
Nautical Tourism in Croatia and the COVID-19 Pandemic

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Abstract:

Purpose: The purpose of the article is to present the results of the analysis of the impact of the COVID-19 pandemic on nautical tourism in Croatia, with particular emphasis on charter services. The structure of the article was subordinated to the research process carried out, in accordance with the presented methodology.

Design/Methodology /Approach: The article presents the results of research analyzing the popularity of nautical tourism in Croatia in terms of using charter services in this area. The period 2015–2020 was studied. Due to the purpose of the article, special attention was paid to the situation of the pandemic, which caused changes in this respect. The main source of data was the statistics provided by the Ministry of the Sea, Transport and Infrastructure, Republic of Croatia (Ministry of Sea..., 2015–2020). Elements of econometric modeling were used to show the scale of the impact of the pandemic on charter services in Croatia. An analysis of the situation was also carried out in relation to the individual countries whose citizens use charter services in Croatia.

Findings: The results of the conducted research indicate that the COVID-19 pandemic has significantly influenced the number of tourists using charter services in Croatia. This was confirmed both in terms of the number of charter guests and the number of charter guests overnights.

Practical Implications: The results of the analysis can be useful for decision makers in the development of charter services in Croatia with particular emphasis on a crisis situation. Continuation of this research could strengthen knowledge of pandemic crisis management.

Originality/value: The conducted research concerns a pandemic situation, the impact of which on various spheres of life and economy has so far been unprecedented.

Keywords: Nautical tourism, Croatia, COVID-19 pandemic, crisis management.

JEL classification: Z32, Z39, H1.

Paper Type: Research study.

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1. Introduction

The COVID-19 pandemic announced by the WHO on March 11, 2020 shocked the entire world (WHO, 2020). The globalization and properties of the virus, such as showing symptoms late or not at all, while also being able to infect others, made the speed of the disease spread beyond all expectations (Gössling, Scott, and Hall, 2020). The pandemic has quickly become the subject of research by scientists from around the world, not only specializing in medical and health sciences, but also broadly understood social sciences (Nicola *et al.*, 2020; Pasiouras and Daglis, 2020; Ashraf, 2020; Kar *et al.*, 2021; Tisdell, 2020; Grima *et al.*, 2020; Khan *et al.*, 2020).

In fact, it is difficult to list the area of the economy and human life that has not been affected by the pandemic and its threats and limitations. Undoubtedly, however, tourism is one of the industries most affected by the pandemic. It almost completely paralyzed tourism. In the first half of 2020 alone, international arrivals dropping by 74% and destinations worldwide welcomed 1 billion fewer international arrivals than in the previous year. The collapse in international travel represents an estimated loss of USD 1.3 trillion in export revenues (UNWTO, 2021). And yet the pandemic continues (March 2021) and it is difficult to predict when it will end. Unfortunately, it may turn out that the pandemic will bring about long-term changes to tourism as socio-economic activity and industry (Sigala, 2020).

Until the pandemic occurred, tourism and tourist transport (travel) developed dynamically virtually all over the world. In 2013, it was estimated that its contribution to the global economy rose is 9.5% of global GDP, and in 2019 296 million people were employed in this sector (Aynalem, Birhanu, and Tesefay, 2016; Selvam, 2019). It had a large impact on the development of some countries and regions, considered in various aspects - both economic and social (Rachão, Breda, Fernandes, and Joukes, 2019; Stoffelen and Vanneste, 2017; Paci and Marrocu, 2014).

One of the countries for which tourism is the basis of the economy is Croatia, where it is estimated that 24.9% of GDP is tied to tourism (Trstenjak, Žiković, and Mansour, 2020). In the case of Croatia, one of the most important forms of tourism is nautical tourism. This is due to the fact that the country has particularly favorable conditions for its development. The Croatian coast was created as a result of the sea flooding mountain ranges. It is characterized by numerous islands and a very diversified coastline. Croatia has 1,185 islands, 50 of which are populated. The entire country's coastline is 6,176 km, including 4,398 km on the islands (www.mppi.hr, 10.03.2021). In addition, there are favorable weather conditions, a well-developed sailing infrastructure and service sphere, making Croatia one of the most recognizable sailing destinations in the world (Kovačić and Silveira, 2018; Łapko, 2017; Kovačić, Favro, and Mezak, 2016; Kovačić, Gračan, and Jugović, 2015). The country is still developing its offer, trying to increase the quality of the tourist product offered to sailors (Alkier, 2019).

The concept of nautical tourism is defined in various ways in the literature, often this form of tourism, next to yachting, also includes cruising (Horak, Marusic, and Favro, 2006). In the article, this type of tourism will not be taken into account, and the definition proposed by T. Luković will be adopted, commercial activities, and the like, as well as their stay in the ports of nautical tourism for rest and recreation (Luković, 2013).

The intensive development of nautical tourism also forces the intensive development of services related to sailing (Patuleia, Estevão, and de Brito, 2020). Undoubtedly, these services include yacht charter services (Alcover, Alemany, Jacob, Payeras, García, and Martínez Ribes, 2011). By definition, a yacht charter means to hire a yacht for a certain period of time in order to organize a voyage. In nautical tourism there are three types of charters: bareboat, skippered and crewed (Jennings, 2011). These services enable nautical tourism for people who do not have a yacht or for those who do not want or cannot transport their vessel to a given water area (Łapko and Lučić, 2019).

Currently there are 879 charter agencies in Croatia, offering charters with sailing or motor yachts with or without crew for a period from 1 day to 90 days. In 2017, 155 new charter agencies opened in Croatia – including 61 charter agencies from within the EU and 72 charter agencies from outside the EU (www.mppi.hr, 9.06.2018).

The purpose of the article is to present the results of the analysis of the impact of the COVID-19 pandemic on nautical tourism in Croatia, with particular emphasis on charter services. The structure of the article was subordinated to the research process carried out, in accordance with the presented methodology.

2. Methodology

The article presents the results of research in which the popularity of nautical tourism in Croatia was analyzed in terms of the use of charter services in this area. The period 2015-2020 was studied. Due to the purpose of the article, special attention was paid to the situation of the pandemic, which caused changes in this respect.

Before starting the study, on the basis of experts' opinions and own observations, two categories illustrating the situation on the charter services market were identified, i.e. number of charter guests and number of charter guest overnights. In line with these findings, the relevant data was collected. Their main source was the statistics provided by the Ministry of the Sea, Transport and Infrastructure, Republic of Croatia (Ministry of Sea..., 2015–2020).

The first stage of the study focused on the two analyzed categories in general. In the

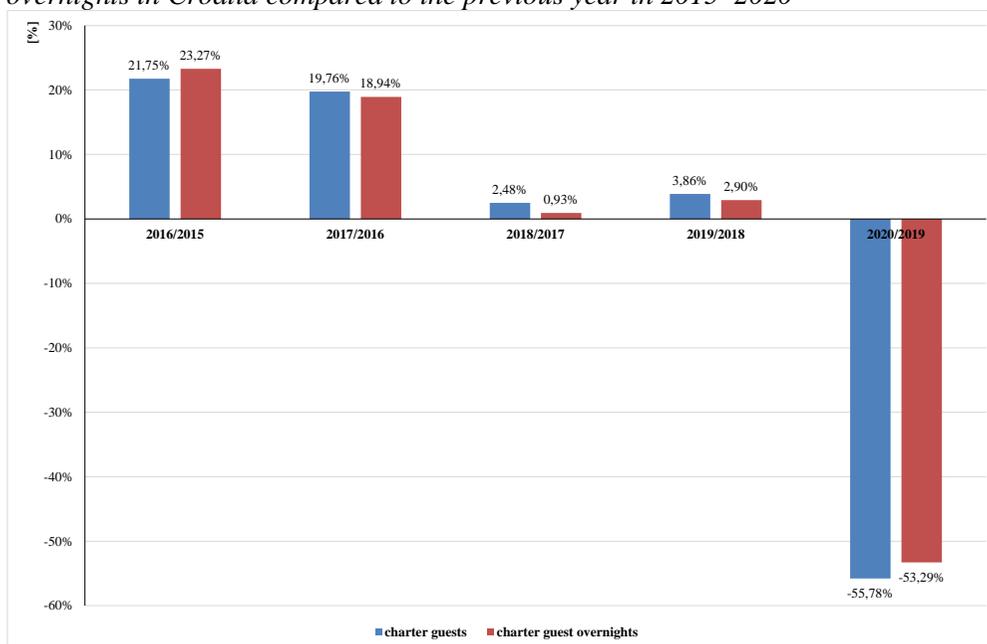
analyzed period 2015–2020, the years 2015–2019 and 2019–2020 were divided. This procedure allowed to indicate a clear upward trend in the first period and a strong slump in the second period, which can be interpreted as a result of a pandemic situation. Elements of econometric modeling were used to show the scale of this impact on charter services in Croatia.

The second stage of the study focused on the situation in relation to individual countries whose citizens use charter services in Croatia. Seven countries were identified, the combined share of which constituted the majority in the analyzed years. Both analyzed categories were analyzed and based on them the average time of using charter services in Croatia per person was estimated.

3. Results

The dynamics of changes in the number of charter guests and their overnights in Croatia compared to the previous year is illustrated in Figure 1. The highest annual increase in both analyzed categories took place in 2016. Slightly lower in the following year, while the years 2018–2019 were characterized by slight increases. In 2020, there were clear decreases in both the number of charter guests and the number of charter guest overnights - by 55.78 and 53.29% respectively. For this reason, the 2015–2019 period was analyzed to show what the breakdown occurred in 2020.

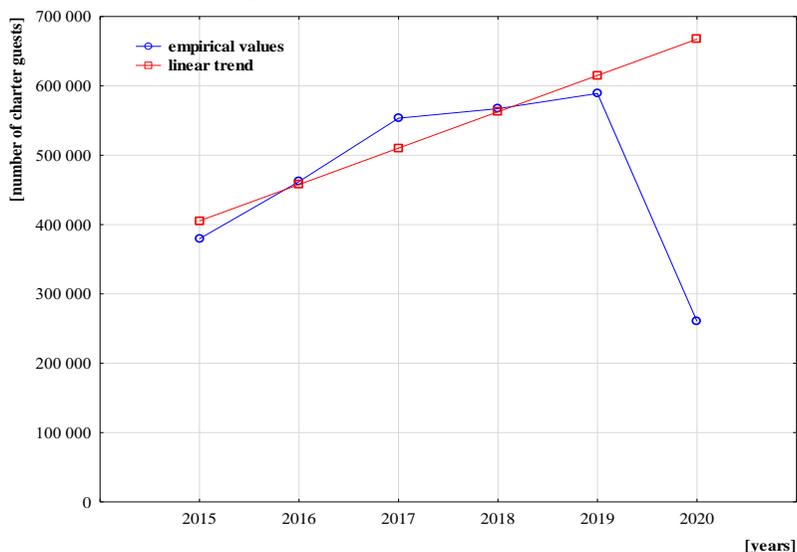
Figure 1. Changes in number of charter guests and number of charter guest overnights in Croatia compared to the previous year in 2015–2020



Source: Own study based on data provided by (Ministry of the Sea ..., 2015–2020).

In 2015–2019, there was an increase in the number of charter guests by 55.20%. Based on the extrapolation of the estimated linear trend (with a fairly high level of adjustment to real values - about 90%), a forecast was made and in accordance with it, there should be a further increase in 2020 (Figure 2). Of course, the forecasting used did not take into account the pandemic situation. According to empirical values, in 2020, in relation to 2015, there was a decrease in the number of charter guests by 31.37%. This figure is lower than the one-year decline in the same year, further confirming that there has been an expansion of charter services up to 2019.

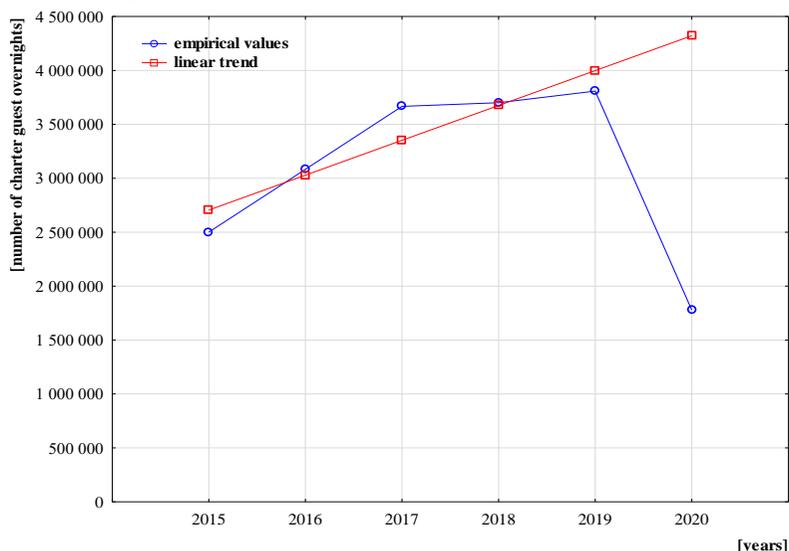
Figure 2. Number of charter guests in Croatia in 2015–2020



Source: Own study based on data provided by (Ministry of the Sea..., 2015–2020).

Taking into account the number of charter guest overnights, there was also a significant increase in 2015–2019, amounting to 52.27%. Figure 3 presents this situation and the results of the forecast made on the basis of extrapolation of the estimated linear trend (with a fairly high level of adjustment to real values - about 85%). Also in this case, in 2020, in relation to 2015, there was a decrease in the number of charter guest overnights - it amounted to 28.88% and was lower than compared to 2019.

The breakdown of the charter services market in 2020 is also evidenced by the estimated following average values: number of charter guests and number of charter guest overnights per one chartered facility. The former dropped from 117 (2019) to 49 (2020), and the latter, respectively, from 756 to 335. These changes mean a decrease of almost 60% in both cases.

Figure 3. Number of charter guest overnights in Croatia in 2015–2020

Source: Own study based on data provided by (Ministry of the Sea..., 2015–2020).

Charter services in Croatia are used by people from many countries. In 2015–2020, they were representatives of 160–210 countries. However, only the citizens of seven of them constitute the majority in terms of both the number and the nights they spend. They are Germans, Austrians, Croats, Czechs, Slovenes, Poles and British. In the analyzed period, in terms of number of charter guests, their total share ranged from about 60% (2019) to over 70% (2020), which is illustrated in Figure 4. It is worth noting that the highest share of these countries was recorded in 2020, when there was a decrease in both the total number of charter guests and in relation to individual countries. In the same year, the total number of countries was also the lowest in the entire analyzed period and amounted to 160. It was at a similar level in 2015, but then the interest in this area increased among countries whose representatives have not used charter services here so far. It can be concluded that lovers of nautical tourism used charter services in Croatia despite the pandemic, albeit on a smaller scale, which was explored and presented later in the article.

In the case of number of charter guest overnights, the total share size remains the same - about 2 percentage points lower. However, slight differences between the two analyzed categories were observed in terms of country shares. Figure 5 presents the number of charter guests in Croatia in 2015–2020 by individual countries that constitute the majority. Throughout the analyzed period, Germany was the clear leader - both in terms of the number of charter guests and the share of this number in the total. In 2020, there were fewer of them than in 2015 by about 25%. In the same period, a similar decrease was recorded in the case of Slovenes - around 30%. On the other hand, there were definitely fewer Austrians (by 53%), whose share in the total number gradually decreased in the analyzed period. A significant drop was also

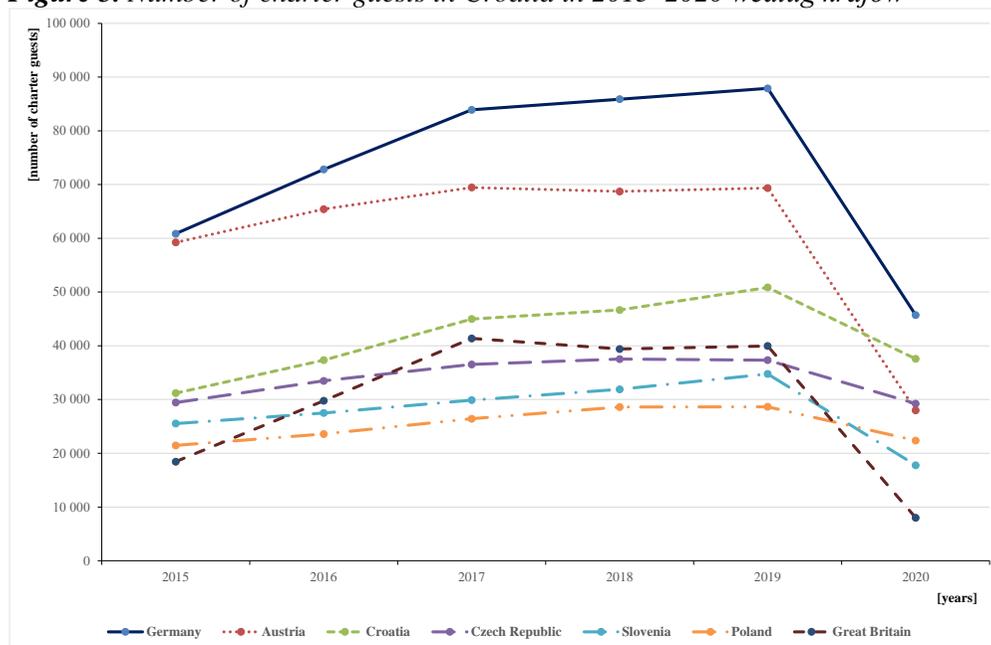
recorded in the case of the British - by as much as 57%, and their total share decreased to 3%. A slight change in the number of charter guests was recorded in the case of the Czechs (decrease by 1%) and Poles (increase by 4%). At the same time, their shares in 2020 were clearly higher than in other years. Also in the case of Croatia, in 2020 the share increased to 14%, and the figures by 20% compared to 2015.

Figure 4. Percentage of number of charter guests in the total number of guests in Croatia in 2015–2020 by country



Source: Own study based on data provided by (Ministry of the Sea..., 2015–2020).

In addition, an analysis was made of the changes in the number of charter guests compared to 2019. The highest drops were observed in the case of the British (by as much as 80%) and Austrians (by 60%). As for the first of these countries, it is worth noting that it was most affected in Europe by pandemics during the first wave of 2020. Therefore, it was also "closed" for a long time and its citizens could not move freely. In the case of other analyzed countries, there were also declines in number of charter guests, and they were as follows: Slovenia - 49%, Germany - 48%, Croatia - 26%, the Czech Republic and Poland - 22%. These values are lower compared to the decline in the overall figure (55.78). It is worth paying attention to the case of Croatia, whose citizens more and more willingly used charter services in their country in 2015–2019 (Figure 5). On the other hand, in 2020, the one-year decline in their number was relatively small, and their share in the total number increased significantly (Figure 4).

Figure 5. Number of charter guests in Croatia in 2015–2020 według krajów

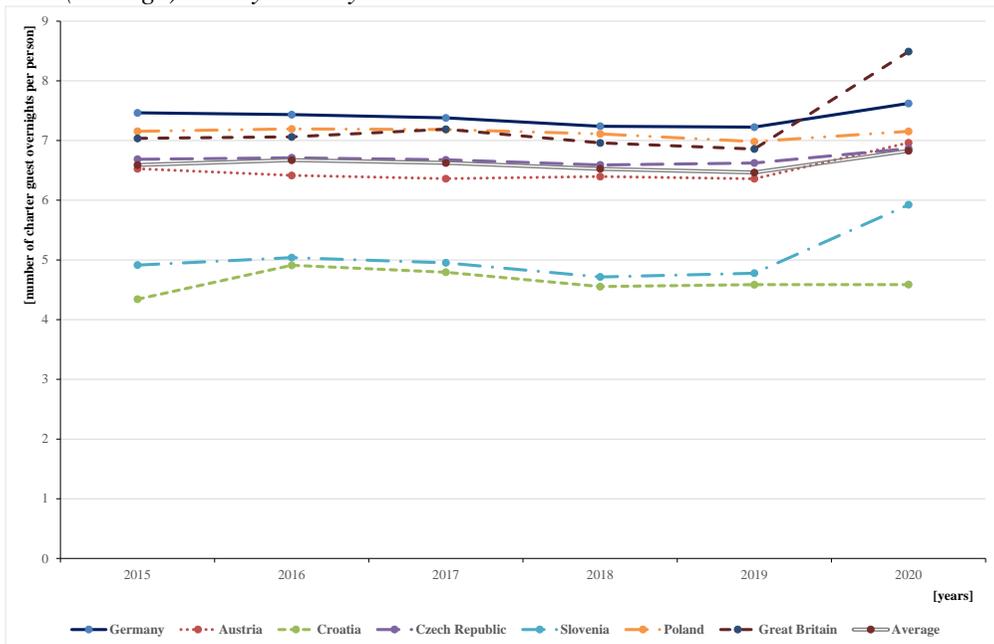
Source: Own study based on data provided by (Ministry of the Sea..., 2015–2020).

The conducted research concerned two categories, i.e. number of charter guests and number of charter guest overnights. By comparing the two, you can estimate the average time per person for using charter services in Croatia. This was done for both the total number of charter guests and for individual countries (Figure 6). In 2015–2020, no significant changes were observed in the time of using charter services in general, i.e., changes in both analyzed categories were at a similar level.

However, the lowest value was recorded in 2019, and the highest one in 2020. The conclusion is that in the event of a pandemic, of course, there were fewer charter guests, but those who already decided to practice nautical tourism in Croatia did it longer. It was slightly different in relation to individual countries. In 2015–2019, the leader in this respect was Germany. The duration of Poles and British stay in Croatia was not much lower. It may also be related to the distance that nationals of these countries have to travel to take advantage of the charter services offered in that area.

The situation changed in 2020, when the duration of the stay of the British increased significantly. As already mentioned, the number of charter guests from this country decreased significantly, however, the decrease in the number of charter guest overnights was relatively smaller. The shortest times of using charter services in Croatia were recorded for people who are closest in terms of distance, i.e., Slovenes and Croats. This time was clearly lower than the observed mean value.

Figure 6. Number of charter guest overnight per person in Croatia in 2015–2020 total (average) and by country



Source: Own study based on data provided by (Ministry of the Sea..., 2015–2020).

4. Conclusions

The purpose of the article was to present the results of the analysis of the impact of the COVID-19 pandemic on nautical tourism in Croatia, with particular emphasis on charter services. In the context of the assumed goal, the most important conclusions that can be formulated on the basis of the conducted research include those related to the number and structure of yacht charterers, in particular:

1. In 2020, there were significant declines in the number of people who charter yachts, both for domestic and foreign tourists. It should be noted that in 2015-2019 dynamic increases were observed in this area and the extrapolation of the linear trend showed that also in 2020 this number should increase compared to previous years. Instead, there was a dramatic decline that could even be considered a collapse of the charter market, as the number of charter guests was over 31% lower than in 2015.
2. It has been observed that the number of countries from which charter customers came from decreased. In 2020, they included representatives of 160 countries, while in previous years this number reached even 210. This is probably due to numerous travel restrictions that were introduced at the level of various countries, as well as the fear of tourists being infected with coronavirus while traveling.
3. Most customers of Croatian charter companies come from 7 countries:

- Germany, Austria, Croatia, the Czech Republic, Slovenia, Poland and Great Britain. In the analyzed period, in terms of number of charter guests, their total share ranged from about 60% in 2019 to over 70% just in 2020. The increase in this share is probably related to the decrease in the number of other countries represented in 2020 and the decrease in the total number of yacht charter persons. However, in 2020 also in the group of tourists from these most frequently represented countries, significant decreases in their numbers were observed. The largest decreases concerned the number of tourists from Great Britain, who in 2020 were nearly 80% less than the year before. In Great Britain, during the summer season, which is the peak of the sailing season, there were recorded very large numbers of COVID-19 cases, which resulted in the introduction of strict restrictions. Tourists returning from Croatia to Great Britain were directed to a mandatory quarantine until August 20 (BBC News, 2020). This may have been a deterrent to visiting this country.
4. Tourists who decided to charter a yacht in Croatia in 2020, as a rule, have spent more time on vacation than in previous years. One of the factors influencing the length of stay was the distance tourists had to travel to the charter destination. The shortest was recorded for Croats and Slovenes. The extension of the duration of stay in Croatia by representatives of other nations could potentially also result from the fact that due to the pandemic they limited other holiday trips and, due to safety and restrictions on movement, preferred to stay longer in one place.

The results of the research carried out indicate that the COVID-19 pandemic had a significant impact on the number of tourists using charter services in Croatia. The country is considered to be one of the most attractive sailing destinations in the world, and its basic values include attractive waters and a rich offer and high quality of services related to this form of tourism. Charter services have a special place here, thanks to which tourists from all over the world can go sailing in Croatian waters. As they constitute a significant part of the demand side of the nautical tourism market, it can be concluded that the obtained results indicate a large, negative impact of the pandemic on nautical tourism in Croatia.

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