

## 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:** <p>Croatian (official) 95.6%, Serbian 1.2%, other 3% (including Hungarian, Czech, Slovak, and Albanian), unspecified 0.2%</p>

**Primary Religions:** <p>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 Websites

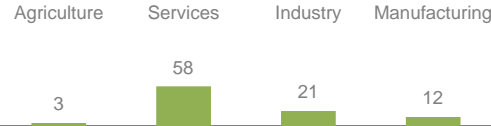
Main Government Page: [vlada.gov.hr](http://vlada.gov.hr)

Commerce Ministry: [mingo.hr](http://mingo.hr)

## Key Economic 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)
Current account balance (BoP, current US\$):	\$1.46 billion (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)
Exports of goods and services (current US\$):	\$31.15 billion (2018)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
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

## U.S. Embassy

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