

Croatia

Tourism in the economy and outlook for recovery

Tourism plays a major role in the Croatian economy. In 2019, the direct contribution of tourism to GDP was estimated to be 11.8%, and tourism provided 91 608 direct jobs or 6.8% of total employment. Direct tourism employment was 11 385 jobs lower in 2021, seeing tourism's share of employment fall to 5.9%.

In 2019, tourism contributed to over 68.5% of Croatia's service exports, which decreased to 48% in 2021. Income from international tourism went from EUR 10.5 billion in 2019 to EUR 9.1 billion in 2021. This was due to a decline in international tourists, who usually contribute to 90% of visits and overnight stays in Croatia and 87% of tourism expenditure. International tourists declined 68% in 2020, and, despite a strong recovery, remained 38.7% below 2019 levels in 2021 (10.6 million tourists).

In 2020, Croatia recorded a 55.3% decline in total tourist overnight stays compared to 2019. Domestic tourism recorded 5.4 million nights in tourism-related accommodation, down 23.7%. In 2021, domestic tourism nights returned to pre-pandemic levels and international nights recovered significantly to remain just 25% below 2019 levels. 2022 preliminary results show a full recovery of the sector.

Tourism governance and funding

Tourism operates under the jurisdiction of the Ministry of Tourism and Sport. The Ministry regularly co-operates with the Chamber of Economy, Chamber of Trades and Crafts and with professional associations in the tourism and hospitality sectors. The Croatian National Tourist Board (CNTB) reports to the Ministry and is in charge of tourism promotion.

At the regional level, 20 county administrative offices, and the city of Zagreb, have tourism departments responsible for accommodation classification and permits associated with services relating to tourism and hospitality. In addition, 280 local tourist offices in towns and municipalities develop tourist products and inform and distribute marketing materials under guidance from regional tourism offices.

The collaboration between the Ministry, other ministries, and state and private organisations in shaping common policies is extensive, including:

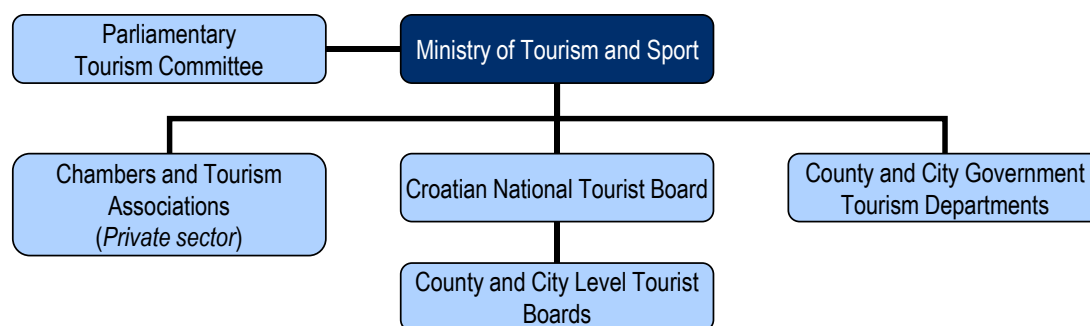
- The Ministry of Finance: rights to reimbursement of fixed costs, various fees, and VAT payments.
- The Ministry of Regional Development and EU Funds: loans and benefits for entrepreneurs and the implementation of EU operational programmes.
- The Ministry of Labour and Pension System, Family and Social Policy: job preservation measures.
- The Ministry of Maritime Affairs, Transport and Infrastructure: extending certificates in national navigation, concession fees and charges in ports.
- The Ministry of Physical Planning, Construction and State Assets: renting business premises owned by Croatia.
- Banks: loans rescheduling, liquidity and working capital loans and state guarantees.

- The ACI Club (Croatia's marine tourism company): fee payments in large marinas, including exemptions and instalments.

The budget of the Ministry increased from HRK 224.6 million in 2019 to HRK 399 million in 2020 and HRK 713 million in 2021. Compared to 2019, the total CNTB budget was cut by more than 50% in 2020, to HRK 150 million, and increased in 2021 to HRK 285 million. CNTB is financed through tourist taxes, membership fees and the state budget. The financial plan of the CNTB is linked to the Strategic Marketing and Operational Plan of Croatian Tourism for the period 2022-26.

Through the EU Recovery and Resilience Mechanism, EUR 292 million has been approved for Croatia. Within the sub-component of the National Recovery and Resilience Plan related to tourism, the Ministry of Tourism and Sports listed investments that contribute to the recovery, resilience and green and digital transition of tourism. 60% of the funds will be intended for entrepreneurs for direct investments in the private sector. The remaining part of the funds will be used for investments in public tourism infrastructure and strengthening human resources capacities for resilient and sustainable tourism.

Croatia: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Tourism and Sport, 2022.

Tourism policies and programmes

Following the impact of the pandemic, Croatia adopted a series of measures to help vulnerable sectors like tourism maintain liquidity and preserve jobs. The measures included: extending statutory deadlines; reducing and exempting payment of tourist taxes; reducing the rate for tourist board membership fees; postponing and exempting the payment of concession fees; simplifying conditions for accessing certain regulated professions in tourism (e.g. tourist guides and business agency managers); and grants, capital loans, subsidies and additional credit lines.

At the beginning of 2021, Croatia launched the national safety label Safe stay in Croatia for the tourism sector. Security protocols were prepared to meet the guidelines of the Croatian Institute of Public Health and the World Travel and Tourism Council. The website for the programme also offered information on testing points and border crossing conditions.

The pandemic recovery process is mapped out in the National Recovery and Resilience Plan (RRP) 2021-26, with HRK 2.2 billion allocated for tourism recovery.

The Plan aims to transform and modernise the tourism sector while increasing its competitiveness, sustainability and resilience by achieving the following overarching objectives:

- Increase the resilience and sustainability of the tourism sector by supporting the green and digital transitions.

- Contribute to the recovery of the tourism sector from the COVID-19 crisis by improving accommodation capacity and social and territorial cohesion.
- Increase the circular economy in tourism, foster responsible consumption and increase the indirect effects of tourism.

The RRP includes a comprehensive reform of tourism and three related investments. The envisaged reform aims to establish a comprehensive and efficient strategic, regulatory and institutional framework for managing the development of sustainable tourism.

Part of the reform is the new Sustainable Tourism Development Strategy until 2030 (see box below) and National Sustainable Tourism Development Plan until 2027, which are currently under preparation and are expected to be adopted by the end of 2022. Furthermore, a new tourism law to govern sustainable tourism development and the development of a tourism sustainable satellite account is expected by the end of 2023.

Strategy for Sustainable Tourism Development 2030 in Croatia

The Strategy for Sustainable Tourism Development 2030 is the strategic planning act for the development of sustainable tourism in Croatia. It is harmonised with the National Development Strategy of Croatia until 2030 and the relevant documents and policies of the European Union and Croatia, including the National Recovery and Resilience Plan.

The long-term strategic goal is to keep Croatia among the leading European tourist destinations in terms of safety, quality, added value, sustainability and innovation. The Strategy was prepared in co-operation with key stakeholders, including representatives of Croatian tourism, ministries and other relevant institutions. Representatives of the local community and numerous citizens who participated in the survey were also involved in the preparation.

Prior to the Strategy, a Scenario Analysis was prepared and presented the process of strategic assessment of potential alternative futures and their impact on Croatian tourism. It forms the basis for determining development directions, goals and mechanisms. The analysis identified the key challenges associated with the development of sustainable tourism and their impact on sustainability and provided guidelines for the development of sustainable tourism that are the basis for the elaboration of the Strategy.

The Strategy contains a vision of the development of tourism in Croatia in the direction of sustainability, development needs and potentials that need to be realised and brings concrete priority areas for the achievement of strategic goals that are defined in accordance with the key views of stakeholders while respecting global trends. Based on the Strategy, the National Sustainable Tourism Development Plan until 2027 will be prepared and will contain the operationalisation of priority areas through concrete measures.

Statistical Profile

Croatia: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	6 614	8 166	10 445	6 183	6 974
Overnight visitors (tourists)	3 638	3 197	3 708	2 510	3 278
Same-day visitors (excursionists)	2 976	4 969	6 737	3 673	3 696
Nights in all types of accommodation	19 742	17 581	20 712	15 341	19 200
Hotels and similar establishments	1 510	1 524	1 725	1 037	2 844
Other collective establishments	532	583	738	274	974
Private accommodation	17 700	15 474	18 249	14 029	15 381
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	15 593	16 645	17 353	5 545	10 641
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Germany	2 616	2 784	2 881	1 480	2 737
Austria	1 331	1 370	1 385	355	1 026
Slovenia	1 298	1 364	1 426	769	995
Czech Republic	742	755	742	481	721
Italy	1 110	1 148	1 175	228	417
Nights in all types of accommodation	80 222	83 175	84 148	35 379	62 848
Hotels and similar establishments	28 543	29 319	29 707	7 890	17 423
Other collective establishments	18 277	18 380	18 183	8 228	16 301
Private accommodation	33 402	35 477	36 258	19 261	29 123
Outbound tourism					
Total international departures	2 597	2 980	3 500	678	907
Overnight visitors (tourists)	1 923	2 058	2 255	493	639
Same-day visitors (excursionists)	674	922	1 245	185	268
Top destinations					
Bosnia and Herzegovina	325	390	455	122	214
Germany	211	326	303	86	87
Slovenia	165	171	190	57	63
Italy	210	213	238	27	40
Austria	213	166	197	63	36
TOURISM RECEIPTS AND EXPENDITURE, MILLION USD					
Inbound tourism					
Total international receipts	10 254	11 425	11 994	5 238	10 880
International travel receipts	10 043	11 204	11 773	5 238	10 759
International passenger transport receipts	211	221	221	..	121
Outbound tourism					
Total international expenditure	1 384	1 738	1 808	763	1 098
International travel expenditure	1 354	1 694	1 763	763	1 078
International passenger transport expenditure	30	44	45	..	19

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/urlisj>

Croatia: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed ²				
	2020	2017	2018	2019	2020	2021
Total	..	79 546	86 646	91 608	78 485	80 223
Tourism industries	22 531	38 778	41 826	44 326	35 071	36 204
Accommodation services for visitors	3 488	..	..	..	..	..
Hotels and similar establishments	1 216	35 120	38 678	41 011	38 198	39 486
Food and beverage serving industry	17 284	..	..	..	..	..
Passenger transport	5 356	..	..	..	..	..
Air passenger transport	13	..	..	..	..	..
Railways passenger transport	1	..	..	..	..	..
Road passenger transport	4 255	..	..	..	..	..
Water passenger transport	1 087	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	5 648	6 142	6 271	5 216	4 533
Travel agencies and other reservation services industry	1 759	..	..	..	..	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	36 430	39 756	42 368	36 445	37 543

.. Not available

1. Data refer to number of enterprises.

2. Data refer to number of employees.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/743mq0>

Croatia: Internal tourism consumption

Million EUR

	2019		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	1 575	10 517	12 372
Consumption products	1 575	10 517	12 372
Tourism characteristic products	1 497	9 681	11 458
Accommodation services for visitors	201	3 276	3 757
Food and beverage serving services	284	2 123	2 407
Passenger transport services	459	377	835
Air passenger transport services	99	110	209
Railways passenger transport services	27	12	39
Road passenger transport services	305	75	380
Water passenger transport services	28	180	208
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services industry	91	370	461
Cultural services	109	726	834
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	353	2 810	3 163
Other consumption products	78	836	914
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/8vg5lz>



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