

The Potential of the Croatian Adriatic Area for the Development of an Indigenous Form of Cruising Tourism - Mini Croatian Cruiser*

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Abstract: The eastern coast of the Adriatic Sea has played a significant role in transportation since ancient times due to its deep bays and indented coastline. Split-Dalmatia County, particularly the city of Split, has been historically important and continues to be so today. In addition to its economic significance, this area has also become a popular tourist destination, with nautical tourism being the most important sector. This form of tourism takes advantage of the Adriatic water area and offers customized itineraries, high-quality services, and a unique cultural experience. Traditional Croatian mini cruisers, such as the ones operated by the shipping company from Krilo Jesenice, are leading in this field. These mini cruisers contribute to the local economy and prioritize sustainability and environmental protection. They are also integrated into the tourist offers of other destinations in Croatia. However, there are challenges and opportunities in maintaining and developing these traditional mini cruisers, including infrastructure, staff training, and market trends.

Keywords: Croatia, Adriatic, Cruising, Nautical tourism, Mini cruise.

1. Introduction

Croatia's position belongs to Central European and Mediterranean culture and civilization. The Adriatic area is the highest quality living area in Croatia if we look at the climate, vegetation, and of Croatia if we look at the climate, vegetation and soil. The 5,835 km long coastline consists of 1,246 islands, islets, rocks, and reefs, as well as numerous bays, gulfs, and peninsulas, the largest of which are Istria and Pelješac (as in [4]). In the last few decades, tourism has become one of the most important sectors of the Croatian economy and is one of the main drivers of economic growth in

* An earlier version of this paper was presented at the 3rd Kotor International Maritime Conference – KIMC 2023, Kotor, Montenegro.

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Croatia. The term tourism represents the phenomenon of movement of temporary stay outside the place of permanent residence (as in [2]). Croatia is known as a popular tourist destination with a beautiful coast and islands that encourage the development of nautical tourism.

2. Krilo Jesenice

In this tourist sector, one of the interesting destinations is Krilo Jesenice, a small coastal town located on the coast of Central Dalmatia between Split and Omiš. Since 2003, Krilo Jesenice has experienced a significant increase in the number of water tourists. Throughout this paper, we will use the example of Krilo Jesenice to show the development potential that this form of tourism provides with “the largest fleet of small cruise ships in the world” which have become a recognizable brand of Croatian tourism. **Figure 1** shows the assembled fleet, as all vessels are 'stored' in the port during the winter months for safety.

A round trip or cruise means the transportation of people by boat according to an itinerary that is provided to passengers on a tourist trip for rest, entertainment, and recreation. Unlike international cruise tourism, Croatian cruise tourism is based on mini cruisers.



Fig. 1 – Mini cruisers in the Port of Krilo during the winter months.

Traditional Croatian mini cruisers have become an indispensable part of the rich tourist offerings in Croatia. Nautical tourism on these, for global concepts of small boat cruises, provides a unique experience of exploring the coastal beauty of the Adriatic Sea and the islands, combining comfort, luxury, and authenticity at the same time (as in [3]).

Along the Croatian coast, there is the possibility of a unique multi-day round trip on smaller tourist boats, often sailing ships. An average of 25 guests are accommodated on one vessel because this tourist product is primarily based on non-mass tourism. Foreign guests who try to enjoy peace and rest in small and individual groups use the services of domestic small cruisers. There are opportunities to visit cities/towns, bike tours, and hikes in certain destinations, along with sailing and enjoying the sea. Many harbors of old smaller towns that abound on the Croatian coast of the Adriatic, as well as anchorages and moorings as special ports for nautical tourism, are important for the development of domestic cruises by traditional old-timers.

2.1. Comparative analysis with other types of nautical tourism

To better understand the role of mini cruises in Croatian maritime tourism, it is important to compare them with large international cruise ships that also operate along the Adriatic coast. Both forms of tourism contribute to the local economy, but differ significantly in terms of passenger capacity, environmental impact, local economic contribution, tourist experiences and overall value for Croatian tourism.

Large international cruise ships can accommodate thousands of passengers, usually between 2,000 and 6,000 people per voyage. These massive ships are designed for mass tourism and follow narrow itineraries that include short stops in major ports such as Dubrovnik, Split and Zadar. In contrast, Croatian mini cruises, which operate mainly from ports such as Krilo Jesenice, offer a more intimate experience. With an average capacity of 20 to 50 passengers, these smaller ships are suitable for tourism that is not massive, favouring personalized experiences and quieter itineraries.

The environmental footprint of large cruise ships is a major concern. Studies have shown that large cruise ships emit high levels of carbon dioxide, nitrogen oxides and sulphur oxides, contributing to air and water pollution. Waste produced by thousands of passengers and ship engine oil can also threaten marine ecosystems, especially along fragile coasts like Croatia. In comparison, mini cruises have a much lower environmental impact due to their size, fewer passengers and shorter itineraries. Many of these small ships are increasingly adopting sustainable practices, such as waste management systems and more efficient use of energy, which better aligns with Croatia's goals for eco-friendly tourism.

Large cruise ships contribute significantly to local economies, but most of this contribution is centralized. Tourists often spend only a few hours in port, usually in major cities where they visit iconic attractions, buy souvenirs

and dine at popular restaurants. However, much of the revenue from these cruises goes to international companies rather than the local economy. On the other hand, mini cruises like those of Krilo Jesenice are closely linked to local communities. Cruise ships dock in smaller, less crowded cities, allowing passengers to experience local culture, cuisine and attractions. Small boats rely on local supply chains for food, materials and maintenance and provide jobs for local people. This decentralized and communal economic advantage constitutes a key difference between the two forms of maritime tourism.

The cruise experience on large cruise ships focuses on entertainment and luxury, offering a variety of amenities such as swimming pools, casinos and live entertainment, which are limited to the ship itself. Although passengers visit many destinations, their time on the ground is limited, often reducing the depth of their cultural immersion. On the contrary, the Croatian mini cruise experience is anchored in authentic and localized tourism. Passengers can experience local traditions, cuisine and scenery at a slower pace, often spending days or nights at each stop. This allows for a deeper cultural experience, whether through activities such as cycling, walking or simply exploring the coastal towns. This personalized approach appeals to a niche market of tourists seeking peace, authenticity and cultural immersion.

While large cruise ships undoubtedly bring significant economic benefits to popular Croatian ports, their environmental impact is becoming increasingly unsustainable. The frequent docking of these massive ships leads to overcrowding, especially in popular destinations like Dubrovnik, putting pressure on local infrastructure and natural resources. On the other hand, mini cruises have a lighter environmental footprint, especially in terms of emissions, water consumption and degradation of the local ecosystem. In addition, mini cruises offer a sustainable alternative that distributes the economic benefits more evenly among Croatia's smaller coastal towns, thus reducing the pressure on the main tourist centers. Their tourism model aligns better with Croatia's long-term goals for sustainable tourism growth, while large cruise ships, while profitable, can contribute to overcrowding and environmental pressure.

In conclusion, while large cruise ships dominate the global tourism market, Croatian mini cruises from Krilo Jesenice offer a unique and more sustainable model of maritime tourism. Their reduced environmental impact, deeper local commitment and tailored tourism experiences position them as an important asset in Croatia's diverse tourism offer, especially as the demand for eco-friendly and authentic travel experiences continues to grow.

3. Analysis

3.1. Quantitative analysis of the total number of ships

Every fourth resident of Krila Jesenice owns a boat. The town has about 700 inhabitants and 200 boats. Ships and jobs are inherited from generation to generation, and it is said that everyone should have as many ships as there are sons. As the business grows, there are more and more ships, and an average of 5 to 10 ships are built every year.

In 2005, there were 62 ships in Krilo. By 2014, the number of ships had doubled, that is there were 120. A year later the number grew to 130 and in that period problems with capacity and safety conditions in the Port of Krilo already appeared. In 2019, the number of ships reached 180, and at the beginning of the COVID-19 pandemic season in 2020, there were a total of 200 with continued growth as presented in Table 1 [1]. With the increase in the number of ships, the supply and volume of work have increased, but so have the problems that have plagued the people of Krilo for the last dozen years, the biggest of which is the problem of the Port in Krilo, which does not have sufficient capacity or safety, communal or any other conditions.

Table 1 – *Change in the number of ships in representative years [1].*

Year	2005	2014	2015	2016	2019	2020	2023
Number of ships	62	120	130	140	180	200	224

Source: Author's data from primary sources

3.2. Quantitative and structural analysis of the workforce

Along with the increase in the number of ships, they also grew. As a result, the need for a labour force has increased. In municipality of Dugi Rat, of which Krilo Jesenice is a part, among the 10 companies with the largest number of employees, most companies are involved in maritime and coastal passenger transport. Of the total number of 220 craftsmen, 76 of them are exclusively engaged in the activity of maritime passenger transport, in which the most important role is played by the town of Jesenice (Krilo), which, according to estimates, employs up to 1,000 people, mostly young people from the Dugi Rat Municipality.

Along with many other positive influences, a great contribution to the local economy and craftsmanship is realized during the winter and early spring months, when around 1,000 workers, employed by local crafts and

companies registered for carpentry, engineering, and similar activities participate in the preparation of ships for the season.

3.3. Business performance analysis

The business of Krilo Jesenice boats is generally successful. New, bigger, and better ships are built every year. Although they are financed through loans, it is necessary to pay 25% of the price of the boat with your capital for the loan to be approved. According to the ship owners, the average ship annually earns around 265,000 EUR, half of which goes to business expenses, and a quarter to credit obligations.

Intensive growth of income in the period up to 2020, a drastic drop due to the COVID-19 pandemic, and growth and recovery in 2021 and 2022 can be observed.

According to the 2022 Annual Report of the Croatian Association of Private Ship owners, small ship owners own 442 vessels and generate a gross turnover of EUR 318.5 million annually (as in [1]). Of this amount, 143.2 million EUR refers to the gross turnover of shipping companies, then 93.8 million EUR to the turnover of travel agencies, and 81.5 million EUR to the non-boarding consumption of guests as shown in Table 2.

Table 2 - Number of owned vessels and distribution of 2022 annual turnover.

Owned vessels	Annual turnover (million EUR)	
442	318,5	Total
	143,2	The gross turnover of shippers
	93,8	The traffic of travel agencies
	81,5	Non-boarding consumption

Source: Author's data from primary sources

In addition, small shipping companies annually pay 21.1 million EUR in VAT to the state budget, and 3.8 million EUR in profit tax, while they allocate 5.2 million EUR for taxes and contributions for employees. Half of these amounts go to "Kriljanski brodovi" (Croatian Association of Private Shipowners).

4. Future development

4.1. Problems of future development

The future development of mini cruising represents an important challenge for shippers, considering the different types of problems they may face which could significantly affect the continued success and sustainability of the company.

With the development of the entire Croatian tourism since the crisis of 2008 onwards, the total number of tourists offers has grown significantly. Despite the increase, the volume of business has decreased in most sectors. Although no official research has been done yet, the impression is that the rise in prices is to blame for the weaker results, but even more so the dispersion of the offer. The tourist offer has grown, and business has dispersed from traditional tourist locations. That could affect the operations of the Krilo shippers, although a different and separate sphere of tourism, every aspect of the tourist offer competes with the other.

The politics and economic stability of the region have a significant impact on mini cruising tourism and play a key role in attracting tourists. If a region has political instability, conflict, or other security issues, this can deter potential tourists from visiting. Talking about the Croatian Adriatic, at the beginning of the war in Ukraine, the guests from Europe did not see a threat or the aspect of insecurity by coming to Croatia, while the guests from the USA, for whom the distance between Croatia and Ukraine is minimal, considering the size of their country, the war seemed very close to Croatia, and their number in the 2022 season was reduced.

The economic development of the region has an impact on the infrastructure that supports mini cruising tourism. If the region has a well-developed infrastructure, such as ports, docks, marinas, and other facilities necessary to accommodate smaller cruise ships, this attracts tour operators and facilitates the organization of travel. The main factor to consider when determining the location that represents a restrictive, neutral and stimulating factor purity of the sea, climate conditions, indebtedness of the coastline and special characteristics such as availability of the ports, safety of navigation, etc. (as in [1]). However, because the port is unorganized, and it currently represents a threat to the cruise business of Krilo Jesenice. The port was built on the initiative of the people of Krilo by filling in waste construction material. The capacity of the port is too small, so out of 224 ships owned by the Krilo families, only 120 are in Krilo port. Also, in the event of a fire on one of the ships, there is a danger to people and property because all the ships are lined up next to each other without the possibility

of one ship moving without moving the other ship. An additional problem is inaccessibility because the only access to the port is via the state road D8, which is especially during the tourist season, when in ideal conditions it would be the most necessary for the Krilo shippers, in fact, the busiest.

4.2. Future development plans

Future development plans for mini cruises in Krilo Jesenice play a key role in determining long-term goals and business strategies. In the dynamic environment of the cruise industry, ship owners and local, regional and national authorities need to carefully plan their next steps to remain competitive and succeed in the market. This includes improving passenger services and experiences, implementing sustainable practices, technological advancement, and infrastructure development. The need for its development in the sense of sustainable development is a necessity of economic development and the basis of any serious development strategy (as in [5]).

Based on the analysis carried out, it is concluded that the main prerequisite for the further development of mini cruises in Krilo Jesenice is the construction of a new port, optimally equipped.

A site permit has been issued for the reconstruction of the existing port in Krilo. Now, it's necessary to wait for the construction permit to be finalized before reconstruction work can begin. It is important to specify that the project is financed 100% by European funds. The nearby Port of Bajnica has also been designated as an open port for public traffic and its reconstruction is also planned.

The construction and reconstruction of the Port of Krilo Jesenice will be financed by European funds, through the European Regional Development Fund (ERDF) and the Cohesion Fund, which aim to support the development of infrastructure sustainable in Croatia. The total cost of the project is estimated at 8 million EUR, excluding VAT, with significant investments in planning and preliminary works already calculated. Some of the main costs include:

1. Geotechnical investigation works, geotechnical project and main project
2. Work protection study and fire protection study, both of which are essential to ensure safety in the workplace and the environment.
3. The tasks of the Coordinator I, focused on the management of health and safety throughout the project. These costs are essential to ensure that the port is developed in accordance with the EU's strict safety and

environmental standards, which are key requirements to receive full EU funding.

The application process for this funding is coordinated through the Operational Program for Competitiveness and Cohesion of Croatia, with the support of the Ministry of Maritime Affairs, Transport and Infrastructure. The project was approved for EU funding due to its potential to boost economic growth through maritime tourism, support local jobs and improve environmental protection along the Adriatic coast.

Once the implementation permit has been obtained, the next step is to secure the final construction permit. Once all permits are finalized, work on the port is expected to begin, with an estimated completion date in the next few years. This investment will play a vital role in accommodating the growing fleet of mini cruisers, improving safety standards and strengthening the local economy. With the development of the port, customers will be able to load in Krilo, which will significantly facilitate operations in the Port of Split.

There is a port for public transport with a capacity of 120 berths in Krilo Jesenice, a marina in Sumpetar Jesenice and a marina in Ori. Dugi Rat, at the former ferroalloy plant of Dalmacija, has a special (industrial) port with capacity for 2 large berths without small ones and a marina with capacity for 50 small ones; Duće, a marina, with a capacity of 16 large beds and 13 small beds; Bajnice, Jesenice. The redevelopment and renovation of some of the mentioned ports will increase the capacity of the Dugi Rat municipality's fleet, benefiting both the carriers and the municipality itself.

5. Conclusion

Based on the analysis of data on the nautical tourism of Krilo Jesenice, the lack of a valid and safe port represents the biggest obstacle to the continued operation of business. The data presented indicate the significant economic and financial value that small shippers bring to the region.

As mentioned, small shippers generate a significant gross turnover and contribute to the state budget through the payment of taxes and contributions, and apart from economic aspects, small shippers also have a significant social impact on the local community by offering jobs with stable incomes and opening opportunities for development careers.

The construction of the port in Krilo Jesenice is of key importance and economic justification for the further maintenance and development of nautical tourism and mini cruising. The port would enable small shippers to provide safe anchorage for their ships, provide better services to guests, and

improve their business. At the same time, the port would have a positive impact on the local economy, creating new jobs and attracting additional investments. Additionally, by boarding passengers at the new port, the Port of Split would be relieved.

Therefore, considering the importance of nautical tourism for the Krilo Jesenice region, the construction of the port becomes imperative to ensure the sustainability of the business of small shipping companies and the development of cruise tourism, stimulate further economic growth, and provide new jobs for the local population making the whole of Croatia a more attractive destination for nautical tourism through the form of mini cruises.

Nautical tourism can also provide an incentive to the local community in terms of infrastructural development projects which would further enrich the tourist offer of Krilo Jesenice and provide more opportunities for local entrepreneurs.

In the marine area, environmental protection is of great importance (as in [6]) and it is important to note that the construction of the port would not only benefit nautical tourism but would also have long-term positive effects on the sustainable development of the region. Through investment in the infrastructure of the port, the possibility for greater environmental protection and sustainable access to tourism would be opened. For example, sea protection measures, rational use of energy, and waste recycling can be applied, thus ensuring the preservation of the natural beauty of the region for future generations.

With all this in mind, it is safe to say that it is necessary to take steps in the construction of the port to use its full geographic potential and ensure a prosperous future for the local community and with that to the whole economy of the state.

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