

Travel and Tourism in Croatia to 2017



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1 EXECUTIVE SUMMARY

The global economic crisis and prolonged eurozone debt crisis presented a challenge for the Croatian tourism sector during the recessionary years of the review period (2008–2012). However, a slow but positive growth in tourist volumes followed the worst years of the crisis. The sector plays an important role in the country's economic development, accounting for XX.X% of the country's total employment in 2012. This has encouraged the government of Croatia to increase its focus on the sector to stimulate growth.

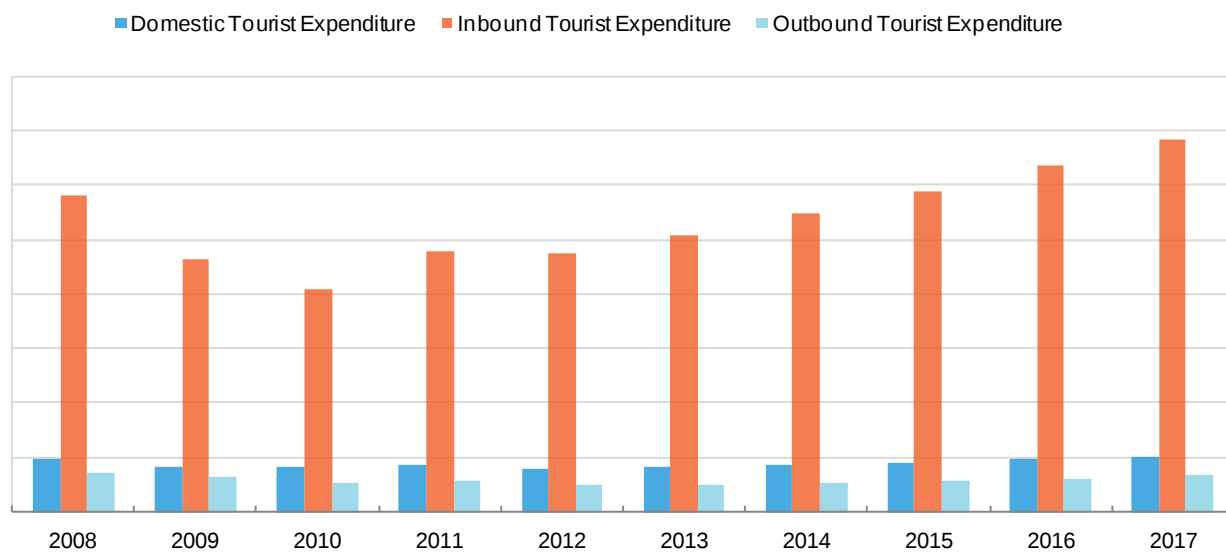
1.1 Issues in the market

Timetric has identified the following three key issues in the Croatian travel and tourism sector:

1.1.1 Entry into the EU presents opportunities

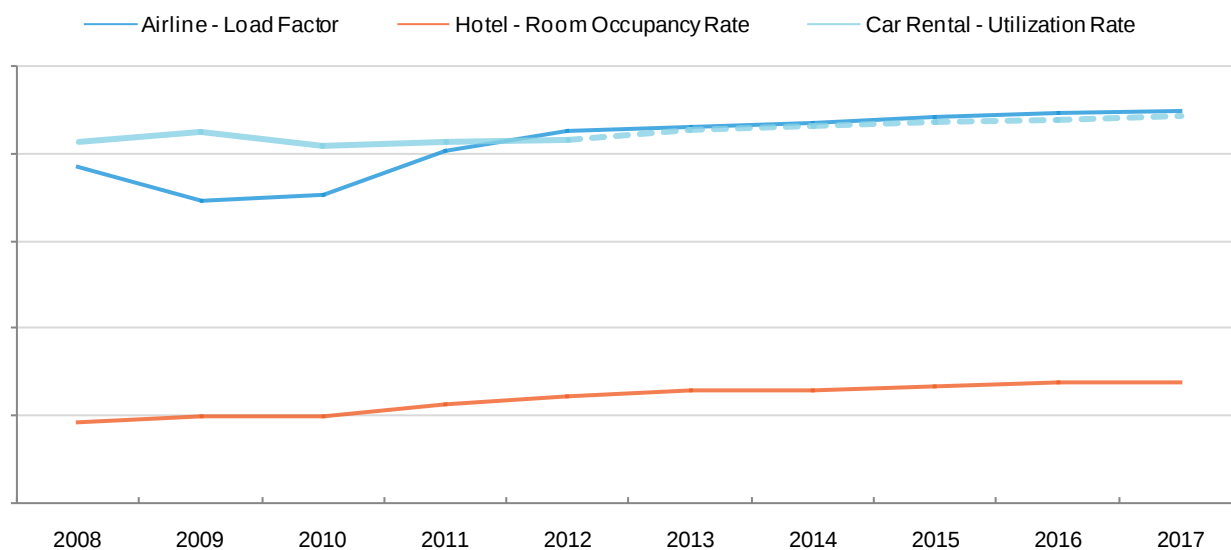
1.1.2 Investments in the hotel industry

1.1.3 Cruise tourism growing fast

Figure 1: Croatia – Tourism Expenditure (US\$ Million), 2008–2017

Source: Timetric analysis

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Figure 2: Croatia – Key Ratios (%), 2008–2017

Source: Timetric analysis

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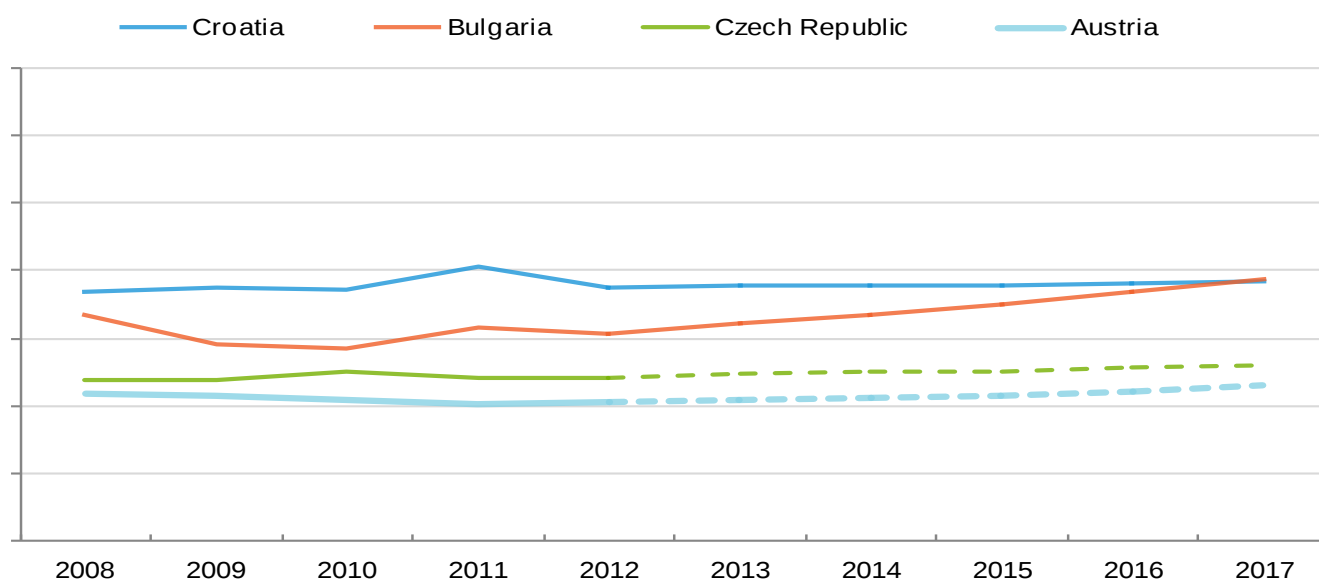
2 TOURISM FLOWS

2.1 The Market

2.1.1 Domestic tourism

The global economic downturn and uncertain economic scenario adversely impacted the growth of domestic tourism in Croatia. In response to the crisis, domestic tourist volumes declined by X.XX% in 2009 and further by X.XX% in 2010.

Figure 2: Country Comparison – Average Length of Domestic Trips (Day), 2008–2017

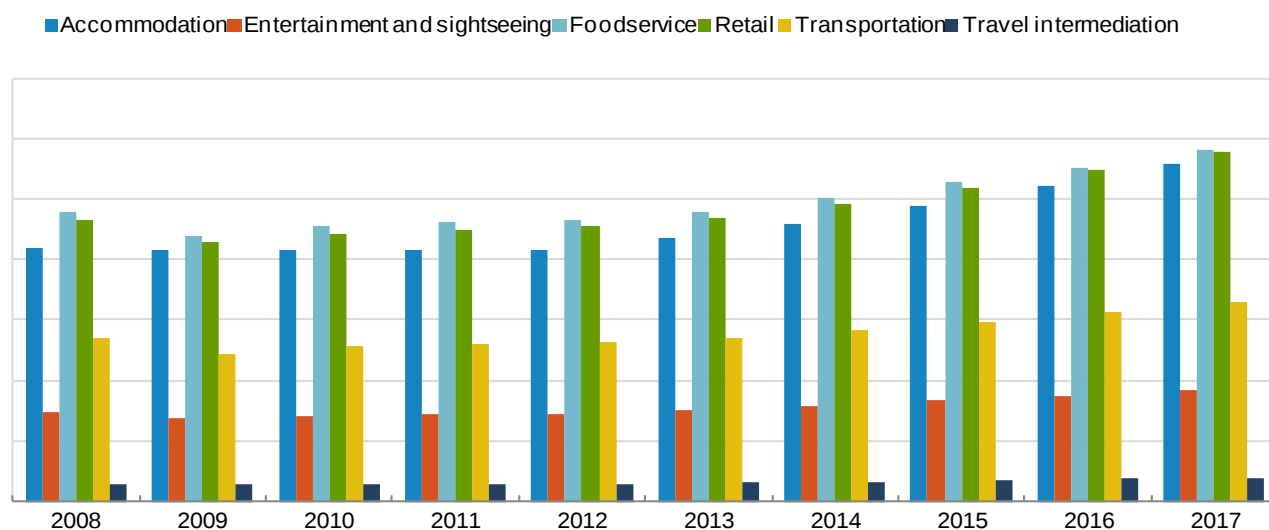


Source: Timetric analysis

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Domestic tourist expenditure reached HRKX.X billion (US\$X.XX billion) in 2012, below the expenditure recorded in 2008.

Figure 3: Croatia – Domestic Tourism Expenditure (HRK Million), 2008–2017



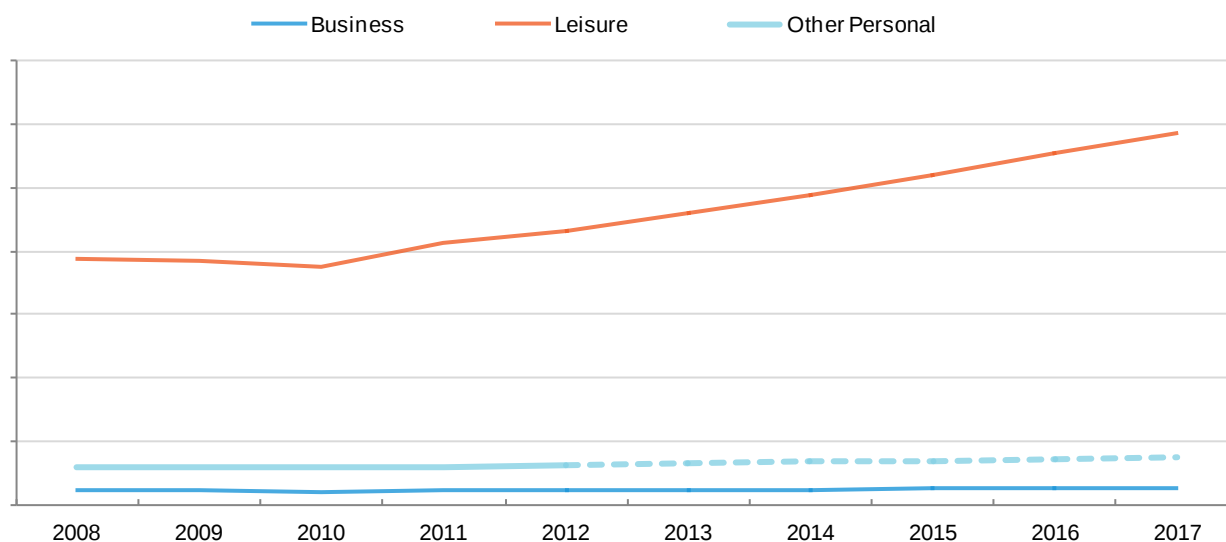
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2.1.2 Inbound tourism

Inbound tourism was also negatively impacted by the global economic crisis, with declines in volumes of X.XX% in 2009 and further by X.XX% in 2010. However, the industry recovered in 2011 and 2012, growing at respective rates of X.XX% and X.XX%.

Figure 4: Croatia – International Arrivals by Purpose of Visit (Thousands), 2008–2017



Source: Timetric analysis

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On account of decreasing tourist volumes, high unemployment and low consumer confidence in key source markets, inbound tourist expenditure declined by XX.XX% in 2009 and further by X.XX% in 2010. However, the increase in tourist volumes after 2010 resulted in a return to growth in 2011 and 2012, with expenditure increasing by XX.XX% and X.XX% respectively.

Table 1: Croatia – Tourist Arrivals from Top 10 Countries (Thousand), 2008–2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017

Source: Timetric analysis

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2.1.3 Outbound tourism

Weak and uncertain economic conditions, high unemployment and a subsequent decline in household spending also restricted the growth of outbound tourism in Croatia. Outbound tourist volumes declined by XX.XX% in 2010.

Table 2: Croatia – Tourist Departures to Top 10 Countries (Thousand), 2008–2017

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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Source: Timetric analysis

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2.2 Key Developments

SAMPLE PAGE

2.3 Timetric View

2.3.1 Domestic tourism

The positive growth trend in domestic tourist volumes in Croatia is expected to continue over the forecast period. Tourist volumes are projected to increase from X.XX million in 2013 to X.XX million in 2017, at a forecast-period CAGR of X.XX%.

2.3.2 Inbound tourism

Inbound tourist volumes are anticipated to rise from XX.X million in 2013 to XX.XX million in 2017, at a forecast-period CAGR of X.XX%, driven by economic improvements and government investments in cruise tourism.

2.3.3 Outbound tourism

According to Timetric analysis, outbound tourist volumes are also expected to increase over the forecast period, from X.XX million in 2013 to X.XX million in 2017, at a CAGR of X.XX%, driven by economic improvements and Croatia's entry into the EU.

3 APPENDIX

3.1 What is this Report About?

This report is the result of extensive research into the travel and tourism sector in Croatia, covering its dynamics and competitive landscape. It provides insights into the market size and forecast for the travel and tourism sector, and includes analysis and insight on key tourism-related subjects such as airports, popular destinations, and national tourist boards. It also includes an overview of the leading companies in the travel and tourism sector, and details of strategic initiatives undertaken by them.

3.2 Definitions

For the purposes of this report, the following timeframes apply:

Review period: 2008–2012

Forecast period: 2013–2017

Base year for forecasting: 2012

All data is collected in local currency. To avoid distortions due to currency fluctuations, all conversions into US dollars, of current, historical and forecast data alike, are made with a yearly average exchange rate. All values in tables, with the exception of compound annual growth rates (CAGRs) are displayed to one decimal place. Growth rates may, therefore, appear inconsistent with absolute values due to this rounding method.

The key market categories featured in the report are defined below:

Table 3: Timetric Travel and Tourism Sector Definitions

Term	Definition
Tourism demand factors	Factors that influence time and money spent on tourism. Typical factors include the amount of holiday leave available to the average employee in the country, and mean household income.
Annual employee holiday entitlement	The number of days the average resident of a country will accrue annually through entitled holidays, including annual leave and public holidays. Public holidays are statutory holidays to which a country's residents are entitled.
Domestic trip	A trip taken to a destination within the traveler's country of residence.
International trip	A trip taken to a destination outside the traveler's country of residence.
Trips taken by season	The number of trips undertaken by the residents of a country (both domestic and international), segmented into four quarters: January–March, April–June, July–September and October–December.
Number of trips by residents	The number of trips undertaken by the residents of a country, segmented by domestic and international trips.
Average length of trip	The average number of nights spent by the residents of a country, segmented by domestic and international trips.
Tourism flow factors	Factors that influence the flow of tourists from one location to another.
Number of overnight stays	The total number of nights spent by the residents of a country on all trips during a given year.
International arrivals	The number of foreign nationals entering a country. For example, a person from Canada who visits France would be an international arrival to France.
Leisure trips	Trips for holidaying, recreation, or visits to friends and relatives.

Business trips	Trips involving business as the primary purpose. This includes trips for meetings, incentives, conventions and exhibitions (MICE) purposes, events and conferences.
Other trips	Trips for purposes other than leisure or business, such as education, sports or pilgrimage.
International departures	The total number of citizens leaving their home country and arriving in other countries. This will be higher than the total number of citizens leaving their home country, as a traveler might travel to more than one country.
Domestic tourist expenditure	Expenditure on tourism commodities during trips within national borders by citizens of a country. This spending is categorized into accommodation, sightseeing and entertainment, food service, retail transportation, travel intermediation, and others, which include travel insurance and equipment rental.
Accommodation	The total direct spending on accommodation by inbound, domestic and outbound tourists within a single economy.
Sightseeing and entertainment	The total direct spending on sightseeing and entertainment by inbound, domestic and outbound tourists within a single economy
Foodservice	The total direct spending on food and beverages from foodservice outlets by inbound, domestic and outbound tourists within a single economy.
Retail	The total direct spending in retail outlets by inbound, domestic and outbound tourists within a single economy.
Transportation	The total direct spending on transportation by inbound, domestic and outbound tourists within a single economy.
Travel intermediation	The total direct spending via travel intermediaries by inbound, domestic and outbound tourists within a single economy.
Other categories	The total direct spending within all other categories by inbound, domestic and outbound tourists within a single economy.
Inbound tourist expenditure	Expenditure on travel and tourism commodities by international visitors within a country. This spending is categorized into accommodation, sightseeing and entertainment, food service, retail, transportation, travel intermediation and others, which include travel insurance and equipment rental.
Outbound tourist expenditure	The total expenditure by the residents of a country for the purpose of, and during, international tourism trips, irrespective of whether these transactions involve domestic or international providers. This spending is categorized by various categories such as accommodation, sightseeing and entertainment, food service, retail, transportation, travel intermediation and others which include travel insurance and equipment rental.
Tourism balance of payments	The difference between the expenditure of a country's inbound and outbound tourists with international tourism commodities providers.
Direct tourism output	The total direct spending by inbound, domestic and outbound tourists within a single economy, segmented by categories such as accommodation or sightseeing and entertainment. Direct tourism output represents all output consumed directly by visitors.
Indirect tourism output	All output used as inputs in the process of producing direct tourism output. Examples include toiletries for hotel guests and local entertainment for hotels.
Indirect tourism employment	All jobs where workers are engaged in the production of indirect tourism-related output, for example, output which is used as an input in the process of producing direct tourism output. For example, people employed for local entertainment in hotels generate an indirect output which will be used as an input for the accommodation industry, a direct tourism output.
Direct tourism employment	All jobs where workers are engaged in the production of direct tourism output.
Total tourism output	The sum of the value of goods and services purchased by tourists and output which is used as an input in the process of producing these goods and services.

Total tourism employment	All employees engaged in generating tourism output within a country, both directly and indirectly.
Total tourism employment as a percentage of total employment	The percentage of people employed in the tourism industry, both directly and indirectly, of the total employed population.
Average salary by category	Average remuneration per year for employees working within tourism-related categories.
Total national tourism expenditure	The total spending by residents on both domestic and outbound trips within categories such as accommodation and transportation.
Average national tourism spend per day of trip – domestic	The average daily expenditure of a country's residents during domestic trips.
Average national tourism spend per day of trip – international	The average daily expenditure of a country's residents during international trips.
Percentage of total resident income spent on tourism	The percentage of total annual income that a country's residents spend on travel and tourism activities.
Average expenditure per international tourist	The average expenditure on travel and tourism activities by an international tourist within a country. This spending is categorized by accommodation, entertainment and sightseeing, food service, retail transportation, travel intermediation, and others, which include travel insurance and equipment rental.
Average expenditure per domestic trip	The average expenditure on domestic travel and tourism activities by residents of a country, segmented by categories such as accommodation and foodservice.
Average overseas tourism expenditure	The average expenditure on travel and tourism activities by outbound tourists of a country, segmented by categories such as accommodation and food service.
Domestic, outbound and inbound tourist expenditure on transportation	Expenditure on all modes of transport within a country by domestic, outbound and inbound tourists.
Direct tourism output on transportation	The total direct spending on transportation by inbound, outbound and domestic tourists within a single economy. Direct tourism output represents all output consumed directly by visitors.
Indirect tourism output on transportation	Indirect tourism output on transportation includes all output used as inputs in the process of producing direct tourism output on transportation.
Indirect tourism employment on transportation	Includes all jobs where workers are engaged in the production of indirect tourism-related output, for example, output which is used as an input in the process of producing direct tourism output.
Direct tourism employment on transportation	Includes all jobs where workers are engaged in the production of direct tourism output in the transportation category of a country.
Total tourism output on transportation	The sum of the value of goods and services (directly or indirectly related to transportation) purchased by tourists and output which is used as an input in the process of producing these goods and services.
Total tourism employment	All employees engaged in generating tourism output within a country, both directly and indirectly.
Total national tourism expenditure on transportation	The total spending by residents on transport in domestic trips.
Average expenditure per international tourist on transportation	The average expenditure on transport by an international tourist within a country.
Average expenditure per domestic trip on transportation	The average expenditure by residents of a country on transport during domestic trips.
Passenger airlines	An airline whose primary business is the transport of passengers.
Low-cost airlines	Airlines that generally offer lower fares by eliminating many traditional services. To recover the revenue lost in reduced ticket prices, the airlines may charge for additional facilities such as priority boarding, seat allocation, food and baggage.
Full-service airlines	Full-service airlines generally have higher fares, operate long-distance routes and offer a complete range of in-flight services.

Charter airlines	An airline hired by a group or single customer for leisure or business purposes, or as an air ambulance, and flies outside normal schedules. Airlines classified as non-scheduled by civil aviation organizations fall into this category.
Number of seats available	The number of seats available for purchase on all the airlines operating in a country, for example, both national and foreign carriers operating on domestic and international routes.
Number of seats sold	The number of seats sold to revenue passengers by all the airlines operating in a country in a year.
Hotels	Establishments that provide paid lodging and full guest services, typically with a continuous staff presence. In the case of motels, this includes off-street parking facilities but not necessarily meal services.
Budget hotels	Includes hotels that are considered to be budget accommodation, or have a one- or two-star rating, providing accommodation on a short-term basis at relatively low prices.
Midscale hotels	Includes hotels with a three-star rating. These hotels provide more facilities and comfort than budget hotels, and their services are charged at higher prices.
Upscale hotels	Includes hotels with a four star rating. Upscale hotels include both traditional full-service hotels and smaller select-service hotels with comfortable accommodation at higher prices than midscale hotels.
Luxury hotels	Includes hotels with a five-star rating or higher. Luxury hotels provide top quality accommodation, with a combination of high-class facilities and style, typically at much higher prices than standard hotels.
Number of rooms	The total number of rooms available in all hotel accommodation establishments in a country in a year.
Room occupancy rate	The percentage of available rooms sold during a given period.
Revenue per available room	A measure of financial performance in the hospitality industry. It is the ratio of total room revenue to total rooms available. Average room rates and occupancy can also be used to calculate revenue per available room.
Total room revenue	The room rent that a guest pays for the occupied room.
Total non-room revenue	Revenue earned by hotels other than the room rent. It includes revenue from food and beverages, telecommunications, health and leisure operations, and car rentals.
Number of guests	Guest numbers in all hotel accommodation establishments in a country in a year.
Business guests	The annual number of guests arriving in hotel accommodation establishments for business purposes.
Leisure guests	The annual number of guests arriving in hotel accommodation establishments for leisure purposes.
Car rental	Car rental is the hiring of a passenger vehicle which includes cars and small vans by both business and leisure travellers for a short term duration. It excludes leasing and long term rentals.
Business rentals	Annual revenue generated by a car rental company under negotiated contractual agreements specific to business trips.
Leisure rentals	Annual revenue generated by a car rental company through leisure/personal trips.
Airport rentals by leisure customers	Annual car rental revenue generated through direct customer rentals hired at airport locations specific to leisure/personal trips.
Airport rentals by business customers	Annual revenue generated through car rentals under negotiated contractual agreements between the employers and the rental company specific to the purpose of business trips hired at airport locations.
Non-airport rentals by leisure customers	Annual car rental revenue generated through direct customer rentals hired at locations other than airports for the purpose of leisure/personal trips.
Non-airport rentals by business customers	Revenue generated through car rentals under negotiated contractual agreements between the employers and the car rental company for the purpose of business hired at locations other than airports.

Insurance replacement	The revenue generated by car rental firms through insurance and leasing companies, repair shops or dealerships with a contractual agreement for the use of a replacement car by a consumer when his/her own car is under repair.
Fleet size	The number of operational cars available for short term rental for the purpose of business, leisure and insurance replacement.
Number of rental occasions	The number of car rental transactions between a car rental company and the consumers in a calendar year.
Rental days	The total number of days when all the operational cars in the fleet are rented in a calendar year.
Average rental length	Average rental length is the average number of days for which a car has been hired in a single transaction.
Utilization rate	The ratio of the number of rental days to total number of days for which cars could be actually rented during the year.
Average revenue per day	The mean revenue earned by a rented car in a day. i.e. the ratio of car rental revenue to the total number of rental days in a year.
Travel intermediaries	Part of a business that assists in selling travel products and services to customers. The products may include airline tickets, car rentals, hotels, railway tickets and package holidays that may combine several products.
Accommodation only	Total revenue generated by intermediaries exclusively through accommodation bookings.
Travel only	Total revenue generated by intermediaries exclusively through travel bookings.
Car rental only	Total revenue generated by intermediaries exclusively through car rental bookings.
Tourism packages	A combination of tourism products or services, such as accommodation, travel bookings and car rental bundled together by a tour operator.
Other products	Revenue generated by travel intermediaries from travel products and services that are not classified above.
Travel agents	Businesses that sell travel-related products and services to both leisure and business customers on behalf of suppliers such as tour operators. These may include package holidays, sightseeing tours, airline tickets, hotel accommodation, cruise bookings, car rentals, rail travel and travel insurance. Some travel agents also serve as sales agents for international travel companies.
Tour operators	Tour operators typically combine two or more travel services, such as transport, sightseeing, accommodation, food and entertainment, and sell them either directly to customers or through travel agents as a single product, called a package tour, for a single price.
Other providers	Any part of the value chain between the direct supplier and traveler (customer), which is not classified as a travel agent or a tour operator.
Online	Revenue generated by travel intermediaries by selling travel-related products or services over the internet.
In-store	Revenue generated by travel intermediaries by selling related products or services to a customer over the counter.
Source: Timetric analysis	

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3.3 Methodology

Timetric's dedicated research and analysis teams consist of experienced professionals with industry backgrounds in marketing, market research, consulting and advanced statistical expertise.

Timetric adheres to the Codes of Practice of the Market Research Society (www.mrs.org.uk) and the Society of Competitive Intelligence Professionals (www.scip.org).

All Timetric databases are continuously updated and revised.

All travel and tourism reports are created by following a comprehensive, four-stage methodology. This includes market study, research, analysis and quality control.

1) Market Study

A. Standardization

Definitions are specified using recognized industry classifications. The same definition is used for every country. Annual average currency exchange rates are used for the latest completed year. These are then applied across both the historical and forecast data to remove exchange rate fluctuations.

B. Internal Audit

Review of in-house databases to gather existing data:

- Historic market databases and reports
- Company database

C. Trend monitoring

- Review of the latest travel and tourism companies and industry trends

2) Research

A. Sources

- Collection of the latest market-specific data from a wide variety of industry sources:
 - Government statistics
 - Industry associations
 - Company filings
 - International organizations
 - Travel and tourism agencies

B. Expert opinion

- Collation of opinion taken from leading travel and tourism sector experts
- Analysis of third-party opinion and forecasts:
 - Broker reports
 - Media
 - Official government sources

C. Data consolidation and verification

- Consolidation of data and opinion to create historical datasets
- Creation of models to benchmark data across categories and geographies

3) Analysis

A. Market forecasts

- Feeding forecast data into market models:
 - Macroeconomic indicators
 - Industry-specific drivers
- Analysis of travel and tourism sector database to identify trends:
 - Latest travel and tourism trends
 - Key drivers of the travel and tourism sector

B. Report writing

- Analysis of market data
- Discussion of company and industry trends and issues
- Review of financial deals and travel and tourism trends

4) Quality Control

A. Templates

- Detailed process manuals
- Standardized report templates and accompanying style guides
- Complex forecasting tools to ensure that forecast methodologies are applied consistently
- Quality-control checklists

B. Quality control process

- Peer review
- Senior-level QC
- Random spot checks on data integrity
- Benchmark checks across databases
- Market data cross-checked for consistency with accumulated data from:
 - Company filings
 - Government sources

3.4 Contact Timetric

If you have any queries about this report, or would like any further information, please contact info@timetric.com.

3.5 About Timetric

Timetric is a leading provider of online data, analysis and advisory services on key financial and industry sectors. It provides integrated information services covering risk assessments, forecasts, industry analysis, market intelligence, news and comment.

Timetric helps over 1,500 financial services institutions and their partner companies around the world benefit from better, timelier decisions.

Timetric provides:

- High-quality data including proprietary, specialized industry data, survey-based research, social media monitoring, macroeconomic data and forecasts
- Expert analysis from experienced economists and analysts, who use robust proprietary models, indices and forecasts
- Powerful proprietary visualization and workflow technologies developed over years of extensive investment

Timetric has office locations in London, New York, San Francisco, Hyderabad, Seoul, Singapore and Sydney. It employs 500 people, including 150 analysts and economists, and 200 professional researchers.

3.6 Timetric's Services

Intelligence Centers

Timetric's industry intelligence centers are premium web-based services that provide access to interactive tools, comprehensive research and expert analysis in key sectors. They provide invaluable decision support presented in an easily digestible format and grounded in deep research.

Timetric offers Intelligence Centers covering the following industries:

- Banking
- Insurance
- Wealth
- Construction
- Travel and Tourism

Briefing Services

Timetric offers a range of briefing services, which offer cutting-edge thought leadership and expert commentary on and for the financial services industries. Driven by influential and respected editorial teams with years of experience in their respective fields, these services deliver need-to-know insight and analysis to decision makers across the financial services value chain.

Timetric offers briefing services covering the following financial sectors:

- Accountancy
- Asset Finance
- Banking
- Cards and Payments
- Insurance

Consultancy

Timetric specializes in the development and delivery of innovative research solutions that are designed to provide competitive advantage and profitability to clients.

Dedicated industry analysts and economists provide expert advice and actionable recommendations underpinned by Timetric's market and country knowledge, experience and proprietary databases, panels and research infrastructure.

For projects requiring quantitative data, Timetric undertakes special research projects using its in-house panels and survey technology. These provide ready access to an extensive source of specialist business executives and consumers.

Core capabilities include:

Economic Research and Consulting

Highly experienced economists provide a number of bespoke research services covering subjects ranging from macroeconomic forecasting to sector outlooks, business presentations and workshops.

Industry Analysis and Consulting

Information analysis, independent expert opinion and advice, facilitated decision or strategic support, are provided by Timetric's extensive body of proprietary data and analysis models. It provides expertise-based consulting to deliver solutions that best suit its clients' requirements.

Quantitative Research

Timetric connects with thousands of potential customers for various markets every day. Using sophisticated, interactive and highly engaging graphical surveys, research speed is increased and costs reduced, while ensuring that respondents deliver the insight needed.

Qualitative Research

Timetric's Qualitative Research service helps customers understand the emotional and cultural behaviors of a target audience. Timetric provides unique access through market-leading publications and information services to decision makers specifically brought together to discuss topics that are important to the client.

Technology Solutions

Timetric has built a unique technological platform to collect and visualize data, and employs some of the world's leading experts on data collection and visualization. Through technology and software consulting services, Timetric can provide clients with the means to gather and visualize the data the client has, or wants to collect.

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