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TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2000	2001	2002	2003	2004	2005	2005				2005						2006
							Q1	Q2	Q3	Q4	VII	VIII	IX	X	XI	XII	I
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	5,4	4,7	5,9	7,1	6,3	3,0	5,9
Retail sales turnover, real growth rate as %	14,4	9,5	12,6	3,7	2,6	2,8	0,7	5,2	3,3	1,4	2,0	5,1	3,6	1,7	2,0	0,8	-
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	5,5	5,6	8,8	8,0	-	-
Nights spent by tourists, growth rate as %	47,0	11,0	3,0	4,0	2,0	7,6	5,9	0,5	9,7	8,3	13,0	6,5	11,0	9,8	5,3	5,1	13,2
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	2,3	1,5	2,1	1,8	2,3	2,7	3,2
Consumer prices, period average, %	4,6	3,7	1,7	1,8	2,1	3,3	3,1	3,0	3,3	3,8	3,1	3,1	3,8	4,1	3,8	3,6	3,9
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	1 427 462	1 429 303	1 419 962	1 412 763	1 408 588	1 400 450	1 389 966
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	293 176	291 014	294 310	300 645	305 533	307 851	314 166
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	17,0	16,9	17,2	17,5	17,8	18,0	18,4
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	4,4	4,5	4,1	4,6	2,6	5,2	4,7	4,5	5,0	4,4	-
Average monthly gross wages and salaries paid off in HRK	4 869	5 061	5 366	5 623	5 985	6 248	6 086	6 273	6 236	6 394	6 199	6 306	6 202	6 184	6 588	6 409	-
Exchange rate HRK/USD, period average	8,28	8,34	7,86	6,70	6,04	5,95	5,72	5,83	6,03	6,21	6,06	5,98	6,05	6,14	6,25	6,23	6,10
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	7,30	7,35	7,43	7,39	7,37	7,39	7,38
Trade Balance (mil. USD)	-3 455	-4 481	-5 818	-8 022	-8 559	-9 738	-2 104	-2 781	-2 373	-2 479	-840	-746	-788	-1 037	-754	-689	-630
Exports (mil. USD)	4 432	4 666	4 904	6 187	8 024	8 809	1 958	2 326	2 235	2 290	706	707	822	687	791	812	724
Imports (mil. USD)	7 887	9 147	10 722	14 209	16 583	18 547	4 062	5 107	4 609	4 769	1 545	1 453	1 610	1 723	1 544	1 501	1 354
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	-7,3	-5,2	-	-23,28	-14,84	27,11	-	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. USD)	3 525	4 704	5 886	8 191	8 759	8 801	8 680	8 520	8 437	8 801	8 530	8 625	8 437	8 661	8 529	8 801	9 214
Total outstanding external debt, end of period (mil. USD)	11 282	11 870	15 680	24 759	30 859	30 181	29 982	29 253	29 029	30 181	29 269	29 419	29 029	29 476	29 363	30 181	-
Internal debt of consolidated central government, eop. (mill. HRK)	14 550	21 944	23 597	26 261	35 789	47 243	45 145	45 279	46 077	47 243	46 598	45 892	46 077	46 824	47 007	47 243	-
Commercial bank's loans, growth rate as %	10,1	23,2	33,6	16,8	13,1	20,3	16,8	20,5	20,0	20,3	18,7	18,9	20,0	21,4	20,6	20,3	19,9
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%	4,20%	4,00%	3,90%	3,70%	3,70%	3,70%	3,30%
ZIBOR (3 m), average	11,10%	7,90%	4,60%	5,50%	7,35%	6,19%	6,52%	5,65%	6,77%	5,82%	6,43%	7,43%	6,46%	5,69%	5,85%	5,90%	5,30%

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

MACROECONOMIC TRENDS

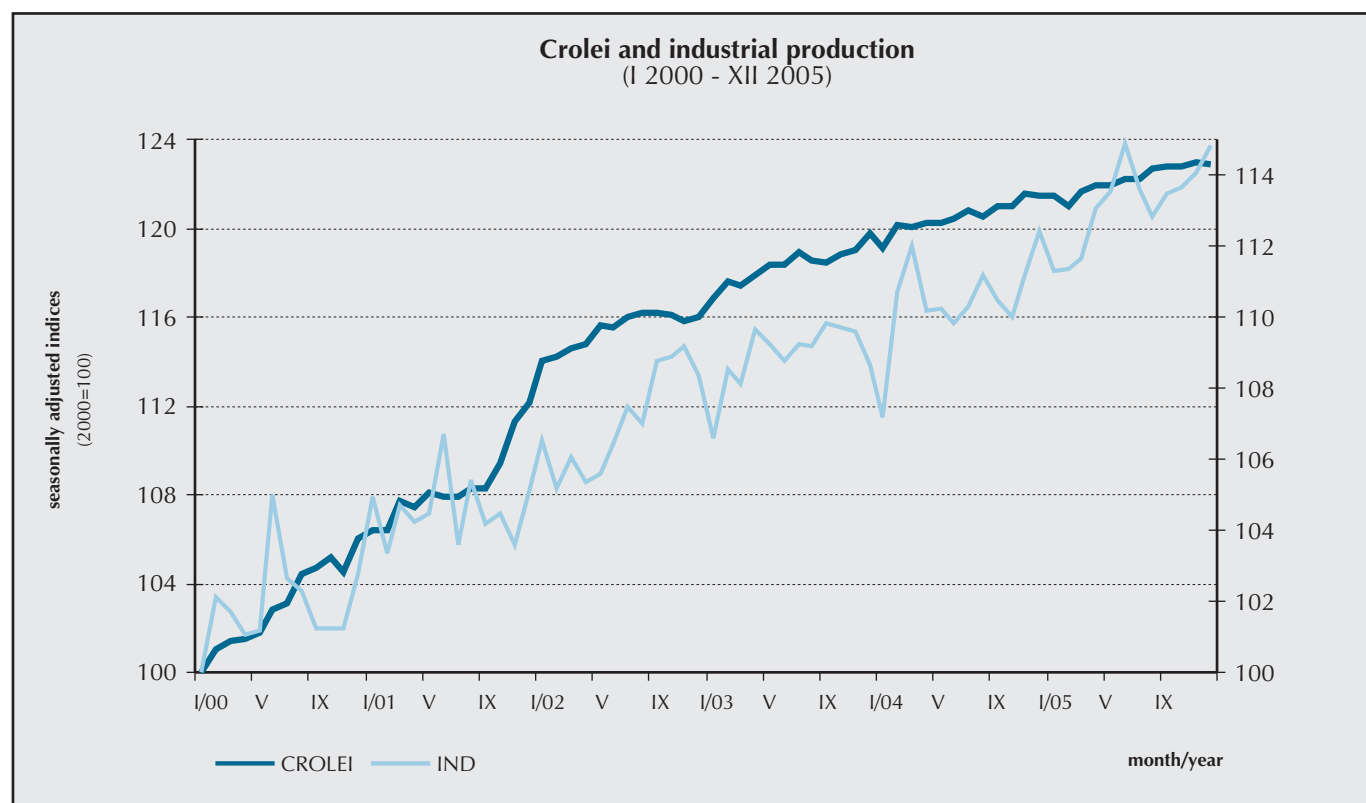
CROLEI LEADING INDICATORS OF INDUSTRIAL PRODUCTION

After an increase of 0.23 points in November, in December CROLEI index recorded a slight decrease of 0.05 points. Within the index structure, seven components recorded decreases in their seasonally adjusted values, while remaining four components recorded an increase. Diffusive index, which is calculated on the basis of above mentioned values which show upward trend in total number of series amounted 36.3%. Considering very moderate decrease in October followed by increase in November and then another slight decrease in December we can expect continuation of moderate growth in economic activity.

Within the CROLEI structure, seven components recorded decrease in their seasonally adjusted values and four components recorded increases in the same time. Decreases

were recorded in nominal net wage, real retail trade turnover, total tourist bed nights from real sector, imports of machinery and transportation equipment from international trade sector, total liquid funds, foreign reserves of commercial banks and cash market interest rate on other loans. On the other hand, components total cash of participants in the payment system and domestic currency time and savings deposits of commercial banks from monetary sector and components unconsolidated budget revenue and registered persons employed from real sector, recorded increases.

Component registered persons employed recorded an increase after four months of continuing decrease while component real retail trade turnover consecutively decreases since July 2005 which implies stagnation in this activity.



REAL SECTOR

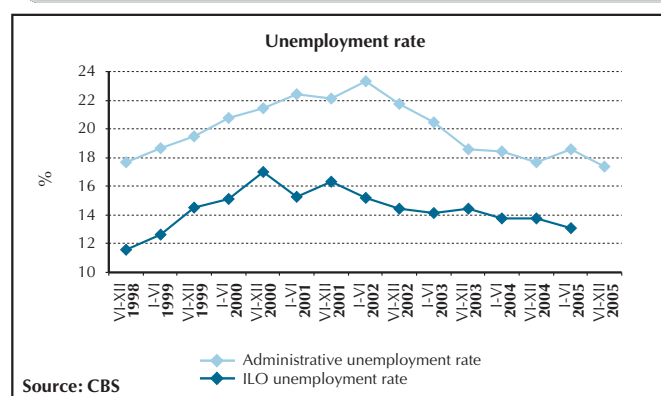
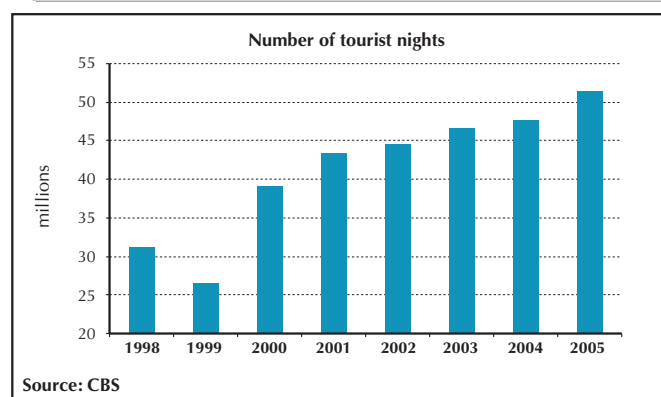
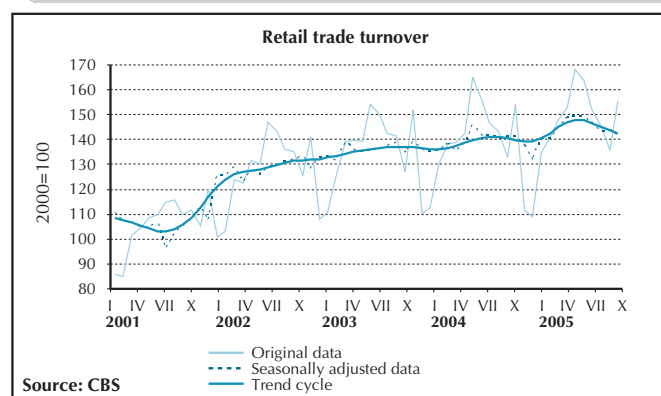
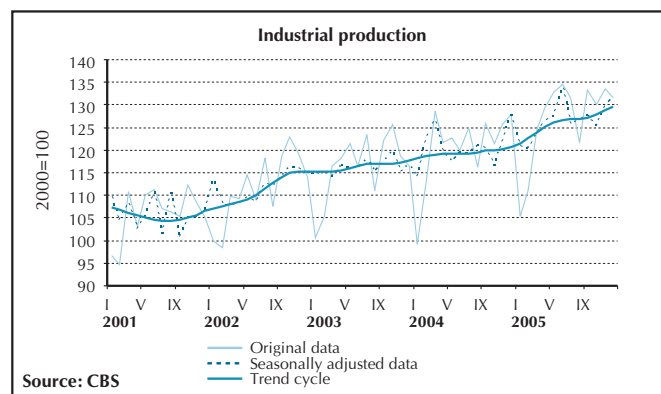
The fast growth of economic activity was continued through the third quarter which was confirmed with **real GDP growth rate of 5.2%**, the highest growth rate since the end of year 2002. Developments of real sector indicators imply continuation of favorable developments also in the last quarter of year 2005. This is supported by **industrial production** data which show that industrial production increased annually by 5.4% in the last quarter. When the whole year 2005 is observed it can be seen that industrial production increased by 5.1% which represents significant acceleration of growth when compared to year 2004 when industrial production grew by 3.7%. **Retail trade turnover growth** also accelerated when compared to the year 2004 and increased really by 2.8% in 2005 compared to 2.6% in 2004. It's particularly important to point out favorable developments in tourism where growth of **tourist nights** accelerated from 2.5% in 2004 to 7.6% in year 2005. Faster economic activity was accompanied by **decrease in unemployment** and in December 2005 there were 9,726 unemployed persons less than in the same month of year 2004. When everything mentioned is taken into consideration it can be expected that real GDP growth for the whole year 2005 will exceed 4%.

Nominal **growth of retail trade** turnover in December 2005 was at level of 4.2% while really retail trade turnover increased by 0.8% when compared to December of 2004. The growth of retail trade turnover in December was **in line with its sources of financing**. Namely, continuation of high annual credit growth to households of 20.3% was recorded in December. Concerning the fact that in December 2005 there were around three thousand people more employed than a year earlier, the mass of wages also probably had some impact on retail trade turnover growth in December. In the whole year 2005 retail trade recorded annual increase of 6.5% while real growth in the same time amounted to 2.8% which represents acceleration compared to 2.6% growth in year 2004. When nominal retail trade turnover by activities is observed, it can be seen that the highest growth in 2005 was recorded in **sale, maintenance and repair of motor vehicles** (14.9%) and **retail trade of automotive fuels** (19.8%) which was influenced with increases in oil prices.

Total number of **tourist arrivals** recorded in December 2005 annual growth of 4.1% while total number of **tourist nights** increased by 5.1%. When the whole year 2005 period is observed, it can be noticed that total number of tourist arrivals increased by 6.2% while total number of tourist nights increased by 7.6%. An increase in **foreign tourist arrivals** of 7% and increase in **foreign tourist nights** of 8% contributed the most to positive trends in tourism during year 2005. Positive developments in tourism were also reflected in tourism revenues. Thus, in the first three quarters of year 2005 total inflow of EUR 5.6 billion was recorded on the basis of **tourism revenues**. When compared to the first three quarters of 2004, tourism revenues grew by 8.4%.

The average monthly **gross wage** amounted in November 2005 to HRK 6.588 and increased by 5% when compared to November 2004 while average monthly **net wage** in November 2005 amounted to HRK 4.595 and increased compared to November 2004 by 5.6%. Monthly growth of net wage in November of 5.9% is the highest monthly growth in the last couple of years. When the first eleven months of year 2005

are observed, gross wages increased on annual level nominally by 4.4% and net wages increased by 5%. Excluding the influence of inflation, in the first eleven months of 2005 gross wages increased really by 1.1% while net wages in the same period increased really by 1.7%.



MONETARY TRENDS

Main characteristic of year 2005 compared to previous year was **acceleration of banks' credit activity**. The most significant contribution to the loans growth came from sector of households, particularly from accelerated growth of housing loans. Compared to year 2004, it was also recorded faster growth of loans to central government, which is in line with more intensive government borrowing on domestic financial markets. When observing the sector of enterprises, it is important to emphasize that during year 2005 growth rate of credits to enterprises was twice faster than one year before. Banks' credit activity was mostly financed by **increase of time and savings deposits** which growth was especially high during summer months and that was in line with good tourist season. Increase of foreign liabilities was slowed down compared to year 2004, but there has also been a decrease of foreign assets, which led to further decline of net foreign assets.

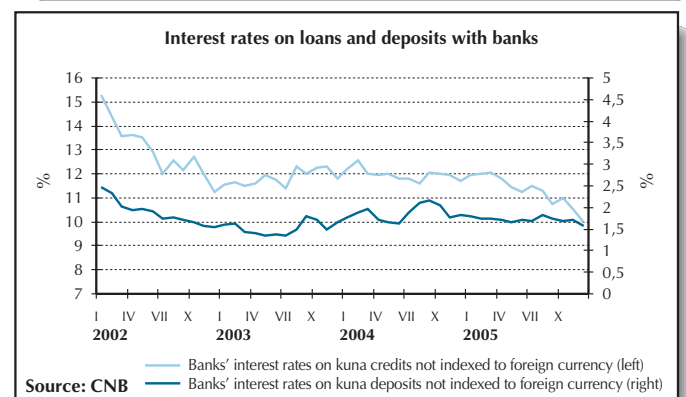
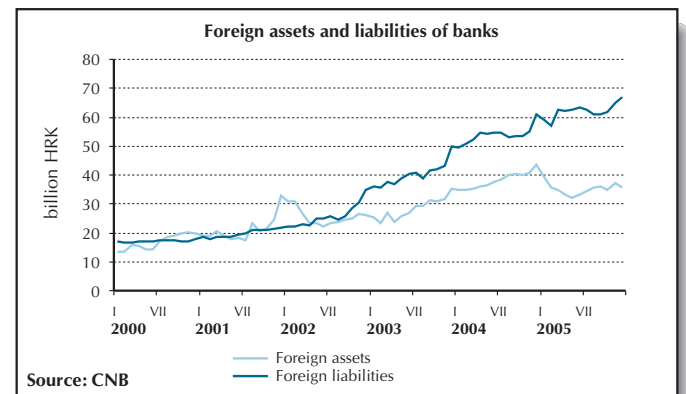
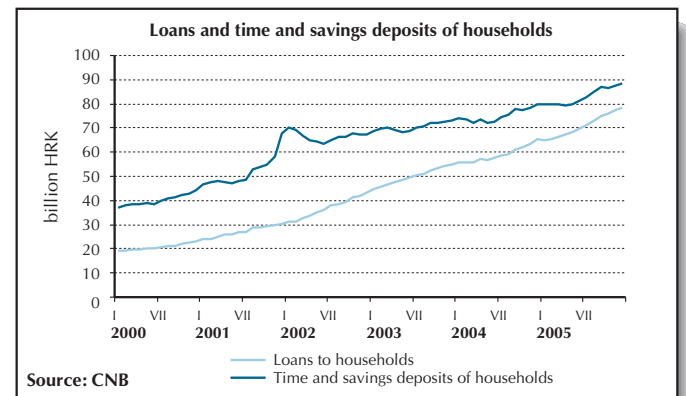
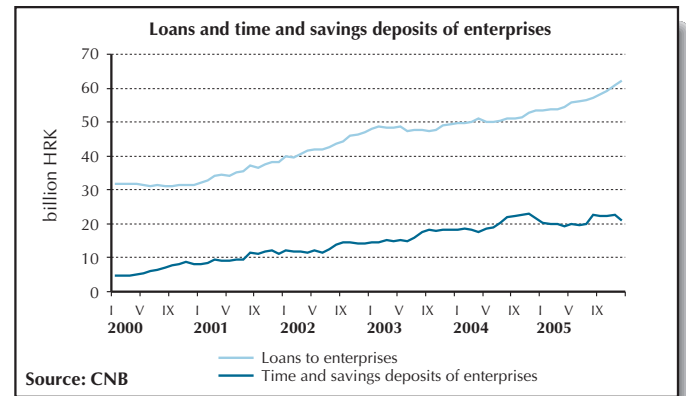
Annual **growth of commercial banks' loans** in December 2005 has slightly decelerated when compared to November and it reached a level of 20.3%, which represents acceleration compared to December 2004 when it amounted to 13.1%. Annual growth of total **loans to households** in December 2005 was 20.3%, while only **housing loans** went up by 28.8%. **Credits to enterprises** increased by 16.3%, which makes more than double acceleration compared to December 2004 when this growth amounted 8%. When observing commercial banks' **loans to central government**, it can be seen that in December 2005 they were at 55.3% 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 **kuna and foreign exchange time and savings deposits** with commercial banks were at the end of 2005 at level of HRK 114.8 billion, which was an increase of HRK 10.5 billion compared to the end of year 2004. When observing annual growth rates, it can be seen that total kuna and foreign exchange time and savings deposits in year 2005 went up by 10.1%, which is about equal to the growth in 2004. Total **kuna time and savings deposits** with commercial banks increased by HRK 5.5 billion or 24.5% in year 2005. The highest contribution to this growth came from **deposits of households** which increased by HRK 4.1 billion and **deposits of non-banking financial institutions** which went up by HRK 1.1 billion. **Foreign exchange time and savings deposits** grew by HRK 5 billion or 6.1% during year 2005, where in consideration should be taken appreciation effect of kuna against euro in amount of 3.9%. The highest contribution to time and savings deposits' growth came from **sector of households** which increased by HRK 4.6 billion.

Total **foreign assets** of commercial banks decreased in year 2005 by HRK 8 billion or 18.3% and at the end of a year reached the level of HRK 35.6 billion. This trend of foreign assets was influenced by changes of central bank's monetary instruments. Total **foreign liabilities** of commercial banks increased in year 2005 by HRK 5.9 billion or 9.7% and at the end of the year it reached the level of HRK 67 billion. Described developments determined **net foreign assets** development which at the end of year 2005 amounted to HRK -31.5 billion.

Average bank interest rates on kuna credits not indexed to foreign currency in December 2005 amounted to 9.91% which represents a decline compared to November of the same year when they amounted to 10.54% and a decrease compared to December of previous year when they amounted to 11.44%.

Average bank interest rates on kuna deposits not indexed to foreign currency amounted to 1.58% in December 2005. That represents a decrease when compared to November of 2005 when they amounted to 1.71% and also a decrease compared to December of previous year when they amounted to 1.83%.



INTERNATIONAL SECTOR

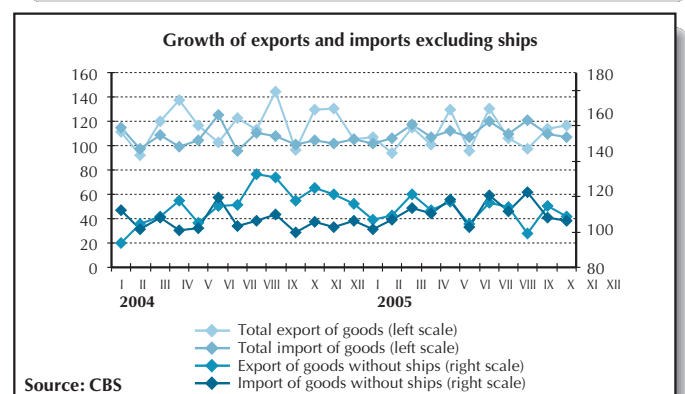
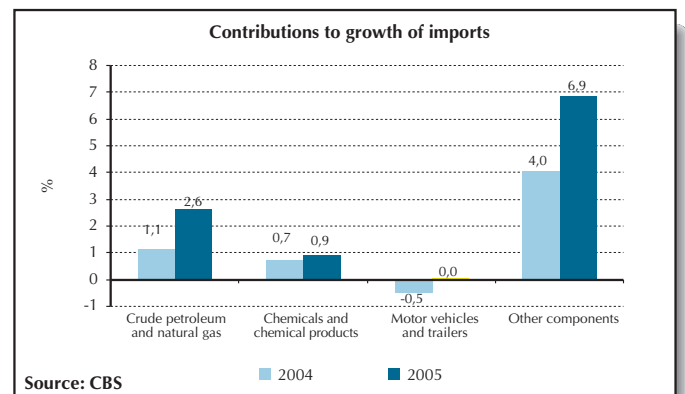
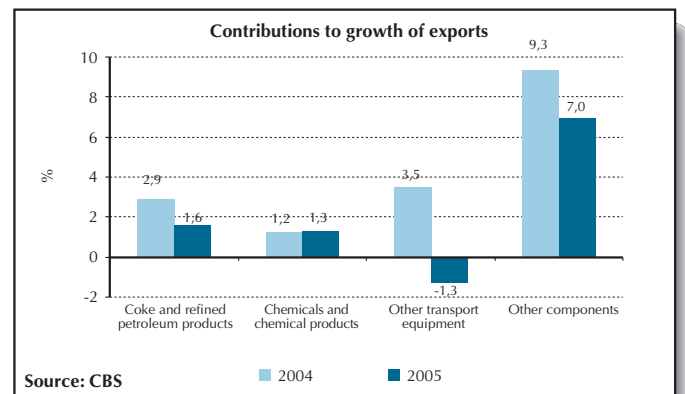
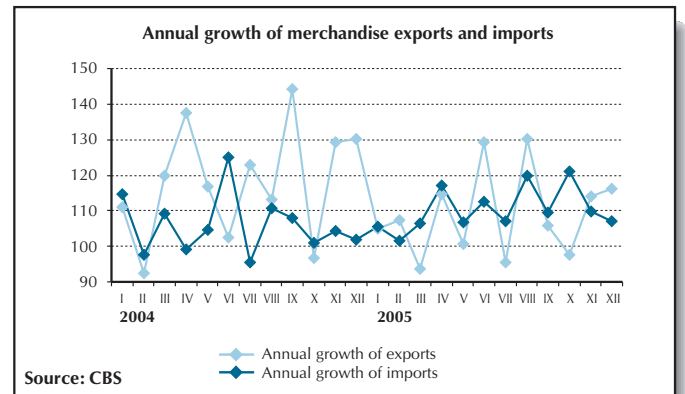
After the higher growth rate of **exports** than **imports of goods** in November, favorable trend was continued in December 2005, when the exports increased by 15.9% compared to the same period of previous year, while imports raised by 6.5%. When observing year 2005, exports of goods increased by 8.5%, while imports of goods rose by 10.4%. **The coverage of imports by exports** was at level of 47.5% in year 2005, which makes a decrease of 0.9% compared to the previous year, while external trade deficit went up by 12.2% in the same period. When analyzing the trade by activity in the year 2005, the highest contribution to the growth of exports came from **manufacture of food and beverages** which increased by 37.6%, **manufacture of machinery and equipment** (22.6%), **manufacture of coke and petroleum products** (17%) and **manufacture of chemicals and chemical products** (14,3%). The highest negative contribution to growth of exports came from **manufacture of other transport equipment** which decreased by 9.4%. The most significant increase on the side of imports was recorded in **extraction of crude petroleum and natural gas** which increased by 32.8%.

The contribution to growth indicator is used to estimate the effect of each export component to the total export, concerning the growth of this component and its share in total export. When observing three categories which have the highest share in total export, it is obvious that the highest change in terms of contribution to growth was recorded in **export of other transport equipment**. In year 2004 contribution to growth of this category amounted to 3.5 percentage points while in year 2005 it declined to -1.3 percentage points. The highest proportion within this category make ships, which can significantly deform developments of the rest of the exports, due to its large transactions. **When the category of other transport equipment is excluded from export and import, export rose by 11.4% and import increased by 10.9% in year 2005.** When the same analogy is used to analyze import, it can be seen that the main influence on import growth in year 2005 had category extraction of crude petroleum and natural gas. Increase of crude oil import probably partly indicates an increase in imported quantity, but it is mostly the consequence of increase in oil prices in world markets. **The growth rate of import amounted 10.4% in year 2005, but if the effect of oil prices increase is excluded, this growth is around 7%.** From this we can conclude that in year 2006 trade balance will be mainly influenced by manufacture of other transport equipment on the export side, but also the crude oil prices in world markets on the import side.

The highest share in total export of goods had export to **Italy** which formed 21.2% of total Croatian export of goods in year 2005, while export to **BiH** made 14.3, **Germany** 10.6, **Austria** 7 and **Slovenia** around 8% of total export of goods. When compared with year 2004, export to **BiH** raised by 8.4%, **Slovenia** 17.2%, **Germany** 3.2, **Italy** 1%, while export to **Austria** fell by 18.2%. If the foreign trade in goods expressed in USD is observed, in year 2005 export grew by 9.8% and import by 11.8%. Those higher levels of annual growth rates of export and import expressed in USD are result of the fact that the majority of Croatian trade in goods is made with countries members of European Union, so influence on this growth also has depreciation of USD against euro.

When observing annual average **kuna exchange rate against euro**, it can be seen that it decreased from 7.50 HRK/EUR in year 2004 to 7.40 HRK/EUR in year 2005. This brought kuna appreciation against euro of 1.3%. This appreciation is even

more obvious when observing the exchange rate at the end of the period. It can be seen that kuna exchange rate against euro went down from 7.67 HRK/EUR in year 2004 to the level of 7.38 HRK/EUR at the end of year 2005, which shows the appreciation of 3.9%.



BUDGET OUTTURN IN 2005

REVENUES

In 2005, total revenue of consolidated general government amounted to HRK 103.1 billion, which represents HRK 375.3 million higher realizations than expected. In comparison to 2004 the total revenues consolidated general government grew by 6.9%. Most of the revenues recorded a growth when compared to 2004. Also, most of the revenues achieved the amount planned for 2005 or even exceeded it.

Observing consolidated general government according to government level, it can be seen that the largest share in total revenues relates to the central government budget (83.1%) and the rest of the sum refers to extrabudgetary funds and agencies and local government revenues. The highest level of revenues was recorded by Croatian Motorways (HRK 2.5 billion), followed by Croatian Roads (HRK 1.5 billion) and Croatian Waters (HRK 1.7 billion).

The Tax revenues represent the most important revenue category in the budget. They grew by 7.3% in comparison to 2004. Tax revenues in 2005 were realized as planned. The largest part of the tax revenues is generated through value-added tax. In 2005, revenues from value-added tax were realized above all expectations. They amounted to HRK 32.2 billion, which is HRK 537.2 million higher than planned, and 8.0% higher than the amount collected in the year 2004. The excellent tourist season and stronger economic activity resulted in higher value-added tax revenues especially in August (HRK 3.2 billion) and September (HRK 3.2 billion).

Revenues from excises amounted to HRK 10.9 billion in 2005, which represents a growth of 3.0% compared to the year 2004. This amount represents 97.8% of the planned revenues for the year 2005. Within the structure of excises, only excises on beer were realized above the planned amount (2.9%). Revenues from excises on luxury goods were realized as planned and the rest of the excises were realized below the planned amount. Revenues from excises on coffee and excises on non-alcoholic beverages were realized at lowest amount when compared to 2004 (85.0% and 88.9%). In comparison to the 2004 all excises, except excises on beer and excises on alcohol, were realized in greater amount.

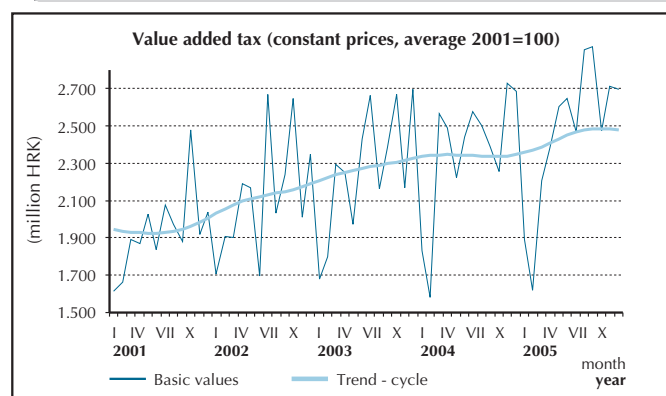
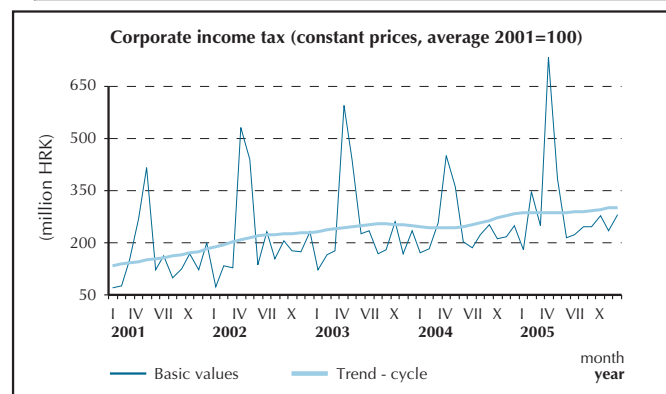
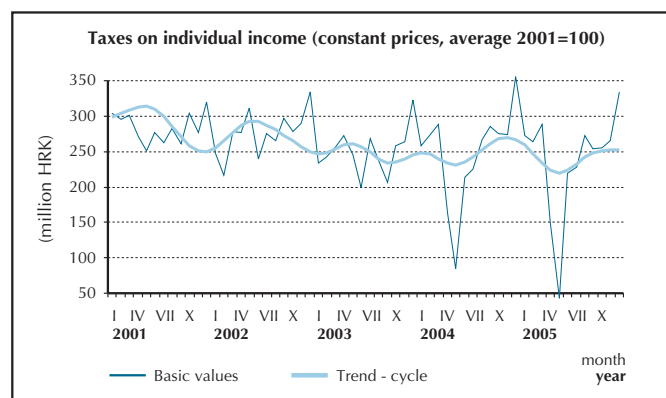
Within the structure of excises, the highest annual growth was recorded by excises on personal cars (14.4%) due to higher nominal excises and greater car sales. Excises on oil derivatives accounted for the share of 55.8% in total excises revenues thus having the strongest influence on the overall developments of excises revenues. Revenues from excises grew by 1.5% in comparison to 2004 and recorded a 2.9% lower level than it was planned. Due to the excellent tourist season, revenues from excises on oil derivatives increased significantly in August, which resulted in better cumulative amount for the year 2005. Revenues from excises on tobacco and tobacco products were realized in the amount of HRK 2.5 billion, which represents an annual growth of 3.6%. These revenues were realized at the planned level.

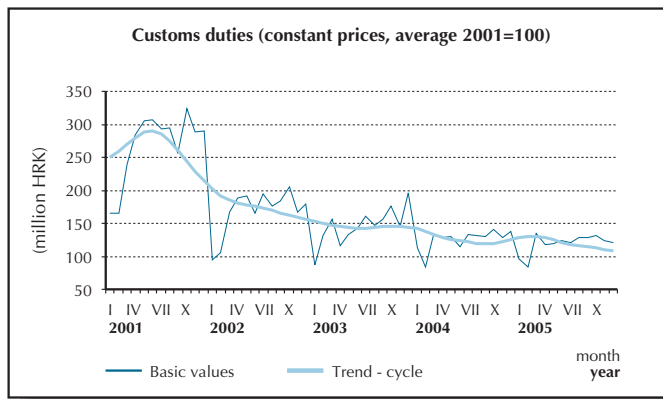
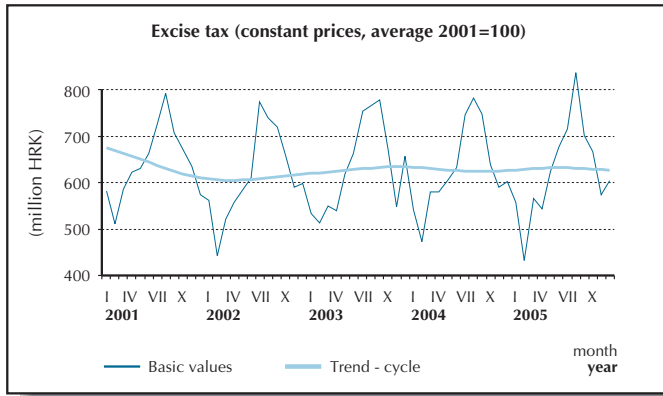
Income tax revenues were realized in the amount of HRK 7.8 billion, which is 5.2% lower amount than planned and 0.8% higher amount compared to the year 2004. Revenues from budgetary central government were realized at the level of HRK 3.1 million. Income tax revenues were also realized below

the planned amount for 2005 and below the level recorded in 2004.

Revenues collected by profit tax stood at HRK 5.6 billion, which represents an annual increase of 26.8%. High growth of profit taxes was accomplished due to the excellent business activity of Croatian companies in 2004, but also due to the fact that, at the end of 2004 (in comparison to 2003), there was no clearing of companies' balance sheets aimed at reducing the profit tax base.

Revenues from taxes on property were collected in the amount of HRK 736.6 million, which represents an annual increase of 4.5%. The budgetary central government realized HRK 375.5 million, while the rest of the sum refers to local government revenues. The revenues from taxes on property collected by budgetary central government are comprised solely of the revenues from taxes on real estate transactions while the revenues from taxes on property of local government mainly refers to revenues from taxes on financial and capital





transactions (minor part refers to revenues from taxes on estate, inheritance and gifts).

Revenues from taxes on international trade, which stood at HRK 1.6 billion in 2005, are completely accomplished by the budgetary central government. This represents an annual decrease of 1.7% and realization according to the plan for 2005. A decrease in revenues from international trade was realized due to liberalization of foreign trade. Revenues from other taxes were collected in the amount of HRK 383.6 million, which represents an annual growth of 7.9%.

Social contributions, which make up to 30.4% of total revenues, are the second most important revenue of budgetary central government. Compared to year 2004 social contributions grew by 6.2%. They amounted to HRK 31.3 billion when compared to the plan for 2005 were realized at the level of 99.4%. Within the structure of social contributions the largest part refers to employers' contributions (HRK 16.7 billion) with an annual growth of 6.1% and contributions of employees (HRK 13.9 billion) with an annual growth of 5.5%. The remaining HRK 748.5 million accounted for the contributions of self-employed and unemployed persons, which recorded an annual growth of high 24.6%.

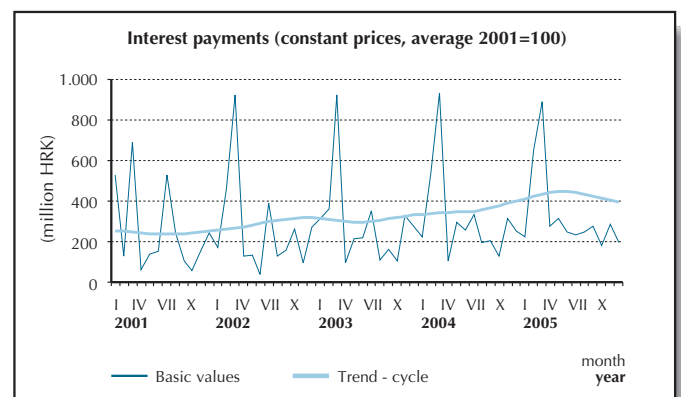
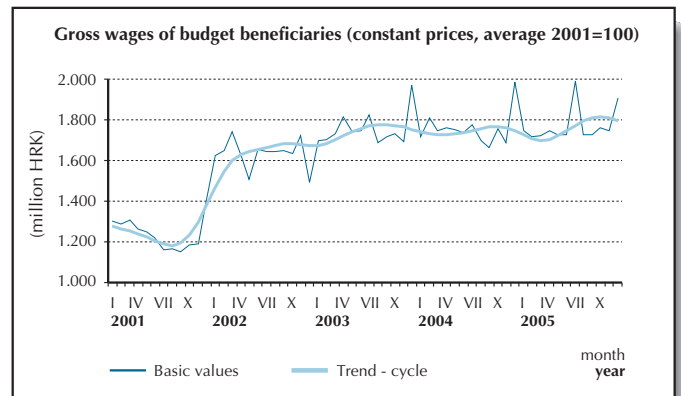
Other revenues were realized in the amount of HRK 11.3 billion, which represents an annual increase of 7.1%. Property income stood at HRK 3.4 billion, i.e. 98.8% of the planned annual amount. Revenues from rent, which represent the largest part of property revenues, were realized in the amount of HRK 1.5 billion. Observing revenues from rent according to government level, it can be seen that HRK 848.0 million refers to revenues of budgetary central government, HRK 5.4 million refers to extrabudgetary funds and agencies and HRK 624.0 million refers to local government. Property income was realized 24.4% above the planned amount. The remaining share of collected revenues from property income

refers to revenues from dividends (HRK 1.2 billion) and revenues from interest rates. Revenues from sales of goods and services amounted HRK 4.8 billion which represents an annual growth of 15.5% resulting from the administrative fee revenues (annual growth of 17.8%) and revenues from incidental sales by non-market establishments (annual growth of 3.9%). The most of administrative fee revenues were realized at the level of local government (HRK 2.3 billion), further, at the level of extrabudgetary funds (HRK 1.4 billion) and the smallest part were realized at the level of budgetary central government (HRK 397.1 million). Fines, penalties and forfeits recorded the amount of HRK 367.1 million (annual growth 5.7%) and miscellaneous and unidentified revenue recorded the amount of HRK 2.6 billion (annual growth of 26.8%).

EXPENSE

In 2005, total expense of consolidated general government amounted to HRK 100.5 billion, which represents 0.5% higher amount than planned. In the same time, total expense grew slower (annual growth of 6.6%) in comparison to previous fiscal year (annual growth of 8.0%). The share of total expense in GDP decreased from 45.5% in 2004 to 45.1% in 2005. Observing consolidated general government expense according to government level, it can be seen that HRK 87.9 billion relates to the central government budget, followed by HRK 9.9 billion related to local government and HRK 5.6 related to extrabudgetary funds and agencies. Expense of budgetary central government recorded an annual growth of 5.7% while extrabudgetary funds and agencies recorded growth of 10.5%. Local government recorded an annual growth of 12.7

The largest share of total expense (47.2%) refers to social benefits. They amounted to HRK 42.5 billion. Among social benefits, 70.4% refers to social security benefits, 29.0% refers to social assistance benefits and the rest of the sum (0.6%)



refers to social benefits to employees'. 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 in 2005 stood at HRK 26.7 billion, which represents an annual growth of 5.9%. Within the structure of expenses for pensions HRK 11.9 billion refers to expenses for old age pensions, HRK 4.2 billion refers to pensions for disabled persons, HRK 3.2 billion refers to family pensions, HRK 2.9 billion refers to veteran pensions and HRK 1.5 billion refers to pension supplement of 100 +6%.

Expenses for health care system were realized at the level of HRK 14.4 billion, which represents an annual growth of 5.4%. 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 2.1 billion. Among other social benefits, important items are also expenses for additional maternity leave and baby equipment (HRK 718 million), child allowance (HRK 1.4 billion), expenses for unemployment (HRK 889.4 million) and permanent veteran rights (HRK 773.9 million).

Compensation of employees stood at HRK 26.7 billion in 2005 which represents a share of 26.6% in total expense. Within its structure the largest shares refers to wages and salaries, which amounted HRK, 22.7 billion and social contributions which amounted HRK 3.9 billion. In comparison with previous year both wages and salaries and social contributions grew by 4.6%.

Expense for use of goods and services represent a share of 10.8% in total expense. They stood at HRK 10.9 billion, which represents an annual growth of 12.2% and 1.6% higher realization than planned.

Other expense, which represents 8.0% of total expense, amounted to HRK 8.0 billion, i.e. 96.7% of the planned amount. In comparison with previous year they grew by 15.0%, mostly as a result of capital expenses realized in the amount of HRK 4.2 billion. Capital expense realized an annual growth of 9.3%. Current expenses were realized in the amount of HRK 3.7 billion, which represents an annual growth of 19.3%. Observing the capital expense according to government level, HRK 2.8 billion refers to budgetary central government, HRK 866.1 million refers to extrabudgetary funds and agencies and the rest of the sum (HRK 603.8 million) refers to local government. Current expense of budgetary central government stood at HRK 2.1 billion and current expense of local government amounted to HRK 1.4 billion

Expense for interest payments represent 5.1% of total expense. They amounted to HRK 5.1 billion, which represents 3.4% higher amount than planned. Interest to residents other than general government amounted to HRK 2.7 billion and interests to nonresidents amounted to HRK 2.4 billion. It can be seen that 52.9% of interest expense refers to interest to residents which confirms orientation towards to domestic sources in financing.

Expense for subsidies, which account for 6.0% of total expense stood at HRK 6.0 billion. They realized an annual growth of 5.3% and 99.9% of the plan for the 2005. Subsidies to public corporations, which represent 57.3% of total subsidies, stood at HRK 3.4 billion. Within the structure of subsidies to public corporations, the largest part relates to subsidies to Croatian Railways, which amounted to HRK 1.8 billion (subsidies for maintenance of railroad infrastructure and traffic regulation). This amount represents a decrease of 3.0% when compared

to 2004. Subsidies to private enterprises represent 42.7% of total subsidies. They amounted to HRK 2.6 billion. The largest share of subsidies to private enterprises belongs to stimulating agriculture production (HRK 2.0 billion).

TRANSACTIONS IN NON-FINANCIAL ASSETS

Net non-financial assets in 2005 amounted to HRK 9.0 billion, which is the result of acquisitions of non-financial assets in the amount of HRK 9.9 billion and disposals of non-financial assets in the amount of HRK 864.0 million. Net non-financial assets amounted to 91.5% of the planned amount for 2005. The largest contribution of net acquisition of non-financial assets came from net acquisition of fixed assets (95.1%), mainly of buildings and structures and machinery and equipment. According to Government level, the budgetary central government participated with 18.5%; local government with 29.3% and extrabudgetary funds and agencies participated with 52.0%. On the other hand, a disposal of non-financial assets mostly refers to fixed assets (disposals of buildings and structures) and nonproduced assets (land).

TRANSACTIONS IN FINANCIAL ASSETS

Net financial assets of the consolidated general government in 2005 amounted to HRK 1.3 billion. Domestic net acquisition of financial assets amounted to HRK 1.3 billion and in the same time foreign net acquisition of financial assets decreased in the amount of HRK -4.9 million. Net domestic financial assets refer to transactions in shares and other equity, loans and to change in money and deposits. According to Government level, category currency and deposits recorded an increase by budgetary central government (HRK 690.1 million) and by extrabudgetary funds and agencies (HRK 432.1 million). Local government recorded a decrease in the amount of HRK -361.8 million that resulted in HRK 760.4 million of total amounts of currency and deposits. Net loans amounted to HRK 795.3 million as a result of acquisition of loans in the amount of HRK 1.3 billion and disposal of loans in the amount of HRK 468.0 million. According to government level, budgetary central government loans increased by HRK 847.6 million while local government loans increased by HRK 25.9 million. In the same time, extrabudgetary funds and agencies realized a decrease of loans (HRK -68.2 million). Net shares and other equity in 2005 amounted to HRK -219.1 million, which results from acquisitions of shares and other equity in the amount of HRK 300.4 million, and disposals of domestic shares and other equity amounted to HRK 519.5 million. According to the government level, the largest reduction in the net shares and other equity was recorded by the extrabudgetary funds and agencies (HRK 455.1 million), while the budgetary central government and local government recorded an increase of HRK 221.9 million and 14.1 million respectively.

Foreign financial assets of the consolidated general government decreased by HRK 4.9 million in 2005, solely as a result of an increased disposal of shares and other equity of the budgetary central government (HRK 7.6 million) which exceeded their acquisition (HRK 2.7 million).

TRANSACTIONS IN LIABILITIES

Total net incurrence of liabilities of the consolidated general government in 2005 amounted to HRK 7.8 billion which represents HRK 685.7 million higher amounts in comparison

to 2004. Net domestic liabilities amounted to HRK 11.9 billion and net foreign liabilities amounted to HRK - 4.1 billion. Increase of net domestic liabilities is result of increase in securities other than shares (HRK 9.4 billion); increase in loans (HRK 2.7 billion) and decrease in other liabilities (HRK 151.7 million). Incurrence of liabilities on the basis of securities other than shares stood at HRK 12.5 billion which is mostly the result of the incurrence of liabilities of the budgetary central government, since the local government recorded much lower incurrence of liabilities (HRK 6.6 million). On the other hand, the repayments of principal of securities other than shares amounted to HRK 3.1 billion, of which the budgetary central government repaid HRK 2.8 billion, extrabudgetary funds and agencies HRK 263.8 million and local government HRK 9.7 million. On the domestic market, incurrence of liabilities based on loans recorded a level of HRK 5 billion, of which the budgetary central government accounted for HRK 2.5 billion, extrabudgetary funds and agencies HRK 2.3 billion, while the local government accounted for HRK 211.9 million. Repayments of loans of the consolidated general government amounted to HRK 2.3 billion, i.e. HRK 2.7 billion less than the recorded incurrence of liabilities based on loans. The largest repayments were made by the budgetary central government (HRK 1.5 billion), while the extrabudgetary funds and agencies and the local government recorded much lower repayments of HRK 439.7 million and 339.2 million respectively.

The reduction of foreign liabilities of the consolidated general government in 2005 was a result of higher level of repayments than incurrence of liabilities. Namely, the repayments of the principle of securities other than shares which amounted to HRK 3.7 billion were only made by the budgetary central government. Furthermore, repayments of foreign loans (HRK 2.3 billion) relate to the budgetary central government (HRK 2.1 billion), extrabudgetary funds (HRK 39.5 million), as well as to the local government (HRK 93 million). At the same time, liabilities based on loans (HRK 1.9 billion) incurred at the level of extrabudgetary funds and agencies (HRK 1.1 billion), especially Croatian Motorways and Croatian Roads, as well as the budgetary central government (HRK 783.6 million).

NET LENDING/BORROWING

Net operating balance of the consolidated general government, defined as the difference between total revenue and total expense, recorded the amount of HRK 2.6 billion in 2005. By subtracting net acquisition of nonfinancial assets (HRK 9 billion) from the net operating balance, a category net lending/borrowing is obtained, amounting to HRK -6.5 million. This amount is financed by the already described transactions in liabilities and financial assets, i.e. by the difference between net liabilities (HRK 7.6 billion) and net acquisition of financial assets (HRK 1.3 billion).

FISCAL DEFICIT IN 2005 ACCORDING TO MODIFIED ACCRUAL BASIS

Pursuant to the preliminary data for 2005, consolidated general government deficit calculated according to modified accrual basis amounted to HRK 9.3 billion, i.e. 4.2% of GDP which is in line with the plan. This confirms the implementation of significant fiscal consolidation of 0.7 percentage points of GDP in comparison to 2004 and 2.1 percentage points of GDP when compared to the year 2003. These developments signify a considerable fiscal consolidation carried out in 2004 and 2005, accompanied by the additional measures aimed at strengthening tax administration and achieving permanent fiscal savings. It is worth mentioning that the improved process of budget planning and control also contributed to the realization of the planned deficit at the level of 4.2% of GDP in 2005 which, utterly, provides a firm basis for further fiscal consolidation in the forthcoming medium term.

In the following table we present the calculation of the deficit on modified accrual basis for 2003, 2004 and 2005. The consolidated general government deficit without capital revenue on the cash basis, in the amount of HRK 8.9 billion or 4% of GDP, which includes the transactions of Croatian Motorways and Croatian Roads on the accrual basis, is used in the calculation of the deficit. It should be pointed out that this deficit on the cash basis is increased by the concession revenue, which

was collected in February 2005, but following the accrual basis they belong among the revenue in 2004. By adding the arrears accumulated in 2005 (HRK 456 million) the deficit of the consolidated general government according to modified accrual basis reaches a level of HRK 9.3 billion, i.e. 4.2% of GDP.

By observing the structure of the consolidated general government deficit according to the share of each individual government level in the value of GDP in the period 2003-2005, a significant decrease in the budgetary central government deficit can be noticed, from 3.7% of GDP in 2003 to 2.6% of GDP in 2005¹, due to improved fiscal discipline and effects of fiscal consolidation. Furthermore, the share of deficit of the extrabudgetary users significantly decreased from 2.4% of GDP in 2003 to 1.3% of GDP in 2005, due to the gradual decrease of a part of their capital expenditures, primarily for road infrastructure. Deficit of the local government is kept at the level of around 0.3% of BDP-a² in the observed three-year period.

Structure of Consolidated General Government Deficit according to government level

¹ Includes arrears and non-recorded expenditures

² Includes arrears

Fiscal deficit in 2005 according to modified accrual basis

million HRK	2003	2004	2005
1. Deficit of Consolidated General Government on cash basis*	-9 904	-9 941	-8 868
2. Change in arrears and non-recorded expenditures**	-2 439	-384	-456
3. Deficit of the Consolidated General Government on modified accrual basis	-12 343	-10 325	-9 324
4. Deficit as a share of GDP, %	-6,3	-4,9	-4,2

* HAC i HC are based on the cash principle

** u 2004 and 2005 only stock arrears (negative number indicates increase)

Structure of Consolidated General Government Deficit according to government level

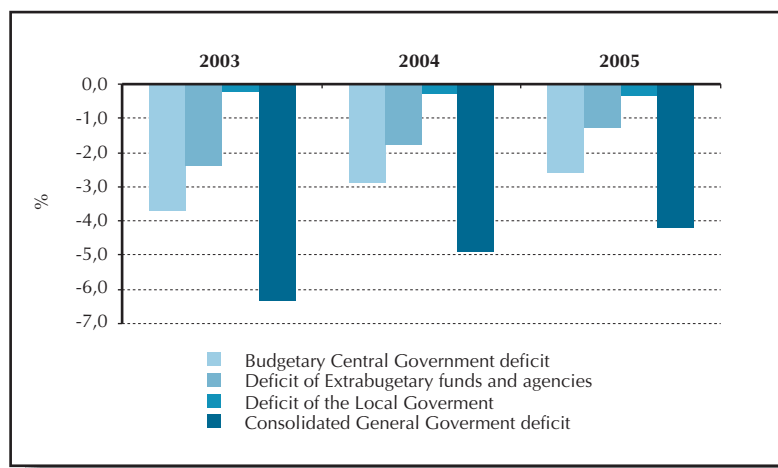


TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE

(000 HRK)	2002	2003	2004	New Plan 2005	I - XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	69 651 075	74 677 474	80 463 518	85 570 783	85 654 942	9 350 894	100,10
11 Taxes (111+113+114+115+116)	42 810 174	45 281 076	47 149 862	50 497 917	50 687 564	4 657 885	100,38
111 Taxes of income and profits and capital gains (1111+1112)	6 022 403	6 189 047	6 259 713	7 299 917	7 057 112	680 947	96,67
1111 Payable by individuals	3 363 295	3 114 581	3 128 273	3 229 045	3 106 476	370 485	96,20
1112 Payable by corporations and other enterprises	2 659 108	3 074 466	3 131 440	4 070 872	3 950 636	310 463	97,05
1113 Unallocable	0	0	0	0	0	0	
113 Taxes on property	294 556	289 926	355 823	377 173	375 501	40 131	99,56
114 Taxes on goods and services (1141+...+1146)	33 974 099	36 651 148	38 602 221	40 844 907	41 323 002	3 768 216	101,17
1141 General taxes on goods and services (11411+11412)	26 089 213	28 260 009	30 013 661	31 876 590	32 399 952	2 995 533	101,64
11411 Value-added taxes	25 952 486	28 129 300	29 864 905	31 706 124	32 243 372	2 985 294	101,69
11412 Sales taxes	136 726	130 709	148 757	170 467	156 580	10 239	91,85
1142 Excises (11421+11422+11423+11424+11425+11426+11427+11428)	7 474 168	7 850 993	7 941 554	8 226 883	8 177 659	668 816	99,40
11421 - on cars, other motor vehicles, boats and planes	752 051	899 047	945 209	1 106 990	1 080 926	95 595	97,65
11422 - on petroleum products	3 329 947	3 345 888	3 325 659	3 325 659	3 337 501	264 355	100,36
11423 - on alcohol	238 734	234 125	230 796	230 796	228 386	18 606	98,96
11424 - on beer	712 671	746 255	718 278	682 364	702 386	44 126	102,93
11425 - on nonalcoholic beverages	106 273	131 377	132 984	159 581	141 905	9 372	88,92
11426 - on tobacco products	2 192 991	2 349 410	2 430 843	2 528 077	2 518 801	221 094	99,63
11427 - on coffee	124 063	125 344	135 437	171 068	145 334	14 079	84,96
11428 - on luxury goods	17 437	19 548	22 348	22 348	22 420	1 591	100,32
115 Taxes on international trade and transactions	2 050 624	1 810 866	1 590 727	1 563 913	1 562 930	134 462	99,94
116 Other taxes	468 492	340 089	341 377	412 008	369 019	34 128	89,57
12 Social contributions	25 189 614	27 416 931	29 477 597	31 485 291	31 301 340	2 972 846	99,42
121 Social security contributions (1211+1212+1213+1214)	25 189 614	27 416 931	29 477 597	31 485 291	31 301 340	2 972 846	99,42
1211 Employee contributions	0	12 334 662	13 139 274	15 851 359	13 857 360	1 286 400	87,42
1212 Employer contributions	1 605 082	14 323 245	15 737 707	15 633 931	16 695 492	1 602 811	106,79
1213 Self-employed or unemployed contributions	455 560	759 023	600 616	0	748 487	83 635	
1214 Unallocable contributions	23 128 973				0	0	
13 Grants	0	10 407	10 122	80 424	27 505	55	34,20
14 Other revenue (141+142+143+144+145)	1 651 288	1 969 060	3 825 938	3 507 151	3 638 534	1 720 108	103,75
141 Property income (1411+1412+1413+1415)	622 900	417 485	2 667 701	2 165 456	2 226 646	1 605 719	102,83
1411 Interest	14 106	19 433	35 752	53 654	62 783	508	117,02
1412 Dividends	115 130	108 123	1 868 841	1 537 631	1 123 346	1 042 369	73,06
1413 Withdrawals from income of quasi-corporations	361 950	5	146 820	50 000	192 516	192 516	
1415 Rent	131 714	289 925	616 289	524 171	848 001	370 327	161,78
142 Sales of goods and services (1422+1423)	625 219	749 463	676 951	752 081	782 428	73 566	104,04
1421 Sales of market establishments	0	0	0	0	0	0	
1422 Administrative fees	257 486	305 448	312 994	391 469	397 066	42 020	101,43
1423 Incidental sales by nonmarket establishments	367 733	444 015	363 957	360 612	385 362	31 546	106,86
143 Fines, penalties, and forfeits	333 803	307 168	342 371	391 330	360 707	29 808	92,17
144 Voluntary transfers other than grants	0	1 523	249	23 433	5 653	2 511	24,12
145 Miscellaneous and unidentified revenue	69 367	493 422	138 667	174 851	263 099	8 504	150,47

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 - XII 2005	XII 2005	I - XII 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	87 857 459	8 217 028	100,26
21 Compensation of employees (211+212)	19 534 162	21 225 816	22 268 287	23 240 776	23 182 586	2 111 550	99,75
211 Wages and salaries	16 677 054	18 037 101	18 888 605	19 769 296	19 699 216	1 819 275	99,65
212 Social contributions	2 857 108	3 188 715	3 379 682	3 471 480	3 483 370	292 275	100,34
22 Use of goods and services	4 391 924	4 170 611	4 358 721	5 003 119	4 951 912	642 536	98,98
24 Interest (241+242+243)	3 263 574	3 587 329	3 972 466	3 995 124	4 387 010	217 550	109,81
241 To nonresidents	1 887 009	1 879 420	1 976 502	2 038 638	2 053 588	85 895	100,73
242 To residents other than general government	1 376 565	1 707 909	1 995 964	1 956 487	2 333 422	131 655	119,27
25 Subsidies (251+252)	2 104 975	4 292 712	4 968 069	5 250 879	5 248 744	545 628	99,96
251 To public corporations	657 422	1 942 932	2 783 462	2 755 925	2 784 825	267 295	101,05
252 To private enterprises	1 447 552	2 349 781	2 184 606	2 494 954	2 463 919	278 333	98,76
26 Grants (261+262+263)	4 161 545	3 746 958	3 420 327	3 668 927	3 796 847	597 549	103,49
261 To foreign governments (2611+2612)	66 004	43 918	76 464	74 250	73 639	42 701	99,18
2611 Current	66 004	43 918	46 500	48 250	49 174	32 674	101,92
2612 Capital	0	0	29 964	26 000	24 465	10 027	94,10
262 To international organizations (2621+2622)	38 683	41 239	83 434	86 627	93 832	6 451	108,32
2621 Current	38 683	41 239	83 434	86 627	93 832	6 451	108,32
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	3 629 376	548 396	103,46
2631 Current	3 956 782	3 198 505	2 498 598	2 519 726	2 623 246	343 441	104,11
2632 Capital	100 075	463 297	761 831	988 325	1 006 130	204 955	101,80
27 Social benefits (271+272+273)	34 256 889	36 204 270	39 730 887	41 440 984	41 358 455	3 503 141	99,80
271 Social security benefits	17 950 809	28 917 772	28 189 472	29 465 168	29 308 716	2 389 450	99,47
272 Social assistance benefits	15 943 381	6 731 910	11 177 315	11 772 371	11 792 075	1 028 157	100,17
273 Employer social benefits	362 698	554 589	364 100	203 445	257 663	85 533	126,65
28 Other expense (281+282)	2 684 284	3 847 791	4 412 359	5 033 599	4 931 907	599 074	97,98
281 Property expense other than interest	452	6 767	3 955	0	4 920	1 067	
282 Miscellaneous other expense (2821+2822)	2 683 832	3 841 024	4 408 404	5 033 599	4 926 987	598 007	97,88
2821 Current	1 331 109	2 325 646	1 842 516	2 065 648	2 154 806	228 955	104,32
2822 Capital	1 352 723	1 515 378	2 565 888	2 967 951	2 772 181	369 053	93,40

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 - XII 2005	XII 2005	I - XII 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	1 553 667	336 591	81,58
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	1 828 816	363 929	83,57
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	218 036	242 586	244 401	284 095	275 149	27 338	96,85
311 Fixed assets (3111+3112+3113)	1 284 192	1 795 345	1 384 609	1 865 002	1 516 964	322 041	81,34
311,1 Acquisitions: fixed assets (3111,1+3112,1+3113,1)	1 499 189	2 019 172	1 624 051	2 129 696	1 781 342	348 799	83,64
311,2 Disposals: fixed assets (3111,2+3112,2+3113,2)	214 997	223 827	239 442	264 695	264 379	26 758	99,88
3111 Buildings and structures (3111,1-3111,2)	715 757	1 199 770	811 477	1 066 096	867 663	171 455	81,39
3111,1 Acquisitions: buildings and structures	929 637	1 423 367	1 050 315	1 329 536	1 131 302	198 205	85,09
3111,2 Disposals: buildings and structures	213 879	223 597	238 838	263 440	263 639	26 750	100,08
3112 Machinery and equipment (3112,1-3112,2)	388 337	516 598	518 941	673 350	557 315	106 750	82,77
3112,1 Acquisitions: machinery and equipment	389 454	516 828	519 545	674 604	558 055	106 758	82,72
3112,2 Disposals: machinery and equipment	1 117	230	604	1 255	740	8	58,95
3113 Other fixed assets (3113,1-3113,2)	180 098	78 977	54 191	125 556	91 986	43 836	73,26
3113,1 Acquisitions: other fixed assets	180 098	78 977	54 191	125 556	91 986	43 836	73,26
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	7 220	100	100,00
313,1 Acquisitions: valuables	69 100	5 303	7 518	7 220	7 220	100	100,00
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	29 483	14 450	91,68
314,1 Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	26 744	30 514	32 299	51 559	40 254	15 030	78,07
314,2 Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	3 040	18 759	4 959	19 400	10 771	580	55,52
3141 Land (3141,1-3141,2)	-2 010	-18 361	7 062	-18 300	-10 282	-480	56,19
3141,1 Acquisitions: land	1 029	398	12 021	1 100	489	100	44,43
3141,2 Disposals: land	3 040	18 759	4 959	19 400	10 771	580	55,52
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	39 765	14 930	78,81
3144,1 Acquisitions: intangible nonproduced assets	25 714	30 116	20 278	50 459	39 765	14 930	78,81
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 - XII 2005	XII 2005
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	1 649 392	-1 320 129	221 977	-2 924 481	1 754 764	595 811
32,1 Acquisition of financial assets (321,1+322,1)	1 614 628	2 071 124	1 787 080	1 325 519	1 264 131	237 049
32,2 Disposals of financial assets (321,2+322,2)	324 779	4 537 782	450 839	4 250 000	199 492	27 502
Currency and deposits (3212+3222)	359 543	1 146 530	-1 114 264	0	690 124	386 265
321 Domestic (3212+3213+3214+3215+3216+3217+3218)	1 635 903	-1 330 055	212 192	-2 940 773	1 759 621	595 811
321,1 Acquisition of domestic financial assets (3213,1+...+3218,1)	1 601 139	2 061 197	1 777 294	1 309 227	1 261 432	237 049
321,2 Disposals of domestic financial assets (3213,2+...+3218,2)	324 779	4 537 782	450 839	4 250 000	191 935	27 502
3212 Currency and deposits	359 543	1 146 530	-1 114 264	0	690 124	386 265
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	847 590	164 201
3214,1 Acquisition: Loans	1 014 321	1 576 177	1 328 794	1 064 163	1 026 367	188 631
3214,2 Disposals: Loans	324 779	1 182 815	325 839	250 000	178 776	24 429
3215 Shares and other equity (3215,1-3215,2)	586 818	-2 869 948	323 500	-3 754 936	221 906	45 345
3215,1 Acquisition: Shares and other equity	586 818	485 020	448 500	245 064	235 065	48 418
3215,2 Disposals: Shares and other equity	0	3 354 968	125 000	4 000 000	13 159	3 073
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 - XII 2005	XII 2005
33 NET INCURRENCE OF LIABILITIES (331+332)	3 772 671	2 890 289	4 309 040	1 042 525	5 510 948	-201 464
33,1 Repayments (331,1+332,1)	6 240 866	6 520 771	13 717 082	11 787 515	10 253 489	2 249 231
33,2 Incurrences (331,2+332,2)	10 013 537	9 411 059	18 026 122	12 830 040	15 764 437	2 047 766
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	10 591 560	-6 327
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	4 389 323	2 015 297
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	14 980 882	2 008 970
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	9 636 343	1 210 952
3313,1 Repayments: Securities other than shares	1 481 694	2 305 093	5 025 194	3 551 073	2 844 601	1 809 672
3313,2 Incurrences: Securities other than shares	2 779 054	2 940 904	11 382 670	6 317 078	12 480 944	3 020 624
3314 Loans (3314,2-3314,1)	127 556	-795 501	-2 318 771	2 568 912	955 217	-1 217 279
3314,1 Repayments: Loans	252 631	1 841 342	3 984 511	2 019 996	1 544 722	205 625
3314,2 Incurrences: Loans	380 187	1 045 841	1 665 740	4 588 908	2 499 938	-1 011 654
332 Foreign (3322+3323+3324+3326+3327+3328)	2 347 755	3 049 979	270 335	-4 292 392	-5 080 612	-195 138
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	5 864 167	233 934
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	783 554	38 796
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	-1 366 677	-195 138
3324,1 Repayments: Loans	1 927 360	2 374 335	2 180 501	2 502 446	2 150 232	233 934
3324,2 Incurrences: Loans	1 250 757	1 373 205	1 235 397	1 924 054	783 554	38 796

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)	I - XII 2005				
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government	Local government	Consolidated Central Government
82 (=32) NET ACQUISITION OF FINANCIAL ASSETS	1 754 764	-91 230	1 653 534	-303 739	1 349 795
Acquisition of financial assets	7 363 672	611 775	7 965 447	142 918	8 108 365
Disposals of financial assets	5 608 909	703 005	6 311 914	446 657	6 758 571
821 (=321) Domestic	1 759 621	-91 230	1 658 391	-303 739	1 354 652
Acquisition of domestic financial assets	7 360 973	611 775	7 962 748	142 918	8 105 666
Disposals of domestic financial assets	5 601 352	703 005	6 304 357	446 657	6 751 014
8211 General government	15 000	0	5 000	21 000	26 000
Acquisitions: General Government	15 000	0	5 000	21 000	26 000
Disposals: General Government	0	0	0	0	0
8212 Central bank	152 362	0	152 362	0	152 362
Acquisitions: Central bank	5 550 893	0	5 550 893	0	5 550 893
Disposals: Central bank	5 398 531	0	5 398 531	0	5 398 531
8213 Other depository corporations	743 763	432 064	1 175 827	-355 562	820 265
Acquisitions: Other depository corporations	754 648	432 064	1 186 712	41 734	1 228 446
Disposals: Other depository corporations	10 886	0	10 886	397 296	408 181
8215 Nonfinancial corporations	645 654	-523 294	122 360	23 950	146 310
Acquisitions: Nonfinancial corporations	837 589	179 711	1 017 300	70 979	1 088 279
Disposals: Nonfinancial corporations	191 935	703 005	894 940	47 029	941 969
8216 Households and nonprofit institutions serving households	202 842	0	202 842	6 873	209 715
Acquisitions: Hholds and nonprofit institutions serving hholds	202 842	0	202 842	9 205	212 047
Disposals: Hholds and nonprofit institutions serving hholds	0	0	0	2 333	2 333
822 (=322) Foreign	-4 857	0	-4 857	0	-4 857
Acquisition of foreign financial assets	2 699	0	2 699	0	2 699
Disposals of foreign financial assets	7 556	0	7 556	0	7 556
8227 International organizations	2 699	0	2 699	0	2 699
Acquisitions: International organizations	2 699	0	2 699	0	2 699
Disposals: International organizations	0	0	0	0	0
8229 Other nonresidents	-7 556	0	-7 556	0	-7 556
Acquisitions: Other nonresidents	0	0	0	0	0
Disposals: Other nonresidents	7 556	0	7 556	0	7 556
83 (=33) NET INCURRENCE OF LIABILITIES	5 510 948	2 495 401	7 996 349	-223 453	7 772 896
Repayments: liabilities	10 253 489	894 856	11 148 345	441 962	11 590 307
Incurrences: liabilities	15 764 437	3 390 257	19 144 694	218 509	19 363 203
831 (=331) Domestic	10 591 560	1 460 121	12 041 681	-130 447	11 911 234
Repayments: domestic liabilities	4 389 323	855 315	5 244 638	348 956	5 593 594
Incurrences: domestic liabilities	14 980 882	2 315 436	17 286 318	218 509	17 504 828
8311 General government	0	10 000	0	0	0
Repayments: General Government	0	0	0	0	0
Incurrences: General Government	0	10 000	0	0	0
8313 Other depository corporations	10 592 240	1 450 112	12 042 352	-89 379	11 952 973
Repayments: Other depository corporations	4 388 949	855 315	5 244 264	305 211	5 549 475
Incurrences: Other depository corporations	14 981 189	2 305 427	17 286 616	215 831	17 502 447
8314 Financial corporations not elsewhere classified	-307	0	-307	0	-307
Repayments: Financial corporations not elsewhere classified	0	0	0	0	0
Incurrences: Financial corporations not elsewhere classified	-307	0	-307	0	-307
8315 Nonfinancial corporations	-374	9	-365	-41 067	-41 432
Repayments: Nonfinancial corporations	374	0	374	43 745	44 119
Incurrences: Nonfinancial corporations	0	9	9	2 678	2 687
832 (=332) Foreign	-5 080 612	1 035 280	-4 045 332	-93 006	-4 138 338
Repayments: foreign liabilities	5 864 166	39 541	5 903 707	93 006	5 996 713
Incurrences: foreign liabilities	783 554	1 074 821	1 858 375	0	1 858 375
8321 General government	-304 040	0	-304 040	0	-304 040
Repayments: General Government	304 040	0	304 040	0	304 040
Incurrences: General Government	0	0	0	0	0
8327 International organizations	25 512	0	25 512	0	25 512
Repayments: International organizations	556 227	0	556 227	0	556 227
Incurrences: International organizations	581 739	0	581 739	0	581 739
8328 Financial corporations other than international organizations	-4 765 573	1 035 280	-3 730 293	-93 006	-3 823 299
Repayments: Financial corporations other than international organizations	4 967 389	39 541	5 006 930	93 006	5 099 936
Incurrences: Financial corporations other than international organizations	201 815	1 074 821	1 276 636	0	1 276 636
8329 Other nonresidents	-36 511	0	-36 511	0	-36 511
Repayments: Other nonresidents	36 511	0	36 511	0	36 511
Incurrences: Other nonresidents	0	0	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 - XII 2005	XII 2005
TRANSACTIONS AFFECTING NET WORTH						
1 REVENUE (11+12+13+14)	69 651 075	74 677 474	80 463 518	85 570 783	85 654 942	9 350 894
11 Taxes	42 810 174	45 281 076	47 149 862	50 497 917	50 687 564	4 657 885
12 Social contributions	25 189 614	27 416 931	29 477 597	31 485 291	31 301 340	2 972 846
13 Grants	0	10 407	10 122	80 424	27 505	55
14 Other revenue	1 651 288	1 969 060	3 825 938	3 507 151	3 638 534	1 720 108
2 EXPENSE (21+22+24+25+26+27+28)	70 397 351	77 075 487	83 131 114	87 633 409	87 857 459	8 217 028
21 Compensation of employees	19 534 162	21 225 816	22 268 287	23 240 776	23 182 586	2 111 550
22 Use of goods and services	4 391 924	4 170 611	4 358 721	5 003 119	4 951 912	642 536
24 Interest	3 263 574	3 587 329	3 972 466	3 995 124	4 387 010	217 550
25 Subsidies	2 104 975	4 292 712	4 968 069	5 250 879	5 248 744	545 628
26 Grants	4 161 545	3 746 958	3 420 327	3 668 927	3 796 847	597 549
27 Social benefits	34 256 889	36 204 270	39 730 887	41 440 984	41 358 455	3 503 141
28 Other expense	2 684 284	3 847 791	4 412 359	5 033 599	4 931 907	599 074
NET-GROSS OPERATING BALANCE (1-2)	-746 276	-2 398 014	-2 667 596	-2 062 626	-2 202 517	1 133 866
CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	-746 276	-2 398 014	-2 667 596	-2 062 626	-2 202 517	1 133 866
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	1 553 667	336 591
311 Fixed assets	1 284 192	1 795 345	1 384 609	1 865 002	1 516 964	322 041
312 Change in inventories	7	0	0	0	0	0
313 Valuables	69 100	5 303	7 518	7 220	7 220	100
314 Nonproduced assets	23 704	11 755	27 340	32 159	29 483	14 450
NET LENDING-BORROWING (1-2-31)	-2 123 278	-4 210 417	-4 087 063	-3 967 006	-3 756 184	797 276
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	1 754 764	595 811
321 Domestic	1 635 903	-1 330 055	212 192	-2 940 773	1 759 621	595 811
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	5 510 948	-201 464
331 Domestic	1 424 916	-159 690	4 038 705	5 334 917	10 591 560	-6 327
332 Foreign	2 347 755	3 049 979	270 335	-4 292 392	-5 080 612	-195 138

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
XII	9 350 894	8 217 028	1 133 866	217 550	1 351 417
I-XII 2005	85 654 942	87 857 459	-2 202 517	4 387 010	2 184 493

Note: See notes on methodology

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

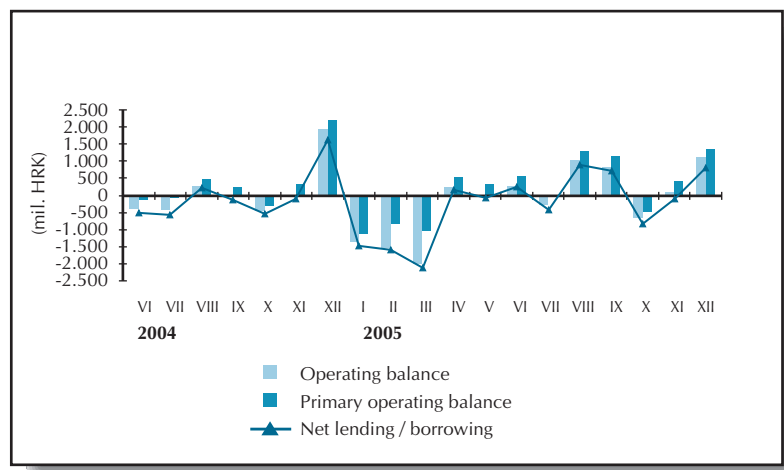


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	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
XII	1 133 866	336 591	797 276	-797 276	595 811	-201 464
I-XII 2005	-2 202 517	1 553 667	-3 756 184	3 756 184	1 754 764	5 510 948

* 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 - XII 2005	XII 2005	<u>I - XII 2005</u> New Plan 2005
1 REVENUE (11+12+13+14)	1 558 404	1 845 366	670 814	473 697	398 797	47 450	84,19
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	360 327	42 033	88,16
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	360 327	42 033	88,16
1331 Current	1 435 617	1 714 878	521 361	380 397	334 155	33 026	87,84
1332 Capital	12 713	26 987	19 561	28 300	26 172	9 007	92,48
14 Other revenue	99 666	102 729	129 892	65 000	38 470	5 417	59,18
2 EXPENSE (21+22+24+25+26+27+28)	1 575 181	1 844 077	587 420	450 397	381 060	47 442	84,61
21 Compensation of employees (211+212)	224 936	241 408	290 789	313 142	286 521	32 784	91,50
211 Wages and salaries	193 157	207 538	252 989	271 200	248 416	28 481	91,60
212 Social contributions	31 779	33 870	37 800	41 942	38 105	4 303	90,85
22 Use of goods and services	117 667	127 140	90 721	136 455	89 512	14 376	65,60
24 Interest	666	0	896	800	602	116	75,25
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	4 425	166	
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	17 737	8	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	11 698	21 937	18 022	33 300	19 724	9 789	59,23
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	14 740	27 173	21 154	34 300	22 380	9 789	65,25
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	3 042	5 236	3 132	1 000	2 656	0	265,60
311 Fixed assets (311,1-311,2-311,3)	0	0	18 022	27 300	11 840	4 272	43,37
311,1 Acquisitions: fixed assets	0	0	21 154	28 300	14 496	4 272	51,22
311,2 Disposals: fixed assets	0	0	3 132	1 000	2 656	0	265,60
Net lending - borrowing (1-2-31)	-28 475	-20 648	65 372	-10 000	-1 987	-9 781	
Financing (33-32)	28 475	20 648	-65 372	10 000	1 987	9 781	
32 Net acquisition of financial assets (321+322)	-28 475	-20 570	65 372	-10 000	-1 978	-9 781	
321 Domestic	-28 475	-20 570	65 372	-10 000	-1 978	-9 781	
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 - XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	725 795	1 109 974	865 013	928 909	1 065 102	146 343	114,66
11 Taxes	0	0	0	0	0	0	
12 Social security contributions	0	6 905	0	0	0	0	
13 Grants (131+133)	258 298	287 791	201 874	283 709	201 235	18 287	70,93
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	201 235	18 287	70,93
1331 Current	258 298	287 791	201 874	283 709	201 235	18 287	70,93
1332 Capital	0	0	0	0	0	0	
14 Other revenue	467 497	815 278	663 139	645 200	863 867	128 056	133,89
2 EXPENSE (21+22+24+25+26+27+28)	1 263 096	888 105	831 295	851 809	914 337	104 355	107,34
21 Compensation of employees (211+212)	172 509	180 743	185 992	226 453	234 059	23 907	103,36
211 Wages and salaries	148 247	155 722	160 298	196 127	197 839	20 712	100,87
212 Social contributions	24 262	25 021	25 694	30 326	36 220	3 195	119,44
22 Use of goods and services	901 387	113 659	100 979	125 241	115 760	19 192	92,43
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	564 518	61 256	114,89
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	150 765	41 988	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	16 093	27 272	30 291	77 100	38 637	13 930	50,11
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	22 314	31 236	30 913	77 500	38 971	13 960	50,29
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	6 221	3 964	622	400	334	30	83,50
311 Fixed assets (311,1-311,2-311,3)	0	0	28 308	67 030	38 727	13 950	57,78
311,1 Acquisitions: fixed assets	0	0	28 802	67 430	38 948	13 960	57,76
311,2 Disposals: fixed assets	0	0	494	400	221	10	55,25
314 Nonproduced assets (3141+3142+3143+3144)	0	0	1 983	10 070	-90	-20	
314,1 Acquisitions: nonproduced assets	0	0	2 111	10 070	23	0	0,23
314,2 Disposals: nonproduced assets	0	0	128	0	113	20	
Net lending - borrowing (1-2-31)	-553 394	194 597	3 427	0	112 128	28 058	
Financing (33-32)	553 394	-194 597	-3 427	0	-112 128	-28 058	
32 Net acquisition of financial assets (321+322)	266 606	604 597	3 427	0	112 128	28 058	
321 Domestic	266 606	604 597	3 427	0	112 128	28 058	
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	

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- XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	134 756	89 573	111 674	121 718	114 938	5 553	94,43
11 Taxes			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	96 102	3 430	99,69
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	96 102	3 430	99,69
1331 Current	99 728	72 000	96 167	96 398	96 102	3 430	99,69
1332 Capital	9 750	0	0	0	0	0	
14 Other revenue	25 278	17 573	15 507	25 320	18 836	2 123	74,39
2 EXPENSE (21+22+24+25+26+27+28)	239 458	140 387	141 333	152 768	145 931	14 117	95,52
21 Compensation of employees (211+212)	87 228	91 633	101 411	110 277	107 372	9 963	97,37
211 Wages and salaries	75 048	78 711	87 690	95 877	92 869	8 697	96,86
212 Social contributions	12 180	12 922	13 721	14 400	14 503	1 266	100,72
22 Use of goods and services	34 999	34 844	36 512	39 981	37 889	3 734	94,77
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	670	420	26,80
28 Other expense	0	0	0	0	0	0	
Net-gross operating balance (1-2)	-104 702	-50 814	-29 659	-31 050	-30 993	-8 564	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	9 304	8 767	4 865	4 950	4 866	3 103	98,30
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	9 412	9 061	4 915	4 950	4 933	3 103	99,66
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	4 864	3 103	98,26
311,1 Acquisitions: fixed assets	0	0	4 915	4 950	4 931	3 103	99,62
311,2 Disposals: fixed assets	0	0	50	0	67	0	
314 Nonproduced assets (3141+3142+3143+3144)	0	0	0	0	2	0	
314,1 Acquisitions: nonproduced assets	0	0	0	0	2	0	
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	-35 859	-11 667	
Financing (33-32)	114 006	59 581	34 524	36 000	35 859	11 667	
32 Net acquisition of financial assets (321+322)	-114 006	-59 581	-34 524	-36 000	-35 859	-11 667	
321 Domestic	-114 006	-59 581	-34 524	-36 000	-35 859	-11 667	
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 - XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	1 485 228	1 544 421	1 658 435	1 739 379	1 712 796	321 668	98,47
11 Taxes	0	0	0	0	0	0	
12 Social security contributions	0	0	0	0	0	0	
13 Grants (131+133)	386 936	395 522	434 004	506 679	486 550	163 684	96,03
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	486 550	163 684	96,03
1331 Current	220 000	182 000	105 340	203 499	203 499	51 908	100,00
1332 Capital	166 646	212 088	328 664	303 180	283 051	111 776	93,36
14 Other revenue	1 098 292	1 148 899	1 224 431	1 232 700	1 226 246	157 984	99,48
2 EXPENSE (21+22+24+25+26+27+28)	1 125 187	1 427 067	1 426 283	1 505 804	1 496 306	304 784	99,37
21 Compensation of employees (211+212)	79 773	87 792	93 675	98 800	99 418	10 796	100,63
211 Wages and salaries	68 267	75 924	80 618	84 800	85 524	9 337	100,85
212 Social contributions	11 506	11 868	13 057	14 000	13 894	1 459	99,24
22 Use of goods and services	724 972	826 878	743 383	753 840	791 040	118 118	104,93
24 Interest	47 926	37 057	37 907	35 000	33 737	7 086	96,39
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	572 111	168 784	92,55
Net-gross operating balance (1-2)	360 041	117 354	232 152	233 575	216 490	16 884	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	295 988	290 709	282 527	260 575	218 823	93 717	83,98
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	296 218	291 043	282 797	260 875	219 119	93 777	83,99
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	230	334	270	300	296	60	98,67
311 Fixed assets (311,1-311,2-311,3)	0	0	277 053	252 575	212 946	93 195	84,31
311,1 Acquisitions: fixed assets	0	0	277 323	252 875	213 242	93 255	84,33
311,2 Disposals: fixed assets	0	0	270	300	296	60	98,67
314 Nonproduced assets (314,1-314,2-314,3-314,4)	0	0	5 474	8 000	5 877	522	73,46
314,1 Acquisitions: nonproduced assets	0	0	5 474	8 000	5 877	522	73,46
314,2 Disposals: nonproduced assets	0	0	0	0	0		
Net lending - borrowing (1-2-31)	64 053	-173 355	-50 375	-27 000	-2 333	-76 833	
Financing (33-32)	-64 053	173 355	50 375	27 000	2 333	76 833	
32 Net acquisition of financial assets (321+322)	113 322	-146 776	-11 385	0	4 607	-33 671	
321 Domestic	113 322	-146 776	-11 385		4 607	-33 671	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	49 269	26 579	38 990	27 000	6 940	43 162	
331 Domestic	65 563	30 289	42 859	-46 000	-26 176	22 705	
332 Foreign	-16 294	-3 710	-3 869	73 000	33 116	20 457	

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 - XII 2005	XII 2005	1 - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	172 273	311 230	214 737	16 582	69,00
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	214 737	16 582	69,00
2 EXPENSE (21+22+24+25+26+27+28)	32 443	310 485	170 979	24 574	55,07
21 Compensation of employees (211+212)	1 905	5 183	3 966	761	76,52
211 Wages and salaries	1 633	4 449	3 407	655	76,58
212 Social contributions	272	734	559	106	76,16
22 Use of goods and services	2 734	5 472	12 162	5 592	222,26
24 Interest	0	0	0	0	
25 Subsidies	0	0	4 123	2 097	
26 Grants	0	0	149 780	16 014	
27 Social benefits	0	0	0	0	
28 Other expense	27 804	299 830	948	110	
Net-gross operating balance (1-2)	139 830	745	43 758	-7 992	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	1 786	745	11 983	240	1608,46
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 786	745	11 983	240	1608,46
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	11 808	223	2015,02
311,1 Acquisitions: fixed assets	1 553	586	11 808	223	2015,02
311,2 Disposals: fixed assets	0	0	0	0	
314 Nonproduced assets (314,1-314,2-314,3-314,4)	233	159	175	17	110,06
314,1 Acquisitions: nonproduced assets	233	159	175	17	110,06
314,2 Disposals: nonproduced assets	0	0	0	0	
Net lending - borrowing (1-2-31)	138 044	0	31 775	-8 232	
Financing (33-32)	-138 044	0	-31 775	8 232	
32 Net acquisition of financial assets (321+322)	138 044	0	31 775	-8 232	
321 Domestic	138 044	0	31 775	-8 232	
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 - XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	1 695 972	1 927 787	2 295 423	2 367 800	2 548 613	258 723	107,64
11 Taxes	1 212 445	1 313 743	1 341 683	1 476 800	1 380 753	108 857	93,50
1142 Excises	1 212 445	1 313 743	1 341 683	1 476 800	1 380 753	108 857	93,50
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	1 167 860	149 866	131,07
2 EXPENSE (21+22+24+25+26+27+28)	343 256	692 490	756 796	1 111 953	1 089 880	163 074	98,01
21 Compensation of employees (211+212)	117 445	162 982	236 353	246 000	289 605	27 116	117,73
211 Wages and salaries	102 594	140 867	203 955	212 200	250 113	23 782	117,87
212 Social contributions	14 851	22 115	32 398	33 800	39 492	3 334	116,84
22 Use of goods and services	200 296	406 858	258 509	226 861	316 548	32 909	139,53
24 Interest	25 515	122 650	191 132	613 092	444 950	103 049	72,57
25 Subsidies	0	0	0	0	0	0	
26 Grants	0	0	4 542	0	3 610	1 769	
27 Social benefits	0	0	0	0	0	0	
28 Other expense	0	0	66 260	26 000	35 167	-1 769	135,26
Net-gross operating balance (1-2)	1 352 716	1 235 297	1 538 627	1 255 847	1 458 733	95 649	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	3 676 519	5 113 679	5 778 694	3 855 847	3 912 730	521 129	101,48
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	3 912 730	521 129	101,48
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	3 795 963	509 375	99,76
311,1 Acquisitions: fixed assets	3 674 289	0	5 697 892	3 805 077	3 795 963	509 375	99,76
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	116 767	11 754	229,99
314,1 Acquisitions: nonproduced assets	2 230	0	80 802	50 770	116 767	11 754	229,99
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	-2 453 997	-425 480	
Financing (33-32)	2 323 803	3 878 382	4 240 067	2 600 000	2 453 997	425 480	
32 Net acquisition of financial assets (321+322)	279 815	-412 302	-162 274	0	-12 344	-395 484	
321 Domestic	279 815	-412 302	-162 274	0	-12 344	-395 484	
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	2 441 653	29 996	
331 Domestic	0	530 000	379 709	1 650 000	1 698 272	416	
332 Foreign	2 603 618	2 936 080	3 698 084	950 000	743 381	29 580	

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 - XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	1 208 654	1 379 782	1 417 787	1 548 800	1 474 726	134 126	95,22
11 Taxes	1 148 682	1 317 361	1 342 121	1 476 800	1 380 732	110 316	93,49
1142 Excises	1 148 682	1 317 361	1 342 121	1 476 800	1 380 732	110 316	93,49
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	93 994	23 810	130,55
2 EXPENSE (21+22+24+25+26+27+28)	726 445	840 372	934 630	1 060 800	1 062 781	89 467	100,19
21 Compensation of employees (211+212)	39 895	45 037	51 590	64 747	61 041	5 610	94,28
211 Wages and salaries	34 461	38 733	44 349	55 577	52 439	4 892	94,35
212 Social contributions	5 434	6 304	7 241	9 170	8 602	718	93,81
22 Use of goods and services	475 301	592 492	696 421	712 853	726 845	43 833	101,96
24 Interest	1 750	928	4 306	43 200	16 060	-2 723	37,18
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	258 835	42 747	107,85
Net-gross operating balance (1-2)	482 209	539 410	483 157	488 000	411 945	44 659	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	430 755	736 943	834 631	1 088 000	922 807	29 687	84,82
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	432 218	738 092	835 907	1 089 000	925 995	29 733	85,03
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 463	1 149	1 276	1 000	3 188	46	318,80
311 Fixed assets (311,1-311,2-311,3)	319 208	0	742 582	1 028 000	833 411	22 342	81,07
311,1 Acquisitions: fixed assets	320 671	0	743 858	1 029 000	836 599	22 388	81,30
311,2 Disposals: fixed assets	1 463	0	1 276	1 000	3 188	46	318,80
314 Nonproduced assets (314,1-314,2-314,3-314,4)	111 547	0	92 049	60 000	89 396	7 345	148,99
314,1 Acquisitions: nonproduced assets	111 547	0	92 049	60 000	89 396	7 345	148,99
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	-510 862	14 972	
Financing (33-32)	-51 454	197 533	351 474	600 000	510 862	-14 972	
32 Net acquisition of financial assets (321+322)	2 233	-167 248	296	0	50 297	-828	
321 Domestic	2 233	-167 248	296	0	50 297	-828	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	-49 221	30 285	351 770	600 000	561 159	-15 800	
331 Domestic	-65 320	0	100 000	210 000	302 376	-4 325	
332 Foreign	16 099	30 285	251 770	390 000	258 783	-11 475	

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 - XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	617 914	581 931	575 893	663 590	367 438	14 252	55,37
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	367 438	14 252	55,37
2 EXPENSE (21+22+24+25+26+27+28)	301 665	251 360	314 474	292 250	174 000	62 030	59,54
21 Compensation of employees (211+212)	3 932	4 110	4 678	5 700	5 621	703	98,61
211 Wages and salaries	3 355	3 507	4 010	4 870	4 821	606	98,99
212 Social contributions	577	603	668	830	800	97	96,39
22 Use of goods and services	28 046	7 915	10 664	13 450	12 099	1 110	89,96
24 Interest	205 819	187 360	136 971	133 100	121 940	60 057	91,62
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	1 511	160	1,08
28 Other expense	0	0	0	0	32 829	0	
Net-gross operating balance (1-2)	316 249	330 571	261 419	371 340	193 438	-47 778	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	17 824	-94	27 624	-28 660	14 131	16	
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	17 824	2 464	27 624	1 340	14 232	16	1062,09
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	2 558	0	30 000	101	0	0,34
311 Fixed assets (311,1-311,2-311,3)	0	0	27 624	-28 660	11 115	16	
311,1 Acquisitions: fixed assets	0	0	27 624	1 340	11 216	16	837,01
311,2 Disposals: fixed assets	0	0	0	30 000	101	0	0,34
Net lending - borrowing (1-2-31)	298 425	330 665	233 795	400 000	179 307	-47 794	
Financing (33-32)	-298 425	-330 665	-233 795	-400 000	-179 307	47 794	
32 Net acquisition of financial assets (321+322)	298 425	330 665	-134 228	190 000	-340 259	-447 794	
321 Domestic	298 425	330 665	-134 228	190 000	-340 259	-447 794	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	0	0	-368 023	-210 000	-519 566	-400 000	
331 Domestic	0	0	-368 023	-210 000	-519 566	-400 000	
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 - XII 2005	XII 2005	I - XII 2005 New Plan 2005
1 REVENUE (11+12+13+14)	188 883	125 991	62 946	47 900	237 044	6 043	494,87
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	237 044	6 043	494,87
2 EXPENSE (21+22+24+25+26+27+28)	120 195	51 685	60 141	71 435	182 119	7 654	254,94
21 Compensation of employees (211+212)	27 676	28 942	31 044	37 619	35 996	3 457	95,69
211 Wages and salaries	23 812	24 794	26 721	33 090	31 273	2 994	94,51
212 Social contributions	3 864	4 148	4 323	4 529	4 723	463	104,28
22 Use of goods and services	18 327	22 655	29 097	33 816	33 545	3 502	99,20
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	112 578	695	
Net-gross operating balance (1-2)	68 688	74 306	2 805	-23 535	54 925	-1 611	
31 Net acquisition of nonfinancial assets (31,1 - 31,2)	-14 502	-15 603	-24 444	-45 250	-40 272	-76	89,00
31,1 Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	2 972	3 778	725	28 450	2 061	122	7,24
31,2 Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	17 474	19 381	25 169	73 700	42 333	198	57,44
311 Fixed assets (311,1-311,2-311,3)	0	0	-24 444	-45 250	-40 272	-76	89,00
311,1 Acquisitions: fixed assets	0	0	725	28 450	2 061	122	7,24
311,2 Disposals: fixed assets	0	0	25 169	73 700	42 333	198	57,44
Net lending - borrowing (1-2-31)	83 190	89 909	27 249	21 715	95 197	-1 535	
Financing (33-32)	-83 190	-89 909	-27 249	-21 715	-95 197	1 535	
32 Net acquisition of financial assets (321+322)	-14 363	280 272	15 293	-160 233	100 403	-8 303	
321 Domestic	-14 363	280 272	15 293	-160 233	100 403	-8 303	
322 Foreign	0	0	0	0	0	0	
33 Net incurrence of liabilities (331+332)	-97 553	190 363	-11 956	-181 948	5 206	-6 768	
331 Domestic	-97 553	190 363	-11 956	-181 948	5 206	-6 768	
332 Foreign	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 18: CONSOLIDATED CENTRAL GOVERNMENT BY ECONOMIC CATEGORY

(000 HRK)	2002	2003	2004	New Plan 2005	I - XII 2005		
					I - XII 2005	XII 2005	New Plan 2005
1 REVENUE (11+12+13+14)	75 064 040	80 786 555	87 019 284	92 478 323	92 644 919	10 074 200	100,18
11 Taxes (111+113+114+115+116)	45 171 301	47 912 180	49 833 666	53 451 517	53 449 049	4 877 058	100,00
111 Taxes of income and profits and capital gains	6 022 403	6 189 047	6 259 713	7 299 917	7 057 112	680 947	96,67
113 Taxes on property	294 556	289 926	355 823	377 173	375 501	40 131	99,56
114 Taxes on goods and services (1141+1142+1144+1145+1146)	36 335 226	39 282 252	41 286 025	43 798 507	44 084 487	3 987 389	100,65
1141 General taxes on goods and services (11411+11412)	26 089 213	28 260 009	30 013 661	31 876 590	32 399 952	2 995 533	101,64
11411 Value-added taxes	25 952 486	28 129 300	29 864 905	31 706 124	32 243 372	2 985 294	101,69
11412 Sales taxes	136 726	130 709	148 757	170 467	156 580	10 239	91,85
1142 Excises	9 835 295	10 482 097	10 625 358	11 180 483	10 939 144	887 989	97,84
115 Taxes on international trade and transactions	2 050 624	1 810 866	1 590 727	1 563 913	1 562 930	134 462	99,94
116 Other taxes	468 492	340 089	341 377	412 008	369 019	34 128	89,57
12 Social contributions	25 200 022	27 424 608	29 477 597	31 485 291	31 301 340	2 972 846	99,42
13 Grants	290	11 841	10 122	80 424	27 505	55	34,20
14 Other revenue	4 692 428	5 437 926	7 697 900	7 461 091	7 867 026	2 224 241	105,44
2 EXPENSE (21+22+24+25+26+27+28)	75 448 086	80 715 286	86 941 437	92 145 627	92 330 638	8 807 091	100,20
21 Compensation of employees (211+212)	20 288 107	22 068 463	23 265 724	24 348 697	24 306 185	2 226 647	99,83
211 Wages and salaries	17 326 468	18 762 897	19 750 868	20 727 486	20 665 917	1 919 431	99,70
212 Social contributions	2 961 639	3 305 566	3 514 856	3 621 211	3 640 268	307 216	100,53
22 Use of goods and services	6 870 170	6 291 714	6 327 741	7 051 588	7 087 312	884 902	100,51
24 Interest	3 646 152	3 955 966	4 343 680	4 826 576	5 004 299	385 135	103,68
25 Subsidies	3 563 569	4 292 712	4 968 069	5 250 879	5 252 867	547 725	100,04
26 Grants	1 659 177	1 737 217	2 162 993	2 373 444	2 806 023	387 898	118,23
27 Social benefits	35 839 241	37 939 553	40 645 794	42 074 349	41 929 579	3 565 143	99,66
28 Other expense	3 581 672	4 429 661	5 227 438	6 220 093	5 944 375	809 641	95,57
NET-GROSS OPERATING BALANCE (1-2)	-384 046	71 268	77 847	332 697	314 281	1 267 109	
3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	-384 046	71 268	77 847	332 697	314 281	1 267 109	
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	6 129 422	7 996 014	8 373 463	7 150 987	6 657 096	1 008 126	93,09
311 Fixed assets	5 898 127	7 867 051	8 158 064	6 976 610	6 397 366	968 441	91,70
312 Inventories	7	0	0	0	0	0	
313 Valuables	70 400	5 303	7 518	7 220	7 220	100	100,00
314 Nonproduced assets	160 888	123 659	207 881	167 158	252 510	39 585	151,06
NET LENDING-BORROWING (1-2-31)	-6 513 467	-7 924 745	-8 295 616	-6 818 291	-6 342 815	258 983	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)	6 513 467	7 924 745	8 295 616	6 818 291	6 342 815	-258 983	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	516 310	-963 228	28 384	-2 950 714	1 653 534	-291 891	
321 Domestic	502 821	-973 154	18 598	-2 967 006	1 658 391	-291 891	
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	7 996 349	-550 874	
331 Domestic	2 078 600	948 884	4 107 680	6 746 969	12 041 681	-394 299	
332 Foreign	4 951 178	6 012 634	4 216 320	-2 879 392	-4 045 332	-156 576	

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 - XII 2005	XII 2005	I - XII 2005
					New Plan 2005
1 REVENUE (A+B)	87 019 284	92 478 323	92 644 919	10 074 200	100,18
A) Budgetary Central Government	80 463 518	85 570 783	85 654 942	9 350 894	100,10
B) Extrabudgetary users (1+...+9)	6 555 766	6 907 540	6 989 977	723 306	101,19
1. Croatian Institute for Pension Insurance	129 892	65 000	38 470	5 417	59,18
2. Croatian Health Insurance Institute	663 139	645 200	863 867	128 056	133,89
3. Croatian Employment Service	15 507	25 320	18 836	2 123	74,39
4. Croatian Waters	1 224 431	1 232 700	1 226 246	157 984	99,48
5. Environment Protection Fund	170 748	311 230	214 737	16 582	69,00
6. Croatian motorways Ltd.	2 295 423	2 367 800	2 548 613	258 723	107,64
7. Croatian roads Ltd.	1 417 787	1 548 800	1 474 726	134 126	95,22
8. State Agency for Deposit Insurance and Bank Rehabilitation	575 893	663 590	367 438	14 252	55,37
9. Croatian Privatization Fund	62 946	47 900	237 044	6 043	494,87
2 EXPENSE (A+B)	86 941 437	92 145 627	92 330 638	8 807 091	100,20
A) Budgetary Central Government	81 861 164	86 337 926	86 716 855	7 857 597	100,44
B) Extrabudgetary funds and agencies (1+...+9)	5 080 273	5 807 701	5 613 783	949 494	96,66
1. Croatian Institute for Pension Insurance	587 420	450 397	381 060	47 442	84,61
2. Croatian Health Insurance Institute	831 295	851 809	914 337	104 355	107,34
3. Croatian Employment Service	141 333	152 768	145 931	14 117	95,52
4. Croatian Waters	1 426 283	1 505 804	1 496 306	304 784	99,37
5. Environment Protection Fund	32 443	310 485	170 979	158 340	55,07
6. Croatian motorways Ltd.	752 254	1 111 953	1 086 270	161 305	97,69
7. Croatian roads Ltd.	934 630	1 060 800	1 062 781	89 467	100,19
8. State Agency for Deposit Insurance and Bank Rehabilitation	314 474	292 250	174 000	62 030	59,54
9. Croatian Privatization Fund	60 141	71 435	182 119	7 654	254,94
NET-GROSS OPERATING BALANCE (1-2)	77 847	332 697	314 281	1 267 109	
3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	77 847	332 697	314 281	1 267 109	
31 NET ACQUISITION OF NONFINANCIAL ASSETS	8 373 463	7 150 987	6 657 096	1 008 126	93,09
Acquisition (A+B)	8 648 383	7 541 482	6 981 220	1 035 798	92,57
A) Budgetary Central Government	1 663 868	2 188 475	1 828 816	363 929	83,57
B) Extrabudgetary users	6 984 515	5 353 007	5 152 404	671 869	96,25
Disposals (A+B)	274 920	390 495	324 124	27 672	83,00
A) Budgetary Central Government	244 401	284 095	275 149	27 338	96,85
B) Extrabudgetary users	30 519	106 400	48 975	334	46,03
NET LENDING-BORROWING (1-2-31)	-8 295 616	-6 818 291	-6 342 815	258 983	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)	8 295 616	6 818 291	6 342 815	-258 983	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	28 384	-2 950 714	1 653 534	-291 891	
321 Domestic (A+B)	18 599	-2 967 006	1 658 391	-291 891	
A) Budgetary Central Government	138 578	-2 950 773	1 749 621	595 811	
B) Extrabudgetary users	-119 979	-16 233	-91 230	-887 702	
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	7 996 349	-550 874	
331 Domestic (A+B)	4 107 680	6 746 969	12 041 681	-394 299	
A) Budgetary Central Government	4 038 705	5 324 917	10 591 560	-6 327	
B) Extrabudgetary users	68 975	1 422 052	1 450 121	-387 972	
332 Foreign (A+B)	4 216 320	-2 879 392	-4 045 332	-156 576	
A) Budgetary Central Government	270 335	-4 292 392	-5 080 612	-195 138	
B) Extrabudgetary users	3 945 985	1 413 000	1 035 280	38 562	

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
XII	10 074 200	8 807 091	1 267 109	385 135	1 652 244
I-XII 2005	92 644 919	92 330 638	314 281	5 004 299	5 318 580

Note: See notes on methodology

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT / SURPLUS

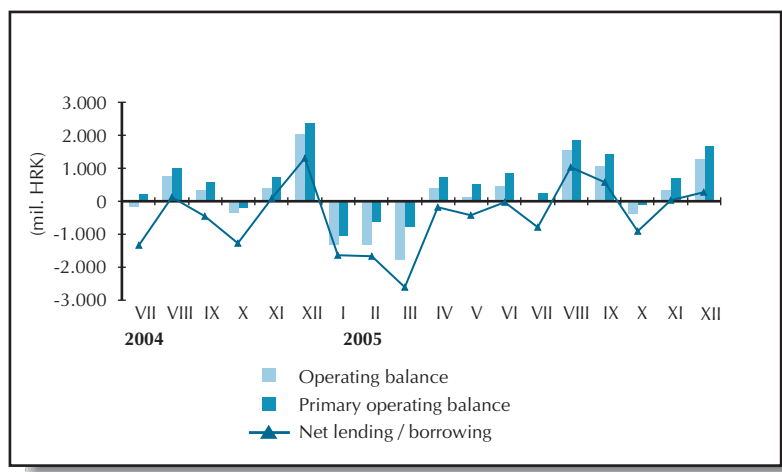


TABLE 19B: NET LENDING / BORROWING (000 HRK)

	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
XII	1 267 109	1 008 126	258 983	-258 983	-291 891	-550 874
I-XII 2005	314 281	6 657 096	-6 342 815	6 342 815	1 653 534	7 996 349

* Deficit according to GFS 2001 methodology

Note: See notes on methodology

TABLE 20: LOCAL GOVERNMENT TRANSACTIONS (THE LARGEST 53 UNITS)

(000 HRK)	2002	2003	2004	Plan 2005	1 - XII 2005	1 - XII 2005 Plan 2005
1 REVENUE (11+12+13+14)	9 097 563	10 074 568	10 828 868	11 950 898	12 162 404	101,77
11 Taxes (111+113+114+115+116)	5 494 335	5 922 473	6 592 062	7 238 261	7 072 515	97,71
111 Taxes of income, profits and capital gains	4 918 394	5 327 376	5 900 999	6 521 201	6 339 798	97,22
113 Taxes on property	329 418	315 914	375 090	399 180	388 135	97,23
114 Taxes on goods and services (1141+1142+1144+1145+1146)	228 361	264 917	301 941	299 661	330 043	110,14
1141 General taxes on goods and services (11411+11412)	38 715	42 806	43 613	45 835	46 901	102,33
11411 Value-added taxes	0	0	0	0	0	
11412 Sales taxes	38 715	42 806	43 613	45 835	46 901	102,33
1142 Excises	0	0	0	0	0	
115 Taxes on international trade and transactions	0	0	0	0	0	0
116 Other taxes	18 162	14 266	14 032	18 219	14 540	79,81
12 Social contributions	0	0	0	0	0	0
13 Grants (131+132+133)	1 266 768	1 546 815	1 425 056	1 709 075	1 704 172	99,71
131 From foreign governments	0	179	3 870	4 033	203	5,04
132 From international organizations	900	15	0	4 350	429	9,86
133 From other general government units	1 265 868	1 546 621	1 421 186	1 700 693	1 703 539	100,17
14 Other revenue (141+142+143+144+145)	2 336 460	2 605 280	2 811 751	3 003 562	3 385 717	112,72
141 Property income	616 084	627 643	685 366	783 173	760 183	97,06
142 Sales of goods and services	1 576 031	1 700 578	1 858 999	2 052 466	2 305 609	112,33
143 Fines, penalties, and forfeits	3 997	3 156	4 787	4 286	5 548	129,45
144 Voluntary transfers other than grants	1 462	4 269	8 314	14 486	18 225	125,81
145 Miscellaneous and unidentified revenue	138 886	269 634	254 285	149 151	296 151	198,56
2 EXPENSE (21+22+24+25+26+27+28)	7 136 353	8 127 198	8 766 249	9 600 073	9 882 500	102,94
21 Compensation of employees (211+212)	1 893 839	1 996 994	2 239 472	2 310 543	2 379 551	102,99
211 Wages and salaries	1 639 775	1 732 910	1 972 800	2 003 935	2 065 571	103,08
212 Social contributions	254 064	264 085	266 672	306 608	313 980	102,40
22 Use of goods and services	2 902 399	3 202 471	3 351 575	3 640 643	3 775 856	103,71
24 Interest	115 049	83 216	79 559	108 973	98 047	89,97
25 Subsidies	582 495	623 123	726 356	753 598	746 132	99,01
26 Grants	142 181	366 701	267 077	328 284	289 638	88,23
27 Social benefits	289 768	314 947	376 014	406 172	538 720	132,63
28 Other expense	1 210 622	1 539 747	1 726 196	2 051 860	2 054 558	100,13
NET-GROSS OPERATING BALANCE (1-2)	1 961 211	1 947 370	2 062 619	2 350 825	2 279 904	
3 CHANGE IN NET WORTH: TRANSACTIONS	1 961 211	1 947 370	2 062 619	2 350 825	2 279 904	
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1 135 933	1 668 400	2 121 355	2 699 454	2 360 190	87,43
311 Fixed assets (311,1-311,2)	1 173 198	1 675 953	2 213 163	2 817 105	2 460 234	87,33
311,1 -acquisitions: fixed assets	1 407 585	1 954 605	2 500 488	3 177 975	2 683 085	84,43
311,2 - disposals: fixed assets	234 387	278 651	287 325	360 869	222 851	61,75
312 Inventories	0	0	0	0	0	0,00
313 Valuables (313,1-313,2)	1 553	1 581	164	311	209	67,33
313,1 - acquisitions: valuables	1 553	1 581	164	311	209	67,33
313,2 - disposals: valuables	0	0	0	0	0	0,00
314 Nonproduced assets (314,1-314,2)	-38 818	-9 134	-91 972	-117 962	-100 253	84,99
314,1 - acquisitions: nonproduced assets	132 307	170 545	210 755	274 593	216 903	78,99
314,2 - disposals: nonproduced assets	171 126	179 679	302 727	392 555	317 156	80,79
NET LENDING-BORROWING (1-2-31)	825 278	278 970	-58 736	-348 629	-80 286	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING)	-825 278	-278 970	58 736	348 629	80 286	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	785 186	197 224	76 345	-200 936	-303 739	
321 Domestic	786 828	203 922	78 039	-200 936	-303 739	
322 Foreign	-1 642	-6 698	-1 694	0	0	
323 Monetary gold and SDRs	0	0	0	0	0	
33 NET INCURRENCE OF LIABILITIES (331+332)	-40 092	-81 746	135 080	147 693	-223 453	
331 Domestic	-26 851	7 415	232 026	239 097	-130 447	
332 Foreign	-13 241	-89 161	-96 946	-91 404	-93 006	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 21: CONSOLIDATED GENERAL GOVERNMENT BY ECONOMIC CATEGORY

(000 HRK)	2002	2003	2004	Rebalans New Plan 2005	I - XII 2005	I - XII 2005 Rebalans New Plan 2005
1 REVENUE (11+12+13+14)	82 895 736	89 314 501	96 426 967	102 728 528	103 103 784	100,37
11 Taxes (111+113+114+115+116)	50 665 636	53 834 653	56 425 728	60 689 778	60 521 564	99,72
111 Taxes of income, profits and capital gains	10 940 797	11 516 423	12 160 712	13 821 119	13 396 910	96,93
113 Taxes on property	623 974	605 840	730 913	776 353	763 635	98,36
114 Taxes on goods and services (1141+1142+1144+1145+1146)	36 563 588	39 547 169	41 587 966	44 098 167	44 414 531	100,72
1141 General taxes on goods and services (11411+11412)	26 127 927	28 302 816	30 057 275	31 922 425	32 446 853	101,64
11411 Value-added taxes	25 952 486	28 129 300	29 864 905	31 706 124	32 243 372	101,69
11412 Sales taxes	175 441	173 516	192 370	216 302	203 481	94,07
1142 Excises	9 835 295	10 482 097	10 625 358	11 180 483	10 939 144	97,84
115 Taxes on international trade and transactions	2 050 624	1 810 866	1 590 727	1 563 913	1 562 930	99,94
116 Other taxes	486 653	354 355	355 410	430 226	383 559	89,15
12 Social contributions	25 200 022	27 424 608	29 477 597	31 485 291	31 301 340	99,42
13 Grants	1 190	12 034	13 992	88 807	28 137	31,68
14 Other revenue	7 028 887	8 043 206	10 509 650	10 464 653	11 252 743	107,53
2 EXPENSE (21+22+24+25+26+27+28)	81 318 571	87 295 863	94 286 501	100 045 007	100 509 599	100,46
21 Compensation of employees (211+212)	22 181 946	24 065 457	25 505 196	26 659 240	26 685 736	100,10
211 Wages and salaries	18 966 243	20 495 807	21 723 668	22 731 421	22 731 488	100,00
212 Social contributions	3 215 703	3 569 651	3 781 528	3 927 819	3 954 248	100,67
22 Use of goods and services	9 772 569	9 494 184	9 679 316	10 692 231	10 863 168	101,60
24 Interest	3 761 201	4 039 182	4 423 239	4 935 549	5 102 346	103,38
25 Subsidies	4 146 064	4 915 835	5 694 425	6 004 477	5 998 998	99,91
26 Grants	535 489	557 297	1 008 884	1 001 035	1 392 121	139,07
27 Social benefits	36 129 009	38 254 500	41 021 808	42 480 522	42 468 299	99,97
28 Other expense	4 792 294	5 969 408	6 953 634	8 271 953	7 998 932	96,70
NET-GROSS OPERATING BALANCE (1-2)	1 577 165	2 018 638	2 140 466	2 683 521	2 594 185	
3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	1 577 165	2 018 638	2 140 466	2 683 521	2 594 185	
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	7 265 355	9 664 414	10 494 818	9 850 441	9 017 286	91,54
311 Fixed assets	7 071 325	9 543 005	10 371 227	9 793 715	8 857 599	90,44
312 Inventories	7	0	0	0	0	
313 Valuables	71 953	6 885	7 683	7 531	7 429	98,65
314 Nonproduced assets	122 070	114 525	115 909	49 195	152 257	309,50
NET LENDING-BORROWING (1-2-31)	-5 688 190	-7 645 776	-8 354 352	-7 166 920	-6 423 101	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)	5 688 190	7 645 776	8 354 352	7 166 920	6 423 101	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	1 301 496	-767 908	104 242	-3 153 392	1 349 795	
321 Domestic	1 289 649	-771 136	96 150	-3 169 684	1 354 652	
322 Foreign	11 847	3 228	8 092	16 292	-4 857	
323 Monetary gold and SDRs	0	0	0	0	0	
33 NET INCURRENCE OF LIABILITIES (331+332)	6 989 686	6 877 868	8 458 594	4 013 528	7 772 896	
331 Domestic	2 051 749	954 395	4 339 219	6 984 324	11 911 234	
332 Foreign	4 937 937	5 923 473	4 119 375	-2 970 796	-4 138 338	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 22: CONSOLIDATED GENERAL GOVERNMENT ACCORDING TO GOVERNMENT LEVEL

(000 HRK)	2004	Rebalans New Plan 2005	I - XII 2005	I - XII 2005
				Rebalans New Plan 2005
1 REVENUE (A+B+C)	96 426 967	102 728 528	103 103 784	100,37
A) Budgetary Central Government	80 463 518	85 570 783	85 654 942	100,10
B) Extrabudgetary users (1+...+9)	6 555 766	6 907 540	6 989 977	101,19
1. Croatian Institute for Pension Insurance	129 892	65 000	38 470	59,18
2. Croatian Health Insurance Institute	663 139	645 200	863 867	133,89
3. Croatian Employment Service	15 507	25 320	18 836	74,39
4. Croatian Waters	1 224 431	1 232 700	1 226 246	99,48
5. Environment Protection Fund	170 748	311 230	214 737	69,00
6. Croatian motorways Ltd.	2 295 423	2 367 800	2 548 613	107,64
7. Croatian roads Ltd.	1 417 787	1 548 800	1 474 726	95,22
8. State Agency for Deposit Insurance and Bank Rehabilitation	575 893	663 590	367 438	55,37
9. Croatian Privatization Fund	62 946	47 900	237 044	494,87
C) Budgetary Local Government	9 407 683	10 250 205	10 458 865	102,04
2 EXPENSE (A+B+C)	94 286 501	100 045 007	100 509 599	100,46
A) Budgetary Central Government	80 607 176	84 637 233	85 239 932	100,71
B) Extrabudgetary users (1+...+9)	5 080 273	5 807 701	5 555 670	95,66
1. Croatian Institute for Pension Insurance	587 420	450 397	381 060	84,61
2. Croatian Health Insurance Institute	831 295	851 809	914 337	107,34
3. Croatian Employment Service	141 333	152 768	145 931	95,52
4. Croatian Waters	1 426 283	1 505 804	1 496 306	99,37
5. Environment Protection Fund	32 443	310 485	112 866	36,35
6. Croatian motorways Ltd.	752 254	1 111 953	1 086 270	97,69
7. Croatian roads Ltd.	934 630	1 060 800	1 062 781	100,19
8. State Agency for Deposit Insurance and Bank Rehabilitation	314 474	292 250	174 000	59,54
9. Croatian Privatization Fund	60 141	71 435	182 119	254,94
C) Budgetary Local Government	8 599 052	9 600 073	9 713 997	101,19
NET-GROSS OPERATING BALANCE (1-2)	2 140 466	2 683 521	2 594 185	
3 CHANGE IN NET WORTH: TRANSACTIONS	2 140 466	2 683 521	2 594 185	
31 NET ACQUISITION OF NONFINANCIAL ASSETS	10 494 818	9.850.441	9 017 286	91,54
Acquisition (A+B+C)	11 359 790	10.994 360	9 881 417	89,88
A) Budgetary Central Government	1 663 868	2.188 475	1 828 816	83,57
B) Extrabudgetary users	6 984 515	5.353 007	5 152 404	96,25
C) Budgetary Local Government	2 711 407	3.452 878	2 900 197	83,99
Disposals (A+B+C)	864 972	1 143 919	864 131	75,54
A) Budgetary Central Government	244 401	284.095	275 149	96,85
B) Extrabudgetary users	30 519	106 400	48 975	46,03
C) Budgetary Local Government	590 052	753 425	540 007	71,67
NET LENDING-BORROWING (1-2-31)	-8 354 352	-7 166 920	-6 423 101	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)	8 354 352	7 166 920	6 423 101	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	104 242	-3 153 392	1 349 795	
321 Domestic (A+B+C)	96 150	-3 169 684	1 354 652	
A) Budgetary Central Government	138 090	-2 952 516	1 749 621	
B) Extrabudgetary users	-119 979	-16 233	-91 230	
C) Budgetary Local Government	78 039	-200 936	-303 739	
322 Foreign (A+B+C)	8 092	16 292	-4 857	
A) Budgetary Central Government	9 786	16 292	-4 857	
B) Extrabudgetary users	0	0	0	
C) Budgetary Local Government	-1 694	0	0	
323 Monetary gold and SDRs	0	0	0	
33 NET INCURRENCE OF LIABILITIES (331+332)	8 458 594	4 013 528	7 772 896	
331 Domestic (A+B+C)	4 339 219	6 984 324	11 911.234	
A) Budgetary Central Government	4 038 705	5 323 174	10 591 560	
B) Extrabudgetary users	68 975	1 422 052	1 450 121	
C) Budgetary Local Government	231 539	239 097	-130 447	
332 Foreign (A+B+C)	4 119 375	-2 970 796	-4 138 338	
A) Budgetary Central Government	270 335	-4 292 392	-5 080 612	
B) Extrabudgetary users	3 945 985	1 413 000	1 035 280	
C) Budgetary Local Government	-96 946	-91 404	-93 006	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 23: GENERAL GOVERNMENT DEBT STOCK

	31.12. 2002 [§]		31.12. 2003 [§]		31.12.2004 [§]		31.3.2005 [§]		30.6.2005 [§]		30.9.2005 [§]		30.12.2005 [§]	
	<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	45 022,8	20,2	45 420,1	20,4	45 792,3	20,6	45 477,3	20,4
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	36 372,7	16,3
2. Foreign debt of Extrabudgetary funds	2 755,4	1,5	4 463,2	2,3	7 902,3	3,8	8 041,8	3,6	8 406,0	3,8	8 795,6	3,9	8 905,3	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	199,2	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	55 583,9	25,0
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	50 492,8	22,7
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	3 782,1	1,7
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	97 317,1	43,7	98 835,3	44,4	100 506,0	45,1	101 061,2	45,4
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	86 865,5	39,0
2. Total debt of Extrabudgetary funds (A2+B2)	10 414,5	5,8	10 710,7	5,5	11 813,5	5,7	12 687,1	5,7	13 990,8	6,3	14 617,1	6,6	12 687,4	5,7
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	1 508,3	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	12 149,2	5,5	12 222,8	5,5
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	7 091,9	3,2	6 954,3	3,1
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	5 268,5	2,4
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	7 135,5	3,2
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	6 600,1	3,0
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	535,4	0,2

Note: See notes on methodology

Source: Ministry of Finance, NBS for GDP

PUBLIC DEBT

By the end of 2005, general government debt amounted to HRK 101.1 billion reaching 45.4% of the expected GDP. Out of that, HRK 45.5 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 86.8 billion or 85.9%) followed by extrabudgetary funds (12.6%) and local government (1.5%). Central government also made the largest part of foreign debt (80.0%), although less than half (41.9%) of central government debt is created by foreign borrowing. On the other hand, most of the extrabudgetary funds' borrowing (70.2%) 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 of 2005 to HRK 113.3 billion or 50.9% of GDP. Out of that, 46.3% or HRK 52.4 billion related to the external component of public debt. Total issued government guarantees reached HRK 12.2 billion or equivalently 5.5% of GDP out of which HRK 7.0 billion or 56.9% referred to foreign guarantees. In the same period the debt of the HBOR amounted to HRK 7.1 billion and was almost completely (92.5%) created by borrowing abroad.

Compared to end of 2004, general government debt increased by 9.1%, primarily as a result of central stronger government borrowing (issuance of a HRK 3.5 billion worth bond in December 2005), while the borrowing of extrabudgetary funds

which recorded a significantly slower growth (7.4%) compared to the rest of the year (average yearly growth rate in the first eleven months amounted to 16.8%). Faster general government debt growth (9.7% in December compared to 7.7% in November) is the result of the mentioned bond issuance but still remains below the level of average yearly growth recorded in the first eleven months (12.0%). Foreign debt decreased by 9.3% as a result of increased borrowing of central government on the domestic market (foreign central government debt decreased by 13.3%) which has been to a certain extent neutralised by stronger foreign borrowing of extrabudgetary funds that grew at 12.7%. Compared to the end of 2004, foreign debt decreased by HRK 4.6 billion or 9.3%, primarily as result of a EUR 500 million bond rollover on the domestic market in March.

Compared to general government debt, public debt grew somewhat slower (8.0%). The foreign component of public debt decreased by 9.4% as a result of mentioned developments in general government debt and reduced issuance of foreign guarantees which decreased by 10.1%. The faster growth of HBOR debt recorded in November (10.5%) has further accelerated in December (23.5%). This is an extension of the stronger foreign borrowing started by the end of the third quarter which peaked in December at 22.4%, but also a result of the surge in domestic borrowing that recorded a 40.1% growth compared to the end of 2004.

TABLE 24: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT**DOMESTIC DEBT STOCK IN 000 (31. DECEMBER 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	431 583	2011	7,20%
Big Bonds - Series III	EUR	59 048	435 519	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 475 125	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 687 813	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	4 794 157	2014	5,50%
Bonds - Series 06 D-07	EUR	400 000	2 950 250	2007	3,875%
Bonds - Series 07 D-19	EUR	200 000	1 475 125	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	2 581 469	2015	4,25%
Bonds - Series 10 D-15	HRK	3 500 000	3 500 000	2015	5,25%
BRA Bonds I	EUR	39 302	289 877	2007	6,00%
BRA Bonds II	EUR	23 197	171 095	2012	5,00%
BRA Bonds III	EUR	61 229	451 599	2012	7,20%
BRA Bonds IV	EUR	31 754	234 202	2012	5,00%
BRA Bonds V-A	EUR	1 089	8 032	2007	6,00%
BRA Bonds V-B	EUR	81 394	600 332	2008	7,00%
Club loan	EUR	231 360	1 706 425	2006	3,65%
Syndicated FX loan	EUR	500 000	3 687 813	2010	2,63%
Medium and long term debt			34 318 496		
Treasury Bills	HRK	11 718 000	11 718 000		
	EUR	110 560	815 449		
Other short-term debt	HRK	391 425	391 425		
Short-term debt			12 924 874		
Total debt			47 243 370		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

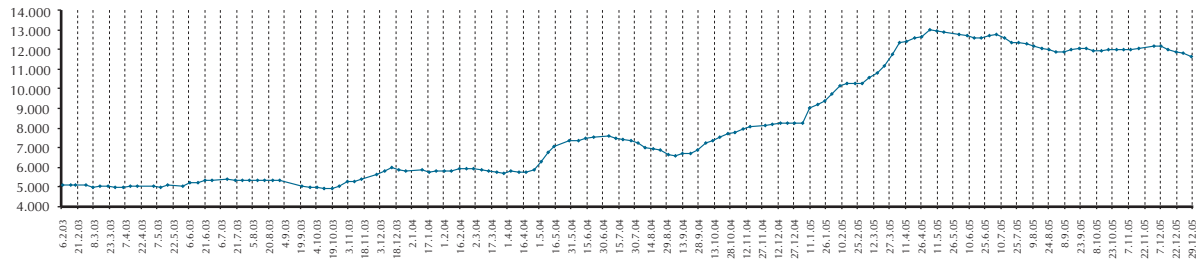
TABLE 25: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(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%	47 500	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%

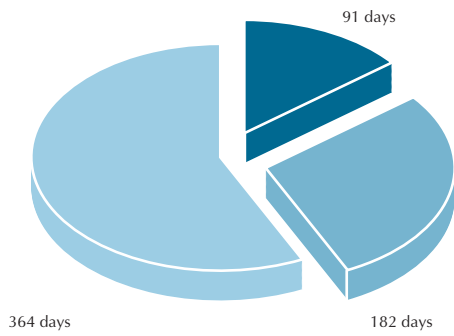
Note: See notes on methodology

Source: Ministry of Finance

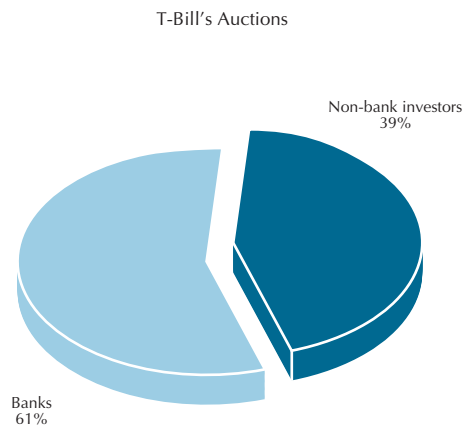
T-Bill's Outstanding Debt



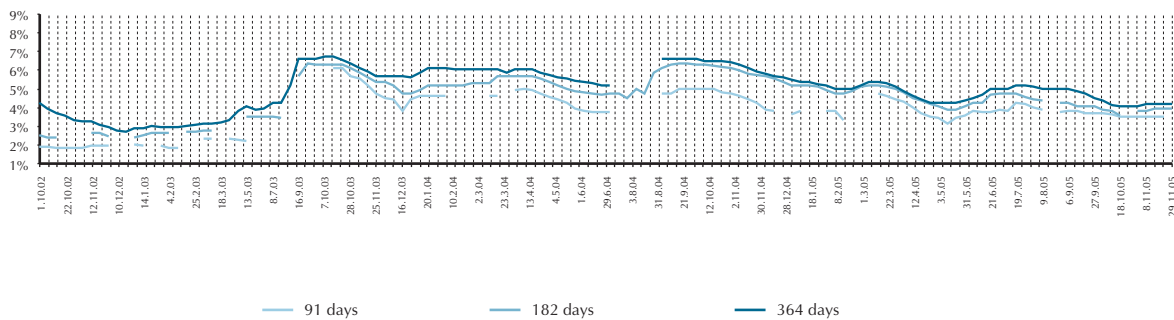
Structure of outstanding T-Bill's on 31 December 2005



Structure of bids accepted according to buyers



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 schemes. 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).

Tablica 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

Cabinet of the Minister

Minister for Finance: Ivan Šuker, B. Sc.
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: Zdravko Marić, M. Sc.
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
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Programmes and Projects: Vladimira Ivandić, M. Sc.
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Tax administration: Ivica Mladineo, M. Sc., Head
Customs administration: Mladen Barišić, M. Sc., Director
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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			
		March 06	April 06	May 06	June 06
SDDS Data Category		March 06	April 06	May 06	June 06
General Government operations	1)			(03/06)	
Central Government operations	2)	(01/06)	(02/06)	(03/06)	(04/06)
Internal Central Government Debt	3)	(01/06)	(02/06)	(03/06)	(04/06)

- 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