

Industry paper

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Mini-Presentation

on SPPI for **ISIC 7911 Travel Agency Activities**: Croatian Experience

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Abstract

Travel agency activities represent an important component of the Croatian tourism industry and present specific challenges for Service Producer Price Index (SPPI) compilation. As travel agencies frequently act as intermediaries between customers and tourism service providers, the measurement of output prices requires approaches that focus on commissions, fees and margins rather than on the prices of the underlying tourism services. Although the Croatian SPPI survey and index compilation cover the broader NACE Rev. 2 Division 79, this paper focuses primarily on class 79.11 Travel Agency Activities due to its dominant economic importance within the division.

1. Introduction

Travel agency activities (NACE Rev. 2 class 79.11) represent an important segment of the Croatian tourism industry, one of the key sectors of the national economy. The activity includes enterprises engaged in arranging, selling and mediating a wide range of travel-related services, including accommodation, passenger transport, package holidays, excursions and other travel services for domestic and international customers.

The importance of travel agency activities in Croatia is closely linked to the country's strong orientation towards tourism. Croatia is a well-established international tourist destination, generating substantial demand for intermediary tourism services. Travel agencies play an important role in connecting tourists with accommodation providers, transport operators and other tourism-related businesses, thereby acting as a key link within the tourism value chain.

According to Structural Business Statistics, NACE 79.11 Travel Agency Activities comprised 1,591 active enterprises in 2024, employing 5,308 persons and generating more than EUR 903 million of turnover and EUR 170 million of gross value added. Within Division 79, class 79.11 Travel Agency Activities represent the economically most significant class in terms of turnover, employment and value added.

From a producer price perspective, travel agency activities present several methodological challenges. Unlike many other service activities, travel agencies frequently act as intermediaries rather than direct providers of the underlying tourism service. Consequently, the prices paid by customers for accommodation, transport or package holidays do not necessarily represent the output price of the travel agency itself. Instead, the agency's output is often generated through commissions, service fees, booking fees or margins earned from arranging transactions between customers and service providers.

Additional challenges arise from the heterogeneous nature of travel services, the increasing prevalence of customized travel arrangements, dynamic pricing practices, the growing importance of online booking platforms and the pronounced seasonality that characterizes the Croatian tourism market. These characteristics require methodological solutions that are consistent with international SPPI recommendations while adequately reflecting the economic reality of travel agency operations.

The objective of this paper is to present the Croatian approach to compiling the Service Producer Price Index (SPPI) for NACE Rev. 2 class 79.11 Travel Agency Activities. The paper describes the main characteristics of the industry, market conditions and pricing mechanisms, the methodology used for price collection and index compilation, and the principal challenges encountered in measuring price change within this activity.

2. Industry characteristics

2.1 Industry definition

According to NACE Rev. 2, class 79.11 includes activities of agencies primarily engaged in selling travel, tour, transportation and accommodation services to the general public and commercial clients.

The activity belongs to Division 79:

- 79.11 Travel agency activities
- 79.12 Tour operator activities
- 79.90 Other reservation service and related activities

The Croatian SPPI service groups are fully aligned with CPA 79.11 product categories, which include transport reservation services, accommodation reservation services, cruise reservation services and package tour reservation services.

In the Statistical Classification of Products by Activity (CPA) the products of Travel agency, tour operator and other reservation services and related services are classified as follows:

79 Travel agency, tour operator and other reservation services and related services

79.1 Travel agency and tour operator services

79.11 Travel agency services

79.11.1 Travel agency services for transport reservations

79.11.11 Reservation services for airlines

79.11.12 Reservation services for railways

79.11.13 Reservation services for buses

79.11.14 Reservation services for vehicle rental

79.11.19 Other travel agency services for transport reservations

79.11.2 Travel agency services for reservation of accommodation, cruises and package tours

79.11.21 Reservation services for accommodation

79.11.22 Reservation services for cruises

79.11.23 Reservation services for package tours

Although the Croatian SPPI survey covers the broader Division 79, the primary emphasis is placed on 79.11 because of its economic importance and dominant share within the division.

2.2 Market Conditions and Constraints – Division 79

Croatia's tourism-oriented economy makes travel agencies important intermediaries within the tourism value chain.

Table 1. Main economic indicators for 79.11

Year	Enterprises	Employment	Turnover (000 EUR)	Gross Value Added (000 EUR)
2021	1,600	4,448	310,156	57,199
2022	1,602	4,702	651,076	113,772
2023	1,602	5,131	845,711	156,568
2024	1,591	5,308	903,430	170,044

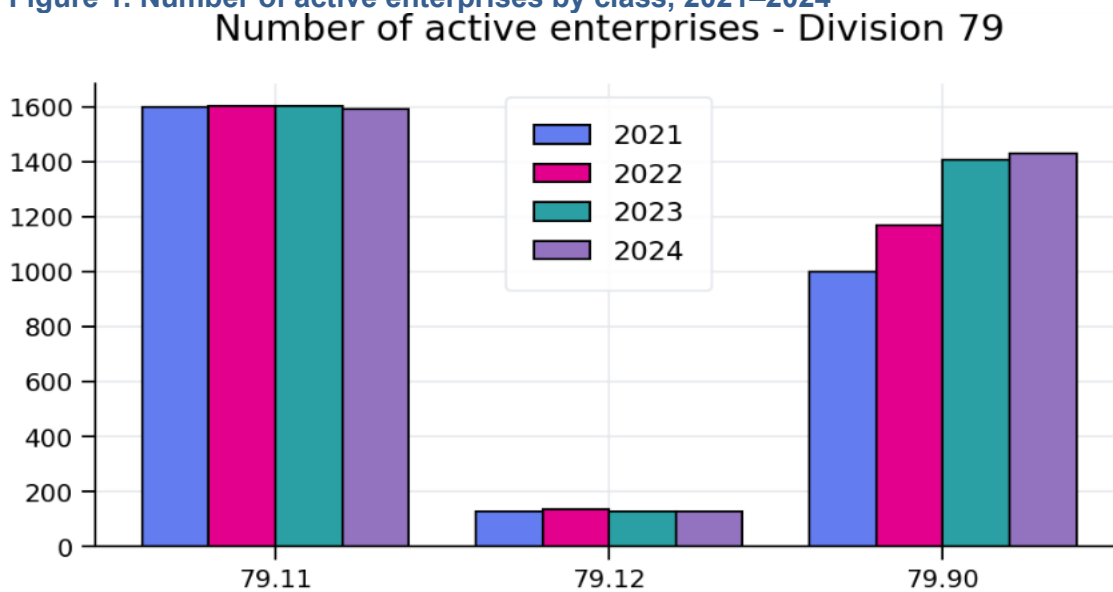
Source: Croatian Bureau of Statistics, Structural Business Statistics, 2024

The sector experienced strong post-pandemic recovery, with turnover nearly tripling between 2021 and 2024. Employment increased by approximately 19%, while gross value added almost tripled.

The Croatian market for travel agency services is strongly influenced by tourism demand and exhibits pronounced seasonal patterns. The majority of turnover is generated during the second and third quarters, corresponding to the peak tourism season. In addition, the industry is characterized by a high proportion of international transactions, increasing digitalization of booking processes and the growing importance of online sales channels. While the sector comprises a large number of enterprises, economic activity is concentrated within Travel Agency Activities (79.11), which account for the largest share of enterprises, employment and turnover within Division 79. These characteristics have important implications for SPPI compilation, particularly with respect to representative service selection, treatment of seasonal services, and monitoring of commission-based pricing mechanisms.

Figures 1–3 illustrate the dominant economic position of class 79.11 within Division 79

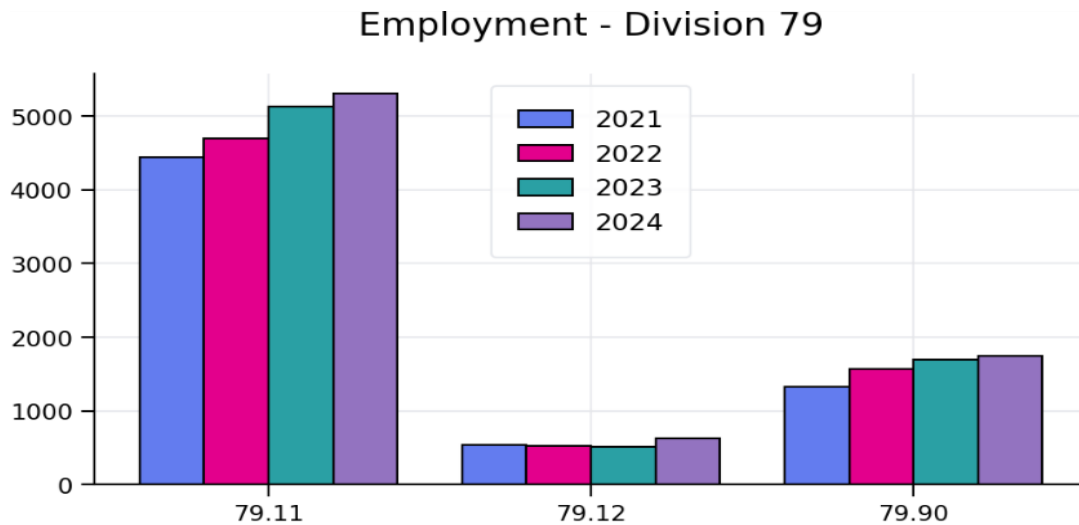
Figure 1. Number of active enterprises by class, 2021–2024



Source: Croatian Bureau of Statistics, Structural Business Statistics, 2024

Figure 1 shows the number of active enterprises by activity class within Division 79. Travel Agency Activities (7911) and Other Reservation Services (7990) account for the majority of enterprises, while Tour Operator Activities (7912) represent only a small portion of the market. Despite the relatively similar number of enterprises in 7911 and 7990, their economic significance differs substantially, particularly with respect to employment and turnover.

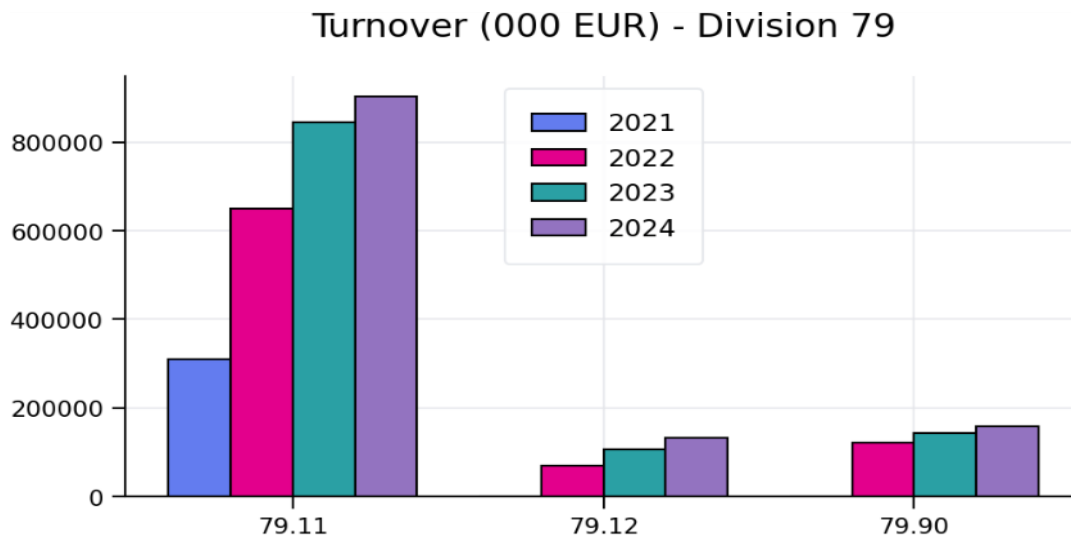
Figure 2. Number of persons employed by class, 2021–2024



Source: Croatian Bureau of Statistics, Structural Business Statistics, 2024

Employment is strongly concentrated in class 79.11 throughout the entire period.

Figure 3. Turnover by class, 2021–2024



Source: Croatian Bureau of Statistics, Structural Business Statistics, 2024

Turnover clearly demonstrates the economic dominance of class 79.11 within Division 79.

3. Output Characteristics and Pricing Mechanisms

3.1 Characteristics of the Output

One of the key challenges in compiling an SPPI for travel agency activities is identifying the actual output of the producer. In many transactions, travel agencies act as intermediaries between customers and providers of accommodation, transport or package travel services. Consequently, the value of the underlying service does not necessarily represent the output of the travel agency itself.

The output generated by travel agencies usually consists of commissions, booking fees, service fees or margins received for arranging transactions between customers and tourism service providers. Therefore, the measurement of price change focuses on the income earned by the agency rather than on the value of the tourism products purchased by customers.

This distinction is particularly important in ensuring consistency with the general SPPI framework and the output concept recommended in international producer price statistics.

3.2 Main Types of Services Observed

The service groups included in the survey are fully aligned with the Statistical Classification of Products by Activity (CPA). This approach ensures consistency between product classification, price collection and index compilation.

Representative services are selected from the most important revenue-generating activities performed by travel agencies and related reservation service providers. The selected service groups include transport reservation services, accommodation reservation services, package tour reservation services, tour operator services, travel organization services and tourist guide services.

The distribution of service specifications and weights reflects the actual structure of the Croatian travel agency market. Accommodation reservation services represent the largest component of the index, followed by package tour reservation services, tour operator services related to package arrangements and airline reservation services. Together, these service groups account for the majority of total index weight and therefore exert the strongest influence on aggregate SPPI movements.

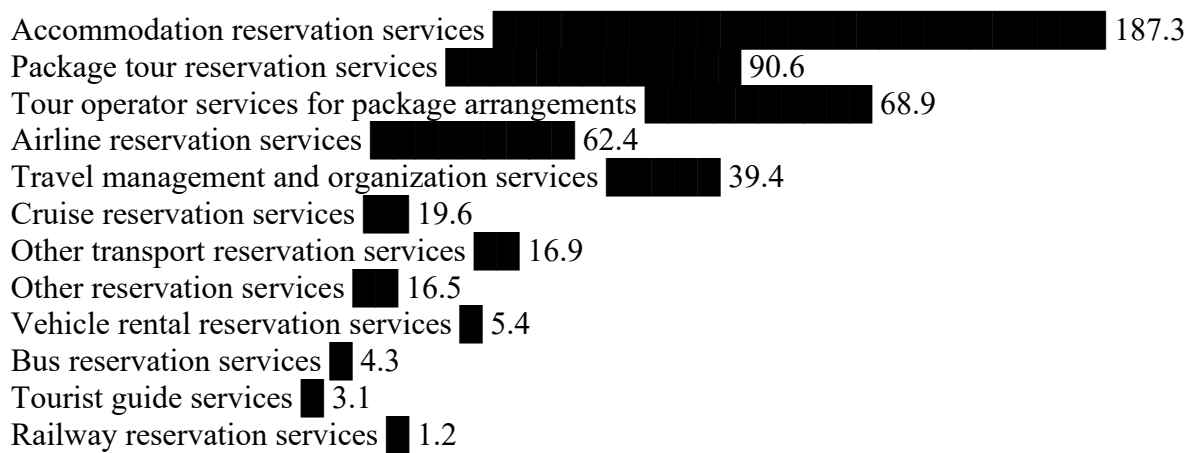
Table 2. Service groups covered by the Croatian SPPI – Division 79, Q1 2026

Service group	Number services	Number enterprises	Weight (mil. Euros)
Accommodation reservation services	44	37	187.3
Package tour reservation services	26	23	90.6
Tour operator services for package arrangements	16	13	68.9

Airline reservation services	20	17	62.4
Travel management and organization services	10	6	39.4
Cruise reservation services	8	7	19.6
Other reservation services	7	7	16.5
Other transport reservation services	11	8	16.9
Vehicle rental reservation services	4	3	5.4
Bus reservation services	6	6	4.3
Tourist guide services	7	7	3.1
Railway reservation services	1	1	1.2

Source: Croatian Bureau of Statistics, SPPI Survey for Division 79, Q1 2026.

Figure 4. Distribution of Weights by Service Group, Division 79, Q1 2026



Source: Croatian Bureau of Statistics, SPPI Survey for Division 79, Q1 2026.

Figure 4 presents the distribution of weights by service group within the Croatian SPPI for Division 79. Accommodation reservation services constitute the most important component of the index, followed by package tour reservation services, tour operator services related to package arrangements and airline reservation services. Together, these service groups account for the majority of total weight, reflecting the importance of accommodation and package-related intermediation activities within the Croatian travel agency market.

The distribution of weights also demonstrates that the Croatian SPPI is primarily driven by a relatively small number of economically significant service groups, while the remaining service categories contribute a smaller share to the overall index. This weighting structure is consistent with the revenue-generating activities that dominate travel agency operations in Croatia.

3.3 Pricing Mechanisms

Travel agency services are marketed under several pricing arrangements. Depending on the type of service provided, agencies may receive:

- fixed service fees;
- transaction fees;
- commissions expressed as percentages of the underlying transaction value;
- margins embedded in package travel arrangements.

Pricing mechanisms may vary according to destination, season, customer profile, supplier agreements and market demand. In addition, the growing use of digital booking platforms and online sales channels has increased pricing flexibility and contributed to more dynamic pricing behavior. These pricing arrangements form the basis for the pricing methods applied in the Croatian SPPI, namely the Transaction Price (TC) method and the Percentage Fee (PN) method.

3.4 Transaction Price Method

The Transaction Price (TC) method is applied when a representative service can be clearly specified and repeatedly priced over time. Under this approach, respondents report the actual transaction price charged for a selected service.

This method is typically used for services where a direct fee is charged to the customer and where service specifications remain sufficiently stable through time. The objective is to measure pure price change while holding service characteristics constant.

3.5 Percentage Fee Method

For many travel agency services, direct transaction pricing does not adequately represent the agency's output because income is earned through commissions or margins. In such cases, Croatia applies the Percentage Fee (PN) method.

Under this method, the agency reports the percentage fee, commission or margin associated with a specific representative service. The resulting price is derived from the value of the underlying transaction and the corresponding fee rate.

The method is particularly suitable for:

- airline ticket reservations;
- accommodation booking services;
- package travel arrangements;
- other reservation services where agency revenue is commission-based.

The Percentage Fee method is particularly important in travel agency activities because it captures the value of the intermediary service rather than the value of the underlying tourism product.

4. SPPI Compilation

4.1 Target Population

The target population for the Croatian SPPI for Division 79 consists of enterprises classified within NACE Rev. 2 Division 79: Travel Agency, Tour Operator and Other Reservation Service Activities. The population is derived from the Statistical Business Register and comprises enterprises engaged in travel agency activities, tour operator activities and other reservation services.

Although the survey covers the broader Division 79, particular attention is devoted to NACE 79.11 Travel Agency Activities, which represent the largest and most economically significant activity within the division in terms of turnover, employment and gross value added.

4.2 Sample Design

The sample is designed to ensure adequate representation of the most important service producers operating within Division 79. The largest enterprises are selected with certainty while additional reporting units are included in order to improve market coverage and representativeness. The sample for 2026 consists of 90 enterprises covering approximately 70% of total turnover in Division 79.

Sample selection is primarily guided by turnover data and the economic importance of individual enterprises. Particular attention is given to activities generating the majority of industry output, especially accommodation reservation services, package tour arrangements and transport reservation services.

To ensure efficient index compilation, representative services are selected jointly by survey statisticians and reporting units. The service specifications are reviewed regularly and updated whenever substantial changes occur in the structure of business activity.

4.3 Price Collection

Price data are collected quarterly through an electronic web questionnaire specifically developed for the SPPI survey. The questionnaire is divided into two sections.

Part A is completed only in the first quarter of each year and collects annual turnover information for the previous calendar year, for each representative service group. These data are subsequently used as weights in index compilation throughout the year.

Part B is completed every quarter and contains detailed information on representative service specifications and their corresponding prices. Respondents report price information separately for each selected service according to the applicable pricing methodology.

Figure 5. Electronic questionnaire used for quarterly SPPI data collection

N/A: 2025; 19(25) and 19(25)-add.1

**QUARTERLY REPORT ON TURNOVER IN TRAVEL AGENCIES, TRAVEL ORGANIZATION
AND OTHER RESERVATION SERVICES**

The obligation to submit a report is based on Article 40 of the Act of the Official Statistics Act (Official Gazette, No. 20/20, 19/203 and 19(20)-add.1). Pursuant to provide date, providing incomplete and inaccurate data or failure to provide data within the prescribed time limit entails the penal provisions referred to in Article 18 of the said law.
The data you provide in this report will be used exclusively for statistical purposes and will not be published as individual.

Job Type: 0000	Period: 01	Year: 2026	Rb:
Rb:			
Name: ### TEST ENTERPRISE ###			
Address: Temporary test company to check the operation of the application, TEST			
Registration number: 11110000			
OIB: 12345678977			

Part A: Company turnover data

1. TURNOVER ACHIEVED IN 2025 ⓘ

A. TOTAL TURNOVER OF ENTERPRISES FROM ALL ACTIVITIES IN 2025 IN EUR excluding VAT

B. TURNOVER GENERATED ONLY FROM THE ACTIVITIES OF TRAVEL AGENCIES, TOUR OPERATORS AND OTHER RESERVATION SERVICES IN 2025 IN EUR excluding VAT

PERCENTAGE OF TURNOVER GENERATED FROM THE PROVISION OF SERVICES TO BUSINESS ENTITIES % } 100%

PERCENTAGE OF TURNOVER GENERATED FROM THE PROVISION OF SERVICES TO NATURAL PERSONS %

If you can't accurately determine the share of traffic by customer type from your business records, you can use estimates.

C. If you also generate turnover from some other activities (not travel agencies, tour operators and other reservation services), please write what these activities are:

In the previous year, did you perform the services of your predominant activity in all quarters? ☐ YES ☒ NO

2. STRUCTURE OF TURNOVER GENERATED IN TRAVEL AGENCIES IN 2025 ⓘ

Table 1. Structure of turnover in travel agency activities in 2025 by groups of services, regardless of whether it was generated in the country or abroad

Service group code	Service group name	Turnover structure	
		In 2025 (%)	
A	B		C
01	TRAVEL AGENCY SERVICES FOR TRANSPORT RESERVATIONS ⓘ		
11	Air Travel ⓘ Booking Services		
12	Rail Freight ⓘ Reservation Services		
13	Bus Transfer ⓘ Booking Services		
14	Car ⓘ rental reservation services		
15	Other services for booking transfers ⓘ		
02	TRAVEL AGENCY SERVICES FOR ACCOMMODATION RESERVATIONS, CRUISES AND PACKAGE TOURS ⓘ		
21	Accommodation ⓘ reservation services		100
22	Cruise ⓘ booking services		
23	Package ⓘ Booking Services		
03	TOUR OPERATOR SERVICES ⓘ		
31	Tour operator services for organizing and collecting package tours ⓘ		
32	Guiding and organizing travel ⓘ services		
04	OTHER RESERVATION AND RELATED SERVICES ⓘ		
41	Tourist promotion services and providing tourist information to ⓘ visitors		
42	Tourist guide ⓘ services		
43	Other reservation services ⓘ		
05	OTHER UNMENTIONED SERVICES OF TRAVEL AGENCY ACTIVITIES ⓘ		
51	Other unmentioned services of travel agency activities (please specify what these services are): 		
Turnover generated from travel agencies, tour operators and other reservation services (11+12+13+14+15+21+22+23+31+32+41+42+43+51)			100%

Part B: Selection of typical services and prices of selected services

Table 2. Typical services and prices in 2025 ⓘ

For each group of services for which you have stated the share of turnover in Table 1, and for which the share in the total turnover is more than 10%, please select one typical service for price reporting and enter in the 2nd Table of Typical Services and Prices, and if you are not able to report prices, report the value of the transaction and the commission earned, the brokerage fee or the margin without VAT. If the total turnover is generated from only one group of services (100%), please specify two typical services and their prices, i.e. transaction values and realized commission, brokerage fee or margin without VAT, for that group of services. For the group of services 51 Other services not mentioned in the activities of travel agencies, it is not necessary to report services and prices, i.e. percentages. After selecting typical services, please fill out Table 2.

Part B: Selection of typical services and prices of selected services

Table 2. Typical services and prices in 2025 ⓘ

For each group of services for which you have stated the share of turnover in Table 1, and for which the share in the total turnover is more than 10%, please select one typical service for price reporting and enter in the 2nd Table of Typical Services and Prices, and if you are not able to report prices, report the value of the transaction and the commission earned, the brokerage fee or the margin without VAT. If the total turnover is generated from only one group of services (100%), please specify two typical services and their prices, i.e. transaction values and realized commission, brokerage fee or margin without VAT, for that group of services. For the group of services 51 Other services not mentioned in the activities of travel agencies, it is not necessary to report services and prices, i.e. percentages. After selecting typical services, please fill out Table 2.

IMPORTANT!
Each of the services you choose for price reporting should be your typical service with the following characteristics:
Business-specific: The service you choose should justify a significant share of the turnover of the corresponding service group in your company and should represent the typical performance of work for that service group.
Nicuring: It is important that you choose a service that you have performed before and that you expect to perform for at least another year.
Stable: The work done for each typical service should be similar from quarter to quarter.

Before filling out the table on the prices of typical services, please read the instructions carefully and look at the examples here. If you have any further questions, feel free to contact us by phone at (01) 4000-250 and (01) 4000-116 or by email at app@sis.hr.

NOTE! In this table, you show the prices of individual services that you have chosen, and not the total revenues you have generated in the observed quarters

1	2	3	4	5		6	7	The reason for the change or loss of price ⓘ	Edit	Log in			
Service group code ⓘ	Pricing method ⓘ	Identification number, a description of the service and the main elements that determine the price ⓘ	Unit of measurement ⓘ	Price per unit of measurement in EUR, excluding VAT or value of the fee excluding VAT ⓘ									
				G4 2026	G1 2026								
21	TC	overnight stay in a 5-star hotel in Opuzga, with breakfast	Apartment	12,00	12,00								
Add a new service													

Please indicate how much time you have spent preparing the data and filling out this form, expressed in minutes:

Field for entering your notes:

Admin fields:
Note

☐ Correction made over the report

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Company Overview

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At the time of service selection, respondents provide detailed specifications describing the characteristics of each representative service. These specifications are maintained through time in order to ensure that identical or highly comparable services are priced in successive reference periods.

Depending on the nature of the service provided, respondents report prices using either the Transaction Price (TC) method or the Percentage Fee (PN) method. The Transaction Price method is primarily applied when a direct transaction price can be observed, while the Percentage Fee method is used for commission-based services where agency income is derived from fees, commissions or margins earned on underlying transactions.

Collected data are subject to validation procedures and consistency checks before being used in index compilation. Where representative services become unavailable, replacement procedures and overlap methods are applied in order to maintain continuity of the price series.

4.4 Index Calculation

The Croatian SPPI for Division 79 is compiled using a weighted Laspeyres-type index structure. Price relatives are first calculated for each representative service specification by comparing the current period price with the price observed in the reference period.

At the lowest level of aggregation, elementary indices are calculated separately for each service group. Individual price relatives are aggregated using the geometric mean (Jevons index), which is consistent with international recommendations for producer price statistics and ensures that all representative services within a service group contribute equally to the elementary aggregate.

Annual turnover data collected through Part A of the questionnaire are used as weights for index compilation throughout the reference year. The weights reflect the relative economic importance of individual service groups and ensure that changes in prices of more significant services have a greater influence on the overall index.

The index compilation follows a hierarchical structure. Individual service specifications are first aggregated to service groups, after which higher-level indices are calculated for NACE classes and for the overall Division 79 aggregate. The resulting indices are chain-linked and compiled quarterly.

When representative services are temporarily unavailable or discontinued, appropriate replacement and overlap procedures are applied to preserve continuity of the price series. Missing prices are imputed using movements observed within the corresponding service group whenever direct observations are not available.

5. Methodological Challenges

Travel agency activities present several methodological challenges that distinguish them from many other service activities covered by the SPPI. Most of these challenges arise from the intermediary nature of the services provided, the complexity and heterogeneity of tourism products, and the specific characteristics of the Croatian tourism market. The most significant challenges relate to the identification of travel agency output, strong seasonality, highly customized travel arrangements and the maintenance of representative service specifications.

5.1 Commission- and Margin-Based Pricing

One of the principal methodological challenges in compiling an SPPI for travel agency activities is the identification of the actual output produced by travel agencies. In many cases, travel agencies act primarily as intermediaries between customers and providers of accommodation, transport and other travel-related services.

Consequently, the price paid by the customer for accommodation, transport or a package holiday does not necessarily represent the output price of the travel agency itself. Instead, the agency's income is often generated through commissions, booking fees, service fees or margins earned from arranging transactions between customers and tourism service providers.

For this reason, the Croatian SPPI applies both the Transaction Price (TC) and Percentage Fee (PN) methods. The PN method is particularly important for services where agency income is commission-based and therefore provides a more appropriate measure of travel agency output than the value of the underlying transaction itself.

5.2 Seasonality

Seasonality represents one of the most important methodological challenges in compiling the Croatian SPPI for travel agency activities.

The Croatian tourism market is characterized by a strong concentration of activity during the second and third quarters of the year, corresponding to the peak tourist season. Many travel agencies generate a substantial proportion of their annual turnover during this period, while business activity in the fourth and first quarters may be significantly lower.

The challenge is particularly pronounced because the Croatian SPPI uses the fourth quarter of the previous year as the base period for annual index compilation. For a number of reporting units operating predominantly on a seasonal basis, representative services are not offered during the fourth quarter. As a result, no observed transaction prices are available for the required base period, making the direct calculation of price relatives impossible.

To address this issue, respondents are requested to provide an expert estimate of the price that would have been charged for the representative service had it been offered during the fourth quarter. These estimated prices are then used as base-period prices for index calculation. Although such assessments are not based on observed transactions, they currently represent the most practical solution for establishing a consistent base period and ensuring continuity of the price series.

In recent years, this problem has become somewhat less pronounced as tourism service providers increasingly extend their operations beyond the traditional summer season. Additional tourism products, such as New Year's holiday packages, wellness programmes, cultural events and other off-season activities, have improved the availability of representative services during the fourth quarter. Nevertheless, seasonality remains one of the most significant challenges affecting the compilation of the SPPI for travel agency activities in Croatia.

5.3 Heterogeneity and Tailor-Made Travel Arrangements

Another important challenge is the heterogeneous nature of travel agency services.

Unlike many standardized services, travel arrangements are frequently tailored to the specific requirements of individual customers or groups. The characteristics of a travel package may vary according to destination, duration of stay, accommodation category, transport mode, season, group size and additional services included in the arrangement.

Several respondents indicated that a considerable share of their business consists of tailor-made travel arrangements designed specifically for individual customers. Under such circumstances, identical transactions rarely occur repeatedly over time.

This creates difficulties in applying traditional repeated-service pricing approaches and requires careful selection of representative services. To ensure comparability, respondents are encouraged to identify services that best represent their regular business activities and that can be priced consistently over time.

5.4 Maintaining Representative Services

Maintaining stable and representative service specifications is another challenge associated with travel agency activities.

Changes in customer preferences, tourism demand, supplier arrangements and destination popularity may affect the composition of services offered by travel agencies. Representative services selected in one year may become less relevant or unavailable in subsequent periods.

To minimize the impact of such changes, representative services are regularly reviewed in cooperation with reporting units. Whenever a service can no longer be priced, replacement procedures and overlap methods are applied in order to preserve continuity of the price series and maintain the quality of the index.

6. Conclusions

Travel agency activities represent one of the most challenging service industries for SPPI compilation due to the intermediary role played by travel agencies and the diversity of services they provide. Unlike many other service activities, the prices of underlying tourism products do not necessarily reflect the output of travel agencies, which is often generated through commissions, service fees and margins earned from arranging transactions between customers and tourism service providers.

The Croatian SPPI for Division 79 has been developed to reflect these specific characteristics of the industry. The survey design, service classification and weighting structure are fully aligned with the CPA classification, ensuring consistency between product classification, price collection and index compilation. Particular attention has been devoted to the selection of representative services that accurately reflect the structure of the Croatian travel agency market, where accommodation reservation services, package travel services and transport reservation services constitute the most important components of industry output.

The application of both the Transaction Price (TC) and Percentage Fee (PN) methods provides a flexible framework that enables the measurement of a wide range of travel agency services and better reflects the actual output generated by reporting enterprises. The Percentage Fee method has proven particularly useful for commission-based services, where direct transaction prices do not adequately represent travel agency output.

The experience gained during SPPI compilation has also highlighted several methodological challenges, particularly strong seasonality, the prevalence of tailor-made travel arrangements and the maintenance of representative service specifications.

Seasonality is especially relevant in the Croatian context, given the concentration of tourism activity in a limited part of the year and the need to establish representative base-period prices for highly seasonal services.

The Croatian experience demonstrates that meaningful output measurement in travel agency activities requires a focus on commissions, fees and margins rather than on the prices of the underlying tourism products.

Despite these challenges, the Croatian approach has made it possible to establish a robust and economically meaningful SPPI for travel agency activities. Future development will focus on further improving the quality of representative service specifications, monitoring changes in business models and ensuring that the index continues to reflect developments in the travel agency market and tourism-related intermediation services.