



Information on economic trends

April 2018

Summary

Monthly statistical indicators suggest that current economic activity grew in the beginning of 2018, following a temporary stagnation at the end of 2017. In parallel, the growth in the number of employed persons and the decline in the unemployment rate continued. In February, consumer prices dropped by 0.1% from January, whereas inflation slowed down to 0.8% on an annual level. Monetary policy kept its expansionary character, as reflected in the highest recorded level of banks' free reserves, a further decline in banks' interest rates and increased bank lending to corporates and households. In the last quarter of 2017, the current account balance deteriorated and net external debt increased. Nevertheless, taking 2017 as a whole, a surplus was generated for the fifth consecutive year and the downward trend in external debt continued. In 2017, a noticeable fiscal adjustment was realised, and available data show that favourable developments have also marked the beginning of 2018.

The GDP nowcasting model¹ shows that economic activity in the first quarter of 2018 has grown following stagnation at the end of 2017. In January and February of the current year, industrial production was 0.5% lower than the average performance for the last quarter of 2017, with a decline being recorded in all MIG components, except intermediate goods (Figures 3 and 4). On the other hand, real retail trade turnover increased by 1.1% in January 2018 from the average of the previous three months (Figure 7), which was attributed to increased car purchases related to the introduction of lower excise duties from the beginning of the year. At the same time, both construction works on buildings and civil engineering works increased, so that total construction activity was up by 1.3% on a quarterly level (Figures 5 and 6).

The results of the Consumer Confidence Survey for March 2018 show that consumer confidence in March this year worsened from the previous month. Nevertheless, consumer confidence reached a historical high in the first quarter of 2018. The rise in optimism from the previous quarter showed that the financial and economic situation is expected to be better in the coming year than it is today. With regard to business confidence, a decline in confidence was recorded in March in all of the observed activities. However, in the first quarter of 2018, the confidence index in industry and construction was higher on average than at the end of 2017, while in retail trade and services it worsened slightly (Figure 8).

Favourable developments in the labour market continued in the first two months of 2018, but at a slower pace. The dynamics of growth in the number of employed persons slowed down from the end of the previous year. The growth was further widespread across NCA activities (Figure 14), where a strong growth in the number of employed persons in construction was noticeable. At the same time, unemployment continued to decrease, largely as a result of clearings from the records for the reasons other than employment (non-compliance with legal provisions, registration cancellation and failure to report regularly). Consequently, the registered unemployment rate dropped to 10.8% in February from 11.3% at the end of 2017. According to the latest available data for the fourth quarter of 2017, the ILO unemployment rate was 10.3% (Figure 15). In January and February 2018, the growth of the average nominal net and gross wages slowed down noticeably on a quarterly level due to the negative contribution of industry and the public sector, while in construction and other private sector services the growth in wages gained momentum (Figure 16).

Consumer prices fell by 0.1% in February from January (Table 1). The most significant contribution came from the seasonal decrease in the prices of footwear, the decline in the prices of refined petroleum products and gas, as well as the decrease in the prices of certain food products (milk and dairy products,

bread, cereals and meat). The prices of refined petroleum products decreased in February after six months of steady growth, as a consequence of the decrease in the prices of crude oil in the world market as a result of increases in crude oil reserves and production in the US (Figure 19). The year-on-year growth in consumer price inflation slowed down from 1.1% in January to 0.8% in February (Figure 18), due to the decrease in the annual rate of change in the prices of processed food products (mostly milk and dairy products) and the prices of energy (particularly gas, fuels and lubricants). The annual core inflation rate also decelerated, from 1.2% in January to 0.7% in February, reflecting primarily the above-mentioned decrease in the annual rate of change in the prices of milk and dairy products, and partly the decline in the annual rate of change in the prices of meat, clothing and restaurant and hotel services.

The current and capital account of the balance of payments ran a deficit of EUR 0.6bn in the last quarter of 2017, having widened by EUR 0.2bn from the same period of the previous year (Figure 57). The foreign trade deficit widened the most, with the exports and imports of goods rising at the same pace (6.9%). At the same time, the surplus in the international trade in services decreased because the growth in imports was stronger than the growth in the exports of services (17.9% and 7.0% respectively), mostly as a result of the sharp increase in tourist consumption by residents abroad (almost by a half). The sum of the secondary income account balance and capital transactions deteriorated slightly, despite the moderate increase in net revenues from transactions with the EU budget. It is worth noting that significantly more funds for current expenditures were distributed to end users than in the same period of the previous year, while the amount of capital funds decreased. By contrast, although improvements in the business results of domestic enterprises and foreign-owned banks increased expenditures based on direct equity investment, the deficit in the primary income account decreased slightly because of smaller interest expenses and the growth in net revenues from compensations to employed persons. If cumulative results in the whole of 2017 are observed, the current and capital account surplus stood at 4.4% of GDP (or 3.3% of GDP if the effect of Agrokor on the profit of banks is excluded), as compared with the 3.9% in 2016.

The nominal exchange rate of the kuna against the euro stabilised in March, whereas the daily exchange rate moved within a narrow band of $\pm 0.1\%$ around its average exchange rate of EUR/HRK 7.44. At the end of March, the exchange rate was EUR/HRK 7.43, or 0.1% lower than the exchange rate at the end of February and lower by the same percentage than the exchange rate in the same period of the previous year. The kuna appreciated against most other currencies within the currency basket for the calculation of effective exchange rates, so that the nominal effective kuna exchange rate index at the end of March

¹ For details, see Kunovac, D., and B. Špalat: *Nowcasting GDP Using Available Monthly Indicators* (WP-39, October 2014).

was 0.3% higher than at the end of February. This was mostly driven by the strengthening of the kuna against the Turkish lira, reflecting that of the euro in the global foreign exchange market.

Short-term interest rates on the European money market remained in negative territory in March 2018, which was the effect of the expansionary monetary policy of the ECB and high euro area banking system liquidity. The overnight interest rate on the euro area banking market, EONIA, ended the month of March at -0.35% , and the six-month EURIBOR stood at -0.27% (Figure 24). The risk premium for Croatia did not change significantly during March, standing at 90 basis points at the end of the month, nearly equal to that of Romania and Hungary (Figure 25).

The liquidity of the domestic financial market continued to grow, so that the average liquidity surplus in March reached an all-time high of HRK 28.4bn (Figure 54). In such conditions, there was no turnover on the domestic interbank overnight market in March. The interest rate on one-year kuna T-bills without a currency clause remained in March at the level from February (0.09%).

Interest rates on new bank loans granted to households and corporations mostly decreased in February (Figures 28 and 29). The decrease in interest rates on large corporate loans (above HRK 7.5m, Figure 30) is particularly noticeable. If only original new loans are observed (excluding renegotiated loans), it was only the interest rate on kuna investment loans indexed to foreign currency that increased for corporations (Figure 31), while the interest rate on kuna loans for working capital indexed to foreign currency decreased noticeably. In the household sector, the average interest rates on original new housing loans stagnated in February (Figure 32), while interest rates on original new consumer loans decreased (Figure 33). Interest rates on household time deposits did not change significantly in February, while they increased for corporations (Figures 34 and 35). The spread between interest rates on total new loans and deposits, as well as the gap between interest rate spreads on loans and deposits, remained unchanged in February from January and stood at 5.5 and 4.7 percentage points respectively (Figure 37).

Monetary developments in February 2018 were marked by an increase in the net foreign assets (NFA) and net domestic assets (NDA) of the monetary system. This led to an increase in total liquid assets (M4) of HRK 2.8bn, or 0.9% (Figure 49). The increase in the net foreign assets (NFA) of the monetary system was primarily related to the net foreign assets of the CNB, while the increase in the net domestic assets (NDA) of the system was equally under the effect of the increase in net placements to the central government and placements to other domestic sectors. If analysed on an annual basis, the growth in total liquid assets (M4) accelerated in February 2018 to 4.5% (excluding the effects of exchange rate changes). The annual growth of money (M1) accelerated additionally in February and stood at 20.3% at the end of the month (Figure 48). The annual fall of quasi-money slowed down to 1.6% from 2.6% at the end of the previous month (excluding the effects of exchange rate changes).

Total placements of monetary institutions to domestic sectors (excluding the government) increased in February

(transaction-based), with their annual growth rate decreasing slightly to 2.9% (Figure 40). The annual growth of placements to households and corporations continued to accelerate, reaching 4.4% for households (Figure 42) and 3.1% for corporations (Figure 41). However, the growth slowdown of total placements was under the effect of a sharp annual fall in placements to other financial institutions of 22.4% in February. The nominal stock of total placements was 1.0% smaller at the end of February 2018 than at the end of the same month the year before, primarily as a result of the sale of non-performing placements.

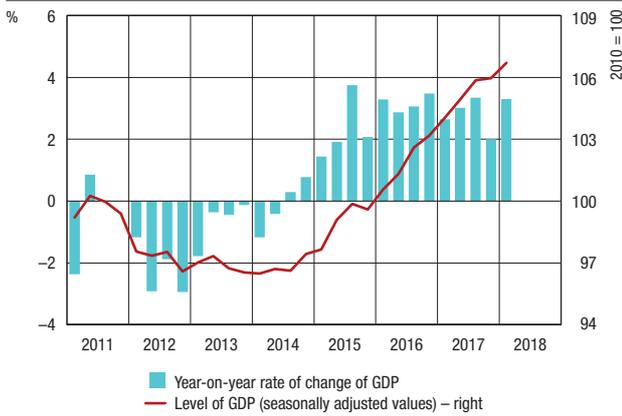
Gross international reserves amounted to EUR 16.5bn at the end of March (Figure 56), up by EUR 0.8bn or 4.9% from the end of the previous year. The growth in gross reserves was mostly a result of foreign currency purchases from banks at the beginning of January, but also of a higher level of agreed repo transactions. Net international reserves grew by EUR 0.4bn, or 3.2% in the first quarter, totalling EUR 14.2bn at the end of March.

The net foreign financial liabilities of domestic sectors increased by EUR 1.5bn in the last quarter of 2017 (excluding the change in gross international reserves and CNB liabilities). This can mostly be attributed to the growth in net debt liabilities by EUR 1.2bn, while net foreign equity investment edged up by EUR 0.4bn (Figure 59). The upsurge in net foreign liabilities was mostly driven by a decrease in bank foreign assets. At the same time, the net position of the central bank improved considerably. The net debt liabilities of the central government also increased significantly following the international bond issue at the end of the year to refinance the liabilities of road sector enterprises to domestic credit institutions and, to a smaller extent, to foreign creditors (Figure 60). Other domestic sectors (including liabilities to affiliated enterprises) recorded a slight increase in net foreign debt liabilities. A moderate increase in the net foreign debt of domestic sectors continued in January 2018. The net inflow of equity investments in the last quarter of 2017 mostly rose owing to reinvested earnings of foreign-owned business entities. By contrast, direct equity investments were very modest and at a somewhat lower level than in the same period of the previous year and mostly referred to investments in retail trade, accommodation and real estate activities.

In 2017, fiscal consolidation continued on the back of the favourable effect of the economic cycle on tax revenues and a parallel absence of more significant pressures on the increase in expenditure. The favourable budget outturn, in addition to economic growth and the strengthening of the exchange rate of the kuna against the euro, led to a reduction in the general government debt-to-GDP ratio from 80.6% at the end of 2016 to 78.0% in December 2017. According to the Ministry of Finance data², favourable fiscal movements continued at the beginning of the year. In the first two months of 2018, the central government budget deficit decreased from the same period in 2017 because the revenues grew faster than the expenditures. The improvement in fiscal indicators resulted in the credit rating for Croatia being raised in March 2018 by yet another rating agency to one notch below investment grade.

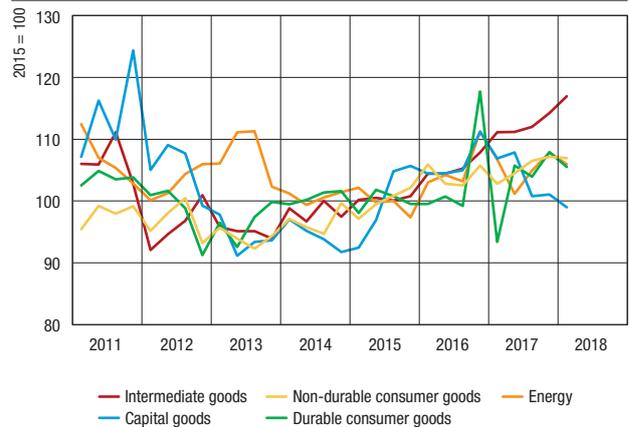
2 Monthly data for central government, state government and social security sub-sectors that, according to the requirements of Council Directive 2011/85/EU, must be published before the end of the following calendar month. The published data refer to general government units according to the scope of the ESA 2010 statistical methodology, except data for the local government, which are published on a quarterly basis.

Figure 1 Quarterly gross domestic product
seasonally adjusted real values



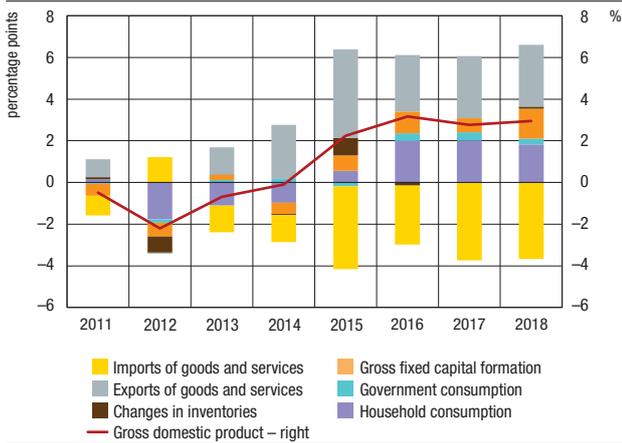
Note: Data for the first quarter of 2018 are estimated with the use of the CNB's monthly indicator of real economic activity, on the basis of data published until 3 April 2018.
Sources: CBS data seasonally adjusted by the CNB and CNB calculations.

Figure 4 Industrial production by main industrial groupings
seasonally adjusted indices



Note: Quarterly data are calculated as the average of monthly data.
Source: CBS data seasonally adjusted by the CNB.

Figure 2 GDP rate of change
contributions by components



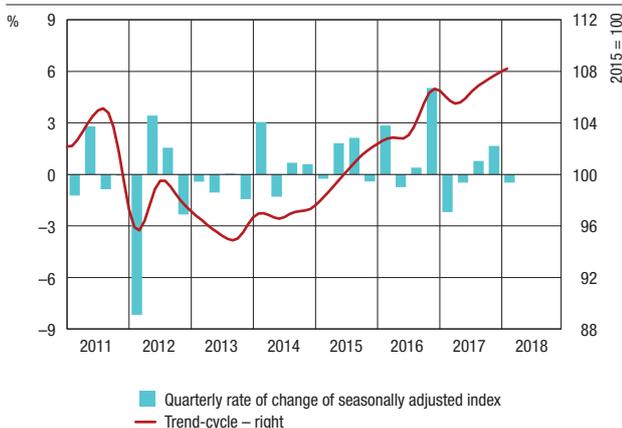
Note: The projection for 2018 refers to the official projection of the CNB from December 2017.
Source: CBS.

Figure 5 Total volume of construction works



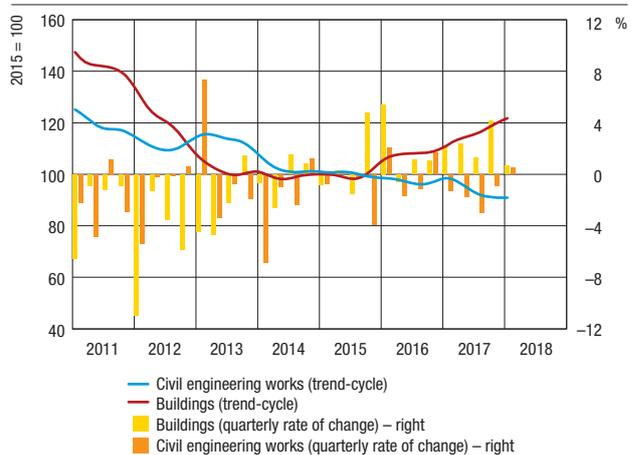
Note: Data for the first quarter of 2018 refers to January.
Source: CBS data seasonally adjusted by the CNB.

Figure 3 Industrial production



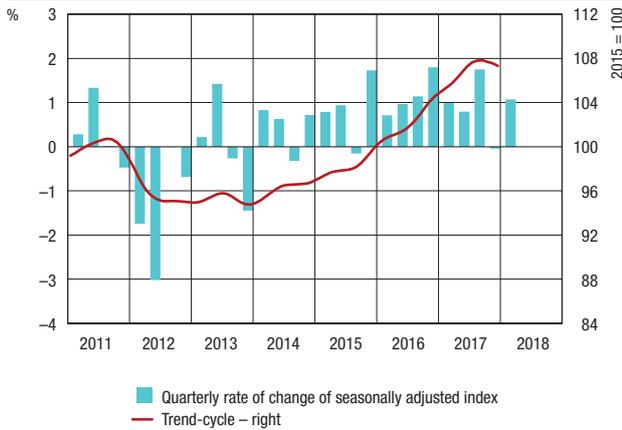
Note: Data for the first quarter of 2018 refers to January and February.
Source: CBS data seasonally adjusted by the CNB.

Figure 6 Buildings and civil engineering works



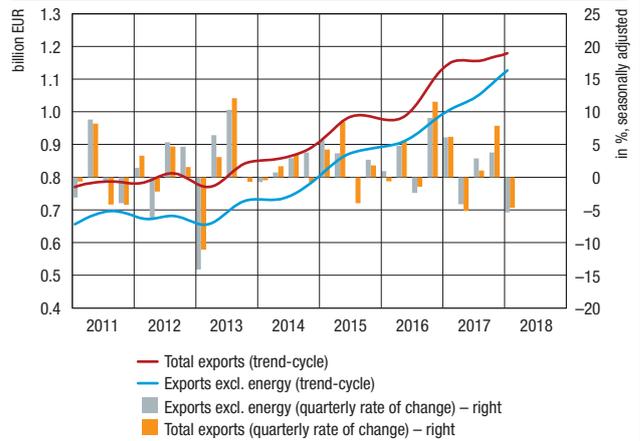
Source: CBS data seasonally adjusted by the CNB.

Figure 7 Real retail trade turnover



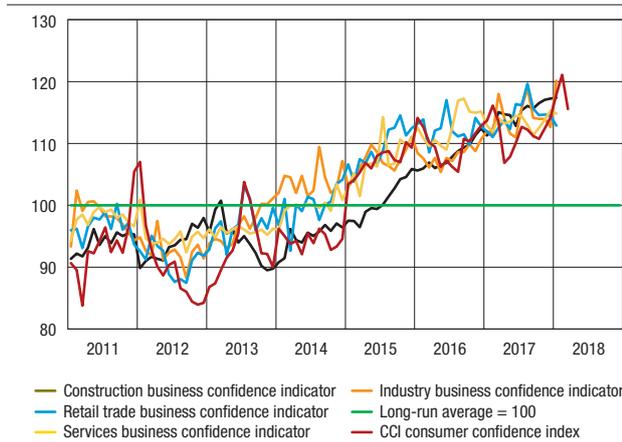
Note: Data for the first quarter of 2018 refers to January.
Source: CBS data seasonally adjusted by the CNB.

Figure 10 Goods exports (f.o.b.)



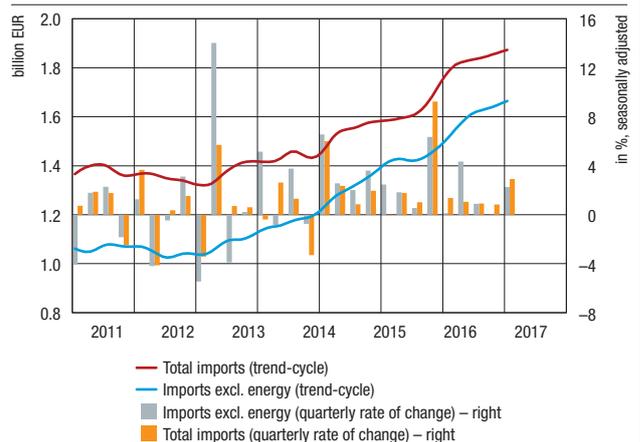
Note: Data for the first quarter of 2018 refer to January.
Source: CBS data seasonally adjusted by the CNB.

Figure 8 Business confidence indicators standardised and seasonally adjusted values



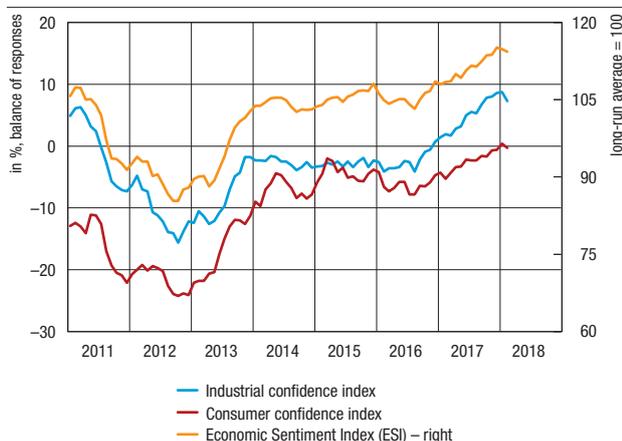
Sources: Ipsos and CNB data seasonally adjusted by the CNB.

Figure 11 Goods imports (c.i.f.)



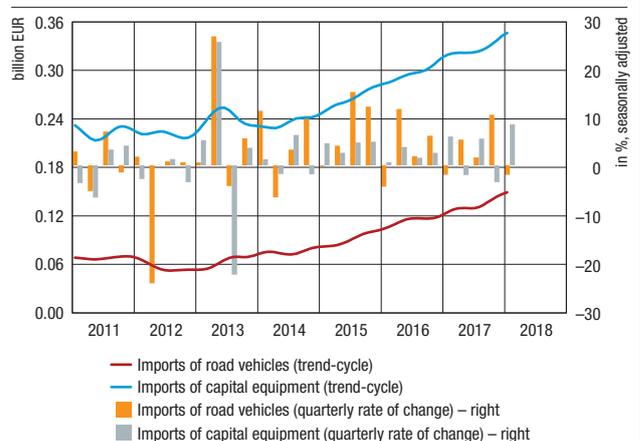
Data for the first quarter of 2018 refer to January.
Source: CBS data seasonally adjusted by the CNB.

Figure 9 EU confidence indices seasonally adjusted series



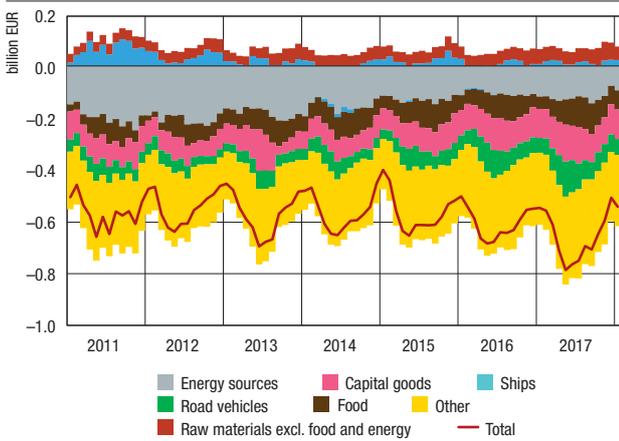
Source: Eurostat.

Figure 12 Imports of capital equipment and road vehicles (c.i.f.)



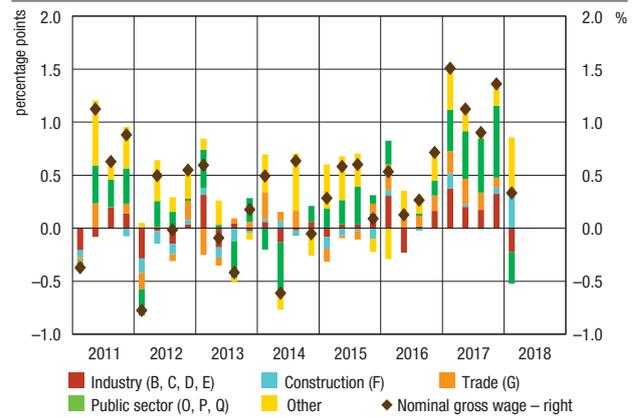
Notes: Imports of capital equipment (SITC divisions 71 - 77). Data for the first quarter of 2018 refer to January.
Source: CBS data seasonally adjusted by the CNB.

Figure 13 Trade in goods balance



Note: Series are shown as three-member moving averages of monthly data.
 Source: CBS.

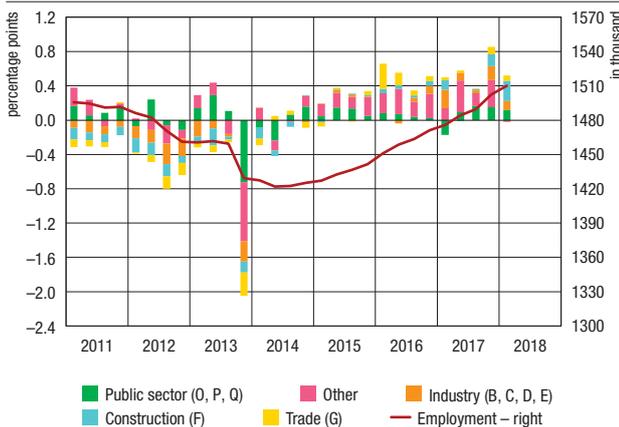
Figure 16 Average nominal gross wage by NCA activities
 seasonally adjusted data, contributions to the quarterly rate of change



Notes: Data on the average nominal gross wage by activity refer to data from the RAD-1 form, and from January 2016 to data from the JOPPD form. Data for the first quarter of 2018 refer to January and February.

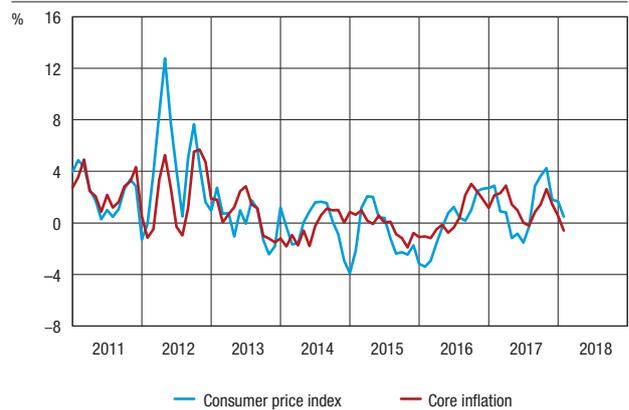
Sources: CBS and CNB calculations (seasonally adjusted by the CNB).

Figure 14 Employment by NCA activities
 seasonally adjusted data, contributions to the quarterly rate of change



Note: Data for the first quarter of 2018 refer to January and February.
 Source: CPII data seasonally adjusted by the CNB.

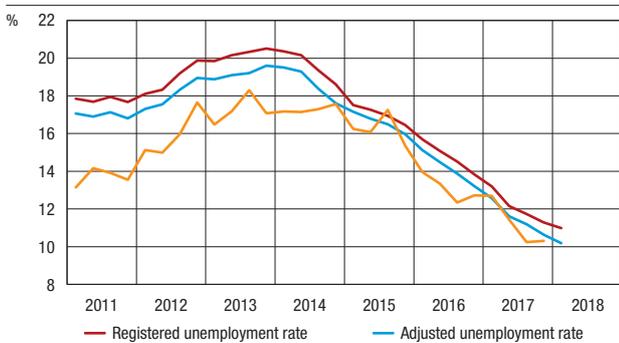
Figure 17 Consumer price index and core inflation
 annualised month-on-month rate of change^a



^a The month-on-month rate of change is calculated based on the quarterly moving average of seasonally adjusted consumer price indices.

Sources: CBS and CNB calculations.

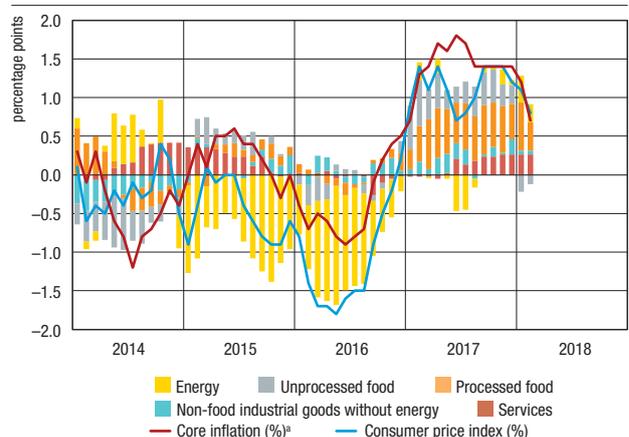
Figure 15 Unemployment rates
 seasonally adjusted data



Notes: Since January 2015, the calculation of the registered unemployed rate has been made using the data on employed persons from the JOPPD form. The adjusted unemployment rate is the CNB estimate and is calculated as the share of the number of registered unemployed persons in the working age population (unemployed persons and persons insured with the CPII). Data for the first quarter of 2018 refer to January and February.

Sources: CBS and CNB calculations (seasonally adjusted by the CNB).

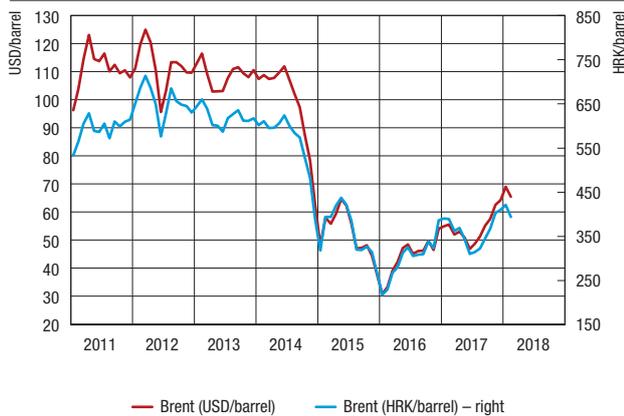
Figure 18 Year-on-year inflation rate and contributions of components to consumer price inflation



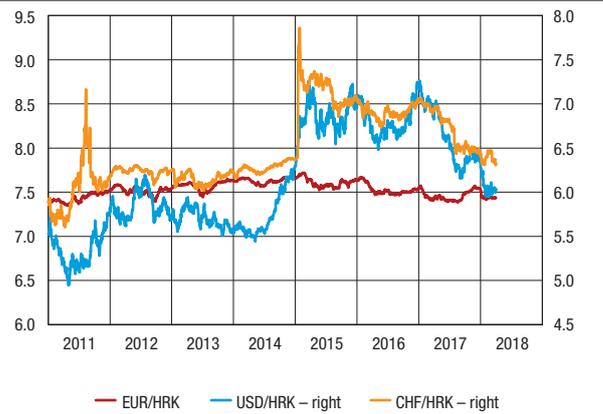
^a Core inflation does not include agricultural product prices and administered prices.

Sources: CBS and CNB calculations.

Figure 19 Crude oil prices (Brent)

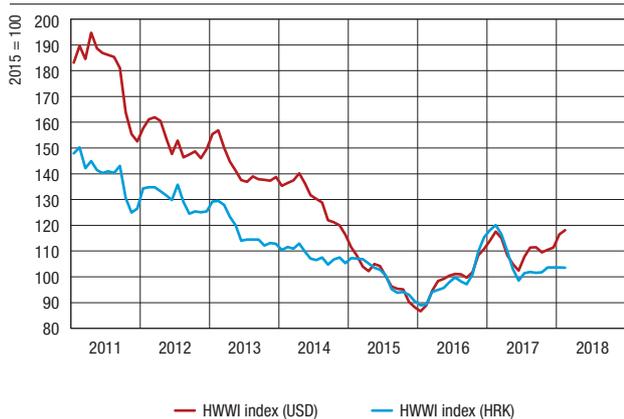


Sources: Bloomberg and CNB calculations.

Figure 21 Daily nominal exchange rate – HRK vs. EUR, USD and CHF
CNB midpoint exchange rate

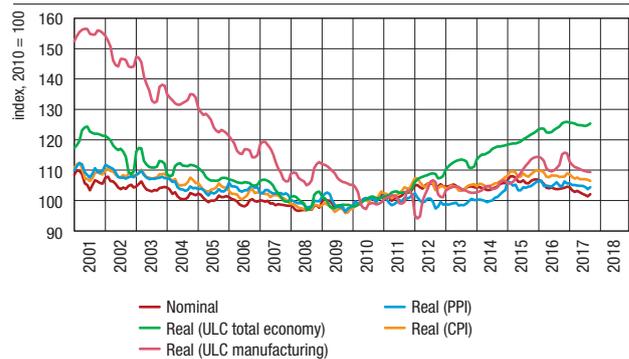
Source: CNB.

Figure 20 HWWI index (excl. energy)



Sources: HWWI and CNB calculations.

Figure 22 Nominal and real effective exchange rates of the kuna



Notes: The real effective exchange rate of the kuna deflated by producer prices includes the Croatian index of industrial producer prices on the total market. The unit labour cost is calculated as the ratio between compensation per employee and labour productivity (defined as GDP per person employed), while the real effective exchange rate of the kuna deflated by unit labour costs is the result of the interpolation of quarterly values. A fall in the index indicates an effective appreciation of the kuna.

Source: CNB.

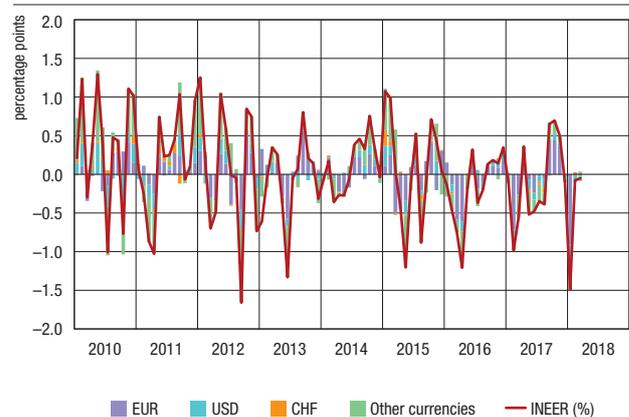
Table 1 Price indicators

year-on-year and month-on-month rates of change

	Year-on-year rates		Month-on-month rates	
	1/18	2/18	2/17	2/18
Consumer price index and its components				
Total index	1.1	0.8	0.2	-0.1
Energy	2.1	1.4	0.2	-0.5
Unprocessed food	-2.3	-1.3	0.6	1.6
Processed food	2.7	1.6	0.7	-0.5
Non-food industrial goods without energy	0.2	0.2	-0.1	-0.1
Services	1.0	1.0	0.0	0.0
Other price indicators				
Core inflation	1.2	0.7	0.2	-0.2
Index of industrial producer prices on the domestic market	1.5	1.0	0.0	-0.5
Brent crude oil price (USD)	25.7	17.9	1.1	-5.2
HWWI index (excl. energy, USD)	2.2	0.4	3.2	1.4

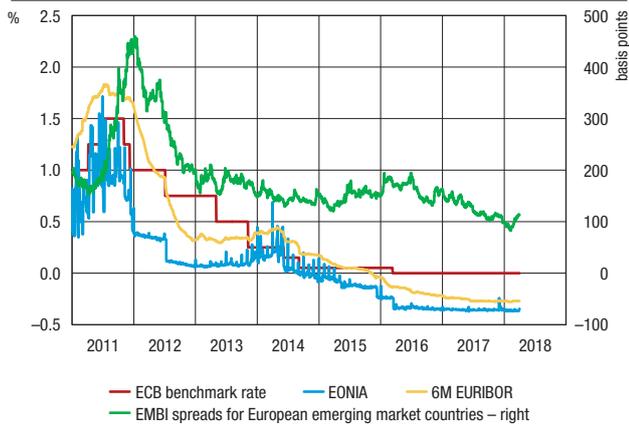
Note: Processed food includes alcoholic beverages and tobacco.

Sources: CBS, Bloomberg and HWWI.

Figure 23 Contributions^a of individual currencies to the monthly rate of change of the average index of the nominal effective kuna exchange rate (INEER)^a Negative values indicate contributions to the appreciation of the INEER.

Source: CNB.

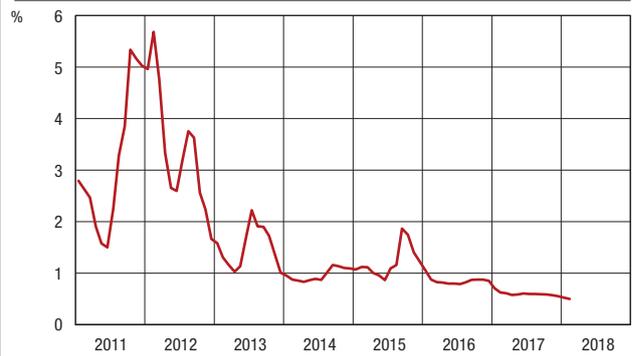
Figure 24 Interest rates on the euro and the average yield spread on bonds of European emerging market countries



Sources: ECB, Bloomberg and J. P. Morgan.

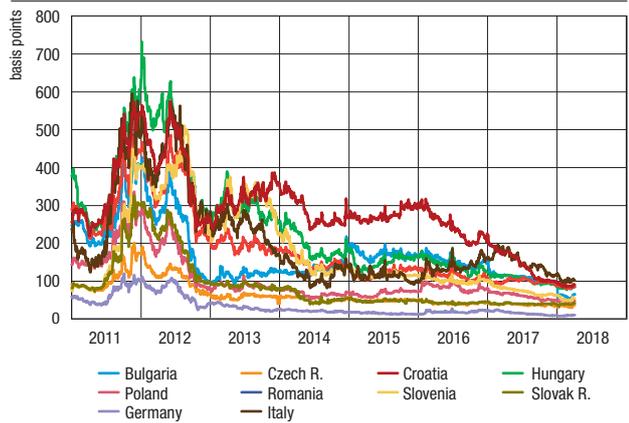
Figure 27 Interest rates quoted on the interbank market (3-month ZIBOR)

monthly averages of simple daily averages of bank quotations



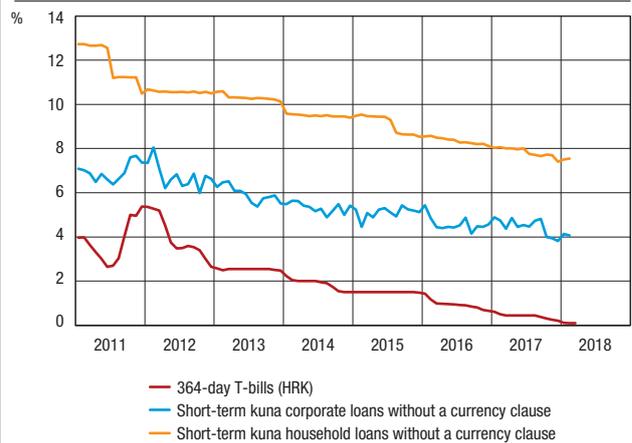
Source: CNB.

Figure 25 CDS spreads for 5-year government bonds of selected countries



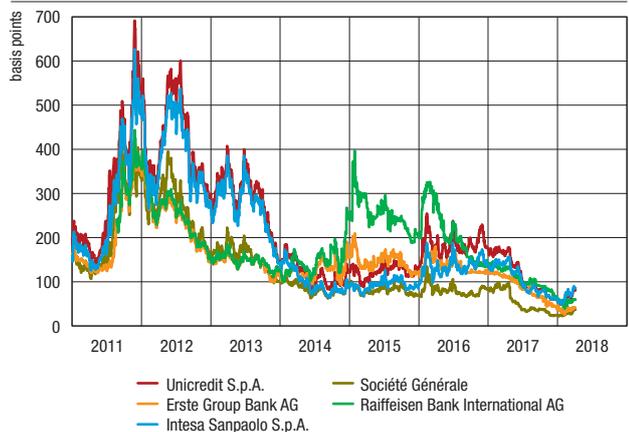
Note: Credit default swaps (CDS) spread is an annual premium that a CDS buyer pays for protection against credit risk associated with an issuer of an instrument.
Source: S&P Capital IQ.

Figure 28 Short-term financing costs in kuna without a currency clause



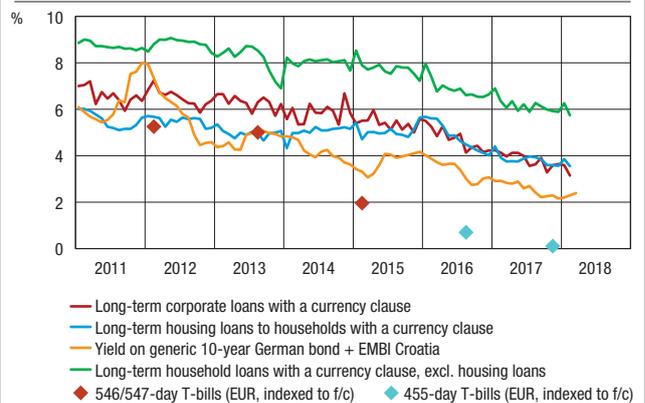
Sources: MoF and CNB.

Figure 26 CDS spreads for selected parent banks of domestic banks



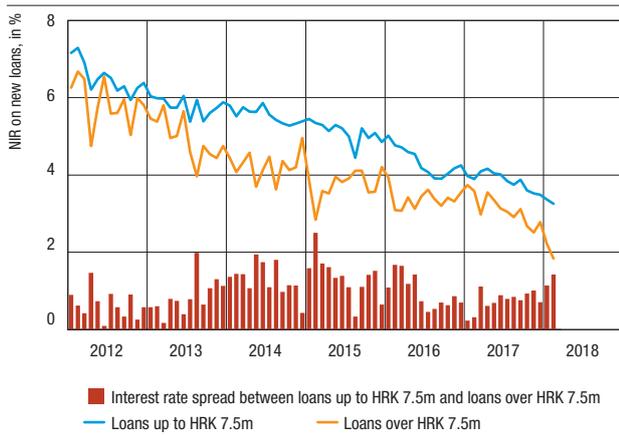
Source: S&P Capital IQ.

Figure 29 Long-term financing costs in kuna with a currency clause and in foreign currency



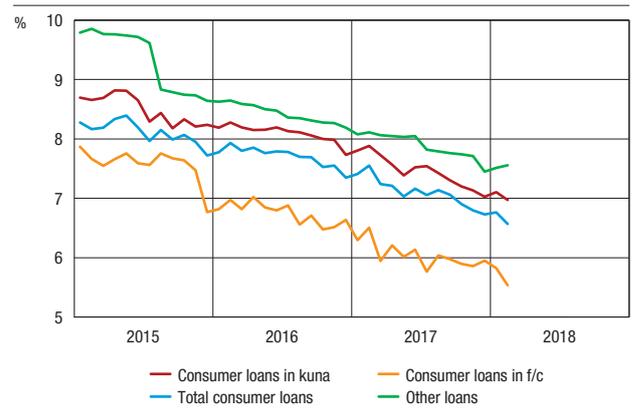
Note: EMBI, or the Emerging Market Bond Index, shows the spread between yields on government securities of emerging market economies, Croatia included, and risk-free securities issued by developed countries.
Sources: MoF, Bloomberg and CNB.

Figure 30 Bank interest rates on loans to non-financial corporations by volume



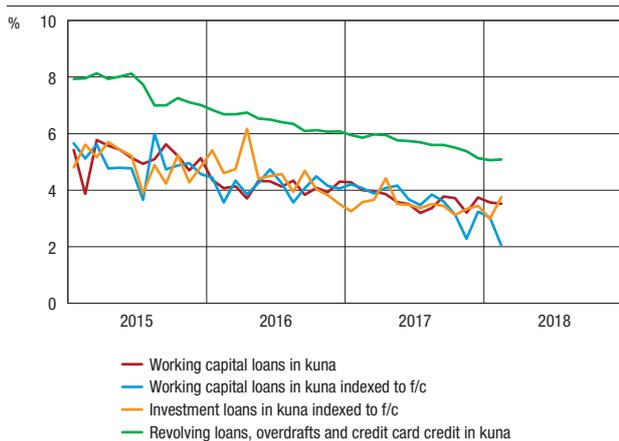
Source: CNB.

Figure 33 Interest rates on original new consumer and other loans to households



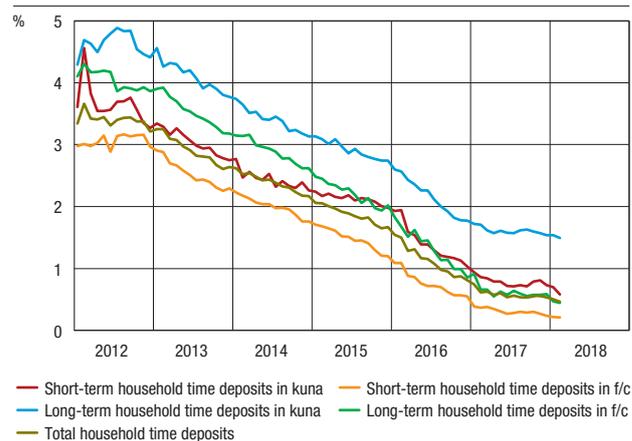
Notes: Consumer loans include total loans to households excl. housing and other loans. Other loans to households (denominated almost exclusively in kuna) include credit card loans, overdrafts, revolving loans and receivables on charge cards.
 Source: CNB.

Figure 31 Interest rates on original new loans to non-financial corporations



Source: CNB.

Figure 34 Interest rates on household time deposits



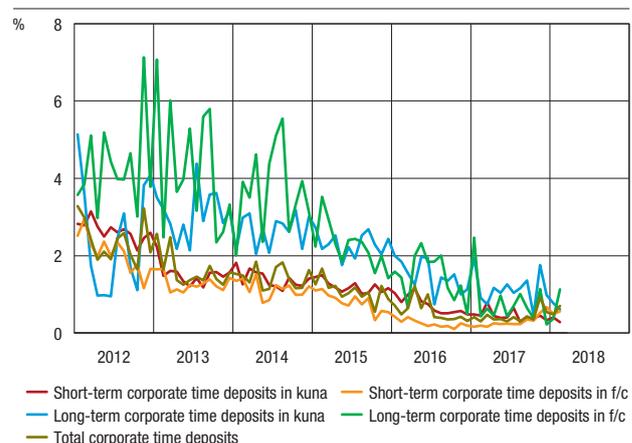
Source: CNB.

Figure 32 Interest rates on original new housing loans to households



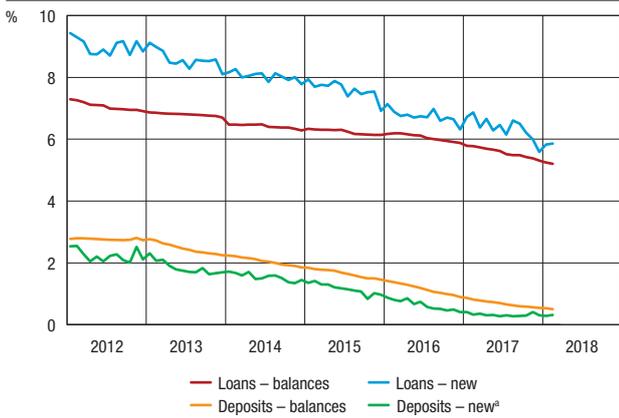
Source: CNB.

Figure 35 Interest rates on corporate time deposits



Source: CNB.

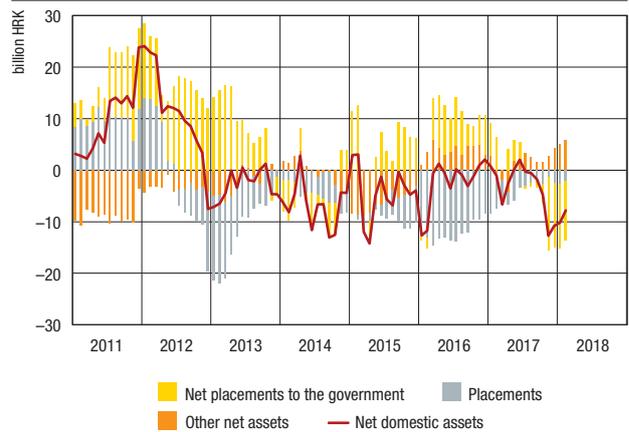
Figure 36 Average interest rates on loans (excl. revolving loans) and deposits



^a For time deposits, interest rates on newly received deposits are weighted by their balances.

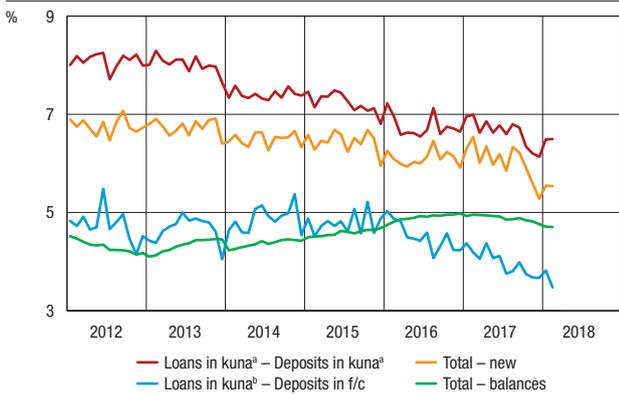
Source: CNB.

Figure 39 Net domestic assets, structure absolute change in the last 12 months



Source: CNB.

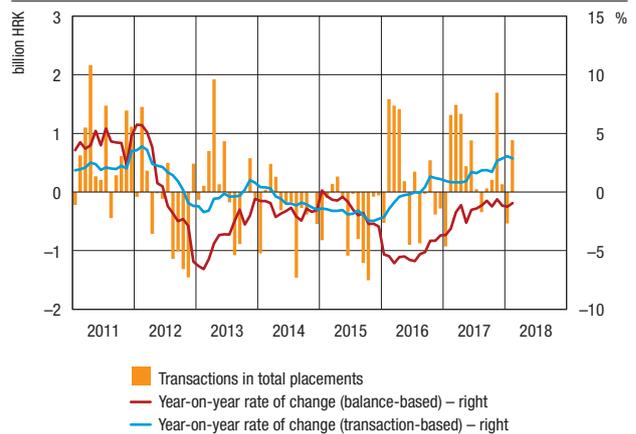
Figure 37 Spread between interest rates on loans (excl. revolving loans) and interest rates on deposits



^a Non-indexed to f/c. ^b Indexed to f/c.
Note: Spread between average interest rates on loans and average interest rates on deposits should be differentiated from net interest margin (the ratio of the difference between interest income and interest expenses to total assets of credit institutions).

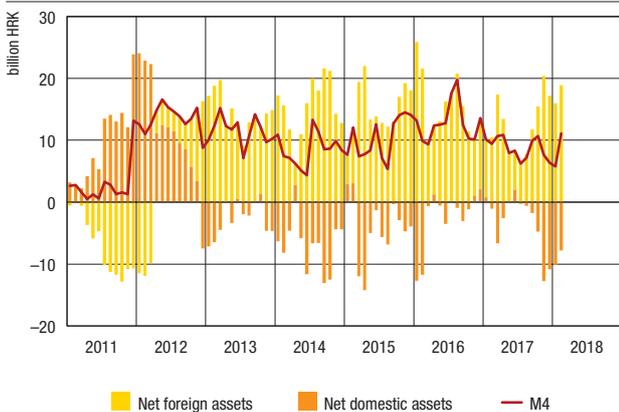
Source: CNB.

Figure 40 Placements



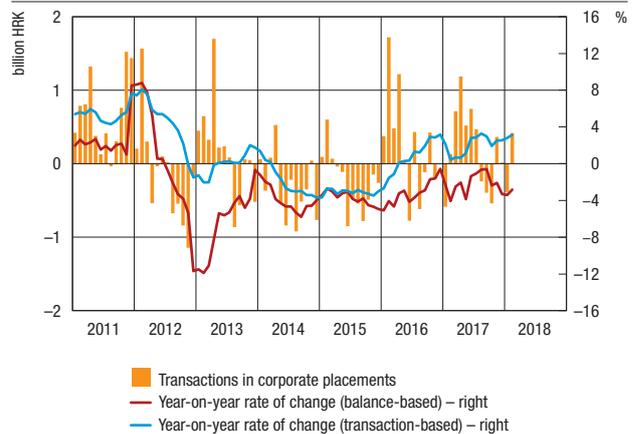
Source: CNB.

Figure 38 Net foreign assets, net domestic assets and total liquid assets (M4) absolute change in the last 12 months



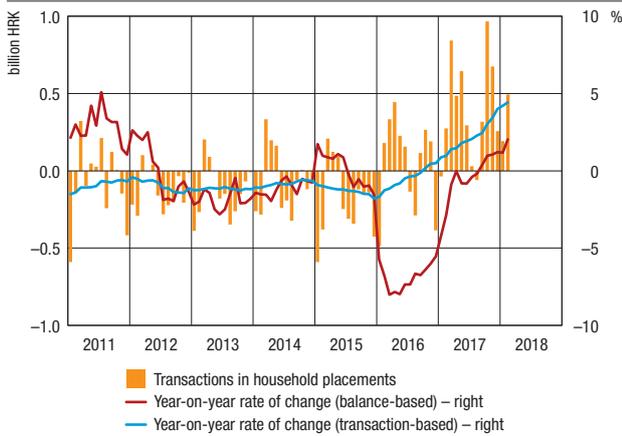
Source: CNB.

Figure 41 Placements to corporates



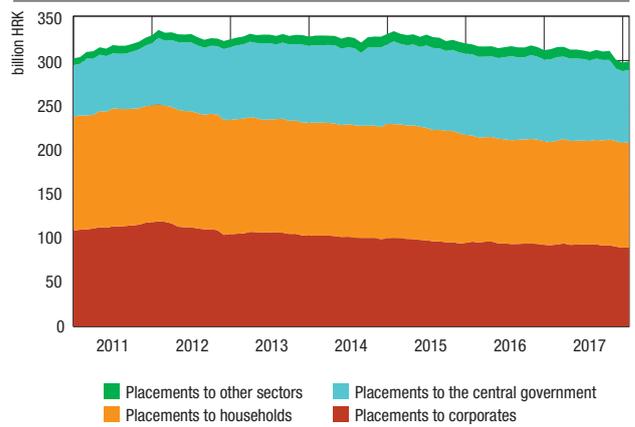
Source: CNB.

Figure 42 Placements to households



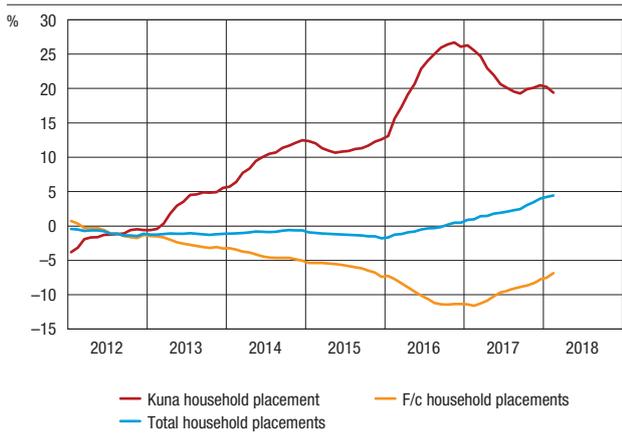
Source: CNB.

Figure 45 Structure of credit institution placements



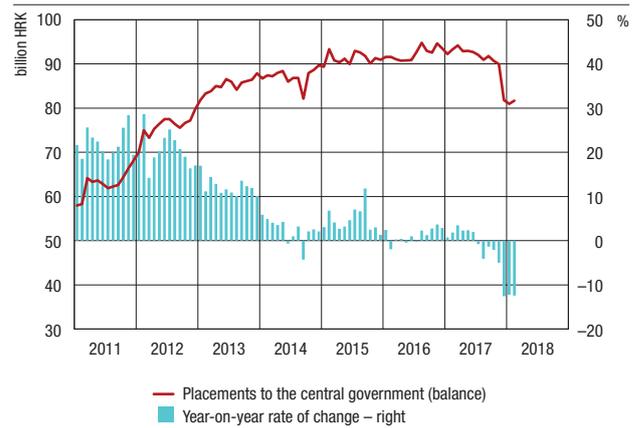
Source: CNB.

Figure 43 Annual rate of change in household placements transaction-based



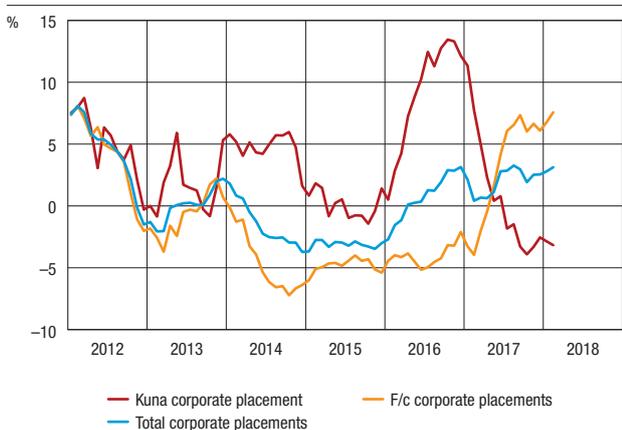
Source: CNB.

Figure 46 Credit institution and MMF placements to the central government



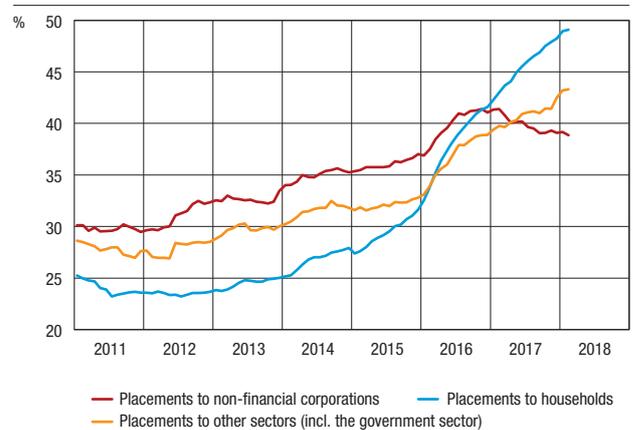
Source: CNB.

Figure 44 Annual rate of change in corporate placements transaction-based



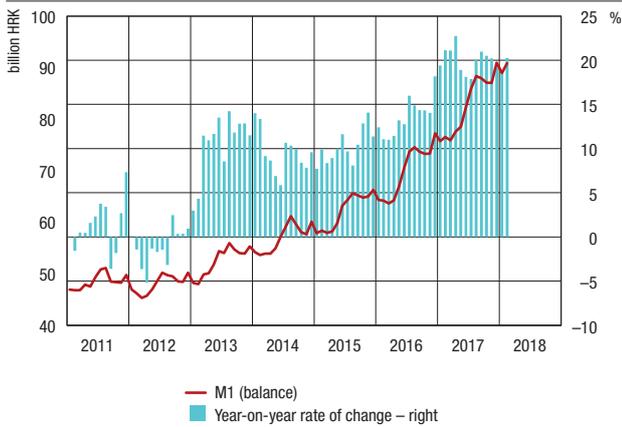
Source: CNB.

Figure 47 Share of kuna placements in total sector placements



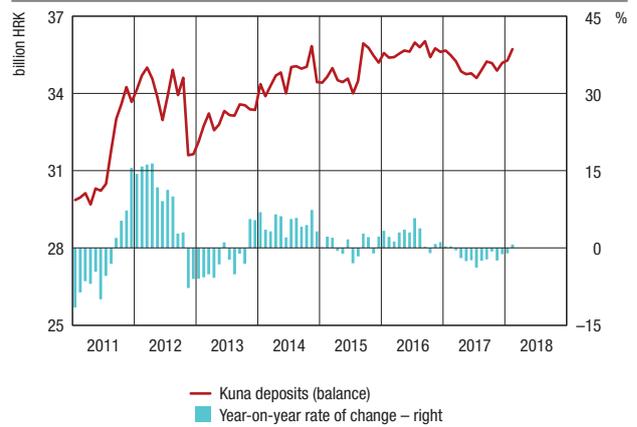
Source: CNB.

Figure 48 Money (M1)



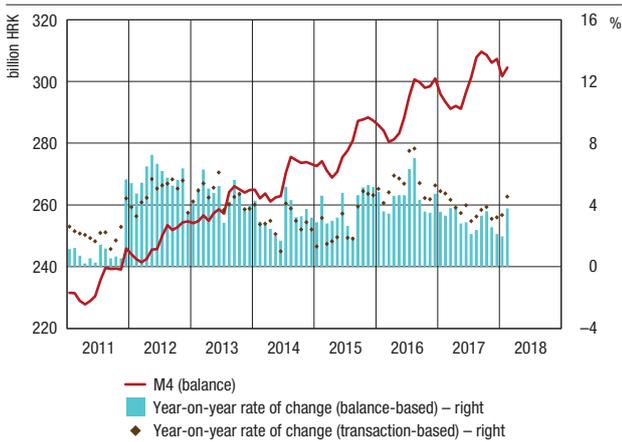
Source: CNB.

Figure 51 Kuna savings and time deposits



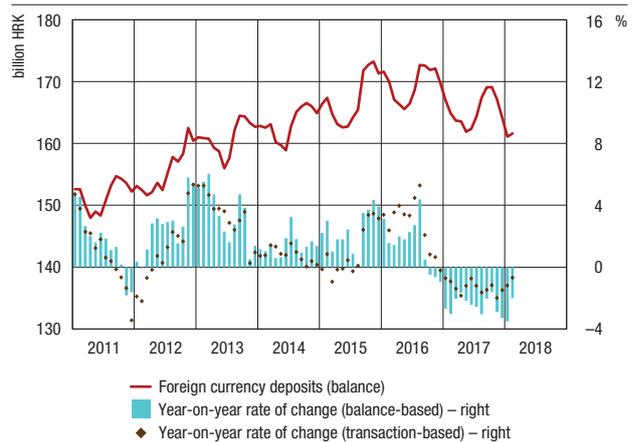
Source: CNB.

Figure 49 Total liquid assets (M4)



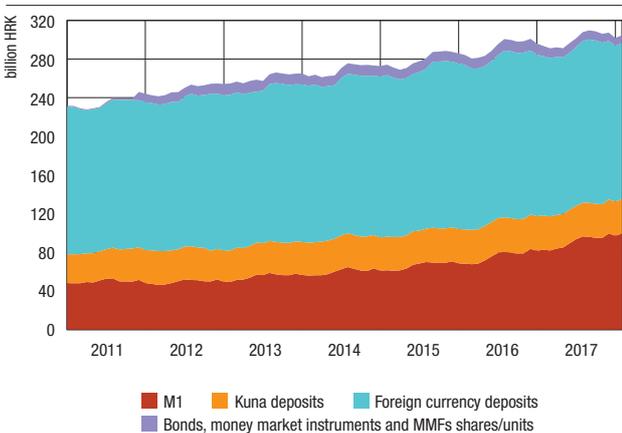
Source: CNB.

Figure 52 Foreign currency deposits



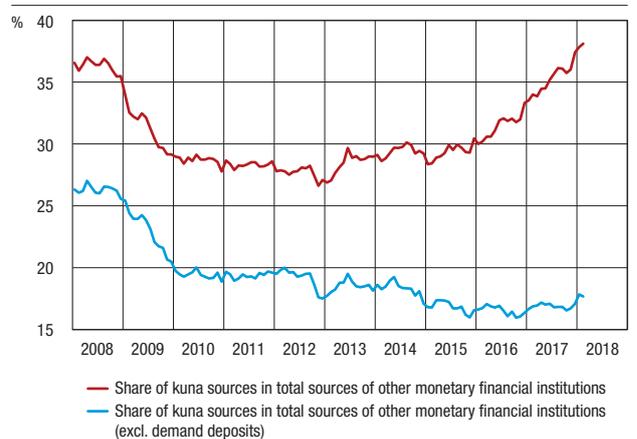
Source: CNB.

Figure 50 Structure of M4 monetary aggregate



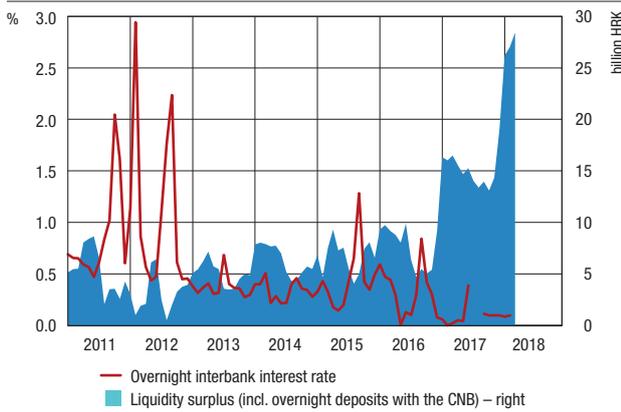
Source: CNB.

Figure 53 Share of kuna sources



Source: CNB.

Figure 54 Bank liquidity and overnight interbank interest rate



Note: Liquidity surplus is the difference between the balance in bank settlement accounts with the CNB and the amount that banks are required to hold in their accounts after the calculation of reserve requirements.

Source: CNB.

Table 2 Balance of payments

preliminary data, in million EUR

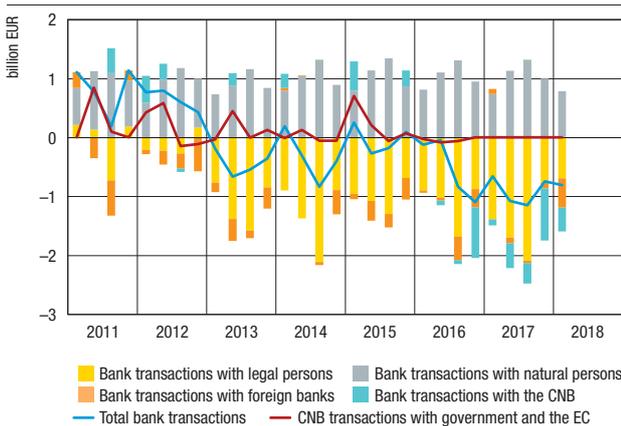
	2016	2017	Indices	
			2016/2015	2017/2016
Current account	1,208.7	1,903.8	59.9	157.5
Capital account	597.5	236.8	186.3	39.6
Financial account (excl. reserves)	1,584.7	-925.8	142.4	-58.4
International reserves	-264.7	2593.1	-	-
Net errors and omissions	-486.2	-473.2	101.0	97.3

^a Sum of the last four quarters.

Note: In line with the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6).

Source: CNB.

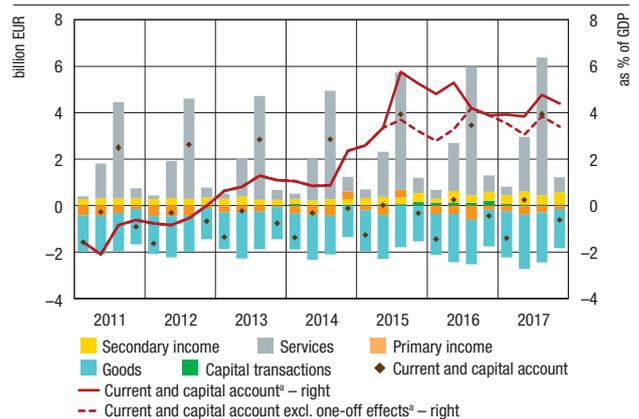
Figure 55 Spot transactions in the foreign exchange market (net turnover)



Notes: Positive values indicate net purchases and negative values indicate net sales. Legal persons include the government.

Source: CNB.

Figure 57 Current and capital account flows



^a Sum of the last four quarters.

Note: One-off effects include conversion of CHF-linked loans in 2015 and bank provisions for loans to the Agrokro Group in 2017.

Source: CNB.

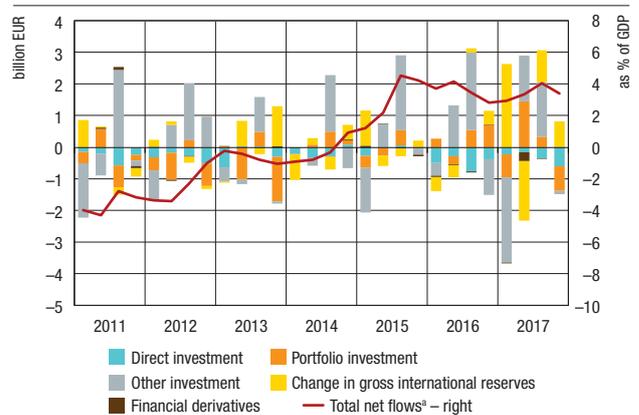
Figure 56 International reserves of the CNB at current rate of exchange



^a NUIR = international reserves - foreign liabilities - reserve requirements in f/c - foreign currency government deposits.

Source: CNB.

Figure 58 Financial account flows by type of investment

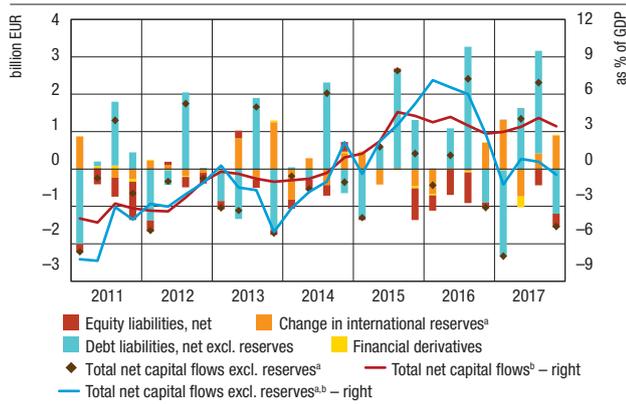


^a Sum of the last four quarters.

Note: A positive value indicates net outflow of equity abroad (including on the basis of the growth in international reserves).

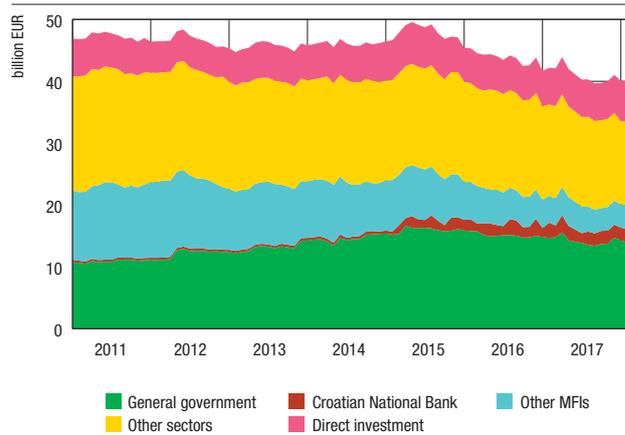
Source: CNB.

Figure 59 Financial account flows by capital structure



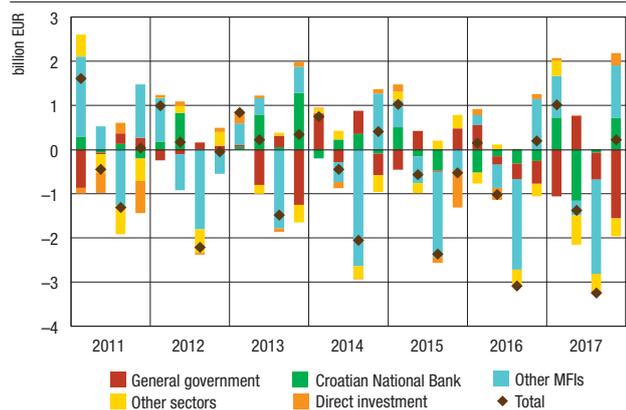
^a The change in gross international reserves is reported net of foreign liabilities of the CNB. ^b Sum of the last four quarters.
Notes: A positive value indicates net outflow of equity abroad. Net flows represent the difference between the change in assets and the change in liabilities.
Source: CNB.

Figure 62 Gross external debt end of period



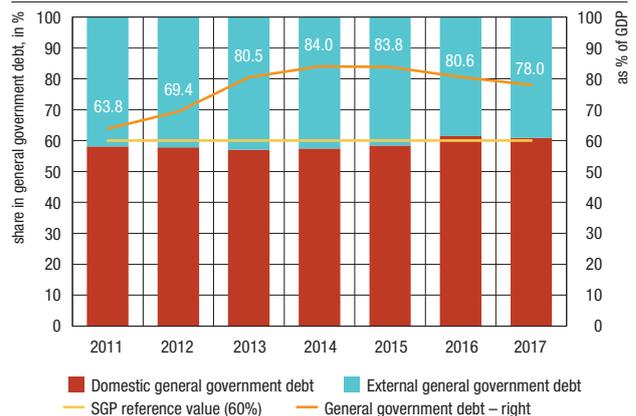
Source: CNB.

Figure 60 Net external debt transactions



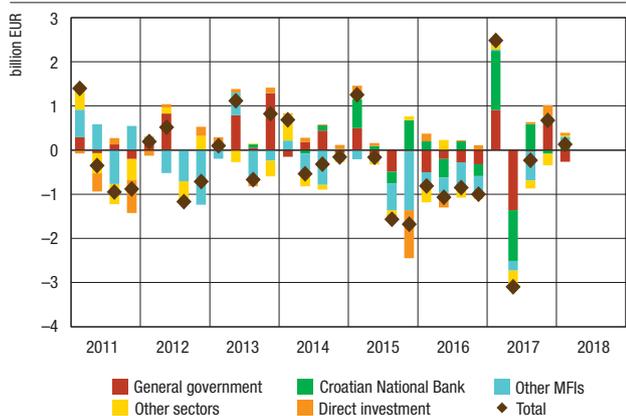
Notes: Transactions refer to the change in debt excl. cross-currency changes and other adjustments. Net external debt is calculated as the gross external debt stock net of foreign debt claims.
Source: CNB.

Figure 63 General government debt



Note: Nominal GDP for the last four available quarters was used for the calculation of the relative indicator.
Source: CNB.

Figure 61 Gross external debt transactions



Notes: Transactions refer to the change in debt excl. cross-currency changes and other adjustments. Data for the first quarter of 2018 refer to January.
Source: CNB.

Table 3 Consolidated general government balance

ESA 2010, in million HRK

	Jan. – Sep. 2016	Jan. – Sep. 2017
Total revenue	119,976	120,933
Direct taxes	15,932	15,948
Indirect taxes	51,466	53,737
Social contributions	30,436	31,665
Other	22,143	19,582
Total expenditure	121,700	120,093
Social benefits	41,739	42,014
Subsidies	4,115	3,770
Interest	8,455	8,343
Compensation of employees	29,240	30,100
Intermediate consumption	21,061	22,281
Investment	7,890	6,173
Other	9,200	7,412
Net lending (+)/borrowing (-)	-1,724	840

Sources: Eurostat and CBS.

Table 4 Consolidated central government net borrowing

GFS 2001, in million HRK

	Jan. – Nov. 2016	Jan. – Nov. 2017
1 Revenue	124,046	129,113
2 Disposal of non-financial assets	375	592
3 Expenditure	121,269	122,632
4 Acquisition of non-financial assets	3,552	2,814
5 Net borrowing (1 + 2 – 3 – 4)	–400	4,259

Sources: MoF and CNB calculations.

Table 5 General government debt

in million HRK

	Jan. – Dec. 2016	Jan. – Dec. 2017
Change in total debt stock	–2,465	1,791
Change in domestic debt stock	7,244	–371
– Securities other than shares, short-term	–2,614	–124
– Securities other than shares, long-term	16,509	10,791
– Loans	–6,586	–10,938
Change in external debt stock	–9,709	2,162
– Securities other than shares, short-term	–49	137
– Securities other than shares, long-term	–9,709	3,358
– Loans	49	–1,332
Memo item:		
Change in total guarantees issued	1,745	564

Source: CNB.

Abbreviations and symbols

Abbreviations

BIS	– Bank for International Settlements
bn	– billion
b.p.	– basis points
BOP	– balance of payments
c.i.f.	– cost, insurance and freight
CBRD	– Croatian Bank for Reconstruction and Development
CBS	– Croatian Bureau of Statistics
CCI	– consumer confidence index
CDCC	– Central Depository and Clearing Company Inc.
CDS	– credit default swap
CEE	– Central and Eastern European
CEFTA	– Central European Free Trade Agreement
CEI	– consumer expectations index
CES	– Croatian Employment Service
CHIF	– Croatian Health Insurance Fund
CLVPS	– Croatian Large Value Payment System
CM	– Croatian Motorways
CNB	– Croatian National Bank
CPF	– Croatian Privatisation Fund
CPI	– consumer price index
CPII	– Croatian Pension Insurance Institute
CR	– Croatian Roads
CSI	– consumer sentiment index
DAB	– State Agency for Deposit Insurance and Bank Resolution
dep.	– deposit
DVP	– delivery versus payment
EC	– European Commission
ECB	– European Central Bank
EFTA	– European Free Trade Association
EMU	– Economic and Monetary Union
ESI	– economic sentiment index
EU	– European Union
excl.	– excluding
f/c	– foreign currency
FDI	– foreign direct investment
Fed	– Federal Reserve System
FINA	– Financial Agency
FISIM	– financial intermediation services indirectly measured
f.o.b.	– free on board
GDP	– gross domestic product
GVA	– gross value added
HANFA	– Croatian Financial Services Supervisory Agency
HICP	– harmonised index of consumer prices
ILO	– International Labour Organization
IMF	– International Monetary Fund
incl.	– including
IPO	– initial public offering
m	– million
MIGs	– main industrial groupings
MM	– monthly maturity
MoF	– Ministry of Finance
NCA	– National Classification of Activities
NCB	– national central bank
NCS	– National Clearing System

n.e.c.	– not elsewhere classified
OECD	– Organisation for Economic Co-Operation and Development
OG	– Official Gazette
R	– Republic
o/w	– of which
PPI	– producer price index
RTGS	– Real-Time Gross Settlement
Q	– quarterly
RR	– reserve requirement
SDR	– special drawing rights
SITC	– Standard International Trade Classification
SGP	– Stability and Growth Pact
VAT	– value added tax
WTO	– World Trade Organization
ZMM	– Zagreb Money Market
ZSE	– Zagreb Stock Exchange

Three-letter currency codes

ATS	– Austrian schilling
CHF	– Swiss franc
CNY	– Yuan Renminbi
DEM	– German mark
EUR	– euro
FRF	– French franc
GBP	– pound sterling
HRK	– Croatian kuna
ITL	– Italian lira
JPY	– Japanese yen
USD	– US dollar

Two-letter country codes

BG	– Bulgaria
CZ	– Czech R.
EE	– Estonia
HR	– Croatia
HU	– Hungary
LV	– Latvia
LT	– Lithuania
PL	– Poland
RO	– Romania
SK	– Slovak R.
SI	– Slovenia

Symbols

–	– no entry
....	– data not available
0	– value is less than 0.5 of the unit of measure being used
∅	– average
a, b, c,...	– indicates a note beneath the table and figure
*	– corrected data
()	– incomplete or insufficiently verified data

