

2nd

**International
Scientific
Conference**

1-3 June, 2017

Vrnjačka Banja, Serbia

2

0

1

7

**TOURISM
IN FUNCTION OF DEVELOPMENT
OF THE REPUBLIC OF SERBIA**

**Tourism product as a factor of competitiveness of
the Serbian economy and experiences of other countries**



**THEMATIC
PROCEEDINGS**

II



**UNIVERSITY OF KRAGUJEVAC
FACULTY OF HOTEL MANAGEMENT
AND TOURISM IN VRNJAČKA BANJA**



SUBOTICA AND PALIĆ TOURISM POTENTIALS THROUGH THE PRISM OF PERFORMANCE ANALYSIS

Ljiljana Dmitrović Šaponja¹; Saša Gravorac²;

Abstract

The wealth of natural resources, high quality workforce and favourable geographic position of Serbia warrant tourism's growing role in the country's progress, economic growth and development. The specificity of tourism is that it not only brings positive economic effects but enables further valorization of social, cultural and educational resources of the Republic of Serbia. One of the true hidden jewels of Serbia's tourist offer that so far has not been properly valued and due to poor planning and the lack of strategic vision, is Palić with Subotica and its surrounding area. Its haphazard development over the last decades has hindered its valorization as a tourist destination so in the coming period Subotica – Palić should be clearly profiled and positioned among the top five tourist destinations of the Republic of Serbia. This paper will present the basic features of the tourist development of Subotica and Palić so far, analyse the future development trends and formulate recommendations for further valorization and development of the tourist destination Subotica – Palić with the projection of economic – financial indicators.

Key words: *tourism, economic development, tourist destination, Subotica and Palić*

JEL classification: Z32

Introduction

The process of globalization which entails increasing internationalisation in political, economic and social terms has prompted some countries to focus more on development of tourism, as one of the priority sectors of

¹ Ljiljana Dmitrović Šaponja, Ph.D., full professor, University of Novi Sad, Faculty of Economics in Subotica, Segedinski put 9 – 11, Subotica, +38162474073, ljiljanad@ef.uns.ac.rs

² Saša Gravorac, M. Sc., internal auditor of the City of Subotica, City of Subotica, Trg slobode 1, Subotica, +38162788269, sasa.gravorac@subotica.rs

the long-term economic development. In recent decades, a more broad-based and faster economic development has contributed to the growth of mass tourism, both on a national and international scale.

Properly conceptualized and strategically defined development of tourism of Subotica– Palić destination will yield numerous benefits to the local community. Benefits generated by tourism are much more significant than traditional rewards such as contribution to the city budget, new jobs, larger investment inflow etc. Adequate development of tourist economy raises the quality of life in a community by reversing the emigration in search of a better life. Also, tourism is frequently equated with the so called “secondary exports”, as it generates the inflow of foreign exchange without crossing the state border, through foreign tourists.

All the above said suggests that a tourist destination has to be developed in a systematic, comprehensive and multidisciplinary manner in order to realise all the benefits which a clearly conceptualised and formulated tourism development programme can yield in a local community. Subotica and Palić have a long history of tourism, but have been unjustifiably neglected over the last few decades, lacking clear development directions and more sizeable investment. However, as of recently, the approach to Subotica and Palić tourism has changed, with the growth of awareness about the overall economic effects of tourism development on the local community.

By the establishment of the Tourist Organization of the City of Subotica in 2010 and clear defining of the role of the enterprise “Park Palić” d.o.o. Palić, the necessary preconditions were created for the planned tourism development. In the coming period, a clear vision and mission of tourism development in Subotica – Palić destination should be formulated, in order to further position this area in the Serbian tourist market as one of the top destinations, recognising its values and further valorizing all the beauties of this “Panonia jewel”.

Current status analysis and projection of the future development trends of Subotica and the surrounding area

When Subotica and its surroundings are mentioned in everyday conversation, our first association is usually with a city called Serbia's gate to Europe. The City of Subotica is located at the northernmost of the Republic of Serbia and the Autonomous Province of Vojvodina at 46° 05'

55'' of north geographical latitude and 19° 39' 47'' of east geographical longitude. City of Subotica's average height above the mean sea level is 114 meters. The city includes, apart from its urban core, 18 larger suburban areas which are integral parts of Subotica. A special economic advantage of Subotica is its summer resort Palić, a true jewel of Serbia's tourist offer.

Subotica is known for a variety of national communities living in the area, including Serbs, Hungarians, Croatians, Bunjevci, and numerous other nationalities, a Mecca of tolerance and multiculturalism and a true picture of European values in one place. This wealth of diversity is a home to 150,000 people who jointly foster cultural values, enrich their own cultural identity and create a unique cultural space infused with national and cultural diversity.

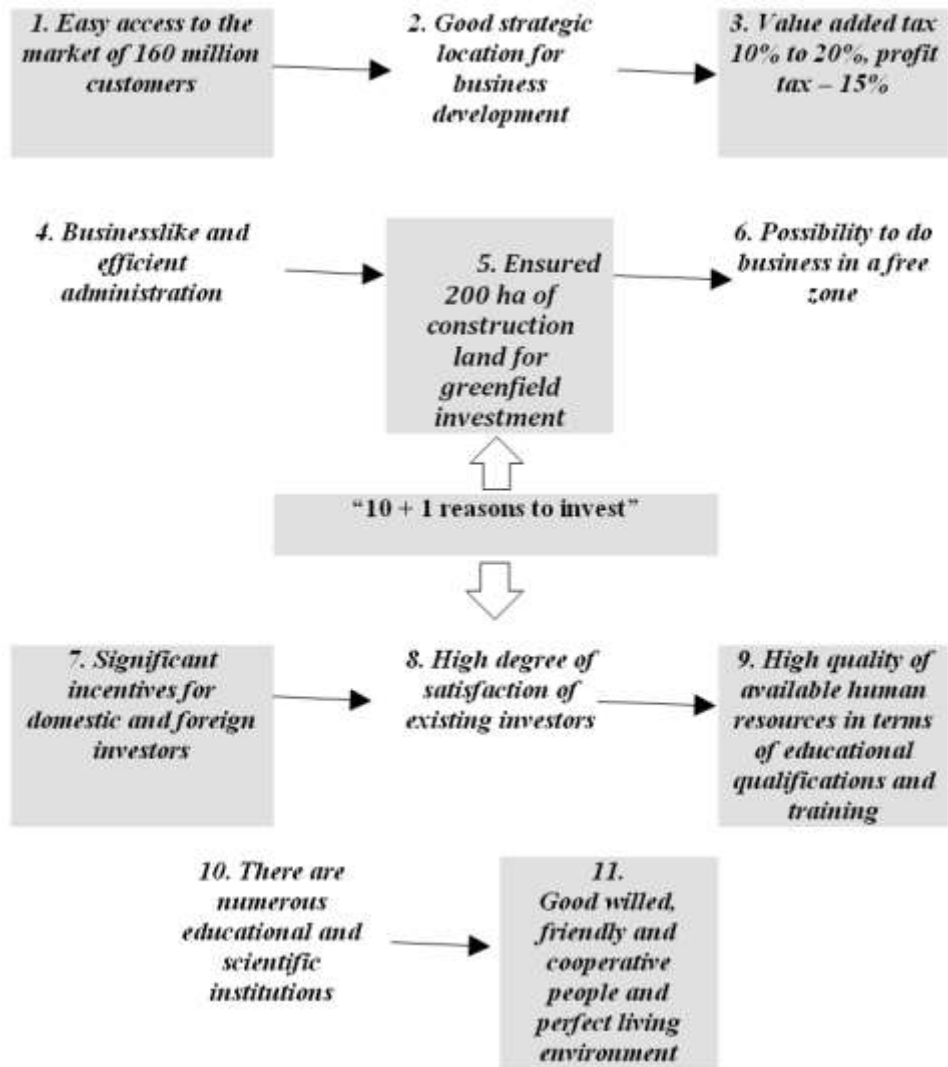
Today the city of Subotica represents a modern city with a clear vision to become an economic leader using all the comparative advantages stemming from its geographic and economic position. In order to more easily grasp the key factors that provide a stable basis for further economic development of Subotica and its surroundings, and to present them to potential investors in an easy to comprehend manner, a concept was designed called "10 + 1 reasons to invest in Subotica". This slogan is an original marketing move which aims to present the potentials of Subotica to prospective investors interested in this economically intensive area.

Owing to numerous free trade agreements that the Republic of Serbia signed with Montenegro, Croatia, Bosnia and Herzegovina, Macedonia, Albania and Moldavia, and in particular with the Russian Federation, Turkey and Kazakhstan, potential investors would have access to the market of 160 million potential customers. Additional comparative advantages of the region are its strategic location with good road infrastructure. The vicinity of the Pan-European Corridor 10 and of the state border and the fact that Subotica is at the same time the "gate of Europe" and the "threshold of the Balkans" make this economic area very attractive for both greenfield and brownfield investment.

Thanks to the activity of the local community, significant spatial capacities have been provided for the future investment projects, which help to attract new investment to the area. One of the most significant comparative advantages of Subotica is highly qualified and educated

workforce, i.e. human resources with a varied set of skills, capable of fulfilling all the potential tasks that may be posed by foreign investors. In order to better outline all the comparative advantages offered by Subotica and its surroundings to future investors, we will use the following diagram:

Figure 1: *Comparative advantages of Subotica and its surroundings in attracting potential investors*



Source: *Author's data and website* <http://www.suboticainvest.com>

Based on the analysis of economic trends in Subotica and its surroundings we may identify certain directions from the past period. The processes of transition on which the Republic of Serbia embarked, this region included, has caused significant structural changes in the economy of Subotica and its surroundings. Before Serbian economy entered transition, the economy of Subotica was one of the most diversified in Serbia. Apart from food industry, it included many other sectors as well, such as electrical and metal industry, chemical industry, textile industry, leather processing and footwear manufacturing, socks production, graphics and printing industry and construction.

Owing to a high degree of diversification of its economy prior to transition, Subotica still has numerous spatial capacities, highly educated workforce, raw materials and the necessary knowledge and experience which can be utilised in the future period to speed up the economic development of Subotica.

In projection of future economic development, the focus should again be placed on manufacturing, tertiary and quaternary sectors. Positive trends can also be associated with food industry, crafts, private entrepreneurship and graphics industry. Development potentials of chemical industry are not negligible either. In projection of future economic development of Subotica and Palić, small and medium sized enterprises should take a leading role, given their high elasticity and adaptability to new market trends.

In order to strengthen the strategic advantages of Subotica and attract investors in competition with other cities, a free zone was set up, offering significant business benefits and incentives to potential investors. Companies which opt to do business within the free zone are offered numerous incentives which strengthen their competitiveness, such as fiscal incentives (exemption from value added tax on entry of goods into the free zone and provision of transport and other services related to goods entry, exemption from value added tax on trade of goods and services within the free zone, exemption from value added tax on trade of goods between users of two free zones, creating conditions for exempting manufacturers from value added tax on energy consumption and finally some tax reliefs for foreign direct investment), customs incentives (creating conditions for exemption from customs and other import duties for goods intended for carrying out activity and building facilities in the free zone, such as raw material, equipment and construction material) and

financial incentives (free flow of capital, profit and dividends; support from the Republic of Serbia budget for various investment projects in the manufacturing and sector of services which can be the subject of international trade).

Finally, in concluding the analysis of economic potentials of Subotica and its surroundings we will briefly consult the Local Sustainable Development Strategy of the City of Subotica 2013 – 2022 adopted at the City level, which best illustrates what level of economic and overall development Subotica aspires for in the future (Local Sustainable Development Strategy of the City of Subotica 2013 – 2022, p. 38 – 39.):

- In 2022 Subotica is the regional industrial centre of northern Vojvodina, with branded products and services and a dynamic economy based on knowledge and innovation, whose holders are the revitalized and empowered small and medium enterprises. It is a place attractive for entrepreneurship and investment in a highly efficient and productive economy, with emphasis on further development of engineering and technological fields, which ensures sustainable economic growth with larger number of better jobs both in the city and in rural areas. At the same time, Subotica is oriented to the modern and sustainable rural development concept that involves agricultural production with advanced facilities for processing and distribution, while the tourist offer and service activities are based on tradition, natural, cultural and historical heritage.
- Subotica has an adequate education system network, which ensures competitiveness of knowledge and skills of human resources on the domestic and foreign markets. The community is founded on solidarity, humanity and gender equality, respect for tradition, interculturalism, multinationality and multilingualism, and all that strengthens and promotes social cohesion where all children are enrolled in preschool institutions and elementary education. Subotica is a city that strengthens civic initiative and cross-sectoral approach to the health preservation and improvement. The health care system is adapted to the needs, with continuous improvement of the health services.
- Subotica is a university city and has an individual university that is accredited and established by the state. At least the five faculties operate within the university. The University of Subotica provides bachelor and master academic studies and doctoral studies in Serbian, Hungarian and English.

- Subotica recognizes the value of natural capital and invests therein through production based on "green", environment-friendly technologies, recycling and investment and the use of renewable energy. Urban design of the city is based on compliance of the architectural heritage, natural heritage and the economy, with the harmony of these three elements contributing to sustainable urban development. The city is surrounded by natural resources connected into ecological networks, with the development based on traditional values and sustainable use of resources, with developed educational and recreational contents. Subotica is a city with a developed transport infrastructure and logistics adapted to the needs of the economy and the public, with the possibility to cherish healthy lifestyles, especially cycling.
- Subotica is a city where people love to live and where they gladly start a family and raise their children; where birth rate is growing, business tends to be located, and tourists want to visit.

According to the Local Sustainable Development Strategy of the City of Subotica 2013 – 2022, the most important strategic objective Subotica seeks to achieve by 2022 through the Strategy implementation is to become a modern city of happy, employed and healthy people, experiencing growth of standard and quality of life, where there is high cohesion of public, private and civil sectors working to achieve a humane and tolerant society ensuring good living conditions for all its citizens.

Historical analysis of tourism trends of Subotica – Palić destination

With a view to defining future development trends of the tourist economy of Subotica and Palić, it is necessary to analyse historical tourist flows, as they lay the basis for future development directions. As we are witnessing increasing dynamics in markets in general, including tourist market, the outlining of future development requires progressive analysis of available data and projection of future trends. In order to suggest in which direction Subotica and Palić tourism should develop, we will analyse trends in the year 2016, which was specific in many respects.

In analysing tourism trends we will break down tourist arrivals to Subotica in 2016 by month:

Table1: *Overview of tourist arrivals to Subotica in 2016 by month*

Month	Total	INDEX 2015	Domestic	Foreign
January	3,501	63.8	2,339	1,162
February	4,233	72.7	2,941	1,292
March	3,610	108.4	2,095	1,515
April	6,101	98.8	4,347	1,754
May	7,161	92.8	5,150	2,011
June	4,008	93.2	2,003	2,005
July	3,888	90.8	1,523	2,365
August	3,945	73.7	1,496	2,449
September	4,524	92.7	2,422	2,102
October	6,905	117.7	4,846	2,059
November	3,956	118.9	2,458	1,498
December	3,724	104.8	2,147	1,577
TOTAL	55,556	92.5	33,767	21,789

Source: *Tourist Organisation of the City of Subotica.*

As can be seen in Table 2, a total of 55,556 tourists visited Subotica in 2016, and the peak was recorded in May with 7,161 arrivals, followed by October with 6,905 arrivals and April with 6,101 arrivals. The table also shows that in 2016 domestic tourists held a dominant share with 33,767 arrivals or 60.78%, versus 21,789 arrivals or 39.22 % of foreign tourists. The following table shows tourist overnight stays in Subotica in 2016:

Table 2: *Overview of tourist overnight stays in 2016 by month*

Month	Total	Index 2015	Domestic	Foreign
January	6,464	66.2	4,188	2,276
February	6,542	77.6	4,008	2,534
March	7,176	115	4,104	3,071
April	9,232	86.1	5,920	3,316
May	11,011	89.7	7,184	3,827
June	7,806	99	3,769	4,037
July	6,737	72.9	2,462	4,275
August	7,909	63.3	3,201	4,708
September	9,312	93	4,498	4,814
October	11,148	112.3	7,338	3,810
November	7,969	131.2	4,698	3,271

December	6,349	105.3	3,311	3,038
TOTAL	109,101	89.5	54,131	54,970

Source: *Ibidem*

The quality of a tourist destination is measured by the number of overnight stays of either domestic or foreign tourists. Table 3 shows the number of overnight stays in the city of Subotica in 2016 – a total of 97,655 overnight stays. An important fact is that contrary to tourist visits, in overnight stays foreign tourists accounted for a larger share, with 54,970 overnight stays or 50.38 %, while domestic tourists accounted for 54,131 overnight stays or 49.62 %. The overnight stays peaked in October 2016 when 11,148 nights were recorded. That month, exceptionally, domestic tourists dominated, with 7,338 overnight stays.

Given that Subotica and Palić represent a single tourist destination, in order to analyse tourism results in 2016 we need to add to Subotica figures also the number of arrivals and overnight stays in Palić, a tourist Mecca of Subotica and its surroundings. The following table shows the number of tourist visits to Palić in 2016:

Table 3: *Tourist arrivals to Palić in 2016 by month*

Month	Total	Index 2015	Domestic	Foreign
January	1,097	118.9	658	439
February	1,675	112.9	1,299	376
March	2000	178.1	1,170	830
April	2,468	126.1	1,693	775
May	2,934	123.6	1,713	1,221
June	2,668	104.3	1,737	931
July	3,758	116.9	1,930	1,828
August	3,553	57.4	1,799	1,754
September	2,934	83.5	1,683	1,251
October	2,519	104.4	1,738	781
November	1,480	114.7	1,020	460
December	1,639	94.1	1,201	438
TOTAL	28,725	107.8	17,641	11,084

Source: *Tourist Organisation of the City of Subotica*

Table 4 shows that a total of 28,725 tourist arrivals were recorded in Palić in 2016, with domestic tourists accounting for a larger share of 17,641 arrivals or 61.41 %, and foreign tourists for 11,084 arrivals or 38.59 %, which indicates that in the structure of tourist arrivals to Palić domestic tourists, coming mostly from larger urban centres such as Belgrade and Novi Sad, held a dominant share. The greatest number of arrivals were recorded in July 2016 when 3,758 tourists visited Palić – 1,930 domestic and 1,828 foreign tourists.

In order to arrive at a realistic picture of the tourist turnover in Palić, apart from tourist arrivals, we need also to break down tourist overnight stays in 2016 by month:

Table 4: *Tourist overnight stays in Palić in 2016 by month*

Month	Total	INDEX 2015	Domestic	Foreign
January	1,766	86.9	1,114	652
February	2,508	100.6	1,973	535
March	3,408	203	1,765	1,643
April	4,271	128.1	3,027	1,244
May	5,041	131.7	2,991	2,050
June	4,366	112.6	2,966	1,400
July	6,257	104.5	3,577	2,680
August	6,065	81.5	3,427	2,638
September	4,778	93.9	2,964	1,814
October	4,253	103	3,140	1,113
November	3,284	140.7	2,445	839
December	2,535	87.5	1,910	625
TOTAL	48,535	107.6	31,299	17,233

Source: *Tourist Organisation of the City of Subotica*

The table shows that a total of 48,535 overnight stays were recorded in Palić in 2016, 31,299 nights of domestic tourists (64.49%) and 17,233 nights of foreign tourists (35.51%). The presented tourism trends indicate that Palić records a far greater share of domestic tourists, which should prompt tourism professionals to focus on increasing the share of foreign tourists, and this requires setting clear strategic objectives and a timeframe of actions to operationalise those objectives.

The creation of a marketing strategy that would help increase the share of foreign tourists requires the overview of the current share of foreign tourists in tourism turnover in order to create clear promotional activities that would attract new foreign tourists, both from countries from which the existing tourists originate, as well as to penetrate new foreign markets. An overview by country of origin is given in the table below:

Table 5: *Overview of foreign tourist visits in 2016 by country of origin*

No	Country	Number of tourists
1.	Hungary	3957
2.	Croatia	3527
3.	Germany	2970
4.	Bosnia and Herzegovina	2147
5.	Poland	2045
6.	Slovenia	1723
7.	Bulgaria	1464
8.	Romania	1294
9.	Austria	1247
10.	Turkey	1154
11.	Macedonia	1143
12.	Russia	1066
13.	Italy	1008
14.	Montenegro	801
15.	Slovakia	657

Source: *Tourist Organisation of the City of Subotica*

The given table shows that the majority of tourists who visited Subotica – Palić destination during 2016 come from Hungary and Croatia (3,957 and 3,527, respectively). The smallest number of tourists came from Montenegro and Slovakia (801 and 657, respectively). The analysis suggests that a strategy for promotion of tourist potentials of Subotica and Palić should focus on neighbouring countries, because the greatest interest in the tourist offer of this destination is found in those markets.

In order to get a more comprehensive picture of the tourist offer of Subotica – Palić destination, we will break down the overnight stays of foreign tourists by their country of origin.

Table 6: *Overnight stays of foreign tourists in Subotica and Palić in 2016 by country of origin*

No	Country	Overnight stays
1.	Germany	6095
2.	Hungary	5846
3.	Croatia	5647
4.	Romania	3795
5.	Bosnia and Herzegovina	3667
6.	Austria	3128
7.	Slovenia	2773
8.	Italy	2525
9.	Norway	2442
10.	Poland	2342
11.	Bulgaria	2027
12.	Turkey	1749
13.	Russia	1704
14.	Macedonia	1591
15.	Montenegro	1319

Source: *Tourist Organisation of the City of Subotica*

Table 7 shows that in 2016 German tourists accounted for the greatest number of overnight stays (6,095), followed by Hungarians (5,846) and Croatians (5,647). The smallest share was that of Macedonian tourists (1,591) and tourists from Montenegro (1,319). Tourist overnight stays by country of origin show that in this segment as well the tourist economy of Subotica and Palić should focus on the neighbouring countries, because those markets demonstrated the greatest interest in the tourist offer of this destination.

We will finalise the analysis of trends related to the tourist product of Subotica and Palić in 2016 by showing the average length of tourist stay in both Subotica and Palić.

Table 7: *Average length of tourist stay in Subotica and Palić destination*

AVERAGE TOURIST STAY IN SUBOTICA
<i>Average tourist stay: 1.76 days</i>
<i>Average stay of domestic guests: 1.60 days</i>
<i>Average stay of foreign tourists: 2.52 days</i>
AVERAGE TOURIST STAY ON PALIĆ
<i>Average tourist stay: 1.69 days</i>

Average stay of domestic guests: 1.77 days
Average stay of foreign tourists: 1.55 days

Source: *Tourist Organisation of the City of Subotica*

The table shows that the average tourist stay in Subotica in 2016 was 1.76 days, which means that the average number of days tourist spent on Palić was smaller than the average number of days spent in the city of Subotica, i.e. the urban core of the city (around 1.69 days). The table shows that foreign tourists spent on average more days in Subotica – 2.52 days, while Palić recorded greater average stay of domestic tourists – around 1.77 days. All this indicates that one of the priority tasks for Subotica and Palić tourism in the coming period is focusing on such tourist products that would boost the average tourist stay of both domestic and foreign tourists in Subotica and Palić.

Outlining strategic directions for development of Subotica and Palić tourism in the future period by focusing on performance analysis of tourism stakeholders

Based on the analysis of tourism revenues in the market of Subotica and Palić in the year 2016, which was specific in many respects, it may be concluded that the results in tourism and its effects on the economy of Subotica and Palić are rather modest, i.e. tourism's share in the total economy of Subotica and its surroundings is relatively small. The comparison of tourism revenues and potentials for tourism development shows a significant discrepancy, i.e. it may be concluded that capacities and potentials for tourism development are insufficiently utilised. This is worth noting, given that all tourism development strategies, from the republic to the lowest, local level, identify Subotica – Palić destination as a first rate destination capable of attracting both foreign and domestic tourists.

In conceptualizing strategic directions of economic development of an area, in order for tourism to take the leading or at least significant role in future economic development, it is necessary to analyse its economic significance and positive effects on the overall economic flows, in the light of four groups of factors (Medlik, 1996; Unković & Zečević, 2007, p. 38): tourism activity which incorporates climate conditions, cultural – historical heritage, natural beauties, accessibility in terms of the proximity between the source of tourist demand and the tourist destination,

including the development of the road network, integral tourist offer including accommodation capacities, supply conditions, entertainment activities, public city transport and the achieved level of tourism organization and the policy for improvement of tourist offer.

Taking into account all the above, the Local Sustainable Development Strategy of the City of Subotica 2013 – 2022 attached significant priority to tourism in projecting future development of Subotica and Palić. The reason lies in the fact that Subotica has a good location and is accessible to all key market niches. The focus should be placed on the stabilisation of tourist visits all year round, i.e. reducing seasonal nature of tourism in Subotica and Palić. Over the last few years the quality of the tourist offer has been continually improved, based on the rich ethnographic heritage, cultural-historical heritage and the jewel of Panonia tourism – Palić lake and spa.

In the year 2016 numerous infrastructure projects were implemented, such as concreting and tiling part of Palić sidewalks and bringing to completion the first stage of reconstruction of the thermal basin and its surroundings. Infrastructure investment have continued in 2017 and the focus will be placed on reconstructing the left wing of the Grand Terrace, finalising the reconstruction of the sidewalk along the sand beach and building the trim and body building track for visitors of the sand beach. In order to lay the foundation for the development of “special interest tourism” which has recorded strong growth in recent years, the necessary preconditions must be put in place. Therefore, development activities in the coming period will be focused on the partial sanation of the “Bloody lake”, works on the Birds Island, development of the international bird corridor, placing the filter between the lake Palić and Bloody lake. In the coming period, the focus in tourism development should be placed on education of tourism professionals, strengthening of the private sector and registering of new accommodation capacities, because human resources are the key factor of quality of the tourist offer of a destination.

In defining a new strategic orientation of Subotica – Palić destination with a view to its further affirmation and progressive growth of its market share, it is necessary to ensure a high level of social responsibility and sustainable development based on harmonious economic, social and cultural development of the destination. This should include developing urban forms of tourism, designing and creating an integral tourist product of the destination which should enable its market re-positioning, creating

and promoting new ideas that should contribute to creation of new values within the tourist offer of Subotica – Palić destination, designing promotional campaign which will further develop its image as a pleasant and attractive tourist hub, with hospitable local population, friendly to tourists and committed to strengthening the role of tourism as a driver of local economic development.

There are several key targets that must be strived for in defining the strategic directions of tourism development in Subotica – Palić destination: in the future period Subotica should become one of the top five tourist hubs of Serbia and, as a regionally recognised tourist destination, acquire a status of a modern, well developed and competitive urban tourist destination whose tourism is based on the principles of sustainable development. The city's tourist offer should be conceptualised based on the concept of public – private partnership and strike a balance between the quality and price of the offered tourist products and services.

In outlining future trends of development of Subotica – Palić destination it is necessary to include different forms of tourism based on “hidden treasures” that truly abound in this destination. The special nature reserve “Ludaško lake” offers beautiful landscapes and preserved natural resources, the nature reserve “Selevenjske pustare” is a unique integral combination of moist and sandy terrains, salt marshes and steppes convenient for numerous new forms of tourism. An exquisite area “Subotička peščara” is known for a rich forest, high degree of biological diversity, traditional way of life and work of the local population and a variety of habitats, such as sandy terrains, steppes, swamps etc. In conceptualising the development of tourist economy one should not neglect numerous cultural – historical monuments, architecture of Secession, salaš farms and potentials for development of agrotourism, as well as numerous events taking place in Subotica and Palić and their surrounding area, representing the customs, tradition and ethnological specificities of the local population. The importance of the event tourism and of further positioning of Subotica as an event destination is also indicated by the fact that one of the strategic directions of Subotica development is its profiling as a city of events. In order to enrich and improve the tourist offer, in the coming period the development directions should be defined that will enable the inclusion of touristic potentials of municipalities Bačka Topola and Mali Idoš in the profiling of a unique touristic product of the northernmost part of Serbia and its Panonia jewels – Subotica, Palić and Bačka Topola with their surroundings.

In finalising the analysis of tourist potentials of Subotica – Palić destination we need to underline that in future projections of Subotica and Palić tourism development one must be guided by natural and social potentials, as well as principles of sustainable development. In order to achieve greater reliability of future projections, it is necessary to use numerical tools, primarily the rate of development, growth rate and medium rate of development, presented by the following mathematical formulas:

- $Tri = \frac{yi}{yi-1}$ – development rate is the ratio of an item in a time series to the preceding item;
- $Tpi = Tri - 1$ – the rate of growth is arrived at when the development rate is reduced by 1 and multiplied by 100%;
- $STR = \sqrt[n]{yn / y1}$ – an average (medium) development rate.

Conclusion

Based on the analysis presented in the paper, we may conclude that the city of Subotica has a strategic foundation which may be used for the future tourism development. In order to timely realize the set of objectives of tourism development, an interdisciplinary approach is needed, a synergy and interaction of all the factors and stakeholders in creating an integral tourist product. This requires a comprehensive approach to the development of a tourist product, including the building of tourism infrastructure, tourism signalisation, adequate valorization of tourism resources and in particular further education of tourism workforce, because tourism professionals are the key factor of success of a tourist destination.

Since the trends in the tourism market are extremely variable, both trends in the international tourism market and domestic regional tourism market should be continuously monitored. It should be noted that trends of tourism demand in the regional, European and global tourism over the last years have been very favourable for Subotica – Palić destination. Since tourist wishes and interests change rapidly, it is very important to closely monitor and listen to the market with all the available resources, in order to help increase the number of tourist arrivals.

The vision of tourism development in Subotica – Palić destination should focus on the development of business tourism and short city vacations and Subotica should become one of the fastest growing tourist destinations with extremely viable and well-founded chances to increase the quantity and quality of its tourist services. All the above said indicates that planned and strategically defined development directions are the *conditio sine qua non* of successful branding and image development of Subotica – Palić tourist destination.

References

1. Bakić, O. (2010). *Marketing u turizmu*, Univerzitet Singidunum, Beograd.
2. Baum, T. (2015). Human resources in tourism: Still waiting for change?. *Tourism Management*.
3. Jovičić D. (2009). *Turistička geografija Srbije*, Geografski fakultet, Beograd.
4. Krstić, B. (2008). *Subotica pogled*. Public enterprise „Palić – Ludaš“ and author, Subotica.
5. Lekić, R. (2013). *Održivi razvoj turizma posebnih interesa Konavle – Tivat* (Procjene potencijala za razvoj turizma posebnih interesa u prekograničnoj regiji), Zagreb.
6. Medlik, S. (1996). *Economic Importance of Tourism*. The Tourist Reiew.
7. Data provided by the Tourist Organisation of the City of Subotica.
8. Spanos, K. G., Doman, U. (2011). Basic Steps on Rural Tourism Sustainable Development: The Example of Greece. *International Journal of Agricultural Travel and Tourism*.
9. Stoian, M. (2011). *Comparative Analysis between Tourism and Rural Tourism during Economic Crisis (2008-2010)*. Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development.

10. Stojanov, M. (1994). *Salaši - način života i privređivanja, Ej, salaši*, Izdavačko preduzeće Matice srpske, Novi Sad.
11. Local Sustainable Development Strategy of the City of Subotica 2013 – 2022.
12. Tomka, D. (2005). *Turizam i kultura*, Fakultet za sport i turizam, Novi Sad.
13. Unković S., Zečević B. (2007). *Ekonomika turizma*, Centar za izdavačku delatnost Ekonomskog fakulteta u Beogradu i Fakultet za turistički i hotelijerski menadžment Univerziteta Singidunum, Beograd.
14. Government of the Republic of Serbia (2006). *Strategija razvoja turizma Republike Srbije*. Available http://www.srbija.gov.rs/vesti/dokumenti_sekcija.php?id=45678, (15 April 2017).
15. *Official website of the City of Subotica intended for promotion of investment potentials*, <http://www.suboticainvest.com>, (20 April 2017).
16. *Official website of the Free Zone Subotica*, <http://www.szsus.co.rs/korisnici.html>, (21 April 2017).