

nautical tourism
development
strategy of

The Republic of Croatia
2009 – 2019

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①

Introduction



Croatia is a Mediterranean country recognisable all around the world for its indented coastline and islands. The island archipelago with more than a thousand islands is a distinguishing marketing symbol of Croatian tourism and a comparative advantage in its development. Because of such natural assets, nautical tourism is especially valuable and successful segment of Croatian tourism.

Despite of former development accomplishments, the quality of nautical tourism in many elements of its offer reached neither the level of value of natural and historical heritage, nor spatial developing capacities, that is, Croatian nautical tourism did not make use of all of its development potentials yet.

The basic principle of management of the development of nautical tourism is the principle of sustainable development which presumes the necessity of finding a compromise between the need for preservation of natural areas and the need for economic development, and it is achieved primarily by establishing the carrying capacity of an area and establishing a ceiling of growth of new capacities for reception for a certain period.

In the future, the greatest threat to long-term sustainable development of nautical tourism can be its further uncontrolled or unrestricted and undirected development, especially if it is pressured by a significantly greater demand for than supply of new moorings in the Mediterranean. To satisfy the total growing demand would mean to underestimate the natural basis, and thereby nautical tourism itself.

Starting from the mentioned assertion and the fact that nautical tourism is a specific form of tourism with distinctive features which significantly distinguish it from other forms

of tourism, and particularly because of the models of management of maritime domain and navigation safety systems at sea, the Hydrographic Institute of the Republic of Croatia, used a multidisciplinary approach and conducted a Study of development of nautical tourism in the Republic of Croatia and for the first time observed nautical tourism with all its phenomena, substantive elements and effects, especially in relation to nautical tourists as its initiators, purpose and aim of all its activities.

This Strategy was prepared based on the findings of the Study, and it sets up the principles of nautical tourism long-term development, which include nautical tourism system management, environment preservation, quality and competitiveness, economic evaluation etc. The Strategy contains a vision and strategic goals of further development of nautical tourism in accordance with the principles of sustainable development, as well as the Action Plan for the Strategy implementation which elaborates measures, activities, carriers and deadlines of the Strategy implementation for the period 2009 - 2019.

Nautical tourism does not only take place at sea. Croatia possesses prerequisites for development of nautical tourism also on rivers (Danube, Sava and Drava), but considering that the specified areas will be treated under a separate strategy, this Strategy refers only to nautical tourism on the Adriatic Sea.

1.1. Concept and content of nautical tourism

In foreign literature, along with the term of nautical tourism there are often the terms such as marina tourism, yachting tourism, sailing tourism, leisure boating etc., of varying scope. The differences, not so much in the use of the term of nautical tourism but in its contents, can also be found in our professional and scientific literature and practice.

Although the term of nautical tourism is used in everyday life, there is still no a generally accepted definition, and therefore its scope should be determined depending on the purpose of its analysis.

For the purpose of defining the scope of the Development Strategy of





Nautical Tourism of the Republic of Croatia, the definition of nautical tourism as specified in the Act on the Provision of Tourism Services was taken as an acceptable starting point: "*Nautical tourism means navigation and accommodation of tourists – navigators on cruising vessels and in nautical ports for the purpose of rest and recreation*".

Nautical tourism special is a type of tourism which, in addition to navigation in own organisation – cruising in own or rented cruising vessels with accommodation and/or overnight stay of tourists on vessels, includes also circular tours organised by owners of cruising vessels and travel agencies with accommodation and/or overnight stay of tourists on vessels, as well as tourist navigation on vessels for the purpose of other forms of rest and recreation (fishing, diving).

Vessels used in nautical tourism are cruising vessels, circular tour vessels and other vessels equipped for days-long accommodation and/or overnight stay at sea.

An important difference between nautical tourism and other forms of tourism is navigation, i.e. a considerable mobility of nautical tourists, which includes frequent, and often daily changes of the place of stay.

In order to establish the stage of development of nautical tourism, it is necessary to view the position, the development and the level of equipment of nautical ports and their accompanying infrastructure and superstructure facilities.

A nautical port is a special purpose port which serves for reception and accommodation of cruising vessels and which is equipped for provision of services to clients and vessels. From business, construction and functional aspects, it makes an integral whole. Types of nautical ports, according to types of facilities and services they offer, are determined by special provisions which regulate categorization of nautical ports.

This should certainly include nautical moorings placed within ports open to public traffic. Such types of moorings generally imply seasonal moorings situated in the most attractive port areas, which often imply old historical centres on coasts and islands.



② Current situation, supply and demand

2.1. Natural basis

The Republic of Croatia is situated on the east coast of the Adriatic Sea. The mainland covers the surface of 56,542 square kilometres, whereas the territorial sea stretches across 31,067 square kilometres. According to the 2001 Census, Croatia had 4,437,460 inhabitants.

Croatia is a maritime country with a long history and tradition of shipping industry and tourism.

The natural basis for development of nautical tourism is the Adriatic Sea with its indented, 6,176 km long coastline, 4,398 km of which belong to the islands coastlines, and with 1,244 islands, islets and cliffs, 50 islands being inhabited.



Nautical tourists find the most attractive the areas under different categories of protection on account of their high natural value and specific environmental and biological diversity: strict reserves, national parks, special reserves, nature parks, regional parks, nature monuments, significant landscapes, forest parks, monuments of park architecture.

Particularly attractive are the national parks of Brijuni, Kornati, Krka and Mljet, and the nature parks of Telašćica and Lastovo Islands, whereas the largest number of nautical tourists' visits is realised in the national park of Kornati.

2.2. Competitiveness of Croatia

There are two major groups of factors determining the competitiveness of nautical tourism:

(1) General factors: climatic conditions, beauty and purity of the sea, beauty of the landscape with indented and diversified coast and islands, including the settlements;

(2) Specific factors: traffic accessibility of the starting nautical port in relation to the core market, personal and maritime safety, number and spatial distribution and facilities of nautical ports, possibility of vessel mooring in nautical ports or nautical mooring in public ports, hospitality and education of staff, offer of other contents required for maintenance and equipment of navigation vessels, attractiveness of contents ashore, cultural offer as an important factor of tourist and nautical offer, service prices, regulations relating to navigation and stationing of vessels, taxes and dues.

Croatian competitiveness in nautical tourism is determined by the neighbouring and other Mediterranean countries, primarily Italy, France, Spain, Greece, Turkey, Montenegro and Slovenia.

Touristically more developed Mediterranean countries such as Italy, France and Spain have a more developed nautical tourism offer. They, however, do not have such an attractive coastline with archipelagos as do Croatia, Greece and Turkey. Therefore, it can be concluded that Italy, France and Spain are the largest competitors as regards the tourist offer development, and Greece and Turkey as regards the

attractiveness of the coastline. Slovenia and Montenegro are not serious competitors because of their modest capacities and relatively short coastlines.

Also, Croatia can hardly be a serious competitor to France, Spain and Italy, not only because of their nautical infrastructure, but also because of the quality and diversity of their overall tourist offer. Among the countries from the mentioned Mediterranean environment, considering the condition of nautical tourism and similarity of their coastlines, Croatia shares the greatest similarity with Greece and Turkey. That, however, does not mean that Croatia is not competitive to other Mediterranean countries in particular segments of nautical offer.

Croatia has a sovereignty over approximately 12.2% of the coastline and 33% of the islands coastline in the Mediterranean, which indicates its natural potential for development of nautical tourism. Croatian share in the overall coastline length (including the islands) of all Mediterranean countries amounts to about 16%.

As for the offer of nautical vessel moorings in Croatia, as compared to other Mediterranean countries, the Croatian share amounts to about 6.9%, whereas that of France is 47.3%, of Italy 10.4%, of Greece 6.4%, of Turkey 4.9% etc.

With regard to the coastline length, Croatia has about 2.6 nautical moorings per kilometre, while France has 64, Italy 3.1, Spain 20.2, Greece 1.1, Turkey 2.2 etc. If we put these indicators in a relative relationship, we can see that Croatian share in the coastline length is twice as large as its share in the number of moorings. This difference is even more apparent in the Greek example, where the relationship is 1:5! However, France, Spain and Slovenia, despite of the small percentages, have the opposite situation – a much larger share in the number of moorings than in the length of the coastline.

According to the mentioned, Croatia still has some unused comparative advantages and potentials for increase of competitiveness on the nautical services market.

One of the indicators of competitiveness of a certain tourist offer is the impression of competitiveness among the public, i.e. among the nautical tourists themselves, which does not necessarily reflect the reality, but substantially affects the sales successfulness.

The assessment analysis of all the elements of Croatian nautical offer, acquired from a survey performed within the TOMAS Nautika research, we can draw the following conclusions:

- The greatest Croatian advantages are the so-called general and social factors of nautical offer – purity of the sea, beauty of the landscape, environmentally preserved coastline and the feeling of safety in the country
- The greatest disadvantage of the overall Croatian nautical offer are its specific elements: gastronomic offer, accommodation capacity, nautical ports equipment
- The main Italian advantage in comparison with Croatia is its gastronomic offer, as well as accommodation capacity and nautical ports equipment
- The main advantages of France and Spain as compared to Croatia are their hospitality, gastronomic and nautical ports offer (capacity, equipment and spatial distribution)
- The main advantage of Greece as compared to Croatia is gastronomic offer and the "value for money" in the overall nautical offer
- Turkey is a competitor to Croatian nautical offer in its gastronomy, nautical ports equipment, the "value for money" of the overall nautical offer and partly in nautical ports capacity
- Slovenia does not present a serious competitor to Croatian nautical offer, which is understandable considering the length of Slovenian coastline

According to all major indicators, Croatian nautical offer is competitive to other Mediterranean countries, except in daily mooring rates. The most important is the fact that Croatia, in relation to its present number of nautical moorings, the length of the coastline and its islands, their exceptional attraction and well preserved condition, as well as the finally reached quality of the overall nautical of-



fer, certainly has all preconditions for further quality and competitive development of nautical tourism, provided that it does not endanger its fundamental natural development basis.

2.3. Physical plan basis

The county physical plans envisage expansion of the existing and construction of new capacities for reception of vessels on about 300 potential locations, which is one and a half times more than the existing capacities. For the purposes of expansion and construction of the mentioned facilities, it is necessary to conduct an analysis of those locations and accordingly determine the most adequate potential locations, by modifications or amendments or provision of new county physical plans, for a ten-year period.

Table 1: Nautical ports and coastal mooring capacity based on the county physical plans

COUNTIES	Current (2007)			Planned (2015)			Total
	At sea	Ashore	Total	At sea	Ashore	Total	
Istarska	3,890	772	4,662	7,330	7,100	14,430	19,092
Primorsko- goranska	3,228	1,938	5,166	3,100	0	3,100	8,266
Ličko-senjska	0	0	0	850	800	1,650	1,650
Zadarska	3,676	1,030	4,706	1,800	0	1,800	6,506
Šibensko-kninska	2,795	900	3,695	2,140	0	2,140	5,835
Splitsko-dalmatinska	1,581	390	1,971	3,185	0	3,185	5,156
Dubrovačko- neretvanska	664	156	820	7,350	0	7,350	8,170
TOTAL	15,834	5,186	21,020	25,755	7,900	33,655	54,675

Source: Central Bureau of Statistics and County Physical Plans

The new physical plans (in the planning period by 2015) envisage construction of new capacities on 33,655 locations, of which 25,755 moorings at sea and 7,900 locations ashore.

In the future, according to the county physical plans, after construction of the newly planned capacities in addition to the existing ones, the total capacity for nautical tourism would be 54,675 locations, of which 41,589 at sea and 13,086 ashore.

Table 2: The county share in the total nautical ports mooring capacity based on physical plans

COUNTIES	Current Total	%	Newly planned Total	%	Total	%
Istarska	4,662	22.18%	14,430	42.88%	19,092	34.92%
Primorsko- goranska	5,166	24.57%	3,100	9.21%	8,266	15.12%
Ličko- senjska	0	0.00%	1,650	4.90%	1,650	3.02%
Zadarska	4,706	22.39%	1,800	5.35%	6,506	11.90%
Šibensko- kninska	3,695	17.58%	2,140	6.36%	5,835	10.67%
Splitsko- dalmatinska	1,971	9.38%	3,185	9.46%	5,156	9.43%
Dubrovačko- neretvanska	820	3.90%	7,350	21.84%	8,170	14.94%
TOTAL	21,020	100.00%	33,655	100.00%	54,675	100.00%

Source: Central Bureau of Statistics and County Physical Plans

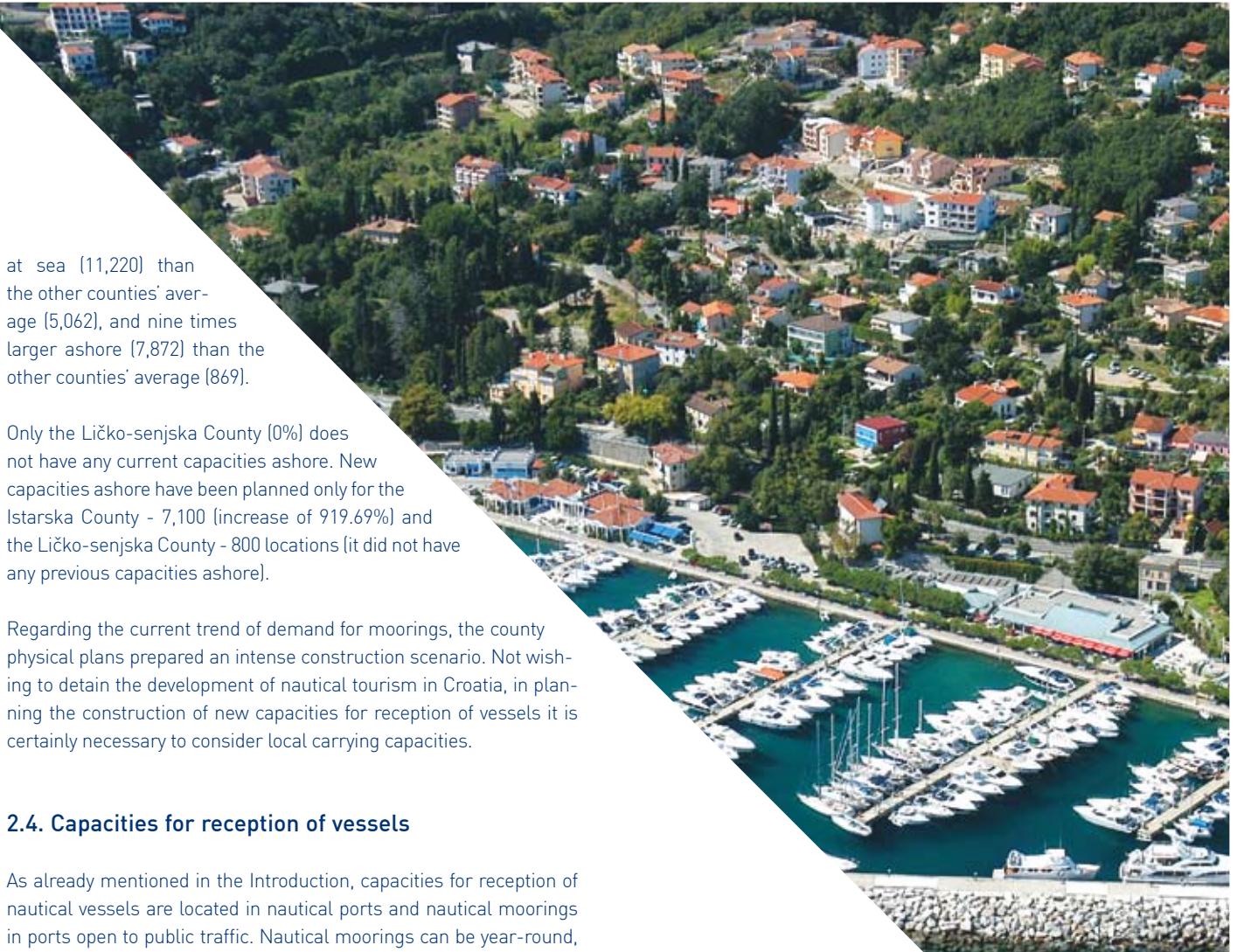
Table 3: Future capacities of moorings and locations ashore by counties, based on physical plans

COUNTIES	Total			Growth index 2015/2007		
	At sea	Ashore	Total	At sea	Ashore	Total
Istarska	11,220	7,872	19,092	188.43%	919.69%	309.52%
Primorsko- goranska	6,328	1,938	8,266	96.03%	0.00%	60.01%
Ličko-senjska	850	800	1,650	850.00%	800.00%	1,550.00%
Zadarska	5,476	1,030	6,506	48.97%	0.00%	38.25%
Šibensko-kninska	4,935	900	5,835	76.57%	0.00%	57.92%
Splitsko-dalmatinska	4,766	390	5,156	201.45%	0.00%	161.59%
Dubrovačko- neretvanska	8,014	156	8,170	1,106.93%	0.00%	896.34%
TOTAL	41,589	13,086	54,675	162.66%	152.33%	160.11%

Source: Central Bureau of Statistics and County Physical Plans

The largest planned increase of the total capacities by counties (2015/2007) is as follows: Istarska, Splitsko-dalmatinska, Primorsko-goranska, Šibensko-kninska and Zadarska. In exceptional cases, a significantly larger increase would be in the Ličko-senjska County, because previously it did not have any capacities, and the Dubrovačko-neretvanska County, because it previously had only 820 locations.

The Istarska County has the most intense development scenario. As has been indicated, it has the largest planned increase of the total capacities - 309.52% [188.43% at sea and 919.69% ashore], the largest proportion in the newly planned total capacity - 42.88%, it would have the largest proportion in the total future capacity - 34.25% [25.97% at sea and 60.71% ashore], its total capacity [18,795] would be three times larger [6,013] than the other counties' average, two times larger



at sea (11,220) than the other counties' average (5,062), and nine times larger ashore (7,872) than the other counties' average (869).

Only the Ličko-senjska County (0%) does not have any current capacities ashore. New capacities ashore have been planned only for the Istarska County - 7,100 (increase of 919.69%) and the Ličko-senjska County - 800 locations (it did not have any previous capacities ashore).

Regarding the current trend of demand for moorings, the county physical plans prepared an intense construction scenario. Not wishing to detain the development of nautical tourism in Croatia, in planning the construction of new capacities for reception of vessels it is certainly necessary to consider local carrying capacities.

2.4. Capacities for reception of vessels

As already mentioned in the Introduction, capacities for reception of nautical vessels are located in nautical ports and nautical moorings in ports open to public traffic. Nautical moorings can be year-round, seasonal and transit. Capacities for reception of vessels can be year-round and seasonal. Services of vessel reception include rental of a permanent and a transit mooring.

Besides mooring services, nautical ports offer also other services as a part of their nautical offer (gastronomy, sports, repair etc.).



2.4.1. Supply of capacities for reception of vessels

Supply of capacities for reception of nautical vessels can be divided into: the number of sea moorings, locations ashore and the number of buoys at anchorages.

Table 4: Number of nautical ports, location ashore and anchorages in 2007

COUNTIES	Nautical ports	Locations ashore	Anchorages	Total
Istarska	14	0	0	14
Primorsko-goranska	15	7	8	30
Ličko-senjska	0	0	0	0
Zadarska	16	0	7	23
Šibensko-kninska	11	0	0	11
Splitsko-dalmatinska	9	2	0	11
Dubrovačko-neretvanska	5	0	0	5
TOTAL	70	9	15	94

Source: Central Bureau of Statistics and County Physical Plans

Table 5: Nautical ports mooring capacity and anchorages in 2007

COUNTIES	At sea	Ashore	Total
Istarska	3,890	772	4,662
Primorsko-goranska	3,228	1,938	5,166
Ličko-senjska	0	0	0
Zadarska	3,676	1,030	4,706
Šibensko-kninska	2,795	900	3,695
Splitsko-dalmatinska	1,581	390	1,971
Dubrovačko-neretvanska	664	156	820
TOTAL	15,834	5,186	21,020

Source: Central Bureau of Statistics and County Physical Plans

The total capacity of sea moorings and locations for accommodation of vessels ashore, according to the data of the Ministry of the Sea, Transport and Infrastructure and the Central Bureau of Statistics, is 21.020 locations, of which 15,834 at sea and 5,186 ashore.

The capacities for reception of vessels cover the surface of 3.309.958 m² at sea (coastline length of 117.127 m) and 1.113.529 m² ashore.

Other capacities for reception of vessels

Besides in nautical ports, vessel mooring exists also in ports open to public traffic, but also in sport, industrial, fishing and former military ports which, according to the existing regulations, are not intended for nautical tourism. In the Republic of Croatia there are 333 ports open to public traffic, 6 of which are of national significance, whereas the others 297 ports have county and local importance. For the purpose of nautical tourism development, besides the analysis of capacities for reception of vessels in nautical ports, a possibility of capacities for reception of nautical vessels in the existing sport ports was also considered, as well as in areas expanded for nautical purposes in ports open to public traffic.

Based on all available data and estimates of nautical and marine employees, it can be estimated that Croatia has in its offer the total of 21,020 nautical moorings and locations ashore for reception of vessels in nautical ports, in sport small ports there are about 8,500 sea berths, and in ports open to public traffic there are about 5,000 additional moorings for reception of nautical vessels. Thus we obtained the estimated number of about 35,000 moorings and places ashore which could be used for nautical tourism purposes.

It is important to point to the fact that, according to valid provisions, moorings in sport ports are not intended for nautical tourism vessels but exclusively for vessels flying Croatian flag and owned by citizens who are members of sports associations which are authorised concessionaires of such ports.

2.4.2. Demand for capacities for reception of vessels

Demand for capacities for reception of vessels regards the number of vessels at permanent mooring (at sea and ashore), the structure of vessels at permanent mooring based on their flag, the number of vessels in transit and their structure based on the type of vessels used at a sea mooring, the structure of vessels in transit based on their flag, seasonality, the number of arrivals and overnight stays of nautical tourists, their structure based on tourism generating

countries, the proportion of constant nautical tourists, as well as the number of issued permits for navigation of foreign vessels in the territorial sea for a period of one year and their structure based on arrivals.

According to data of the Central Bureau of Statistics, on 31 December 2007 nautical ports had 14,099 vessels at permanent mooring. Sea mooring were used by 86.6%, whereas 13.4% used exclusively mooring ashore.

According to vessel types, permanent mooring at sea was used by motor yachts - 45.1%, sailing yachts - 49.8% and other vessels - 5.1%.

According to the flag, most of the vessels at permanent mooring were from Croatia - 35.3%, Austria - 19.7%, Germany - 17.6%, USA - 6.1%, Slovenia - 5.2% and Italy - 4.7 %, which makes 88.5% of the total number of vessels at permanent mooring.

In nautical ports, 220,875 vessels were in transit. According to types of vessels in transit which used sea mooring, 29.4% were motor yachts, 68.0% were sailing yachts and 2.6% were other types of vessels.

The majority of vessels in transit were from Croatia - 33.4%, Italy - 23.7%, Germany - 13.1%, Austria - 8.8% and Slovenia - 4.1%, which amounts to 88.1% of the total number of vessels in transit.

54,864 permits and renewed permits were issued for navigation of foreign vessels in internal waters and territorial sea of the Republic of Croatia.

Of all issued permits, 22.7% were issued for vessels which arrived by sea, 60.8% for those which arrived by land, and 16.5% for those which spent the winter in Croatia.

According to vessel flag countries, most of the permits were issued by Germany - 32.3%, Italy - 25.1%, Austria - 14.1%, Slovenia - 9.4%, USA - 3.3%, Czech Republic - 2.8% and the Netherlands - 2.3%.

According to vessel length, most of the permits were issued for vessels of up to 6 m - 51.2%, for vessels from 6 to 8 m - 16.5%, for vessels from 8 to 10 m - 10.6%, for vessels from 10 to 12 m - 10.8%, and for vessels from 12 to 15 m - 7.5%.



The number of persons on vessels, according to the issued permits, amounted to 278,506. Most of the passengers on those vessels were from Germany - 25.3%, Italy - 22.5%, Slovenia - 15.6% and Austria - 14.6%, which amounted to 78% of all arrivals. Most of the passengers on those vessels - 98.2% - visited in the period from April to September.

The supply (traffic) in nautical tourism expressed in the number of vessels shows a constant and stable increase.

A similar trend of stable increase of supply is also observed in the number of arrivals and realised overnight stays of nautical tourists.

There were 811,000 arrivals of nautical tourists, 91.9% foreign and 8.1% domestic, with 1,210,000 of overnight stays, 93.6% taken by foreign tourists and 6.4% by domestic ones.

Judging by the registered number of arrivals and overnight stays of nautical tourists in nautical ports, nautical tourism is taking an increasingly significant place in the overall Croatian tourism. Although it makes a smaller part of the total tourist arrivals and registered overnight stays, it has more dynamic rates of growth than stationary tourism.

It should be noted that there is a methodological problem in registering the number of arrivals and realised overnight stays of nautical tourists. Specifically, in the number of arrivals of nautical tourists, every arrival of a nautical tourist at a nautical tourism port is registered. In other words, arrival of one nautical tourist is registered in every nautical port visited by that tourist during navigation. Since a large number of nautical tourists visits several nautical ports during their navigation, the officially registered number of the total arrivals of nautical tourists considerably exceeds the real number of nautical tourists who sailed on our sea and visited nautical ports. On the other hand, official data greatly underestimate the registered number of realised overnight stays of nautical tourists. Specifically, registered are only those overnight stays of nautical tourists which were realised in nautical ports, and it is well known that nautical tourists very frequently spend nights anchored outside of the ports, so that the total number of realised overnight stays of nautical tourists is much higher.

According to analysis of demand, nautical tourists find the Šibensko-kninska and the Zadarska counties the most attractive. With the largest number of moorings in this area, the main motives for such demand are the national parks of Kornati and Krka, as well as numerous islands, ports, natural inlets and places of refuge.

Research reports confirm "loyalty" of nautical tourists to Croatian Adriatic, but they also indicate the need for improvement of quality of services (hospitality of staff, technical standards in nautical ports, public ports and anchorages), and especially the most sensitive issue - fair balance between service price and quality ("value for money"), i.e. appropriate treatment of customers etc. Average stay of nautical tourists in Croatia is 16 days.

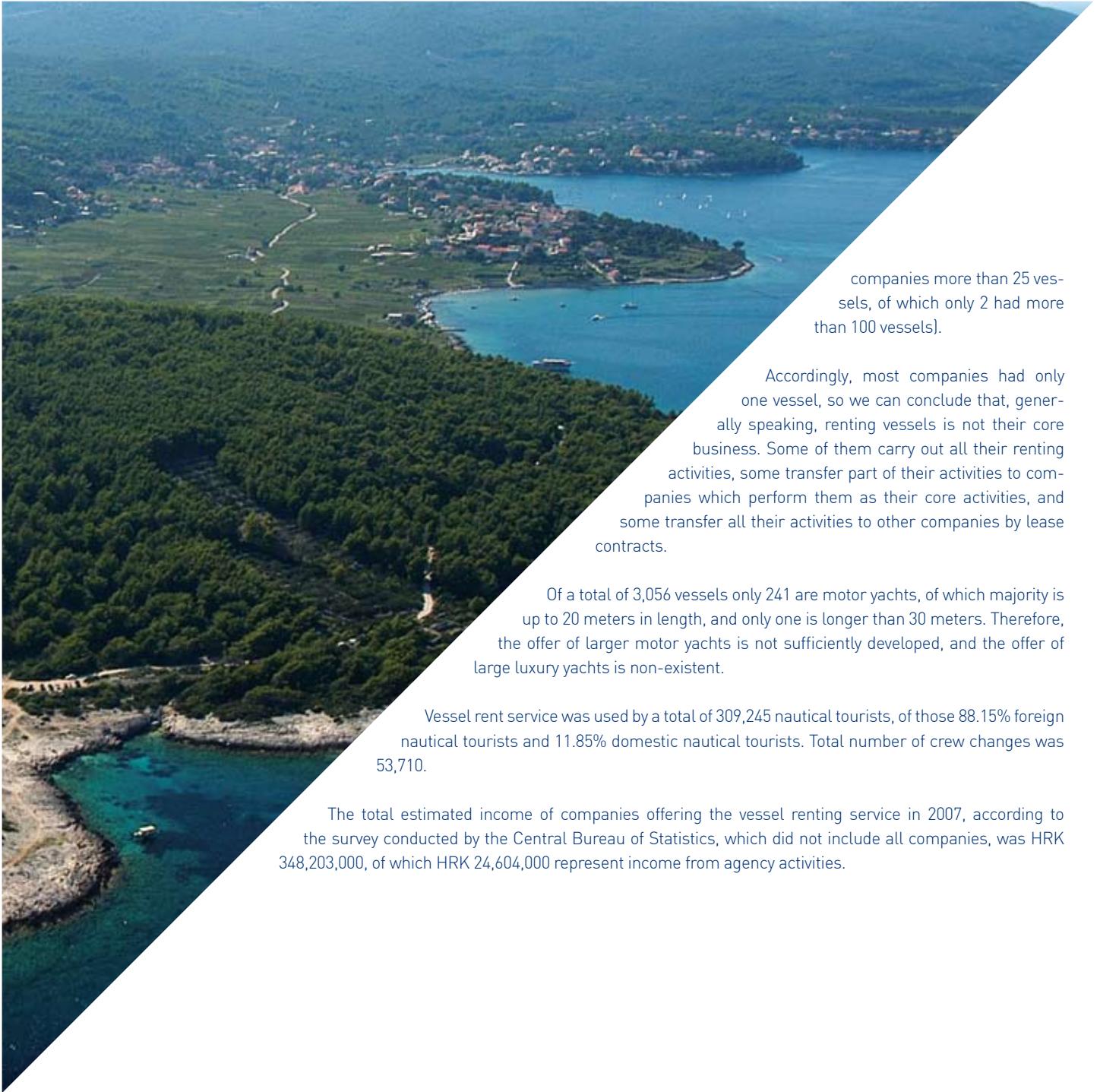
Research shows that average nautical tourist perceives this form of tourism as a special and highly valued segment of the total tourist demand. That is, nautical tourists mostly belong to working, educated and economically the most stable social group whose requirements, expectations, but also their inclination to spending, are higher than in the other segments of tourist demand. It is particularly interesting that their average daily spending amounts to 72 euros (nautical tourists on rented vessels - 139 euros, and on own vessels - 55 euros). Average daily spending of others tourists is 49 euros, which means that the spending of nautical tourists is 47% higher than the spending of other tourists (data from 2007).

2.5. Vessels for rent

According to the data of the Ministry of the Sea, Transport and Infrastructure, gathered on the basis of the prescribed obligation to register all legal and natural persons engaging in vessels renting, in 2007 a total of 928 companies (trading companies and crafts) with a total of 3,463 vessels for rent were registered for performance of this business activity. Each company had 3.73 vessels on the average.

Of a total of 928 companies only 78 or 8.4% had more than 10 vessels (51 companies had 10 to 25 vessels and 27





companies more than 25 vessels, of which only 2 had more than 100 vessels).

Accordingly, most companies had only one vessel, so we can conclude that, generally speaking, renting vessels is not their core business. Some of them carry out all their renting activities, some transfer part of their activities to companies which perform them as their core activities, and some transfer all their activities to other companies by lease contracts.

Of a total of 3,056 vessels only 241 are motor yachts, of which majority is up to 20 meters in length, and only one is longer than 30 meters. Therefore, the offer of larger motor yachts is not sufficiently developed, and the offer of large luxury yachts is non-existent.

Vessel rent service was used by a total of 309,245 nautical tourists, of those 88.15% foreign nautical tourists and 11.85% domestic nautical tourists. Total number of crew changes was 53,710.

The total estimated income of companies offering the vessel renting service in 2007, according to the survey conducted by the Central Bureau of Statistics, which did not include all companies, was HRK 348,203,000, of which HRK 24,604,000 represent income from agency activities.

2.6. Cruising vessels

According to the data from the register of ships kept by harbour master's offices, there are about 250 registered tourist boats intended for one day excursions or several day cruises.

We estimate that the entire fleet has over 2,000 beds and that it can transport over 5,000 excursionists at one time.

To stimulate the development of excursions and cruises business, since 2007 the Republic of Croatia implements a state aid programme to compensate to boat owners in national navigation for fuel price markup, for which 6 million state budget kunas have been spent. Likewise, since 2005 a hull construction and boat reconstruction aid programme has been implemented including 37 boats over the period of three years, and spending 7 million kunas. Goals of the mentioned aids are navigational safety improvement, development of small enterprise on the coast and islands, and tourism development.

Cruising vessels are not competition to nautical tourism but actually represent an addition to the nautical tourist offer, as well as one of the traditional activities of this area.

2.7. Production, maintenance and repair of vessels

The activity of vessels and nautical tourism equipment production, in coastal shipyards and inland production plants, are closely interdependent with nautical tourism. Nautical tourism is a market for this production industry which, in turn, contributes to its development.

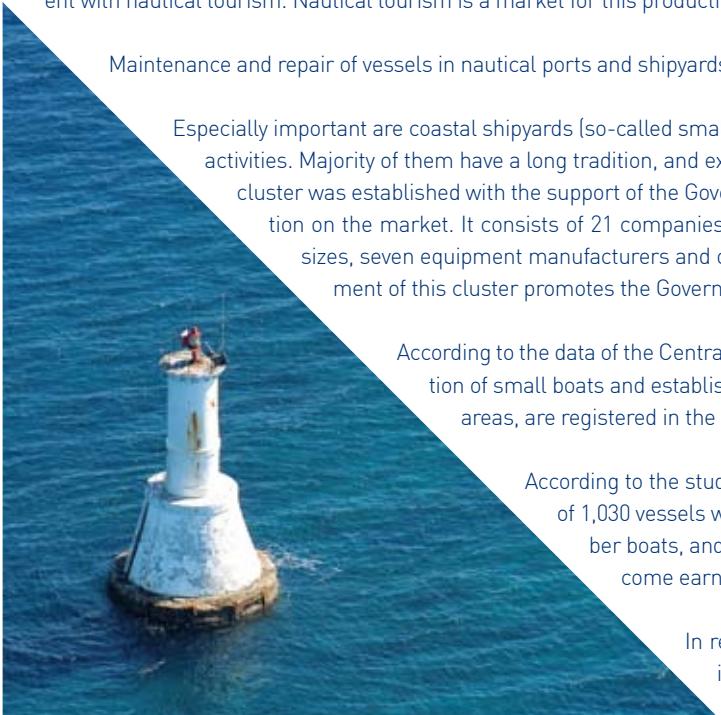
Maintenance and repair of vessels in nautical ports and shipyards are additional services (activities) within the nautical tourism offer.

Especially important are coastal shipyards (so-called small shipbuilding) with their vessel production, repair and maintenance activities. Majority of them have a long tradition, and experienced and skilled staff. In September 2007 a small shipbuilding cluster was established with the support of the Government of the Republic of Croatia for the purpose of joint presentation on the market. It consists of 21 companies (13 vessel producers with about forty vessels of various types and sizes, seven equipment manufacturers and one design company) with more than 850 employees. The establishment of this cluster promotes the Government policy of positioning small shipbuilding on the foreign market.

According to the data of the Central Bureau of Statistics, 74 trading companies engaging in the production of small boats and established in places along the coast and on islands, but also in continental areas, are registered in the country.

According to the study conducted by the Croatian Chamber of Commerce, in 2006 a total of 1,030 vessels were produced: 520 boats up to 7.5 m, 350 boats over 7.5 m, 150 rubber boats, and 10 other sports and pleasure vessels. In the same year the total income earned was HRK 479,480,000, and the number of employees was 1,534.

In recent years vessel production records constant and stable increase in income, number of produced vessels, number of employees, and



especially in production quality. Moreover, the leading companies have modern plants, adopt new technologies and design, and at international nautical fairs they started receiving acknowledgments which place them side by side with famous producers. Vessel producers cooperate with a large number of equipment manufacturers.

We can say that this part of the economy experiences a gradual increase in competitiveness and market share. However, domestic producers have to cope with a powerful international competition consisting of world-famous producers, which is best illustrated by the vessel import/export ratio.

In 2006, according to the data of the Croatian Bureau of Statistics and the analysis made by the Croatian Chamber of Commerce, the import/export ratio shows that import is much greater: 654 sailboats were imported and 90 exported, 594 motor yachts were imported, 110 exported. It should be emphasized that the import/export ratio is reduced each year, which is also confirmed by the development of the vessel production activity.

Total value of imported boats in 2005 was USD 212.3 million [HRK 1,099 billion]. The majority of them are rented. These figures show that domestic producers have significant potential for vessel production and sale on the nautical tourism market.

Nautical market potential of domestic producers is relatively great, and their competitiveness on the domestic and foreign market can be considerably increased by tackling development obstacles.

2.8. Economic effects

Economic effects of nautical tourism are defined on the basis of estimated overall tourism income, which in 2007 amounted to EUR 7 billion. According to estimates, nautical tourism participates in the total tourism income with 10%, which means that in 2007, with a total of 811,000 arrivals, nautical tourism earned about EUR 700 million.

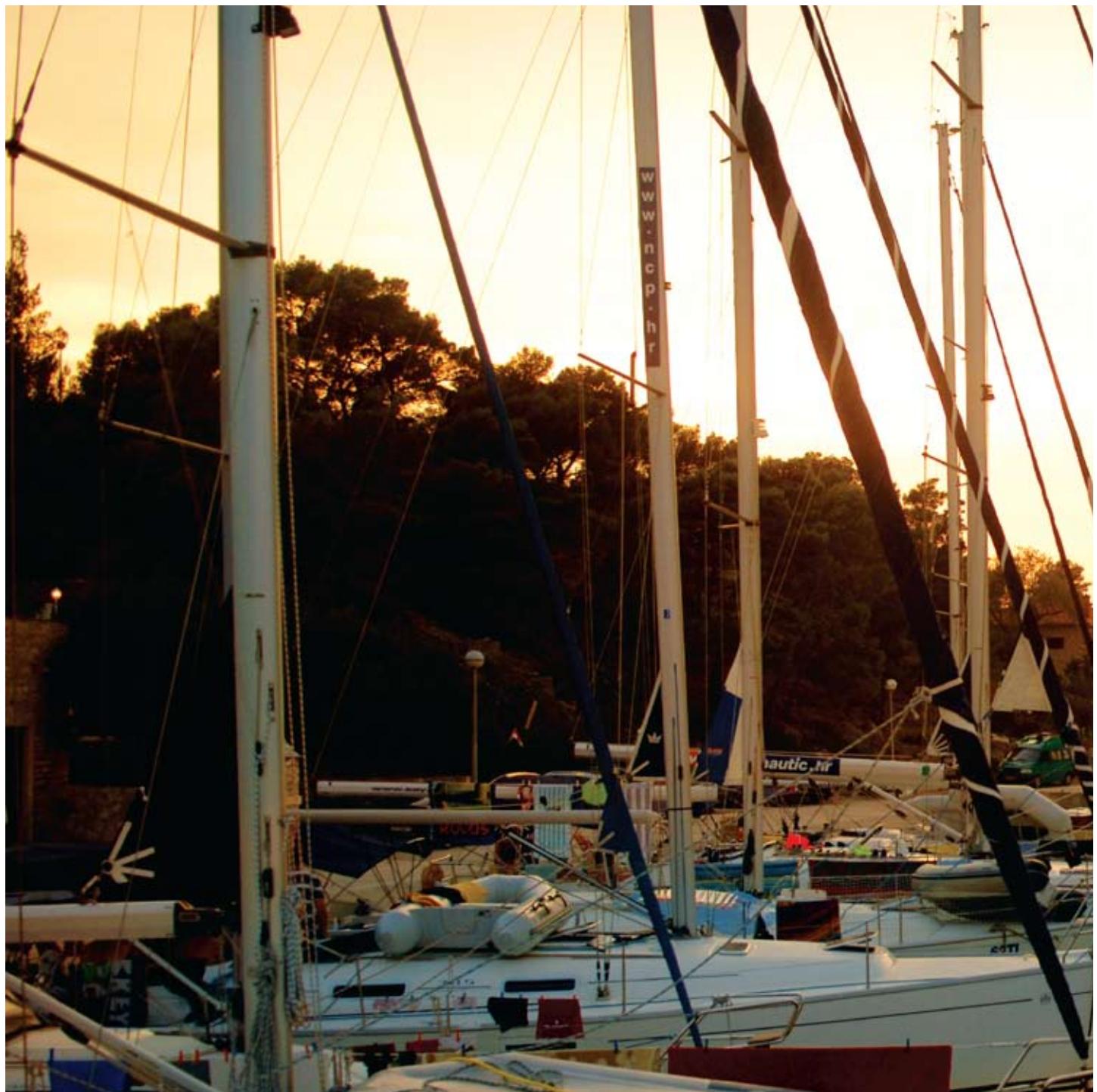


Estimate of nautical tourism income includes:

- Income from vessels with permanent yearly mooring in nautical ports
- Income from transit mooring
- Income from seasonal mooring
- Income from nautical mooring in the part of ports open to public traffic
- Income from maintenance and repair of boats and engines in nautical ports and other service shops
- Income earned from vessel renting
- Income from cruising vessels
- Income from various charges (vessel registration/registration fee, issuance of vignettes for foreign yacht and boats, tourist tax and so on)
- Income from maritime domain concessions
- Fuel sale income

Surely, we should also take into consideration the economic effects which nautical tourism has on hospitality and catering and other services.

Total estimated income of about 700 million euros realised in nautical tourism, on one hand, unmistakably shows that, within an integral view of Croatian tourism and its performance, nautical tourism is largely underestimated, and, on the other hand, indicates the complexity of its reach in all its phenomena and effects.



③ Identification of problems

3.1. Development issues - nautical tourism and environment

The biggest threat to long-term development of nautical tourism is the uncontrolled use of naturally formed areas and natural resources. Therefore, the responsible management of natural space and resources, that is, protection of nature and environment for the purpose of their preservation, which is also contained in the sustainable development principle, is an imperative for creators of economic development and space use plans at all levels.

Tourism as a whole, as well as its nautical segment, is of great importance for the development of national economy, not only because of its direct economic effects, but also due to the fact that tourist spending significantly contributes to the increase of the relatively small national market by ensuring the so-called "invisible exports". Beside all the positive economic effects, tourism also has negative ones. The negative influence of tourism reflects, above all, in the use of natural space for the building of accommodation and the short-termed seasonal concentration of a large number of tourists in a certain area.

The negative influence of tourism on the area and the environment can be reduced to the minimum only by regulating its





development, which presumes the planning of a rational and controlled, that is, limited and directed use of space for the building of accommodation, and the implementation of all environmental protection measures.

Implementation regulations oblige nautical ports to implement the system of reception facilities for the purpose of collection of waste products from vessels (foul sewage, oils, communal waste), which, along with the compliance with global environmental standards, effectively contributes to environmental protection.

Nautical tourists visit Croatia because of the attractiveness of its coastline, the numerous islands and the preserved unurbanised bays and coves. It is necessary for Croatia to preserve all natural beauties which motivate the arrival of nautical tourists, along with ensuring a high quality reception of vessels, first of all in nautical ports.

3.2. Basic directions of spatial nautical tourism development

Nautical tourism will, within the meaning of spatial utilisation, develop in two basic directions. Priority is the protection of exceptionally valuable areas (uninhabited areas, unurbanised coasts, islands, islets, bays and coves) which motivate the arrival of domestic and foreign nautical tourists, and the planning of new nautical ports construction with the highest standards of environmental protection in less valuable areas.

When planning the construction of nautical ports, it is necessary to conduct a valuation and to apply several criteria.

One of the most significant criteria is certainly the location selection criterion. First of all, areas intended for nautical port construction planning should be devastated areas, and especially those included into rebuilding programmes (quarries, abandoned military ports, industrial plants and so on).

Further criteria for nautical port construction planning:

- geographical and demographic features of the location
- connection with the transport network (vicinity of road junctions and airports)
- density of maritime transport
- infrastructure availability
- avoiding construction in natural protected coves
- dimensioning ports with respect to the direct hinterland.

Application of criteria for directing the construction can significantly contribute to the rational and controlled use of natural space. Likewise, account should be taken of the existing nautical ports development with respect to the capacity of the space and its limitations, since there is a possibility of environmental equilibrium disruption and negative influence on biodiversity.

The limiting criteria for nautical port construction or expansion planning are the protected areas and ecological network areas on the coast, on islands and at sea, 623 of them in total. The mentioned areas include the possibility of construction or addition of capacities for reception, but under special and highly controlled conditions and protective measures.

3.3. Threats to environment, biodiversity and protected natural and cultural values

The Adriatic is a shallow sea which, when compared to the rest of the Mediterranean, stands out due to its proportionally higher number of plant and animal species, and the largest number of endemic species.

The biggest threat to endangered and protected species are habitat destruction, introduction of invasive species, ballast waters etc.

Habitat destruction comes about as a result of settlements and ports construction, and tourist activity.

Another reason why biodiversity is endangered is the introduction of invasive alien species, which can also negatively affect human life and health, and inflict serious damage to economy.

In the Croatian part of the Adriatic two invasive green algae have appeared *Caulerpa taxifolia* and *Caulerpa racemosa*, which represent the biggest threat to biological diversity and, in the long-term, can adversely affect the fishery and tourism. *Caulerpa taxifolia* is spread by transport on anchors and nets. The spreading can only be prevented by physical removal, and by prohibition of anchoring and fishing at places where it was discovered.

Ballast waters, as the main mode of transport of invasive alien species, also represent a significant threat.

Protection of particularly valuable and sensitive areas of the Adriatic is the basic measure of preservation of biological and landscape diversity. It forms the basis of overall protection and essential nodes of the ecological network which represent biodiversity refuges and reservoirs.

These areas are under different forms and levels of protection, and their total surface is less than 1%. Endangered and protected animal species are also under special protection.

A significant threat to environmental protection, and particularly to biodiversity in protected areas, especially in most visited national parks and nature parks, is the possible uncontrolled increase of the number of visitors.

We can assume that, in the near future, the most visited national parks and nature parks will have to define the carrying capacity of the area and determine the largest permitted number of visitors.

The capacity for reception envisaged by physical plans is not necessarily desirable when we take into consideration the possibilities of construction and pressures exerted on natural values and the environment itself. When determining the number of moorings and their arrangement, it will be necessary to prepare strategic environmental impact assessments, including the assessment of acceptability of physical plan provisions and planned works in view of nature protection.

When defining the long-term development principles, from the standpoint of protection of cultural heritage, special attention should be paid to the preservation of architectural heritage, of protected areas which include port areas (coves). These represent cultural land-

scapes which are among the foundations of competitiveness and quality of nautical offer. When bringing the final decision on capacity increase, it will be necessary to consult cultural heritage protection studies prepared in the framework of physical plans of individual counties.

3.4. Marine navigational safety system and protection of marine waters from pollution

Purpose of the navigational safety system is to ensure safe navigation and protection of marine environment, that is, to prevent and avoid accidents and other dangers threatening from vessels.

Navigational safety system is based on the application of a series of regulations and provisions of international conventions and agreements referring to the navigational safety and protection of the marine environment which the Republic of Croatia has adopted or plans to adopt in the near future.

Although the basic activity of the system is focused on ships, measures and procedures equally refer to the vessels used in nautical tourism, yachts and boats in the first place.

The Ministry competent for maritime affairs is the bearer of all activities from the field of navigational safety, such as the implementation of measures of the Adriatic Sea and coastal area protection, the performance of navigational safety inspection activities etc.

Harbour master's offices, Coast-guard, Maritime Police, Croatian Register of Shipping, Hydrographic Institute of the Republic of Croatia and Plovput also take part in the navigational safety system.

For the purpose of quality organisation of marine navigational safety system and the coordination of search and rescue operations, the Maritime Rescue Coordination Centre (MRCC) was established in Rijeka, with central units (harbour master's offices) and their harbour branches, and all coastal radio stations (Rijeka Radio, Split Radio and Dubrovnik Radio), for the purpose of maintaining maritime radio watch service on distress, urgency and safety frequencies and channels determined internationally, in accordance with the global maritime distress and safety system.

The Maritime Rescue Coordination Centre is on 24-hour duty on the free call number 9155, but they can also be reached through other maritime radio-communication tools. In the year 2007 they coordinated 352 search and rescue operations at sea, which is about 28 percent more in comparison with 2006. Unfortunately, the largest number of incidents at sea still happens because of the insufficient nautical experience, poor level of equipment of the vessels and such conduct of the crew as is not in accordance with maritime regulations and rules. With a view to warning and educating nautical tourists, in 2006 started the printing of information cards which are distributed to foreign yachts masters and boat skippers on the occasion of vignette procurement and contain all the most significant international and Croatian regulations regarding navigational safety.

Along with the Maritime Rescue Coordination Centre, the Ministry of the Interior has also become involved in the performance of search and rescue operations by placing at disposal a certain number of vessels in each coastal and island county.

Functioning of the navigational safety system certainly represents a comparative advantage for Croatia with regard to the choice of destination by nautical tourists, because, although apparently invisible, its efficiency, achieved through the search and rescue system, is one of the basic foundations for nautical tourism development.

3.5. Selection of development scenario and identification of adequate and balanced regional development

Based on the acquired knowledge, present situation and sustainable development principles, two development scenarios are being considered for the development of nautical tourism of the Republic of Croatia.

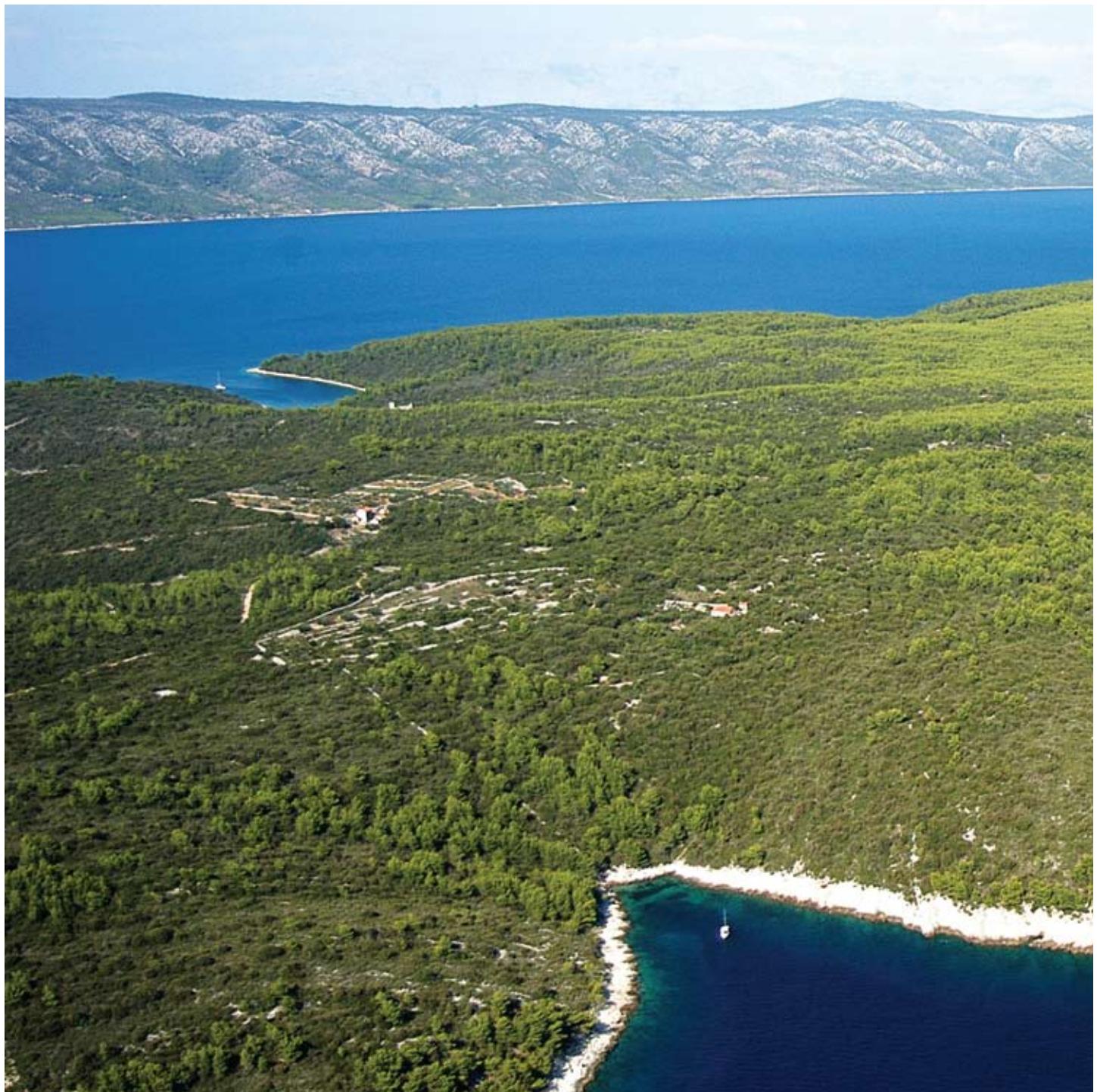
First **intense development scenario (scenario A)** is based on the county physical plan which envisages the construction of new capacities for reception with a total of 33,655 moorings (25,755 moorings at sea and 7,900 moorings ashore), which increases the capacity more than one and a half times (158%) in relation to the existing 21,020 places in total (15,834 moorings at sea and 5,186 moorings ashore). Considering that in the Mediterranean the demand for new permanent moor-



ings is greater than their offer and that there is great interest of investors for the construction of nautical ports, it can be easily concluded that all planned new capacities could be built within ten years. In that case, the average yearly capacity growth rate would amount to the high 10%.

The other, **moderate development scenario (scenario B)**, is based on research conducted for the purposes of the development study regarding the proposal that in the following 10-year period the capacity for reception at moorings for the accommodation of the additional 15,000 vessels should be increased in such a way that 1/3 of moorings would be in nautical ports, 1/3 in existing ports open to public traffic, and 1/3 in onshore areas. Therefore, 2/3 of moorings would be moorings at sea and 1/3 moorings ashore. The study arrived at the mentioned number of 15,000 moorings on the basis of hydrographic research on locations intended for the port, by taking into consideration the recommendations from oceanographic studies of biodiversity of the Adriatic Sea and the analysis of endangerment of certain locations with regard to navigational safety. Also proposed is the desirable distribution of new capacities by counties, with a view to reduce, by the construction of new capacities, the existing differences in reception capacities of individual counties while respecting their characteristics and considering the maximum capacities envisaged by the physical plan of the relevant counties.

According to the conducted research and analyses, as well as conclusions of the Study of Nautical Tourism Development of the Republic of Croatia, the suitable scenario for the Republic of Croatia would be the moderate development scenario (scenario B) for nautical tourism development, based on the determined carrying capacity of the area, the moderate annual growth rate and the balanced regional development principle (which may vary with respect to the characteristics of particular counties), which has been harmonised with the development of the supporting communal and other types of infrastructure and the needs for ensuring full employment of inhabitants. For the purpose of its realisation it is necessary to reduce the planned capacities for reception of vessels envisaged by county physical plans, and make strategic environmental impact assessments.



④ Development vision and mission and strategic goals

4.1. DEVELOPMENT VISION

Croatian nautical tourism needs to be developed so that it is recognised and appreciated as the leading one – the best among the best in the Mediterranean



4.2. DEVELOPMENT MISSION

- custom-made for a nautical tourist who respects the nature and environment sharing the ancestors' legacy with the future generations
- contributes to the development of the national economy
- cares for the well-being of citizens providing for the employment rate growth and the rise of standard
- protects cultural and natural heritage and specificities
- increases service quality and quantity

4.3. STRATEGIC GOALS

1. Sustainable resource use and management
 - a) area and environment (capacity, protected areas - natural, cultural...)
 - b) nautical infrastructure (nautical ports, shipyards, ports open to public traffic)
 - c) nautical tourism services (hiring vessels – yachts and boats - charter, organisation of circular tours and one-day excursions, vessel maintenance and repair in nautical ports and shipyards, vessel management, nautical tourist supply, nautical tourist information service, training participants in nautical tourism and other services for the purpose of nautical tourism)
2. Reviewing physical-planning documents aiming at the realisation of moderate construction scenario of new reception capacities
3. Increasing reception capacities through rehabilitation, reconstruction and renewal of existing ports (historical ports in urban environment, abandoned military ports, upgrading nautical ports for the purpose of accommodating large yachts)
4. Setting up surveillance and management maritime navigation system
5. Equipping vessels and nautical ports with devices and equipment for the protection of marine waters from pollution and supervision of those vessels and ports
6. Setting up integral management for nautical tourism system (computerisation through database and maritime domain register)
7. Administrative procedure simplification and legislation harmonisation
8. Increasing vessel production for nautical tourism in Croatian shipyards – development of nautical tourism clusters
9. Stimulating upgrading of the existing and the construction of new repair and service centres
10. Strengthening competitiveness of all nautical tourism participants
11. Emerging technology and environmental standard use
12. Setting up continuous education system for participants in nautical tourism





⑤ Action plan for strategy implementation

Quality, effective, long-term and sustainable development of an area is not possible without a planned approach and strategic planning which determines total development potentials, existing problems, shortcomings and impediments, and the vision of future development, priorities and goals of the specific topic.

This is the reason why this Nautical Tourism Development Strategy for the Republic of Croatia has been developed. Therefore, it is a strategic document representing the starting point for all long term management activity with regard to sustainable development of nautical tourism considering all sustainability elements and all levels of decision making in terms of development.

To enable efficient and uniform Strategy implementation, it is necessary to undertake joint coordination of activities of all entities and participants in nautical tourism development.
Upon adoption of



this Strategy Implementation Action Plan, i.e. elaboration of measures, activities, implementing parties and deadlines, the implementation of proposed strategic goals will be identified.

Also, this Action Plan, for the purpose of its quality implementation, proposes establishing a special coordination body composed of representatives of nautical tourism entities and participants: State Administration Bodies, Croatian Chamber of Commerce – professional associations, Croatian Employers' Association, Croatian Chamber of Trades and Crafts, Association of Towns and Municipalities of the Republic of Croatia, Croatian National Tourist Board... The coordination body will be in charge of monitoring and coordinating implementation of Nautical Tourism Development Strategy and this Action Plan.

5.1. MEASURES, ACTIVITIES, IMPLEMENTING PARTIES AND DEADLINES

GOAL 1. SUSTAINABLE RESOURCE USE AND MANAGEMENT

a) Area and environment (capacity, protected areas - natural, cultural...)

Measure 1: Environment protection and protection of natural and cultural assets on islands and in coastal areas

Activity: Implementing regulations and standards of environmental protection, protection of special natural and cultural assets, biodiversity and permanent protection of sparsely populated and uninhabited small islands

Implementing parties: MEPPPC, MC, MSTI

Deadline: continuous

Estimate of required state budget resources: not required

Measure 2: Creating the model which will prolong the resource use in nautical tourism

Activity: Preparing draft measures which will be oriented to resource use prolongation, e.g. in international and national regattas and thematic cruises.

Implementing parties: professional associations, chambers and tourist association system

Deadline: continuous

Estimate of required state budget resources: not required

Measure 3: When selecting a prospective location for nautical ports in

locations valuable in terms of nature and culture, especially in national parks and nature parks, additional location selection criteria must be applied based on environment and nature protection and physical planning instruments

Activity: Participating in physical plan creation procedures, especially for national parks and nature parks

Implementing parties: MSTI, MT, MEPPPC, MC

Deadline: continuous

Estimate of required state budget resources: not required

Measure 4: Increase in overall supply level regarding public-utility and other infrastructure in the coastal area and on islands

Activity: Equipping every port with public-utility and other infrastructure and enabling those ports to collect waste and to implement interventions during smaller scale pollutions, placing eco-tanks and reception facilities that collect waste from vessels.

Implementing parties: MSTI, MEPPPC, MRDFWM, public ports and regional self government

Deadline: continuous

Estimate of required state budget resources: HRK 1.5 million per annum

b) Nautical infrastructure (nautical ports, shipyards, ports open to public traffic)

Measure 1: Expanding total capacity of nautical ports and ports open to public traffic

Activity: Expanding total capacities in relation to present situation, in line with the policy of preservation of physical planning/landscape and cultural asset of coastline and islands, taking into account the area carrying capacity and with the purpose of serving socio-economic prosperity, population and area in which the activity is carried out. Primarily increasing the number of moorings in ports open to public traffic and the existing nautical ports; increasing the capacity of existing ports (nautical and public), taking into account spatial micro-location specificities.

Implementing parties: MEPPPC, MSTI, MC, Import and Export Promotion Agency, public ports and regional self government

Deadline: 2009 - 2018

Estimate of required state budget resources: not required

Measure 2: Planning construction of new nautical ports

Activity: Constructing new nautical ports in previously devastated coastline and island areas, or constructing at places where there is partially built infrastructure, through the renewal of those areas

Implementing parties: MTI, MEPPPC, Import and Export Promotion Agency, public ports and regional self government

Deadline: 2009 - 2018

Estimate of required state budget resources: not required

Measure 3: Construction appropriate for the environment

Activity: Harmonising construction of nautical ports with construction regulations

Implementing parties: MEPPPC, MTI, MELE

Deadline: 2009 - 2018

Estimate of required state budget resources: not required

c) Nautical tourism services (hiring vessels – yachts and boats – charter, organisation of circular tours and one-day excursions, vessel maintenance and repair in nautical ports and shipyards, vessel management, nautical tourist supply, nautical tourist information service, training participants in nautical tourism and other services for the purpose of nautical tourism)

Measure 1: Increasing service level in nautical tourism

Activity: Harmonising all elements of market business activities of economic operators (products, market, prices, marketing and public relations), in particular product quality and price ratio

Implementing parties: economic operators

Deadline: continuous

Estimate of required state budget resources: not required

Measure 2: Organising events contributing to nautical tourism marketing

Activity: Regattas, sea-inspired festivals, fairs etc.

Implementing parties: tourist association system, professional associations and sport clubs

Deadline: continuous

Estimate of required state budget resources: not required

Measure 3: Raising the level of quality of services and facilities in nautical ports and in the nautical part of the ports open to public traffic, and in their environment.

Activity: Creating a dynamic model of services and facilities in ports

and their environment.

Implementing parties: MT in cooperation with MTI

Deadline: continuous

Estimate of required state budget resources: not required

Measure 4: Creating creative programmes for nautical tourists

Activity: Creating a dynamic model of services and activities based upon requests and needs of nautical tourists.

Implementing parties: Croatian Chamber of Commerce, professional associations, Tourist Association System and sport clubs

Deadline: continuous

Estimate of required state budget resources: not required

GOAL 2. REVIEWING PHYSICAL-PLANNING DOCUMENTS FOR THE REALISATION OF MODERATE CONSTRUCTION SCENARIO FOR NEW RECEPTION CAPACITIES

Measure: Producing appropriate physical-planning documents for the planned construction and taking into account environmental protection instruments, especially strategic assessment of impact to environment

Activity: Constant improvement of the physical-planning system which is primarily based on defining the reception capacity of the area and determining carrying capacity ceiling growth rates in a certain period to prevent construction that is too extensive and too sudden. When determining the number of moorings and their arrangement, it will be necessary to make strategic assessments of the impact to the environment that also include the assessment of acceptability of physical-planning provisions and planned interventions in the nature.

Implementing parties:





MEPPPC, MSTI, MT, MC, public ports
and regional self government

Deadline: continuous

Estimate of required state budget resources:
not required

**GOAL 3. INCREASING RECEPTION CAPACITIES
THROUGH REHABILITATION, RECONSTRUC-
TION AND RENEWAL OF THE EXISTING PORTS
(HISTORICAL PORTS IN URBAN CENTRES, ABANDONED MILITARY PORTS, EXPANDING NAUTICAL PORTS
TO ACCOMMODATE LARGE YACHTS)**

Measure 1: Directing nautical tourism investments to expand the existing ports open to public traffic for the purpose of accommodating nautical vessels, especially large yachts

Activity: Creating programmes and physical-planning documents primarily intended for the areas mentioned in the goal 3.

Implementing parties: MEPPPC, MSTI, MC, Import and Export Promotion Agency, public ports and regional self government

Deadline: continuous

Estimate of required state budget resources: HRK 300,000 per annum

Measure 2: Ensuring location recognisability through construction, landscaping and renewal of traditional locations where the local population keeps their boats.

Activity: Promoting natural, cultural, ethnologic and historical diversity of a location through programme creation and ensuring marketing recognisability.

Implementing parties: MT, MC, Croatian National Tourist Board

Deadline: 2009

Estimate of required state budget resources: not required



GOAL 4. IMPLEMENTATION OF MARITIME NAVIGATION CONTROL AND MANAGEMENT SYSTEM

Measure 1: Constant improvement of all elements of maritime safety system for the purpose of creating even better conditions for safe navigation and protection of marine environment from accidents and dangers coming from ships, yachts and boats

Activity: Inspecting maritime safety, determining ship, boat and yacht ability to navigate, search and rescue, marine environment protection, seafarer education and training

Implementing parties: MSTI, Ministry of the Interior

Deadline: continuous

Estimate of required state budget resources: HRK 1.5 million per annum

Measure 2: IT networking of all entities and parties taking part in nautical tourism in maritime transport management system

Activity: Setting up IT database and maritime transport management system network

Implementing parties: MSTI, Ministry of the Interior, Nautical Tourism Association

Deadline: 2011.

Estimate of required state budget resources: HRK 5,000,000

Measure 3: Improving measures for protection and rescue of nautical tourists

Activity: In every nautical port it is necessary to establish information points on protection, rescue and monitoring of nautical tourists at sea, check skills and knowledge of skippers and boat owners, supervise functioning of ships and rescue equipment, prepare educational leaflets and organise workshops to improve navigation safety

Implementing parties: MSTI, Ministry of the Interior

Deadline: 2009

Estimate of required state budget resources: HRK 500,000

GOAL 5. EQUIPPING VESSELS AND NAUTICAL PORTS WITH DEVICES AND EQUIPMENT FOR MARINE WATER POLLUTION PROTECTION AND CONTROL OF THOSE VESSELS AND NAUTICAL PORTS

Measure 1: Applying ISO 14000 and ISO 9000 environment management systems – establishing quality control (certificates) in the nautical tourism field.

Activity: Implementing ISO 14000 and ISO 9000 environment management systems, quality control in the nautical tourism field

Implementing parties: MEPPPC, public ports and regional self government

Deadline: 2010

Estimate of required state budget resources: not required

Measure 2: Rulemaking for installation and use of black-water tanks in vessels and for tank emptying devices in ports, as well as the supervision of those procedures

Activity: Defining entities and methods for passing the required rules and their implementation.

Implementing parties: MSTI, port authorities

Deadline: 2010

Estimate of required state budget resources: not required

GOAL 6. IMPLEMENTING INTEGRAL MANAGEMENT OF NAUTICAL TOURISM SYSTEM (COMPUTERISATION THROUGH DATABASE AND MARITIME DOMAIN REGISTER)

Measure 1: Defining and forming the database required for managing and supervising nautical tourism system

Activity: Establishing central databases that include all relevant data (maritime domain, physical-planning/ambient, construction, traffic, infrastructure and safety data, other properties and nautical port register) and combining all databases in nautical port development planning system

Implementing parties: MSTI, Hydrographic Institute of the Republic of Croatia, MEPP-PC - Physical Planning Institute, Croatian Geodetic Institute, MT, Plovput

Deadline: 2010

Estimate of required state budget resources: HRK 2 million

Measure 2: Methodology harmonisation and forming statistical and documentation basis with the purpose of monitoring total economic effects of nautical tourism system

Activity: Defining the database required for system management or crucial decision-making on development through organising data collection, analysis and dissemination, and methodology harmonisation

Implementing parties: MELE, MSTI, MT, Croatian Bureau of Statistics

Deadline: 2010

Estimate of required state budget resources: not required

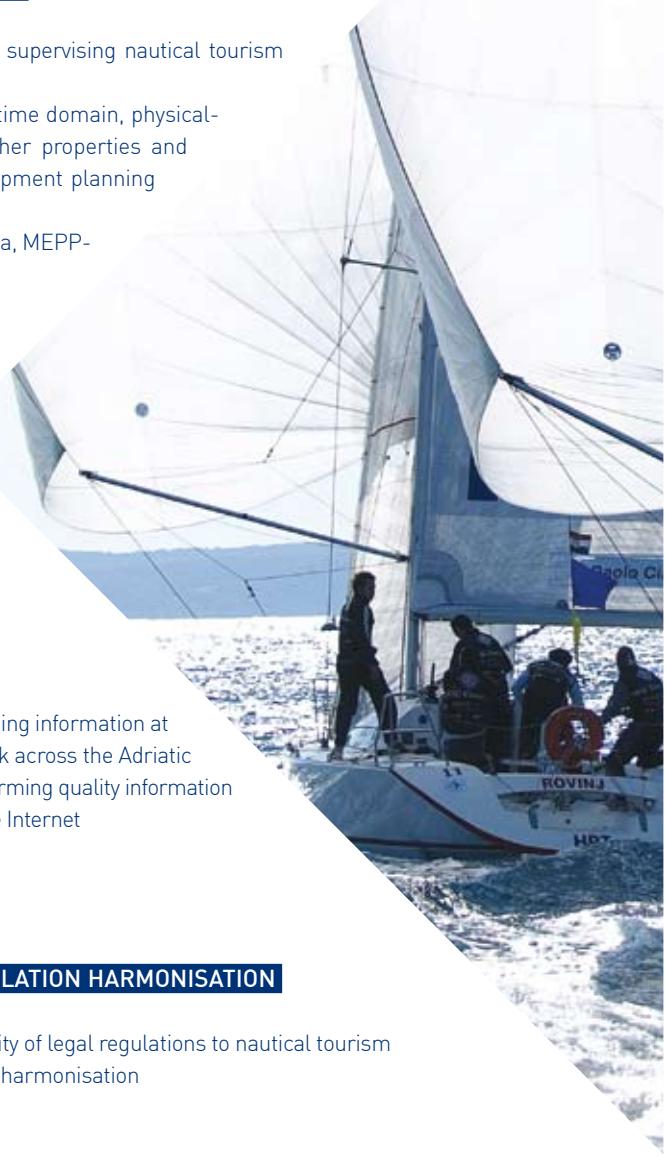
Measure 3: Establishing effective communication with the purpose of exchanging information at all levels. Implementing IT integration of the system and developing IT network across the Adriatic

Activity: Proposing the IT integration model within and outside of the system, forming quality information system for nautical tourist in several languages and making it accessible via the Internet

Implementing parties: Hydrographic Institute of the Republic of Croatia

Deadline: end of 2009

Estimate of required state budget resources: HRK 1 million



GOAL 7. ADMINISTRATIVE PROCEDURE SIMPLIFICATION AND LEGISLATION HARMONISATION

Measure 1: Model of complex administrative procedure control and applicability of legal regulations to nautical tourism

Activity: Establishing administrative procedure control system and legislation harmonisation

Implementing parties: MSTI, Ministry of the Interior, MF, MT



Deadline: 2009

Estimate of required state budget resources: HRK 5.2 million

Measure 2: Application of modern business organisation, harmonised with the requirements prescribed by international norms in the nautical tourism field

Activity: Creating the programme which will contribute to the implementation of modern systems of business organisation in nautical tourism.

Implementing parties: MT

Deadline: 2009

Estimate of required state budget resources: not required

Measure 3: Application of regulations and their evaluation in relation to customs and other regulations regarding the stay of nautical tourists

Activity: Harmonising the application of customs and other regulations

Implementing parties: MF, Ministry of the Interior, MSTI

Deadline: 2009

Estimate of required state budget resources: not required

Measure 4: Public-private partnership model application

Activity: Forming the body (coordination body) with the purpose of monitoring nautical tourism development which will accelerate passing of amendments to the law and guide the management of nautical port system. Establishing cooperation between public and private partners when planning, preparing, financing and managing public projects.

Implementing parties: MSTI

Deadline: continuous

Estimate of required state budget resources: HRK 200,000 per annum

GOAL 8. INCREASING PRODUCTION OF VESSELS FOR NAUTICAL TOURISM IN CROATIAN SHIPYARDS – NAUTICAL TOURISM CLUSTER DEVELOPMENT

Measure 1: Stimulating production of vessels and equipment for nautical tourists (inland and in shipyards on the coast)

Activities: Financial support for research, development and innovative projects for the purpose of developing new products of larger added values (MELE and MSTI); financial support for the introduction of emerging technologies in order to raise productivity and production modernisation or increase competitiveness (MELE); financial support for the founding of new production companies in the area of vessel and nautical tourism equipment production (MELE); environment protection financial support (systems for environment protection and disposal of harmful substances (Environment Protection and Energy Efficiency Fund); financial support for the organisation of fairs and marketing activities (MELE and Croatian Chamber of Commerce); financial support for employee training, retraining and additional training (MSES)

Implementing parties: MSTI, MELE, MT, MSES, Croatian Chamber of Commerce and Environment Protection and Energy Efficiency Fund



Deadline: continuous
Estimate of required state budget resources: 10 million in 2009; 10 million in 2010

Measure 2: Programmes for revitalisation of traditional crafts and skills which are dying out, in particular traditional boat construction (caulkers and shipbuilders).

Activity: Further application of programmes and preparation of new programmes to stimulate small businesses, craft development, small enterprises regarding maritime affairs (specifically through support given to small shipbuilding and tourist shippers through stimulation and facilitation of market promotion of their products and equipment for nautical tourism).

Implementing parties: MELE, MT

Deadline: continuous

Estimate of required state budget resources: 7.5 million in 2009; 6.5 million in 2010

GOAL 9. STIMULATING DEVELOPMENT OF THE EXISTING AND CONSTRUCTING NEW REPAIR AND SERVICE CENTRES

Measure 1: Preparing a development study

Activity: Determine development opportunities, and then use physical plans to envisage the construction of maintenance and repair centres for nautical tourism vessels, and vessels for circular tours and excursions, distributed evenly along the whole coastline

Implementing parties: MELE, MEPPPC, MSTI, Import and Export Promotion Agency, public ports and regional self government

Deadline: 2010

Estimate of required state budget resources: not required

Measure 2: Programme of employing local population in nautical tourism activities

Activity: Elaboration and implementation of the model for direct employment in this area of work, and indirect employment in other areas of work and activities regarding nautical tourism

Implementing parties: MELE, MSES, public ports and regional self government

Deadline: 2009

Estimate of required state budget resources: not required

GOAL 10. STRENGTHENING COMPETITIVENESS OF ALL NAUTICAL TOURISM ENTITIES

Measure 1: Promoting excellence of maritime affairs in Croatia

Activity: Developing projects on the subject of maritime legacy and history - the project of culture, customs and traditions of our seafarers. Designing programmes for their preservation.

Implementing parties: MC, MT, MSTI, Croatian Chamber of Commerce

Deadline: continuous

Estimate of required state budget resources: not required

Measure 2: Increasing the level of education of local population

Activity: Including local population in specialist education programmes; familiarising local population with positive impacts and advantages that nautical tourism development holds for the local community

Implementing parties: MSES, MT

Deadline: 2010

Estimate of required state budget resources: HRK 579,321

Measure 3: Creating programmes to revive economy on islands and in the coastal area

Activity: Revive forgotten crafts and skills and use it to revive business that could initiate other areas of work and activities. Also, create programmes to preserve indigenous qualities and elements of old crafts, techniques and everyday life and cultural practices.

Implementing parties: MELE, MT, MSTI, Local and Regional Self-Government Units

Deadline: 2010

Estimate of required state budget resources: not required

GOAL 11. APPLICATION OF EMERGING TECHNOLOGIES AND ENVIRONMENTAL STANDARDS

Measure 1: Protecting special natural values, biodiversity and the environment through implementation of emerging technologies and environmental standards

Activity: Implementing all regulations regarding protection of special natural values, biodiversity and the environment, and international conventions and contracts in which the Republic of Croatia takes part

Implementing parties: MSTI, MC, MEPPPC

Deadline: continuous

Estimate of required state budget resources: not required

Measure 2: Raising awareness on the environmental culture by providing more information to the public and ensuring more public involvement

Activity: Organising environmental actions that contribute to development of understanding/awareness of the need to preserve special natural values, biodiversity and the environment, in particular the sea and submarine areas – environmental culture.

Implementing parties: Environmental associations, sport associations and clubs, schools, tourist associations of different towns/municipalities etc.

Deadline: continuous

Estimate of required state budget resources: not required

Measure 3: Organising Eco Patrols at the local self-government level

Activity: Increased protection and maintenance of all sites, with special consideration given to naturally valuable sites.

Implementing parties: Local Self-Government Unit, MSTI

Deadline: 2010

Estimate of required state budget resources: not required

Deadline: 2009

Estimate of required state budget resources: not required

Measure 2: Stimulating programme development at educational institutions for the purposes of nautical tourism

Activity: Planning and preparing educational programmes

Implementing parties: MSES, Croatian Chamber of Commerce, Nautical Tourism Association

Deadline: 2009

Estimate of required state budget resources: HRK 531,000

Measure 3: Working on attractiveness of professions in nautical-tourism

Activity: Promoting activities in nautical tourism and interrelated areas of work

Implementing parties: MSTI, MELE, Croatian Chamber of Commerce, Nautical Tourism Association

Deadline: continuous

Estimate of required state budget resources: not required

Measure 4: Creating a programme for education, development and employee training in the nautical tourism system.

Activity: Analysing nautical tourism personnel structure, introducing ISO standards in accordance with the discoveries about present-time business processes.

Implementing parties: MSES, Croatian Chamber of Commerce, MSTI, MT

Deadline: 2010

Estimate of required state budget resources: not required

GOAL 12. ESTABLISHING CONTINUOUS EDUCATION SYSTEM FOR PARTICIPANTS IN NAUTICAL TOURISM

Measure 1: Educating participants in nautical tourism

Activity: Making and implementing education plans for participants in nautical tourism and in interrelated areas of work

Implementing parties: MSES, MSTI, Croatian Chamber of Commerce, Nautical Tourism Association

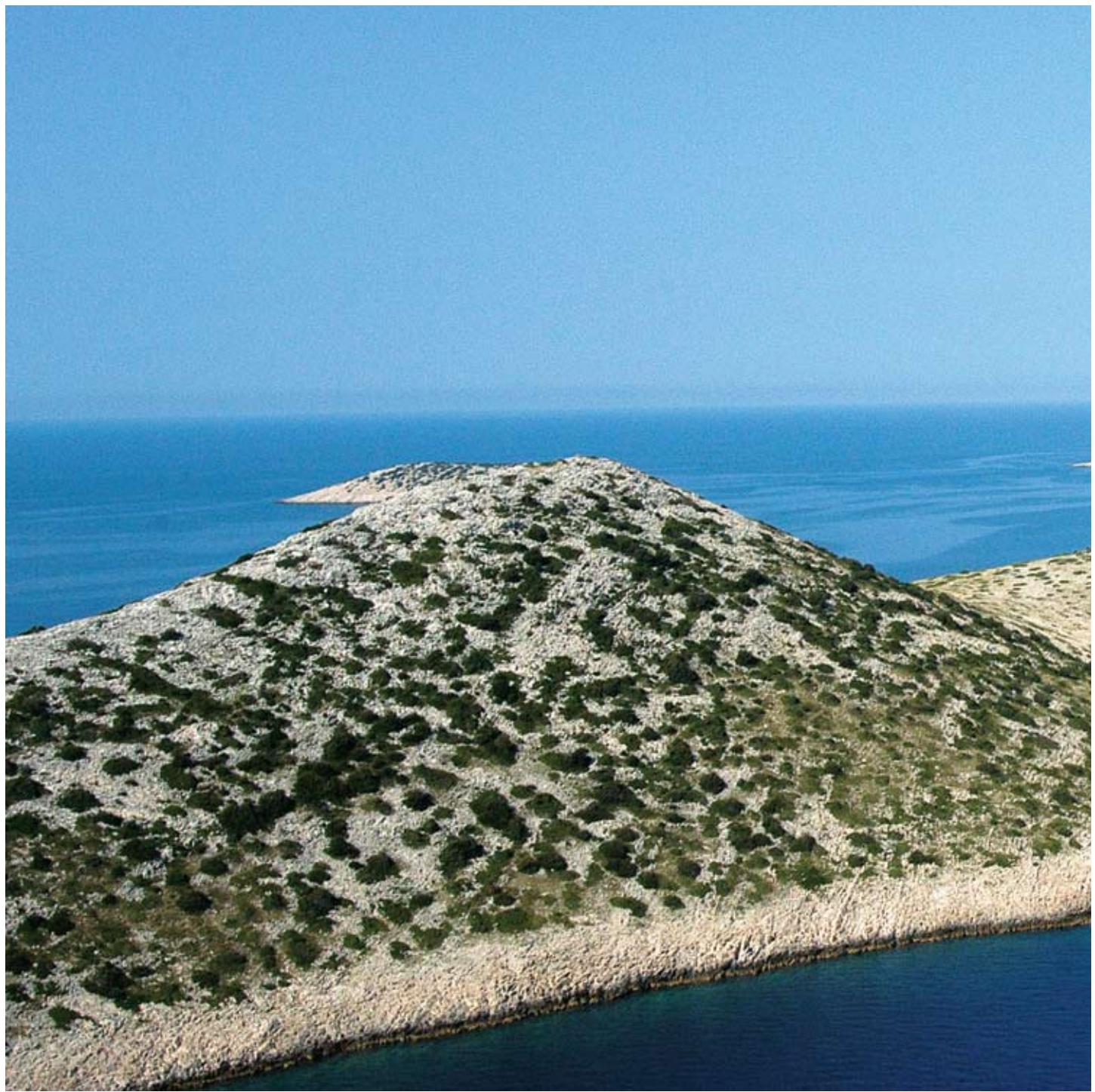




⑥ Nautical tourism development projection and financial effects

The Croatian nautical tourism 10-year development and growth projection is based on the correlation between the gross domestic product (GDP) and the nautical tourism turnover, and the structure of tourists who come to Croatia mostly from countries of European Union and Eastern Europe. The projected GDP growth rate for the period from 2007 to 2018 is 5.0% and the nautical tourism income growth rate is 9.8%. According to such projection, in the year 2018, Croatian GDP would reach about HRK 500 billion in total and nautical tourism income about HRK 15 billion in total.

In 2007, the share of nautical tourism income in the GDP of the Republic



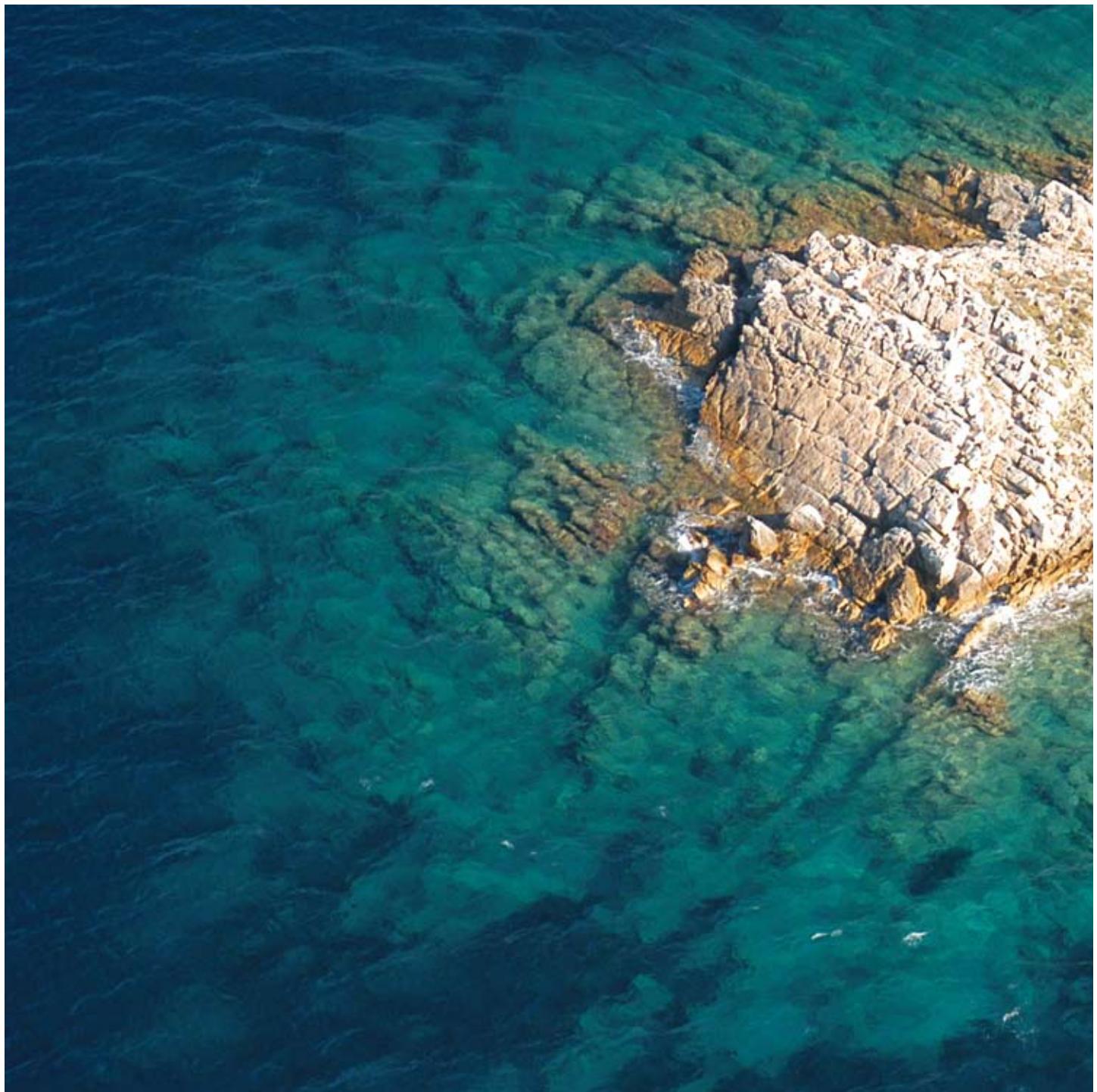


of Croatia amounted to 1.6%, and, according to the projected growth, in 2018 it would be 1.9%. At the European Union level it has been estimated that between 3% and 5% of the GDP is ensured through nautical tourism and the supporting industry, whereby the share of the coastal European regions in the total GDP is about 40%.

The said projection of nautical tourism income increase is based on the analysis of tourist traffic in Croatia from 1997 to 2007, and on the analysis of tourist arrivals and overnight stays in nautical ports from 2002 to 2007.

In 2005, nautical tourism yielded a total of 368.1 million kunas earned in 84 nautical ports. In the year 2006 the total nautical tourism income has reached 414.2 million kunas earned in 94 nautical ports, which is 12.5% more than in the previous year. Nautical tourism income earned in 2007 is 439.2 million kunas, which is an increase of 6% in relation to the previous year. Total tourist income growth index 2007/2005 is 112.3, with the average annual rate of 5.8%, and the nautical tourism income growth index is 120.9, which reflects a growth rate of 9.5%. Growth index 2007/2006 of the total tourist income is 107, and of nautical tourism income 106. In the absolute amount, the 2007 nautical tourism income is larger by 71.1 million kunas in relation to 2005, and by 25.2 million kunas in relation to 2006.

Finally, with the construction of 15,000 new moorings, that is, the construction of at least 15 potential new high-quality locations, such as: Rovinj, Pula – sv. Katarina, Rijeka – Porto Baroš, Novalja, Pakoštane, Zadar, Šibenik – Mandalina, Dugi Rat, Split – Žnjan, Marina, Vis, Dubrovnik – Gruž, Slano, Orebić, Vela Luka, according to the projection of nautical tourism traffic increase and income growth rate, total nautical tourism income is expected to amount to about HRK 15 billion during the 10-year period.



⑦ Conclusion

In addition to the unquestionable natural and spatial conditions for the development of nautical tourism, as well as those preconditions related to its history and tradition, and the use of comparative advantages, the Republic of Croatia should develop all segments of nautical tourism on sustainable development principles.

Such development can be achieved by planned nature and environment protection management, rational management of natural space, defining the carrying capacity of the Croatian part of the Adriatic, adapting related business activities to the needs of nautical tourism, recognising the importance of nautical tourism for the development and progress of national economy, respecting the existing cultural heritage and improving the treatment nautical tourists receive from participants in nautical tourism.

Besides the total existing number of 21,020 moorings in Croatia, the Republic of Croatia Nautical Tourism Development Strategy proposes the moderate scenario for the construction of capacities for reception of nautical vessels, which means that in the following 10 years the construction of 5 thousand new moorings in the existing ports, 5 thousand moorings on new locations regularly distributed along the Croatian coast and islands, and 5 thousand vessel accommodation places ashore will be realised. When planning the construction of moorings in ports it is necessary to recognise the trend of arrival of large yachts, which the existing infrastructure is not able to receive.

The Republic of Croatia Nautical Tourism Development Strategy is, therefore, a strategic document representing a starting point for all long-term nautical tourism sustainable development management activities in all elements of sustainability and at all levels of bringing development decisions.



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- Legal regulations in the fields of maritime affairs and tourism





REPUBLIC OF CROATIA

MINISTRY OF THE SEA, TRANSPORT AND INFRASTRUCTURE
MINISTRY OF TOURISM

Zagreb, December 2008