





Ministry of Tourism
REPUBLIC OF CROATIA

Croatian Tourism Development
Strategy till 2020

Why a Strategy for tourism development matters?

- A prerequisite for a faster and a more sensible tourism development
- To ensure the future of tourism management
- To encourage investors to implement their plans
- A basis for defining tourism development plans and physical planning acts by lower administrative levels
- A basis for acquiring access to the EU funds

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Why does Croatia need tourism?

We need tourism:

- for investments and a stronger economic growth
- for employment/ new jobs creation
- for the overall contribution to the society

By means of tourism, we wish to:

- position ourselves in the forthcoming access to the EU as a country with a prominent tourism identity
- be hospitable and sincere hosts, focused on quality
- offer an attractive range of products and experiences based on authenticity and emotions
- persevere with sustainable development, focusing on innovation

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State of Affairs

SUPPLY

- Over 852 thousand registered beds – 13% in hotels, 25% in camp sites, 13% in other accommodation facilities and 49% in private households
- Only 40% of hotel capacity within a high category (4 and 5 star)
- Predominant tourist products: sun and sea

DEMAND

- Over 60.4 million overnights in registered commercial accommodation (Croatian Bureau of Statistics, 2011)
- 11.5 million tourist arrivals (2011. CBS)
- Every third overnight registered in private households accommodation

RESULTS

- Over 95,500 persons employed in the catering and tourism sector, close to 7% of total employment in Croatia
- 7.3 billion EUR worth tourism expenditures (6.3 billion foreign and 1 billion national)
- Attributable to the pronounced seasonality of the product structure – 87% of all the overnights in Croatia take place in four summer months (June-September)

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Competitive status

COMPETITIVE STATUS

- products and services not being differentiated to an appropriate degree
- Lack of innovative attractions appealing to the guests
- Growth based on expansion of private households accommodation
- Insufficient investment activity and too few new hotel capacity
- Country's traditional ways in tourism marketing
- Inherited orientation towards seasonal operations

However, in spite of these competitive adversities, Croatian tourism has, in this time of crisis, has been achieving better results than its Mediterranean competitors!



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Market opportunities for Croatia

New markets opening up	<ul style="list-style-type: none"> • Attracting new consumer segments • Penetrating new markets
Product development	<ul style="list-style-type: none"> • Meaningful improvement of existing and establishment of new experiences • Orientation towards higher value-added products
Taking the ecologically responsible stands	<ul style="list-style-type: none"> • Preservation of the environment and cultural heritage • Implementing the 'green' concept in construction and business operations
Development of new communication and sales competencies	<ul style="list-style-type: none"> • New information technologies • Direct marketing
Development of new management models	<ul style="list-style-type: none"> • Stakeholders in development networking (clusters) • Destination management (partnerships)

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10 key directions in Croatian tourism development till 2020

Deregulation	Tourism embracing the entire national territory
Success through partnership	Hotel trade – key initiator of the investment cycle
Culture of quality	Innovation of the market image
The 'Green' as an operational concept	Authenticity and creativity
Beyond the sun and sea	Croatian products for Croatian tourism

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Vision for Croatian tourism by 2020

By 2020 Croatia will be a globally recognised tourist destination, competitive and attractive to investments. It creates jobs and manages in a sustainable way the development on its entire territory, nurtures the culture of quality, and offers its guests hospitality, safety and authentic attractions and experiences all year round.



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Development Strategy for Tourism

Main goal of development

Getting ranked among top 20 tourist destinations in the world in terms of competitiveness

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Objectives of the tourism development till 2020

- Investments**
 - 7 billion Euros worth new investments
- Upgrading the accommodation structure and quality**
 - Increase in hotels' share (from 13% to 18%) and upgrading the accommodation in household facilities and camp sites
- New employment**
 - Creation of 20 – 22 thousand direct and 10 thousand indirect jobs
- Increase in the tourist consumption**
 - total tourist expenditure amounting to 14.3 billion Euros (out of which 12.5 billion Euros by foreign residents)

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Operational strategies

1. Marketing
2. Tourism offer development
3. Investments
4. Human resources development
5. Processes Management

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1. Marketing

- Restructuring the Head Office of the Croatian National Tourist Board (CNTB) and the tourist boards system into the DMOs (Destination Marketing Organisations)
- Tourism branding conceptualized and run in a professional way
- Public relations in tourism conceptualized and run in a professional way
- Switching to online communication with the markets
- Staff at all levels involved in life long learning

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2. Development of the products of tourism on offer

Development of the products of tourism

- Focus on and incentives to the development of diversified products with the aim of cutting down seasonality

Accelerating privatisation and bringing the state owned property to use

- Brownfield and greenfield

Upgrading the accommodation

- New capacity mainly in 4-5* hotels and resorts and small hotels, increasing the quality of family accommodation, enhancing the quality of camp sites

Upgrading other elements of the tourism offer

- Thematic parks, visitors' centres, beaches, footpaths and walkways, retail outlets, entertainment...

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2.1. Tourism products development

- **Re. The sun and sea** – re-positioning by strengthening all the value chain links and extending the season
- **Nautical tourism** – 15,000 new berths, new regulation, focus on ecology
- **Health tourism** – market specialisation, networking, upgrading the quality of accommodation
- **Cultural tourism** – keeping up with adding tourism appeal to cultural events, interpretation centres, events
- **MICE tourism** – infrastructure (congress centres), management, air connections
- **Golf tourism**– infrastructure (courses) at the most prominent destinations , golf resorts
- Cycle tourism
- Wine and gastro-tourism
- Rural and mountain tourism
- Adventure and sports tourism

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3. Investment strategy

Type of investment	Value (existing capacity)	Value (new capacity)
Newly constructed hotels and resorts – 20,000 rooms		2.2 bill. EUR
Renewal and reconstruction of existing hotels – 15,000 rooms	825 mil. EUR	
Small family hotels and boarding houses	30 mil. EUR	265 mil. EUR
Small floating hotels	10 mil. EUR	100 mil. EUR
Camp sites	230 mil. EUR	170 mil. EUR
Accommodation in households (re-construction and upgrading the quality)	700 mil. EUR	
Nautical tourism harbours	77 mil. EUR	475 mil. EUR
Convention centres		46 mil. EUR
Some 10 new thematic parks		300 mil. EUR
Other (food/beverages, entertainment, shops, beaches, cultural facilities , etc.)	1,5 bill. EUR	
TOTAL	7 bill EUR	

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3.1. Investment environment

- Privatisation of the state owned companies
- Solving the issue of tourist land
- Keeping on creating the business environment attuned with the one in competitive destinations
- Strengthening further the involvement of the CBRD (Croatian Bank for Reconstruction and Development) as the development bank for enhancement of tourism development projects
- Maximizing the use of the EU funds

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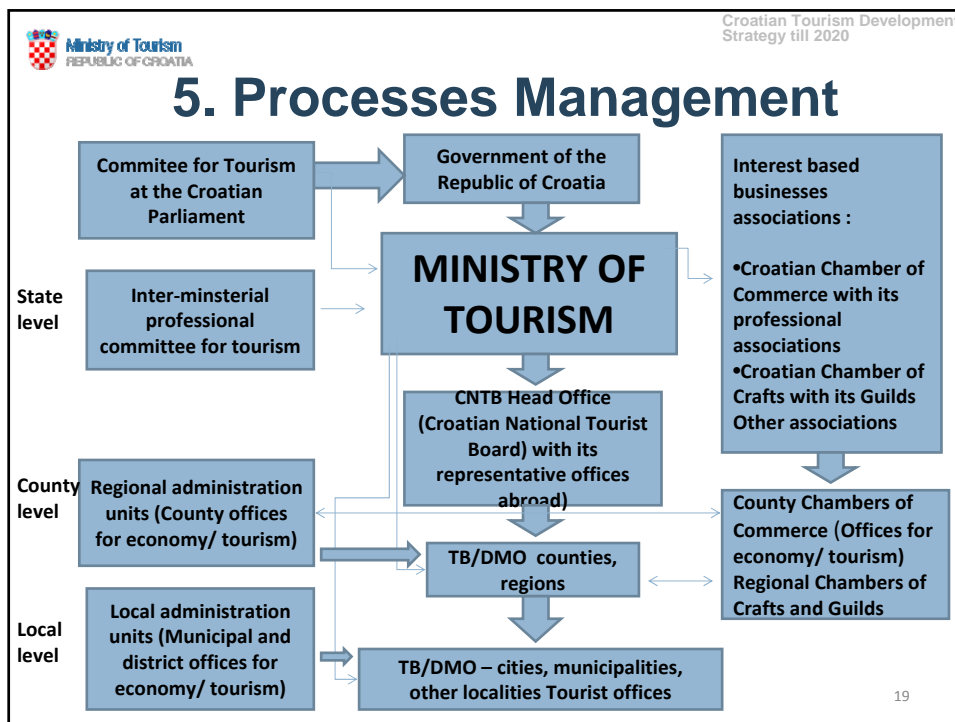
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4. Human resources development

- Strong regional centres of education for tourism within the network of technical schools
- Aligning the curricula with the requirements indicated by the economy
- Training centres/ refurbishment of technical schools with the appliances needed
- Establishing specialised business schools
- Setting up a life-long learning system

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Effects expected by 2020

- 7 billion Euros of new investments
- 955,000 beds in commercial accommodation (102,000 increase compared to 2011)
- 30,000 new employees (20,000 in tourism and 10,000 in ancillary activities)
- 86 million overnights in commercial accommodation (43% increase compared to 2011)
- 14.3 billion Euros worth total tourist consumption (an increase of 6 billion Euros)

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Effects expected by 2020/25

	By 2020	By 2025
Beds in commercial accommodation	0.96 mil	1.1 mil
Overnights, in millions	86	107
Total occupancy rate	24.7%	26.6%
Total tourist expenditure, in billion Euros	14.3	18.5
Newly employed, in thousands	31	72
In tourism	21	50
Induced in other activities	10	22
Total investment in billion Euros	7	13

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Thank you for your attention!



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