

Croatia

Tourism in the economy

In 2016, tourism's share of Croatian GDP was 18.9% (indirect impact included) and tourism revenue amounted to EUR 8.6 million, up 4.4% on 2015. Aggregate growth in GDP was 2.9% in 2016, up from 1.6% in 2015, with trade, transport and tourism services contributing most significantly to this increase. Similarly, the growth in tourism services exports was a key factor in the overall growth in the export of services of 6.7% in 2016.

International tourists were responsible for 92.5% of tourist nights, up 9.6% on 2015, while domestic tourist nights increased by 2.0%. The increase in the total number of international arrivals primarily reflects growth in European markets, especially Germany, Austria and Slovenia. The US and China are the largest non-European markets. Commercial accommodation was responsible for 52.2% of overnights, and grew by 9% compared with 2015.

Growth in demand for the pre- and post-season period is higher than for the two months of the high season, although the latter still accounts for over 60% of annual tourist overnights.

Growth of 6-8% in tourist arrivals and overnights is expected in 2017, with no change in the relative contribution of leading source markets. In 2018, growth in both arrivals and overnights is expected to exceed the projected average growth for Europe (3.4%), and for the Mediterranean zone (4.9%).

Tourism governance and funding

The national body responsible for tourism is the Ministry of Tourism, which is in charge of drafting strategies, policies and measures at national level and drawing up proposals for legislation to regulate the tourism and hospitality industry, determining the role and activities of the Croatian National Tourism Board, and tourism tax issues.

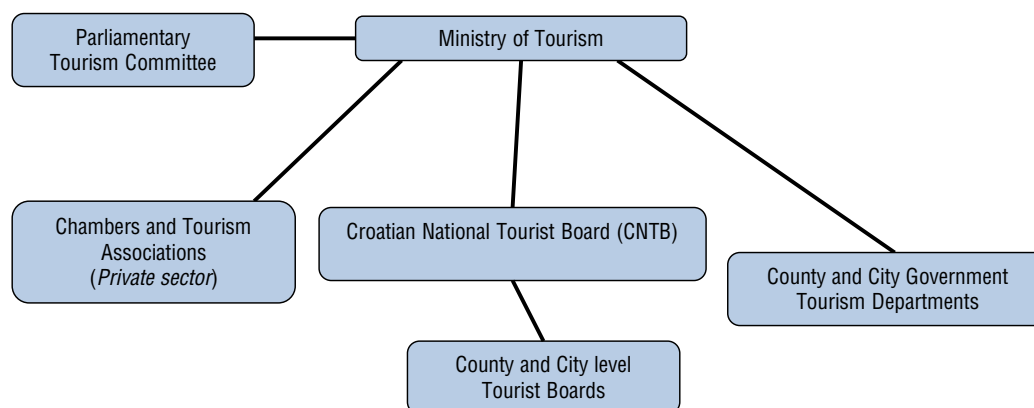
There are four Directorates within the Ministry: International Co-operation, Development and Competitiveness of Tourism, the Tourist Board System and Destination Management, and Legal Affairs. The Ministry regularly co-operates with hotel, travel agent and other industry associations as well as with non-governmental organisations and trade unions.

Tourism promotion is the responsibility of the Croatian National Tourism Board (CNTB). The Minister of Tourism is, *ex officio*, its President, while the Executive Director manages the CNTB's daily operations and activities.

At the regional level, most county administrative offices have a department responsible for tourism and handle the classification of, and issuing of permits for, private accommodation operators.

In 2016, the overall State Budget was approximately HRK 142 billion, of which HRK 172 million was allocated to the Ministry of Tourism. The total budget of the Croatian National Tourist Board from all sources was HRK 259 million, a decrease of 2% on 2015.

Croatia: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Tourism, 2018.

Tourism policies and programmes

The main aim of the Croatian Tourism Development Strategy is to increase the attractiveness and competitiveness of tourism by 2020. Key challenges identified by the Ministry of Tourism in their strategic plans for 2016-2018 include:

- Improving tourism quality and product content, by developing new and improved products and services through innovation, specialisation and sustainability,
- Asserting Croatia's place in international tourism markets through use of effective promotion, with the goal of strengthening the Croatian tourism brand, raising off-peak turnover and average spend, and strengthening support for the tourism industry.

The following are examples of actions to address these challenges:

- Adapting Ministry activity in support of the Strategy,
- Re-aligning the CNTB's Operational Marketing Plan,
- Establishing an inter-ministerial Council,
- Securing EU funding for tourism sector development,
- Implementing the necessary legal changes,
- Privatising remaining state-owned tourism properties,
- Developing new products for new tourism segments,
- Ensuring favourable conditions for tourism investment,
- Offering incentives for "greenfield" investments.

Since 2013, diversification of the tourism offer has been pursued through developing actions plans and national programmes for specific sectors of the tourism industry, some with a dedicated steering committee to oversee implementation. Examples include support for organisation of cultural, gastronomic and sport events, tourist attractions, thematic parks, cycling routes, beach management and improvements to family accommodation.

In 2016, CNTB gave financial support to tourist boards in less developed areas on the mainland for practical actions to develop and improve the destination offer, education of new or specialising service providers, and development, renovation and improvement of public tourism infrastructure.

The Ministry of Tourism co-financed vocational courses with a focus on tourism priorities, including strengthening competitiveness, new types of promotion and improving destination management.

The Croatian National Tourist Board has launched a project designed to increase Croatia's competitiveness in the pre- and post-season (PPS) period. A "PPS destination" label will extend the tourist season by rewarding destinations which develop an attractive and competitive offer with added value in the PPS period.

The Ministry of Tourism has given financial support to SME development through an increase in the quality and diversification of the tourism offer, and to sustainable growth through the use of new technologies and social inclusiveness, the development of special interest tourism, and greater international recognition. Grants have been aimed at small businesses, rural homesteads and private renters. A grant allocation for construction of new swimming pools is designed to support the competitiveness of the tourism sector.

A Tourism Development Fund, derived from concessions and sale of land, supports local and regional entities, including national or nature parks, in developing public infrastructure and resource conservation. In 2016, a call for proposals led to finance for beaches, visitor and interpretation centres, and public infrastructure for cycle tourism.

Another call for proposals from the Ministry of Tourism has been designed to respond to the social needs of vulnerable groups with the aim of improving access to employment in the tourism and hospitality sector which will be financed by European Social Fund.

In order to support the sustainable development of tourism, the Croatian Sustainable Tourism Observatory (CROSTO) has been established, in co-operation with the World Tourism Organization, applying the European Tourism Indicator System (ETIS) developed by the European Commission to monitor and measure tourism sustainability in Croatia. The project was launched in 2017, with first results available by the end of the calendar year.

In 2016, the Croatian National Tourist Board (CNTB) established eVisitor, a national online information system/platform for tourism. eVisitor provides a central platform for tourism data management. A comprehensive database of over 160 000 accommodation providers enables online check-in and check-out by all providers, as well as tourist offices (national/regional/local) across Croatia. Today, eVisitor is used by all tourist boards (over 300), all registered accommodation providers, and the Croatian National Tourist Board and its representative offices in 16 countries abroad. In addition, it is utilised by the Ministry of Tourism, the Ministry of Administration, and the Ministry of the Interior, Customs Administration and Inspection Services, the Central Bureau of Statistics, and other stakeholders involved in shaping, improving, and monitoring the tourism sector (Box 1.14).

Statistical profile

Table 1. Croatia: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	15 088	15 843	16 515	12 195	8 803 |
Overnight visitors (tourists)	6 056	6 225	5 411	4 040	2 926 |
Same-day visitors (excursionists)	9 032	9 618	11 104	8 155	5 877 |
Nights in all types of accommodation	28 760	29 767	28 040	24 214	18 137 |
Hotels and similar establishments	3 134	3 592	3 624	2 605	1 888 |
Specialised establishments	..	..	..	..	..
Other collective establishments	1 473	1 691	818	1 030	442 |
Private accommodation	24 153	24 484	23 598	20 579	15 807 |
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	10 369	10 948	11 623	12 683	13 809
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Germany	1 853	1 932	1 989	2 124	2 277
Slovenia	1 054	1 067	1 102	1 192	1 299
Austria	946	969	1 019	1 120	1 238
Italy	1 051	1 017	1 061	1 111	1 120
Czech Republic	647	652	661	696	689
Nights in all types of accommodation	57 522	59 680	61 324	65 863	72 193
Hotels and similar establishments	18 879	18 892	18 892	19 851	20 872
Specialised establishments	..	..	..	..	..
Other collective establishments	18 271	19 602	19 657	20 631	51 224 |
Private accommodation	20 229	21 052	22 649	25 256	.. |
Outbound tourism					
Total international departures	4 326	5 444	4 638	4 355	2 581
Overnight visitors (tourists)	2 680	2 927	2 763	2 578	1 614
Same-day visitors (excursionists)	1 646	2 517	1 875	1 777	967
Top destinations					
Bosnia and Herzegovina	643	627	523	404	283
Germany	291	333	308	261	278
Italy	271	289	257	452	203
Austria	277	248	304	258	169
Slovenia	268	200	314	183	144
TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	9 020	9 721	10 020	8 981	9 593 e
International travel receipts	8 790	9 518	9 804	8 797	9 593 e
International passenger transport receipts	230	203	216	184	..
Outbound tourism					
Total international expenditure	964	922	861	771	945 e
International travel expenditure	928	902	842	756	945 e
International passenger transport expenditure	36	20	19	15	..

.. Not available; | Break in series; e Estimated value

Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933641811>

Table 2. Croatia: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed ²				
	2015	2012	2013	2014	2015	2016
Total	..	..	..	..	..	..
Tourism industries	21 429	54 937	55 928	61 494	60 849	68 121 |
Accommodation services for visitors	2 624	31 036	30 868	31 206	31 469	34 656 |
Hotels and similar establishments	856	..	..	..	..	..
Food and beverage serving industry	17 166	18 506	19 839	24 473	23 925	28 011 |
Passenger transport	..	..	..	..	..	..
Air passenger transport	..	..	..	..	..	..
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	..	..	..	..	..	..
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	1 639	5 395	5 221	5 815	5 455	5 454 |
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available; | Break in series

1. Data refer to number of enterprises.

2. Data refer to number of employees.

Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933641830>


Table 3. Croatia: Internal tourism consumption

Million EUR

	2011		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	1 674	6 555	8 582
Tourism characteristic products	809	3 984	5 145
Accommodation services for visitors	200	1 788	2 341
Food and beverage serving services	302	1 555	1 857
Passenger transport services	141	295	436
Air passenger transport services	12	234	246
Railways passenger transport services	32	7	39
Road passenger transport services	69	14	83
Water passenger transport services	28	39	67
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services industry	67	74	140
Cultural services	99	273	372
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	865	2 571	3 436
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products

.. Not available

Source: OECD Tourism Statistics (Database).

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