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Intro to the main season more than good

- Data from e-Visitor suggest more than good intro to the main tourist season, considering that the total number of tourist arrivals in the first four months reached 2.085 million or up by 28.7% y-o-y, i.e., only 1.3% less than the same period in 2019. Simultaneously, there were 5.955 million of overnight stays, up by 17.3% y-o-y and 4.7% more than in comparable period in 2019. Usually, foreign tourists make up the majority of both arrivals (70%) and overnight stays (76%), and in the introductory part of the season the number of foreign tourist arrivals increased by app. 35%, and the number of overnight stays by 19.4% y-o-y, and while compared to 2019 the number of foreign tourist arrivals is still lagging behind by app. 9%, the number of overnight stays exceeded the first four months of the pre-pandemic 2019 by 1.6%.

Total no. of overnight stays exceeded 2019

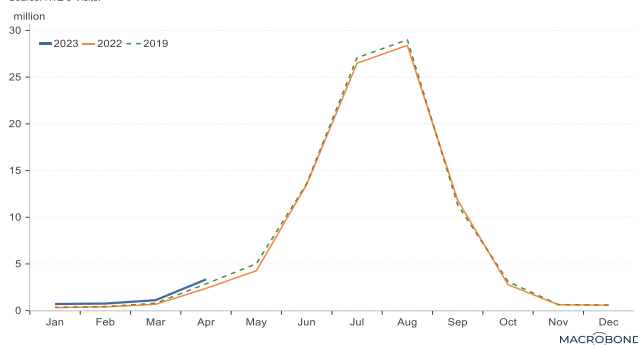
According to the Croatian Tourist Board data, long weekend on 1st of May brought strong double-digit growth of both tourist arrivals (+49%) and overnight stays (+42%), pointing to continuation of positive trends, i.e., first tangible positive indicators of entry into Schengen area, which made Croatia a more accessible destination in regard to transport suitable also for shorter weekend travels outside of summer months.

Intro to the main tourist season was thus more than fine and booking indications which are significantly better than last year's also point to positive continuation. Considering the recorded increase of physical indicators such as arrivals (+36%), i.e., foreign tourist overnight stays (+21%), but also price increase in catering/accommodation services (+18.4%) it is probable that tourist revenue in this year's Q1 will notably exceed 486 million euros earned in the same period last year, while the entire season will most probably be also a new record season for Croatian tourism, both per physical and financial indicators. A reminder that the total annual revenue from foreign tourists last year was 13.1 billion euro, i.e., up by 43.6% than in 2021, and up by 24.4% than in 2019. In the recently published quarterly report, the European Travel Commission (ETC) states the expectation of further tourism recovery in European destinations in 2023, but at somewhat slower pace than last year's, mostly due to still high inflation that limits household consumption and the slow-down of economic growth although expectations, compared to previous ones, were improved due to absence of technical recession. ETC expects positive contribution should also come from long-haul tourists especially from the US and China, but also notable recovery of tourist travel from UK.

Booking supports expectations of record season

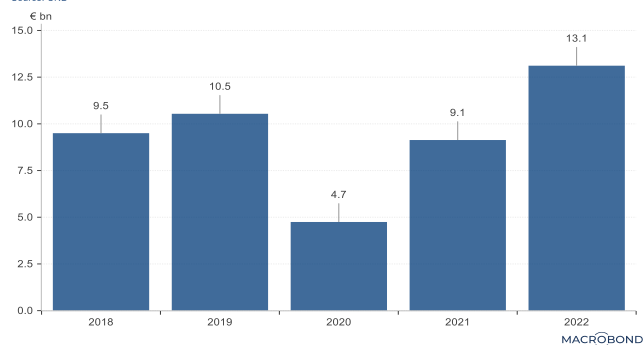
Foreign tourists overnights

Source: HTZ e-Visitor

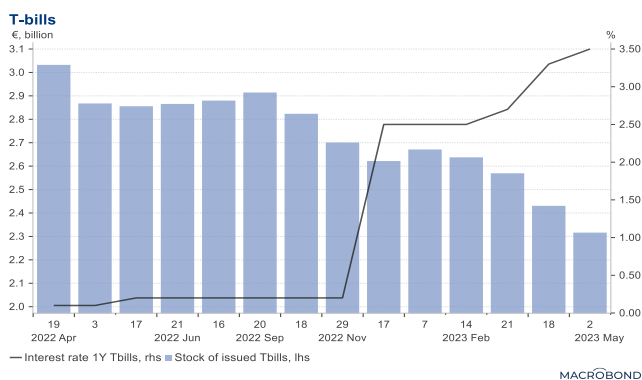
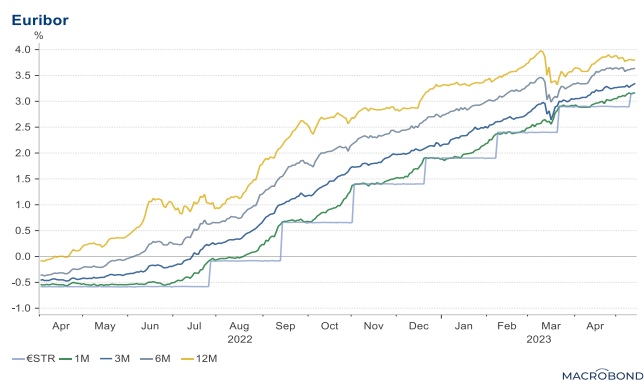


BOP Current Account Travel Income

Source: CNB



- Dollar appreciated against the euro due to slight increase of global aversion to risk. On Friday, the exchange rate was 1.0892 dollars to the euro, i.e., up by 1.1% w-o-w.
- Euribor rose to 10 bps w-o-w, so on Friday 3M was 3.3%, and 6M 3.6%. This week 84 million € of T-bills is due, but no auction.
- Crobex kept its upward trend, closing Friday up by 1.0% w-o-w, i.e., at 2,260.4 points. The most important sector indices recorded divergent trends so CROBEXindustry and CROBEXnutris rose by 2.2, i.e., 0.9% (to 1,450.3 and 789.9 points), while CROBEXtourist declined by 0.7% (to 4,090.9 points). Crobis increased by a mild 0.2% to 94.6 points.



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