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TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2000	2001	2002	2003	2004	2005	2005				2005						
							Q1	Q2	Q3	Q4	VI	VII	VIII	IX	X	XI	XII
GDP, current prices (mil. HRK)	152 519	165 639	179 390	193 067	207 082	-	49 574	55 349	61 637	-	-	-	-	-	-	-	-
GDP, real growth rates	2,9	4,4	5,2	4,3	3,8	-	1,8	5,1	5,2	-	-	-	-	-	-	-	-
Total volume of industrial production, growth rate as %	1,7	6,0	5,4	4,1	3,7	5,1	0,2	8,9	5,3	5,4	12,3	5,4	4,7	5,9	7,1	6,3	3,0
Retail sales turnover, real growth rate as %	14,4	9,5	12,6	3,7	2,6	-	0,6	5,2	3,3	-	7,3	2,0	5,1	3,6	1,7	2,0	-
Total volume of construction projects, growth rate as %	-9,1	3,6	12,8	22,8	2,0	-	-6,6	-5,6	2,3	-	-3,6	-3,6	5,5	5,6	8,8	8,0	-
Nights spent by tourists, growth rate as %	45,0	11,0	3,0	4,0	2,0	8,0	6,0	0,5	9,7	-	0,0	13,0	7,0	11,0	10,0	5,0	5,0
Producer's prices, period average, %	9,7	3,6	-0,4	1,9	3,5	3,0	4,8	3,2	2,1	2,4	2,4	2,3	1,5	2,1	1,8	2,3	2,7
Consumer prices, period average, %	4,6	3,7	1,7	1,8	2,1	3,3	3,1	3,0	3,3	3,8	2,9	3,1	3,1	3,8	4,1	3,8	3,6
Total persons in employment, end of period	1 321 476	1 340 504	1 351 364	1 387 910	1 397 416	1 400 450	1 384 154	1 417 284	1 419 962	1 400 450	1 417 284	1 427 462	1 429 303	1 419 962	1 412 763	1 408 588	1 400 450
Unemployed persons, end of period	378 544	395 141	366 162	318 684	317 577	307 851	329 020	297 602	294 310	307 851	297 602	293 176	291 014	294 310	300 645	305 533	307 851
Unemployment rate, end of period	22,6	23,1	21,5	19,1	18,5	18,0	19,2	17,4	17,2	18,0	17,4	17,0	16,9	17,2	17,5	17,8	18,0
Unemployment rate - ILO comparable, period average, %	16,1	15,8	14,8	14,3	13,8	-	-	13,1	-	-	-	-	-	-	-	-	-
Average monthly gross wages and salaries, growth rate as %	7,0	3,9	6,0	4,8	6,4	-	4,4	4,5	4,1	-	4,3	2,6	5,2	4,7	4,5	5,0	-
Average monthly gross wages and salaries paid off in HRK	4 869	5 061	5 366	5 623	5 985	-	6 087	6 273	6 236	-	6 348	6 199	6 306	6 202	6 184	6 588	-
Exchange rate HRK/US\$, period average	8,28	8,34	7,86	6,70	6,04	5,95	5,72	5,83	6,03	6,21	6,01	6,06	5,98	6,05	6,14	6,25	6,23
Exchange rate HRK/EUR, period average	7,64	7,47	7,41	7,56	7,50	7,40	7,51	7,35	7,36	7,38	7,31	7,30	7,35	7,43	7,39	7,37	7,39
Trade Balance (mil. US\$)	-3 455	-4 481	-5 818	-8 022	-8 561	-	-2 104	-2 781	-2 373	-2 479	-945	-840	-746	-788	-1 037	-754	-689
Exports (mil. US\$)	4 432	4 666	4 904	6 187	8 022	-	1 958	2 326	2 235	2 290	802	706	707	822	687	791	812
Imports (mil. US\$)	7 887	9 147	10 722	14 209	16 583	-	4 062	5 107	4 609	4 769	1 747	1 545	1 453	1 610	1 723	1 544	1 501
Current Account Balance (mil. USD)	-471	-727	-1 917	-2 132	-1 896	-	-2 034	-1 440	2 768	-	-	-	-	-	-	-	-
Current Account Balance (as % of GDP)	-2,5	-3,7	-8,7	-6,9	-4,6	-	-23,28	-14,84	27,11	-	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. USD)	3 525	4 704	586	8 191	8 759	-	8 680	8 520	8 437	-	8 520	8 530	8 625	8 437	8 661	8 529	-
Total outstanding external debt, end of period (mil. USD)	11 282	11 870	15 680	24 759	30 859	-	29 969	29 236	29 007	-	29 236	29 251	29 397	29 007	29 479	29 340	-
Internal debt of consolidated central government, eop. (mill. HRK)	14 550	21 944	23 597	26 261	35 789	-	45 145	45 279	46 077	-	45 279	46 598	45 892	46 077	46 824	47 007	-
Commercial bank's loans, growth rate as %	10,1	23,2	33,6	16,8	13,1	-	16,8	20,5	20,0	-	20,5	18,7	18,9	20,0	21,4	20,6	-
Interest rates on treasury bills of 91 days maturity, end of period	7,50%	4,00%	2,00%	4,00%	3,80%	3,70%	4,55%	4,00%	3,90%	3,70%	4,00%	4,20%	4,00%	3,90%	3,70%	3,70%	3,70%
ZIBOR (3 m), average	11,10%	7,90%	4,60%	5,50%	7,35%	6,21%	6,52%	5,74%	6,77%	5,82%	6,15%	6,43%	7,43%	6,46%	5,69%	5,85%	5,90%

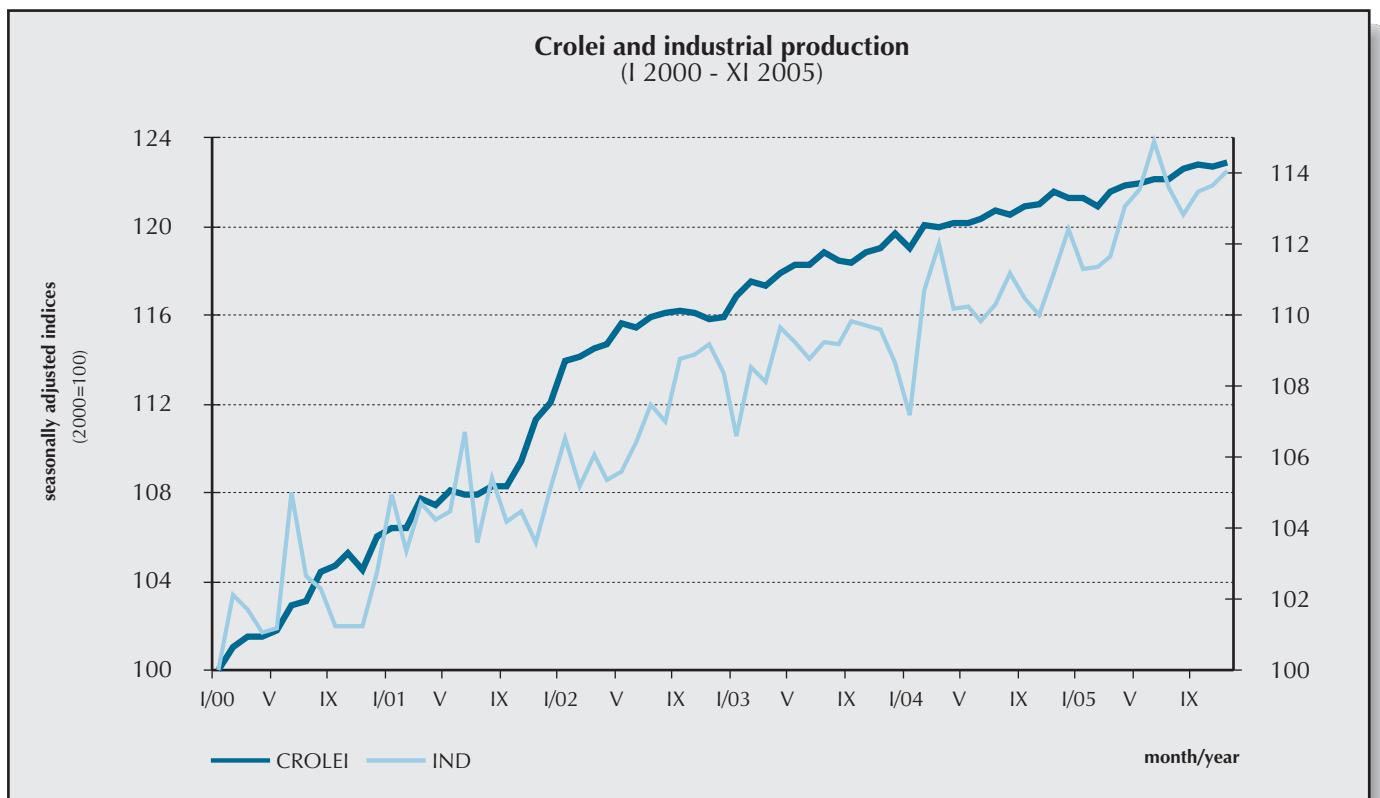
Source: Central Bureau of Statistics, Croatian National Bank, Ministry of Finance

CROLEI LEADING INDICATORS OF INDUSTRIAL PRODUCTION

After CROLEI index recorded a slight decrease in October 2005 which in its value amounted 0.3 points, in November it recorded an increase in the amount of 0.25 points. Within the CROLEI structure (CROLEI index consists of 11 components), seven components recorded increases in their values and four components recorded decreases of their values. Diffusive index (which is calculated on the basis of above mentioned values which show upward trend in the total number of series) amounted in November 63.6%. Considering very moderate decrease in October followed by increase of the value of index in November accompanied by moderate value of diffusive index, continuation of moderate growth in economic activity can be expected in Croatian economy in following six months.

Within the CROLEI structure, seven components recorded increases in their seasonally adjusted values, while remaining four components recorded decreases in the same time. Increases were recorded in nominal net wage, real retail trade turnover from real sector, imports of machinery and transport equipment from international trade sector, total liquid funds, domestic currency time and savings deposits of commercial banks and cash market interest rate on other loans from monetary sector. On the other hand, decreases were recorded in unconsolidated budget revenues from fiscal sector, component total cash of participants in the payment system from monetary sector and components register persons employed and total tourist bed-nights from real sector.

It is worth to mention, out of all components observed, the component of total cash of participants in the payment system recorded its second decrease after 11 months of continuing increase. Component real retail trade turnover showed slight increase in its value after a period of down turning values, which could indicate recovery in this area. Values of other components either oscillate either have a long turn upward trend.

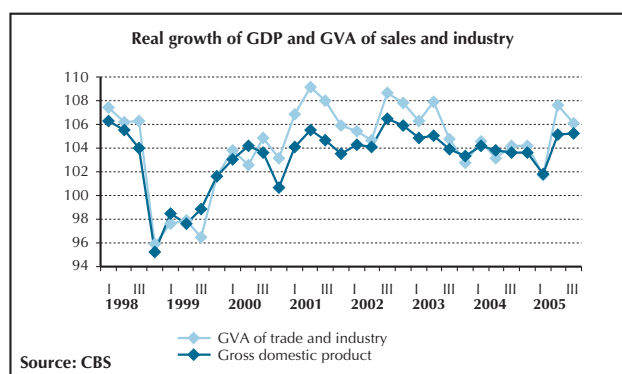
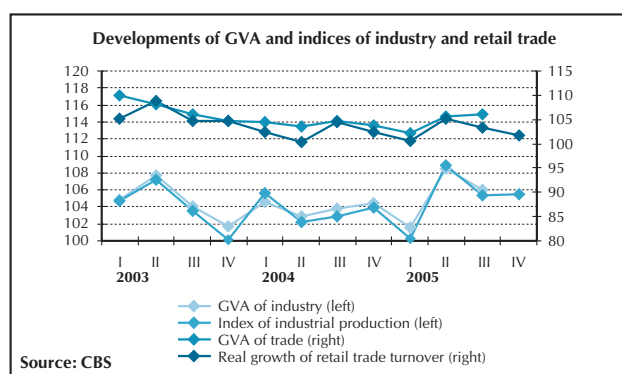
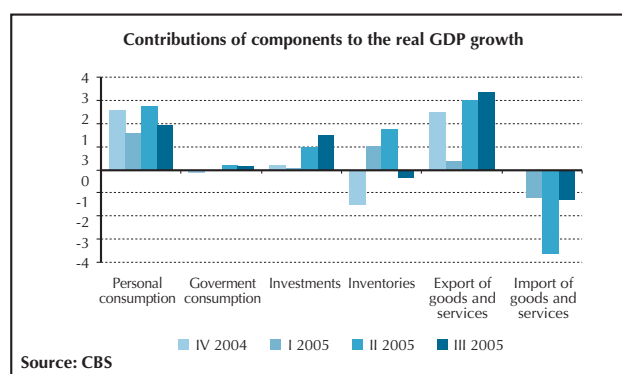
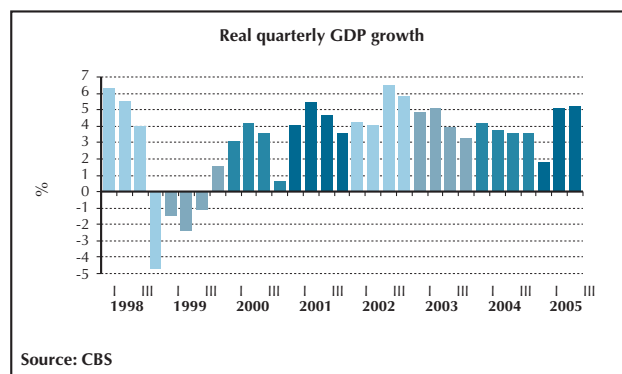


MACROECONOMIC TRENDS THE REAL SECTOR

After the **gross domestic product** real annual growth of 5.1 percent in the second quarter, in the third quarter growth accelerated even more and amounted to 5.2 percent which have been the highest growth since end of year 2002. When the first nine months of 2005 are observed, it can be seen that growth amounted to 4.1 percent which represents an increase compared to the first half of year when growth amounted to 3.5 percent. **GDP deflator** increased slightly compared to the second quarter and was at level of 3.1 percent. The highest annual growth in the third quarter recorded investments which increased by 5.8 percent which is significant due to the investments goods' feature that they are not used for consumption but for further production and are the main generator of growth in the future. The growth was also recorded in **personal consumption** (3.8 percent) and **government consumption** (1 percent) while growth of **exports of goods and services** (4.9 percent) exceeded significantly **imports of goods and services** (2.3 percent). Concerning contributions to growth, the highest positive contribution to growth came from the **exports of goods and services** in amount of 3.3 percentage points. **Personal consumption** contributed to growth by 2 percentage points, **government consumption** by 0.2 percentage points while contribution to growth of **gross investments** amounted to 1.5 percentage points. Negative contribution of **import of goods and services** amounted to -1.3 percentage points although contribution of **net exports** was positive owing to the high contribution of exports of goods and services. Calculation of gross domestic product from production side indicate that the highest real growth of gross value added in the third was recorded in activities of **financial intermediation** (7.8 percent), **hotels and restaurants** (7.6 percent), **trade** (6.1 percent), industry (6 percent), **transport** (5.6 percent) and **construction** (3.4 percent).

During the year 2005 positive developments were recorded in the labor market which is indicated by the data of labor force survey but also by data of administrative unemployment. Labor force survey is conducted twice a year in line with methodological rules and principles of International Labor Organization. According to the labor force survey data, the **number of unemployed** decreased by 17.000 in the first half of 2005 when compared to the first half of 2004 or by 6.7 percent. **The unemployment rate** in was in the first half of 2005 at level of 13.1 percent which represents significant improvement compared to the same period of year 2004 when it amounted to 13.8 percent. Although the data for the second half of year are not available yet, based on the data from administrative sources, further decline in unemployment rate can be expected. Namely, data of Croatian Employment Service indicate continuously lower **number of unemployed** persons in all months in the second half of year 2005 compared to the year before. Decrease unemployed persons on annual level culminated in December 2005 when 9.726 unemployed persons less was recorded than in the same month of year 2004. The rate of unemployment was at the end of 2005 on the level of 18 percent or 0.5 percentage points lower than at the end of 2004.

Industrial production recorded annual growth of 3 percent in December where the fact of two more working days more compared to the same month of year 2004 and base period effect should be considered. Namely, in December 2004 high industrial production growth of 9.7 percent was recorded. **Trend index** of total industrial production was higher by 0.6 percent in December when compare to November 2005. When the whole year 2005 is observed, it can be seen that annual growth amounted to 5.1 percent which represents significant increase compared to year 2004 when it amounted to 3.7 percent. Concerning the fact of high 5.4 percent annual growth of industrial production in the last quarter and its' high share in gross domestic product, the positive influence on gross domestic product can be expected. When observed by main industrial groupings, the highest growth in 2005 was recorded in **capital products** (14.7 percent), **nondurable consumer products** (6.5 percent) and **intermediate products except energy** (6.6 percent).



MONETARY TRENDS

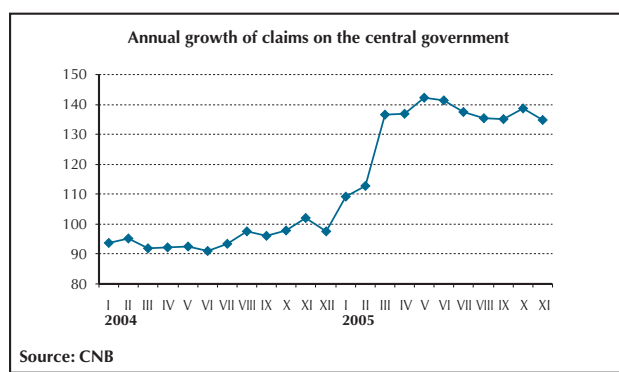
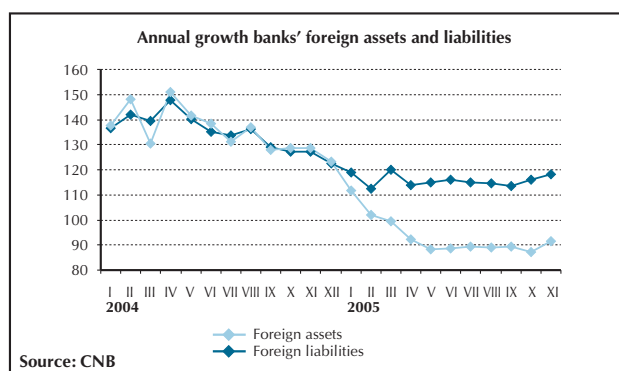
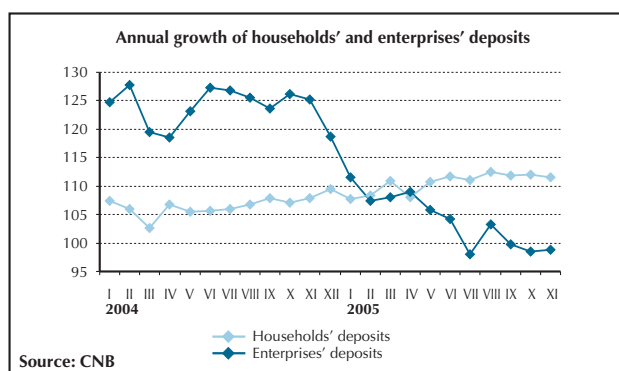
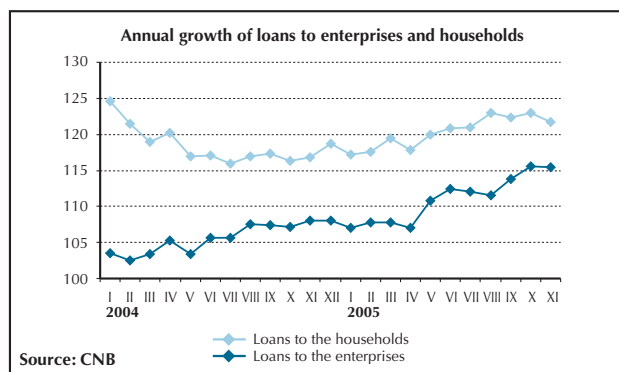
Although annual growth of **commercial banks' loans** recorded slight deceleration in November 2005 when compared to October, it was still on the high level of 20.6 percent. The highest contribution to the total loans growth came from the **sector of households** and total loans to households recorded annual growth rate of 21.8 percent. Share of credits that concerns **housing loans** increased by 29.7 percent. **Credits to enterprises** recorded in November annual growth rate of 15.4 percent which represents almost as twice faster growth than one recorded in November 2004 when it amounted to 8 percent. When commercial banks' loans to **central government** are observed, it can be seen that in the November 2005 they were on 45.8 percent higher level than in the same month of previous year which is in line with government policy of more intensive borrowings on domestic financial markets.

Total deposits with commercial banks amounted at the end of November to HRK 141.8 billion which represents an increase of 10.6 percent when compared to the same month of previous year. Compared to the October, total deposits of commercial banks increased by HRK 2.2 billion or 1.6 percent. Demand deposits with banks increased compared to October by HRK 327 million and reached the level of HRK 25.5 billion. **Total kuna time and savings deposits** with commercial banks grew in November nominally by HRK 940 million and reached the level of HRK 29 billion or 20.3 percent higher than in the November of previous year. The highest contribution to this growth came from enterprises which kuna deposits increased by HRK 449 million while deposits of non-banking financial institutions increased by HRK 105 million and deposits of other banking institutions decreased by HRK 88 million. **Foreign exchange time and savings deposits** also recorded an increase compared to October, in amount of HRK 937 million, and reached the level of HRK 87.3 billion. This increase was mostly contributed by foreign exchange deposits of households which increased by HRK 555 million and deposits of non-banking financial institutions which recorded an increase of HRK 468 million. Annual growth of foreign exchange time and savings deposits in November amounted to 7.7 percent.

Total **foreign assets** of commercial banks increased in November by HRK 2.6 billion or 7.4 percent and reached the level of HRK 37.4 billion which represents a decrease of 8.4 percent when compared to November 2004. Total **foreign liabilities** of commercial banks increased in November by HRK 3.2 billion or 5.2 percent and reached the level of HRK 65.1 billion which represents an increase of 18.0 percent when compared to November 2004. Described developments determined net foreign assets development which at the end of November amounted to HRK -27.7 billion.

The reserve money of Croatian National Bank was at the end of November at level of HRK 36.928 billion which represents an increase of HRK 144 million when compared to October. The highest influence on this increase came from an increase of **banks' deposits with central bank** of HRK 587 million while **currency outside banks** decreased by HRK 228 million. Annual growth of reserve money in November amounted to 18.3 percent which represents acceleration compared to October when annual growth amounted to 12.6 percent.

Average bank interest rates on kuna credits not indexed to foreign currency in November amounted to 10.54 percent which represents a decrease compared to October when they amounted to 10.95 percent and a decrease compared to the November of previous year when they amounted to 11.74 percent. **Average bank interest rates on kuna deposits not indexed to foreign currency** amounted to 1.71 percent in November. That represents an increase when compared to October when they amounted to 1.69 percent and decrease compared to November of previous year when they amounted to 1.76 percent.

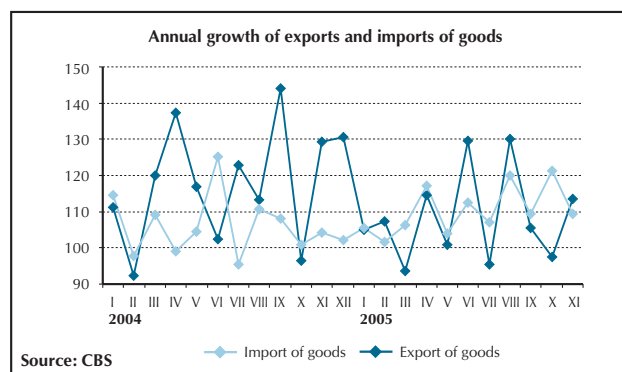
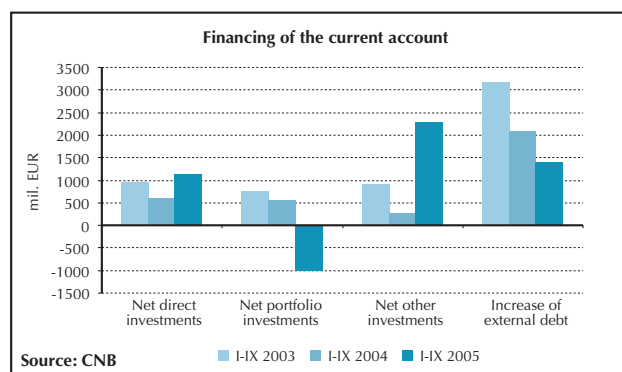
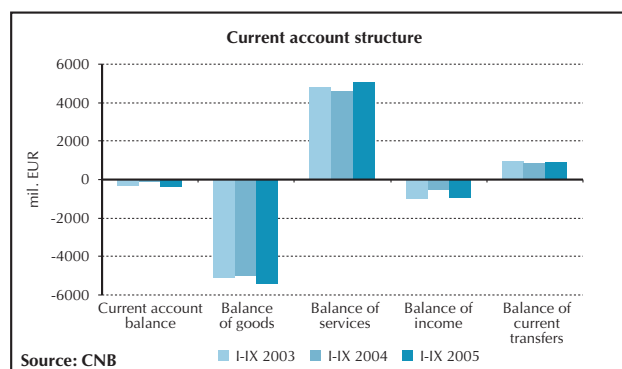
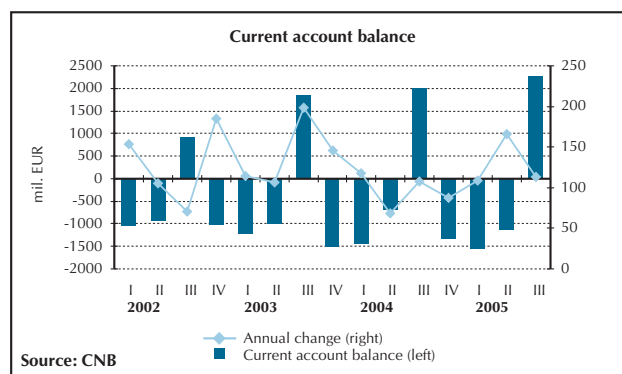


INTERNATIONAL SECTOR

The Croatian National Bank data related to the international relations indicate **current account** surplus in amount of EUR 2.3 billion in the third quarter of 2005 which represents an increase of 13.8 percent compared to the year before. The highest contribution to surplus increase came from a 16.7 percent increase of surplus on **services account**. The most significant role in this increase had **tourism revenues** which in the third quarter amounted to EUR 4.1 billion and increased by 12.3 percent when compared to the third quarter of 2004. This was in line with a tourist nights increase of 9.7 percent and tourist arrivals increase of 7.3 percent in this period. In the direction of current account deficit widening in the third quarter took effect developments on **goods account** which deficit recorded annual growth of 13.2 percent which was in the first place, consequence of faster growth of imports. **The coverage of imports of goods and services by exports of goods and services** was in the third quarter of 2005 at level of 148.3 percent. The higher surplus of current account in the third quarter was also restrained by an increase of deficit on **income account** and by 8.8 percent decrease of surplus on the **current transfers account**. The main feature of **financial account** in the observed period was an increase of direct investments in amount 135.3 percent and outflow of funds on the basis of portfolio investments in amount of EUR 415 million. The outflow of funds on the basis of **portfolio investments** was partly caused by repayment of external government debt and partly by repayment of banks' external debt. Banks were able to finance their financial needs in the third quarter by high rate of deposits growth as a result of good tourist season. Outflow of funds on the basis of other investments was mainly influenced by banks. **Net errors and omissions** were in the third quarter on the level of EUR -1.7 billion.

When first three quarters period of 2005 is observed, it can be seen that **current account** deficit amounted to EUR 418 million which compared to the same period of 2004 represents an increase of EUR 300 million. Such developments are result of annual increase on **goods account** by EUR 447 million and an increase on **income account** by EUR 380 million which was only partly covered by increase of services account surplus of EUR 507 million and **current transfer** surplus increase of EUR 20 million. The current account deficit expressed as GDP percentage (from the fourth quarter of 2004 to the third quarter of 2005) was at the level of 5.9 percent. **The coverage of imports of goods and services by exports of goods and services** was in the first nine months of 2005 at level of 97 percent. Developments on the financial account were characterized by increase in the **direct investments** from EUR 594 million in the first nine months of 2004 to EUR 1.150 billion in the first nine months of 2005 and by outflow of funds in amount of EUR 1 billion on **portfolio account** mainly as a result of government repayment of external debt. On the **other investments** account in the first three quarters of 2005 outflow of funds in the amount of EUR 2.3 billion was recorded and was mainly result of banks' currency and deposits increase. **Net errors and omissions** were in the first nine months at the level of EUR 1.5 billion.

Export of goods recorded in November annual growth of 13.5 percent which was significantly higher than growth of **imports** which grew by 9.4 percent. Owing to higher growth of exports in November, the growth of total merchandise exports accelerated from 7.1 percent in the first ten to the 7.7 percent in the first eleven months while imports of goods in the first eleven months increased by 10.5 percent. When category of other transport equipment is excluded from total exports and imports, it can be seen that exports increased in the first eleven months by 11.6 percent while imports increased in the same time by 10.9 percent. When the external trade by activities is observed, it can be seen that the highest contribution to the growth of exports came from **manufacture of food and beverages** (38.2 percent), **manufacture of machinery and equipment** (24.9 percent), **manufacture of coke and petroleum products** (18.2 percent) and **manufacture of chemicals and chemical products** (15.4 percent). The highest negative contribution to growth came from **manufacture of other transport equipment** which in the observed period decreased by 16.2 percent.



BUDGETARY CENTRAL GOVERNMENT

Revenue

In January - November of 2005 period, the Budgetary Central Government collected HRK 76.3 billion or 7.6% more than in the same period of 2004. This represents 89.2% of total budgetary revenues planned for the year 2005. Tax revenues represent the most important revenue category in the budget. In the observed period tax revenues amounted to HRK 46.0 billion with an annual growth of 7.9%. The largest part of tax revenues is generated through value-added tax which amounted HRK 29.3 billion in the observed period. This represents an annual growth of 8.4%. The excellent tourist season and stronger economic activity resulted in higher value-added tax revenues.

Revenues from excise taxes amounted HRK 7.5 billion in the observed period, which represents 91.3% of the planned amount for 2005. Within the structure of excise taxes, the highest growth compared with the same period last year was recorded by excises on personal cars (13.7%). Excises on personal cars record high year growth due to higher nominal excises and greater car sell. Excises on oil derivatives made 40.9% of total excise tax revenues having the strongest influence on the overall developments of excise tax revenues. They amounted to HRK 3.1 billion which is approximately the same amount as the last year. Due to excellent tourist season the revenues from excise on oil derivatives increased significantly in August which resulted in better cumulative result. Revenues from excise taxes on tobacco and tobacco products were realized in the amount of HRK 2.3 billion which represents an annual growth of 3.9%. The accomplished growth is not as big as it was expected considering nominal rise of excise taxes on tobacco and tobacco products. Based on above mentioned figures we can state a significant presence of illegal trading with tobacco products. Revenues collected from excise taxes on alcohol and beer decreased by 2.3%.

Income tax revenues were realized at the level of HRK 2.7 billion, i.e. 84.7% of the planned annual amount. The revenues from income tax were realized at the same level as last year. Income tax revenues grew slower than it was planned for the year 2005 due to major income tax repayment sums.

Revenues collected by profit tax have grown by impressive 27.1% and amounted to HRK 3.6 billion.

Revenues from property tax, which are completely made up of revenues from taxes on real estate transactions, were collected in the amount 335.4 million recording an annual increase of 6.6%. Revenues from tax on international trade recorded decrease of 1.0% due to liberalization of foreign trade. They amounted to 1.4 billion. Revenues from other taxes were collected in the amount of 334.9 million which represents an annual increase of 10.9%.

Social contributions, which make up to 37.1% of the total revenues, grew by 6.1% compared to the same period previous year. They amounted to HRK 28.3 billion making up to 90.0% of the planned amount for the 2005. Within the structure of social contributions the largest part refers to employers' contributions amounting to HRK 15.1 billion (annual growth of 5.9%) and contributions of employees, which amounted to HRK 12.6 billion (annual growth of 5.3%), while the remaining HRK 664.5 million accounts for the contributions of selfemployed and unemployed persons, which recorded an annual growth of high 27.1%.

Other revenues were realized in the amount of HRK 1.9 billion which represents an annual growth of 22.1%. Property revenues amounted to HRK 620.9 million which represents an annual growth of 22.6%. 76.9% of property income refers to revenues from rent, and the rest of the sum refers to dividends and interest revenues. Revenues from sales of goods and services amounted to HRK 708.9 million (annual growth of 12.5%) resulting from administrative fee revenues (16.2%) and revenues from incidental sales by non-market establishments (9.0%).

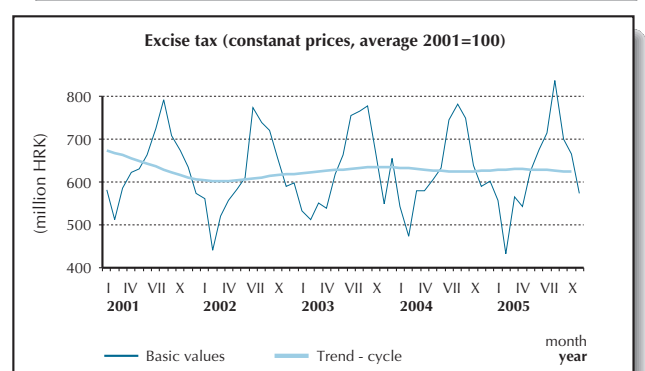
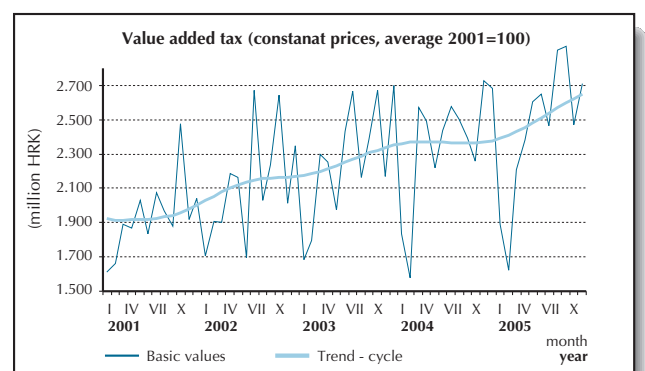
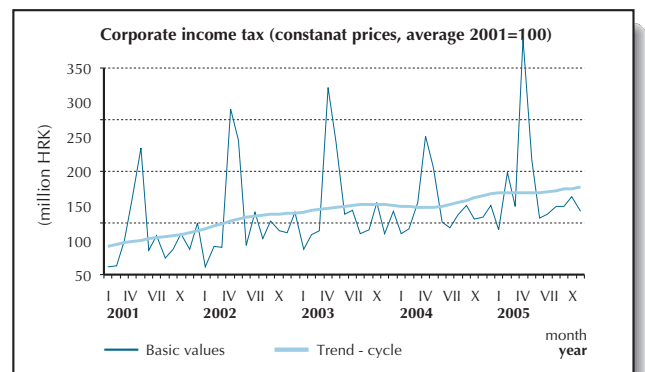
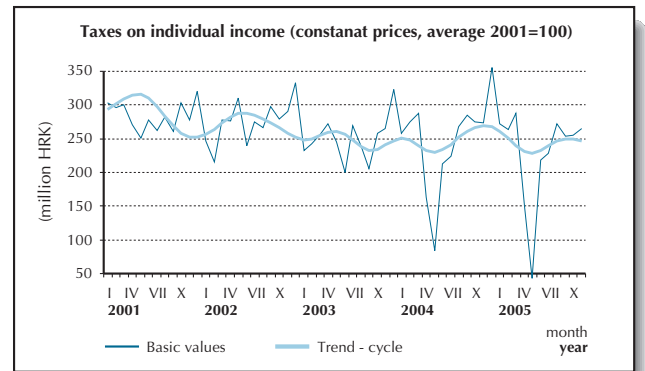
Fines, penalties and forfeits recorded the amount of HRK 330.9 million (annual growth of 6.1%) and miscellaneous and unidentified revenue recorded the amount of HRK 254.6 million and annual growth of 107.9%.

Expense

Total expense of the Budgetary Central Government in the observed period amounted to HRK 79.6 billion which represents an annual increase of 5.4% and realization of 90.9% of the planned amount for year 2005.

The largest share (47.5%) of total expense refers to social benefits. Social benefits amounted to HRK 37.9 billion which represents an annual growth of 3.6% and realization of 91.3% of the plan. Among social benefits, the largest amount of HRK 26.9 billion refers to social security benefits, social assistance benefits which amounted HRK 10.8 billion and social benefits to employees' which amounted 172,1 million. Within their structure, the largest categories refers to expenses for pensions, health care system, maternity leave allowances, child allowance, expenses for unemployment etc.

Expenses for pensions were realized in the amount of HRK 24.4 billion which represents an annual growth of 6.1% and realization of 91.6%



plan for 2005. Within the structure of expenses for pensions HRK 10.9 million refers to expenses for old age pensions, HRK 3.9 million refers to pensions for disabled persons, HRK 2.9 million refers to family pensions, HRK 2.7 million refers to veteran pensions and HRK 1.4 million refers to pension supplement of 100 +6%. Abovementioned categories of pensions refer to 89% of total amount of pensions.

Expenses for health care system were realized in the amount of HRK 13.2 billion which represents annual increase of 4.5% and realization of 92.3% of the planned amount for 2005. Expenses for hospital health care were realized in the amount of HRK 6.6 billion, primary health care in the amount of HRK 2.4 billion and expenses for medicaments on prescription in the amount of HRK 2.0 billion.

Among other social benefits, important items are also expenses for additional maternity leave and baby equipment (HRK 655.2 million), child allowance (HRK 1.3 billion), expenses for unemployment (HRK 817.3 million) and permanent veteran rights (HRK 707.6 million).

In January - November of 2005 period, compensation for employees, which accounts for 26.5% of total expenses, grew by 4.6%. They were realized in the amount of HRK 21.1 billion representing 90.7% of the planned annual amount. Within its structure the largest shares refers to wages and salaries (84.9%) which amounted HRK 17.9 billion. Social contributions, which amount to 15.1% compensation for employees, were realized in the amount of HRK 3.2 billion. Compared to the same period last year expenses for wages and salaries grew by 4.8% and expenses for social contributions grew by 3.4%. Expenses for employees of Croatian Health Insurance Fund are also included in total expenses for employees.

Expenses for subsidies which account for 5.9% of total expenses were recorded in the amount of HRK 4.7 billion representing an annual increase of 3.8% and 89.6% realization of the annual plan. Expenses for subsidies to public enterprises accounted for 53.5% of total expenses and were realized at the level of HRK 2.5 billion (annual decrease of 1.8%). Within their structure the largest part refers to subsidies to Croatian Railways (HRK 1.2 billion) which accounts for 86.9% of the planned amount. Remaining 46.5% of the expenses for subsidies relates to subsidies to private enterprises which amounts HRK 2.2 billion and annual increase of 11%. The largest part of subsidies to private enterprises refers to stimulation of agricultural production (HRK 1.8 billion).

Expenses for the use of goods and services amounted to HRK 4.3 billion representing a share of 5.4% of total expenses in observed period and 86.1% of the annual plan. This amount represents an annual growth of 9.1%.

Expenses for interest payments amounted HRK 4.2 billion in the observed period which represents 4.4% higher amount of the amount planned for the 2005. Interest payments to residents amounted to HRK 2.2 billion (52.8% of total expenses for interest payments) while the rest of the sum refers to expenses for interest payments to nonresidents (HRK 1.9 billion). Such developments confirm the orientation towards domestic sources in financing.

Other expenses, (5.4% of total expenses) amounted HRK 4.3 billion which represents 86.1% of annual planned amount. Compared with the same period last year other expenses grew by 14.6% as a result of capital expenses realized in the amount of HRK 2.4 billion (55.5% of other expenses) and current expenses realized in the amount of HRK 1.9 billion.

Transactions in nonfinancial assets

In the observed period net acquisition of nonfinancial assets rise in the amount of HRK 1.2 billion. Acquisition of nonfinancial assets which amounted HRK 1.5 billion surpassed the disposal of nonfinancial assets which amounted HRK 247.8 million. The largest contribution of net acquisition of nonfinancial assets came from net acquisition of fixed assets (97.8%), mainly of buildings and structures and machinery and equipment. Disposal of nonfinancial assets refers mainly on disposal of fixed assets (buildings and structures). Compared with the same period last year disposal of fixed assets grew by 14.8%.

Transaction in financial assets

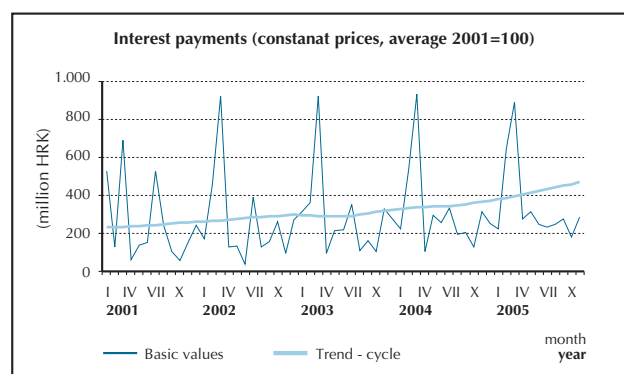
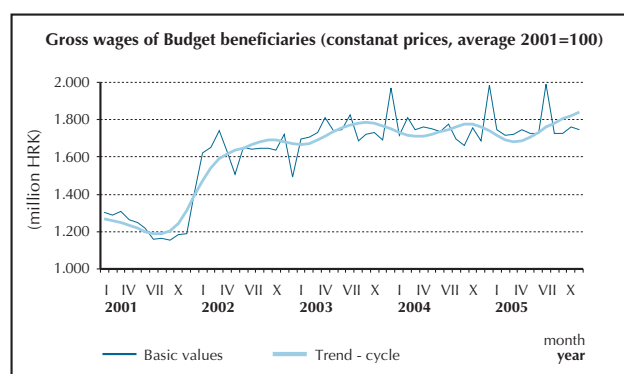
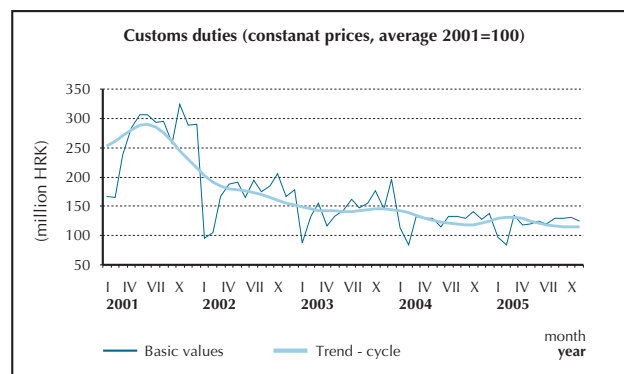
In the observed period net acquisition of financial assets amounted to HRK 1.2 billion as a result of net acquisition of domestic financial assets in the amount of HRK 1.2 billion and net disposal of foreign financial assets in the amount of HRK -4.9 million. The largest contribution to the increase of net domestic

financial assets came from currency and deposits (HRK 303.9 million), loans (HRK 683.4 million) and shares and other equity (HRK 176.6 million). The acquisition of domestic loans in the amount of HRK 837.7 million exceeded their disposals which were realized in the amount of HRK 154.4 million. Acquisition of shares and other equity amounted 186.6 million and disposals of shares and other equity amounted HRK 176.6 million.

The decrease in net foreign financial assets of HRK 4.9 million is a result of disposals of foreign financial assets in the amount of HRK 7.6 million and acquisition of foreign financial assets in the amount of HRK 2.7 million.

Transactions in liabilities

In the observed period total net incurrence of liabilities of Budgetary Central Government amounted to HRK 5.7 billion, out of which domestic liabilities increased by HRK 10.6 billion and foreign liabilities decreased by HRK 4.9 billion. Such developments confirm the orientation towards domestic sources in financing. Namely, domestic incurrence of liabilities amounted to HRK 13 billion as a result of incurrence in liabilities from securities other than shares (HRK 9.5 billion) and loans (HRK 3.5 billion). On the other hand, domestic repayments amounted to HRK 2.4 million as repayments of securities other than shares (HRK 1 billion) and loans (HRK 1.3 billion).



The decrease in foreign liabilities is the result of greater repayments than incurrence of liabilities. Total foreign repayment amount to HRK 5.6 billion, out of which the repayment of securities other than shares amounted to HRK 3.7 billion and repayment of loans amounted to HRK 1.9 billion. The incurrence of foreign liabilities completely refers to loans and amounted to HRK 744.8 million.

Net lending/borrowing

Difference between total revenues and total expenses is defined as operating balance (by the GFS 2001 methodology). Operating balance amounted HRK -3.3 billion in the observed period. Net lending/borrowing amounted HRK -4.6 billion and it is calculated deducting the sum of net nonfinancial assets (HRK 1.2 billion) of the sum of operating balance. Financing of that sum is a result of net liabilities in the amount of HRK 5.7 billion and net financial assets in the amount of HRK 1.6 billion.

CONSOLIDATED CENTRAL GOVERNMENT

Revenues

In January - November of 2005 period total Consolidated Central Government revenue amounted to HRK 82.6 billion representing 89.3% of the planned amount and annual growth of 7.4%.

According to government level, the 92.4% of Consolidated Central Government revenue relates to Budgetary Central Government revenue, while the remainder of 7.6% relates to extrabudgetary funds. The Croatian Motorways generated the revenues in the amount of HRK 2.3 billion, The Croatian Roads generated the revenues in the amount of HRK 1.3 billion and Croatian Waters generated revenues in the amount of HRK 1.1 billion.

Expenses

Total expenses of Consolidated Central Government amounted to HRK 83.5 billion in the observed period representing the annual growth of 6.0% and 90.6% of the planned amount for 2005.

Budgetary Central Government expense accounted for 94.4% of total Consolidated Central Government expense, while 5.6% relates to extrabudgetary funds. Within extrabudgetary funds, the highest levels of expense was recorded by Croatian Waters (HRK 1.2 billion), followed by Croatian Roads (HRK 973,3 million), Croatian Motorways (HRK 925 million) and Croatian Health Insurance Institute (HRK 809,9 million). The lowest expense among extrabudgetary funds was recorded by Environment Protection Fund (HRK 12.6 million).

Transactions in nonfinancial assets

Net nonfinancial assets amounted to HRK 5.6 billion in the observed period as a result of HRK 5.9 billion in acquisition and HRK 296,4 million in disposal of nonfinancial assets. The largest share of net nonfinancial assets refers to fixed assets (85.7%). 75.4% refers to extrabudgetary funds (mostly on Croatian Motorways and Croatian Roads) and 24.6% refers to Budgetary Central Government. Disposal of nonfinancial assets took part mostly at Budgetary Central Government level (79.9%) and the remaining 15.6% was realized at the level of extrabudgetary funds.

Transactions in financial assets

In January - November of 2005 period net acquisition of financial assets of the Consolidated Central Government amounted to HRK 1.9 billion as a result of net acquisition of domestic financial assets in the amount HRK 1.9 billion and net acquisition of foreign financial assets in the amount of HRK -4.9 million. Net domestic acquisition of financial assets originates from HRK 1.6 billion in currency and deposits, HRK 582.1 million in net loans and HRK -242.9 million in shares and other equity. According to Government level, the Budgetary Central Government participates with 59.2%, while the remaining 40.8% refers to extrabudgetary funds and agencies. The decrease in foreign financial assets was completely realized at Budgetary Central Government level.

Transactions in liabilities

In January - November of 2005 period total net incurrence of liabilities of the Consolidated Central Government amounted HRK 8.5 billion, which results from net domestic incurrence in the amount of HRK 12.4 billion and net foreign incurrence in the amount of HRK 3.9 million. Budgetary Central Government borrowed HRK 10.6 billion on domestic market and extrabudgetary funds and agencies borrowed HRK 1.9 billion on domestic market. On the other hand, Budgetary Central Government repaid on the foreign market HRK 4.9 billion, while the extrabudgetary funds and agencies registered an incurrence of foreign liabilities in the amount of HRK 996,7 million.

Net lending/borrowing

In the observed period Operating balance of the Consolidated Central Government amounted HRK 952.8 million. Net lending/borrowing was recorded in the amount of HRK -6.6 billion (net nonfinancial assets amounted HRK 5.6 billion). On the other hand, net lending/borrowing is financed through net incurrence of liabilities in the amount of HRK 8.5 billion and net financial assets in the amount of HRK 1.9 billion.

TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	69 651 075	74 677 474	80 463 518	85 570 783	76 304 048	7 197 178	89,17
11 Taxes (111+113+114+115+116)	42 810 174	45 281 076	47 149 862	50 497 917	46 029 679	4 457 975	91,15
111 Taxes of income and profits and capital gains (1111+1112)	6 022 403	6 189 047	6 259 713	7 299 917	6 376 165	550 627	87,35
1111 Payable by individuals	3 363 295	3 114 581	3 128 273	3 229 045	2 735 992	291 598	84,73
1112 Payable by corporations and other enterprises	2 659 108	3 074 466	3 131 440	4 070 872	3 640 173	259 029	89,42
1113 Unallocable	0	0	0	0	0	0	
113 Taxes on property	294 556	289 926	355 823	377 173	335 370	35 287	88,92
114 Taxes on goods and services (1141+...+1146)	33 974 099	36 651 148	38 602 221	40 844 907	37 554 786	3 704 318	91,94
1141 General taxes on goods and services (11411+11412)	26 089 213	28 260 009	30 013 661	31 876 590	29 404 418	3 000 137	92,24
11411 Value-added taxes	25 952 486	28 129 300	29 864 905	31 706 124	29 258 077	2 987 206	92,28
11412 Sales taxes	136 726	130 709	148 757	170 467	146 341	12 930	85,85
1142 Excises (11421+11422+11423+11424+11425+11426+11427+11428)	7 474 168	7 850 993	7 941 554	8 226 883	7 508 843	632 555	91,27
11421 - on cars, other motor vehicles, boats and planes	752 051	899 047	945 209	1 106 990	985 331	89 060	89,01
11422 - on petroleum products	3 329 947	3 345 888	3 325 659	3 325 659	3 073 146	272 896	92,41
11423 - on alcohol	238 734	234 125	230 796	230 796	209 780	19 925	90,89
11424 - on beer	712 671	746 255	718 278	682 364	658 260	50 212	96,47
11425 - on nonalcoholic beverages	106 273	131 377	132 984	159 581	132 533	9 107	83,05
11426 - on tobacco products	2 192 991	2 349 410	2 430 843	2 528 077	2 297 708	179 133	90,89
11427 - on coffee	124 063	125 344	135 437	171 068	131 255	10 552	76,73
11428 - on luxury goods	17 437	19 548	22 348	22 348	20 829	1 670	93,20
115 Taxes on international trade and transactions	2 050 624	1 810 866	1 590 727	1 563 913	1 428 468	136 600	91,34
116 Other taxes	468 492	340 089	341 377	412 008	334 891	31 144	81,28
12 Social contributions	25 189 614	27 416 931	29 477 597	31 485 291	28 328 493	2 611 666	89,97
121 Social security contributions (1211+1212+1213+1214)	25 189 614	27 416 931	29 477 597	31 485 291	28 328 493	2 611 666	89,97
1211 Employee contributions	0	12 334 662	13 139 274	15 851 359	12 570 959	1 154 890	79,31
1212 Employer contributions	1 605 082	14 323 245	15 737 707	15 633 931	15 092 681	1 396 040	96,54
1213 Self-employed or unemployed contributions	455 560	759 023	600 616	0	664 853	60 736	
1214 Unallocable contributions	23 128 973				0	0	
13 Grants	0	10 407	10 122	80 424	27 450	30	34,13
14 Other revenue (141+142+143+144+145)	1 651 288	1 969 060	3 825 938	3 507 151	1 918 426	127 507	54,70
141 Property income (1411+1412+1413+1415)	622 900	417 485	2 667 701	2 165 456	620 927	30 179	28,67
1411 Interest	14 106	19 433	35 752	53 654	62 275	209	116,07
1412 Dividends	115 130	108 123	1 868 841	1 537 631	80 977	0	5,27
1413 Withdrawals from income of quasi-corporations	361 950	5	146 820	50 000	0	0	
1415 Rent	131 714	289 925	616 289	524 171	477 674	29 971	91,13
142 Sales of goods and services (1422+1423)	625 219	749 463	676 951	752 081	708 862	58 480	94,25
1421 Sales of market establishments	0	0	0	0	0	0	
1422 Administrative fees	257 486	305 448	312 994	391 469	355 046	27 066	90,70
1423 Incidental sales by nonmarket establishments	367 733	444 015	363 957	360 612	353 816	31 414	98,12
143 Fines, penalties, and forfeits	333 803	307 168	342 371	391 330	330 900	31 136	84,56
144 Voluntary transfers other than grants	0	1 523	249	23 433	3 142	-128	13,41
145 Miscellaneous and unidentified revenue	69 367	493 422	138 667	174 851	254 595	7 840	145,61

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 3: BUDGETARY CENTRAL GOVERNMENT EXPENSE

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
2 EXPENSE (21+22+24+25+26+27+28)	70 397 351	77 075 487	83 131 114	87 633 409	79 640 432	7 099 184	90,88
21 Compensation of employees (211+212)	19 534 162	21 225 816	22 268 287	23 240 776	21 071 036	1 926 815	90,66
211 Wages and salaries	16 677 054	18 037 101	18 888 605	19 769 296	17 879 941	1 636 074	90,44
212 Social contributions	2 857 108	3 188 715	3 379 682	3 471 480	3 191 095	290 741	91,92
22 Use of goods and services	4 391 924	4 170 611	4 358 721	5 003 119	4 309 376	330 648	86,13
24 Interest (241+242+243)	3 263 574	3 587 329	3 972 466	3 995 124	4 169 460	315 124	104,36
241 To nonresidents	1 887 009	1 879 420	1 976 502	2 038 638	1 967 693	17 006	96,52
242 To residents other than general government	1 376 565	1 707 909	1 995 964	1 956 487	2 201 766	298 118	112,54
25 Subsidies (251+252)	2 104 975	4 292 712	4 968 069	5 250 879	4 703 116	334 477	89,57
251 To public corporations	657 422	1 942 932	2 783 462	2 755 925	2 517 530	232 032	91,35
252 To private enterprises	1 447 552	2 349 781	2 184 606	2 494 954	2 185 586	102 446	87,60
26 Grants (261+262+263)	4 161 545	3 746 958	3 420 327	3 668 927	3 199 298	284 410	87,20
261 To foreign governments (2611+2612)	66 004	43 918	76 464	74 250	30 938	5 176	41,67
2611 Current	66 004	43 918	46 500	48 250	16 500	0	34,20
2612 Capital	0	0	29 964	26 000	14 438	5 176	55,53
262 To international organizations (2621+2622)	38 683	41 239	83 434	86 627	87 380	2 539	100,87
2621 Current	38 683	41 239	83 434	86 627	87 380	2 539	100,87
2622 Capital	0	0	0	0	0	0	
263 To other general government units (2631+2632)	4 056 858	3 661 801	3 260 429	3 508 050	3 080 979	276 695	87,83
2631 Current	3 956 782	3 198 505	2 498 598	2 519 726	2 279 805	156 556	90,48
2632 Capital	100 075	463 297	761 831	988 325	801 175	120 139	81,06
27 Social benefits (271+272+273)	34 256 889	36 204 270	39 730 887	41 440 984	37 855 314	3 417 078	91,35
271 Social security benefits	17 950 809	28 917 772	28 189 472	29 465 168	26 919 266	2 426 758	91,36
272 Social assistance benefits	15 943 381	6 731 910	11 177 315	11 772 371	10 763 918	987 631	91,43
273 Employer social benefits	362 698	554 589	364 100	203 445	172 130	2 690	84,61
28 Other expense (281+282)	2 684 284	3 847 791	4 412 359	5 033 599	4 332 832	490 631	86,08
281 Property expense other than interest	452	6 767	3 955	0	3 853	541	
282 Miscellaneous other expense (2821+2822)	2 683 832	3 841 024	4 408 404	5 033 599	4 328 980	490 091	86,00
2821 Current	1 331 109	2 325 646	1 842 516	2 065 648	1 925 851	181 205	93,23
2822 Capital	1 352 723	1 515 378	2 565 888	2 967 951	2 403 128	308 886	80,97

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 4: TRANSACTIONS IN NONFINANCIAL ASSETS OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1 377 003	1 812 404	1 419 467	1 904 380	1 217 076	200 307	63,91
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 595 039	2 054 989	1 663 868	2 188 475	1 464 887	223 423	66,94
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	218 036	242 586	244 401	284 095	247 811	23 116	87,23
311 Fixed assets (3111+3112+3113)	1 284 192	1 795 345	1 384 609	1 865 002	1 194 923	199 234	64,07
311,1 Acquisitions: fixed assets (3111,1+3112,1+3113,1)	1 499 189	2 019 172	1 624 051	2 129 696	1 432 543	220 349	67,27
311,2 Disposals: fixed assets (3111,2+3112,2+3113,2)	214 997	223 827	239 442	264 695	237 621	21 115	89,77
3111 Buildings and structures (3111,1-3111,2)	715 757	1 199 770	811 477	1 066 096	696 207	124 754	65,30
3111,1 Acquisitions: buildings and structures	929 637	1 423 367	1 050 315	1 329 536	933 096	145 840	70,18
3111,2 Disposals: buildings and structures	213 879	223 597	238 838	263 440	236 889	21 086	89,92
3112 Machinery and equipment (3112,1-3112,2)	388 337	516 598	518 941	673 350	450 566	69 694	66,91
3112,1 Acquisitions: machinery and equipment	389 454	516 828	519 545	674 604	451 297	69 723	66,90
3112,2 Disposals: machinery and equipment	1 117	230	604	1 255	731	29	58,30
3113 Other fixed assets (3113,1-3113,2)	180 098	78 977	54 191	125 556	48 150	4 787	38,35
3113,1 Acquisitions: other fixed assets	180 098	78 977	54 191	125 556	48 150	4 787	38,35
3113,2 Disposals: other fixed assets	0	0	0	0	0	0	
312 Inventories	7	0	0	0	0	0	
313 Valuables (313,1-313,2)	69 100	5 303	7 518	7 220	7 120	648	98,61
313,1 Acquisitions: valuables	69 100	5 303	7 518	7 220	7 120	648	98,61
313,2 Disposals: valuables	0	0	0	0	0	0	
314 Nonproduced assets (314,1-314,2-314,3-314,4)	23 704	11 755	27 340	32 159	15 033	424	46,75
314,1 Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	26 744	30 514	32 299	51 559	25 224	2 426	48,92
314,2 Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	3 040	18 759	4 959	19 400	10 191	2 001	52,53
3141 Land (3141,1-3141,2)	-2 010	-18 361	7 062	-18 300	-9 802	-2 001	53,56
3141,1 Acquisitions: land	1 029	398	12 021	1 100	389	0	35,34
3141,2 Disposals: land	3 040	18 759	4 959	19 400	10 191	2 001	52,53
3142 Subsoil assets	0	0	0	0	0	0	
3143 Other naturally occurring assets	0	0	0	0	0	0	
3144 Intangible nonproduced assets (3144,1-3144,2)	25 714	30 116	20 278	50 459	24 835	2 426	49,22
3144,1 Acquisitions: intangible nonproduced assets	25 714	30 116	20 278	50 459	24 835	2 426	49,22
3144,2 Disposals: intangible nonproduced assets	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 5: TRANSACTIONS IN FINANCIAL ASSETS OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	1 649 392	-1 320 129	221 977	-2 924 481	1 158 953	-108 834
32,1 Acquisition of financial assets (321,1+322,1)	1 614 628	2 071 124	1 787 080	1 325 519	1 027 082	35 861
32,2 Disposals of financial assets (321,2+322,2)	324 779	4 537 782	450 839	4 250 000	171 989	10 394
Currency and deposits (3212+3222)	359 543	1 146 530	-1 114 264	0	303 860	-134 301
321 Domestic (3212+3213+3214+3215+3216+3217+3218)	1 635 903	-1 330 055	212 192	-2 940 773	1 163 810	-108 834
321,1 Acquisition of domestic financial assets (3213,1+...+3218,1)	1 601 139	2 061 197	1 777 294	1 309 227	1 024 383	35 861
321,2 Disposals of domestic financial assets (3213,2+...+3218,2)	324 779	4 537 782	450 839	4 250 000	164 433	10 394
3212 Currency and deposits	359 543	1 146 530	-1 114 264	0	303 860	-134 301
3213 Securities other than shares (3213,1-3213,2)	0	0	0	0	0	0
3213,1 Acquisition: Securities other than shares	0	0	0	0	0	0
3213,2 Disposals: Securities other than shares	0	0	0	0	0	0
3214 Loans (3214,1-3214,2)	689 542	393 363	1 002 955	814 163	683 389	25 467
3214,1 Acquisition: Loans	1 014 321	1 576 177	1 328 794	1 064 163	837 736	35 861
3214,2 Disposals: Loans	324 779	1 182 815	325 839	250 000	154 347	10 394
3215 Shares and other equity (3215,1-3215,2)	586 818	-2 869 948	323 500	-3 754 936	176 561	0
3215,1 Acquisition: Shares and other equity	586 818	485 020	448 500	245 064	186 647	0
3215,2 Disposals: Shares and other equity	0	3 354 968	125 000	4 000 000	10 086	0
322 Foreign (3222+3223+3224+3225+3226+3227+3228)	13 489	9 926	9 786	16 292	-4 857	0
322,1 Acquisition of foreign financial assets (3223,1+...+3228,1)	13 489	9 926	9 786	16 292	2 699	0
322,2 Disposals of foreign financial assets (3223,2+...+3228,2)	0	0	0	0	7 556	0
3222 Currency and deposits	0	0	0	0	0	0
3225 Shares and other equity (3225,1-3225,2)	13 489	9 926	9 786	16 292	-4 857	0
3225,1 Acquisition: Shares and other equity	13 489	9 926	9 786	16 292	2 699	0
3225,2 Disposals: Shares and other equity	0	0	0	0	7 556	0
323 Monetary gold and SDRs	0	0	0	0	0	0

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 6: TRANSACTIONS IN LIABILITIES OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005
33 NET INCURRENCE OF LIABILITIES (331+332)	3 772 671	2 890 289	4 309 040	1 042 525	5 712 412	-6 521
33,1 Repayments (331,1+332,1)	6 240 866	6 520 771	13 717 082	11 787 515	8 004 258	318 107
33,2 Incurrences (331,2+332,2)	10 013 537	9 411 059	18 026 122	12 830 040	13 716 670	311 586
Currency and deposits (3312+3322)	0	0	0	0	0	0
331 Domestic (3312+3313+3314+3316+3317+3318)	1 424 916	-159 690	4 038 705	5 334 917	10 597 887	32 597
331,1 Domestic repayments (3313,1+3314,1+3315,1+3316,1+3317,1+3318,1)	1 734 325	4 146 435	9 009 705	5 571 069	2 374 026	237 725
331,2 Domestic incurrences (3313,2+3314,2+3315,2+3316,2+3317,2+3318,2)	3 159 242	3 986 745	13 048 410	10 905 986	12 971 912	270 323
3312 Currency and deposits	0	0	0	0	0	0
3313 Securities other than shares (3313,2-3313,1)	1 297 360	635 811	6 357 476	2 766 005	8 425 391	-205 886
3313,1 Repayments: Securities other than shares	1 481 694	2 305 093	5 025 194	3 551 073	1 034 929	153 609
3313,2 Incurrences: Securities other than shares	2 779 054	2 940 904	11 382 670	6 317 078	9 460 320	-52 277
3314 Loans (3314,2-3314,1)	127 556	-795 501	-2 318 771	2 568 912	2 172 496	238 484
3314,1 Repayments: Loans	252 631	1 841 342	3 984 511	2 019 996	1 339 097	84 116
3314,2 Incurrences: Loans	380 187	1 045 841	1 665 740	4 588 908	3 511 592	322 600
332 Foreign (3322+3323+3324+3326+3327+3328)	2 347 755	3 049 979	270 335	-4 292 392	-4 885 474	-39 118
332,1 Foreign repayments (3323,1+3324,1+3325,1+3326,1+3327,1+3328,1)	4 506 541	2 374 335	4 707 377	6 216 446	5 630 232	80 381
332,2 Foreign incurrences (3323,2+3324,2+3325,2+3326,2+3327,2+3328,2)	6 854 296	5 424 314	4 977 712	1 924 054	744 758	41 263
3322 Currency and deposits	0	0	0	0	0	0
3323 Securities other than shares (3323,2-3323,1)	3 024 358	4 051 109	1 215 439	-3 714 000	-3 713 935	0
3323,1 Repayments: Securities other than shares	2 579 181	0	2 526 876	3 714 000	3 713 935	0
3323,2 Incurrences: Securities other than shares	5 603 539	4 051 109	3 742 315	0	0	0
3324 Loans (3324,2-3324,1)	-676 603	-1 001 130	-945 104	-578 392	-1 171 539	-39 118
3324,1 Repayments: Loans	1 927 360	2 374 335	2 180 501	2 502 446	1 916 297	80 381
3324,2 Incurrences: Loans	1 250 757	1 373 205	1 235 397	1 924 054	744 758	41 263

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 7: TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES, BY SECTORS

(000 HRK)	1 - XI 2005		
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government
82 (=32) NET ACQUISITION OF FINANCIAL ASSETS	1 158 953	796 472	1 945 425
Acquisition of financial assets	4 233 439	1 605 780	5 829 219
Disposals of financial assets	3 074 486	809 308	3 883 794
821 (=321) Domestic	1 163 810	796 472	1 950 282
Acquisition of domestic financial assets	4 230 740	1 605 780	5 826 520
Disposals of domestic financial assets	3 066 930	809 308	3 876 238
8211 General government	14 300	0	4 300
Acquisitions: General Government	14 300	0	4 300
Disposals: General Government	0	0	0
8212 Central bank	170 466	0	170 466
Acquisitions: Central bank	3 065 595	0	3 065 595
Disposals: Central bank	2 895 129	0	2 895 129
8213 Other depository corporations	298 494	1 307 206	1 605 700
Acquisitions: Other depository Corporations	305 862	1 458 947	1 764 809
Disposals: Other depository Corporations	7 368	151 741	159 109
8215 Nonfinancial corporations	519 477	-510 734	8 743
Acquisitions: Nonfinancial corporations	683 910	146 833	830 743
Disposals: Nonfinancial corporations	164 433	657 567	822 000
8216 Households and nonprofit institutions serving households	161 073	0	161 073
Acquisitions: Hholds and nonprofit institutions serving hholds	161 073	0	161 073
Disposals: Hholds and nonprofit institutions serving hholds	0	0	0
822 (=322) Foreign	-4 857	0	-4 857
Acquisition of foreign financial assets	2 699	0	2 699
Disposals of foreign financial assets	7 556	0	7 556
8227 International organizations	2 699	0	2 699
Acquisitions: International organizations	2 699	0	2 699
Disposals: International organizations	0	0	0
8229 Other nonresidents	-7 556	0	-7 556
Acquisitions: Other nonresidents	0	0	0
Disposals: Other nonresidents	7 556	0	7 556
83 (=33) NET INCURRENCE OF LIABILITIES	5 712 412	2 844 811	8 547 223
Repayments: liabilities	8 004 258	457 114	8 461 372
Incurrences: liabilities	13 716 670	3 301 925	17 008 595
831 (=331) Domestic	10 597 887	1 848 093	12 435 980
Repayments: domestic liabilities	2 374 026	431 698	2 805 724
Incurrences: domestic liabilities	12 971 912	2 279 791	15 241 703
8311 General government	0	10 000	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	10 000	0
8313 Other depository corporations	10 600 240	1 838 084	12 438 324
Repayments: Other depository Corporations	2 373 712	431 698	2 805 410
Incurrences: Other depository Corporations	12 973 952	2 269 782	15 243 734
8314 Financial corporations not elsewhere classified	-2 039	0	-2 039
Repayments: Financial corporations not elsewhere classified	0	0	0
Incurrences: Financial corporations not elsewhere classified	-2 039	0	-2 039
8315 Nonfinancial corporations	-314	9	-305
Repayments: Nonfinancial corporations	314	0	314
Incurrences: Nonfinancial corporations	0	9	9
832 (=332) Foreign	-4 885 474	996 718	-3 888 756
Repayments: foreign liabilities	5 630 232	25 416	5 655 648
Incurrences: foreign liabilities	744 758	1 022 134	1 766 892
8321 General government	-300 590	0	-300 590
Repayments: General Government	300 590	0	300 590
Incurrences: General Government	0	0	0
8327 International organizations	111 675	0	111 675
Repayments: International organizations	449 627	0	449 627
Incurrences: International organizations	561 303	0	561 303
8328 Financial corporations other than international org.	-4 673 258	996 718	-3 676 540
Repayments: Financial corporations other than international organizations	4 856 713	25 416	4 882 129
Incurrences: Financial corporations other than international organizations	183 455	1 022 134	1 205 589
8329 Other nonresidents	-23 302	0	-23 302
Repayments: Other nonresidents	23 302	0	23 302
Incurrences: Other nonresidents	0	0	0

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 8: STATEMENT OF BUDGETARY CENTRAL GOVERNMENT OPERATIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005
TRANSACTIONS AFFECTING NET WORTH						
1 REVENUE (11+12+13+14)	69 651 075	74 677 474	80 463 518	85 570 783	76 304 048	7 197 178
11 Taxes	42 810 174	45 281 076	47 149 862	50 497 917	46 029 679	4 457 975
12 Social contributions	25 189 614	27 416 931	29 477 597	31 485 291	28 328 493	2 611 666
13 Grants	0	10 407	10 122	80 424	27 450	30
14 Other revenue	1 651 288	1 969 060	3 825 938	3 507 151	1 918 426	127 507
2 EXPENSE (21+22+24+25+26+27+28)	70 397 351	77 075 487	83 131 114	87 633 409	79 640 432	7 099 184
21 Compensation of employees	19 534 162	21 225 816	22 268 287	23 240 776	21 071 036	1 926 815
22 Use of goods and services	4 391 924	4 170 611	4 358 721	5 003 119	4 309 376	330 648
24 Interest	3 263 574	3 587 329	3 972 466	3 995 124	4 169 460	315 124
25 Subsidies	2 104 975	4 292 712	4 968 069	5 250 879	4 703 116	334 477
26 Grants	4 161 545	3 746 958	3 420 327	3 668 927	3 199 298	284 410
27 Social benefits	34 256 889	36 204 270	39 730 887	41 440 984	37 855 314	3 417 078
28 Other expense	2 684 284	3 847 791	4 412 359	5 033 599	4 332 832	490 631
NET-GROSS OPERATING BALANCE (1-2)	-746 276	-2 398 014	-2 667 596	-2 062 625	-3 336 383	97 994
CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	-746 276	-2 398 014	-2 667 596	-2 062 626	-3 336 383	97 994
TRANSACTIONS IN NONFINANCIAL ASSETS						
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1 377 003	1 812 404	1 419 467	1 904 380	1 217 076	200 307
311 Fixed assets	1 284 192	1 795 345	1 384 609	1 865 002	1 194 923	199 234
312 Change in inventories	7	0	0	0	0	0
313 Valuables	69 100	5 303	7 518	7 220	7 120	648
314 Nonproduced assets	23 704	11 755	27 340	32 159	15 033	424
NET LENDING-BORROWING (1-2-31)	-2 123 278	-4 210 417	-4 087 063	-3 967 006	-4 553 459	-102 313
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)						
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322)	1 649 392	-1 320 129	221 977	-2 924 481	1 158 953	-108 834
321 Domestic	1 635 903	-1 330 055	212 192	-2 940 773	1 163 810	-108 834
322 Foreign	13 489	9 926	9 786	16 292	-4 857	0
33 NET INCURRENCE OF LIABILITIES (331+332)	3 772 671	2 890 289	4 309 040	1 042 525	5 712 412	-6 521
331 Domestic	1 424 916	-159 690	4 038 705	5 334 917	10 597 887	32 597
332 Foreign	2 347 755	3 049 979	270 335	-4 292 392	-4 885 474	-39 118

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

TABLE 8A: OPERATING BALANCE AND PRIMARY OPERATING BALANCE (000 HRK)

	Revenues (1)	Expense (2)	Operating balance	Interest payments	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
VI 2004	6 574 244	6 970 456	-396 211	272 648	-123 563
VII	6 912 122	7 349 181	-437 059	350 599	-86 461
VIII	6 854 176	6 577 731	276 445	205 417	481 862
IX	6 860 619	6 842 840	17 780	217 206	234 986
X	6 411 577	6 860 475	-448 898	134 321	-314 577
XI	6 964 856	6 971 348	-6 492	331 483	324 991
XII	9 515 229	7 558 775	1 956 454	256 274	2 212 728
I-XII 2004	80 463 518	83 131 114	-2 667 596	3 972 466	1 304 870
I 2005	5 928 076	7 289 353	-1 361 277	241 661	-1 119 616
II	5 884 336	7 429 670	-1 545 335	700 927	-844 407
III	6 623 448	8 622 704	-1 999 257	971 335	-1 027 922
IV	7 027 636	6 777 307	250 329	300 347	550 676
V	6 975 739	6 971 534	4 205	342 889	347 094
VI	7 167 614	6 879 655	287 958	271 888	559 847
VII	7 101 783	7 379 944	-278 162	252 083	-26 078
VIII	7 660 215	6 619 639	1 040 576	271 014	1 311 590
IX	7 624 381	6 787 527	836 854	303 654	1 140 508
X	7 113 642	7 783 913	-670 270	198 538	-471 733
XI	7 197 178	7 099 184	97 994	315 124	413 118
I-XI 2005	76 304 048	79 640 432	-3 336 383	4 169 460	833 076

Note: See notes on methodology

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

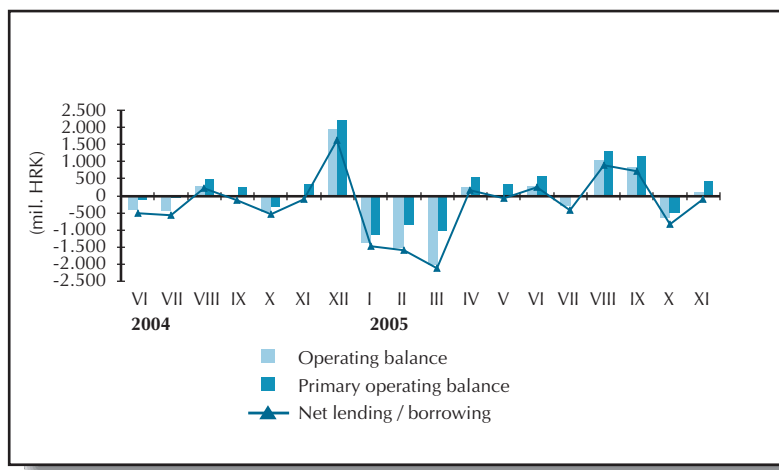


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	Operating balance	Net nonfinancial assets (31)	Net lending/borrowing*	Financing (33-32)	Net financial assets (32)	Net incurrence of liabilities (33)
	(1)	(2)	(3) 1-2	(4) 6-5	(5)	(6)
VI 2004	-396 211	128 562	-524 773	524 773	-254 844	269 929
VII	-437 059	144 161	-581 220	581 220	-1 808 495	-1 227 275
VIII	276 445	70 488	205 957	-205 957	1 370 257	1 164 300
IX	17 780	143 221	-125 441	125 441	-121 085	4 357
X	-448 898	80 681	-529 579	529 579	290 378	819 957
XI	-6 492	92 739	-99 231	99 231	8 933	108 164
XII	1 956 454	340 107	1 616 347	-1 616 347	-331 979	-1 948 326
I-XII 2004	-2 667 596	1 419 467	-4 087 063	4 087 063	221 977	4 309 040
I 2005	-1 361 277	110 229	-1 471 505	1 471 505	1 013 620	2 485 125
II	-1 545 335	53 972	-1 599 307	1 599 307	-333 146	1 266 161
III	-1 999 257	116 616	-2 115 872	2 115 872	-358 000	1 757 873
IV	250 329	97 994	152 335	-152 335	232 644	80 309
V	4 205	70 241	-66 035	66 035	135 006	201 042
VI	287 958	31 409	256 549	-256 549	33 876	-222 674
VII	-278 162	136 993	-415 154	415 154	415 418	830 572
VIII	1 040 576	136 267	904 310	-904 310	-128 314	-1 032 623
IX	836 854	112 051	724 803	-724 803	550 421	-174 382
X	-670 270	150 999	-821 269	821 269	-293 738	527 531
XI	97 994	200 307	-102 313	102 313	-108 834	-6 521
I-XI 2005	-3 336 383	1 217 076	-4 553 459	4 553 459	1 158 953	5 712 412

* Deficit according to GFS 2001 methodology

TABLE 9: THE CROATIAN INSTITUTE FOR PENSION INSURANCE (HZMO) TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	1 558 404	1 845 366	670 814	473 697	351 347	29 734	74,17
11 Taxes			0	0	0	0	
12 Social security contributions	10 408	772	0	0	0	0	
13 Grants (131+133)	1 448 330	1 741 865	540 922	408 697	318 294	28 086	77,88
131 From foreign governments	0	0	0	0	0	0	
133 From other general government units (1331+1332)	1 448 330	1 741 865	540 922	408 697	318 294	28 086	77,88
1331 Current	1 435 617	1 714 878	521 361	380 397	301 129	27 495	79,16
1332 Capital	12 713	26 987	19 561	28 300	17 165	591	60,65
14 Other revenue	99 666	102 729	129 892	65 000	33 053	1 648	50,85
2 EXPENSE (21+22+24+25+26+27+28)	1 575 181	1 844 077	587 420	450 397	333 618	30 479	74,07
21 Compensation of employees (211+212)	224 936	241 408	290 789	313 142	253 737	23 494	81,03
211 Wages and salaries	193 157	207 538	252 989	271 200	219 935	20 245	81,10
212 Social contributions	31 779	33 870	37 800	41 942	33 802	3 249	80,59
22 Use of goods and services	117 667	127 140	90 721	136 455	75 136	6 980	55,06
24 Interest	666	0	896	800	486	3	60,75
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	0	0	0	0	
27 Social benefits	1 212 069	1 472 945	205 014	0	4 259	2	
28 Other expense	19 843	2 584	0	0	0	0	
Net-gross operating balance (1-2)	-16 777	1 289	83 394	23 300	17 729	-745	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	11 698	21 937	18 022	33 300	9 935	424	29,83
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	14 740	27 173	21 154	34 300	12 591	430	36,71
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	3 042	5 236	3 132	1 000	2 656	6	265,60
311 Fixed assets (311,1-311,2-311,3)	0	0	18 022	27 300	7 568	-613	27,72
311,1 Acquisitions: fixed assets	0	0	21 154	28 300	10 224	-607	36,13
311,2 Disposals: fixed assets	0	0	3 132	1 000	2 656	6	265,60
Net lending - borrowing (1-2-31)	-28 475	-20 648	65 372	-10 000	7 794	-1 169	
Financing (33-32)	28 475	20 648	-65 372	10 000	-7 794	1 169	
32 Net acquisition of financial assets (321+322)	-28 475	-20 570	65 372	-10 000	7 803	-1 169	
321 Domestic	-28 475	-20 570	65 372	-10 000	7 803	-1 169	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	0	78	0	0	9	0	
331 Domestic	0	78	0	0	9	0	
332 Foreign	0	0	0	0	0	0	

TABLE 10: THE CROATIAN HEALTH INSURANCE INSTITUTE (HZZO) TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	725 795	1 109 974	865 013	928 909	918 759	94 358	98,91
11 Taxes	0	0	0	0	0	0	0,00
12 Social security contributions	0	6 905	0	0	0	0	0,00
13 Grants (131+133)	258 298	287 791	201 874	283 709	182 948	16 311	64,48
131 From foreign governments	0	0	0	0	0	0	
133 From other general government units (1331+1332)	258 298	287 791	201 874	283 709	182 948	16 311	64,48
1331 Current	258 298	287 791	201 874	283 709	182 948	16 311	64,48
1332 Capital	0	0	0	0	0	0	
14 Other revenue	467 497	815 278	663 139	645 200	735 811	78 047	114,04
2 EXPENSE (21+22+24+25+26+27+28)	1 263 096	888 105	831 295	851 809	809 982	86 798	95,09
21 Compensation of employees (211+212)	172 509	180 743	185 992	226 453	210 152	23 362	92,80
211 Wages and salaries	148 247	155 722	160 298	196 127	177 127	13 918	90,31
212 Social contributions	24 262	25 021	25 694	30 326	33 025	9 444	108,90
22 Use of goods and services	901 387	113 659	100 979	125 241	96 568	1 665	77,11
24 Interest	0	20 554	0	6 250	0	0	
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	0	0	0	0	
27 Social benefits	189 184	490 368	544 324	491 365	503 262	61 771	102,42
28 Other expense	16	82 781	0	2 500	0	0	
Net-gross operating balance (1-2)	-537 301	221 869	33 718	77 100	108 777	7 560	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	16 093	27 272	30 291	77 100	24 707	2 126	32,05
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	22 314	31 236	30 913	77 500	25 011	2 149	32,27
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	6 221	3 964	622	400	304	23	76,00
311 Fixed assets (311,1-311,2-311,3)	0	0	28 308	67 030	24 777	2 132	36,96
311,1 Acquisitions: fixed assets	0	0	28 802	67 430	24 988	2 149	37,06
311,2 Disposals: fixed assets	0	0	494	400	211	17	52,75
314 Nonproduced assets (3141+3142+3143+3144)	0	0	1 983	10 070	-70	-6	-0,70
314,1 Acquisitions: nonproduced assets	0	0	2 111	10 070	23	0	0,23
314,2 Disposals: nonproduced assets	0	0	128	0	93	6	
Net lending - borrowing (1-2-31)	-553 394	194 597	3 427	0	84 070	5 434	
Financing (33-32)	553 394	-194 597	-3 427	0	-84 070	-5 434	
32 Net acquisition of financial assets (321+322)	266 606	604 597	3 427	0	84 070	5 434	
321 Domestic	266 606	604 597	3 427	0	84 070	5 434	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	820 000	410 000	0	0	0	0	
331 Domestic	820 000	410 000	0	0	0	0	
332 Foreign	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 11: THE CROATIAN EMPLOYMENT SERVICE (HZZ) TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I- XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	134 756	89 573	111 674	121 718	109 385	9 350	89,87
11 Taxes	0	0	0	0	0	0	
12 Social security contributions	0	0	0	0	0	0	
13 Grants (131+133)	109 478	72 000	96 167	96 398	92 672	8 705	96,13
131 From foreign governments	0	0	0	0	0	0	
133 From other general government units (1331+1332)	109 478	72 000	96 167	96 398	92 672	8 705	96,13
1331 Current	99 728	72 000	96 167	96 398	92 672	8 705	96,13
1332 Capital	9 750	0	0	0	0	0	
14 Other revenue	25 278	17 573	15 507	25 320	16 713	645	66,01
2 EXPENSE (21+22+24+25+26+27+28)	239 458	140 387	141 333	152 768	131 814	13 159	86,28
21 Compensation of employees (211+212)	87 228	91 633	101 411	110 277	97 409	9 121	88,33
211 Wages and salaries	75 048	78 711	87 690	95 877	84 172	7 855	87,79
212 Social contributions	12 180	12 922	13 721	14 400	13 237	1 266	91,92
22 Use of goods and services	34 999	34 844	36 512	39 981	34 155	3 968	85,43
24 Interest	0	0	2	0	0	0	
25 Subsidies	0	0	0	10	0	0	
26 Grants	0	0	0	0	0	0	
27 Social benefits	117 231	13 910	3 408	2 500	250	70	10,00
28 Other expense	0	0	0	0	0	0	
Net-gross operating balance (1-2)	-104 702	-50 814	-29 659	-31 050	-22 429	-3 809	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	9 304	8 767	4 865	4 950	1 763	252	35,62
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	9 412	9 061	4 915	4 950	1 830	252	36,97
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	108	294	50	0	67	0	
311 Fixed assets (311,1-311,2-311,3)	0	0	4 865	4 950	1 761	251	35,58
311,1 Acquisitions: fixed assets	0	0	4 915	4 950	1 828	251	36,93
311,2 Disposals: fixed assets	0	0	50	0	67	0	
314 Nonproduced assets (3141+3142+3143+3144)	0	0	0	0	2	1	
314,1 Acquisitions: nonproduced assets	0	0	0	0	2	1	
314,2 Disposals: nonproduced assets	0	0	0	0	0	0	
Net lending - borrowing (1-2-31)	-114 006	-59 581	-34 524	-36 000	-24 192	-4 061	
Financing (33-32)	114 006	59 581	34 524	36 000	24 192	4 061	
32 Net acquisition of financial assets (321+322)	-114 006	-59 581	-34 524	-36 000	-24 192	-4 061	
321 Domestic	-114 006	-59 581	-34 524	-36 000	-24 192	-4 061	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	0	0	0	0	0	0	
331 Domestic	0	0	0	0	0	0	
332 Foreign	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 12: THE CROATIAN WATERS TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	1 485 228	1 544 421	1 658 435	1 739 379	1 391 128	197 954	79,98
11 Taxes	0	0	0	0	0	0	
12 Social security contributions	0	0	0	0	0	0	0,00
13 Grants (131+133)	386 936	395 522	434 004	506 679	322 866	46 151	63,72
131 From foreign governments	290	1 434	0	0	0	0	
133 From other general government units (1331+1332)	386 646	394 088	434 004	506 679	322 866	46 151	63,72
1331 Current	220 000	182 000	105 340	203 499	151 591	7 112	74,49
1332 Capital	166 646	212 088	328 664	303 180	171 275	39 039	56,49
14 Other revenue	1 098 292	1 148 899	1 224 431	1 232 700	1 068 262	151 803	86,66
2 EXPENSE (21+22+24+25+26+27+28)	1 125 187	1 427 067	1 426 283	1 505 804	1 191 522	182 811	79,13
21 Compensation of employees (211+212)	79 773	87 792	93 675	98 800	88 622	7 886	89,70
211 Wages and salaries	68 267	75 924	80 618	84 800	76 187	6 772	89,84
212 Social contributions	11 506	11 868	13 057	14 000	12 435	1 114	88,82
22 Use of goods and services	724 972	826 878	743 383	753 840	672 922	105 880	89,27
24 Interest	47 926	37 057	37 907	35 000	26 651	45	76,15
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	0	0	0	0	
27 Social benefits	0	0	0	0	0	0	
28 Other expense	272 516	475 340	551 318	618 164	403 327	69 000	65,25
Net-gross operating balance (1-2)	360 041	117 354	232 152	233 575	199 606	15 143	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	295 988	290 709	282 527	260 575	125 106	19 408	48,01
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	296 218	291 043	282 797	260 875	125 342	19 472	48,05
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	230	334	270	300	236	64	78,67
311 Fixed assets (311,1-311,2-311,3)	0	0	277 053	252 575	119 751	18 724	47,41
311,1 Acquisitions: fixed assets	0	0	277 323	252 875	119 987	18 788	47,45
311,2 Disposals: fixed assets	0	0	270	300	236	64	78,67
314 Nonproduced assets (314,1-314,2-314,3-314,4)	0	0	5 474	8 000	5 355	684	66,94
314,1 Acquisitions: nonproduced assets	0	0	5 474	8 000	5 355	684	66,94
314,2 Disposals: nonproduced assets	0	0	0	0	0		
Net lending - borrowing (1-2-31)	64 053	-173 355	-50 375	-27 000	74 500	-4 265	
Financing (33-32)	-64 053	173 355	50 375	27 000	-74 500	4 265	
32 Net acquisition of financial assets (321+322)	113 322	-146 776	-11 385	0	38 278	10 382	
321 Domestic	113 322	-146 776	-11 385		38 278	10 382	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	49 269	26 579	38 990	27 000	-36 222	14 647	
331 Domestic	65 563	30 289	42 859	-46 000	-48 881	7 947	
332 Foreign	-16 294	-3 710	-3 869	73 000	12 659	6 700	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 13: THE ENVIRONMENT PROTECTION FUND TRANSACTIONS

(000 HRK)	2004	New Plan 2005	I - XI 2005	XI 2005	<u>I - XI 2005</u> <u>New Plan</u> <u>2005</u>
1 REVENUE (11+12+13+14)	172 273	311 230	198 155	18 936	63,67
11 Taxes	0	0	0	0	
12 Social security contributions	0	0	0	0	
13 Grants (131+133)	1 525	0	0	0	
131 From foreign governments	0	0	0	0	
133 From other general government units (1331+1332)	1 525	0	0	0	
1331 Current	1 525	0	0	0	
1332 Capital	0	0	0	0	
14 Other revenue	170 748	311 230	198 155	18 936	63,67
2 EXPENSE (21+22+24+25+26+27+28)	32 443	310 485	146 405	5 123	47,15
21 Compensation of employees (211+212)	1 905	5 183	3 205	364	61,84
211 Wages and salaries	1 633	4 449	2 752	311	61,86
212 Social contributions	272	734	453	53	61,72
22 Use of goods and services	2 734	5 472	6 570	471	120,07
24 Interest	0	0	0	0	
25 Subsidies	0	0	2 026	0	
26 Grants	0	0	133 766	3 936	
27 Social benefits	0	0	0	0	
28 Other expense	27 804	299 830	838	352	
Net-gross operating balance (1-2)	139 830	745	51 750	13 813	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	1 786	745	11 743	14	1576,24
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 786	745	11 743	14	1576,24
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	0	0	
311 Fixed assets (311,1-311,2-311,3)	1 553	586	11 585	10	1976,96
311,1 Acquisitions: fixed assets	1 553	586	11 585	10	1976,96
311,2 Disposals: fixed assets	0	0	0	0	
314 Nonproduced assets (314,1-314,2-314,3-314,4)	233	159	158	4	99,37
314,1 Acquisitions: nonproduced assets	233	159	158	4	99,37
314,2 Disposals: nonproduced assets	0	0	0	0	
Net lending - borrowing (1-2-31)	138 044	0	40 007	13 799	
Financing (33-32)	-138 044	0	-40 007	-13 799	
32 Net acquisition of financial assets (321+322)	138 044	0	40 007	13 799	
321 Domestic	138 044	0	40 007	13 799	
322 Foreign	0	0	0	0	
33 Net incurrence of liabilities (331+332)	0	0	0	0	
331 Domestic	0	0	0	0	
332 Foreign	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 14: THE CROATIAN MOTORWAYS Ltd. TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	1 695 972	1 927 787	2 295 423	2 367 800	2 289 890	185 505	96,71
11 Taxes	1 212 445	1 313 743	1 341 683	1 476 800	1 271 896	114 732	86,13
1142 Excises	1 212 445	1 313 743	1 341 683	1 476 800	1 271 896	114 732	86,13
12 Social security contributions	0	0	0	0	0	0	
13 Grants (131+133)	0	0	0	0	0	0	
131 From foreign governments	0	0	0	0	0	0	
133 From other general government units (1331+1332)	0	0	0	0	0	0	
1331 Current	0	0	0	0	0	0	
1332 Capital	0	0	0	0	0	0	
14 Other revenue	483 527	614 044	953 740	891 000	1 017 994	70 773	114,25
2 EXPENSE (21+22+24+25+26+27+28)	343 256	692 490	756 796	1 111 953	926 806	82 651	83,35
21 Compensation of employees (211+212)	117 445	162 982	236 353	246 000	262 489	22 630	106,70
211 Wages and salaries	102 594	140 867	203 955	212 200	226 331	19 485	106,66
212 Social contributions	14 851	22 115	32 398	33 800	36 158	3 145	106,98
22 Use of goods and services	200 296	406 858	258 509	226 861	283 639	27 850	125,03
24 Interest	25 515	122 650	191 132	613 092	341 901	27 086	55,77
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	4 542	0	1 841	0	
27 Social benefits	0	0	0	0	0	0	
28 Other expense	0	0	66 260	26 000	36 936	5 085	142,06
Net-gross operating balance (1-2)	1 352 716	1 235 297	1 538 627	1 255 847	1 363 084	102 854	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	3 676 519	5 113 679	5 778 694	3 855 847	3 391 601	30 293	87,96
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	3 676 519	5 113 679	5 778 694	3 855 847	3 391 601	30 293	87,96
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	0	0	0	0	
311 Fixed assets (311,1-311,2-311,3)	3 674 289	0	5 697 892	3 805 077	3 286 588	17 523	86,37
311,1 Acquisitions: fixed assets	3 674 289	0	5 697 892	3 805 077	3 286 588	17 523	86,37
311,2 Disposals: fixed assets	0	0	0	0	0	0	
314 Nonproduced assets (314,1-314,2-314,3-314,4)	2 230	0	80 802	50 770	105 013	12 770	206,84
314,1 Acquisitions: nonproduced assets	2 230	0	80 802	50 770	105 013	12 770	206,84
314,2 Disposals: nonproduced assets	0	0	0	0	0	0	
Net lending - borrowing (1-2-31)	-2 323 803	-3 878 382	-4 240 067	-2 600 000	-2 028 517	72 561	
Financing (33-32)	2 323 803	3 878 382	4 240 067	2 600 000	2 028 517	-72 561	
32 Net acquisition of financial assets (321+322)	279 815	-412 302	-162 274	0	383 140	72 562	
321 Domestic	279 815	-412 302	-162 274	0	383 140	72 562	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331-332)	2 603 618	3 466 080	4 077 793	2 600 000	2 411 657	1	
331 Domestic	0	530 000	379 709	1 650 000	1 697 856	1	
332 Foreign	2 603 618	2 936 080	3 698 084	950 000	713 801	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 15: THE CROATIAN ROADS Ltd. TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	1 208 654	1 379 782	1 417 787	1 548 800	1 340 600	118 943	86,56
11 Taxes	1 148 682	1 317 361	1 342 121	1 476 800	1 270 416	113 257	86,02
1142 Excises	1 148 682	1 317 361	1 342 121	1 476 800	1 270 416	113 257	86,02
12 Social security contributions	0	0	0	0	0	0	
13 Grants (131+133)	0	0	0	0	0	0	
131 From foreign governments	0	0	0	0	0	0	
133 From other general government units (1331+1332)	0	0	0	0	0	0	
1331 Current	0	0	0	0	0	0	
1332 Capital	0	0	0	0	0	0	
14 Other revenue	59 972	62 421	75 666	72 000	70 184	5 686	97,48
2 EXPENSE (21+22+24+25+26+27+28)	726 445	840 372	934 630	1 060 800	973 314	66 479	91,75
21 Compensation of employees (211+212)	39 895	45 037	51 590	64 747	55 431	4 816	85,61
211 Wages and salaries	34 461	38 733	44 349	55 577	47 547	4 127	85,55
212 Social contributions	5 434	6 304	7 241	9 170	7 884	689	85,98
22 Use of goods and services	475 301	592 492	696 421	712 853	683 012	43 482	95,81
24 Interest	1 750	928	4 306	43 200	18 783	104	43,48
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	0	0	0	0	
27 Social benefits	0	0	0	0	0	0	
28 Other expense	209 499	201 915	182 313	240 000	216 088	18 077	90,04
Net-gross operating balance (1-2)	482 209	539 410	483 157	488 000	367 286	52 464	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	430 755	736 943	834 631	1 088 000	893 120	45 588	82,09
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	432 218	738 092	835 907	1 089 000	896 262	45 630	82,30
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 463	1 149	1 276	1 000	3 142	42	314,20
311 Fixed assets (311,1-311,2-311,3)	319 208	0	742 582	1 028 000	811 069	37 616	78,90
311,1 Acquisitions: fixed assets	320 671	0	743 858	1 029 000	814 211	37 658	79,13
311,2 Disposals: fixed assets	1 463	0	1 276	1 000	3 142	42	314,20
314 Nonproduced assets (314,1-314,2-314,3-314,4)	111 547	0	92 049	60 000	82 051	7 972	136,75
314,1 Acquisitions: nonproduced assets	111 547	0	92 049	60 000	82 051	7 972	136,75
314,2 Disposals: nonproduced assets	0	0	0	0	0	0	
Net lending - borrowing (1-2-31)	51 454	-197 533	-351 474	-600 000	-525 834	6 876	
Financing (33-32)	-51 454	197 533	351 474	600 000	525 834	-6 876	
32 Net acquisition of financial assets (321+322)	2 233	-167 248	296	0	51 125	52 248	
321 Domestic	2 233	-167 248	296	0	51 125	52 248	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	-49 221	30 285	351 770	600 000	576 959	45 372	
331 Domestic	-65 320	0	100 000	210 000	306 701	0	
332 Foreign	16 099	30 285	251 770	390 000	270 258	45 372	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 16: THE STATE AGENCY FOR DEPOSIT INSURANCE AND BANKS REHABILITATION TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	617 914	581 931	575 893	663 590	353 186	62 418	53,22
11 Taxes	0	0	0	0	0	0	
12 Social security contributions	0	0	0	0	0	0	
13 Grants (131+133)	0	0	0	0	0	0	
131 From foreign governments	0	0	0	0	0	0	
133 From other general government units (1331+1332)	0	0	0	0	0	0	
1331 Current	0	0	0	0	0	0	
1332 Capital	0	0	0	0	0	0	
14 Other revenue	617 914	581 931	575 893	663 590	353 186	62 418	53,22
2 EXPENSE (21+22+24+25+26+27+28)	301 665	251 360	314 474	292 250	111 970	1 535	38,31
21 Compensation of employees (211+212)	3 932	4 110	4 678	5 700	4 918	455	86,28
211 Wages and salaries	3 355	3 507	4 010	4 870	4 215	389	86,55
212 Social contributions	577	603	668	830	703	66	84,70
22 Use of goods and services	28 046	7 915	10 664	13 450	10 989	989	81,70
24 Interest	205 819	187 360	136 971	133 100	61 883	77	46,49
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	0	0	0	0	
27 Social benefits	63 868	51 975	162 161	140 000	1 351	14	0,97
28 Other expense	0	0	0	0	32 829	0	
Net-gross operating balance (1-2)	316 249	330 571	261 419	371 340	241 216	60 883	0
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	17 824	-94	27 624	-28 660	14 115	0	
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	17 824	2 464	27 624	1 340	14 216	0	1060,90
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	2 558	0	30 000	101	0	
311 Fixed assets (311,1-311,2-311,3)	0	0	27 624	-28 660	11 099	0	
311,1 Acquisitions: fixed assets	0	0	27 624	1 340	11 200	0	835,82
311,2 Disposals: fixed assets	0	0	0	30 000	101	0	
Net lending - borrowing (1-2-31)	298 425	330 665	233 795	400 000	227 101	60 883	
Financing (33-32)	-298 425	-330 665	-233 795	-400 000	-227 101	-60 883	
32 Net acquisition of financial assets (321+322)	298 425	330 665	-134 228	190 000	107 535	60 883	
321 Domestic	298 425	330 665	-134 228	190 000	107 535	60 883	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	0	0	-368 023	-210 000	-119 566	0	
331 Domestic	0	0	-368 023	-210 000	-119 566	0	
332 Foreign	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 17: THE CROATIAN PRIVATIZATION FUND TRANSACTIONS

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (11+12+13+14)	188 883	125 991	62 946	47 900	231 001	929	482,26
11 Taxes	0	0	0	0	0	0	
12 Social security contributions	0	0	0	0	0	0	
13 Grants (131+133)	0	0	0	0	0	0	
131 From foreign governments	0	0	0	0	0	0	
133 From other general government units (1331+1332)	0	0	0	0	0	0	
1331 Current	0	0	0	0	0	0	
1332 Capital	0	0	0	0	0	0	
14 Other revenue	188 883	125 991	62 946	47 900	231 001	929	482,26
2 EXPENSE (21+22+24+25+26+27+28)	120 195	51 685	60 141	71 435	174 465	5 530	244,23
21 Compensation of employees (211+212)	27 676	28 942	31 044	37 619	32 539	3 387	86,50
211 Wages and salaries	23 812	24 794	26 721	33 090	28 279	3 033	85,46
212 Social contributions	3 864	4 148	4 323	4 529	4 260	354	94,06
22 Use of goods and services	18 327	22 655	29 097	33 816	30 043	1 814	88,84
24 Interest	73 902	88	0	0	0	0	
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	0	0	0	0	
27 Social benefits	0	0	0	0	0	0	
28 Other expense	290	0	0	0	111 883	329	
Net-gross operating balance (1-2)	68 688	74 306	2 805	-23 535	56 536	-4 601	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	-14 502	-15 603	-24 444	-45 250	-40 196	-391	88,83
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	2 972	3 778	725	28 450	1 939	5	6,82
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	17 474	19 381	25 169	73 700	42 135	396	57,17
311 Fixed assets (311,1-311,2-311,3)	0	0	-24 444	-45 250	-40 196	-391	88,83
311,1 Acquisitions: fixed assets	0	0	725	28 450	1 939	5	6,82
311,2 Disposals: fixed assets	0	0	25 169	73 700	42 135	396	57,17
Net lending - borrowing (1-2-31)	83 190	89 909	27 249	21 715	96 732	-4 210	
Financing (33-32)	-83 190	-89 909	-27 249	-21 715	-96 732	4 210	
32 Net acquisition of financial assets (321+322)	-14 363	280 272	15 293	-160 233	108 706	-6 663	
321 Domestic	-14 363	280 272	15 293	-160 233	108 706	-6 663	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	-97 553	190 363	-11 956	-181 948	11 974	-2 453	
331 Domestic	-97 553	190 363	-11 956	-181 948	11 974	-2 453	
332 Foreign	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

TABLE 18: CONSOLIDATED CENTRAL GOVERNMENT BY ECONOMIC CATEGORY

(000 HRK)	2002	2003	2004	New Plan 2005	I - XI 2005	I - XI 2005	
						XI 2005	New Plan 2005
1 REVENUE (11+12+13+14)	75 064 040	80 786 555	87 019 284	92 478 323	82 570 719	7 816 052	89,29
11 Taxes (111+113+114+115+116)	45 171 301	47 912 180	49 833 666	53 451 517	48 571 991	4 685 965	90,87
111 Taxes of income and profits and capital gains	6 022 403	6 189 047	6 259 713	7 299 917	6 376 165	550 627	87,35
113 Taxes on property	294 556	289 926	355 823	377 173	335 370	35 287	88,92
114 Taxes on goods and services (1141+1142+1144+1145+1146)	36 335 226	39 282 252	41 286 025	43 798 507	40 097 098	3 932 307	91,55
1141 General taxes on goods and services (11411+11412)	26 089 213	28 260 009	30 013 661	31 876 590	29 404 418	3 000 137	92,24
11411 Value-added taxes	25 952 486	28 129 300	29 864 905	31 706 124	29 258 077	2 987 206	92,28
11412 Sales taxes	136 726	130 709	148 757	170 467	146 341	12 930	85,85
1142 Excises	9 835 295	10 482 097	10 625 358	11 180 483	10 051 155	860 544	89,90
115 Taxes on international trade and transactions	2 050 624	1 810 866	1 590 727	1 563 913	1 428 468	136 600	91,34
116 Other taxes	468 492	340 089	341 377	412 008	334 891	31 144	81,28
12 Social contributions	25 200 022	27 424 608	29 477 597	31 485 291	28 328 493	2 611 666	89,97
13 Grants	290	11 841	10 122	80 424	27 450	30	
14 Other revenue	4 692 428	5 437 926	7 697 900	7 461 091	5 642 785	518 392	75,63
2 EXPENSE (21+22+24+25+26+27+28)	75 448 086	80 715 286	86 941 437	92 145 627	83 523 548	7 474 496	90,64
21 Compensation of employees (211+212)	20 288 107	22 068 463	23 265 724	24 348 697	22 079 538	2 022 330	90,68
211 Wages and salaries	17 326 468	18 762 897	19 750 868	20 727 486	18 746 486	1 712 209	90,44
212 Social contributions	2 961 639	3 305 566	3 514 856	3 621 211	3 333 052	310 121	92,04
22 Use of goods and services	6 870 170	6 291 714	6 327 741	7 051 588	6 202 410	523 747	87,96
24 Interest	3 646 152	3 955 966	4 343 680	4 826 576	4 619 164	342 439	95,70
25 Subsidies	3 563 569	4 292 712	4 968 069	5 250 879	4 705 142	334 477	89,61
26 Grants	1 659 177	1 737 217	2 162 993	2 373 444	2 418 125	189 093	101,88
27 Social benefits	35 839 241	37 939 553	40 645 794	42 074 349	38 364 436	3 478 935	91,18
28 Other expense	3 581 672	4 429 661	5 227 438	6 220 093	5 134 733	583 474	82,55
NET-GROSS OPERATING BALANCE (1-2)	-384 046	71 268	77 847	332 697	-952 828	341 556	
3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	-384 046	71 268	77 847	332 697	-952 828	341 556	
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	6 129 422	7 996 014	8 373 463	7 150 987	5 648 970	298 021	79,00
311 Fixed assets	5 898 127	7 867 051	8 158 064	6 976 610	5 428 925	274 486	77,82
312 Inventories	7	0	0	0	0	0	
313 Valuables	70 400	5 303	7 518	7 220	7 120	648	98,61
314 Nonproduced assets	160 888	123 659	207 881	167 158	212 925	22 886	127,38
NET LENDING-BORROWING (1-2-31)	-6 513 467	-7 924 745	-8 295 616	-6 818 291	-6 601 798	43 535	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)	6 513 467	7 924 745	8 295 616	6 818 291	6 601 798	-43 535	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	516 310	-963 228	28 384	-2 950 714	1 945 425	93 292	
321 Domestic	502 821	-973 154	18 598	-2 967 006	1 950 282	93 292	
322 Foreign	13 489	9 926	9 786	16 292	-4 857	0	
323 Monetary gold and SDRs	0	0	0	0	0	0	
33 NET INCURRENCE OF LIABILITIES (331+332)	7 029 778	6 961 518	8 324 000	3 867 577	8 547 223	49 756	
331 Domestic	2 078 600	948 884	4 107 680	6 746 969	12 435 980	36 802	
332 Foreign	4 951 178	6 012 634	4 216 320	-2 879 392	-3 888 756	12 954	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 19: CONSOLIDATED CENTRAL GOVERNMENT ACCORDING TO GOVERNMENT LEVEL

(000 HRK)	2004	New Plan 2005	I - XI 2005	XI 2005	I - XI 2005 New Plan 2005
1 REVENUE (A+B)	87 019 284	92 478 323	82 570 719	7 816 052	89,29
A) Budgetary Central Government	80 463 518	85 570 783	76 304 048	7 197 178	89,17
B) Extrabudgetary users (1+...+9)	6 555 766	6 907 540	6 266 671	618 874	90,72
1. Croatian Institute for Pension Insurance	129 892	65 000	33 053	1 648	50,85
2. Croatian Health Insurance Institute	663 139	645 200	735 811	78 047	114,04
3. Croatian Employment Service	15 507	25 320	16 713	645	66,01
4. Croatian Waters	1 224 431	1 232 700	1 068 262	151 803	86,66
5. Environment Protection Fund	170 748	311 230	198 155	18 936	63,67
6. Croatian motorways Ltd.	2 295 423	2 367 800	2 289 890	185 505	96,71
7. Croatian roads Ltd.	1 417 787	1 548 800	1 340 600	118 943	86,56
8. State Agency for Deposit Insurance and Bank Rehabilitation	575 893	663 590	353 186	62 418	53,22
9. Croatian Privatization Fund	62 946	47 900	231 001	929	482,26
2 EXPENSE (A+B)	86 941 437	92 145 627	83 523 548	7 474 496	90,64
A) Budgetary Central Government	81 861 164	86 337 926	78 859 259	7 003 867	91,34
B) Extrabudgetary funds and agencies (1+...+9)	5 080 273	5 807 701	4 664 289	470 629	80,31
1. Croatian Institute for Pension Insurance	587 420	450 397	333 618	30 479	74,07
2. Croatian Health Insurance Institute	831 295	851 809	809 982	86 798	95,09
3. Croatian Employment Service	141 333	152 768	131 814	13 159	86,28
4. Croatian Waters	1 426 283	1 505 804	1 191 522	182 811	79,13
5. Environment Protection Fund	32 443	310 485	12 639	1 187	4,07
6. Croatian motorways Ltd.	752 254	1 111 953	924 965	82 651	83,18
7. Croatian roads Ltd.	934 630	1 060 800	973 314	66 479	91,75
8. State Agency for Deposit Insurance and Bank Rehabilitation	314 474	292 250	111 970	1 535	38,31
9. Croatian Privatization Fund	60 141	71 435	174 465	5 530	244,23
NET-GROSS OPERATING BALANCE (1-2)	77 847	332 697	-952 828	341 556	
3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	77 847	332 697	-952 828	341 556	
31 NET ACQUISITION OF NONFINANCIAL ASSETS	8 373 463	7 150 987	5 648 970	298 021	79,00
Acquisition (A+B)	8 648 383	7 541 482	5 945 422	321 668	78,84
A) Budgetary Central Government	1 663 868	2 188 475	1 464 887	223 423	66,94
B) Extrabudgetary users	6 984 515	5 353 007	4 480 535	98 245	83,70
Disposals (A+B)	274 920	390 495	296 452	23 647	75,92
A) Budgetary Central Government	244 401	284 095	247 811	23 116	87,23
B) Extrabudgetary users	30 519	106 400	48 641	531	45,72
NET LENDING-BORROWING (1-2-31)	-8 295 616	-6 818 291	-6 601 798	43 535	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)	8 295 616	6 818 291	6 601 798	-43 535	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	28 384	-2 950 714	1 945 425	93 292	
321 Domestic (A+B)	18 599	-2 967 006	1 950 282	93 292	
A) Budgetary Central Government	138 578	-2 950 773	1 153 810	-110 123	
B) Extrabudgetary users	-119 979	-16 233	796 472	203 415	
322 Foreign (A+B)	9 786	16 292	-4 857	0	
A) Budgetary Central Government	9 786	16 292	-4 857	0	
B) Extrabudgetary users	0	0	0	0	
323 Monetary gold and SDRs	0	0	0	0	
33 NET INCURRENCE OF LIABILITIES (331+332)	8 324 000	3 867 577	8 547 223	49 756	
331 Domestic (A+B)	4 107 680	6 746 969	12 435 980	36 802	
A) Budgetary Central Government	4 038 705	5 324 917	10 597 887	32 597	
B) Extrabudgetary users	68 975	1 422 052	1 838 093	4 205	
332 Foreign (A+B)	4 216 320	-2 879 392	-3 888 756	12 954	
A) Budgetary Central Government	270 335	-4 292 392	-4 885 474	-39 118	
B) Extrabudgetary users	3 945 985	1 413 000	996 718	52 072	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT/SURPLUS

TABLE 19A: OPERATING BALANCE AND PRIMARY OPERATING BALANCE (000 HRK)

	Revenues (1)	Expense (2)	Operating balance	Interest payments (24)	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
VII 2004	7 490 866	7 678 188	-187 322	394 911	207 589
VIII	7 517 554	6 748 941	768 613	216 989	985 602
IX	7 499 580	7 151 388	348 193	225 715	573 908
X	6 923 495	7 294 056	-370 561	152 954	-217 607
XI	7 646 856	7 261 145	385 711	346 017	731 728
XII	10 157 976	8 133 767	2 024 209	345 698	2 369 906
I-XII 2004	87 019 284	86 941 437	77 847	4 343 680	4 421 527
I 2005	6 395 355	7 723 093	-1 327 738	266 184	-1 061 554
II	6 324 456	7 670 732	-1 346 277	718 616	-627 660
III	7 041 146	8 835 164	-1 794 019	991 282	-802 737
IV	7 430 785	7 026 196	404 589	324 143	728 732
V	7 576 888	7 456 058	120 830	396 235	517 065
VI	7 698 760	7 249 380	449 379	390 016	839 396
VII	7 710 226	7 733 189	-22 964	278 454	255 491
VIII	8 580 352	7 023 784	1 556 568	284 203	1 840 771
IX	8 261 869	7 194 871	1 066 998	359 825	1 426 823
X	7 734 830	8 136 583	-401 752	267 767	-133 986
XI	7 816 052	7 474 496	341 556	342 439	683 995
I-XI 2005	82 570 719	83 523 548	-952 828	4 619 164	3 666 335

Note: See notes on methodology

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICITS/SURPLUS

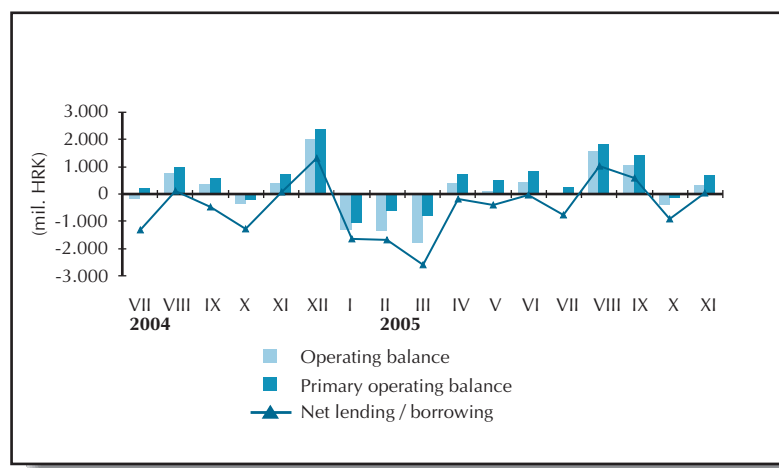


TABLE 19B: NET LENDING / BORROWING (000 HRK)

	Operating balance	Net nonfinancial assets (31)	Net lending/borrowing*	Financing (33-32)	Net financial assets (32)	Net incurrence of liabilities (33)
	(1)	(2)	(3) 1-2	(4) 6-5	(5)	(6)
VII 2004	-187 322	1 135 545	-1 322 867	1 322 867	-1 101 292	221 575
VIII	768 613	648 609	120 005	-120 005	1 352 770	1 232 766
IX	348 193	817 050	-468 857	468 857	-568 222	-99 365
X	-370 561	905 947	-1 276 508	1 276 508	60 192	1 336 700
XI	385 711	308 829	76 882	-76 882	198 235	121 352
XII	2 024 209	711 272	1 312 937	-1 312 937	-420 802	-1 733 739
I-XII 2004	77 847	8 373 463	-8 295 616	8 295 616	28 384	8 324 000
I 2005	-1 327 738	313 500	-1 641 237	1 641 237	965 007	2 606 244
II	-1 346 277	329 301	-1 675 578	1 675 578	-201 914	1 473 664
III	-1 794 019	821 217	-2 615 235	2 615 235	152 819	2 768 055
IV	404 589	574 427	-169 838	169 838	-5 285	164 553
V	120 830	538 670	-417 839	417 839	-65 117	352 723
VI	449 379	472 230	-22 851	22 851	-21 342	1 509
VII	-22 964	755 425	-778 388	778 388	393 522	1 171 910
VIII	1 556 568	539 477	1 017 092	-1 017 092	-4 400	-1 021 491
IX	1 066 998	489 892	577 106	-577 106	464 369	-112 738
X	-401 752	516 812	-918 564	918 564	174 474	1 093 038
XI	341 556	298 021	43 535	-43 535	93 292	49 756
I-XI 2005	-952 828	5 648 970	-6 601 798	6 601 798	1 945 425	8 547 223

* Deficit according to GFS 2001 methodology

Note: See notes on methodology

TABLE 23: GENERAL GOVERNMENT DEBT STOCK

	31.12. 2002 ⁵		31.12. 2003 ⁵		31.12.2004 ⁵		31.3.2005 ⁵		30.6.2005 ⁵		30.9.2005 ⁵		30.11.2005 ⁵	
	<i>mil. HRK</i>	<i>% GDP</i>	<i>mil. HRK</i>	<i>% GDP</i>	<i>mil. HRK</i>	<i>% GDP</i>	<i>mil. HRK</i>	<i>% GDP</i>	<i>mil. HRK</i>	<i>% GDP</i>	<i>mil. HRK</i>	<i>% GDP</i>	<i>mil. HRK</i>	<i>% GDP</i>
A. Foreign debt (A1+A2+A3)	40 367,0	22,5	45 860,9	23,8	50 116,7	24,2	45 007,6	20,2	45 405,9	20,4	45 779,3	20,6	45 741,0	20,6
1. Central Government foreign debt	37 388,3	20,8	41 048,8	21,3	41 951,9	20,3	36 726,9	16,5	36 766,9	16,5	36 781,0	16,5	36 588,0	16,4
2. Foreign debt of Extrabudgetary funds	2 755,4	1,5	4 463,2	2,3	7 902,3	3,8	8 026,5	3,6	8 391,9	3,8	8 782,6	3,9	8 937,3	4,0
3. Local Government foreign debt	223,3	0,1	348,9	0,2	262,5	0,1	254,2	0,1	247,1	0,1	215,7	0,1	215,7	0,1
B. Domestic debt (B1+B2+B3)	32 214,0	18,0	35 545,3	18,4	42 554,5	20,5	52 294,3	23,5	53 415,2	24,0	54 713,7	24,6	55 832,5	25,1
1. Central Government domestic debt	23 320,0	13,0	28 160,8	14,6	37 223,7	18,0	46 375,7	20,8	46 495,7	20,9	47 583,2	21,4	48 650,7	21,9
2. Domestic debt of Extrabudgetary funds	7 659,1	4,3	6 247,5	3,2	3 911,2	1,9	4 645,3	2,1	5 584,8	2,5	5 821,5	2,6	5 872,8	2,6
3. Local Government domestic debt	1 234,8	0,7	1 137,0	0,6	1 419,6	0,7	1 273,3	0,6	1 334,7	0,6	1 309,0	0,6	1 309,0	0,6
C. General Government total debt, (C1+C2+C3)	72 580,9	40,5	81 406,2	42,2	92 671,2	44,8	97 301,9	43,7	98 821,2	44,4	100 493,0	45,2	101 573,5	45,6
1. Central Government total debt (A1+B1)	60 708,3	33,8	69 209,6	35,8	79 175,6	38,2	83 102,6	37,3	83 262,6	37,4	84 364,2	37,9	85 238,7	38,3
2. Total debt of Extrabudgetary funds (A2+B2)	10 414,5	5,8	10 710,7	5,5	11 813,5	5,7	12 671,8	5,7	13 976,7	6,3	14 604,1	6,6	14 810,1	6,7
3. Local Government total debt (A3+B3)	1 458,1	0,8	1 485,9	0,8	1 682,1	0,8	1 527,5	0,7	1 581,9	0,7	1 524,7	0,7	1 524,7	0,7
TOTAL GUARANTEES OF REPUBLIC OF CROATIA	15 578,8	8,7	15 326,6	7,9	12 274,6	5,9	12 050,1	5,4	12 390,5	5,6	12 150,1	5,5	13 174,0	5,9
Foreign guarantees	8 155,0	4,5	8 530,1	4,4	7 732,4	3,7	7 311,7	3,3	7 294,0	3,3	7 092,8	3,2	7 046,6	3,2
Domestic guarantees	7 423,8	4,1	6 796,5	3,5	4 542,2	2,2	4 738,4	2,1	5 096,5	2,3	5 057,3	2,3	6 127,4	2,8
TOTAL DEBT OF HBOR	3 816,0	2,1	4 954,0	2,6	5 776,3	2,8	5 594,5	2,5	6 242,1	2,8	6 523,4	2,9	6 379,9	2,9
Foreign debt of HBOR	3 373,7	1,9	4 625,9	2,4	5 394,1	2,6	5 224,3	2,3	5 922,5	2,7	6 211,9	2,8	6 076,4	2,7
Domestic debt of HBOR	442,3	0,2	328,1	0,2	382,2	0,2	370,2	0,2	319,6	0,1	311,5	0,1	303,5	0,1

Note: See notes on methodology

Source: Ministry of Finance, NBS for GDP

PUBLIC DEBT

By the end of November 2005, general government debt amounted to HRK 101.6 billion reaching 45.6% of the expected GDP. Out of that, HRK 45.7 billion or 45.0% referred to foreign general government debt. According to government level, the largest part of general government debt related to central government (HRK 85.2 billion or 83.9%) followed by extrabudgetary funds (14.6%) and local government (1.5%). Central government also made the largest part of foreign debt (80.0%), although less than half (42.9%) of central government debt is created by foreign borrowing. On the other hand, most of the extrabudgetary funds' borrowing (60.3%) is realised abroad, primarily as result of the borrowing of Croatian Motorways and Croatian Roads.

Public debt (general government debt with guarantees) amounted by end November 2005 to HRK 114.7 billion or 51.5% of GDP. Out of that, 46.0% or HRK 52.8 billion related to the external component of public debt. Total issued government guarantees reached HRK 13.2 billion or equivalently 5.9% of GDP out of which HRK 7.0 billion or 53.5% referred to foreign guarantees. In the same period the debt of the HBOR amounted to HRK 6.4 billion and was almost completely (95.2%) created by borrowing abroad.

Compared to the same month of the previous year, general government debt increased by 7.0%, primarily as a result of central government borrowing, but also as result of increased borrowing of extrabudgetary funds which recorded a growth of 27.1%. General government debt growth slowed down in November (4.3%) compared to October (6.8%), which represents a further deceleration after the high growth rates recorded in the first half of the year (average yearly growth rate in the first six months amounted to 16.0%) resulted from increased borrowing requirements. Foreign debt decreased by 10.7% as a result of increased borrowing of central government on the domestic market (foreign central government debt decreased by 15.4%) which has been to a certain extent neutralised by stronger foreign borrowing of extrabudgetary funds that grew at 16.1%. Compared to the end of 2004, foreign debt decreased by HRK 4.4 billion or 8.7%, primarily as result of the rollover of the EUR 500 million bond due in March on the domestic market.

Public debt followed similar dynamics, although it grew somewhat slower (5.7%). The foreign component of public debt decreased by 10.8% as a result of mentioned developments in general government debt and reduced issuance of foreign guarantees which decreased by 11.1%. The growth of HBOR debt in November (10.6%) was above the previous ten months' average and considerably above than the growth in October (3.5%). This is a consequence of stronger foreign borrowing that started by the end of the third quarter and continued in November reaching a growth of 12.1% compared to the same month of the previous year.

TABLE 24: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT**DOMESTIC DEBT STOCK IN 000 (30 NOVEMBER 2005)**

Debt item:	currency	Stock	Stock / HRK:	Maturity:	Interest rate:
Big Bonds - Series I	HRK	1 838 080	1 838 080	2011	5,00%
Big Bonds - Series II	EUR	58 515	433 020	2011	7,20%
Big Bonds - Series III	EUR	59 048	436 970	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 480 038	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 700 095	2012	6,875%
Bonds - Series 04 D-08	HRK	1 000 000	1 000 000	2008	6,125%
Bonds - Series 05 D-14	EUR	650 000	4 810 124	2014	5,50%
Bonds - Series 06 D-07	EUR	400 000	2 960 076	2007	3,875%
Bonds - Series 07 D-19	EUR	200 000	1 480 038	2019	5,375%
Bonds - Series 08 D-10	HRK	3 000 000	3 000 000	2010	6,75%
Bonds - Series 09 D-15	EUR	350 000	2 590 067	2015	4,25%
BRA Bonds I	EUR	39 302	290 840	2007	6,00%
BRA Bonds II	EUR	23 197	171 664	2012	5,00%
BRA Bonds III	EUR	61 229	453 103	2012	7,20%
BRA Bonds IV	EUR	31 754	234 982	2012	5,00%
BRA Bonds V-A	EUR	1 089	8 058	2007	6,00%
BRA Bonds V-B	EUR	81 394	602 332	2008	7,00%
Club loan	EUR	231 360	1 712 108	2006	3,65%
Syndicated FX loan	EUR	500 000	3 700 095	2010	2,63%
Medium and long term debt			30 901 689		
Treasury Bills	HRK	12 216 800	12 216 800		
	EUR	110 560	818 165		
Other short-term debt	HRK	1 404 812	1 404 812		
Short-term debt			14 439 777		
BRA Insured Deposit Scheme Bonds II	EUR	225 000	1 665 043	2005	8,375%
Bonds Issued with a Government Guarantee			1 665 043		
Total debt			47 006 509		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

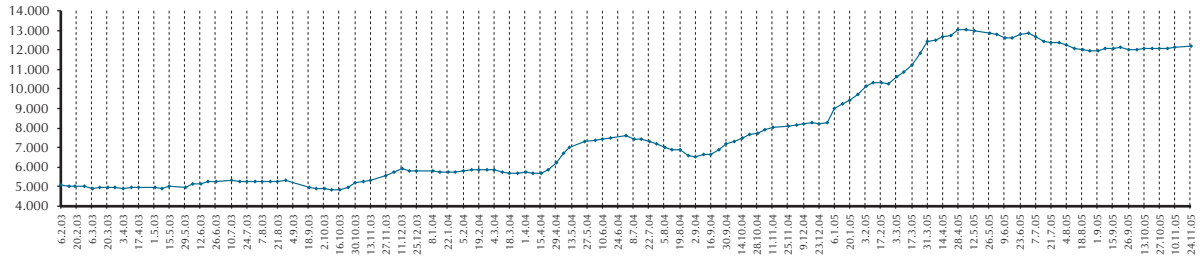
TABLE 25: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(000 HRK)	91 days				182 days				364 days			
	Day of Auction	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)
7.12.2004.	2 000	2 000	99,013 / 4,00%	99,013 / 4,00%	87 200	224 200	97,159 / 5,87%	97,166 / 5,85%	120 200	185 200	94,374 / 5,98%	94,354 / 6,00%
14.12.2004.					64 300	79 300	97,271 / 5,63%	97,260 / 5,65%	66 000	81 000	94,441 / 5,90%	94,399 / 5,95%
28.12.2004.	5 000	10 000	98,823 / 4,78%	99,061 / 3,80%	49 000	73 000	97,276 / 5,62%	97,331 / 5,50%	96 500	268 400	94,416 / 5,93%	94,532 / 5,80%
4.1.2005.	3 000	3 000	99,013 / 4,00%	99,013 / 4,00%	513 000	513 000	97,458 / 5,23%	97,331 / 5,50%	334 000	339 000	94,743 / 5,56%	94,666 / 5,65%
11.1.2005.					251 900	286 900	97,386 / 5,38%	97,331 / 5,50%	36 000	36 500	94,684 / 5,63%	94,666 / 5,65%
18.1.2005.					248 400	329 400	97,406 / 5,34%	97,378 / 5,40%	96 000	108 000	94,782 / 5,52%	94,755 / 5,55%
25.1.2005.	18 500	18 500	99,016 / 3,99%	99,013 / 4,00%	285 400	501 400	97,468 / 5,21%	97,473 / 5,20%	187 500	242 500	94,831 / 5,47%	94,845 / 5,45%
1.2.2005.	10 000	10 000	99,037 / 3,90%	99,013 / 4,00%	503 500	613 500	97,569 / 5,00%	97,567 / 5,00%	208 000	266 000	95,002 / 5,28%	95,025 / 5,25%
8.2.2005.	16 000	16 000	99,135 / 3,50%	99,135 / 3,50%	253 300	260 300	97,622 / 4,89%	97,567 / 5,00%	148 000	148 000	95,128 / 5,14%	95,025 / 5,25%
15.2.2005.					63 000	73 000	97,535 / 5,07%	97,497 / 5,15%	13 700	23 700	94,842 / 5,45%	95,025 / 5,25%
22.2.2005.					50 200	50 200	97,446 / 5,26%	97,378 / 5,40%	20 700	20 700	94,809 / 5,49%	94,801 / 5,50%
1.3.2005.					264 700	354 700	97,320 / 5,52%	97,331 / 5,50%	218 000	298 000	94,606 / 5,72%	94,621 / 5,70%
8.3.2005.	116 000	116 000	98,823 / 4,78%	98,769 / 5,00%	152 000	162 000	97,344 / 5,47%	97,331 / 5,50%	130 000	150 000	94,663 / 5,65%	94,621 / 5,70%
15.3.2005.	50 000	86 000	98,795 / 4,89%	98,805 / 4,85%	160 000	262 200	97,376 / 5,40%	97,378 / 5,40%	260 000	642 000	94,678 / 5,64%	94,711 / 5,60%
22.3.2005.	57 600	195 600	98,819 / 4,79%	98,842 / 4,70%	285 300	484 300	97,449 / 5,25%	97,449 / 5,25%	420 000	921 000	94,860 / 5,43%	94,890 / 5,40%
29.3.2005.	240 100	310 100	98,879 / 4,55%	98,878 / 4,55%	242 500	532 500	97,531 / 5,08%	97,544 / 5,05%	395 000	657 000	95,099 / 5,17%	95,115 / 5,15%
5.4.2005.	12 000	103 000	98,915 / 4,40%	98,964 / 4,20%	231 200	516 400	97,654 / 4,82%	97,686 / 4,75%	182 000	522 500	95,277 / 4,97%	95,341 / 4,90%
12.4.2005.	10 000	149 200	98,893 / 4,49%	99,037 / 3,90%	136 000	291 000	97,687 / 4,75%	97,758 / 4,60%	325 000	430 000	95,547 / 4,67%	95,568 / 4,65%
19.4.2005.	60 000	225 000	99,049 / 3,85%	99,086 / 3,70%	303 800	468 800	97,851 / 4,40%	97,853 / 4,40%	87 000	147 000	95,581 / 4,64%	95,705 / 4,50%
26.4.2005.	330 000	467 500	99,101 / 3,64%	99,110 / 3,60%	442 500	767 500	97,909 / 4,28%	97,925 / 4,25%	100 000	160 000	95,666 / 4,54%	95,705 / 4,50%
3.5.2005.	20 000	285 000	99,131 / 3,52%	99,184 / 3,30%	254 900	439 900	97,984 / 4,13%	97,997 / 4,10%	144 000	264 000	95,530 / 4,69%	95,705 / 4,50%
10.5.2005.	25 000	25 000	99,135 / 3,50%	99,110 / 3,60%	172 700	192 700	98,057 / 3,97%	97,997 / 4,10%	128 000	178 000	95,680 / 4,53%	95,705 / 4,50%
24.5.2005.	147 500	182 500	99,093 / 3,67%	99,074 / 3,75%	163 500	353 500	97,711 / 4,70%	97,925 / 4,25%	32 000	117 000	95,410 / 4,82%	95,614 / 4,60%
31.5.2005.	42 500	42 500	99,047 / 3,86%	99,013 / 4,00%	157 500	167 500	97,850 / 4,41%	97,805 / 4,50%	62 000	117 000	95,475 / 4,75%	95,477 / 4,75%
7.6.2005.	2 000	72 000	98,691 / 5,32%	99,025 / 3,95%	23 500	63 500	97,724 / 4,67%	97,805 / 4,50%	114 000	151 000	95,296 / 4,95%	95,296 / 4,95%
14.6.2005.	15 900	15 900	99,111 / 3,60%	99,025 / 3,95%	84 300	94 300	97,622 / 4,88%	97,592 / 4,95%	475 00	107 500	94,725 / 5,58%	95,025 / 5,25%
21.6.2005.	50 000	50 000	98,988 / 4,10%	98,988 / 4,10%	55 000	85 000	97,543 / 5,05%	97,567 / 5,00%	120 000	255 000	94,903 / 5,39%	95,025 / 5,25%
28.6.2005.	35 000	47 000	99,007 / 4,02%	99,013 / 4,00%	30 200	124 200	97,486 / 5,17%	97,567 / 5,00%	269 000	456 000	94,969 / 5,31%	95,025 / 5,25%
5.7.2005.	52 000	52 000	98,897 / 4,48%	98,891 / 4,50%	68 500	99 500	97,503 / 5,14%	97,567 / 5,00%	227 500	287 500	94,861 / 5,43%	94,800 / 5,50%
19.7.2005.	20 000	38 000	98,889 / 4,51%	98,915 / 4,40%	13 900	45 000	97,544 / 5,05%	97,663 / 4,80%	260 900	593 900	94,750 / 5,56%	94,845 / 5,45%
26.7.2005.	13 000	23 100	98,974 / 4,16%	98,964 / 4,20%	45 900	165 900	97,647 / 4,83%	97,710 / 4,70%	545 000	893 000	94,851 / 5,44%	94,890 / 5,40%
2.8.2005.	10 000	10 000	99,007 / 4,02%	99,000 / 4,05%	93 000	113 000	97,763 / 4,59%	97,758 / 4,60%	300 000	661 000	94,978 / 5,30%	95,025 / 5,25%
9.8.2005.		20 000	98,891 / 4,50%			10 000	97,496 / 5,15%		110 000	310 000	94,818 / 5,48%	95,025 / 5,25%
23.8.2005.	20 000	20 000	99,025 / 3,95%	99,025 / 3,95%	12 000	12 000	97,813 / 4,48%	97,805 / 4,50%	90 800	415 800	94,712 / 5,60%	95,025 / 5,25%
30.8.2005.	35 000	37 500	99,078 / 3,73%	99,013 / 4,00%	10 000	10 000	97,805 / 4,50%	97,805 / 4,50%	234 300	624 300	94,921 / 5,37%	95,025 / 5,25%
6.9.2005.	12 000	12 000	99,017 / 3,98%	99,013 / 4,00%	7 000	13 000	97,881 / 4,34%	97,901 / 4,30%	385 700	734 700	95,132 / 5,13%	95,115 / 5,15%
13.9.2005.	3 400	4 400	99,032 / 3,92%	99,037 / 3,90%	80 000	80 000	97,910 / 4,28%	97,901 / 4,30%	238 200	990 500	95,236 / 5,02%	95,251 / 5,00%
20.9.2005.	3 500	3 500	99,038 / 3,89%	99,037 / 3,90%	70 000	70 000	97,901 / 4,30%	97,901 / 4,30%	426 500	1 523 300	95,337 / 4,90%	95,477 / 4,75%
27.9.2005.	16 000	16 000	99,037 / 3,90%	99,037 / 3,90%	33 000	33 000	97,935 / 4,23%	97,997 / 4,10%	463 000	694 000	95,532 / 4,69%	95,614 / 4,60%
4.10.2005.	20 000	52 000	98,981 / 4,13%	99,061 / 3,80%	115 000	165 000	98,069 / 3,95%	98,044 / 4,00%	346 100	660 100	95,716 / 4,49%	95,842 / 4,35%
11.10.2005.	32 000	205 000	99,004 / 4,03%	99,086 / 3,70%	100 000	110 000	98,153 / 3,77%	98,164 / 3,75%	359 000	594 000	95,837 / 4,36%	95,934 / 4,25%
18.10.2005.	44 500	44 500	99,089 / 3,69%	99,086 / 3,70%					501 700	511 700	96,025 / 4,15%	95,934 / 4,25%
25.10.2005.	48 000	68 000	99,079 / 3,73%	99,086 / 3,70%	50 000	50 000	98,044 / 4,00%	98,044 / 4,00%	473 200	578 200	95,947 / 4,24%	95,888 / 4,30%
31.10.2005.	22 500	22 500	98,086 / 3,70%	98,086 / 3,70%	72 000	97 000	98,028 / 4,04%	98,044 / 4,00%	528 900	688 900	95,806 / 4,39%	95,797 / 4,40%
8.11.2005.	10 000	10 000	99,086 / 3,70%	99,086 / 3,70%	115 000	165 000	97,958 / 4,18%	97,973 / 4,15%	323 000	580 000	95,752 / 4,45%	95,797 / 4,40%
22.11.2005.	3 000	33 000	99,020 / 3,97%	99,086 / 3,70%	80 000	110 000	97,962 / 4,17%	97,973 / 4,15%	351 000	462 000	95,739 / 4,46%	95,797 / 4,40%
29.11.2005.		40 000	99,013 / 4,00%		69 000	139 000	97,963 / 4,17%	97,973 / 4,15%	261 500	431 500	95,776 / 4,42%	95,797 / 4,40%

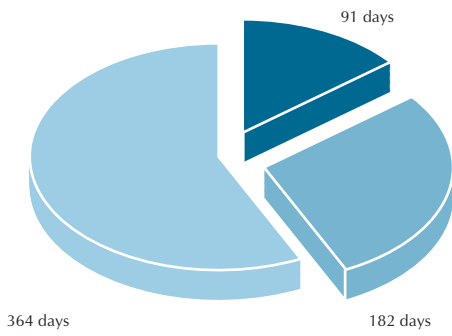
Note: See notes on methodology

Source: Ministry of Finance

T-Bill's Outstanding Debt

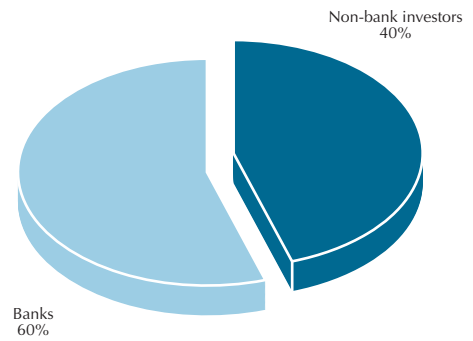


Structure of outstanding T-Bill's on 30 November 2005

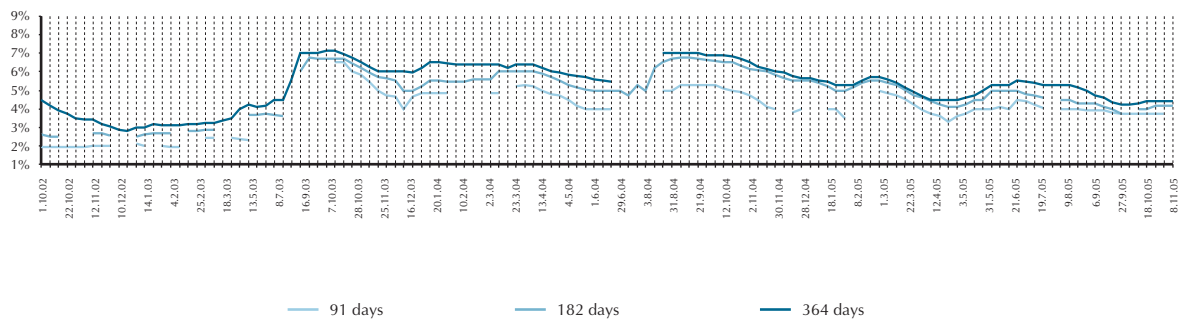


Structure of bids accepted according to buyers

T-Bill's Auctions



Annual yield on T-Bills



NOTES ON METHODOLOGY

CROLEI Index

Utilising so-called leading indicators, the Economic Institute in Zagreb and the Ministry of Finance are developing a complex forecast index called **CROLEI (CROatian Leading Economic Indicator)**, in accordance with the well-known methodology of the National Bureau of Economic Research in the United States. The index predicts industrial output trends as well as overall economic activity in Croatia. For the time being the industrial output index is being utilised as the reference series. In October of 2004, a thorough revision of the system of indicators, methodological procedures and CROLEI index itself took place.

New revised index is combined of eleven best leading indicators, whose average prognostic power is significantly increased compared to the old average of index components with average prediction time of six months compared to the referent series. The usefulness of the method of indicators is justified with the fact that five component of the old prognostic measure was kept in the new system. According to standards of the method, this represents a very stable and highly significant accordance between indicators and the referent series, which also represents a strong help in overall economic activity prognostics. New CROLEI index is combined of eleven best leading indicators: *nominal net wage, registered persons employed, total tourist bed-nights, real retail trade turnover, imports of machinery and transportation equipment, unconsolidated budget revenues, total liquid funds, total cash of participants in the payment system, domestic currency time and savings deposits of commercial banks, foreign reserves of commercial banks and cash market interest rate on other loans.*

Table 2: Central Budget Revenues

Central budget revenue (1), according to the International Monetary Fund's GFS 2001 methodology (*Government Finance Statistics*), is an increase in net worth resulting from a financial transaction in relation to Government. According to this methodology, central budget revenues are composed of main categories as following: taxes (11), social contributions (12), grants (13) and other revenue (14).

Taxes (11) are compulsory transfers to the Government sector, composed of following categories:

- *Taxes on income, profits and capital gains (111)* - are attributed either to individuals (1111) who pay income tax or to corporations and other enterprises (1112) that pay profit tax. When the information needed to determine whether taxes should be attributed to either of these categories is not available, the taxes are treated as not allocable (1113).
- *Taxes on payroll and workforce (112)* - this category consists of taxes that are collected from employers or the self-employed either as a proportion of payroll size or as a fixed amount per person and that are not earmarked for social security schemes. In the report on Central Budget Revenues this category is not shown because it does not exist in the tax system of the Republic of Croatia.
- *Taxes on property (113)* - this item includes taxes on the use, ownership, or transfer of wealth. According to GFS 2001 methodology, it encompasses recurrent taxes on immovable property (1131), recurrent taxes on estate, inheritance, and gifts (1133), and taxes on financial and capital transactions (1134). In the report on Central Budget Revenues, this category consists of only taxes on property.
- *Taxes on goods and services (114)* - includes all taxes levied on the production, extraction, sale, transfer, leasing or delivery of goods and rendering of services. Taxes on goods and services include: general taxes on goods and services (1141) that are divided into value added tax (11411), sales tax (11412) and turnover and other general taxes on goods and services (11413); excises (1142), profits on fiscal monopolies (1143), taxes on specific services (1144), taxes on use of goods and on permission to use goods or perform activities (1145) and other taxes on goods and services (1146). Taxes on specific services (1144) include all taxes levied on payments for specific services, such as taxes on transport charges, insurance premiums, banking services, entertainment and advertising charges. Taxes on use of goods and on permission to use goods or perform activities (1145) include various business and professional licences.
- *Taxes on international trade and transactions (115)* - include customs and other import duties collected on goods because they are entering the country or services because they are delivered by non-residents to residents. This item also includes taxes on exports, profits on export or import monopolies, exchange profits, exchange taxes and other taxes on international trade and transactions.
- *Other taxes (116)* - this item covers revenue from taxes levied predominantly on bases other than those described under the preceding tax headings. Also included is revenue from unidentified taxes that are not identifiable by tax category.

Social contributions (12) for the Republic of Croatia tax system encompass relevant contributions to social security schemes (121), which are classified according to source of contribution as follows:

- *Employee contributions (1211)* - are either paid directly by employees or are deducted from employees' wages and salaries and transferred on their behalf by the employer.
- *Employer contributions (1212)* - are paid directly by employers on behalf of their employees.
- *Self-employed or non-employed contributions (1213)* - are paid by contributors who are not employees.
- *Unallocable contributions (1214)* - are those contributions whose source cannot be determined (For 2002, most data in the table falls into this category because at the time for the same contributions the contributions were made partly by the employee and partly by the employer, so it was impossible to separate the two).

Grants (13) are noncompulsory current or capital transfers received by a government unit from other general government units, foreign governments or international organization.

Other revenues (14) are composed of property income (141), sales of goods and services (142), fines, penalties and forfeits (143), voluntary transfers other than grants (144) and miscellaneous and unidentified revenue (145).

Property income (141) includes a variety of forms of revenue earned by government unit when it places financial and/or nonproduced assets that it owns at the disposal of other units: interest (1411), dividends (1412), withdrawals from income of quasi-corporations (1413), property income attributed to insurance policyholders (1414) and rent (1415) that is property income received from certain leases of land and other naturally occurring assets. Sales of goods and services (142) are composed of sales by market establishments (1421) at which only a single productive activity is carried out or the principal productive activity accounts for most of the value added; then administrative fees (1422) and incidental sales by nonmarket establishments (1423).

Voluntary transfers other than grants (144) includes gifts and voluntary donations from individuals, private nonprofit institutions, nongovernmental foundations, corporations and any other source other than governments and international organizations.

As of July 1st of 2001, Central Budget revenues include pension insurance contributions, which up to that time represented the revenue of the Croatian Pension Fund. With this inclusion, the coverage of the Central Government is expanded. Also, as of January 1st of 2002, health insurance contributions and employment contributions are included in the Central Government Budget, which up to that time represented revenues of the Croatian Employment Fund and Croatian Health Insurance Fund. All mentioned revenues are classified according to the GFS 2001 methodology.

In the end of 2001, two new extra-budgetary funds were founded: Regional Development Fund and Employment and Development Fund with intention to take some of the Central Budget activities as well as the privatisation receipts of privatisation of the public enterprises.

As of January 1st of 2003, these funds are included in the coverage of the Central Government Budget.

Table 3: Central Budget Expense

Central Budget Expense (2), according to International Monetary Fund GFS 2001 (*Government Finance Statistics*) methodology, is a decrease in net worth resulting from a transaction. According to this methodology, central budget expenses are composed of the following main categories: compensation of employees (21), use of goods and services (22), consumption of fixed capital (23), interest (24), subsidies (25), grants (26), social benefits (27) and other expense (28).

Compensation of employees (21) is the total remuneration, in cash or in kind, payable to a government employee. It includes both wages and salaries (211) and social contributions (212) made on behalf of employees to social insurance schemes.

Use of goods and services (22) is the total value of goods and services purchased by government sector for use in a production process or acquired for resale less the net change in inventories of those goods and services.

Consumption of fixed capital (23) is the decline during the course of an accounting period in the value of fixed assets, as a result of physical deterioration, normal obsolescence or normal accidental damage. Namely, consumption of fixed capital is not included in budgetary reports because such data are still not available for the report purposes, according to the GFS 2001 methodology.

Interest (24) is an expense created when a government unit borrows funds from another unit. Total interest payable is subdivided into interest payable to nonresidents (241), interest payable to residents other than general government (242) and interest payable to other general government units (243).

Subsidies (25) are current unrequited payments that government makes to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services they produce, sell, export or import. Subsidies also include transfers to public corporations and quasi corporations to compensate for losses they incur on their productive activities as a result of charging prices that are lower than their average cost of production as a matter of deliberate government economic and social policy. Subsidies are classified by whether the recipient is a public financial/nonfinancial enterprise (251) or private financial/nonfinancial enterprise (252).

Grants (26) are noncompulsory current or capital transfers, in cash or kind, classified by type of recipients: grants to foreign government (261), grants to international organizations (262) and grants to other general government units (263).

Social benefits (27) are defined as current transfers, classified according to the type of scheme governing their payment:

- *Social security benefits (271)* - are social benefits payable to households by social security schemes. Typical social security benefits in cash include sickness and invalidity benefits, maternity allowances, children's or family allowances, unemployment benefits, retirement and survivors' pensions. Benefits from insurance in kind include goods and services acquired on the market for the household, or reimbursement for household expenses for that purpose. Medical or dental treatments, surgery, hospital accommodation, pharmaceutical products, home care, and similar goods and services fall into this category.
- *Social assistance benefits (272)* - are transfers payable to households to meet the same needs as social insurance benefits but which are not made under a social insurance scheme. Social assistance benefits may be payable when no social insurance scheme exists to cover the circumstances in question, certain households do not participate in existing social insurance schemes, or social insurance benefits are deemed inadequate to meet particular needs. In this category, in the Republic of Croatia, a larger part belongs to child allowances, various aids to families and households, invalids, etc. Grants in kind include co-financing transportation costs, home care, accommodation, food, and other similar goods and services.
- *Employer social benefits (273)* - are social benefits payable by government to their employees similar to social insurance schemes. In Republic of Croatia, a major part of this category relates to severance payments.

Other expense (28) is divided by two main categories:

- *Property expense other than interest (281)* - may take the form of dividends (as distributions of profits by public corporations to their shareholders or owners), withdrawals from income of quasi-corporations, property expense attributed to insurance policyholders, or rent (as the expense incurred in connection with certain leases of land, subsoil assets and other nonproduced naturally occurring assets). Rent of land is the most important in this category.
- *Miscellaneous expense (282)* - includes a number of current or capital transfers such as: current transfers to nonprofit institutions, payments of compensation for injuries or damages caused by natural disasters or caused by general government units, scholarship, purchases of goods and services from market producers that are distributed directly to households for consumptions other than social benefits, capital grants to enterprises and non-profit institutions serving households in acquiring of nonfinancial assets or in covering accumulated losses, capital grants to households construction and reconstruction etc.

As of July 1st of 2001, Central Government Budget expense includes expense for domestic pensions, which were previously expense of the Croatian Pension Fund.

As of January of 2002, Central Government Budget expense includes expense originating from a right to be employed as well as expense based on health insurance, which up to that time represented expense of the Croatian Employment Fund and Croatian Health Insurance Fund.

As of January 1st 2004, Central Government Budget expense includes expense for foreign pensions, which up to that moment were expense of the Croatian Pension Fund. All mentioned expenses are classified according to the GFS 2001 methodology.

As of January 1st of 2003, the coverage of the Central Government Budget is expanded by inclusion of Regional development Fund and Development and Employment Fund as budget users, which in 2002 were extrabudgetary funds.

Table 4: Transactions in Nonfinancial Assets of Budgetary Central Government

Nonfinancial assets (31) may come into existence as outputs from a production process, be naturally occurring or be constructs of society. Depending on that, nonfinancial assets are classified as produced and nonproduced nonfinancial assets. According to GFS 2001 methodology, all assets, including nonfinancial as well as liabilities, are observed using different classifications to which different codes are assigned. Within those classifications further grouping is performed according to asset/liability category and this grouping is always the same. Namely, GFS 2001 observes assets and liabilities from transactions side (classification 3), from side of holding gains of assets and liabilities (classification 4), from side of other economic flows (classification 5) and from side of stocks (classification 6). Since at present time, in Republic of Croatia there is a lack of data needed to produce classifications 4, 5 and 6, only transactions are included in reports (code 31 for nonfinancial assets). In this sense, further definitions and codes should be understood.

Produced nonfinancial assets are composed of following components, according to GFS 2001:

- *Fixed assets (311)* - produced assets that are used repeatedly or continuously in processes of production for more than one year. Fixed assets are composed of three main categories:
 - buildings and structures (3111), which by existing chart of account also includes subgroup construction objects
 - machinery and equipment (3112), which by existing chart of accounts also includes a subgroup of transportation machinery and equipment and books, works of art and other values
 - other fixed assets (3113), which includes also cultivated assets (animal stock, plantations) and also nonmaterial produced assets (investment in computer programs, science works etc.)
- *Inventories (312)* - goods and services held by producers for sale, use in production or other use at a later date. Inventories are classified as strategic stocks (that include goods held for strategic and emergency purposes, goods with organizations for market regulations and goods of special national interest) and other inventories (that consist of materials and supplies with intention of using them as inputs to a production process, work in progress, finished goods and goods for resale). These transactions appear with a small share in the budget.
- *Valuables (313)* - produced goods of considerable value that are acquired and held primarily as stores of value over time and are not used primarily for purposes of production or consumption (precious stones, paintings, sculptures etc.).

Nonproduced nonfinancial assets (314) consist of tangible, naturally occurring assets over which ownership rights are enforced, and intangible nonproduced assets (3144) that are social origin (patents, leasing contracts, goodwill etc.). Naturally occurring assets include land (3141), subsoil assets (3142) and other naturally occurring assets (3143), (electro-magnetic frequencies for example).

All transactions that increase the value of a certain fixed asset are called **acquisitions** while all transactions that reduce the value of a certain category are called **disposals**. To record acquisitions and disposals, decimal point is added after the code followed by number 1 to denote acquisitions and number 2 to denote disposals.

For example, construction of a school building or a hospital is treated as an acquisition of fixed assets (buildings and structures - 3111,1), while sales of public flats is denoted as sales of fixed assets (3111,2). Similarly, purchases of cars and computer equipment is treated as acquisition of fixed assets namely, under machinery and equipment (3112,1) while sales of the same are denoted as sales of fixed assets (3112,2). Only for inventories, and according to GFS 2001 methodology, only net changes due to transactions are presented and not gross values for acquisitions and disposals).

Table 5: Transactions in Financial Assets of Budgetary Central Government

Financial assets (32) consist of financial claims, monetary gold and special drawing rights (SDR).

Financial claims are defined as financial assets which entitles one unit (creditor) to receive one or more payments from other unit (debtor) according to terms of agreement. Claims can be on other units, domestic (321) or foreign (322). The classifications of financial assets are based primarily on the liquidity and legal characteristic of the

instruments that describe the underlying creditor-debtor relationships: currency and deposits, securities other than shares, loans, shares and other equity, insurance technical reserves, financial derivatives and other accounts receivable.

Monetary gold and SDRs (Special Drawing Rights) are not financial claims, which means that they are not the liability of any other unit. They do, however, provide economic benefits by serving as a store of value and they are used as a means of payment to settle financial claims and finance other types of transactions. As a result, they are, by convention, treated as financial assets.

All transactions that increase a unit's holdings of assets are labelled as **acquisitions** and all transactions that decrease a unit's holdings of assets are labelled as **disposals**. It is customary to present only net acquisition of financial assets according to GFS 2001, but here are presented through acquisitions and disposal due to transparency. The same coding system is used as is used in nonfinancial assets.

For example, government loans to domestic units should be classified as acquisition of financial assets (3214,1) and their repayment by domestic units to government should be classified as disposal of financial assets (3214,2).

Also, privatisation is a typical example of transactions in financial assets. Concretely, sales of domestic public enterprise shares (privatisation) should be recorded as disposals of shares and other equity (3215,2) and purchase of some enterprise shares by government should be recorded as acquisitions of shares and other equity (3215,1).

Table 6: Transactions in Liabilities of Budgetary Central Government

When a financial claim is created, the debtor as the counterpart of the financial asset simultaneously incurs a **liability (33)** of equal value. As well as transactions in financial assets, transactions in liabilities are defined as domestic (331) or foreign liabilities (332).

The classifications of liabilities are based primarily on the liquidity and legal characteristic of the instruments that describe the underlying creditor-debtor relationships: currency and deposits, securities other than shares, loans, shares and other equity (public corporations only and do not appear in the budget), insurance technical reserves, financial derivatives and other accounts receivable.

All transactions that increase liabilities are referred to as the **incurrence** of liability and all transactions that decrease liabilities are referred to as the **repayment** of liability. As the case is with financial assets, due to transparency, gross repayments (denoted by number 1) and incurrences (denoted by number 2) are presented.

For example, bonds issued by government in the foreign financial market are classified as foreign incurrence of securities other than shares (3323,2), and their redemptions should be recorded as repayment of securities other than shares (3323,1).

Also, when government borrows from domestic units, this transaction should be recorded as incurrence of loans (3314,2) and their redemption should be recorded as repayment of loans (3314,1).

Exception is, according to article 59 point 3 of the Budget accounting and chart of accounts book of rules ("Official Gazette" 119/2001, 74/2002 and 3/2004), repayments of short-term loans and amortization of short-term securities performed within the same year is presented as net value, hence as a reduction in incurrence rather than as a repayment.

Therefore, net transactions of liabilities (33) and net transactions of financial assets (32) are defined as **financing**.

Table 7: Transactions in financial assets and liabilities, by sectors

Table 7 represents a summary of transactions in financial assets and liabilities by sector for Budgetary Central Government, Extrabudgetary funds and Consolidated Central Government, which is published monthly and quarterly for Local Government and Consolidated General Government.

Table 8-8B:

According to the GFS 2001 methodology, the Statement of Budgetary Central Government Operations details data on transactions in revenues (1), transactions in expenses (2), net transactions of nonfinancial assets (31), net transactions of financial assets (32) and net transactions of liabilities (33).

Operating balance is equal to revenue (1) minus expense (2).

Operating balance represents a measure of total cost of public goods and services. Positive operating balance increases net worth of the public sector indicating an excess of resources which are direct result of current operations and which can be used to acquire assets and/or to reduce liabilities. On the other hand, negative operating balance indicates a shortage of resources which is the result of current operations and, which reduces net worth and thus results as an increase in liabilities and/or sales of assets. Hence, operating balance is the indicator of sustainability of current government operations, but it is not necessarily an indicator of sustainability of future government operations. Value of operating balance is close to current deficit/surplus as defined according to GFS 1986. **Net operating balance** equals revenue (1) minus expense (2). The **gross operating balance** equals revenue (1) minus expense (2) other than consumption of fixed capital (23). In Croatia, the gross and net operating balance are the same due to the lack of data on consumption of fixed capital.

Primary operating balance is equal to operating balance (revenue minus expense) augmented by interest expense and serves as an indicator of current fiscal policy considering that it does not include interest expense and hence excludes effects of past deficits and accumulated public debt from the balance.

Net lending/borrowing is equal to operating balance minus net acquisition of nonfinancial assets. Net lending/borrowing is also equal to net acquisition of financial assets minus net incurrence of liabilities or in other words, the amount of net lending/borrowing is financed with the difference between the net incurrence of liabilities and net acquisition of financial assets. This measure can serve as an indicator of financial effect of government operations to the rest of the economy: positive net lending/borrowing implies that the government is placing financial assets to domestic sectors or abroad, while negative net lending/borrowing implies an incurrence of liabilities from domestic sectors or abroad by the government.

Tables 9-17

According to article 3 of the Budget Act ("National Gazette" 96/2003), **extrabudgetary users** are extrabudgetary funds, enterprises and other legal entities in whose management process central, or local government has a major role. **Extrabudgetary fund** is an extrabudgetary user: legal entity created by law and is financed through specific contributions and other revenues.

As extrabudgetary funds, since 1994, are observed: Pension Fund, Health Fund, Employment Fund and Public Water Management Fund. In the end of 2001 Development and Employment Fund and Regional Development Fund were created, taking on some of the budget activities, which as a result had an expansion of the coverage of extrabudgetary funds since January 1st 2002.

As of January 1st of 2003, these two funds are no longer extrabudgetary funds but are totally included in Central Government Budget as the budget funds/budget users.

As of July of 2001, revenues from pension insurance contributions and expenses for pensions are transferred from Croatian Pension Fund to Central Government Budget. The largest share of pension payments (domestic pensions) were performed directly through State Treasury, while the remaining part was performed through Pension Fund.

As of January 2002, revenues from contributions and expenses for settlement of particular obligations of the Croatian Health Fund and Croatian Employment Fund, are included in central Government Budget (through State Treasury system). Contribution for pension insurance amounts to 20% or 15% plus 5% for persons insured with the second pillar of pension incurrence, from salaries.

Special contribution for the work related hazard and sickness in the amount of 0,5% on salaries, health insurance contributions are 15% on salaries and employment contributions are 1,7% on salaries.

In April of 2001, Croatian Motorways and Croatian Roads, were created as legal entities, owned by the state. These entities took on job thus far performed by Croatian Road Department. Data on these entities as well as data on State Agency For Deposit Insurance And Banks Rehabilitation and Croatian Privatization Fund was presented according to demands of IMF methodology in 2002 reports. Since 2003, they are part of the official coverage of consolidated central government, which is used in process of budget creation.

Since January of 2004, the coverage of extrabudgetary funds also includes the Environment Protection Fund. Further, since 1st of May 2004, payments of foreign pensions are performed directly through State Treasury, and no longer by transfer to Croatian Pension Fund.

Tables 9-17 present revenue and expense according to the economic classification and transactions in nonfinancial and financial assets, as well as transactions in liabilities for each extrabudgetary fund.

Table 18: Consolidated Central Government by Economic Category

Consolidated Central Government according to GFS 2001, relates to Consolidated Central Government budget according to Budget Act (Consolidated State Budget and financial plans of extrabudgetary users).

The Consolidated Central Government Budget is the result of a consolidation of financial transactions between the State Budget and extra-budgetary users, as well as between the extra-budgetary users themselves.

Table 18 presents Consolidated Central Government revenue and expense according to the economic classification and transactions in nonfinancial and financial assets, as well as transactions in liabilities.

Table 19: Consolidated Central Government According to Government Level

Table 19 gives summary of revenue, expense, transactions in nonfinancial, financial assets and liabilities for each of the component of Consolidated Central Government, Budgetary Central Government and extrabudgetary users (disaggregated).

Table 19A-19B:

Operating balance is equal to revenue (1) minus expense (2).

Operating balance represents a measure of total cost of public goods and services. Positive operating balance increases net worth of the public sector indicating an excess of resources which are direct result of current operations and which can be used to acquire assets and/or to reduce liabilities. On the other hand, negative operating balance indicates a shortage of resources which is the result of current operations and, which reduces net worth and thus results as an increase in liabilities and/or sales of assets.

Hence, operating balance is the indicator of sustainability of current government operations, but it is not necessarily an indicator of sustainability of future government operations. Value of operating balance is close to current deficit/surplus as defined according to GFS 1986. **Net operating balance** equals revenue (1) minus expense (2). The **gross operating balance** equals revenue (1) minus expense (2) other than consumption of fixed capital (23). In Croatia, the gross and net operating balance are the same due to the lack of data on consumption of fixed capital.

Primary operating balance is equal to operating balance (revenue minus expense) augmented by interest expense and serves as an indicator of current fiscal policy considering that it does not include interest expense and hence excludes effects of past deficits and accumulated public debt from the balance.

Net lending/borrowing is equal to operating balance minus net acquisition of nonfinancial assets. Net lending/borrowing is also equal to net acquisition of financial assets minus net incurrence of liabilities or in other words, the amount of net lending/borrowing is financed with the difference between the net incurrence of liabilities and net acquisition of financial assets. This measure can serve as an indicator of financial effect of government operations to the rest of the economy: positive net lending/borrowing implies that the government is placing financial assets to domestic sectors or abroad, while negative net lending/borrowing implies an incurrence of liabilities from domestic sectors or abroad by the government.

Table 20: Local Government Transactions (the largest 53 units) is published quarterly according to financial reports of Financial Agency (FINA).

According to Law on financing of local governments ("Official Gazette" 117/93, 69/97, 33/00, 127/00, 59/01, 107/01, 117/01, 150/02 and 147/03) local governments acquire own revenue, they acquire revenue through mutual taxes and through grants from state and county budgets.

The sources of revenues of counties are: income from their own assets, county taxes (inheritance and gift tax, motor vehicle tax, seafaring and freshwater vessel tax, gaming machine tax), monetary fines, confiscated assets and other incomes as stipulated by special legislation.

The sources of revenues of municipalities and cities are: income from their own assets, municipal and urban taxes (consumption tax, vacation home tax, public land use tax, tax on uncultivated agricultural land, tax on unused entrepreneurial real estate, tax on undeveloped construction land, corporate title tax.), monetary fines, administrative fees, residence fees, utility charges, charges for the use of public municipal or urban land and other incomes as stipulated by special legislation.

Beside this, cities and municipalities can impose surtax to income tax as an additional revenue source (up to 10% municipalities, up to 12% cities under 30,000 inhabitants, up to 15% cities with the population above 30,000 and up to 30% City of Zagreb).

Joint taxes of central budget and local and regional self-government units are: profit tax (share of municipalities and cities is 20%, counties 10%, central budget 70%), property sales tax (share of municipalities and cities is 60%, central budget 40%), personal income tax (share of municipalities and cities is 34% increased by the share of transferred function, counties 10% increased by the share of transferred function, grants for adjustment of decentralized function 21%, central budget 25.6%, and at the same time, share of municipality and city that found and finance the public fire fighting brigades increases by 1%, share of municipalities and cities on islands, for those that reach an agreement on financing of a capital projects for island development, increases for the amount of income tax that belongs to central budget.

A part of income tax revenue which is allotted to local governments through decentralized functions and which is allotted from central budget is treated as grant from other general government units in terms of GFS 2001.

Table 20 shows revenue and expense of local governments (53 biggest units - counties, City of Zagreb and other 32 cities, which make up to 70-80% of total transactions and which in this sense are observed since 2001) according to economic category as well as the transactions in nonfinancial, financial assets and liabilities.

Table 21: Consolidated General Government by Economic Category is published every three months.

In terms of Budget Act, Consolidated Budget of Republic of Croatia is Consolidated Central Government and Consolidated Local Governments Budget. In terms of GFS 2001 it relates to Consolidated General Government.

Consolidated General Government is the result of consolidation of transactions on all government levels and among them - State Budget, Extrabudgetary Users Budgets and Local Governments Budgets (53 largest units).

Table 21 thoroughly shows revenue and expense according to economic category as well as transactions in nonfinancial, financial assets and liabilities on Consolidated General Government level.

Table 22: Consolidated General Government According to Government Level is published every three months. See explanation for table 21.

Table 22 presents aggregate amounts of revenue, expense, transactions in nonfinancial and financial assets, as well as transactions in liabilities for each component of the consolidated general government: central budget, extra-budgetary users and local government (the largest 53 units).

Table 23: General Government debt stock

This table presents foreign and domestic debt of the Central Government including agencies (HAC, HC, DAB and HFP), Extrabudgetary funds and Local Government. In compliance with Stand-by Arrangement, debt data also includes guarantees of Republic of Croatia (domestic and foreign) and the debt of Croatian Bank for Reconstruction and Development (HBOR). According to the Budget Act (Official Gazette no. 96/2003), public debt is defined as the debt of the Consolidated Budget of the Republic of Croatia plus issued total guarantees.

In December of 2003, debt of HAC, HC, DAB and HFP was classified from Central Government sector to Extra-budgetary funds sector.

The International Monetary Fund and the World Bank introduced a new international reporting standard on external debt in 2004. The new standard is based on recommendations derived from the new External Debt Statistics - Guide for Compilers and Users and is accepted by countries members of the Special Data Dissemination Standard - SDDS. Since Croatia is member the SDDS, the Ministry of Finance started compiling external debt data according to the new standard since the beginning of 2005. Data in line with the new standard is available since the no. 115 of the Monthly Statistical Review.

Table 24: Consolidated Central Government Domestic Debt

Frozen Foreign Exchange Deposits. At the end of 1991, by a directive of the Croatian Government ("Official Gazette", 71/91, 3/92, 12/92, 71/92, 103/93), the foreign exchange deposits of citizens in banks operating in the Republic of Croatia as of 27 April 1991 were converted into public debt of the Republic of Croatia. The deposits were augmented by the corresponding rate of interest in 1991. The claimed sum of DM 5.034 billion was exchanged with bonds of the Republic of Croatia, which were to be repaid in twenty semi-annual instalments, beginning on 30 June 1995.

Big Bonds were issued in 1991 with a DM 1,550.09 million nominal value. In 1996 Big Bonds were divided into Big Bonds I, Big Bonds II (Riječka and Splitska banka), Big Bonds III (Privredna banka) and Big Bonds IV (Privredna banka). Big Bonds IV (Privredna Banka) were redeemed in 2000. In April 2000, Government concluded the issuance of bonds for economic restructuring (Big Bonds I). These Bonds mature in 2011 and with annual interest rate of 5%.

Reconstruction Bonds were issued in 1992 and 1993 (National Gazette No. 65/91) in order to collect funds to finance the reconstruction of war-damaged commercial, religious and cultural heritage structures. There were 3 bond issues. The first issue entailed bonds with a value of DM 50 million and US\$ 30 million; the second issue had a value of CAD\$ 10 million, while the third emission had a value of AUD\$ 25 million.

Bonds-Series D are issued by syndicate of banks to obtain optimal development of domestic capital markets. Bonds-Series 01 D-04 were issued in 2001 with a EUR 200 million nominal value, for a three year period and a 6,5% annual interest rate (National Gazette No. 80/2001). Bonds-Series 02-D8 were issued in 2001 with a EUR 200 million nominal value, for a seven-year period and 6,875% annual interest rate (National Gazette No. 112/2001). Bonds-Series 03 D-12 were issued in three stages. First two emissions took place in 2002 with a EUR 300 million nominal value. The third emission took place in January 2003 with a EUR 200 million nominal value. These bonds mature in 2012 and are issued with the annual interest rate of 6,875% (National Gazette No. 58/2002, National Gazette No. 111/2002, National Gazette No. 14/2003).

BRA Bonds. BRA Bonds I: bonds issued for the rehabilitation of Riječka banka (HRK 552 million, Narodne novine, Nos. 31/96, 20/98) and Splitska banka (HRK 765 million, Narodne novine, Nos. 31/96, 22/98). Bonds for the rehabilitation of Privredna banka were issued in the amount of HRK 1,463 million. There were 3 bond issues (Narodne novine, No. 106/98). BRA bonds II (PBZ-DM) were issued in the amount of DM 84,333.6 million, or HRK 300 million for a 15-year period. BRA bonds III (PBZ-HRK) were issued in the amount of HRK 744 million for a 15-year period. BRA bonds IV (PBZ-HRK) were issued in the amount of HRK 419.7 million for a 15-year period. BRA bonds V were issued during 1998 for the rehabilitation of Dubrovačka banka in an amount of HRK 1,001.5 million for a ten-year period (Narodne novine, No. 56/98). During 1998, within the Dubrovačka banka rehabilitation process, the early redemption of a large portion of bonds was executed. At the beginning of 1999, a new decision on the rehabilitation and reconstruction of Dubrovačka banka was made (Narodne novine, No. 11/99). The new decision prompted the issue of bonds in the amount of HRK 2,601.8 million, consisting of HRK 1,001.5 million in compliance with the former decision plus the new HRK 1,415.3 million for coverage of potential losses plus an additional HRK 185 million for the injection of fresh capital. For the unredeemed portion of bonds issued in compliance with the former decision BRA bonds V-A were issued, whereas BRA bonds V-B were issued for the remaining bonds with a nominal value of HRK 1,600.3 million.

Treasury Bills are short-term bonds from the Ministry of Finance. They are issued at a price determined at auction, while the planned issue is determined by the Ministry of Finance with an invitation to bid. Treasury bills are issued with 91,182, and 364 days maturity.

BRA Insured Deposit Scheme Bonds are issued with Government guarantees by State Agency for Banks in order to boost national capital markets and to pay for the insured deposits of bankrupted banks. BRA Insured Deposit Scheme Bonds - I were issued in 2000 with a EUR 105 million nominal value, 2003 maturity and annual interest rate of 8%. BRA Insured Deposit Scheme Bonds - II were issued in 2000 with a EUR 225 million nominal value, 2005 maturity and 8,375% annual interest rate.

Health Fund Bonds were issued by Croatian Health Insurance Fund with Government guarantees in order to help develop domestic capital markets and solve some of increasing health industry and management problems. These Bonds were issued in 2000 with a EUR 222 million nominal value, 2004 maturity and 8,5% annual interest rate.

Table 25: Results of the Treasury bill's auctions held by the Ministry of Finance

Treasury bills are short-term bonds from the Ministry of Finance. They are issued at a price determined at auction, while the planned issue is determined by the Ministry of Finance with an invitation to bid. Treasury bills are issued with 91,182, and 364 days maturity. Table 21 gives the report on the results of treasury bill auctions held by the Ministry of Finance, classified by the date of auction and including the following: size, total bids received, weighted average of the bids received (HRK) / yielding (%), uniform price allocation per 100 HRK / yielding (%).

Table 26: Balance sheet of public enterprises

According to article 14 of the Law on Accountancy (National Gazette 90/1992) the Balance sheet is a systematic overview of assets, capital and liabilities on a certain date.

Table 26 is based on data retrieved from the Balance sheet as fundamental financial statement, for nine selected public enterprises owned by the government. Table 26 presents the reduced form of the Balance sheet for the mentioned enterprises detailing selected entries within assets (claims on unpaid share equity; non-current assets; current assets; prepayments and accrued income; loss above the value of equity) as well as within equity and liabilities (equity and reserves; long term provisions; non-current liabilities; current liabilities; accruals and deferred income).

Table 27: Profit and loss statement of public enterprises

According to article 14 of the Law on Accountancy (National Gazette 90/1992) the Profit and loss statement is a fundamental financial statement detailing revenues and expenses as well as the financial result achieved in a certain period of time.

Table 27 presents the reduced form of the Profit and loss statement with selected entries (operational income; operational costs; financial revenue; financial expense; income on ordinary activities; expenses on ordinary activities; income on non-ordinary activities; expenses on non-ordinary activities; total income; total expenses; profit/loss before tax; profit/loss for the year).

Note: GFS 2001 Manual is completely published on the IMF web site on the following address:

<http://www.imf.org/external/pubs/ft/gfs/manual/comp.htm>

MANAGEMENT OF THE MINISTRY OF FINANCE

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Secretary of State: Ante Žigman, M. Sc.

Ministry Secretariat

Ministry Secretary: Zvonko Šakić

State Treasury

Chief Treasurer: Vesna Orlandini

Assistant Ministers

Bureau for Macroeconomics Analysis and Planning:

Sector for Budget Preparation: Niko Raič, M. Sc.

Sector for Budget Execution: Ivana Maletić

Public Debt and Cash Management
Department: Hrvoje Radovanić

Department for International Financial
Institutions and European Integration: Ana Hrastović

Department for Financing EU Assistance
Programmes and Projects : Vladimira Ivandić, M. Sc.

Department of Economy: Krešimir Dragić, M. Sc.

Department for Financial System:

Internal Audit and Control Department: Ljerka Linzbauer, M. Sc.

Tax administration: Ivica Mladineo, M. Sc., Head

Customs administration: Mladen Barišić, M. Sc., Director

Foreign exchange inspectorate: Slavica Pezer-Blečić, M. Sc., Chief Inspector

Finance Police: Jakov Sučević, Director

Independent Service for Second-Instance
Administrative Procedure: Zdenka Koharić

Independent Information System
Service: Ivan Rašeta

Independent Border-Crossing Construction and
Maintenance Service: Ante Kapulica

Independent Public Relations and
Communications Division: Sanja Bach

Independent Department of
Internal Auditing: Tomislav Mičetić

Independent Financial Management, Internal
Monitoring and Control Division: Marijan Čižmešija, M. Sc.

Money Laundering Prevention
Department: Ivica Maros, Head

ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review number	Notes	Release			
		February 06	March 06	April 06	May 06
SDDS Data Category		February 06	March 06	April 06	May 06
General Government operations	1)	(12/05)			(03/06)
Central Government operations	2)	(12/05)	(01/06)	(02/06)	(03/06)
Internal Central Government Debt	3)	(12/05)	(01/06)	(02/06)	(03/06)

- 1) Consolidated state budget, extrabudgetary funds and local government according to GFS 2001
- 2) Consolidated state budget and extrabudgetary funds according to GFS 2001
- 3) Stock of central government domestic debt.

