Introduction
Croatia is a country in Central Europe and Southeastern Europe on the Adriatic Sea. Neighboring countries include Bosnia and Herzegovina, Hungary, Montenegro, Serbia, and Slovenia. Geographically, Croatia is diverse with flat plains, low mountains, and islands. Croatia controls most land routes from Western Europe to the Aegean Sea and Turkish Straits. The government system is a presidential/parliamentary democracy. The chief of state is the president, and the head of government is the prime minister. Croatia has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Croatia is a member of the European Union (EU).

Location: Southern Europe
Capital City: Zagreb (+1 GMT)
Chief of State: President Kolinda Grabar-Kitarovic
Head of Govt.: Prime Minister Andrej Plenkovic
Currency: Croatian Kuna (HRK)
Major Languages: Croatian (official) 95.6%, Serbian 1.2%, other 3% (including Hungarian, Czech, Slovak, and Albanian), unspecified 0.2%</p><p>Primary Religions: Roman Catholic 86.3%, Orthodox 4.4%, Muslim 1.5%, other 1.5%, unspecified 2.5%, not religious or atheist 3.8%<p>
Calling Code: 385
Voltage: 230

Key Facts
- Income Level (by per capita GNI): High Income
- Level of Development: In Transition
- GDP, PPP (current international $): $112.48 billion (2018)
- GDP growth (annual %): 2.63% (2018)
- GDP per capita, PPP (current international $): $27,504.67 (2018)
- Manufacturing, value added (% of GDP): 11.94% (2018)
- Inflation, consumer prices (annual %): 1.50% (2018)
- Labor force, total: 1,806,951 (2018)
- Unemployment, total (% of total labor force) (modeled ILO estimate): 8.85% (2018)
- Imports of goods and services (current US$): $30.32 billion (2018)

GDP Composition %

<table>
<thead>
<tr>
<th>Agriculture</th>
<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
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<tbody>
<tr>
<td>3</td>
<td>58</td>
<td>21</td>
<td>12</td>
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*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

Rankings
- Corruption Perceptions Index: 57 / 178
- Global Competitiveness Index: 68 / 139
- Global Enabling Trade Index: 44 / 136
- Index of Economic Freedom: 86 / 179
- International Logistics Performance Index (LPI): 49 / 160
- Inward FDI Potential Index: 56 / 139
- KOF Index of Globalization: 24 / 185
- Networked Readiness Index (NRI): 54 / 139
- Open Budget Index: 34 / 115

Risk Assessment (Provided by Coface)
Country rating: A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

Business Climate rating: A3 - The business environment is relatively good. Although not always available, corporate financial information is usually reliable. Debt collection and the institutional framework may have some shortcomings. Intercompany transactions may run into occasional difficulties in the otherwise secure environments rated A3.

Strengths
- 50% of electricity produced by dams; 20% imported
- Tourism appeal and long coastline
- Oil and gas potential
- Kuna pegged to the euro (60% of bank deposits in euros), with a view to participating in ERM II
- High-quality infrastructure

Weaknesses
- High private and public debt
- Inefficient administration and justice system; inadequate regulation
- Weak industrial development; lack of competitiveness
- High long-term and youth unemployment
- Emigration taking away skilled workforce

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