

Croatia slide package for a foreign investor



Hanna Mäkinen
June 2008



TURUN KAUPPAKORKEAKOULU
Turku School of Economics
PAN-EUROOPPA INSTITUUTTI



www.tse.fi/pei

Contents

1.	General information	3
2.	Economic development	10
3.	Prosperity and consumption	17
4.	External economic relations	19
5.	Additional information	26



The information in this document is compiled and edited from a variety of sources. The Pan-European Institute assumes no responsibility for the completeness or accuracy of the information.



1. General information

a) Geographical facts

Land area:
56 594 km²

Border countries:
Bosnia and Herzegovina 932 km,
Hungary 329 km, Montenegro 25 km,
Serbia 241 km, Slovenia 501 km

Distance from Zagreb to some
European capitals:

Berlin	771 km
Helsinki	1704 km
London	1340 km
Madrid	1703 km
Moscow	1866 km
Paris	1083 km

[www.geobytes.com]

Sources: Central Bureau of Statistics,
Republic of Croatia; CIA World Factbook



1. General information

b) Administrative and territorial constitution

Territorial constitution:

21 counties (including the city of Zagreb),
127 towns/cities, 429 municipalities, 6751 settlements

Administrative divisions:

20 counties and 1 city*

Zagrebačka, Krapinsko-zagorska, Sisačko-moslavačka, Karlovačka, Varaždinska, Koprivničko-križevačka, Bjelovarsko-bilogorska, Primorsko-goranska, Ličko-senjska, Virovitičko-podravska, Požeško-slavonska, Brodsko-posavska, Zadarska, Osječko-baranjska, Šibensko-kninska, Vukovarsko-srijemska, Splitsko-dalmatinska, Istarska, Dubrovačko-neretvanska, Međimurska, Grad Zagreb (City of Zagreb)*



Sources: Central Bureau of Statistics,
Republic of Croatia; CIA World Factbook

1. General information

c) Population and basic facts

Population: 4 436 000 (2007)

Major cities: (population)

Zagreb (capital) 779 145

Split 188 694

Rijeka 144 043

Osijek 114 616

Share of urban population:

57 % (2006)

Industries:

Chemicals and plastics, machine tools, fabricated metal, electronics, pig iron and rolled steel products, aluminum, paper, wood products, construction materials, textiles, shipbuilding, petroleum and petroleum refining, food and beverages, tourism

Natural resources:

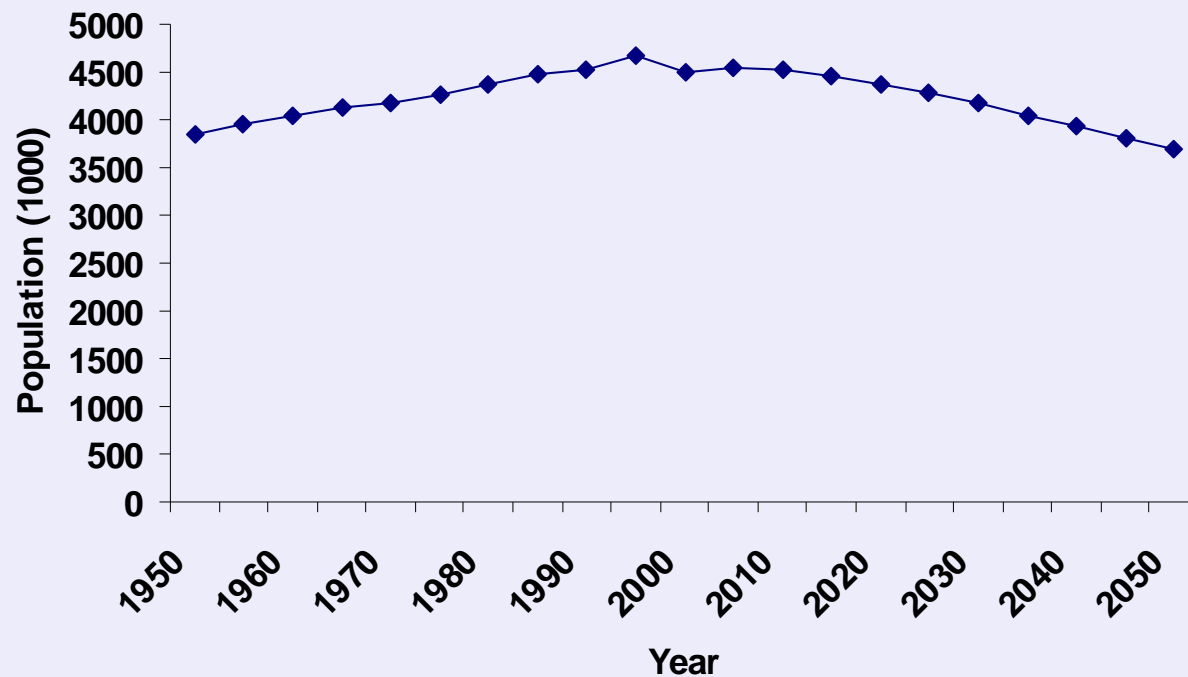
Oil, bauxite, low-grade iron ore, calcium, natural asphalt, mica, clays, salt, hydropower



Sources: CIA World Factbook; IMF World Economic Outlook Database 4/2008; Unicef; U.S. Department of State, Bureau of European and Eurasian Affairs

1. General information

d) Population 1950-2050



Source: United Nations Population Division, World Population Prospects: The 2006 Revision

1. General information

e) Population growth rate 1950-2050



Source: United Nations Population Division, World Population Prospects: The 2006 Revision

1. General information

f) Transport infrastructure

Airports 68

Ports and terminals

Omialj, Ploce, Rijeka, Sibenik, Vukovar (on Danube)

Railways 2 722 km

Roadways 28 788 km
(paved in 2006, 89 % of total roads)

Waterways 785 km



Sources: Central Bureau of Statistics, Republic of Croatia; CIA World Factbook;
The World Bank, World Developments Indicators database April 2007

1. General information

g) Largest companies in Croatia by revenues, 2006

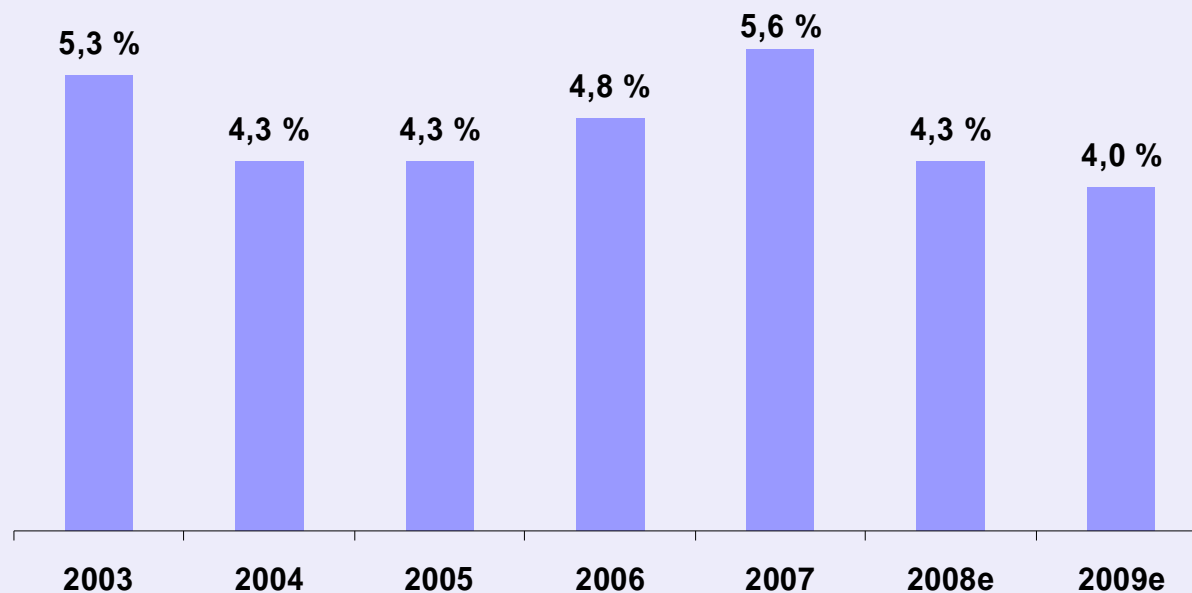
	Company name	Industry	Status	Revenues (2006) M EUR
1	INA Group - Consolidated	Energy and Resources	Publicly listed	3 377,4
2	Agrokor	Consumer Business	Private	2 072,0
3	HEP Group - Consolidated	Energy and Resources	State owned	1 395,1
4	Konzum	Consumer Business	Publicly listed	1 325,4
5	HT	Technology, Media and Telecommunications	Private	946,9
6	Pliva Group	Life Sciences and Health Care	Publicly listed	858,5
7	T-Mobile	Technology, Media and Telecommunications	Private	556,0
8	HŽ (Croatian railroads)	Aviation and Transport Services	State owned	527,0
9	Vipnet	Technology, Media and Telecommunications	Private	477,6
10	Hep Distribucija	Energy and Resources	Private	454,0



Source: Deloitte, Top 500 companies in the Central and East Europe

2. Economic development

a) GDP annual growth rate



GDP 2007 (current prices): 37 497 million €

GDP per capita 2007: 8 452 €
(1st among Western Balkans countries)

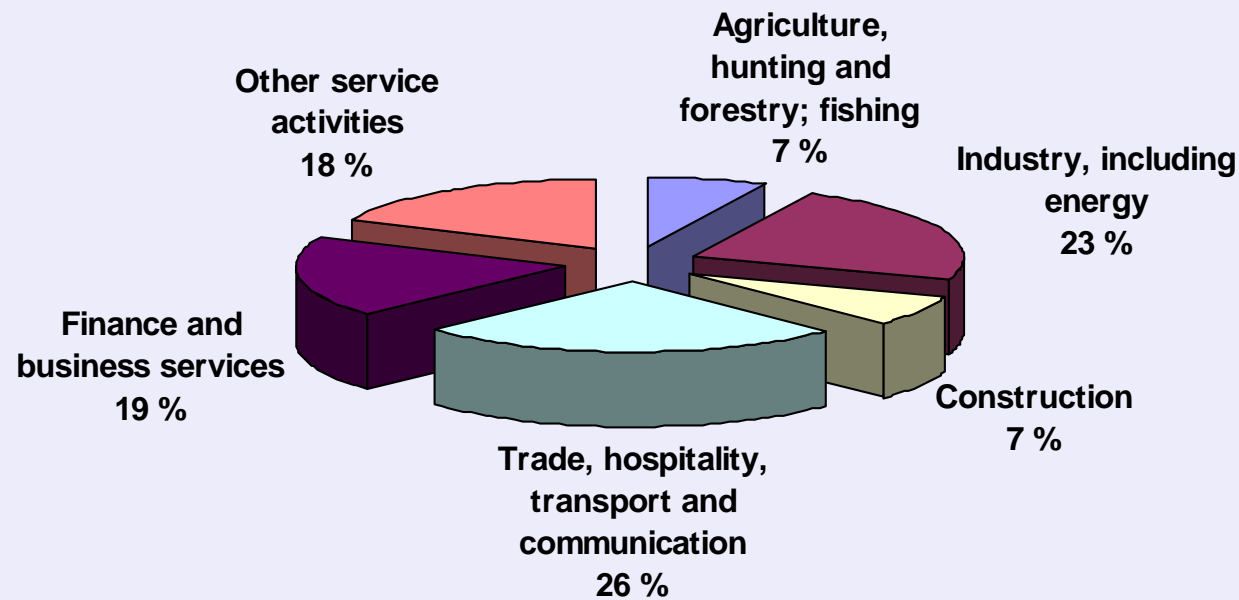
EU 27, 2007: 2,9 %

GDP per capita in PPS 2007:
EU 27=100, Croatia=53,2
[Eurostat]

Sources: Croatian National Bank; estimates (e) from IMF World Economic Outlook Database 4/2008

2. Economic development

b) GDP by major sectors, 2007



Source: UNECE Statistical database

2. Economic development

c) Labour force and population

	1998	2001	2006
Population (1 000)	4 537	4 437	4 443
Number of unemployed (1000)	198,5	276,2	198,7
Unemployment rate (%)	11,8	15,8	11,1
Economically active population (1000)	1 752,6	1 952,6	1 785,0



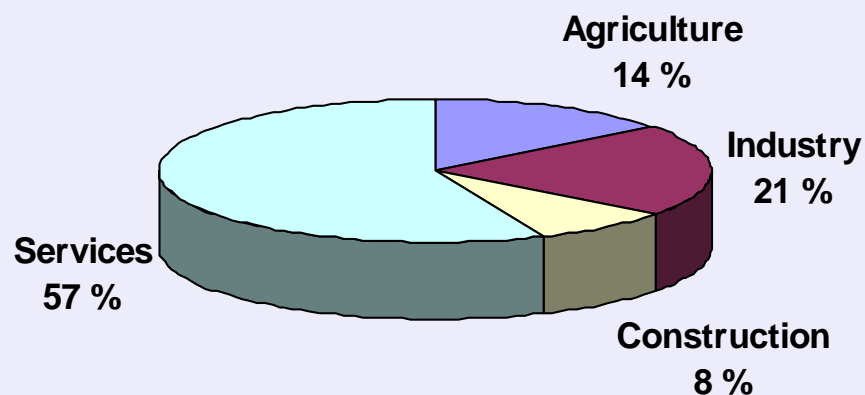
Registered unemployment rate, April 2008: 13,9 %

EU 27, April 2008: 6,7 %
[Eurostat]

Sources: Central Bureau of Statistics, Republic of Croatia; Eurostat; LABORSTA, ILO Bureau of Statistics

2. Economic development

d) Employment by main sectors, 2006

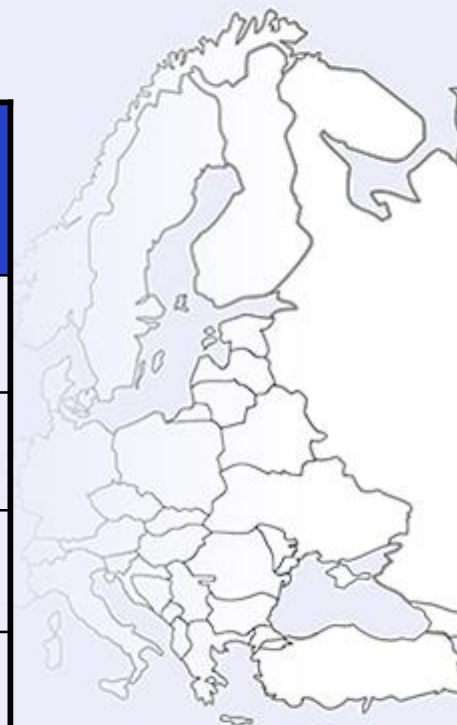


Source: European Commission, Croatia 2007 Progress Report

2. Economic development

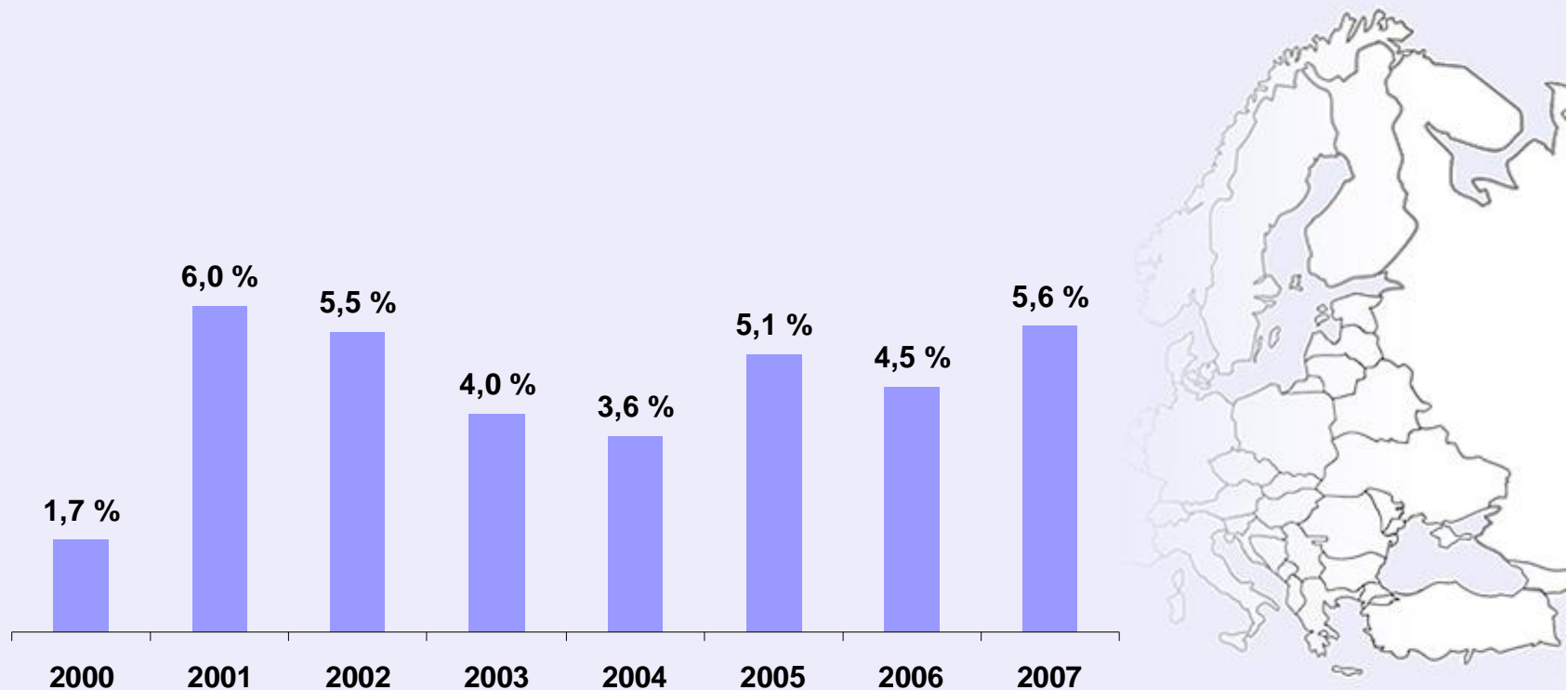
e) Croatia's business environment in comparison

Ranking index	Rank of Croatia / Total number of countries
World Democracy Audit overall ranking [World Audit]	45/150
Index of Economic Freedom [The Heritage Foundation]	113/157
Corruption Perceptions Index 2007 [Transparency International]	64/179
Global Competitiveness Index 2007-2008 [World Economic Forum]	57/131
Ease of Doing Business 2007 [World Bank]	97/178



2. Economic development

f) Industrial production growth rate

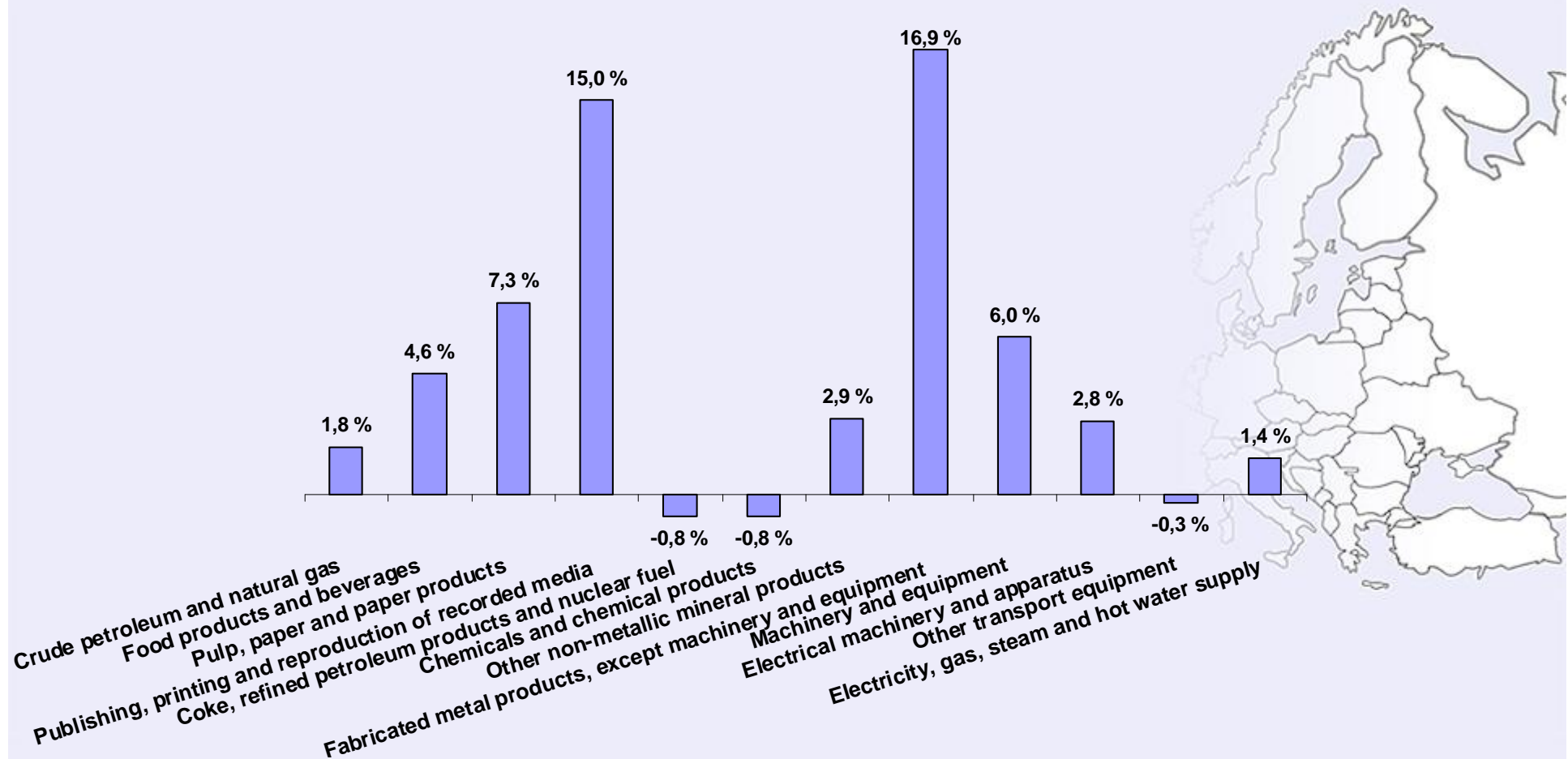


EU 27, April 2008: 3,7 %
[Eurostat]

Source: UNECE Statistical Database

2. Economic development

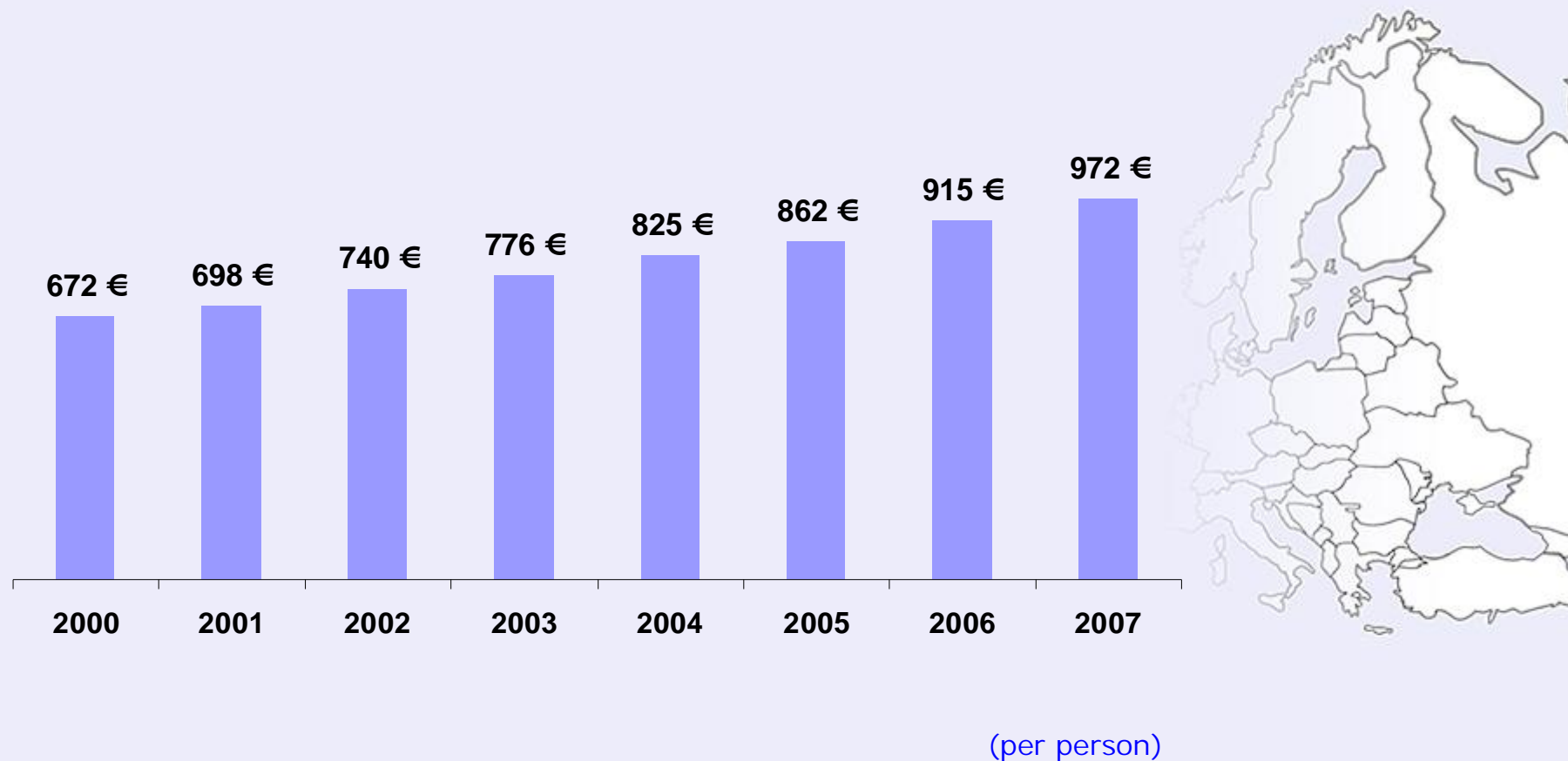
g) Industrial production growth by sectors, 2007



Source: Central Bureau of Statistics, Republic of Croatia

3. Prosperity and consumption

a) Average monthly gross earnings



Source: Central Bureau of Statistics, Republic of Croatia



TURUN KAUPPAKORKEAKOULU
Turku School of Economics

PAN-EUROOPPA INSTITUUTTI

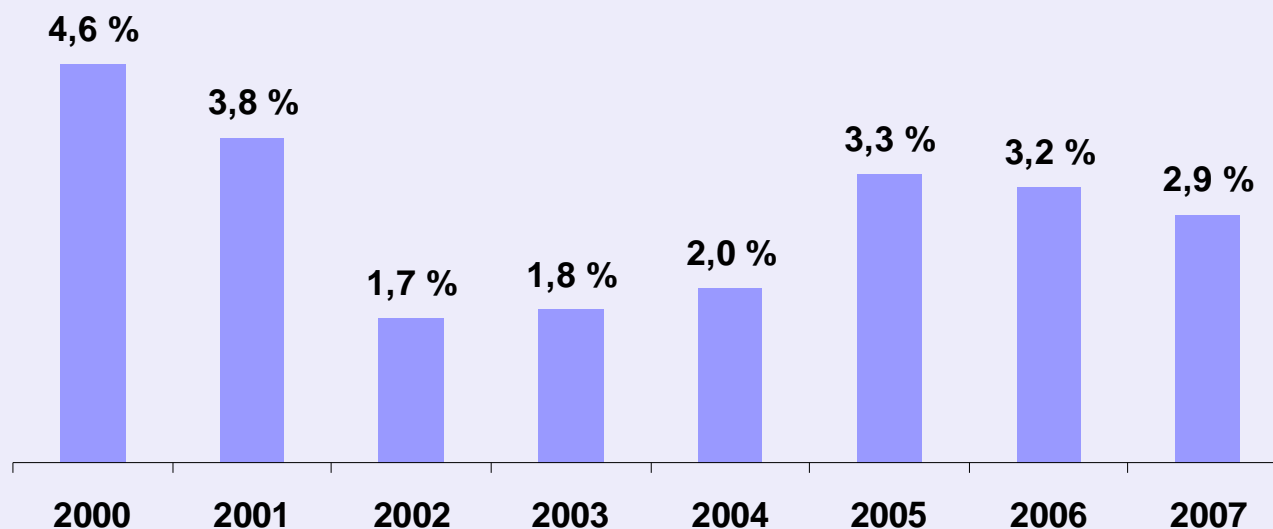


pan-european institute

www.tse.fi/pei

3. Prosperity and consumption

b) Consumer price index



EU 27, 2007: 2,3 % [Eurostat]

(Annual percent change)

Source: IMF World Economic Outlook Database 4/2008



TURUN KAUPPAKORKEAKOULU
Turku School of Economics

PAN-EUROOPPA INSTITUUTTI



www.tse.fi/pei

4. External economic relations

a) Development of foreign trade (billion €)



Source: Ministry of Finance, Republic of Croatia

4. External economic relations

b) Foreign trade structure in 2006

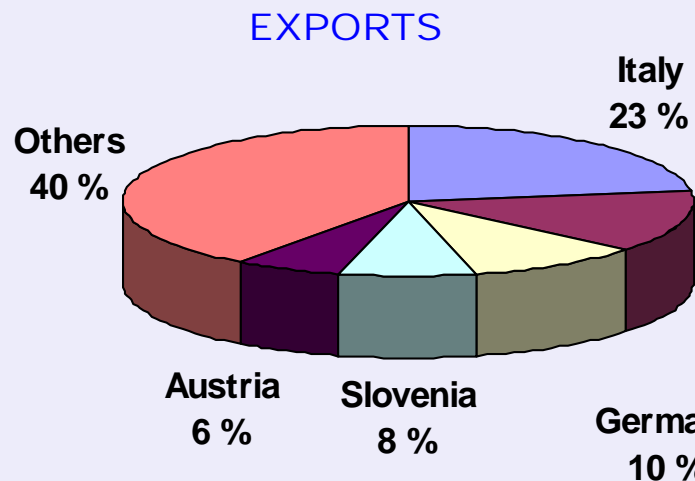
Commodity Group	Exports %	Imports %
Agricultural products	14,6	9,4
Fuels and mining products	19,5	18,5
Manufactures	65,6	72,0



Source: WTO

4. External economic relations

c) Major export and import partners in 2006



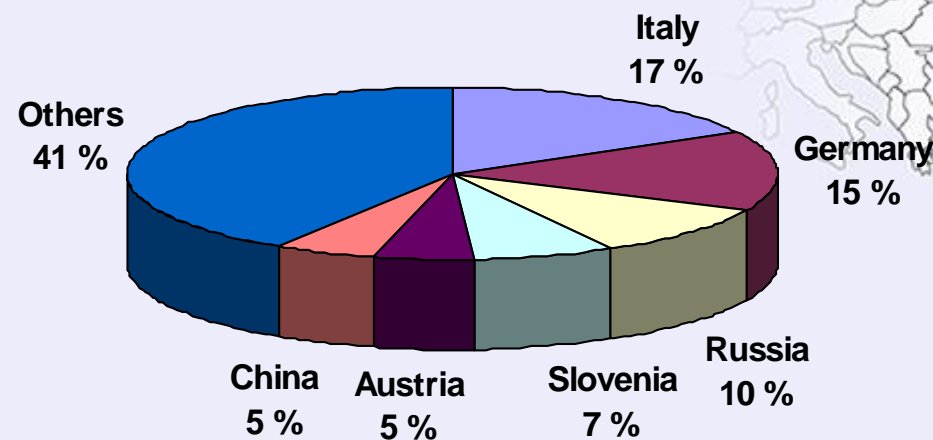
Bosnia-Herzegovina
13 %

Germany
10 %

Slovenia
8 %

Austria
6 %

IMPORTS



Germany
15 %

Russia
10 %

Slovenia
7 %

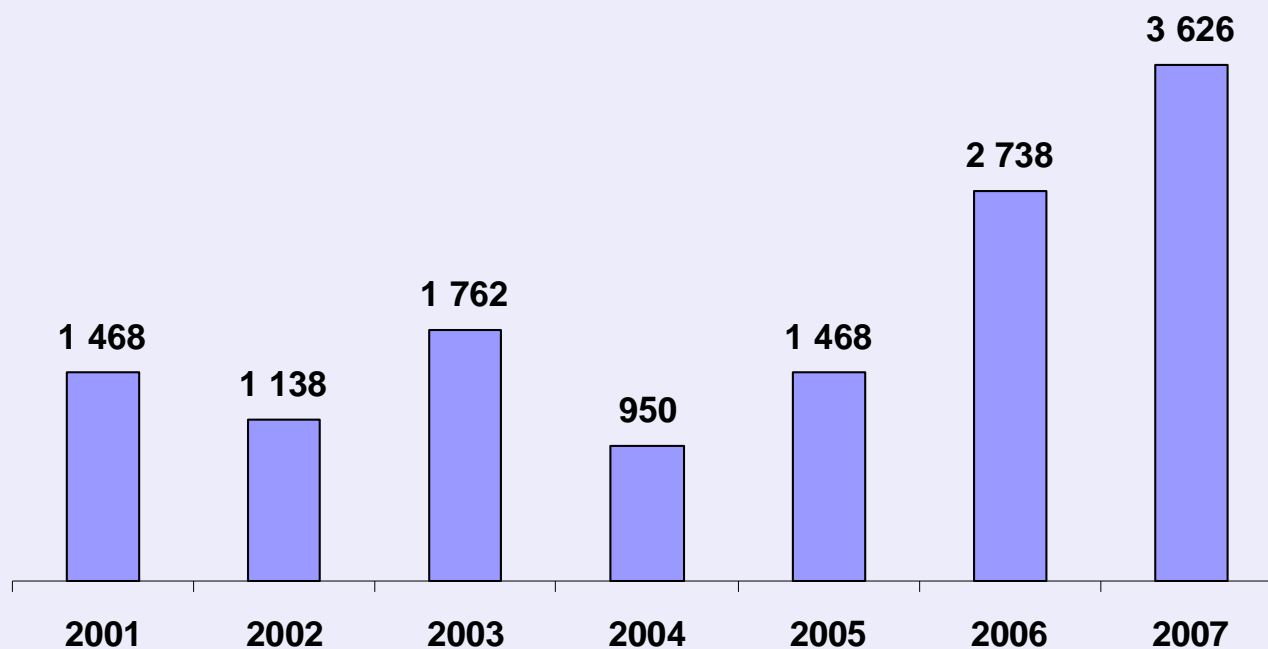
Austria
5 %

China
5 %

Source: CIA World Factbook

4. External economic relations

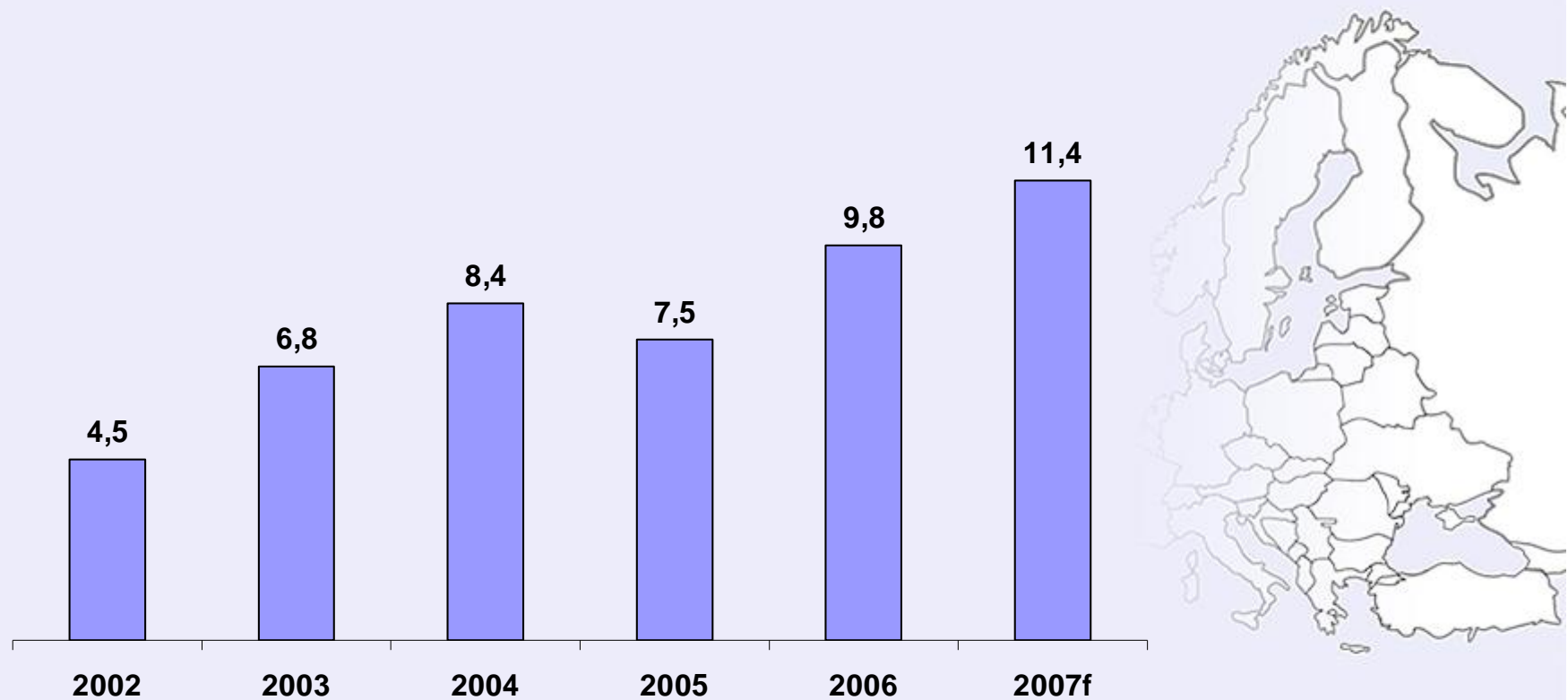
d) Foreign direct investments in Croatia (million €)



Source: Croatian National Bank

4. External economic relations

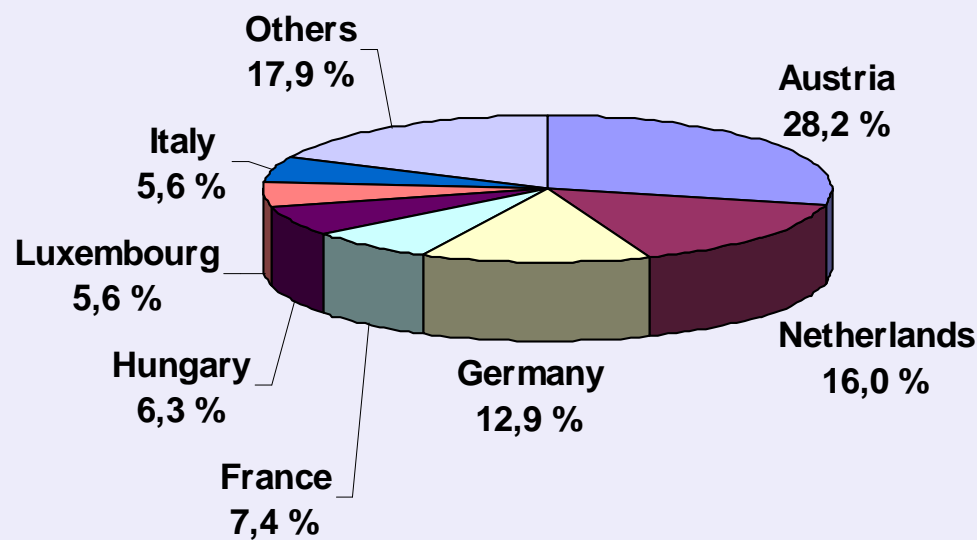
e) Foreign direct investment stock (billion €)



Source: The Economist Intelligence Unit, World Investment Prospects to 2011; forecast (f)

4. External economic relations

f) Foreign direct investment by countries, by 2007



Source: Croatian National Bank



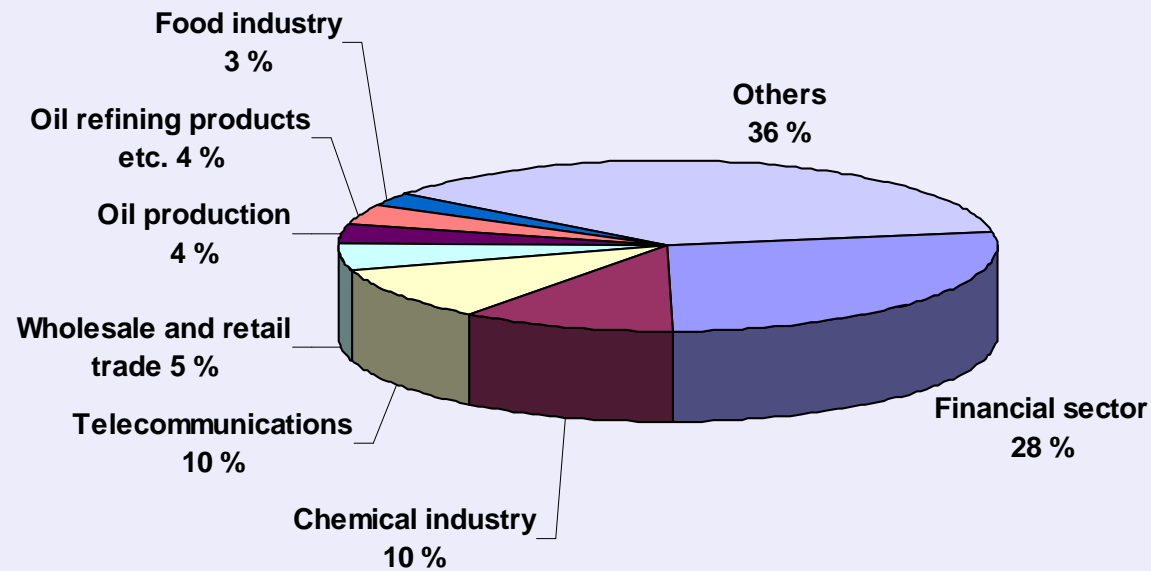
TURUN KAUPPAKORKEAKOULU
Turku School of Economics
PAN-EUROOPPA INSTITUUTTI



www.tse.fi/pei

4. External economic relations

g) FDI by sectors, by July 2007



Source: Finpro, Croatia Country Report (primary source: Croatian National Bank)

5. Additional information

a) Business services and authorities

BUSINESS SUPPORTING SERVICES

Croatian Chamber of Economy
www2.hgk.hr/en

Finpro Central and South East Europe
[www.finpro.fi/en-US/Business/Market+Knowledge/
Finpro+Central+and+South+East+Europe](http://www.finpro.fi/en-US/Business/Market+Knowledge/Finpro+Central+and+South+East+Europe)

Trade and Investment Promotion Agency, Croatia
www.apiu.hr

SOME AUTHORITIES

Government of the Republic of Croatia
www.vlada.hr/en

Ministry of Economy, Labour and Entrepreneurship
www.mingorp.hr

Ministry of Finance
www.mfin.hr

Ministry of Foreign Affairs and European Integration
www.mvpei.hr

Croatian National Bank
www.hnb.hr/eindex.htm



Information subject to changes

5. Additional information

b) Embassy and European Commission's Delegation

Embassy of Finland, Zagreb, Croatia

www.finland.hr

Contacts:

Embassy of Finland
Miramarska 23
HR-10000 Zagreb
Croatia

Tel. +385 1 6312 080

Fax +385 1 6312 090

E-mail: sanomat.zag@formin.fi

Delegation of the European Commission to Croatia

www.delhrv.ec.europa.eu/en

Contacts:

Delegation of the European Commission to the Republic of Croatia

Trg žrtava fašizma 6

HR-10000 Zagreb

Croatia

Tel. +385 1 4896 500

Fax +385 1 4896 555

E-mail: delegation-croatia@ec.europa.eu



Information subject to changes



TURUN KAUPPAKORKEAKOULU
Turku School of Economics

PAN-EUROOPPA INSTITUUTTI



pan-european institute

www.tse.fi/pei

5. Additional information

c) Other sources

Central Bureau of Statistics, Republic of Croatia
www.dzs.hr/default_e.htm

CIA World Factbook
<https://www.cia.gov/library/publications/the-world-factbook/index.html>

The Economist Intelligence Unit EIU
www.eiu.com

European Bank for Reconstruction and Development EBRD
www.ebrd.com

Eurostat
epp.eurostat.ec.europa.eu

International Labour Organization ILO
www.ilo.org

International Monetary Fund IMF
www.imf.org



Information subject to changes

5. Additional information

c) Other sources

United Nations Economic Commission for Europe UNECE
www.unece.org

Unicef
www.unicef.org

The World Bank
www.worldbank.org



Information subject to changes