tourism—thus putting into jeopardy millions of jobs, especially the ones of women and youth (as marginalized groups).

2. Second key area: Providing stimulus and recovery acceleration

This set of recommendations emphasizes the importance to provide financial stimulus, including favorable tax policies, revoking travel bans right after the approvals obtained from the health authorities, decreasing the procedures and liberation of the visa regime, strengthening the marketing efforts and consumers' trust—with an aim to accelerate recovery.

3. Third key area: Preparations for tomorrow

Stressing out the unique ability of tourism to grow locally and nationally, the recommendations ask to put an emphasis on the sustainable development of tourism and take over activities around the “lessons learned” from this crisis. It is, hereby, recommended that the Governments and private sector alike prepare plans for preparation and precaution from future crisis like this one (Dzambazovski & Metodievski, 2020).

Regarding the tourism and hospitality, the World Travel and Tourism Council (<https://wttc.org/en-gb/>) recommends the following to the Governments of the countries affected by the COVID-19 pandemic:

- Reduction of the travelling barriers and simplification of the procedures (visas and similar);
- Facilitated fiscal policies (reducing the travel taxes);
- Support for the business sector (tax exemptions); and
- Support for the destinations (increased promotion budget, development of tourist products, etc.).

Since the beginning of the COVID-19 crisis, the business sector in the Republic of North Macedonia held several meetings with representatives of the state institutions responsible for the tourism and hospitality industry. To successfully manage the crisis, the Coordinative Body for Tourism proposes a set of recommendations by sharing and implementing the ones proposed by WHO. The Tourism Fund has the means for direct support of this sector, but the same will be active upon this crisis ends, that is in the period of recovery. This Fund will represent an immediate support of the tourist sector.

With the goal to manage the consequences resulting from the health crisis, the Government of Republic of North Macedonia brought a set of preventative and economic measures. The tourist and hospitality sector are one of the most badly affected sectors by this pandemic caused by the COVID-19 crisis, which call for a set of specifically designed measures and support with an aim to preserve jobs, reaching companies' liquidity, and preventing financial debts. To encourage the domestic tourism in times of reduced economic activity caused by the health and economic crisis resulting from the COVID-19 pandemic, the Government of Republic of North

Macedonia adopted a Decree with legal force for issuing vouchers to low-income employees in order to incite the domestic tourism in times of emergency (Ministry of Economy, 2019). In order to ensure economic survival of the companies within the tourist and hospitality sector and maintain the supply-and-demand-balance on the labor market, it is necessary to adjust the set of measures, in addition to the conditions for their usage (especially in the part regulating the duration of the aid, the amount of loans that should achieve liquidity for the companies, exemption from taxes such as contributions and other encumbrances which could not be provided for without any economic activity). The effects of the decreased economic activities of the companies on the related public revenues, such as different taxes paid, should also be examined and adequate recovery measures proposed if necessary.

Research Methods

While working on this paper, different set of research methods and instruments were being used. To name a few: analysis of the content of the European and world studies related to crisis in tourism and recommendations from relevant institutions from the fields of tourism and health—regarding COVID-19; analysis of strategic documents and lawful regulations related to the tourist and hospitality activity in the country; analysis of statistical reports related to the tourist and hospitality activity in the country; cabinet analysis of relevant literature and Internet resources; etc. Using Internet resources enabled the collection of materials such as publications related to crisis in tourism and different measures taken by the countries worldwide to cope with the COVID-19 crisis in the sector of tourism and hospitality—these materials were later analyzed. Furthermore, data related to this sector were used from the State Statistics Office and some other domestic institutions.

Results

The tables below present the monthly range of January-September including data on the realized arrivals and overnight stays of tourists in the Republic of North Macedonia for 2019 and 2020. The data are used to assist in analyzing, comparing, and creating a graphic interpretation of the tourist turnover in the country for 2019 and 2020 (see Table 1 and 2 respectively).

Table 1

Monthly Statistics on Realized Arrivals and Overnight Stays of Tourists, January to September 2019

2019	Tourist arrivals			Overnight tourist stays		
	Total	Domestic	Foreign	Total	Domestic	Foreign
January	49,021	19,598	29,423	102,691	46,921	55,770
February	43,666	16,533	27,133	91,731	38,660	53,071
March	54,826	17,234	37,592	112,770	39,835	72,935
April	85,017	25,099	59,918	166,238	60,743	105,495
May	98,998	30,118	68,880	205,356	66,120	139,236
June	119,334	30,022	89,312	264,821	78,559	186,262
July	171,862	74,196	97,666	682,854	449,291	233,563
August	216,321	116,189	100,132	904,740	656,249	248,491
September	122,645	27,662	94,983	275,892	78,683	197,209
Total	961,690	356,651	605,039	2,807,093	1,515,061	1,292,032

Source: State Statistical Office (own analysis).

Table 2

Monthly Statistics on Realized Arrivals and Overnight Stays of Tourists, January to September 2020

2020	Tourist arrivals			Overnight tourist stays		
	Total	Domestic	Foreign	Total	Domestic	Foreign
January	55,266	19,787	35,479	109,733	47,611	62,122
February	47,288	17,565	29,723	94,883	39,026	55,857
March	17,943	6,815	11,128	41,948	19,797	22,151
April	1,741	1,570	171	4,690	2,358	2,332
May	838	655	183	4,946	2,202	2,744
June	5,210	3,347	1,863	14,179	7,805	6,374
July	75,591	70,600	4,991	436,180	420,847	15,333
August	133,704	126,509	7,195	684,719	663,185	21,534
September	44,313	36,990	7,323	117,118	99,164	17,954
Total	381,894	283,838	98,056	1,508,396	1,301,995	206,401

Source: State Statistical Office (own analysis).

In the period of January through September 2019, the tourist arrival was accounted for 961,690—while the same period a year later, in 2020 the arrival marked 381,894 tourists, which is less for 579,796 tourists. The percentage of arrivals in the two years notes a downfall of 60.3% in 2020 compared to 2019.

The domestic tourists in 2019 accounted for a total of 381,894 arrivals—compared to 2020 when there were registered a number of 283,838 arrivals (less for 72,813 or 20.4%). The foreign tourists in the period between January-September 2019 accounted for 605,039 arrivals, and 98,056 arrivals in 2020—which is less for 506,983 or 83.8% (see Figure 1).

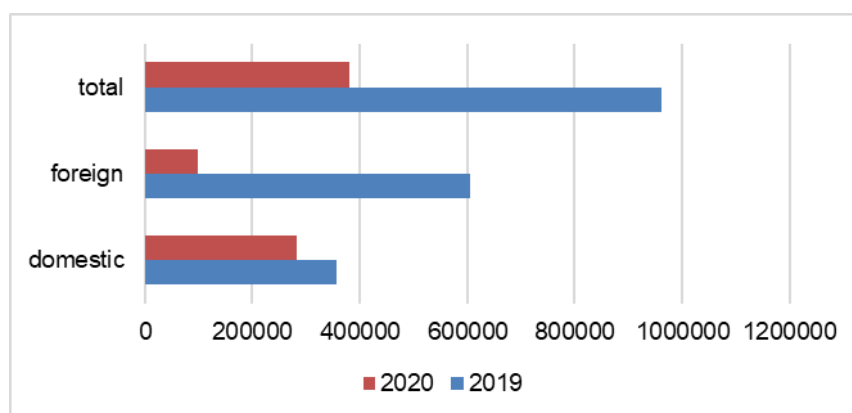


Figure 1. Realized tourist arrivals in 2019 and 2020 from January to September.

The arrival of the foreign tourists by months (January-September) in 2019 (Figure 2) presents continuous growth from January through September, intensifying in the period from April to August. This growth is particularly noticeable in the period of July-August for the domestic tourists.

The arrivals of foreign tourists by months in 2020 (Figure 3) presents continuous and drastic decline compared to 2019 (months of January-September). The arrivals of domestic tourists decline as well, except for the period between July and August, when we note an increase. First and foremost, this increase is a reflection of the vouchers for tourism the Government allocated for low-income employees in attempt to support the domestic tourism.

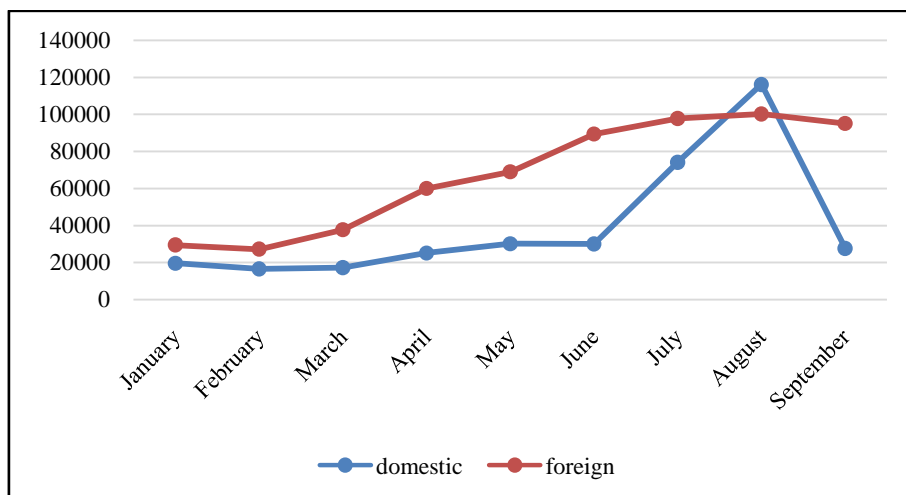


Figure 2. Realized tourist arrivals in 2019 by months.

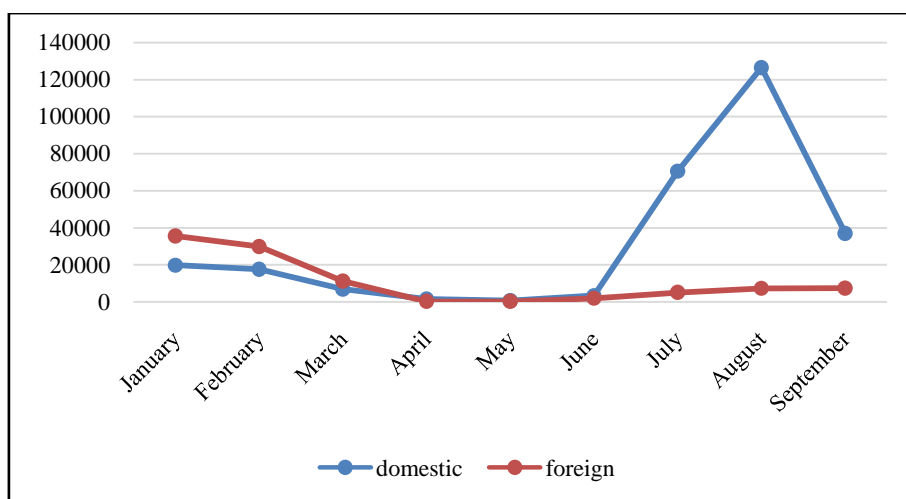


Figure 3. Realized tourist arrivals in 2020 by months.

The total number of realized overnight stays in 2019 accounts for 2,807,093 while a year later, in 2020 this number declined to 1,298,697 (46.3%). The number of realized overnight stays by domestic tourists in 2019 was 1,515,061. In 2020 that number was equal to 1,301,995—a decline of 213,066 overnight stays less (or 14.6%). The number of realized overnight stays by foreign tourists in 2019 was 1,292,032. In 2020 that number was equal to 206,401—a decline of 1,085,631 overnight stays less (or 84.0%). The number of realized overnight stays by foreign tourists is considerably lowered compared to the number of overnight stays realized by domestic tourists (see Figure 4).

The increase in number of overnight stays in the group of domestic tourists followed as a result of the Government measure to aid tourism through vouchers allocated for low-income employees which needed to be used in the tourist and hospitality facilities in the Republic of North Macedonia.

In 2019 (Figure 5), the number of overnight stays by foreign tourists was on a continuous rise from January through August, noting an insignificant decline in September. The growth in the domestic tourist group is lower compared to the one for foreign tourists up until June, followed by a drastic increase in overnight stays in July and August (which can be contributed to the annual holiday season).

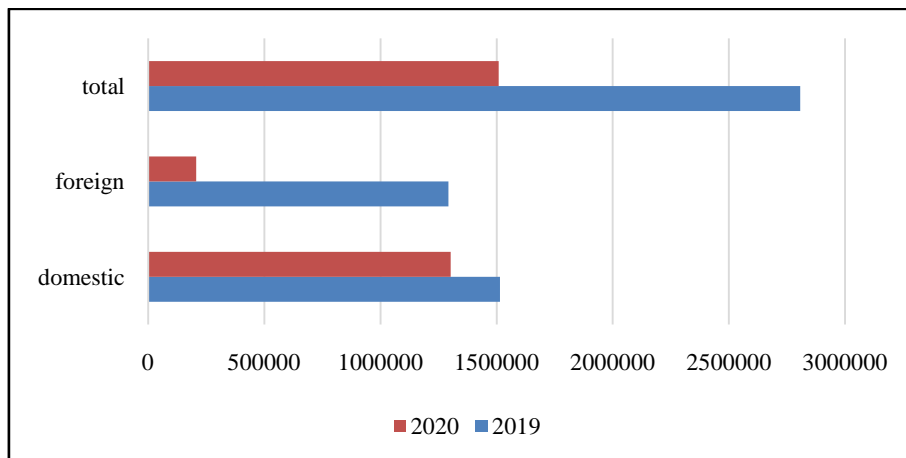


Figure 4. Realized tourist overnight stays in 2019 and 2020 from January to September.

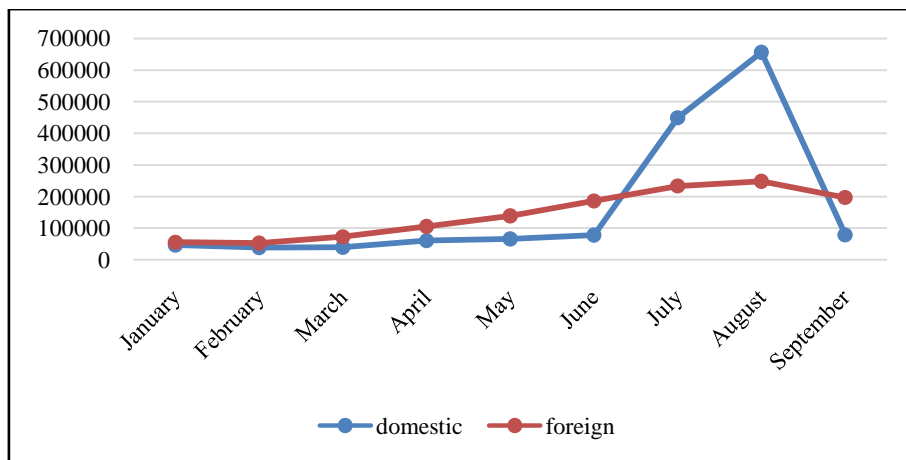


Figure 5. Realized tourist overnight stays in 2019 by months.

In 2020 (Figure 6), overnight stays realized by foreign tourists are quite insignificant. On the other hand, the domestic tourism notes a growth in the period July-August as a result of the Government measure to aid the domestic tourism.

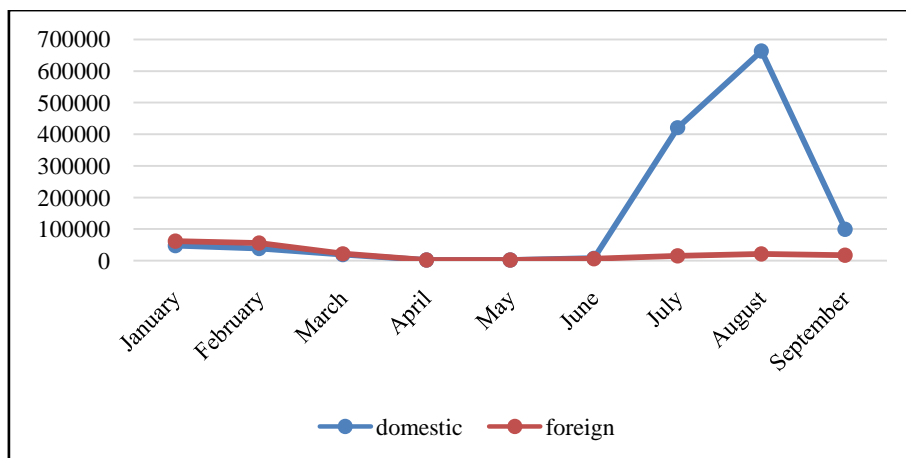


Figure 6. Realized tourist overnight stays in 2020 by months.

Conclusions

The impact the COVID-19 pandemic achieved is evident in all aspects of one's life. The tourism, as one of the most affected industries, suffers losses in every way. The reason for this is the reduced influx of both domestic and foreign tourists alike, which resulted in a reduced number of overnight stays. The comparison of the tourist turnover for the years of 2019 and 2020 clearly supports this statement. In the period of January-September 2020, regarding the same period from the year prior, the number of tourists is decreased for 60.3%, namely: 20.4% decrease in domestic tourists; and, 83.8% decrease in foreign tourists. In the period of January-September 2020, regarding the same period from the year prior, the number of tourists decreased for 46.3, namely: 14.0% decrease in domestic tourists; and, 84.0% decrease in foreign tourists. The impact of the COVID-19 pandemic on the tourist turnover in Republic of North Macedonia is evident, which is confirmed with the performed analysis. The set of measures with which the Government attempts to aid tourism are insufficient and will reflect negatively on the further operations within the sectors of tourism and hospitality, deepening the already difficult circumstances.

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