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## MODELLING SATURATION INTENSITY IN THE DESTINATION OF CROATIA: A PANEL DATA APROACH

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## Abstract

Purpose – This paper analyses the determinants of tourism saturation for Croatia and quantifies their influences.

Methodology — Given the importance of tourism sector for Croatia, this paper investigates the factors affecting tourism saturation intensity in Croatia using panel data by static regression from twenty-one countries, from 1996 to 2010. The index of saturation, as a dependent variable, is constructed as the ratio between the number of overnight stays and the resident population in the destination, multiplied by the number of days in year. We consider that saturation intensity for destinations in Croatia is a function of population, age, gender, urbanization, and openness of the country that generate tourism demand to Croatia.

Findings – The number of population, urbanization and economic openness of the tourism generating countries are the variables that most explain the saturation produced by international tourist demand for Croatia according to panel regression.

Contribution – The topic of modelling saturation intensity given in this paper is relevant in general and for the country of topic, as tourism is an important part of the Croatian economy. It presents a clear idea of saturation intensity linked to carrying capacity and focus as well as consistency between theoretical concepts and empirical data.

Keywords saturation index, tourist overnights cross-sectional model, panel data model, Croatia

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