

Sa

Sector_Analyses

November 2024 No. 117 Year 13 ISSN 3043-7873

eoz the institute of economics, zagreb

hr HORIZONTALITY IN RESEARCH

Funded by the European Union NextGenerationEU

Tourism

Authors_Goran Buturac and Ivana Rašić

Contents

_3 Tourism in Croatia in 2024

According to data from the Croatian Bureau of Statistics, in the first nine months of this year, Croatia recorded 18.3 million tourist arrivals, resulting in 88.4 million overnight stays. Compared to the same period in 2023, the number of tourist arrivals increased by 3.2 percent and the number of overnight stays increased by 0.9 percent.

_13 Tourism in Croatia in 2023

In 2023, 19.5 million arrivals and 92.4 million tourist overnight stays were recorded in Croatia, which represents a year-on-year increase in tourist arrivals of 9.7 percent and an increase in overnight stays of 2.6 percent.

_25 The importance of tourism in the economy of the Republic of Croatia

In 2023, Croatian tourism generated foreign exchange revenue of 14.6 billion euros, which is an increase of 11.5 percent year-on-year.

_30 Largest companies

In 2023, the ten leading companies in the “Hotels and similar accommodation” sector generated total revenue of 1.3 billion euros, which is 4.8 percent more than the previous year.

_34 Zagreb Stock Exchange report

Of the ten leading companies in hotel-related activities, six are listed on the Zagreb Stock Exchange, i.e., Arena Hospitality Group d.d., Imperial Riviera d.d., Liburnia Riviera Hoteli d.d., Maistra d.d., Plava laguna d.d., and Valamar Riviera d.d.

_36 Tourism in the EU-27 in 2024 and 2023

In the period from January to August 2024, 2.2 billion tourist overnight stays were recorded in the EU-27, which is an increase of 65.8 million overnight stays compared to the same period in 2019, and an increase of 39.3 million overnight stays compared to the same period in 2023.

_39 Conclusion and expectations

The announcement of the introduction of a real estate tax could limit the supply of accommodation services on the market, which could lead to price increases. In addition to the significant increase in food, beverage, and energy prices in the last few years, the increase in accommodation prices could contribute to the weakening of the price competitiveness of Croatian tourism. This could ultimately accelerate the process of slowing down the growth of tourism activity in the coming period.

As of 2024 (starting from no. 110), the Sector Analyses publication will be published in English as well.



Funded by
the European Union
NextGenerationEU

This publication was made as part of the “Popularization of Science through the Sector Analyses Publication” activity at the Institute of Economics, Zagreb and co-funded within the **National Recovery and Resilience Plan 2021–2026 – NextGenerationEU**.

Tourism in Croatia in 2024

“In the first nine months of this year, 88.4 million tourist overnight stays were recorded in Croatia, which is 0.9 percent more overnight stays than during the same period in 2023.

Tourism is of exceptional importance to the Croatian economy. In addition to the direct effects on gross domestic product (GDP), value added and employment, there are indirect and induced effects of tourism on the economy. Through indirect effects, tourism contributes to the growth of activity and employment in other sectors such as trade, transport, construction, manufacture of furniture, manufacture of transport vehicles, etc. Persons employed in all these industries use their income to create additional demand in other sectors and thus produce an induced effect on the economy. One of the most commonly used introductory indicators on the state and trends in tourism is data on the number of arrivals and overnight stays. Therefore, we begin this research on tourism activity in Croatia by analyzing the number of arrivals and overnight stays.

Figure 1
Domestic and foreign tourist arrivals in the period from January to September 2023 and 2024

Source: Croatian Bureau of Statistics.

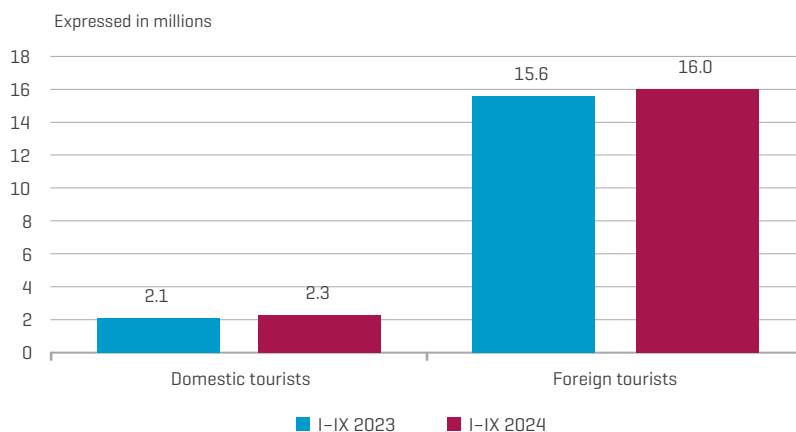
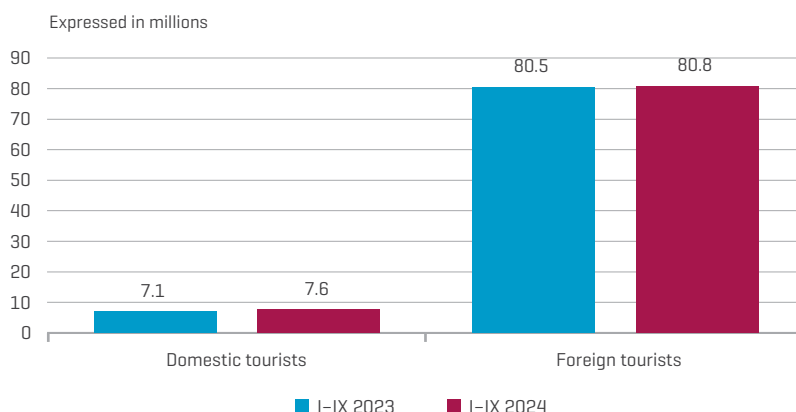


Figure 2
Domestic and foreign tourist overnight stays in the period from January to September 2023 and 2024, in millions

Source: Croatian Bureau of Statistics.

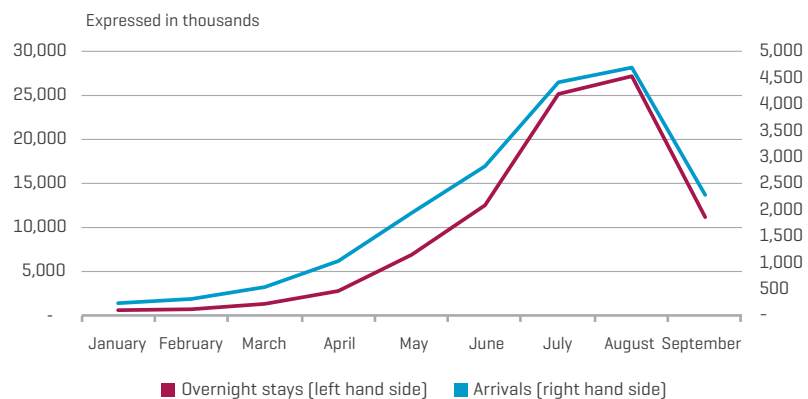


According to the latest available data from the Croatian Bureau of Statistics, in the first nine months of this year, Croatia recorded 18.3 million tourist arrivals, resulting in 88.4 million overnight stays [Figures 1 and 2]. Compared to the same period in 2023, the number of tourist arrivals increased by 3.2 percent and the number of overnight stays increased by 0.9 percent. The increase in the number of arrivals and overnight stays was more pronounced among domestic tourists compared to foreign tourists. This can be attributed to the relatively small base of domestic tourists, but also to increased competitive pressure coming from other international tourist destinations. Furthermore, the slowdown in the increase in arrivals and overnight stays of foreign guests was certainly contributed to by the slower economic increase recorded in the main source markets. Domestic guests achieved year-on-year growth in the number of arrivals of 7.5 percent and overnight stays of 6.9 percent in the first nine months of this year. At the same time, arrivals of foreign guests increased by 2.6 percent, while overnight stays increased by 0.4 percent. Of the total number of tourist overnight stays from January to September this year, foreign guests accounted for 91.4 percent, and domestic guests for 8.6 percent.

An analysis of the dynamics of the number of arrivals and the number of tourist overnight stays in the first nine months of this year confirms that arrivals and overnight stays intensify during the summer months. They reach their peak in August [Figure 3]. Of the total number of overnight stays achieved in the first nine months of this year, 73.4 percent were cumulatively achieved during the summer months [June, July, August].

Figure 3
Trends in arrivals and number of tourist overnight stays from January to September 2024

Source: Croatian Bureau of Statistics.

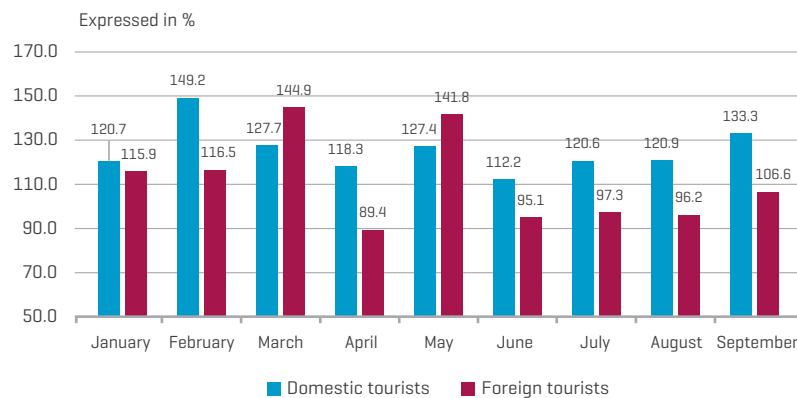


Given the fact that, as a result of the circumstances caused by the COVID-19 pandemic, a significant decrease in both the number of arrivals and the number of tourist overnight stays was recorded in 2020 compared to 2019, the analysis below will show a comparison of the annual change in tourist flows by month in 2024 compared to the same months in 2019 [Figure 4]. If we analyze the trend in overnight stays of domestic tourists, it is evident that during the peak tourist season [July–August] this year, a significant increase of 21 percent in overnight stays of domestic tourists was recorded compared to the same months of 2019. At the same time,

other months also bring an increase in the number of overnight stays of domestic tourists. Unlike domestic tourists, foreign tourists have still not achieved the level of overnight stays recorded in the summer months in pre-pandemic 2019. Except for the month of April, a characteristic of foreign tourist overnight stays is the increase in the number of overnight stays in months outside the main summer season. Compared to the same periods in 2019, the increase in overnight stays of foreign tourists in January this year was 15.9 percent, in February 16.5 percent, in March 44.9 percent, in May 41.8 percent, and in September it was 6.6 percent.

Figure 4
Indices of change in the number of overnight stays of domestic and foreign tourists by month, from January to September 2024 compared to the period from January to September 2019

Source: Croatian Bureau of Statistics.



Although foreign guests were still staying longer than in the pre-pandemic period, a trend of a gradual decrease in the stay of foreign guests in Croatian tourist destinations has been observed. Measured according to the indicator of overnight stays per tourist arrival, it can be stated that in the first nine months of 2024, foreign tourists stayed an average of 5.1 nights. At the same time, in 2023, they stayed an average of 5.2 nights, and in 2022, they stayed 5.5 nights. During the first nine months of 2019, foreign tourists stayed an average of 4.9 nights in Croatian tourist destinations.

Compared to foreign guests, domestic guests stay significantly shorter in Croatian tourist destinations. There is also a noticeable trend among domestic guests of reducing the length of stay at tourist destinations. In the first nine months of this year, domestic tourists stayed at tourist destinations for an average of 3.3 nights. At the same time, in 2023 and 2022, domestic tourists stayed 3.4 nights per arrival. An analysis of overnight stays by type of accommodation shows that in the period from January to September this year, the most were achieved in resorts and similar facilities for short-stay accommodation – 46.4 percent. At the same time, hotel accommodation accounted for 28.9 percent, while camping grounds, recreational vehicle parks, and trailer parks accounted for 24.7 percent of the total number of overnight stays in commercial accommodation. Compared to the same period last year, there has been a significant increase in the share of overnight stays in hotels [from 25.1 percent to 28.9 percent].

Main source markets of foreign visitors by country of origin in the first nine months of 2024

By analyzing the structure of the source markets of foreign guests by country of origin, a pronounced degree of concentration can be observed, with tourists from Germany being the dominant ones (Figure 5). With the relative proximity of the market, this is expected, given that it is the leading economic structure in the European Union. Of the total number of overnight stays by foreign guests in the first nine months of this year, 24.8 percent were from Germany. This is followed by overnight stays of tourists from Slovenia (9.3 percent), Austria (8.8 percent), Poland (8.3 percent), the Czech Republic (5.7 percent), Italy, and Hungary (4.4 percent each).

An increase in the number of overnight stays in the first nine months of this year, compared to the same period last year, was recorded by tourists from Slovenia (2.9 percent), Poland (6.6 percent), Hungary (8.8 percent), United Kingdom (7.3 percent), Slovakia (1.2 percent), Bosnia and Herzegovina (15.2 percent), France (5.2 percent), USA (8.3 percent), Ukraine (15.9 percent), Sweden (10.5 percent), and Serbia (21.1 percent). In contrast, a decrease in the number of overnight stays was recorded by tourists from Germany (6.3 percent), Austria (1.7 percent), the Czech Republic (7.8 percent), Italy (6.8 percent), the Netherlands (3 percent), and Switzerland (1.7 percent) (Figure 6).

Figure 5
Overnight stays by foreign tourists from the main source markets during the period from January to September 2024

Source: Croatian Bureau of Statistics.

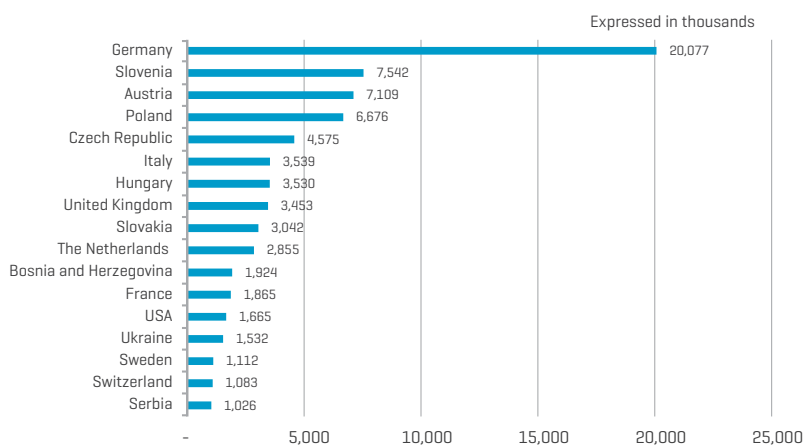
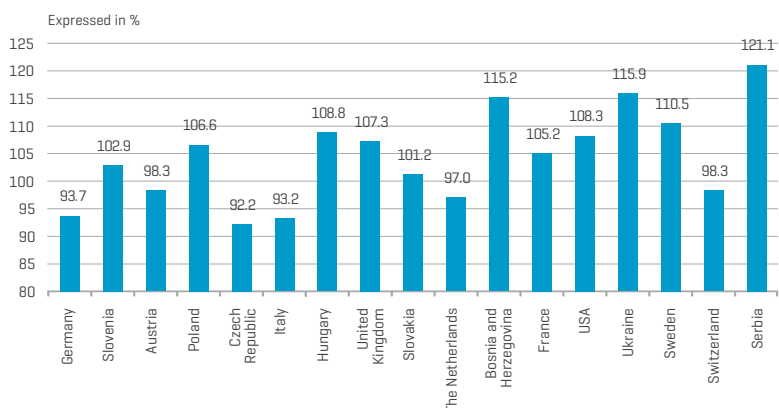


Figure 6
Indices of change in overnight stays of foreign tourists from the main source markets achieved during the period from January to September 2024 (January to September 2023 = 100)

Source: Croatian Bureau of Statistics.



Tourism in 2024 by county

An analysis of tourism activity by county shows that the highest number of overnight stays and tourist arrivals in the period from January to September 2024 was achieved in seven coastal counties (Istria, Split-Dalmatia, Primorje-Gorski Kotar, Zadar, Dubrovnik-Neretva, Šibenik-Knin, Lika-Senj). A cumulative total of 84.3 million overnight stays and 16.2 million arrivals were realized in these counties. This accounts for 95.4 percent of the total number of overnight stays and 88.4 percent of the total number of tourist arrivals recorded in Croatia during the observed period.

Table 1
Tourist overnight stays and arrivals by county, January–September 2024

	Tourist overnight stays	Index Jan–Sep 2024 Jan–Sep 2023	Tourist arrivals	Index Jan–Sep 2024 Jan–Sep 2023
Istria County	26,852,369	98.9	4,574,744	100.2
Split-Dalmatia County	17,348,483	102.5	3,480,267	104.8
Primorje-Gorski Kotar County	14,620,914	98.4	2,824,780	99.8
Zadar County	10,100,596	102.9	1,792,998	106.4
Dubrovnik-Neretva County	7,566,171	105.9	1,904,690	107.1
Šibenik-Knin County	4,935,191	100.7	864,806	101.7
Lika-Senj County	2,845,692	101.1	714,452	102.5
City of Zagreb	1,974,518	105.0	1,057,223	109.0
Karlovac County	541,810	96.2	299,526	96.9
Krapina-Zagorje County	346,115	107.0	161,513	107.8
Zagreb County	237,888	113.8	132,475	113.8
Varaždin County	205,017	105.4	88,185	107.0
Osijek-Baranja County	197,102	103.9	98,728	108.9
Međimurje County	176,956	103.0	77,022	105.2
Vukovar-Srijem County	116,399	104.8	69,394	102.1
Bjelovar-Bilogora County	66,446	103.5	21,672	101.2
Brod-Posavina County	55,995	106.7	37,623	112.8
Sisak-Moslavina County	55,994	122.0	22,799	113.8
Požega-Slavonia County	52,152	105.1	19,476	105.4
Koprivnica-Križevci County	34,002	91.4	13,983	94.1
Virovitica-Podravina County	33,760	119.0	14,314	115.0
Republic of Croatia	88,363,570	100.9	18,270,670	103.2

Source: Systematization of the authors according to data from the Croatian Bureau of Statistics.

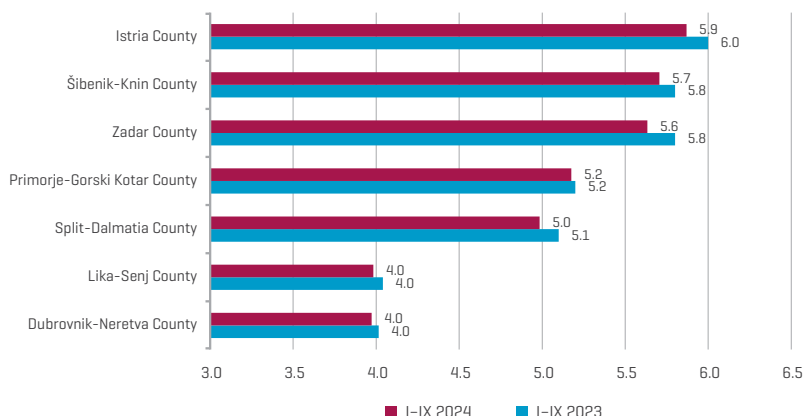
The highest number of overnight stays was recorded in the Istria County, i.e., 26.9 million. This is followed by Split-Dalmatia County with 17.3, Primorje-Gorski Kotar County with 14.6, Zadar County with 10.1, and Dubrovnik-Neretva County with 7.6 million overnight stays [Table 1]. Apart from the coastal counties, the City of Zagreb continues to stand out in terms of tourism results, recording around 2 million overnight stays and 1.1 million arrivals in the first nine months of this year. In most counties, an increase in the number of overnight stays was recorded during the first nine months of this year compared to the same period in 2023. The exceptions are Istria, Primorje-Gorski Kotar, and Karlovac counties, which recorded a slight decrease in the number of overnight stays.

Taking into account the growth dynamics, the best results in the first nine months of 2024 on a year-on-year basis were achieved by Sisak-Moslavina County, which achieved 22 percent more overnight stays. It is followed by Zagreb County with 13.8 percent, Krapina-Zagorje County with 7 percent, and Brod-Posavina County with 6.7 percent more tourist overnight stays than in the first nine months of 2023. At the same time, among the coastal counties, the highest increase in the number of overnight stays was recorded by the Dubrovnik-Neretva County, at a high 5.9 percent. This is followed by Zadar County with an increase of 2.9 percent and Split-Dalmatia County with an increase of 2.5 percent.

If we look at the average length of stay of tourists in coastal counties during the first nine months of this year, it is noticeable that tourists stayed in Dubrovnik-Neretva and Lika-Senj counties the shortest [4 nights each]. In contrast, the longest stays of tourists were recorded in Istria [5.9 overnight stays] and Šibenik-Knin County [5.7 overnight stays] [Figure 7]. If these indicators are compared on a year-on-year basis, it is evident that, on average, tourists are staying somewhat shorter. In the first nine months of last year, an average of 6 overnight stays were realized in Istria County, and 5.8 overnight stays were realized in Šibenik-Knin County.

Figure 7
Average number of overnight stays per tourist arrival in the coastal counties of the Republic of Croatia in the period from January to September 2023 and 2024

Source: Croatian Bureau of Statistics.

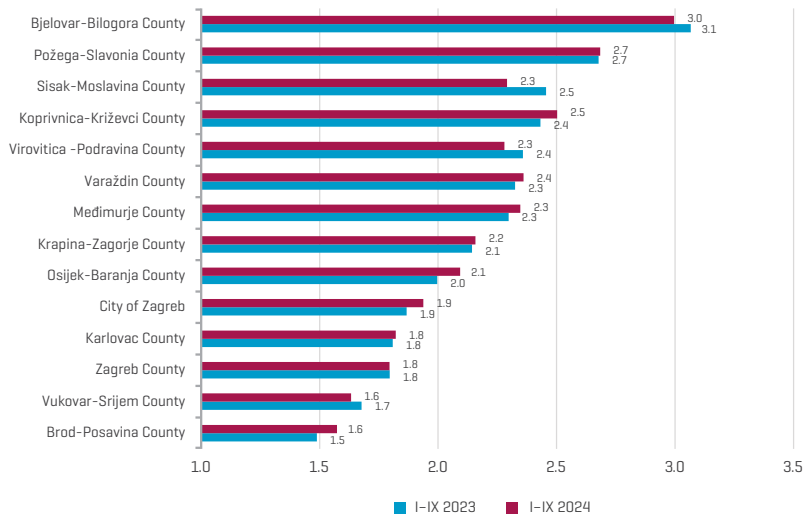


FOREIGN EXCHANGE REVENUE FROM TOURISM IN THE FIRST TWO QUARTERS OF 2024 RECORDED AN INCREASE OF 7.5 PERCENT COMPARED TO THE SAME PERIOD LAST YEAR.

If we analyze the value of this indicator for counties in the continental part of the country, it is noticeable that, on average, tourists stay in these destinations significantly shorter than in coastal counties (Figure 8). Thus, on average, during the first nine months of 2024, tourists stayed the longest at tourist destinations in Bjelovar-Bilogora County (3 nights), followed by Požega-Slavonia County with 2.7 overnight stays per tourist arrival. Slightly more than 2 overnight stays per tourist arrival were also achieved by the Sisak-Moslavina, Varaždin, Koprivnica-Križevci, Virovitica-Podravina, Varaždin, Međimurje, Krapina-Zagorje, and Osijek-Baranja counties. On average, tourists stayed the shortest in Brod-Posavina County, i.e., 1.6 nights.

Figure 8
Average number of overnight stays per tourist arrival in the counties of the continental part of the Republic of Croatia in the period from January to September 2023 and 2024

Source: Croatian Bureau of Statistics.

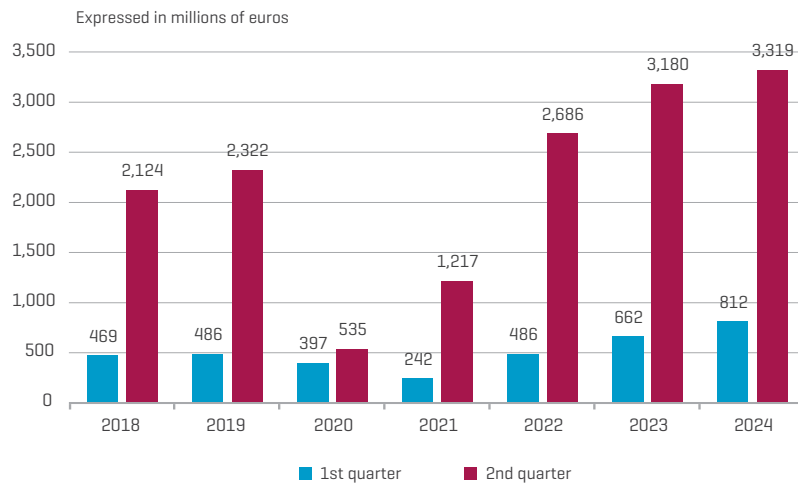


Foreign exchange revenue from tourism in the first two quarters of 2024

According to CNB data, foreign exchange revenue from tourism in the first two quarters of 2024 recorded an increase of 7.5 percent year-on-year (Figure 9). Compared to the same period in 2019, foreign exchange revenue from tourism increased by 47.1 percent during the first six months of this year. Given the year-on-year growth in foreign tourist arrivals and overnight stays during the third quarter of this year, it is expected that total international tourism revenue generated in 2024 will exceed the levels of revenue generated last year.

Figure 9
Foreign exchange revenue from tourism for the 1st and 2nd quarters from 2018 to 2024

Source: Croatian National Bank.



Average monthly net wages per person employed in key tourism industries

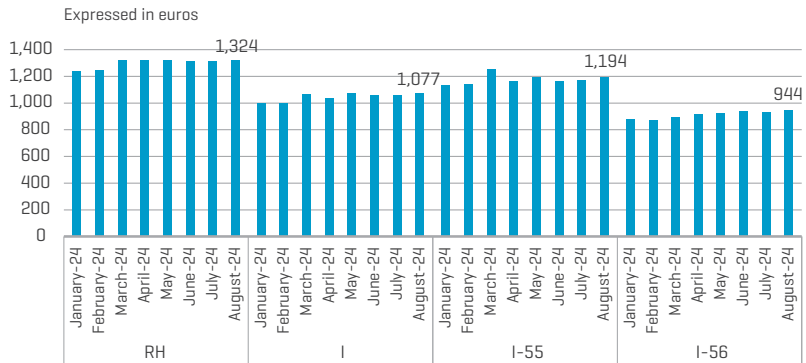
Given that persons employed in the accommodation and food and beverage service activities account for 82.4 percent of total employment in the tourism sector, the analysis of trends in average monthly net wages is presented at the level of these two industries.

The latest data from the Croatian Bureau of Statistics on average monthly net wages per person employed in legal entities show that positive trends in tourism turnover during the first two quarters of this year were reflected in the level of wages paid in key tourism activities, accommodation activities [I55], and food and beverage service activities [I56]. Average monthly net wage per person employed in the accommodation activities and food and beverage service activities [I] paid in August this year amounted to 1,077 euros, which is 11 percent more nominally than in the same month last year. Observed separately for both activities, the average monthly net wage per person employed in the accommodation sector [I-55] in August this year amounted to 1,259 euros and recorded a nominal increase of 10.2 percent on an annual basis. At the same time, the average monthly net wage per person employed in the food and beverage service sector [I-56] amounted to 944 euros, which is a nominal increase of 13.6 percent compared to August 2023. Figure 10 shows the trends in net wages per person employed in the period from January to September 2024, at the level of the entire economy and at the level of the accommodation industry and food and beverage service industry. At the level of the entire economy, the average monthly net wage reached its lowest value in January of this year [1,239 euros]. Net wages paid in the accommodation sector [I-55] also reached their lowest level in January [1,136 euros], while average net wages paid in the food and beverage service sector [I-56] recorded their lowest amount in February this year [876 euros]. During the following

months, especially the summer months, they recovered. Thus, the average net wage in the accommodation sector (I-55) nominally increased by 5.1 percent in the period from January to August. At the same time, the average net wage paid in the food and beverage service sector (I-56) increased by 7.8 percent.

Figure 10
Average net wages per person employed in the accommodation industry and food and beverage service industry – I, division I-55 and division I-56, from January to September 2024

Source: Croatian Bureau of Statistics.



In 2023, the average monthly net wage per person employed paid in the accommodation and food and beverage service sector (I) was 944 euros, which was lower by 17.8 percent than the average for the Croatian economy (Table 2). In 2023, in the accommodation sector (I-55), the average monthly net wage per person employed was 1,065 euros, which was 12.8 percent above the average monthly net wages paid at the level of accommodation and food and beverage service sector (I) and 7.2 percent below the average net wage per person employed at the level of the Croatian economy. At the same time, in the food and beverage service sector (I-56), average net wages of 808 euros per person employed were paid, which was below the average of the two observed tourism sectors (by 14.4 percent) and below the average for the economy (29.6 percent).

Table 2
Average monthly net wage per person employed in legal entities in Croatia, accommodation and food and beverage service activities, 2019 – (I-VIII) 2024

	2019	2020	2021	2022	2023	I-VIII 2024
Republic of Croatia (in euros)	857	898	946	1,016	1,148	1,302
I – Accommodation and food and beverage service activities	708	695	739	831	944	1,052
RH = 100	82.6	77.4	78.1	81.8	82.2	80.8
I55 – Accommodation	799	797	857	952	1,065	1,179
I = 100	112.9	114.7	116.0	114.6	112.8	112.1
RH = 100	93.2	88.8	90.6	93.7	92.8	90.6
I56 – Food and beverage service activities	577	596	623	698	808	918
I = 100	81.5	85.8	84.3	84.0	85.6	87.3
RH = 100	67.3	66.4	65.9	68.7	70.4	70.5

Source: Croatian Bureau of Statistics.

If we look at the trend in average monthly net wages per person employed during the period from 2019 to 2023, we can see continuous increase in wages at the level of the entire economy, at an average annual rate of 6 percent (Table 2). In contrast, in 2020, in the accommodation and food and beverage service activities [1], average monthly net wages per person employed recorded a year-on-year decline. Thus, in 2020, the average monthly net wage paid in the accommodation and food and beverage service activities [1] was nominally 1.8 percent lower than the average in 2019. However, in the following three years, there was a year-on-year nominal growth in net wages in the accommodation and food and beverage service activities [1]. Thus, in 2021, net wages increased by an average of 6.3 percent, in 2022 by 12.4 percent, while in 2023 they increased by 13.6 percent. If we look at the trend in average monthly net wages per person employed separately for the accommodation and food and beverage service activities during the period from 2019 to 2023, we can see a slightly faster increase in average monthly net wages paid in the food and beverage service activities [1-56], at an average annual rate of 7 percent. At the same time, the accommodation sector [1-56] recorded an average annual increase in net wages of 5.9 percent.

Tourism in Croatia in 2023

“In Croatia, in 2023, 92.4 million overnight stays were recorded, which is 2.6 percent more than in 2022.

After 2020 was marked by a significant decline in tourism activity, which was caused by the coronavirus pandemic, in the period 2021–2023, recovery followed. 19.5 million arrivals and 92.4 million tourist overnight stays were achieved last year, which represents a year-on-year increase in tourist arrivals of 9.7 percent and overnight stays of 2.6 percent (Figure 11). While foreign guests recorded a greater increase in arrivals, domestic guests realized a greater increase in the number of overnight stays. Thus, foreign tourist arrivals recorded a year-on-year increase of 10 percent, and domestic arrivals of 7.6 percent. In 2023, 2.4 percent more foreign tourist overnight stays were recorded than a year earlier, while domestic tourist overnight stays recorded an increase of 4.6 percent. This only tentatively confirms the findings from the previous parts of the analysis about the continuation of the trend of shorter stays of foreign tourists in Croatian tourist destinations. Despite the increase in the number of overnight stays, it should be noted that in 2023 there was a slowdown in tourism activity. Thus, in 2023, the year-on-year increase in the number of overnight stays was 2.6 percent, in 2022 it was 28.3 percent, and in 2021 it was 72.1 percent. Judging at least by the number of overnight stays, it is interesting how 2023 managed to exceed the results from pre-pandemic 2019. In 2023, the number of overnight stays was 1.3 percent higher than in 2019 (Figure 11).

Table 3
Main sector indicators, 2019–2023

	2019	2020	2021	2022	2023
Number of overnight stays (in millions)	91.2	40.8	70.2	90.0	92.4
Number of arrivals (in millions)	19.6	7.0	12.8	17.8	19.5
Tourism revenue (in billions of euros)	10.5	4.8	9.1	13.1	14.6
Share of activity in GDP (in %)	11.8	N/A	N/A	N/A	N/A
Share of activity in exports (in %)	37.3	22.7	31.4	32.6	35.1
Share of overnight stays in Istria [% of overnight stays]	28.9	28.1	31	30.8	30.4
Number of permanent beds (in thousands)	1,160.1	1,049.1	1,086.6	1,128.5	1,150.4

Sources: Croatian Bureau of Statistics and Croatian National Bank.

In 2023, in the structure of total arrivals and overnight stays, foreign tourists predominate, accounting for 86.5 percent of arrivals and 91.2 percent of overnight stays.

In 2023, a total of 1.15 million permanent beds were available to tourists, which is 1.9 percent more than in 2022. The trend of shorter stays of domestic and foreign guests at tourist destinations continued. In 2023, the average number of overnight stays per arrival of foreign tourists was 5.0, and that of domestic tourists was 3.1. In 2022, this indicator was 5.4 for foreign tourists and 3.2 for domestic tourists.

Figure 11
Tourist overnight stays in Croatia, in millions, 2000–2023

Source: Croatian Bureau of Statistics.

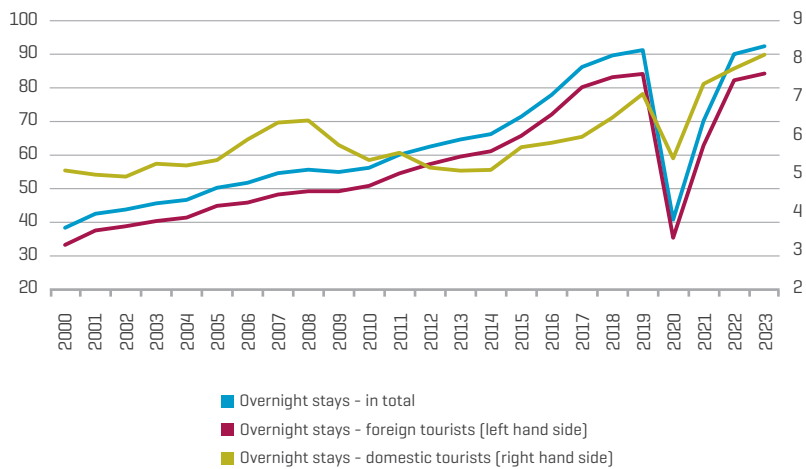
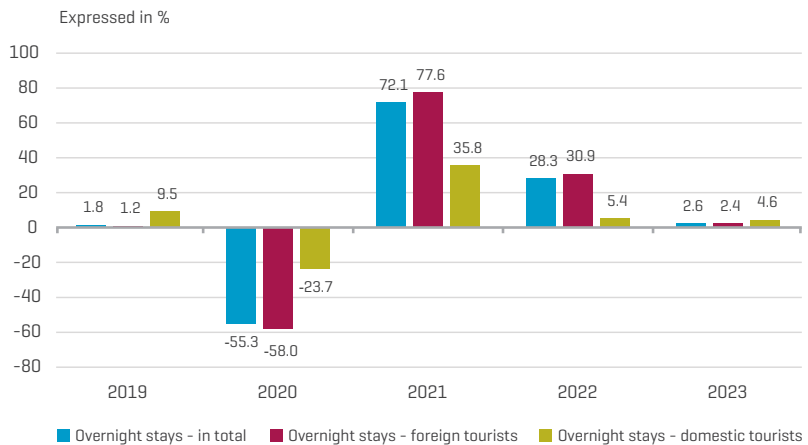


Figure 12
Year-on-year rates of change in the total number of overnight stays, and the number of overnight stays of domestic and foreign tourists from 2019 to 2023

Source: Croatian Bureau of Statistics.



Positive trends in tourism in Croatia in 2023 are also confirmed by financial indicators. Total tourism revenue from foreign guests amounted to 14.6 billion euros last year, which is 39.0 percent above the 2019 level [10.5 billion]. Compared to 2022, total tourism revenue from foreign guests recorded an increase of 11.5 percent. In the structure of foreign exchange revenue from tourism, revenue from private travel predominates [97.9 percent], while revenue from business trips by foreign guests accounts for only 2.1 percent of total foreign exchange revenue in tourism.

Tourism in Croatia is characterized by pronounced seasonality, which, in addition to climate factors, is also determined by the structure of accommodation capacities, the number and schedule of school and public holidays, as well as annual vacations [Rašić, 2022, p. 15]. The largest part of tourist accommodation in Croatia is private accommodation, together with campsites, which generate most of their business during the summer season [Table 4]. Private accommodation accounts for 64.9 percent of the total number of beds, while camping grounds, recreational vehicle parks, and trailer parks account for 20.9 percent. Private accommodation includes rooms, apartments, studio apartments, and short-stay holiday homes. Hotel accommodation capacities¹ account for only 14.2 percent of the total number of beds [2023].

Table 4
Structure of accommodation facilities by number of beds*, 2022 and 2023

	Total number of beds*		Structure (total = 100)	
	2022	2023	2022	2023
Hotels and similar accommodation	177,760	179,611	14.3%	14.2%
Holiday and other short-stay accommodation	795,249	822,438	64.0%	64.9%
Camping grounds, recreational vehicle parks and trailer parks	269,174	264,767	21.6%	20.9%
Other accommodation	1,280	1,108	0.1%	0.1%
Total	1,246,463	1,267,924	100.0%	100.0%

Note: * Total number of beds includes permanent and auxiliary beds.

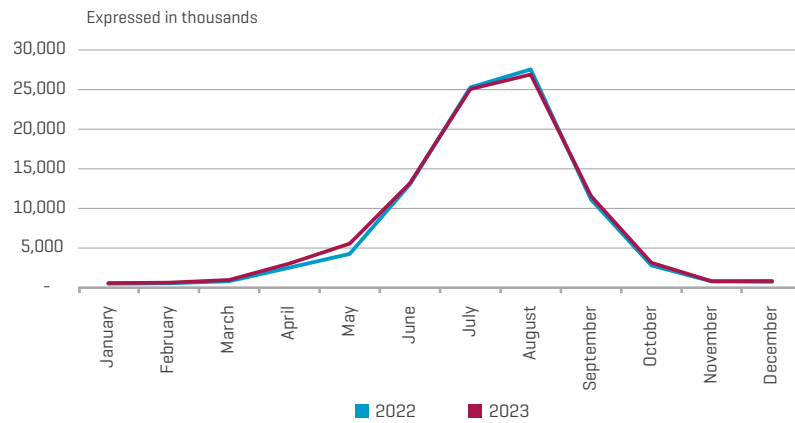
Source: Croatian Bureau of Statistics.

The pronounced seasonality of tourism in Croatia is confirmed by monthly data on the number of tourist overnight stays. In 2023, more than three-quarters [83.0 percent] of the total annual number of tourist overnight stays occurred during the summer months of June, July, August, and September, with August accounting for 29.1 percent and July for 27.1 percent of the total number of overnight stays [Figure 13]. Interestingly, compared to 2022, the largest relative increase in overnight stays was recorded in the months outside the summer season, i.e., in January by 19.2 percent, in February by 14.2 percent, in March by 20.9 percent, in April by 20.4 percent, and in May by 30.7 percent. At the same time, in July there was a decrease in the number of overnight stays on an annual basis of 0.9 percent, and in August of 2.3 percent. This supports the fact that the seasonality of Croatian tourism decreased in 2023.

¹ The category of "hotels" includes heritage hotels, aparthotels, integrated hotels, diffuse hotels, spa hotels, and hotels of a special standard, while the category of "similar accommodation" includes tourist resorts, tourist apartments, boarding houses, and guest houses.

Figure 13
Trends in tourist overnight stays in Croatia by month, 2022 and 2023

Source: Croatian Bureau of Statistics.



Tourism results at the county level in 2023

Adriatic Croatia is the most important Croatian tourist region in terms of both arrivals and overnight stays. In 2023, 94.6 percent of all overnight stays and 86.9 percent of all tourist arrivals in Croatia were realized in the seven coastal counties. As much as 66.6 percent of all tourist overnight stays in 2023 were achieved in three counties, Istria [28.1 million overnight stays], Split-Dalmatia [17.8 million overnight stays], and Primorje-Gorski Kotar [15.6 million overnight stays].

In 2023, with the exception of Šibenik-Knin County, all counties (including the City of Zagreb) experienced an increase in the number of tourist overnight stays compared to 2022 [Table 5]. Among the counties of Adriatic Croatia, the highest year-on-year growth was recorded in Dubrovnik-Neretva County, at 7.7 percent, followed by Split-Dalmatia County with a growth of 4.0 percent, and Lika-Senj County, which recorded a year-on-year growth in the number of tourist overnight stays of 3.1 percent. Among the counties in the continental part of the country, the highest year-on-year growth in the number of tourist overnight stays was recorded in Vukovar-Srijem County [21.9 percent], followed by Bjelovar-Bilogora County with a year-on-year growth of 21.6 percent, and Koprivnica-Križevci County with 21.5 percent. In 2023, the City of Zagreb also recorded significant year-on-year growth in the number of overnight stays of 13.7 percent. As expected, on average, tourists stay longer at tourist destinations in coastal counties [Figures 14 and 15]. In 2023, at tourist destinations of Adriatic Croatia, the average number of overnight stays per arrival of foreign tourists was 5.2, while in Northern Croatia it was significantly lower, i.e., 2.4 overnight stays. This is followed by the City of Zagreb with 2 overnight stays per tourist arrival and Pannonian Croatia with 1.9 overnight stays per tourist arrival. With the exception of Northern Croatia, all other regions are experiencing shorter stays of guests at tourist destinations. This process is particularly pronounced in Adriatic Croatia. In this region, in 2020, the average stay of foreign tourists was 6.5 nights, while in 2023 it was 5.2 nights.

IN ADDITION TO CLIMATE FACTORS, THE SEASONALITY OF CROATIAN TOURISM IS DETERMINED BY THE STRUCTURE OF ACCOMMODATION CAPACITIES, THE NUMBER AND SCHEDULE OF SCHOOL AND PUBLIC HOLIDAYS, AS WELL AS ANNUAL VACATIONS.

Table 5
Number of tourist overnight stays by county, 2022 and 2023

Source: Croatian Bureau of Statistics.

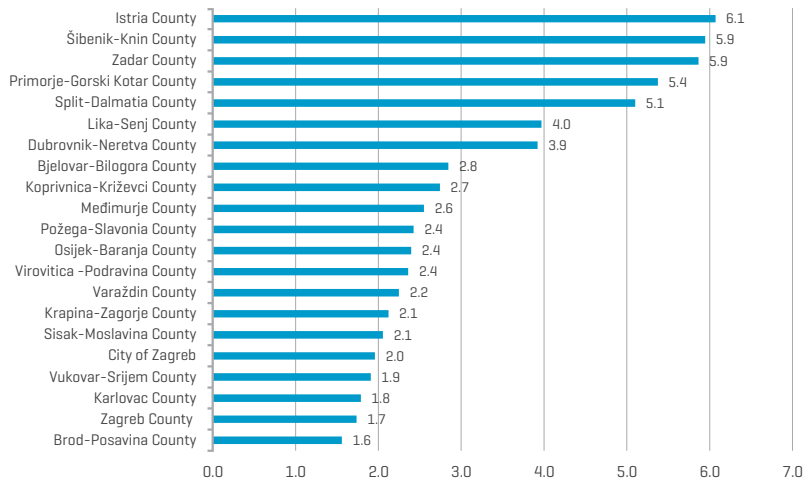
County	Overnight stays		
	2022	2023	Index of change 2023 2022
Istria County	27,690,426	28,121,131	101.6
Split-Dalmatia County	17,085,151	17,774,875	104.0
Primorje-Gorski Kotar County	15,512,719	15,599,876	100.6
Zadar County	10,066,168	10,122,050	100.6
Dubrovnik-Neretva County	7,210,748	7,762,485	107.7
Šibenik-Knin County	5,226,083	5,067,586	97.0
Lika-Senj County	2,815,862	2,903,811	103.1
City of Zagreb	2,206,044	2,507,454	113.7
Karlovac County	553,213	622,764	112.6
Krapina-Zagorje County	383,672	414,222	108.0
Zagreb County	229,238	265,018	115.6
Osijek-Baranja County	218,462	253,118	115.9
Varaždin County	202,467	241,220	119.1
Međimurje County	203,937	215,597	105.7
Vukovar-Srijem County	123,683	150,735	121.9
Bjelovar-Bilogora County	68,319	83,102	121.6
Brod-Posavina County	58,118	68,137	117.2
Požega-Slavonia County	61,067	64,782	106.1
Sisak-Moslavina County	55,490	57,887	104.3
Koprivnica-Križevci County	36,987	44,950	121.5
Virovitica-Podravina County	32,323	36,032	111.5

If we analyze the average length of stay of tourists according to tourist residency, it is characteristic of Adriatic Croatia that, on average, foreign guests stay significantly longer than domestic guests [5.2 versus 3.6 overnight stays], while at tourist destinations in continental regions this difference is insignificant [2.1 versus 2 overnight stays].

Analyzed by county, the largest difference between the length of stay of foreign and domestic tourists was recorded in 2023 at tourist destinations of Istria County, where foreign tourists stay on average twice as long as domestic tourists and record 6.1 overnight stays upon arrival, while

Figure 14
Average number of overnight stays per arrival of foreign tourists by county, 2023

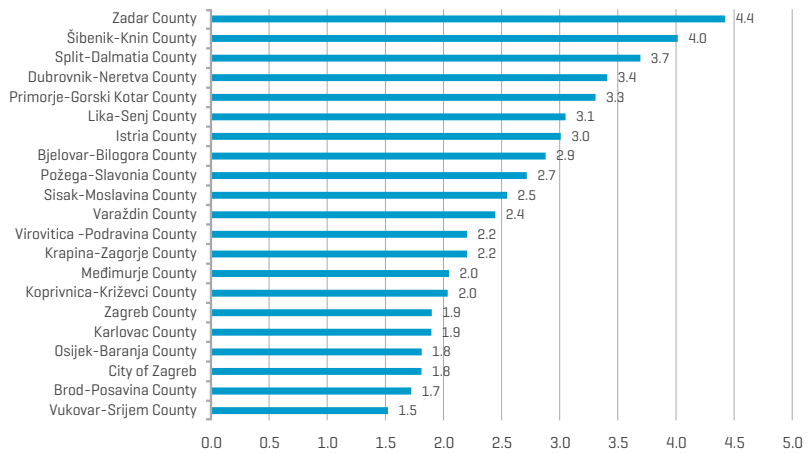
Source: Croatian Bureau of Statistics.



domestic tourists record 3 overnight stays. In 2023, foreign tourists stayed the longest in Istria (6.1 overnight stays), and Šibenik-Knin and Zadar counties (5.9 overnight stays each). Similarly, on average, domestic tourists stayed the longest in Zadar County (4.4 overnight stays), followed by Šibenik-Knin County with 4.0 overnight stays and Split-Dalmatia County with 3.7 overnight stays. Among the coastal counties, the lowest average number of overnight stays per foreign tourist arrival was recorded in Dubrovnik-Neretva County (3.9 overnight stays), while on average domestic tourists stay the shortest in Istria County (3 overnight stays).

Figure 15
Average number of overnight stays per arrival of domestic tourists by county, 2023

Source: Croatian Bureau of Statistics.



“In 2023, the most popular tourist destinations in Croatia were Rovinj with 4.1 million overnight stays, followed by Dubrovnik with 3.8 and Poreč with 3.2 million overnight stays.

It is interesting to note that in some tourist destinations in the continental part of the country, on average, domestic tourists stay slightly longer than foreign tourists. These destinations include the Sisak-Moslavina, Požega-Slavonia, Karlovac, Brod-Posavina, Krapina-Zagorje, and Bjelovar-Bilogora counties. Viewed at the level of individual tourist destinations in Adriatic Croatia, more than a million overnight stays in 2023 were achieved in 26 coastal destinations and the City of Zagreb (Table 6). For comparison, in 2022, 25 destinations achieved this figure, and in 2021, 19 destinations. In 2023, the most popular tourist destinations in Croatia were Rovinj with

4.1 million overnight stays, Dubrovnik with 3.8 million, and Poreč with 3.2 million overnight stays. The destination that achieved more than a million overnight stays in 2023, and did not a year earlier, is Omiš. In 2023, most coastal destinations recorded year-on-year growth in tourist turnover. Split leads the way with a year-on-year growth in the number of overnight stays of 11.1 percent, followed by Dubrovnik with a growth of 9.2 percent, and Zadar with a growth of 8.2 percent.

Table 6
Destinations in Adriatic Croatia with more than a million tourist overnight stays recorded in 2023

	Overnight stays	Arrivals	Index of change of overnight stays 2023 2022	Average number of overnight stays per arrival
Rovinj - Rovigno	4,128,901	729,266	100.8	5.7
Dubrovnik	3,805,726	1,235,533	109.2	3.1
Poreč - Parenzo	3,247,036	622,103	100.5	5.2
Split	2,908,550	949,385	111.0	3.1
Umag - Umago	2,689,153	542,446	103.6	5.0
Medulin	2,657,651	436,488	97.0	6.1
Zadar	2,145,586	608,834	108.2	3.5
Funtana - Fontane	2,060,472	309,502	104.3	6.7
Pula - Pola	1,997,014	442,330	103.6	4.5
Mali Lošinj	1,902,655	282,012	97.0	6.7
Tar-Vabriga - Torre-Abrega	1,901,241	270,989	101.5	7.0
Crikvenica	1,830,508	366,219	100.6	5.0
Novalja	1,813,379	291,985	99.4	6.2
Vrsar - Orsera	1,746,307	236,652	101.6	7.4
Makarska	1,615,129	300,675	102.9	5.4
Krk	1,422,837	252,591	101.3	5.6
Opatija	1,349,087	432,413	103.9	3.1
Šibenik	1,329,152	293,622	95.5	4.5
Labin	1,280,552	234,306	100.6	5.5
Rab	1,230,430	180,238	98.5	6.8
Novigrad - Cittanova	1,209,846	236,455	101.7	5.1
Vodice	1,174,623	229,941	101.9	5.1
Nin	1,170,606	160,042	100.6	7.3
Fažana - Fasana	1,111,164	154,761	103.4	7.2
Omiš	1,002,813	165,086	101.0	6.1
Baška	1,001,354	181,834	99.4	5.5

Source: Systematization and calculation by the authors according to data from the Croatian Bureau of Statistics.

At the same time, a decrease in the number of overnight stays was recorded in Medulin [by 3 percent], Mali Lošinj [by 3 percent], Novalja [by 0.6 percent], Šibenik [by 4.5 percent], Rab [by 1.5 percent], and Baška [by 0.6 percent]. Last year, in the coastal and island destinations observed, on average, tourists stayed the shortest in Opatija, Dubrovnik, and Split [3.1 nights each], and the longest in Vrsar [7.4 nights] and Nin [7.3 nights], followed by Fažana [7.2 nights], and Tar-Vabriga [7.0 nights].

Table 7
Destinations in the continental part of the country with more than 20,000 recorded tourist overnight stays in 2023

	Overnight stays	Arrivals	Index of change of overnight stays 2023/2022	Average number of overnight stays per arrival
City of Zagreb	2,507,454	1,300,694	113.7	1.9
Rakovica	283,036	160,916	107.7	1.8
Tuhelj	177,489	70,021	106.2	2.5
Osijek	155,683	76,241	118.0	2.0
Sveti Martin na Muri	146,575	61,109	104.7	2.4
Slunj	86,379	47,244	97.3	1.8
Vukovar	81,008	54,186	140.6	1.5
Varaždin	80,340	41,518	119.5	1.9
Stubičke Toplice	76,466	30,590	94.3	2.5
Karlovac	75,543	49,240	120.1	1.5
Velika Gorica	74,268	49,367	114.1	1.5
Varaždinske Toplice	55,954	13,847	124.2	4.0
Daruvar	55,358	16,162	117.0	3.4
Duga Resa	47,215	21,741	110.2	2.2
Vinkovci	46,063	25,101	101.1	1.8
Slavonski Brod	44,746	27,536	117.9	1.6
Jastrebarsko	43,816	29,905	132.1	1.5
Sveta Nedelja	42,121	25,452	112.5	1.7
Ogulin	39,641	23,696	112.3	1.7
Donja Stubica	36,380	17,580	136.6	2.1
Ivanić-Grad	33,495	9,940	115.0	3.4
Samobor	33,150	18,381	115.6	1.8
Krapinske Toplice	32,932	14,495	110.3	2.3
Čakovec	28,987	15,331	211.4	1.9
Đakovo	21,633	10,445	118.7	2.1
Tounj	21,577	21,577	688.7	1.0
Krapina	20,162	14,685	116.5	1.4

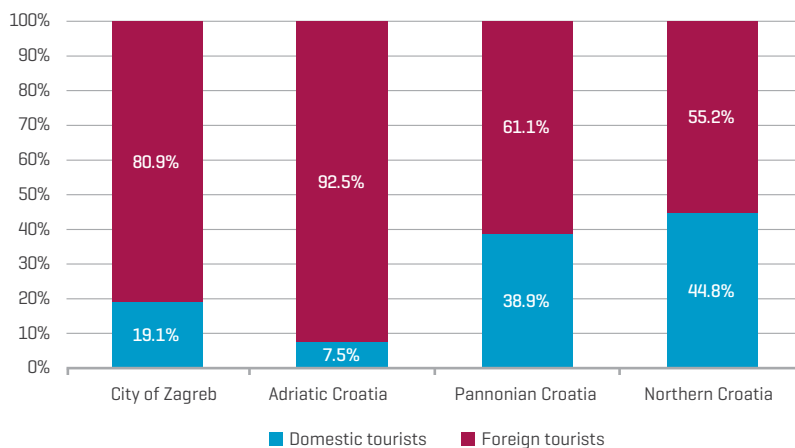
Source: Systematization and calculation by the authors according to data from the Croatian Bureau of Statistics.

By observing tourist turnover achieved at the level of destinations in the continental part of the country², as expected, the City of Zagreb recorded the highest number of overnight stays in 2023 – 2.5 million (Table 7). This is followed by Rakovica with 283,036 overnight stays and Tuhelj with 177,489 overnight stays. In 2023, out of a total of 336 local destinations in the continental counties of Croatia, only five recorded more than 100,000 overnight stays. These include: City of Zagreb, Rakovica, Tuhelj, Osijek, and Sveti Martin na Muri. For comparison, in 2022, all of the aforementioned continental destinations were included in this group, while in 2021, the City of Osijek was not included, with 97,208 overnight stays. In 2023, the City of Zagreb alone accounted for 51.5 percent of tourist overnight stays in continental Croatia. Only eight destinations recorded more than 50,000 and less than 100,000 overnight stays, while 14 of them achieved between 20 and 50 thousand overnight stays. If the number of overnight stays achieved in 2023 is compared on a year-on-year basis, growth is visible in almost all observed destinations, with the exceptions of Slunj and Stubičke Toplice. The largest year-on-year growth in the number of tourist overnight stays was recorded in Tounj [588.7 percent], followed by Čakovec with a year-on-year growth of 111.4 percent and Vukovar with 40.6 percent. In 2023, tourists on average stayed the shortest in Tounj [1 night], while they stayed the longest in Varaždinske Toplice [4 nights], followed by Daruvar and Ivanić-Grad [3.4 nights each].

Figure 16 shows the structure of tourism demand at the level of the spatial units of Adriatic Croatia, Pannonian Croatia, Northern Croatia, and the City of Zagreb (NUTS2 regions). Foreign tourists are significantly predominant in the structure of overnight stays and tourist arrivals in Adriatic Croatia [92.5 percent of the total number of overnight stays] and the City of Zagreb [80.9 percent].

Figure 16
Tourist overnight stays, City of Zagreb, Adriatic Croatia, Pannonian Croatia, and Northern Croatia, 2023

Source: Croatian Bureau of Statistics.



² Destinations located in the area of the former NUTS2 region of Continental Croatia, or in the area of the currently valid NUTS2 regions of Pannonian Croatia, Northern Croatia, and the City of Zagreb.

Although more than half of tourist overnight stays in destinations in Pannonian and Northern Croatia are made up of foreign tourists, they still rely on domestic tourist demand to a significant extent. Last year, domestic tourists accounted for 44.8 percent of the total number of tourist overnight stays in Northern Croatia and 38.9 percent of the total number of tourist overnight stays in Pannonian Croatia.

Main source markets of foreign visitors by country of origin in 2023

“ In 2023, the highest number of arrivals and overnight stays were achieved by tourists from Germany, i.e., they achieved 19 percent of total foreign arrivals and 26.5 percent of total foreign tourist overnight stays.

Analyzed by source markets, in 2023, the highest number of arrivals and overnight stays were achieved by tourists from Germany, with 3.2 million arrivals (19 percent of total foreign arrivals) and 22.3 million overnight stays (26.5 percent of total foreign tourist overnight stays) (Table 8). Then, according to the share in the total number of overnight stays of foreign tourists, they are followed by tourists from Slovenia and Austria (9.1 percent each), Poland (7.5 percent), and the Czech Republic (5.9 percent). Overnight stays by tourists from the above five countries account for 58.2 percent of the total number of overnight stays by foreign tourists in Croatia in 2023. If we add the overnight stays achieved by tourists from Italy, the United Kingdom, Hungary, Slovakia, and the Netherlands, it is clear that tourists from just ten countries accounted for 78.1 percent of the total tourist turnover of foreign tourists in Croatia last year.

An analysis of the dynamics of the trend shows that, in 2023, tourists from Croatia's leading source market – Germany – recorded a decrease in the number of overnight stays of 5.2 percent year-on-year. In addition to tourists from Germany, a decrease in the number of overnight stays was recorded among tourists from the Czech Republic (9 percent), Slovakia (1.3 percent), and the Netherlands (4.1 percent). All other leading source markets recorded year-on-year growth in the number of overnight stays. The largest growth was recorded among tourists from Ukraine (48.3 percent), Hungary (18.4 percent), and Sweden (15.2 percent). Last year, in Croatian tourist destinations, tourists from Germany (7 nights) and the Czech Republic (6.4 nights) stayed the longest on average, while tourists from the USA stayed the shortest (2.6 nights).

Figure 17 shows a comparison of the structure of overnight stays of foreign and domestic tourists by type of accommodation facility in 2023. Accommodation facilities are classified according to the NACE Rev. 2 into four groups within division 55 “Accommodation”: group 55.1 “Hotels and similar accommodation”, group 55.2 “Holiday and other short-stay accommodation”, group 55.3 “Camping grounds, recreational vehicle parks and trailer parks”, and group 55.9 “Other accommodation”.

IN 2023, AMONG THE MAIN SOURCE MARKETS OF CROATIAN TOURISM, THE HIGHEST INCREASE IN NUMBER OF OVERNIGHT STAYS WAS RECORDED BY GUESTS FROM UKRAINE, I.E., OF 48.3 PERCENT.

Table 8
Main source markets of foreign visitors by country of origin in 2023

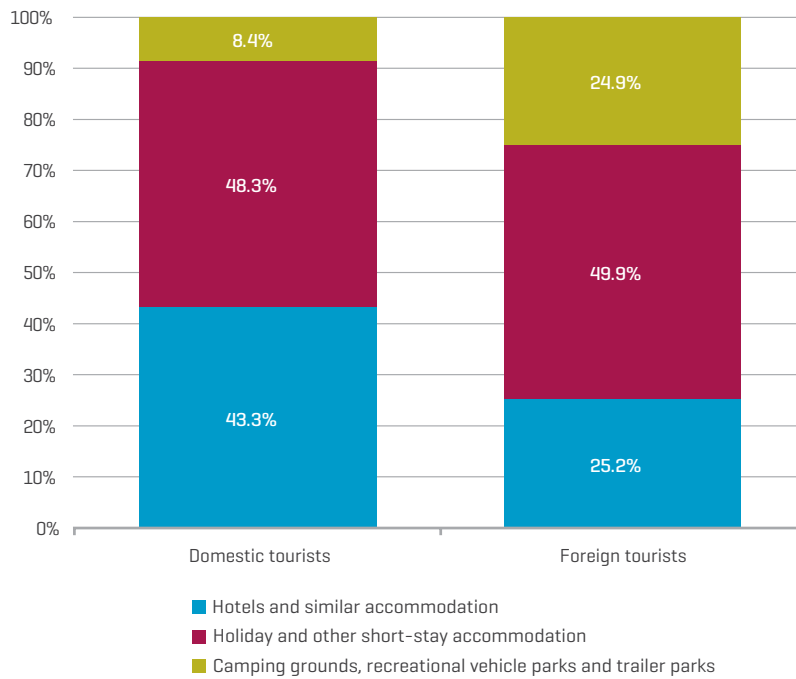
Source: Croatian Bureau of Statistics.

	Number of overnight stays 2022	Number of overnight stays 2023	Index of change of overnight stays 2023/2022	Structure of overnight stays 2023, %	Number of overnight stays upon arrival 2023
Germany	23,555,423	22,329,473	94.8	26.5	7.0
Slovenia	7,470,057	7,684,254	102.9	9.1	5.1
Austria	7,439,907	7,640,145	102.7	9.1	5.0
Poland	6,335,512	6,359,514	100.4	7.5	6.1
Czech Republic	5,508,190	5,010,620	91.0	5.9	6.4
Italy	3,897,516	3,932,149	100.9	4.7	4.1
United Kingdom	3,402,723	3,466,794	101.9	4.1	4.7
Hungary	2,808,907	3,326,048	118.4	3.9	4.8
Slovakia	3,071,636	3,031,928	98.7	3.6	6.2
The Netherlands	3,139,135	3,009,590	95.9	3.6	5.6
France	1,783,368	1,890,220	106.0	2.2	3.3
Bosnia and Herzegovina	1,574,244	1,768,600	112.3	2.1	4.0
USA	1,399,428	1,733,959	123.9	2.1	2.6
Ukraine	920,209	1,364,440	148.3	1.6	5.8
Switzerland	1,162,249	1,202,045	103.4	1.4	4.2
Sweden	909,875	1,048,308	115.2	1.2	4.9
Serbia	821,801	913,493	111.2	1.1	4.3

The highest number of foreign tourist overnight stays, i.e., 42.1 million, was achieved in holiday and other short-stay accommodation [49.9 percent of total foreign tourist overnight stays]. This is followed by hotels and similar accommodation, with 21.2 million overnight stays by foreign tourists, i.e., 25.2 percent. The smallest share of the total number of overnight stays by foreign tourists last year was realized in camping grounds, recreational vehicle parks, and trailer parks, i.e., 20.9 million, which accounts for 24.9 percent of the total number of overnight stays by foreign guests. It is worth highlighting the growing trend in the share of overnight stays by foreign guests in hotels and similar accommodation. This share was 20.5 percent in 2021, 24 percent in 2022, and continued to grow in 2023, reaching 25.2 percent.

Figure 17
Structure of overnight stays of foreign and domestic tourists by type of accommodation facilities in 2023

Source: Croatian Bureau of Statistics.



If this structure is compared with the structure of overnight stays of domestic tourists, the biggest difference compared to domestic tourists is observed in hotels and similar accommodation, as well as in camping grounds, recreational vehicle parks, and trailer parks. Domestic tourists accounted for 43.3 percent of the total number of overnight stays by domestic tourists in hotels and similar accommodation last year, which is above the share of foreign tourists, which reached 25.2 percent. On the other hand, only 8.4 percent of the total number of overnight stays by domestic tourists was achieved in camping grounds, recreational vehicle parks, and trailer parks, which is significantly below the share in the structure of overnight stays by foreign tourists, which was the already mentioned 24.9 percent.

The importance of tourism in the economy of the Republic of Croatia

When it comes to statistical monitoring of tourism, it is important to note that tourism is not defined as a separate category [area, division, group of activities or class] within the European Classification of Economic Activities [NACE Rev. 2]³, but rather a set of different activities, which makes it difficult to assess its significance for the entire economy. When estimating the direct economic contribution of tourism to the national economy, the tourism satellite account is used. The tourism satellite account is a supplement to the System of National Accounts [SNA] and is designed to enable better inclusion of tourism statistics in national accounts statistics.

In January 2022, the Croatian Bureau of Statistics published for the second time the results of calculating the economic importance of tourism for the Croatian economy in accordance with the tourism satellite account methodology. The previous calculation of the economic importance of tourism based on the tourism satellite account methodology was published by the Croatian Bureau of Statistics in January 2019 for 2016, and the first calculation was published by the Institute for Tourism in 2014 for 2011.

According to the tourism satellite account, the share of the tourism sector in the gross domestic product (GDP) of Croatia for 2019 was 11.8 percent [Table 9] [Rašić, 2022, p. 25]. For comparison, in 2011, the tourism sector accounted for 10.4 percent of Croatia's GDP [Institute for Tourism, 2014], and in 2014 it accounted for 11.4 percent [CBS, 2019]. In addition to the

³ The European Classification of Economic Activities is a classification of all economic activities in the Republic of Croatia and is used for the collection, recording, processing, publication, and dissemination of statistical data, and has been in use since 1 January 2008. It is also used for classifying business entities [legal and natural persons] as well as for maintaining business registers. The NKD 2007 is harmonized with the EU statistical classification of economic activities – NACE Rev. 2.

THE TOURISM SECTOR'S SHARE IN CROATIA'S GROSS DOMESTIC PRODUCT IN 2019 WAS 11.8 PERCENT.

share of tourism in the GDP of the national economy, the most important indicators derived from the tourism satellite account are: the value of internal tourism consumption, inbound tourism expenditure, domestic tourism expenditure, gross value added of tourism activities, and direct gross value added of tourism.

According to estimates for 2019, domestic tourism spending amounted to HRK 91.7 billion, of which domestic tourism expenditure amounted to HRK 89.6 billion (97.7 percent), while other components of spending amounted to HRK 2.1 billion (2.3 percent) [Table 10]. If we look at the structure of domestic tourism consumption according to the residency of tourists, it is evident that foreign tourist consumption predominates with a share of 87 percent (78 billion kuna), while domestic tourist expenditures account for only 13 percent (11.7 billion kuna) of tourism consumption. Total expenditure by foreign tourists is dominated by expenditure by tourists with at least one overnight stay, accounting for 94 percent of total expenditure, while same-day visitors account for 6 percent of incoming tourist expenditure. Furthermore, according to estimates for 2019, tourism activities generated gross value added of HRK 82.8 billion, or 24.4 percent of the total gross value added (GVA) that year [Table 9]. In this way, the estimated gross value added represents the sum of the total gross value added of all business units belonging to tourism activities, regardless of whether all manufacture is provided to visitors and regardless of the degree of specialization of the manufacture process.

Compared to 2016, the GVA of tourism activities recorded a nominal growth of 18.4 percent. Direct gross value added of tourism, which is calculated as the sum of the part of gross value added generated in the economy by tourism activities or other activities that directly serve visitors in response to domestic tourism consumption, was lower and amounted to 38.5 billion kuna and accounted for 11.35 percent of total GVA [Table 9]. For comparison, in 2016, the direct gross value added of tourism amounted to 31.7 billion kuna, or 10.9 percent of total GVA.

In 2019, the tourism ratio (the ratio of domestic tourism consumption to the total supply of goods and services) was 0.0948, meaning that 9.5 percent of the total supply of goods and services was used to meet tourism demand.

Table 9**Gross value added of tourism activities, direct gross value added of tourism activities and direct gross domestic product of tourism in 2016 and 2019**

Note: * p.p. – percentage point.

Source: Croatian Bureau of Statistics.

	2016	2019	Index 2019/2016
Gross value added of tourism activities, in millions of kuna	69,948	82,840	118.4
Share of gross value added of tourism activities in the total gross value added	24.0%	24.4%	0.40 p.p.*
Direct gross value added of tourism, in millions of kuna	31,734	38,509	121.3
Share of direct gross value added of tourism in total gross value added	10.9%	11.35%	0.45 p.p.*
Direct GDP from tourism, in millions of kuna	40,040	48,739	121.7
Share of tourism in GDP	11.4%	11.8%	0.4 p.p.*

Table 10**Domestic tourism spending, in millions of kuna, 2016 and 2019**

Source: Croatian Bureau of Statistics.

	2016	2019	Index 2019/2016
Domestic tourism expenditure	76,955	89,642	116.5
incoming	66,433	77,968	117.4
domestic	10,523	11,674	110.9
Other components of tourism consumption	1,661	2,081	125.3
Total domestic tourism consumption	78,616	91,724	116.7

“The largest contribution to the added value of the tourism sector comes from the accommodation sector, which accounted for 48.9 percent of the total added value of tourism in 2022.

Eurostat methodology was used to estimate the contribution of the tourism sector to the number of companies and total employment in the Croatian economy. According to this methodology, the tourism sector is composed of five activities: transport activities, accommodation activities, food and beverage service activities, motor vehicle rental and leasing activities, and travel agency activities. The coverage of activities is based on the European Classification of Economic Activities (NACE Rev. 2), at the level of divisions, groups, and classes (4 digits). The transport activity includes the following classes: 4910 – Passenger rail transport, interurban, 4932 – Taxi passenger transport, 4939 – Other passenger land transport, n.e.c., 5010 – Sea passenger transport, 5030 – Inland passenger water transport, and 5110 – Air passenger transport. The activity of providing accommodation includes classes from area H, division 55 (Accommodation): 5510 – Hotels and similar accommodation, 5520 – Holiday and other short-stay accommodation, and 5530 – Camping grounds, recreational vehicle parks and trailer parks. The food and beverage service activities include class 5610 – Restaurants and mobile food service activities and class 5630 – Beverage serving activities. The activity of renting and leasing of motor vehicles consists of class 7721 – Renting and leasing of recreational and sports goods, and group N771 – Renting and leasing of motor vehicles. The activity of travel agencies covers the entire division 79 – Travel agency, tour operator and other reservation service and related activities.

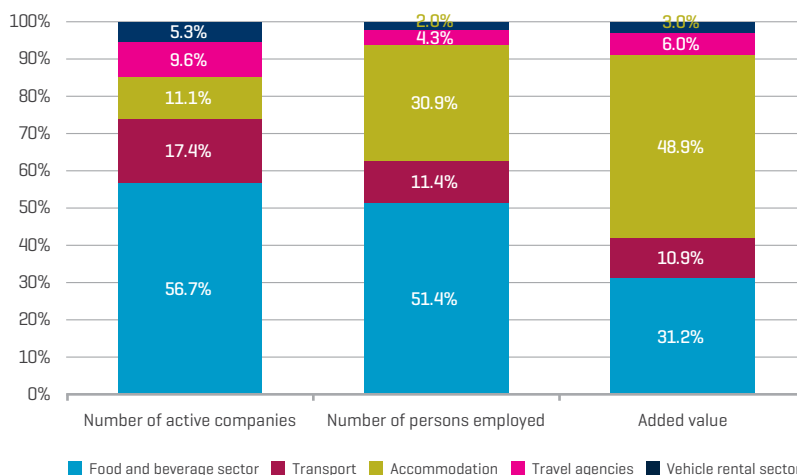
The latest data on the number of persons employed and the number of enterprises at this level of the NACE Rev. 2 are available for 2022 from the Structural Business Statistics database of the Croatian Bureau of Statistics.⁴

In 2022, 30,419 companies were active in tourism in Croatia, employing 121,341 employees. Tourism sector companies make up 13.4 percent of the total number of companies in Croatia in 2022 and account for 10.8 percent of total employment in the entrepreneurial sector. The tourism sector is characterized by a below-average number of persons employed per company, i.e., 4 employees, while the average at the level of the Croatian economy is 5 persons employed per company. If the value of this indicator is analyzed by individual tourism activities, it is evident that the accommodation sector stands out as an extremely labor-intensive activity with 11.1 persons employed per company. In other activities, the average number of persons employed per company ranged from 1.5 persons employed per company in the vehicle rental industry to 3.6 persons employed in the food and beverage industry.

An analysis of the structure of the number of business entities by tourism activity shows that more than half of the companies, i.e., 17,254 (56.7 percent), are companies that provide food and beverages, followed by companies registered in the transport industry (5,290 or 17.4 percent) and companies that provide accommodation (3,372 or 11.1 percent) (Figure 18). The vehicle rental industry records the smallest number of business entities, i.e., 1,597 (5.3 percent), while travel agencies account for 9.6 percent of the total number of tourism sector companies in Croatia.

Figure 18
Structure of companies, employment and added value by tourism sector activities, 2022

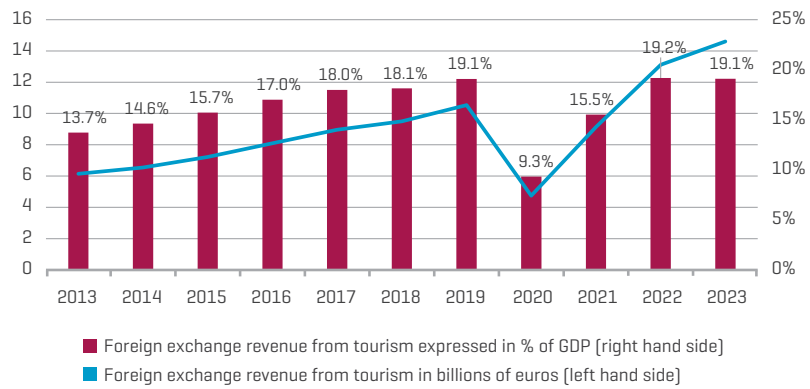
Source: Croatian Bureau of Statistics.



⁴ Structural Business Statistics [SBS] provide information on income and expenditure, employment, productivity, national and regional specialization, enterprise size, investments, etc. Data are presented according to areas and divisions of the European Classification of Economic Activities (NACE Rev. 2). Active companies – legal and natural persons – are included, which, according to their main activity, are classified in areas B to N, and in division 95 of area S of the NACE Rev. 2.

Figure 19
Foreign exchange revenue from tourism in Croatia, 2013–2023

Sources: Croatian National Bank and Croatian Bureau of Statistics.



The structure of employment by activity shows the extent to which individual activities contribute to total employment in the tourism sector (Figure 18). Tourism activities with a higher share in the total number of companies are also those with a higher contribution to employment: food and beverage service activities (51.4 percent), accommodation activities (30.9 percent), transport (11.4 percent), travel agencies (4.3 percent) and vehicle rental activities (2.0 percent).

Although the accommodation sector has the smallest number of registered business entities, it makes the largest contribution to the added value of the overall tourism sector. In 2022, the accommodation sector generated 1.6 billion euros in added value, accounting for 48.9 percent of the total added value of tourism. At the same time, according to the size of the contribution to the added value of the total tourism sector, the food and beverage service sector is next, with 1 billion euros of added value, which makes up 31.2 percent of the total added value of the tourism sector. The transport sector accounted for 10.9 percent of the total added value of tourism, the travel agency sector accounted for 6 percent, while the vehicle rental sector accounted for 3 percent of the total added value of tourism in the Republic of Croatia.

“ In 2023, tourism generated foreign exchange revenue of 14.6 billion euros, which accounts for 19.1 percent of the gross domestic product of the Republic of Croatia.

In 2023, Croatian tourism generated foreign exchange revenue of 14.6 billion euros, which accounts for 19.1 percent of gross domestic product⁵ (Figure 19). In 2023, the level of foreign exchange revenue from foreign tourists from the pre-pandemic year of 2019, when it amounted to 10.5 billion euros, was exceeded.

⁵ Estimate based on data from the Croatian National Bank.

Largest companies

According to data from Poslovna Hrvatska, in 2023, 1,572 business entities were active in activity 55.10 “Hotels and similar accommodation”⁶ which achieved total revenue of 3.1 billion euros. Considering the size⁷ of business entities in 2023, there were 1,205 micro, 277 small, 73 medium-sized, and 17 large enterprises. An analysis of the financial indicators of the ten leading companies in the “Hotels and similar accommodation” sector indicates positive developments in the sector during 2023 [Table 11].

The basic characteristics of the business operations of the observed group of tourism companies are an increase in revenue, employment, and profitable operations. In 2023, the total revenue of the ten leading companies in this sector amounted to 1.3 billion euros, an increase of 4.8 percent compared to the previous year. The number of persons employed increased from a total of 12,702 in 2022 to 13,561 in 2023 (an increase of 6.8 percent). All ten leading companies in the “Hotels and similar accommodation” sector concluded 2023 with a positive business result and cumulatively achieved a profit of 162.8 million euros. The highest gross profit was achieved by Plava laguna d.d. in the amount of 52.7 million euros, followed by Maistra d.d. with a gross profit of 37 million euros, and then Valamar Riviera d.d., which achieved a gross profit of 32.9 million euros. Weaker growth in total revenue than employment growth led to a decrease in labor productivity at the level of the group of ten leading companies in this sector from 94.2 thousand euros in 2022 to 92.5 thousand euros in 2023. In 2023, the value of the current ratio for the ten leading tourism companies was 1.1, which is slightly less favorable compared to 2022, when it was 1.4. When interpreting the current ratio, it should be noted that in industries such as tourism, lower current values [provided that other performance

⁶ The coverage applies only to entities that submit annual financial statements.

⁷ According to the Accounting Act (OG 78/15, 134/15), entrepreneurs are classified into four categories depending on indicators (total assets, revenue and average number of persons employed): micro, small, medium-sized, and large entrepreneurs. Micro-entrepreneurs are entities with assets of up to 450 thousand euros, revenue of up to 900 thousand euros, and an annual average of 10 persons employed. Small entrepreneurs are those that do not fall into the category of micro-entrepreneurs and whose assets amount to up to 5 million euros, revenue up to 10 million euros, and employ an average of 50 people annually. Medium-sized entrepreneurs are those that do not fall into the first two categories and have assets of up to 25 million euros, revenue of up to 50 million euros, and an average number of persons employed during the business year of 250. Large entrepreneurs exceed the indicators for medium-sized entrepreneurs in 2 out of 3 criteria.

IN 2023, THE TEN LEADING COMPANIES IN THE “HOTELS AND SIMILAR ACCOMMODATION” SECTOR ACHIEVED TOTAL REVENUE OF 1.3 BILLION EUROS, WHICH IS 4.8 PERCENT MORE THAN THE PREVIOUS YEAR.

indicators are positive) are often associated with significantly shorter payment terms to suppliers (30 to 60 days) compared to the terms for collecting receivables. In 2023, the debt ratio was 0.34, which is 2.5 percent below the level of 0.35 in 2022. It is interesting to note that the ten leading companies in 2023 generated as much as 41 percent of total revenue from the “Hotels and similar accommodation” sector.

Table 11
Average values of selected performance indicators of ten leading companies in the accommodation and food and beverage service activities in 2022 and 2023

Notes: Gross margin = gross profit/total revenue*100; current ratio = current assets/current liabilities; debt ratio = total liabilities/total assets; productivity = total revenue/number of persons employed.

Source: Poslovna Hrvatska.

	2022	2023	2023/2022
Total revenue (in millions of euros)	1,196.7	1,254.7	104.8
Profit before tax (in millions of euros)	231.7	162.8	70.2
Number of persons employed	12,702	13,561	106.8
Gross margin (in %)	19.4	13.0	67.0
Labor productivity (revenue in thousands of euros per person employed)	94.2	92.5	98.2
Asset turnover ratio	0.37	0.38	104.6
Current ratio	1.4	1.1	81.4
Debt ratio	0.35	0.34	97.5

Table 12 shows the key performance indicators of the ten leading companies in the Croatian tourism sector. Measured by total revenue, in 2023, the top ten leading companies in the tourism sector are Valamar Riviera d.d., Maistra d.d., Plava laguna d.d., Arena Hospitality Group d.d., Imperial Riviera d.d., Sunce hoteli d.d., HUP-ZAGREB d.d., Jadranski luksuzni hoteli d.d., Jadranka turizam d.o.o., and Liburnia Riviera Hoteli d.d.

“In 2023, the highest revenue was achieved by the companies Valamar Riviera d.d. (299.5 million euros) and Maistra d.d. (230.2 million euros).

In 2023, among the ten leading companies in the Croatian hotel sector, only two of them experienced a decrease in total revenue compared to 2022, i.e., Plava laguna d.d., of -3.4 percent and Valamar Riviera d.d., of -9.6 percent. The largest year-on-year increase in total revenue was recorded by HUP-ZAGREB d.d. (33.7 percent) followed by the companies Sunce hoteli d.d. with an increase of 18.9 percent, and Imperial Riviera d.d. with an increase of 17.3 percent. In other companies, year-on-year increase in total revenue ranged from 1.3 percent (Jadranka turizam d.o.o.) to 15.6 percent (Liburnia Riviera Hoteli d.d.). Positive trends were also recorded in most companies when it comes to the number of persons employed. A decrease in the number of persons employed compared to 2022 was recorded in only two of the leading companies in this industry,

Table 12

Selected indicators of the ten largest companies by revenue in 2023

	Total revenue (in millions of euros)	Gross profit (in millions of euros)	Debt ratio	Current ratio	Gross margin (%)	Productivity (in thousands of euros)
Valamar Riviera d.d.	299.5	32.9	0.35	0.97	11.0	85,985.8
Maistra d.d.	230.2	36.9	0.31	0.88	16.0	95,908.9
Plava laguna d.d.	214.6	52.7	0.32	1.39	24.6	102,098.2
Arena Hospitality Group d.d.	93.6	7.5	0.33	1.26	8.0	107,933.6
Imperial Riviera d.d.	91.7	3.8	0.33	1.43	4.1	94,929.3
Sunce hoteli d.d.	74.2	5.6	0.27	2.01	7.5	83,261.5
HUP-ZAGREB d.d.	68.1	3.1	0.47	0.60	4.5	78,416.6
Jadranski luksuzni hoteli d.d.	64.2	15.3	0.43	2.32	23.8	106,109.9
Jadranka turizam d.o.o.	59.7	4.4	0.36	0.69	7.4	79,115.4
Liburnia Riviera Hoteli d.d.	58.9	0.6	0.42	0.60	1.0	94,461.7

Notes: Gross margin = gross profit/total revenue*100; current ratio = current assets/current liabilities; debt ratio = total liabilities/total assets; productivity = total revenue/number of persons employed.

Source: Poslovna Hrvatska.

Table 13

Ten leading companies in the accommodation and food and beverage service activities in 2023 by origin of capital and type of ownership

	Origin of capital	Ownership
Valamar Riviera d.d.	47% foreign capital	mixed, > 50% private ownership
Maistra d.d.	100% domestic capital	private ownership
Plava laguna d.d.	85% foreign capital	private ownership
Arena Hospitality Group d.d.	1% foreign capital	mixed, > 50% private ownership
Imperial Riviera d.d.	100% domestic capital	mixed, > 50% private ownership
Sunce hoteli d.d.	100% domestic capital	private ownership
HUP-ZAGREB d.d.	100% domestic capital	private ownership after conversion
Jadranski luksuzni hoteli d.d.	100% domestic capital	private ownership
Jadranka turizam d.o.o.	100% domestic capital	private ownership
Liburnia Riviera Hoteli d.d.	71% foreign capital	mixed, > 50% state ownership

Source: Poslovna Hrvatska.

the company Jadranski luksuzni hoteli d.d., from 625 persons employed in 2022 to 605 persons employed in 2023, and the company Sunce hoteli d.d., which employed 15 fewer employees in 2023 than a year earlier (891 compared to 906 employees).

Of the ten largest companies in the Croatian hotel sector, Maistra d.d. (100 percent domestic capital), Plava laguna d.d. (85 percent foreign capital), Jadranka tourism d.o.o. (100 percent domestic capital), Sunce hoteli d.d.

[100 percent domestic capital], and Jadranski luksuzni hoteli d.d. (100 percent domestic capital), are 100% privately owned. Valamar Riviera d.d. (47 percent foreign capital), Arena Hospitality Group d.d. (1 percent foreign capital), Imperial Riviera d.d. (100 percent domestic capital), and HUP-ZAGREB d.d. (100 percent domestic capital) have mixed-ownership, with private ownership share of more than 50 percent. The company Liburnia Riviera Hoteli d.d. has mixed ownership with predominantly state capital (more than 50 percent); the origin of capital is 29 percent domestic and 71 percent foreign.

Zagreb Stock Exchange report

A total of 14 joint-stock companies from the accommodation and food and beverage service activities were included on the Zagreb Stock Exchange⁸. Of the ten leading companies in the hotel industry, six are listed on the Zagreb Stock Exchange. These include Arena Hospitality Group d.d., Imperial Riviera d.d., Liburnia Riviera Hoteli d.d., Maistra d.d., Plava laguna d.d., and Valamar Riviera d.d.

The Zagreb Stock Exchange CROBEX stock index includes three companies from the tourism sector: Arena Hospitality Group d.d., with a weight in the index of 2.18 percent, Valamar Riviera d.d., with a weight in the index of 9.47 percent, and Plava laguna d.d., with a weight in the index of 3.47 percent. After the Index Committee included shares of Maistra d.d. in the CROBEX index revision of March 7 this year, the shares of that company were excluded from the CROBEX index in the revision conducted on September 10.

In order to facilitate monitoring market trends and making investment decisions, sector indices, which are common on major global stock exchanges, were introduced to the Zagreb Stock Exchange on February 22, 2013.

“In 2023, the CROBEXtulist index achieved year-on-year growth of 16.7 percent, and 6.9 percent in the first half of this year.

One such index is CROBEXtulist, which monitors returns and risks in the tourism sector. It is a price index, and the conditions for inclusion in the index are at least 60 percent of trade days and free float market capitalization greater than 1.3 million euros, while the number of components is unlimited [with each component having equal weight in the index]⁹. The base date is February 21, 2013, and the base value is 1,000. This index currently includes shares of Arena Hospitality Group d.d., Mon Perin d.d., Plava laguna d.d., and Valamar Riviera d.d. In 2023, the CROBEXtulist index

⁸ Information retrieved from the Zagreb Stock Exchange, <https://www.zse.hr>

⁹ According to the Decision on the CROBEXplus[®] index and sector indices of December 15, 2022. Downloaded from: https://zse.hr/UserDocsImages/index_documents/2022-CROBEXplus-Odluka-EUR.pdf

achieved growth of 16.7 percent compared to the previous year, while a year earlier it achieved a year-on-year decline of 1.79 percent. In 2023, the share of Valamar Riviera d.d. was the third most traded share on the Zagreb Stock Exchange and it achieved a year-on-year growth in turnover of 16.6 percent. According to trade data on the Zagreb Stock Exchange, from January to June 2024, the CROBEXtulist index recorded a year-on-year growth of 6.9 percent, and the fifth most traded stock was the share of Valamar Riviera d.d.

Tourism in the EU-27 in 2024 and 2023

“During the first eight months of this year, 2.2 billion overnight stays were realized in tourist accommodation in the EU-27, which is 1.8 percent overnight stays more than in the same period in 2023.

In the period from January to August 2024, 2.2 billion tourist overnight stays were recorded in the European Union (EU-27), which is an increase of 1.8 percent (39.3 million overnight stays more) compared to the same period in 2023. Compared to the first eight months of pre-pandemic 2019, the number of tourist overnight stays recorded an increase of 3.1 percent (65.8 million overnight stays more). Of the total number of overnight stays by tourists in the EU-27 in the period from January to August this year, foreign tourists accounted for 47.8 percent, and domestic tourists for 52.2 percent. Compared to the same period in 2023, foreign tourists realized 47.2 million more overnight stays (4.3 percent) in tourist accommodation facilities in EU countries, while domestic tourist nights recorded a slight decrease of 0.7 percent (7.9 million fewer overnight stays).

Looking at data by individual country, in 2024, almost all EU member states for which data is available recorded an increase in the number of overnight stays compared to the first eight months of 2023. The exceptions are France and Belgium, with a year-on-year decline in the number of tourist overnight stays of 0.8 and 0.3 percent, respectively. With a year-on-year growth in the number of tourist overnight stays of 1.6 percent compared to the first eight months of 2023, Croatia ranked 19th among the 26 EU member states for which data is available. Compared to competing markets in the Mediterranean, Croatia achieved more modest increase than Albania (22.6 percent), Malta (14.2 percent), Turkey (6.8 percent), Cyprus (5 percent), Portugal (3.7 percent), Greece (3.4 percent), Spain (3.2 percent), and Montenegro (2.2 percent).

Annual data on the performance of the European Union's tourism sector for 2023 indicate a strong recovery of this sector from the COVID-19 pandemic. The total number of tourist overnight stays (2.93 billion overnight stays) exceeded the 2019 levels, i.e., it was 2.88 billion (an increase of 1.9 percent). There was also a significant increase compared to the number of tourist overnight stays in 2021, amounting to 60 percent.

Table 14

Year-on-year rates of change in the number of tourists in EU-27 member states and selected countries in the period from January to August 2024 compared to the same period in 2023 and 2019

	Year-on-year rate of change I–VIII 2024/I–VIII 2023 [%]			Year-on-year rate of change I–VIII 2024/I–VIII 2019 [%]		
	Total	Domestic tourists	Foreign tourists	Total	Domestic tourists	Foreign tourists
EU-27	1.8%	-0.7%	4.8%	3.1%	2.1%	4.3%
Belgium	-0.3%	-2.6%	2.2%	5.2%	6.1%	4.3%
Czech Republic	2.7%	-2.1%	10.0%	-0.2%	5.8%	-7.5%
Denmark	0.8%	-1.8%	5.1%	13.5%	9.9%	19.3%
Germany	2.4%	1.5%	6.5%	0.9%	2.5%	-5.2%
Greece	3.4%	2.2%	3.7%	5.7%	4.2%	6.0%
Estonia	42.2%	20.0%	29.0%	-5.0%	15.5%	-17.3%
Ireland	5.7%	8.7%	3.6%	N/A	N/A	N/A
Spain	3.2%	-2.2%	6.7%	5.3%	4.2%	5.9%
France	-0.8%	-1.8%	1.4%	0.7%	0.8%	0.5%
Croatia	1.6%	7.2%	1.1%	1.3%	21.5%	-0.3%
Italy	0.0%	-4.7%	4.6%	1.0%	-7.1%	9.5%
Cyprus	5.0%	-4.6%	5.9%	-6.5%	11.6%	-7.7%
Latvia	6.0%	2.5%	8.5%	-15.1%	13.6%	-27.4%
Lithuania	0.3%	-1.5%	4.0%	-4.3%	13.5%	-25.6%
Luxembourg	22.0%	17.6%	22.6%	17.2%	25.0%	16.1%
Hungary	3.9%	2.4%	5.8%	-5.9%	-6.4%	-5.2%
Malta	14.2%	1.8%	15.1%	12.5%	52.8%	10.6%
The Netherlands	2.5%	1.4%	4.0%	18.6%	18.3%	19.1%
Austria	2.4%	1.7%	2.7%	1.9%	1.9%	1.9%
Poland	4.0%	3.6%	6.0%	2.3%	3.6%	-3.4%
Portugal	3.7%	1.2%	5.0%	12.4%	7.8%	14.8%
Romania	4.1%	3.2%	9.2%	2.1%	4.2%	-7.9%
Slovenia	4.3%	-1.2%	6.3%	6.6%	-0.1%	9.1%
Slovakia	1.9%	1.1%	3.6%	-14.5%	-12.4%	-18.1%
Finland	0.4%	-2.6%	9.8%	-0.7%	4.4%	-12.9%
Sweden	0.8%	-2.0%	9.2%	-0.1%	-1.6%	4.3%
Other countries						
Iceland	-1.6%	4.5%	-3.3%	12.2%	94.1%	-0.4%
Liechtenstein	5.1%	23.5%	4.8%	30.8%	44.6%	30.6%
Norway	3.4%	1.2%	7.9%	7.8%	6.6%	10.5%
Switzerland	-66.6%	-64.4%	-69.2%	-65.1%	-60.6%	-70.1%
Montenegro	2.2%	2.0%	2.2%	13.2%	20.1%	12.5%
North Macedonia	5.0%	2.0%	2.2%	-5.6%	-11.0%	-3.1%
Albania	22.6%	-3.8%	9.4%	122.4%	125.4%	121.1%
Serbia	3.4%	6.1%	31.1%	26.3%	9.2%	54.4%
Turkey	6.8%	-1.8%	10.1%	1.5%	-2.3%	3.7%
Kosovo	19.7%	7.1%	6.6%	290.0%	421.5%	226.0%

Notes: N/A – data not available. Data for Bulgaria are not available.

Source: Eurostat [2024].

Looking at the EU countries, in 2023, the number of overnight stays by domestic and foreign tourists increased compared to 2019 in 10 member states with available data, led by the Netherlands with an increase of 15.3 percent, followed by Denmark (14.1 percent), Portugal (9.4 percent), Belgium (5.1 percent), Spain (3.2 percent), Greece (2.5 percent), Italy (2.4 percent), Slovenia (2.2 percent), France (1.7 percent), and Croatia (1.3 percent).

Conclusion and expectations

The tourism sector in Croatia continues to show positive trends, with indications that there has been a significant slowdown in activity in 2023. Thus, in 2023, the year-on-year increase in the number of overnight stays was 2.6 percent, in 2022 it was 28.3 percent, and in 2021 it was 72.1 percent. The slowdown in activity can be attributed to increased competitive pressure from other international tourist destinations, but also to the slowdown in economic growth in the main source markets.

Judging at least by the number of overnight stays, it is interesting how *2023 managed to surpass the results of pre-pandemic 2019. In 2023, the number of overnight stays was higher by 1.3 percent than in 2019. Positive trends continued in the first nine months of this year, when Croatia was visited by 18.3 million guests who recorded 88.4 million overnight stays.*

Compared to the same period in 2023, the number of tourist arrivals increased by 3.2 percent and the number of overnight stays increased by 0.9 percent. Of the total tourist arrivals, foreign tourists accounted for 87.6 percent, and of the total overnight stays, they accounted for 91.4 percent. *Interestingly, in 2023, the largest relative year-on-year increase in overnight stays was recorded in the months outside the summer season, i.e., in January by 19.2 percent, in February by 14.2 percent, in March by 20.9 percent, in April by 20.4 percent, and in May by 30.7 percent. At the same time, the number of overnight stays decreased by 0.9 percent year-on-year in July, and by 2.3 percent in August. This supports the fact on the reduction of seasonality in Croatian tourism in 2023.*

Although the holiday and other short-stay accommodation is still the most desirable type of accommodation for tourists, given that almost half of the total number of overnight stays are realized in them, *there is a noticeable trend of increase in the share of overnight stays by foreign guests in hotels and similar accommodation. This share was 20.5 percent in 2021, 24 percent in 2022, and continued to grow in 2023, reaching 25.2 percent.*

The trend of shortening tourist stays in Croatian tourist destinations continued. Measured according to the indicator of overnight stays per tourist arrival, it can be stated that in the first nine months of 2024, foreign tourists stayed an average of 5.1 nights. In 2023, they stayed an average of 5.2 nights, and in 2022, 5.5 nights. Compared to foreign guests, domestic guests stayed significantly shorter in Croatian tourist destinations. There is also a noticeable trend among domestic guests of reducing the length of stay at tourist destinations. In the first nine months of this year, domestic tourists stayed at tourist destinations for an average of 3.3 nights. At the same time, in 2023 and 2022, domestic tourists stayed 3.4 nights per arrival.

The structure of guests in the coastal and continental parts of Croatia is dominated by foreign tourists, noting that the continental part of Croatia relies significantly more on domestic guests than the coastal part of Croatia. In 2023, the most popular tourist destinations in Croatia were Rovinj with 4.1 million overnight stays, Dubrovnik with 3.8 million, and Poreč with 3.2 million overnight stays.

An analysis of arrivals and overnight stays by source markets shows that, in 2023, tourists from Germany still accounted for the most arrivals and overnight stays, with 3.2 million arrivals [19 percent of total foreign arrivals] and 22.3 million overnight stays [26.5 percent of total foreign tourist overnight stays]. This is followed by tourists from Slovenia and Austria [9.1 percent each], Poland [7.5 percent], and the Czech Republic [5.9 percent]. Analysis of movement dynamics shows that, *in 2023, tourists from Croatia's leading source market – Germany – recorded a decline in the number of overnight stays of 5.2 percent year-on-year.*

An analysis of net wages paid indicates that the tourism sector lags behind the average of the Croatian economy. This may be reflected in difficulties in attracting qualified labor to this sector, and consequently in the quality of service provision and the productivity of the sector itself.

Foreign exchange revenue from tourism continues to increase. It was 7.5 percent higher in the first two quarters of 2024 compared to the same period in 2023. Also, compared to the same period in pre-pandemic 2019, foreign exchange revenue from tourism was higher by 47.1 percent. The importance of tourism for the Croatian economy is indicated by the fact that, in 2019, the tourism sector's share of Croatia's gross domestic product [GDP] was 11.8 percent. For comparison, in 2011, the tourism sector accounted for 10.4 percent of GDP, and in 2014 it accounted for 11.4 percent [Rašić, 2022, p. 25].

An analysis of the performance results of companies in the activity 55.10 “Hotels and similar accommodation” for 2023 shows that 1,572 business entities were active in that year, generating total revenue of 3.1 billion euros. Considering the size of business entities in the activity 55.10 “Hotels and similar accommodation”, there were 1,205 micro, 277 small, 73 medium-sized, and 17 large companies. An analysis of the financial indicators of the ten leading companies in the “Hotels and similar accommodation” sector indicates positive developments in the sector during 2023, reflected in increased revenue, employment, and profitable operations. In 2023, the total revenue of the ten leading companies in this sector amounted to 1.3 billion euros, an increase of 4.8 percent compared to the previous year. Of the ten leading companies in hotel-related activities, six are listed on the Zagreb Stock Exchange, i.e., Arena Hospitality Group d.d., Imperial Riviera d.d., Liburnia Riviera Hoteli d.d., Maistra d.d., Plava laguna d.d., and Valamar Riviera d.d.

According to the latest available data from the Croatian Bureau of Statistics, in 2022, *the largest contribution to the total added value of the tourism sector was made by the accommodation sector*. At the same time, this activity generated an added value of 1.6 billion euros, which accounts for 48.9 percent of the total added value of the tourism sector. The announcement of the introduction of a real estate tax could limit the supply of accommodation services on the market, which could lead to price increases. In addition to the significant increase in food, beverage and energy prices in the last few years, the increase in accommodation prices could contribute to the weakening of the price competitiveness of Croatian tourism. This could ultimately accelerate the process of slowing down the growth of tourism activity in the coming period.

According to Eurostat data, in the first eight months of this year, 2.2 billion overnight stays were recorded in tourist accommodation in the EU-27, which is an increase of 65.8 million overnight stays compared to the same period in 2019 (3.1 percent) and 39.3 million overnight stays compared to the same period in 2023 (1.8 percent). In 2024, almost all EU member states for which data are available recorded an increase in the number of overnight stays compared to the first eight months in 2023. The exceptions are France and Belgium, with a year-on-year decline in the number of tourist overnight stays of 0.8 and 0.3 percent, respectively. With a year-on-year growth in the number of tourist overnight stays of 1.6 percent compared to the first eight months of 2023, Croatia ranked 19th among the EU-27 countries. Compared to competing markets in the Mediterranean, in the first eight months of 2024, Croatia achieved the lowest year-on-year growth in tourist overnight stays after Italy (0.04 percent), i.e., 1.6 percent. The strongest year-on-year growth in the number of tourist overnight stays was recorded in Albania (22.6 percent), Malta

[14.2 percent], and Turkey [6.8 percent]. This is followed by Cyprus [5 percent], Portugal [3.7 percent], Greece [3.4 percent], Spain [3.2 percent], and Montenegro [2.2 percent].

World tourism continues to face the challenges of a fragile economic situation, exacerbated by the continued aggression of the Russian Federation against Ukraine and the war in the Middle East between Israel and Hamas.

References:

Croatian Bureau of Statistics. [2019]. *Tourism satellite account for the Republic of Croatia in 2016*. Downloaded from: https://web.dzs.hr/Hrv_Eng/publication/2018/12-04-01_01_2018.htm

Croatian Bureau of Statistics. [2022, January 31]. *Tourism satellite account for the Republic of Croatia in 2019*. Downloaded from: <https://podaci.dzs.hr/2021/hr/31541>

Croatian Bureau of Statistics. [2023]. *Tourism database*. Downloaded from: <https://podaci.dzs.hr/hr/podaci/turizam/>

Croatian Bureau of Statistics. [2024]. *Structural business statistics*. Downloaded from: <https://www.dzs.hr/>

Croatian Bureau of Statistics. [2024]. *Tourism in 2024*. [Press releases 4.3.1/1. – 9.]. Downloaded from: <https://www.dzs.hr/>

Croatian National Bank [CNB]. [2024, September 30]. *Table H2: Balance of payments – goods and services*. Downloaded from: <https://www.hnb.hr/statistika/statisticki-podaci/sektor-inozemstva/platna-bilanca>

Eurostat. [2024]. [Statistical data in the field of tourism]. Downloaded from: <https://ec.europa.eu/eurostat/data/database>

Institute for Tourism. [2014]. *Tourism satellite balance – Direct and indirect effects of tourism in the Republic of Croatia*. Downloaded from: <http://www.iztg.hr/UserFiles/file/novosti/2014/Opatija-TSA-2011.pdf>

Rašić, I. [2023]. Sector analyses: Tourism. *Sector Analyses*, 12[108], 1–41.

**Publisher**

The Institute of Economics, Zagreb
Trg J. F. Kennedyja 7, 10000 Zagreb
Phone: +385 1 2362 200
Fax: +385 1 2335 165
<http://www.eizg.hr>

For the publisher

Ivana Rašić, Director

Editor

Ivana Rašić

Authors of the analysis

Goran Buturac
Ivana Rašić

Executive editor

Doris Dresto

Translation

Studio Nixa prijevodi d.o.o.

Graphic editing and preparation

Jelena Marčetić

Graphic design

Studio 2M

Image on the cover

CCO public domain

Note

The *Sector Analyses* publication is an author's text and may not necessarily represent the viewpoint of The Institute of Economics, Zagreb.

Next analysis, *Analysis of Selected Sectors of the Croatian Economy*, will be released in December 2024.

Co-funded by the European Union – NextGenerationEU. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Commission.

Neither the European Union nor the European Commission can be held responsible for them.