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Tourism statistics in Croatia: Present status and future challenges

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Abstract

Tourism is often mentioned as the main driver of Croatian economic development. Specifically, tourist trade is a relevant source of profit for a wide range of economic activities, primarily hospitality and catering industry, followed also by agriculture, transport, communications, sport and trade, affecting thereby their development. Because of the importance of tourism for the national economy, it is important to investigate and analyse domestic and international tourism market trends and tendencies with the purpose of obtaining meaningful, comprehensive and prompt information in the highly changing and complex tourism environment. This requires the existence of adequate statistical data upon which decisions and directions for the future development can be made. The paper investigates the existing tourism statistics in Croatia. The objective of the paper is to emphasize the importance of adequate statistical data collection and systematization with the purpose of increasing the possibilities of their comparison, implementation and analysis. Based on those premises the paper points out the advantages and disadvantages of the existing tourism statistics and presents some suggestions and guidelines for its future development and improvements.

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1. Introduction

The paper deals with tourism statistics in Croatia. The imminent accession to the European Union, the recent tourism worldwide tendencies, the complex and fast changing business environment, and a strong

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competitiveness had pointed out the need for systematic researches and more detailed statistical analysis. The aim of the paper is to highlight the importance of tourism statistics, as an applied statistics, for further Croatian tourism sector development. An adequately organised, design and universal tourism statistics system should be the starting point of further decision making in the tourism sector. The need of an adequate tourism statistics system is more accentuated due to the importance of the tourism sector for future successful Croatian integration in worldwide and European trends. In fact, tourism is the most propulsive and perspective Croatian economic sector and the carrier of its growth and development. Based on those premises, in the first part some basic features and characteristic of the Croatian tourism sector are presented. The second part of the paper is and insight into the present situation of the tourism statistics system. The authors report on its structures and basic features. Taking this as a starting point for future actions, in the last part a critical overview of the present Croatian tourism statistics and some suggestions for its improvement are given. Finally, the paper is an authors' attempt of analysing the present situation and future challenges put in front of the Croatian tourism statistics. Due to the importance and the complexity of the problematic, the paper can be considered just as a starting point for future more detailed and systematic analysis of the named problematic.

2. Croatian tourism and its impact on economic development

Croatia, as one of the most significant tourist destination on the Mediterranean, has a long tourist tradition and great capacities for further development. Tourism occurred in Croatia in the 19th century, and since then, there is no economic aspect unaffected by it, directly or indirectly, usually by the increase of the turnover. Tourism turnover is not just an income source for hotel industry and tourism, but also for agriculture, sport, commerce and many other activities. In that way, tourism has a direct impact on gross national product, employment and the balance of payment. Tourism, also, has a significant positive effect on development and on the general life standard in Croatia.

One of the most commonly used indicators that demonstrate the importance and the great impact of tourism on national economy is the number of tourist arrivals. The following figure presents the number of tourist arrivals in the period 1999 - 2010.

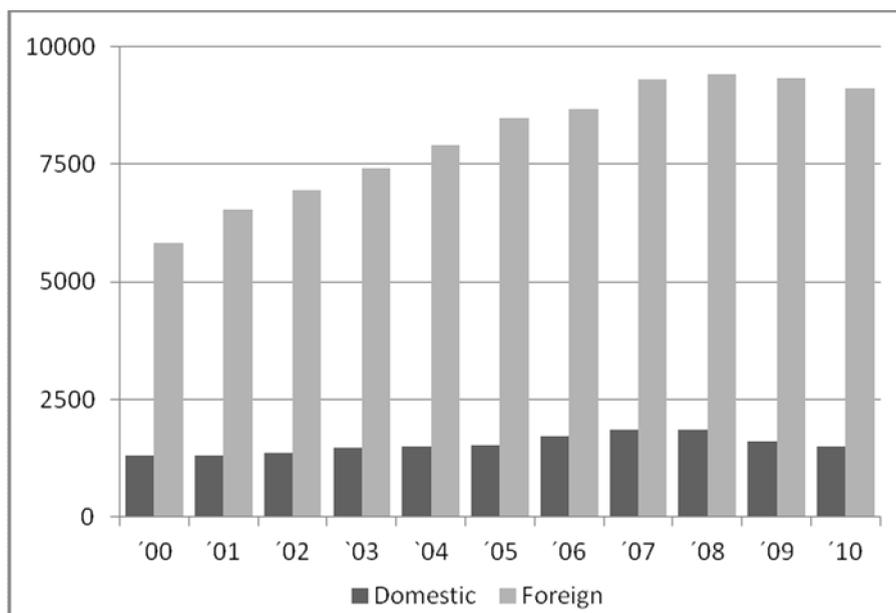


Fig. 1 Tourist arrivals in the Republic of Croatia (2000-2010) (*for year 2010 data are available on until the month of October)

The figure above indicates an increase in the number of realized arrivals in the given period. However, it also shows a decline in the number of arrivals (foreign as well as domestic tourists) in the last two years considered. Namely, in the period from January till December 2009, tourist arrivals decreased by 3%, and overnights stays decreased by 1% compared to the same period of 2008. That negative trend is significantly related with the global economic and financial crises and a multitude of other factors, as nature disasters and pandemics that had negatively affected domestic and international tourism and other economic sectors worldwide. The World Tourism Organization forecasts that tourism will not rebound before 2013. According to data published in the World Travel and Tourism Council 2011 annual report for Croatia:

- The direct contribution of Travel and Tourism to GDP is expected to be 11,6% of the total GDP, rising to 13% in 2021.
- Travel and tourism is expected to support the 12,7% of the total employment in 2011, rising to 12,9% in 2021

International tourism generates about 18% of the Croatian GDP and it accounts for more than a half of total exported services. Income per capita from tourism amounts to about 1000€. In order to increase the benefits of tourism economic and resume the positive tourist arrivals and overnight stays trend, it is necessary to adopt and implement a tourism development strategy focused on sustainable development and specific types of tourism. The prerequisite of Croatian tourism development, its repositioning and international competitiveness upgrading is certainly the awareness of the present state of tourism, of the advantages and problems that obstruct its further development, as well as further and detailed researches of new development trends, demand characteristics, investments possibilities, the identification of new market opportunities and other factors that influence the positive trend of Croatian tourism.

Croatian tourism is a part of the international tourism market and the trends on worldwide tourism market affect and route the Croatian tourism and redirect its tendencies. For several years new consumer trends have been coming up as results of globalisation, terrorism, new technologies, political changes, economic integrations, concern over environment, etc. Authors and researchers seem to agree that there are some general trends in worldwide tourism. Among often mentioned most significant trends denoting the international tourist market are: the occurrence of shorter and more frequent holidays, the increasing in the number of older age group tourist, tourism demand becomes less seasonal sensitive, tourists are more demanding, more sophisticated, their needs, wishes and expectations become higher. Tourists seek for tailored and specifics type of holiday packages. As a result of the global economic crises the tourist destinations adapt themselves to the new conditions and constantly develop their offer and raise the quality of services and products. Destinations became more competitive and concurrent among each other. Climate changes also influence the tourist flows, new destinations became popular and earlier popular destination lose their attractiveness. Terrorism and safety are considerable significant factors that influences and redirect tourist flows worldwide. The advent of Euro and Internet has significantly denoted the tourism market too. Consecutively, tourism has to face the climate changes, an aggressive competition on tourism markets and migrations of labour force, as well as the security and terrorism issues. The above named trends are just some of the characteristic of the modern international tourism market. Those trends have to be taken into serious account by every country, especially by those countries, like Croatia, that found their economic progress on tourism. Further tourism development should be based on systematic researches that enable the acquiring on relevant information about: (Kobašić 1992, 137)

- Major world regions and countries general growth frames, tendencies and levels;
- Socio-economic aspects;
- Political, legal, technological and cultural environment characteristics and features;
- Tourist demand development and movements;

- Important features and tourist market development and
- Global conditions and tourist demand potentials

These and other relevant information should be taken into account in the process of defining the Croatian tourism development strategy. Due to the great impact of the tourism sector on Croatian economic development and in order to obtain relevant, substantial, and complete information, it is necessary to apply comparable international standards, definitions and classifications, and to set systematic market researches, statistical and other quantitative analysis of tourism and its potentials, which of course emphasize the importance of applying tourism statistics methods and instruments.

3. Croatian tourism statistics system – structure and characteristics

Statistics is a branch of applied mathematics concerned with the collection and interpretation of quantitative data and the use of systematization methods. Statistics requires the implementation of unique standards which enable international results comparison and comparability. Tourism statistics, as an applied statistics, applies the economic statistic methods in order to describe and analyse trends and tendencies typical for the tourism phenomena. However, to consider the existing Croatian tourism statistics, its goals and advantages, it is important to explain its legal background and framework. The legal framework of Croatian tourism statistics relies on several acts and laws. Some of those legal acts are listed below:

- Law on national statistics – generally defines obligations of institutions responsible for carrying out statistical surveys, and authorized reporting units which have to submit their reports on statistical surveys and data
- Program of Statistical Surveys of the Republic of Croatia 2008-2012 - determines duties, objectives and contents of each particular survey and reporting unit
- Tourist trade Act – regards tourist activities
- Catering trade Act – regards accommodation facilities
- Act on Tourist Boards and the Promotion of Croatian Tourism – regulates the Tourist Boards obligation to record the tourist traffic
- Sojourn Tax Act – regulates the obligation to pay the sojourn tax
- Act on Tourist Boards Membership Fees
- The Monthly Report on Tourist Arrivals and Tourist Nights Methodology
- Regulations on the classification and categorization of Nautical Tourism
- Regulations on the Types and Categories of the Nautical Vessels of Nautical Tourism

The main national statistical data source is the Croatian Bureau of Statistics, as a state administrative organisation, the central authority, and the principal producer, disseminator and coordinator of the official statistics system of the Republic of Croatia. In cooperation with other producers of official statistics, it takes measures to adjust the national statistics system to the European system. The development of a proper statistics system is a complex procedure that requires constant communication with the statistical data users, providers and other official statistics producers participating in official statistics production. The main publication of the Croatian Bureau of Statistics is the Statistical Yearbook, which is a reliable source of comprehensive statistical data overview for various users with specific needs. The data published are obtained through numerous regular and periodical statistical researches and include information on various economic and social sectors. The Statistical Yearbook combines data from the National Bureau of Statistics and data from other public institutions according to the Law on national statistics from 1994.

Due to the importance of tourism for Croatian economy there are also several publications entirely dedicated to the tourism sector. Those researches are released periodically and with regularity. Due to the implementation of the international statistical standards, classifications, nomenclatures and methods, the international data comparability and the contribution to further entering of the Republic of Croatia into the European and global economic and political environment are assured. Besides the Croatian Bureau of Statistics, other bodies and institutions provide and release publications, studies, analysis and special editions on tourism related topics. Among the most relevant disseminators of tourism statistics data the Ministry of Tourism of The Republic of Croatia, the Institute of Tourism in Zagreb, and the Croatian National Tourist Board can be mentioned. Those institutions release regular publications and provide key facts and figures on Croatian tourism.

Statistical tourism researches can be considered as the starting point of the Croatian statistical system adjustment with other statistical systems in the area, primary with the European Union statistical system.

Statistical tourism researches usually, have the objective of collection, storage and publication of relevant tourism related data. Generally, the existing Croatian tourism statistics includes several aspects of the tourism phenomena:

- the tourist demand statistics (Accommodation statistics),
- the tourist offer statistics, and
- the consumption statistics.

3.1. Accommodation statistics

As far as tourist demand is the crucial aspect of tourism phenomena, the tourist demand statistics provides data on the number of domestic and foreign tourist arrivals and overnight stays. Main tourist demand researches in Croatia regard the journeys and tourism of domestic, the journeys and tourism of foreigners, the border tourism traffic and the tourism consumption. One of the most frequently used variables regard the number of tourist arrivals and overnight stays in short-stay facility accommodations. But this is not the only data provided. There are other variables which deal with specific tourism aspects such as migration policies, household statistic, balance of payments etc. Data sources are represented by regular surveys and reports among which the following can be mentioned: (Statistical Yearbook of the Republic of Croatia, 2010)

- The Monthly Report on Tourist Arrivals and Tourist Nights (TU-11 form)
- The Report on Tourists and Tourist Nights in Summer Houses and Apartments – Non-commercial Tourist Turnover (TU-11v form)
- The Annual Report on Capacity and Turnover of Nautical Ports (TU-18 form)

Travel data are collected by travel surveys of the domicile population, conducted by the Institute for Tourism. The monthly reports on the number of tourists arrivals and tourist overnights cover all accommodation facilities and other business entities, their number, as well as the number of households that provide accommodation services by category and the number of rooms and beds in those.“ Those data are processed on the national level, county level, city and settlement level, by location and accommodation category. This research includes two unit groups: accommodation units and tourists. Accommodation units are all business entities and parts of business entities that offer accommodation services, health institutions, where people are stationed for the purpose of medical rehabilitation, business entities and parts of business entities involved in village accommodation intermediation, tourist boards

and other authorities for individuals, apartments, houses etc. Tourist, as a research unit, is every person who spends at least one night outside his place of permanent residence, in a hotel or some other accommodation facility for reasons of rest, recreation, health, study, sport, religion, family, business or some other purpose. The Report on Tourists and Tourist Nights in Summer Houses and Apartments – Non-commercial Tourist Turnover is a collection of statistical data on non-commercial tourist activity in summer houses and apartments. The research includes non-commercial summer houses and apartments.

The Annual Report on Capacity and Turnover of Nautical Ports is a collection of main statistical data on nautical tourism, its capacities and nautical ports traffic. This Report is very specific and provides relevant data for further nautical tourism potentials researches, but nevertheless it is still just a part of the accommodation statistics because mooring in the nautical ports are considered as accommodation units like the rest of the accommodation units (e.g. a room).

3.2. The tourist offer statistics

The tourist offer relates to the whole accommodation facilities apparatus, private and public, that has the purpose to satisfy the need expressed by the tourist flows. The main researches are focused on collecting data about the number, the structure and the accommodation facilities performances. The observed variables vary and regards the number of accommodation facilities, their typology and category, the destination, the number of beds and the days of occupancy.

3.3. Tourism consumption statistics

Although tourism statistics researches are mainly focused on tourist offer and demand, tourism has a relevant direct or indirect impact on many other economic sectors. Tourism consumption statistics are crucial for understanding tourism tendencies, for decision making and formulating policies on national and international levels. Measuring tourist demand movements on national level imply regular and systematic measurements of traveller's tendencies, travel frequency and traveller's characteristic, namely by conducting surveys on domestic visitors.

Tourism consumption statistics collection requires a phased approach, which depends on the need and the interest of the commercial public sector and its potential involvement in this type of research (of course, in financial sense). Tourism consumption represents the main data source for economic growth analysis, especially for the analysis of economic activity, employment, development of the undeveloped areas and the balance of payments." (Kelebut and Javor 1998, 57) This type of statistics is lately often exercised in Croatia, in form of various interviews and market surveys.

The Eurostat Methodological Guidelines in Basic Tourism and Travel Statistics claim that surveys can be classified in different categories."The surveys in respondents' homes are „origin-based“ and the surveys at destinations are „destination-based.“[†] The distinction is important because visitors can be classified into different categories according to the perspective, and the results from different surveys may then not be compatible. In both cases (origin and destination research), the statistical unit selection should

[†] Applying the Eurostat methodological guidelines in basic tourism and travel statistics (<http://epp.eurostat.ec.europa.eu/portal/page/portal/tourism/documents/Applying%20the%20methodological%20guidelines.pdf>), Accessed on: 28.07.2011.

be based on sampling theory. The subject for this type of surveys and researches are the following variables:

- Demographic and socio-economic characteristics of persons (country of residence, citizenship, age, sex, marital status, education, housing situation, tourism experience...).
- Characteristics of trips/visits (arrival destination, place of destination, purpose of trip/visit, travel frequency, means of transport, duration of trip/visit, means of accommodation).
- Tourism expenditure (purchases for commercial purposes, capital type investments or transactions engaged in by visitors, cash given to relatives or friends during the trip, means of payments...)

This field of research is very comprehensive and it is a mean of collection of large data quantities, but still, there are some significant data that should be pointed out as objectives researches objectives. They are: (Kelebu and Javor 1998, 58)

- Citizenship, visitor's age, number of persons
- The nature of residence (same-day trips, transit, overnight trips/visits)
- Expenses (total expenses, expenses structure, if possible)

It is obvious that some of that information can be and are collected in accommodation statistics. That indicates that tourism statistics is a very complex system and it is difficult to set boundaries between accommodation statistics, border tourism traffic statistics and tourism consumption statistics. Therefore there is a need to construct and design a flexible and interactive national tourism statistics system which will not just provide statistical data but enable data comparison, integration and decision making.

4. Croatian tourism statistics system – future challenges

An insight into the Croatian tourism statistics system indicates that data are collected systematically and with regularity and that their cover almost all aspects of the tourism phenomena. Data comparability is satisfactory, due to the implementation of international standards and methodologies. Nevertheless, some system shortcomings can be detected and recognized.

As the first difficulty in tourist traffic record and registration the character of tourism as a fragmented and mobile activity, can be mentioned. According to the Croatian Bureau of Statistics, a tourist is every person who spends at least one night outside his place of permanent residence, in a hotel or some other accommodation facility for reasons of rest, recreation, religion etc. The same institution states that his residence is registered in every place of residence or accommodation, and in the case of residence (accommodation) changes, it can be reviewed in statistical records. Therefore, statistics records the number of tourist arrivals, not the number of tourist themselves, and concludes how the number of arrivals and number of tourist do not have to be the same. In practice, it is hard to register the real number of tourists.

Another lacuna in Croatian tourism statistics is, in most cases, that the difference between child visitors and adults' visitors is not recorded. However, the difference exists. Children, especially under the age of 12, namely are not obligated to pay for accommodation.

Another significant gap is certainly the monitoring and the recording of results in non-commercial objects, mentioned before. Although this statistic exists, the nature of that type of tourist traffic, arrivals and over-nights stays in summer houses and apartments (non-commercial accommodation) do not allow

proper data registration. Often this kind of tourist residences are not reported, so the non-commercial accommodation data have to be carefully analyzed.

How to determine the benefit of tourism for Croatia in such conditions? It is unquestionable that there is a law trying to minimize this problem, but is it questionable how effective it can be applied in the high season, when the number of tourist is much greater than the number of residents.

Excursionists are a very important tourist demand segment in many tourist countries. Croatian statistics should regard with much more attention the importance of excursionists through more detailed, careful and frequent researches and collection of information minding that market segment. Testimony of the importance of excursionists and existing gaps in tourism statistics is the UNWTO publication 'International recommendations for tourism statistics.'[‡]

Although, recently some improvements and adjustments of tourism statistics have been made, it is clear that official tourism statistics should be more related to other economic statistics, especially to non-official character statistics. Accordingly, stronger cooperation between research institutions (like National Bureau of Statistics or Institute for Tourism) and lower levels is required, in order to collect a greater number and different kind of data.

Finally, further innovation, modernization, harmonization and enhancement of the Croatian tourism statistics system is possible through:

- Ensuring a systematic overview of tourism.
- Establishing continuity of tourism record (elimination or error minimization in monitoring the domestic travel market)
- Methodology and common world practice alignment
- Establishing of a unique information system on all levels (tourist destinations – districts/cities)

Internationally comparable statistics standards in tourism monitoring are defined by the World Trade Organization, the Eurostat and the United Nation Statistics Division.

Croatia is facing great challenges; applying as many available standards of domestic statistical practice as possible. The National Bureau of Statistics, as the principal producer of statistics researches of the Republic of Croatia, has to constantly pursue the method development and revise its research accordingly.

5. Conclusion

Tourism is undoubtedly one of the most complex modern phenomena, which understanding and moulding require detailed analysis, qualitative and quantitative researches. The purpose of the paper was to emphasize the significance of tourism for national economic growth, as well as to point out the importance of the existence of an adequate statistical system as a support to decision making in the Croatian tourism sector. As mentioned, the paper is to consider the starting point of further analysis of the topic, which is gaining on actuality because its relation with decision making and operating in conditions of uncertainty and strong competitiveness. Tourism statistics, although on the path of adjustment with

[‡] *International Recommendations for Tourism Statistics 2008 (International Recommendations 2008)* focuses on the activities carried out by visitors and on measuring them with both monetary and non-monetary indicators. Its purpose is to provide a common reference framework for countries to use in the compilation of tourism statistics.

European standards and methodologies, still do not provide proper or sufficient information which would enable the creation of a more complete picture of the phenomena.

In fact, studies results have shown that tourist demand in Croatia is not enough congruously explored and investigated. Recent situation indicates that Croatia is still behind competitive tourist countries. Considering that, it is necessary to implement adjustments and stress the importance of choosing an appropriate data collection method. Thereby, the existing tourism statistics requires innovation (more efficient collection and data storage, increasing the statistical discipline, increasing the computer and software backup), in compliance with international standards. Such solutions would facilitate the standardization and increase the information quality, especially in respect of punctuality and relevance aspects.

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