

WEEKLY ANALYSIS

Number 794, October 10, 2022

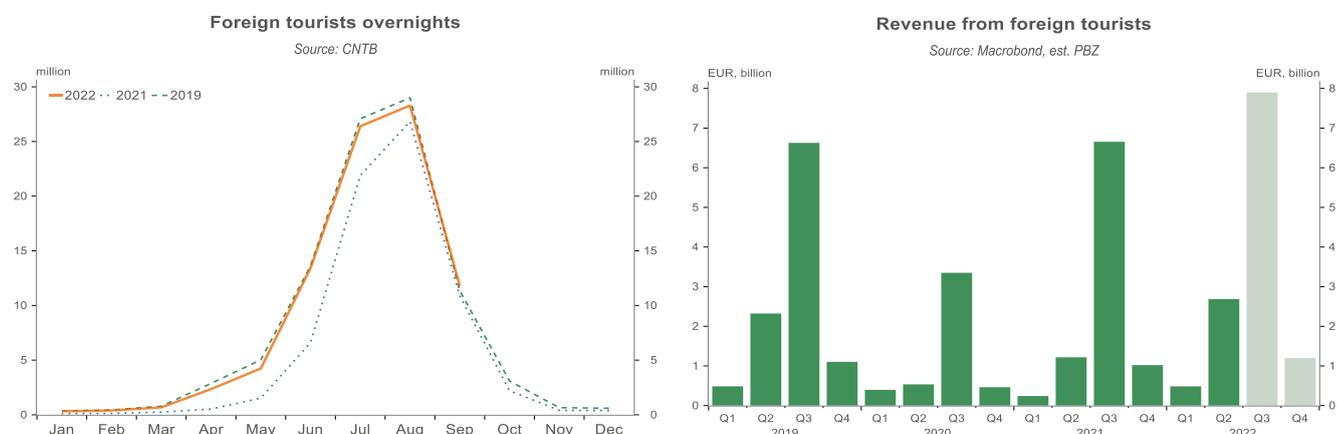
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Financial data confirm a record-breaking pre-season

Data from the Croatian National Bank confirmed the financial performance of the tourist pre-season at least in terms of the amount of revenues from foreign tourists. Namely, according to the balance of payments, revenues from foreign tourists in the second quarter of this year amounted to 2.7 billion euro, which is 120.6% more than in the same period last year, or 15.7% more than in the same quarter of 2019. Thus, in total, revenues in the first half amounted to 3.2 billion euro or 117% more than in the same period last year, i.e., 13% or 360 million euro more than in the same months of 2019. The good results of the main part of the tourist season or the third quarter are indicated by the currently available data of the Tax Administration, i.e., the Croatian Tourist Board. Specifically, according to the Tax Administration data, the value of the fiscalised invoices in the accommodation and food service activities recorded an annual growth rate of 29.5% during the third quarter, or 48.4% compared to the same quarter of 2019. At the same time, according to CTB data, a total of 10.4 million of arrivals of foreign tourists were achieved during the third quarter, which generated 66.5 million of overnight stays. Compared to the same period last year, arrivals of foreign tourists increased by 16% and overnight stays by 11.5%. Compared to the 2019 season, arrivals of foreign tourists reached the level of 95%, and overnight stays of 99% of this record year 2019. Thus, although according to physical indicators the tourist year 2022 is still a few percentage points behind the record year 2019, according to financial indicators or earned revenue, 2022 will exceed 2019.

Of course, the described financial result is also due to the increased prices in tourism. According to data from the Croatian Bureau of Statistics, prices in the accommodation category recorded an increase of 18.3% in August compared to the same month last year, while the increase in prices in the hospitality industry was 15.5%. Compared to August 2019, accommodation prices advanced by 27.4% and prices in food service by 21.4%, while on average in the first eight months this increase was 15.6% in both categories.

In addition to Croatia, which has therefore practically reached the level of overnight stays of foreign tourists from the pre-pandemic 2019, according to available Eurostat data, this level has been exceeded by Turkey, which already reached the level of 102% in the first six months of this year; while Greece, for example, reached 90% in seven months; Spain 88% and Italy 80% of overnight stays achieved in the same period in 2019.



Weekly overview

- The beginning of the new month and the last quarter of this year brought low volumes and mostly balanced domestic interbank market, with trading in a narrow range of HRK 7.52 to 7.53 per euro. The mid-point exchange rate therefore stagnated on a weekly basis and on Friday it amounted to 7.5251, while against the dollar the kuna slightly appreciated (-0.1% to HRK 7.6740 per dollar). This week we expect the trend of slight fluctuations in the exchange rate to continue.
- The money market continued to stagnate, with excess liquidity rising slightly above the level recorded at the end of September to HRK 82 billion, interest rates stagnated and there were no placements at the central bank's repo auction.
- Last week ZSE turnover was down by 10.9% w-o-w to HRK 211 million, with bond turnover doubling (to HRK 186 million), while turnover in shares fell by 86.9% (to HRK 19 million). Crobex recorded a recovery and w-o-w growth of 1.6% to 1,937.3 points due to the growth of the major indices (CROBEXindustry +2.4% to 1,001.7, CROBEXnutris +3.5% to 714.7, CROBEXtourist +3.2% to 3,337.4). Crobis closed the week at 95.8 points, deepening the w-o-w decline to -1.5%.

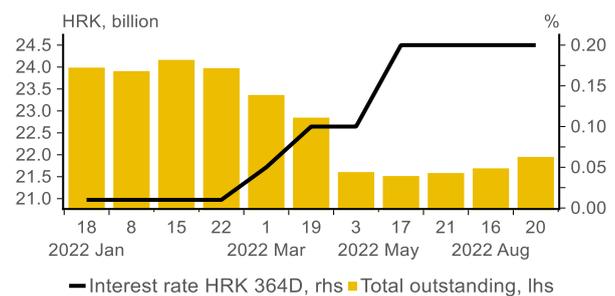
EUR/HRK and USD/HRK

Source: Macrobond



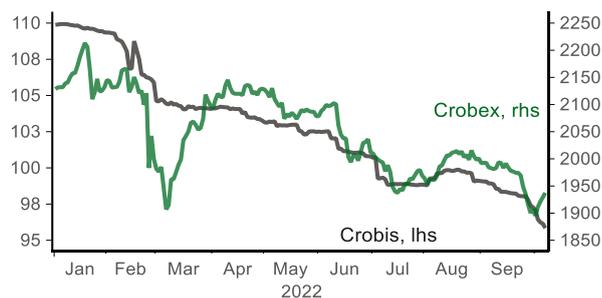
T-bills

Source: MoF



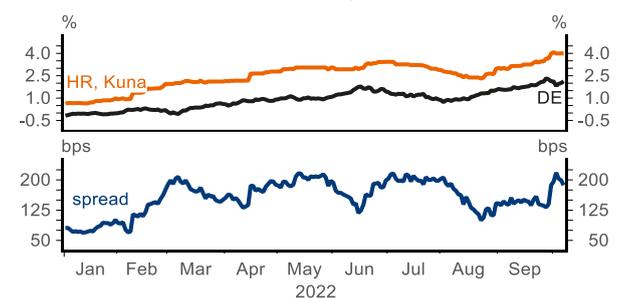
Crobex/Crobis

Source: Macrobond



10Y Government bond yield

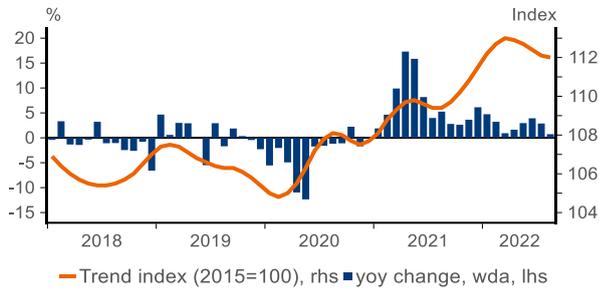
Source: Macrobond, Reuters



Statistics

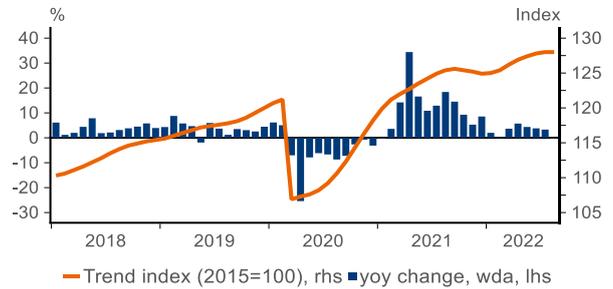
Industrial production

Source: Macrobond



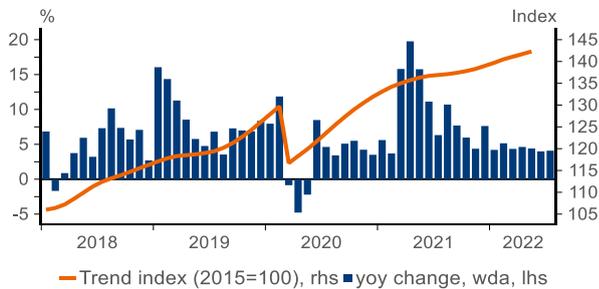
Retail trade, real

Source: Macrobond



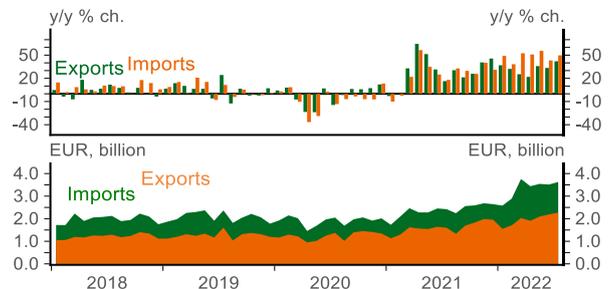
Construction works

Source: Macrobond



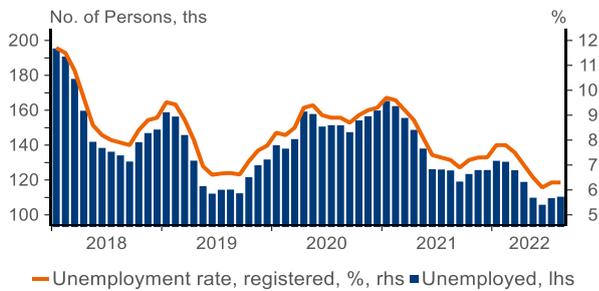
Goods exports and imports

Source: Macrobond



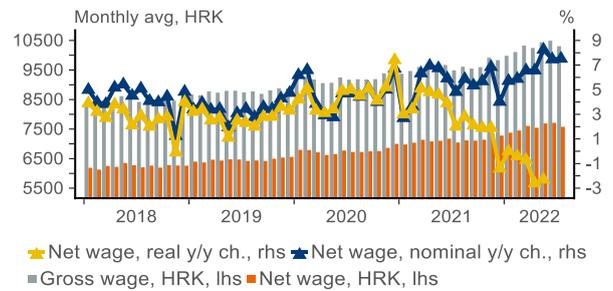
Unemployment

Source: Macrobond



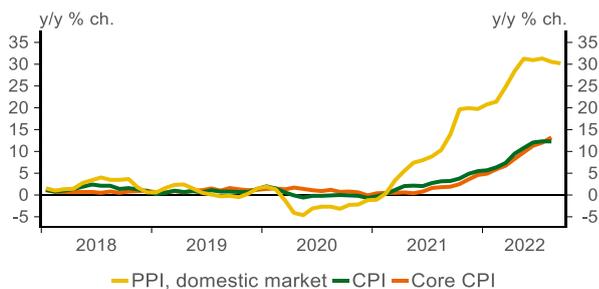
Wages

Source: Macrobond, CBS



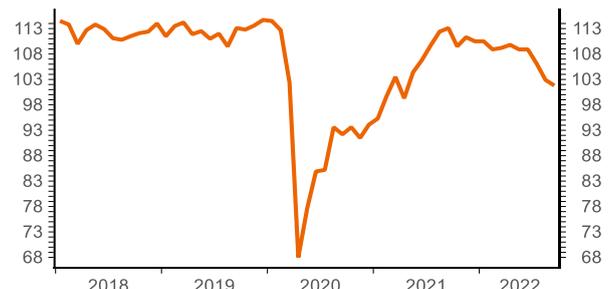
Prices

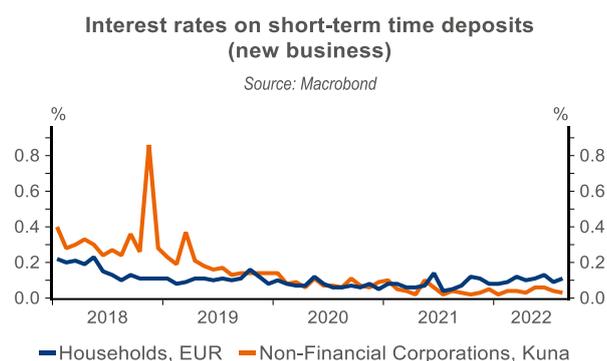
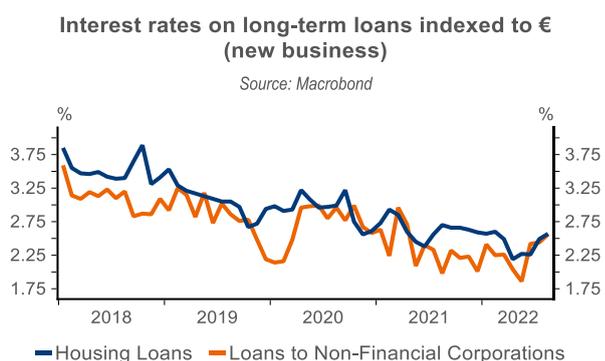
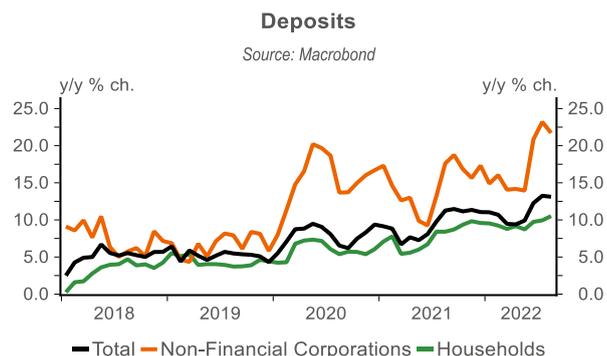
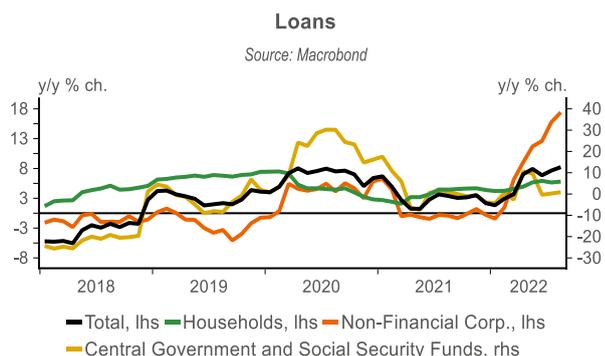
Source: Macrobond



Economic Sentiment Indicator (ESI)

Source: Macrobond





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