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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	VIII	IX	X	XI	XII	I	II
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	4,7	5,9	7,1	6,3	3,0	5,9	7,3
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	5,1	3,6	1,7	2,0	0,8	3,6	-
Total volume of construction projects, growth rate as %	-9,1	3,6	12,8	22,8	2,0	-0,8	-6,6	-5,6	2,3	7,1	5,5	5,6	8,8	8,0	4,4	13,3	-
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	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	1,5	2,1	1,8	2,3	2,7	3,2	3,6
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	3,8	4,1	3,8	3,6	3,9	3,6
Total persons in employment, end of period	1 321 476	1 340 504	1 351 364	1 387 910	1 397 416	1 400 450	1 384 154	1 417 284	1 419 962	1 400 450	1 429 303	1 419 962	1 412 763	1 408 588	1 400 450	1 406 572	1 403 834
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	291 014	294 310	300 645	305 533	307 851	314 166	313 627
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	16,9	17,2	17,5	17,8	18,0	18,3	18,3
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	5,2	4,7	4,5	5,0	4,4	6,2	-
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	6 306	6 202	6 184	6 588	6 409	6 386	-
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	5,98	6,05	6,14	6,25	6,23	6,10	6,13
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	7,35	7,43	7,39	7,37	7,39	7,38	7,33
Trade Balance (mil. USD)	-3 455	-4 481	-5 818	-8 022	-8 559	-9 738	-2 104	-2 781	-2 373	-2 479	-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	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	1 453	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	8 625	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	29 419	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	45 892	46 077	46 824	47 007	47 243	47 716	-
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	18,9	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%	4,00%	3,90%	3,70%	3,70%	3,70%	3,30%	3,05%
ZIBOR (3 m), average	11,10%	7,90%	4,60%	5,50%	7,35%	6,19%	6,52%	5,65%	6,77%	5,82%	7,43%	6,46%	5,69%	5,85%	5,90%	5,30%	4,97%

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

# MACROECONOMIC TRENDS

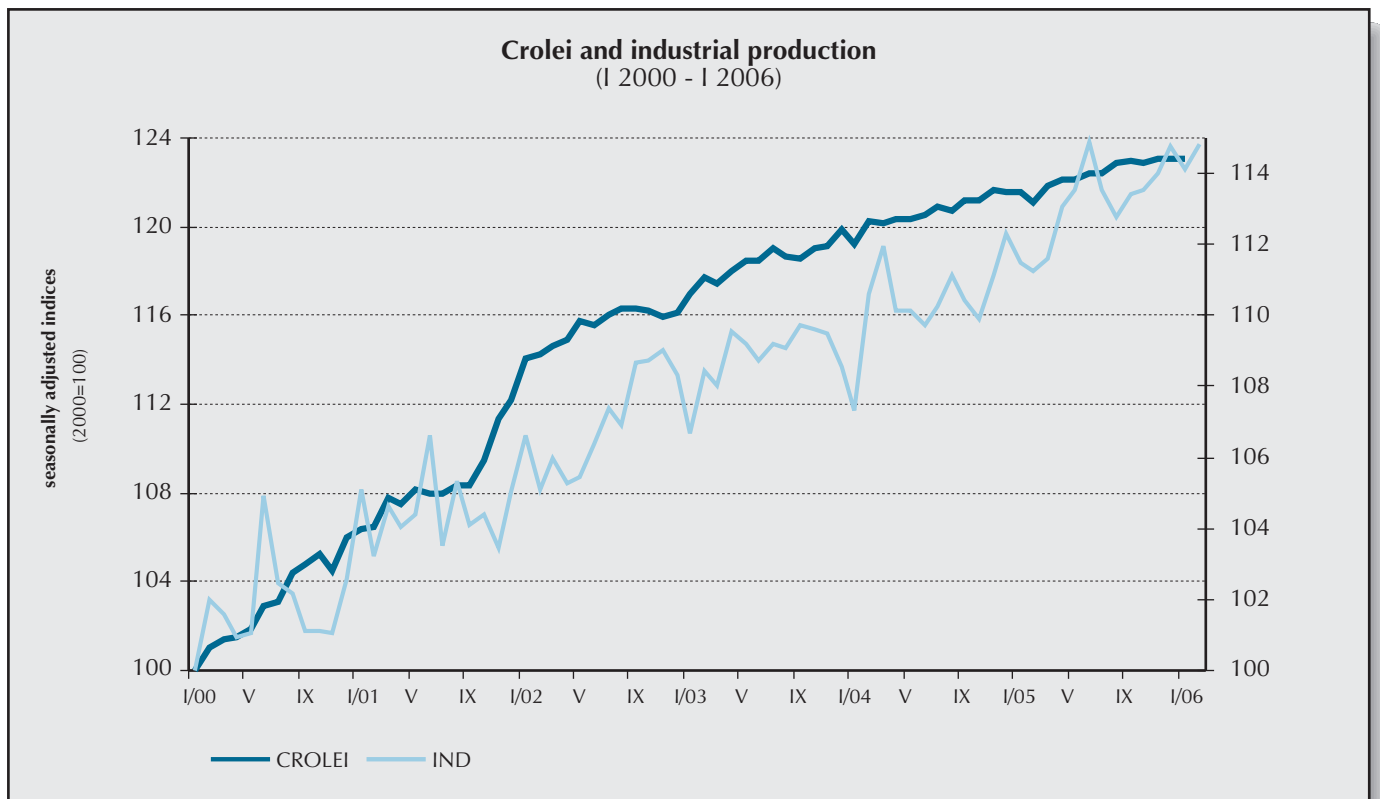
## CROLEI LEADING INDICATORS OF INDUSTRIAL PRODUCTION

After CROLEI index recorded a slight decrease in its value of 0.03 points in December 2005, in January 2006 it recorded an increase in its value of 0.03 points. Within the index structure, which comprise 11 components, six of them recorded a decrease in their values, four components recorded an increase and one component stayed at the same level as previous month. Therefore, a diffusive index, which is calculated as a share of the abovementioned indicators which show an increase in total number of series, amounted to 36.4 percent. Considering very slight decrease of index in December 2005 followed by slight growth of index in January 2006, continuation of a moderate growth in economic activity can be expected in Croatian economy in following six months.

Within the CROLEI index structure, six components recorded decreases in their seasonally adjusted values while four components recorded increases in the same time. Decreases of seasonally adjusted values were recorded in imports of machinery and transportation equipment (international trade sector), total liquid funds, foreign reserves of commercial banks, total cash of participants in the payment system and domestic currency time and savings deposits of commercial banks (monetary sector), as well as in unconsolidated budget revenues (fiscal sector).

On the other hand, all four components from real sector (nominal net wage, real retail trade turnover, total tourist bed-nights, registered persons employed) recorded an increase in their seasonally adjusted values compared with December 2005. Cash market interest rate on other loans was realized in the same amount as previous month.

It is worth mentioning that almost all observed components either oscillate or record a long-term upward trend in the observed period. Only real retail trade turnover recorded a decrease over a six-month period which ended in January 2006. Namely, since the third quarter of 2005 a decrease in the level of seasonally adjusted retail trade turnover was recorded. After high annual growth of real retail trade turnover of 6.0 percent in the second quarter of 2005, its annual growth slowed down to 2.7 percent in the third quarter and 2.1 percent in last quarter of 2005. Data on inventories in the industry, as well as the data on the slowing down of the import growth of the durable and nondurable consumption goods indicate a weakening of domestic demand for consumption goods which manifested itself as stagnation in the retail trade activity. Pursuant to the latest data, this stagnation of the retail trade turnover ended with the turnover increase in January 2006.



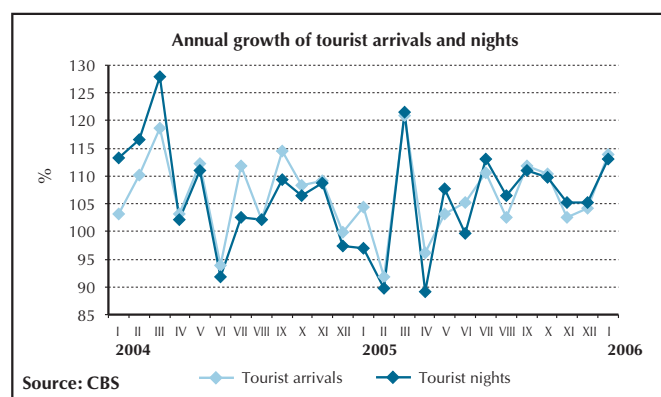
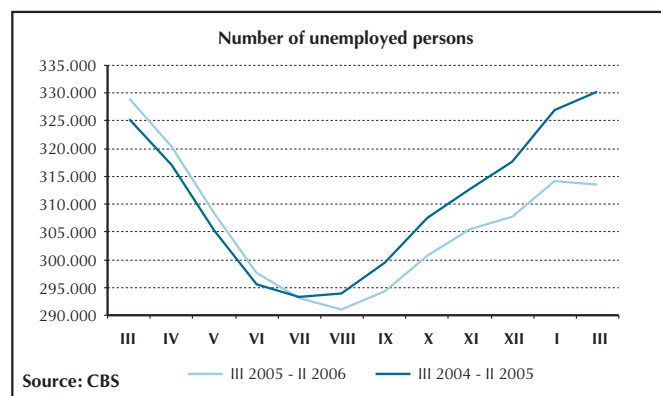
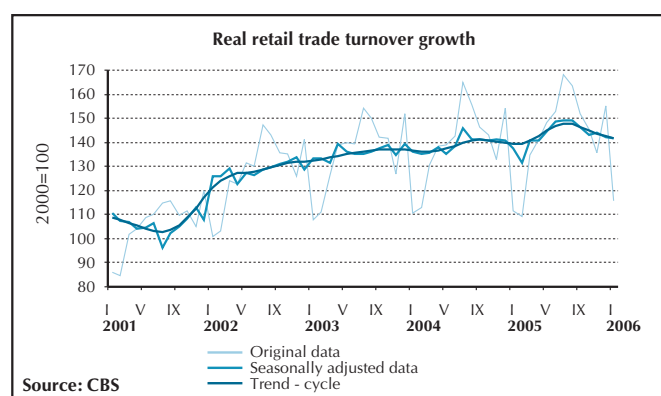
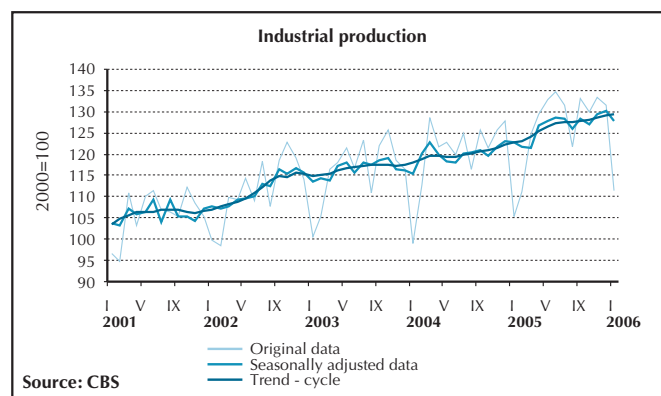
## REAL SECTOR

Beginning of year 2006 was characterized by favorable macroeconomic trends in real sector. Industrial production reached high annual growth rate of 5.9 percent in January. Retail trade growth was also impressive: nominal growth rate amounted to 7.2 percent, while real growth was 3.6 percent. After successful tourist season in year 2005, beneficial tourism trends are also expected in 2006, because annual growth rate of tourists' nights and arrivals in January was above 13 percent. January is third consecutive month in which growth rate of exports of goods is higher than growth rate of imports of goods. Total exports of goods expressed in HRK rose annually by 32.8 percent while total imports of goods went up by 27.4 percent. Continuation of positive economic trends at the beginning of year 2006 led to decrease in unemployment. In January 2006 there were 12,772 or 3.9 percent persons less unemployed than in the same month of previous year, while the unemployment rate decreased by 0.7 percent in the same period. Decline of unemployed persons was also continued in February when the annual decrease amounted to nearly 17,000. High growth rates of industrial production and retail trade and higher growth rate of exports than imports of goods, with reducing unemployment at the same time, confirm that the period of accelerated economic activity is continued. These circumstances could cause extension of accelerated growth of GDP in first quarter of year 2006.

Total volume of industrial production continued its rapid growth in January 2006, when it went up annually by 5.9 percent. In consideration should be taken the fact that January 2006 had one working day more than January of previous year, but in January 2005 growth rate was also high, 6.3 percent. Trend index of total industrial production is 0.2 percent higher in January 2006, when compared to December 2005. According to slower industrial production growth in first quarter of previous year, if this growth trend continues, it can be expected accelerated industrial production growth in first quarter of 2006 and consequently, its positive effect on GDP growth. When observed by main industrial groupings, the highest growth in January was recorded in intermediate products (7.1 percent), durable consumer goods (5.5 percent) and capital goods (4.9 percent). When observed by activities, electricity, gas, steam and hot water supply rose by 7.7 percent, mining and quarrying by 5.7 percent, while activity which has the largest share (81.8 percent) in total industrial production - manufacturing, increased by 5.0 percent. The highest contribution to the manufacturing growth in January came from manufacture of food products and beverages which went up by 9.5 percent and manufacture of other non-metallic mineral products (14.9 percent). From other categories high growth rates are recorded in manufacture of machinery and equipment (21.3 percent) and manufacture of fabricated metal products (9.1 percent).

Nominal annual growth of retail trade turnover in January 2006 amounted to 7.2 percent, while real growth amounted to 3.6 percent. Higher retail trade growth rate must have been supported by extension of high growth of loans to households, which increased at annual level by 21.8 percent in January. Although data about salaries for January aren't still available, increase in number of employed persons of more than 2,000, compared to January of previous year, could signify that retail trade growth was backed up by increase in amount of salaries. When observing nominal retail trade turnover by activities in

January, it can be seen that the highest annual growth rate was recorded in retail trade of automotive fuel (23.3 percent), which was influenced by increase in oil prices, while sale, maintenance and repair of motor vehicles rose by 5.9 percent.



## MONETARY TRENDS

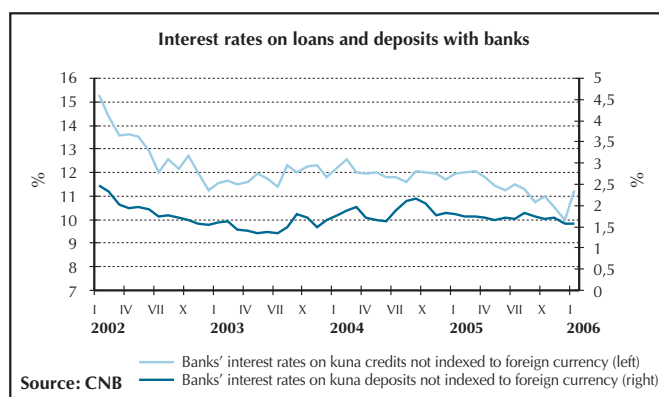
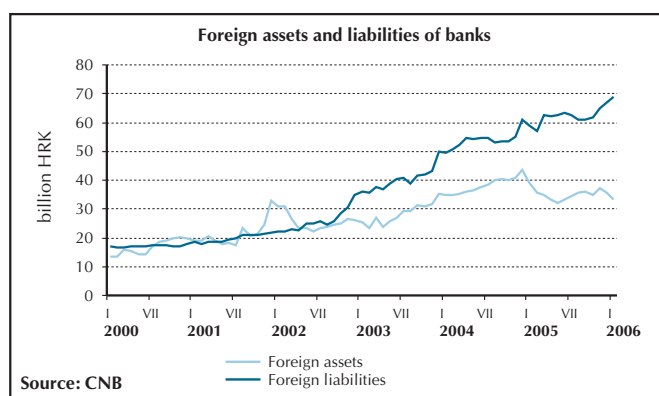
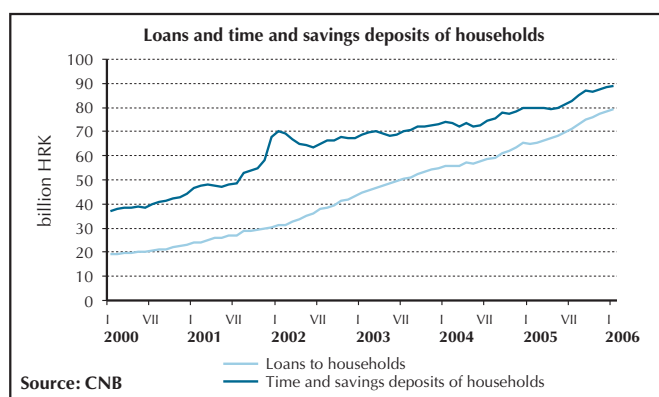
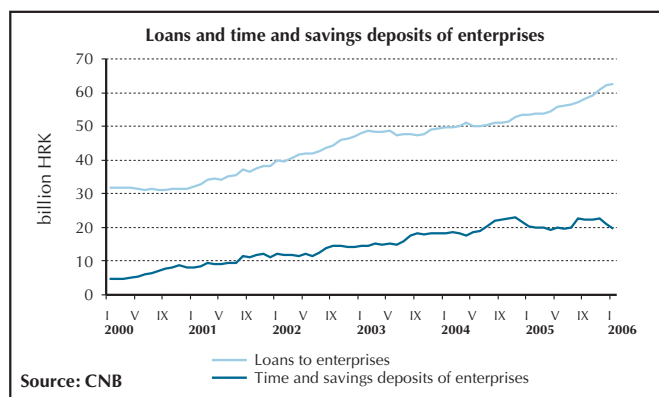
Annual growth rate of commercial banks' loans amounted to 19.9 percent in January, which, compared to previous month, makes a decrease of 0.5 percentage points. The highest contribution to the loans' growth came from households sector, which total loans went up at annual level by 21.8 percent, while housing loans rose by 31.4 percent. When observing loans to the enterprises, its annual growth rate accelerated from 16.3 percent in December to 17.7 percent in January. This increase in January 2006 is more than doubled when compared to January 2005 when rise amounted only to 7.0 percent. Commercial banks' loans to central government were in January at 21.3 percent higher level than in the same month of previous year, which is in line with government more intensive borrowing on domestic financial market.

Total deposits with commercial banks amounted to HRK 139.1 billion at the end of January, which makes an annual increase of 9.7 percent. When compared to December, total deposits were decreased by HRK 2.3 billion or 1.6 percent. Demand deposits with banks were at level of HRK 25.5 billion at the end of January, which makes a decline of HRK 1.1 billion compared to previous month. Total kuna time and savings deposits with commercial banks decreased nominally in January by HRK 183 million or 0.7 percent, compared to previous month, and they stood at level of HRK 27.8 billion. The highest contribution to this decline came from deposits of enterprises, which went down by HRK 693 million and from non-banking financial institutions whose deposits decreased by HRK 277 million. Deposits of households increased by HRK 503 million and deposits of other banking institutions by HRK 127 million.

Foreign exchange time and saving deposits with commercial banks went down to the level of HRK 85.5 billion at the end of January, which makes a decrease of HRK 960 million when compared to December. This decline was mainly caused by a decrease of deposits of enterprises in amount of HRK 562 million and a decrease of households' deposits of HRK 331 million. Annual growth rate of foreign exchange time and saving deposits amounted to 6.8 percent in January.

Total foreign assets of commercial banks went down in January by HRK 2.4 billion or 6.7 percent and stood at level of HRK 33.2 billion, which makes a decrease of 15 percent compared to the same month of previous year. Total foreign liabilities increased in January by HRK 1.9 billion or 2.9 percent and reached the level of HRK 69 billion, which is 17.3 percent higher than in January 2005. Those trends determined net foreign asset which stood at level of HRK -35.8 billion at the end of January.

Average bank interest rates on kuna credits not indexed to foreign currency amounted in January 2006 to 11.16 percent, which makes an increase when compared to December when they amounted to 9.91 percent, and a decrease compared to January of previous year when they were 11.80 percent. Average bank interest rates on kuna deposits not indexed to foreign currency stood at level of 1.56 percent in January. This means that they decreased when compared to December when they were 1.58 percent, and they also decreased compared to January 2005, when they amounted to 1.79 percent.



## INTERNATIONAL SECTOR

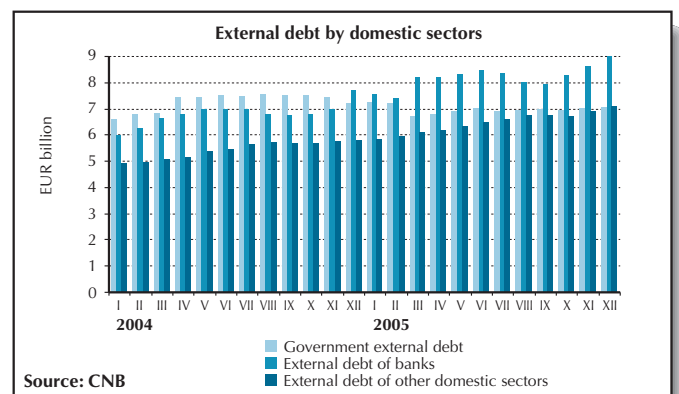
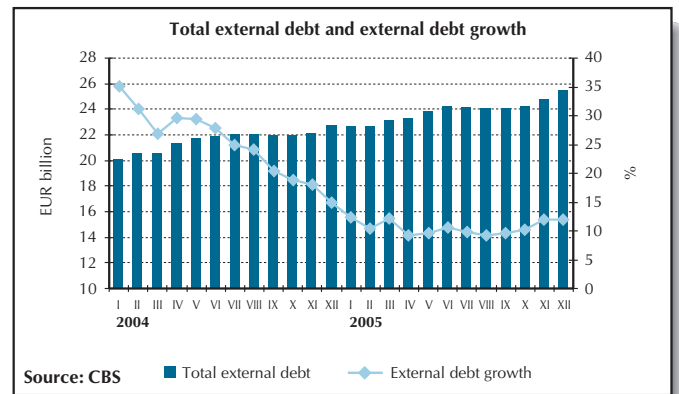
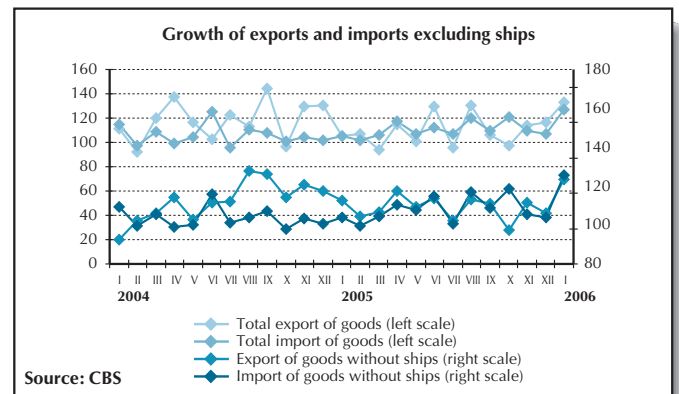
January 2006 is third consecutive month in which growth rate of exports of goods was higher than growth rate of imports of goods. Total exports of goods expressed in HRK rose annually by 32.8 percent while total imports of goods went up by 27.4 percent. When category of other transport equipment is excluded from total merchandise exports and imports, it can be seen that in January export increased by 27.6 percent, while import rose by 30 percent. High growth rates of merchandise export and import, along with high growth of industrial production imply extension of accelerated economic activity. The coverage of imports of goods by exports of goods amounted to 53.5 percent in January 2006, which shows a rise of 2.2 percentage points when compared to the same month of previous year.

When observing the external trade by activities in January, it can be seen that the highest contribution to the growth came from manufacture of coke, refined petroleum products and nuclear fuel whose export went up by 104.2 percent, then from manufacture of other transport equipment (101.9 percent) and from manufacture of machinery and equipment (38.3 percent). Import growth was mainly caused by manufacture of coke, refined petroleum products and nuclear fuel which increased annually by 245 percent, manufacture of food products and beverages (30 percent) and manufacture of motor vehicles, trailers and semi-trailers (24.3 percent). External trade trend in 2005 was mainly determined by oil prices growth on imports side, and lower ships' export on exports side. These will also be leading determinants of the merchandise exports and imports growth in current year, so deceleration of oil prices growth would slow down growth of imports while higher ships' export would give major contribution to the export growth.

The highest share in total merchandise exports in January continued to have export to Italy, which made 28.5 percent of total Croatian merchandise exports, while export to Germany formed 10.8 percent, Bosnia and Herzegovina 9.9 percent, Slovenia 7.8 percent and Austria 6.5 percent of total merchandise exports. When compared to January 2005, export to Bosnia and Herzegovina was 7.5 percent higher, to Slovenia 18.1 percent, to Germany 13.1 percent, to Italy 88.9 percent, while export to Austria fell by 8.6 percent. When foreign trade expressed in USD is observed, export rose annually by 25.6 percent in January, while import increased by 20.5 percent. This discrepancy in growth rates of exports and imports of goods expressed in HRK and in USD are the result of the fact that the majority of Croatian foreign trade is conducted in EUR with countries members of European Union, so at US dollar's statistic of foreign trade significant influence has exchange rate of dollar against euro.

Total foreign debt stood at the level of EUR 25.5 billion at the end of year 2005. In 2005 it was increased by EUR 2.7 billion, which is less than an increase of almost EUR 3 billion in year 2004. Annual growth rate of foreign debt also decelerated from 15 percent in 2004 to 12.5 percent in year 2005. The highest contribution to the external debt growth in year 2005 came from other sectors which foreign debt increased by EUR 1.3 billion, and from banks which debt also rose by EUR 1.3 billion. When observing other sectors, foreign debt made by foreign direct investments increased by EUR 320 million, while government debt fell by EUR 190 million, which is according to government's more intensive borrowing on domestic financial market. There have also been significant changes in foreign debt structure, of which the most important is decrease of government share in

debt from 31.8 percent in December 2004 to 27.7 percent of total external debt in December 2005. In the same period share of foreign debt of banks has been increased from 33.8 to 35.2 percent and share of other sectors rose from 25.5 to 27.9 percent.





## CONSOLIDATED CENTRAL GOVERNMENT - JANUARY 2006

### REVENUES

In January 2006, total revenues of consolidated central government amounted to HRK 7.0 billion which makes an annual increase of 10.1 percent. The realization of revenues for January 2006 is significantly higher than expected.

Observing consolidated central government according to government level, it can be seen that the largest share in total revenues relates to the central government budget (95.6 percent) and the rest of the sum refers to extrabudgetary funds and agencies. The highest level of revenues was recorded by Croatian Waters and Croatian Motorways. The largest part of the extrabudgetary funds and agencies revenues were realized through grants, property income and miscellaneous and unidentified revenues. Croatian Health Insurance Institute, Croatian Waters and Environment Protection Fund realized some revenues through sales of goods and services.

The tax revenues represent the most important revenues category in consolidated central government. They were realized in the amount higher than planned with an annual increase of 10.6 percent. Tax revenues make 55.5 percent of the overall revenues collected for January. The largest part of the tax revenues is generated through value added tax. In January 2006, revenues from value added tax were realized above all expectations. They amounted to HRK 2.3 billion with an annual growth of 12.1 percent. It is worth to mention, as of 1<sup>st</sup> January, 2006 the ratio of the VAT in tourism is reduced which represents a major progress in the public finance. Namely, the VAT rate is reduced from 22 percent to 10 percent for tourist overnight stays, bed and breakfast, half-board and full-board, abolishing at the same time zero rates for organized tourist arrivals from abroad.

Revenues from excises in January 2006 amounted to HRK 837.0 million which represents an annual increase of 4.5 percent. Excises on cars and excises on tobacco products had the strongest influence on the overall development of the excises revenues.

The majority of revenues from excises were realized in the higher amount compared with the same period last year. Revenues from excises on alcohol and excises on non-alcoholic beverages were realized in the lower amount compared to the January 2005 while excises on oil and oil derivatives recorded approximately same amount as last year.

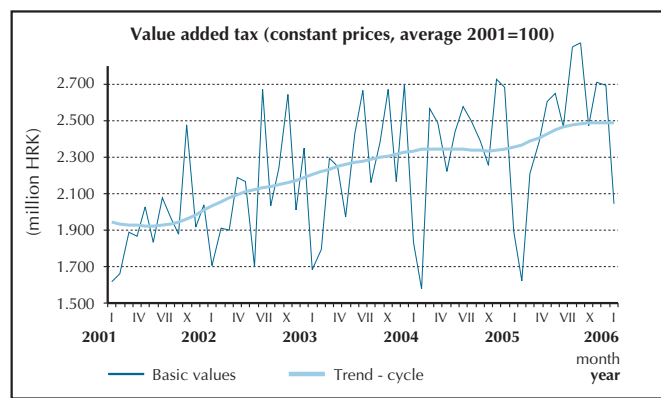
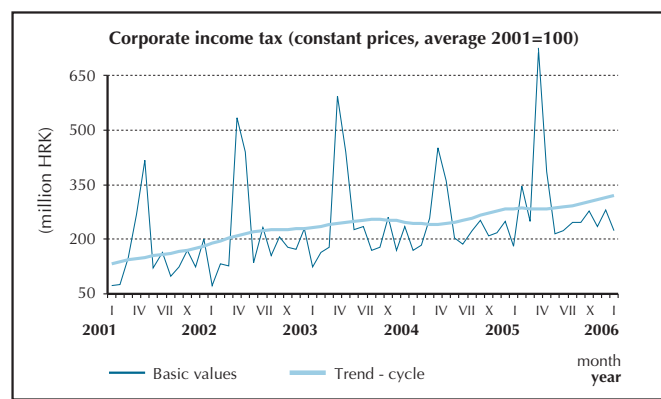
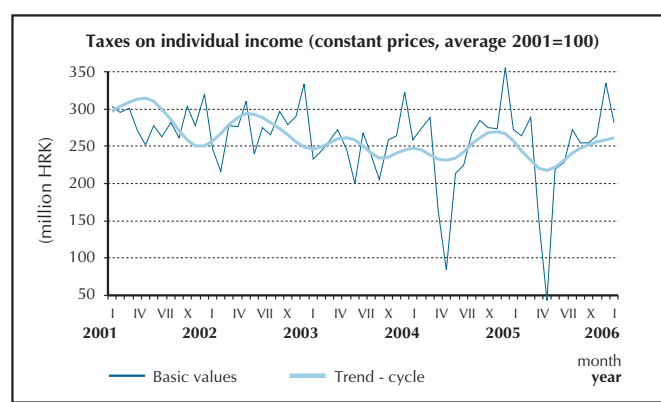
Within the structure of excises, the highest annual growth was recorded by excises on personal cars (28.3 percent). Excises on personal cars grew significantly due to greater car sales in the observed period. Excises on oil derivatives accounted for the 54.1 percent in total excises revenues having the strongest influence on the overall developments of the excises revenues. Revenues from excises grew by 0.9 percent compared to January 2005.

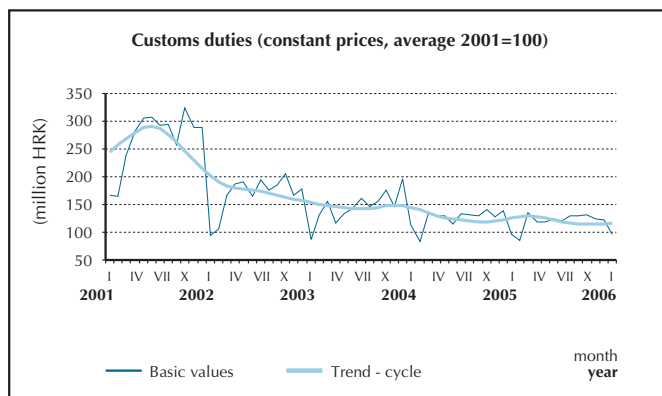
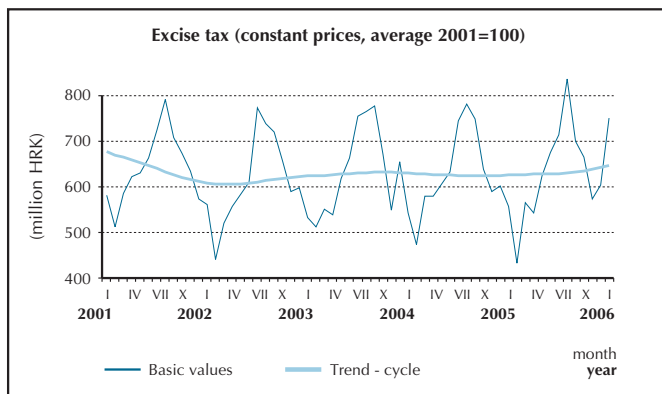
Revenues from excises on tobacco and tobacco products were realized in the amount of HRK 201.8 million representing an annual increase of significant 14.4 percent. Since August 2005, customs maintain strict checks of production and trade in tobacco products which has resulted in greater excises revenues from tobacco and narrowing of unofficial economy. Other excises were realized as planned, except excises on alcohol which recorded annual decrease

of 20.2 percent and excises on non-alcoholic beverages which recorded annual decrease of 11.6 percent.

Income tax revenues were realized in the amount of HRK 313.5 million, representing growth of 7.3 percent compared with January 2005 due to growth of gross wages and number of employees.

High growth of profit taxes accomplished in the year 2005 continued to follow the similar trend in January 2006. In January 2006, profit taxes amounted to HRK 248.3 million which represents an annual increase of 28.5 percent. Revenues from taxes on property amounted to HRK 28.9 million (annual increase of 19.6 percent) and were completely accomplished by budgetary central government. Collected revenues from taxes on property refer on revenues on capital and financial transactions.





Revenues from taxes on international trade and transactions were completely accomplished by the budgetary central government. They recorded an annual growth of 4.6 percent and were realized above the planned level. Other taxes stood at HRK 26.8 million.

Social contributions, which are the second most important revenues of consolidated central government, make 37.2 percent of total generated revenues in January 2006. Social contributions were completely accomplished at the level of budgetary central government. They amounted to HRK 2.6 billion which represents an annual increase of 5.5 percent. Within the structure of social contributions the largest part refers to employers' contributions (HRK 1.4 billion) with an annual growth of 5.7 percent and contributions to employees (HRK 1.2 billion) with an annual growth of 4.8 percent. The remaining HRK 50.4 million accounted for the contributions of self-employed and unemployed persons, which record an annual growth of 18.4 percent.

Other revenues were realized in the amount of HRK 507.8 million which represents an annual growth of 36.8 percent. The largest part of other revenues were realized through sales of goods and services and miscellaneous and unidentified revenues and the rest of collected sum refers to property income and fines, penalties and forfeits. Sales of goods and services stood at HRK 224.2 million. The largest part of this sum (68.0 percent) refers to administrative fees.

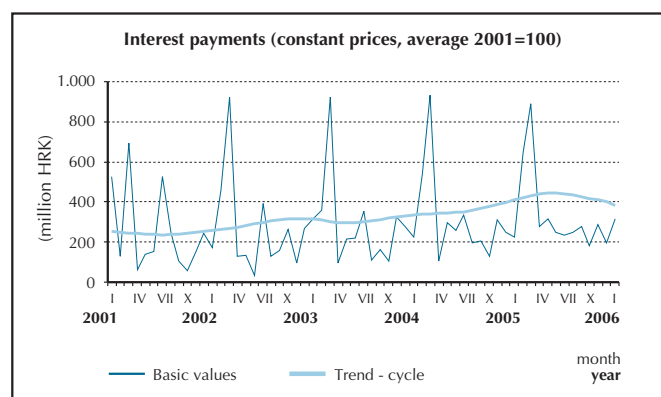
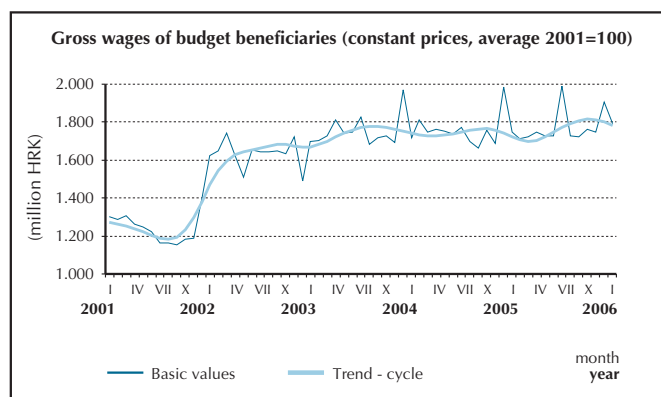
Croatian Waters collected HRK 79.1 million administrative fees revenues and the rest of the sum was collected by budgetary central government (HRK 54.7 million) and Environment Protection Fund (HRK 16.3 million). Administrative fees grew by 31.5 percent compared to the January 2005. Property incomes were realized at the amount of HRK 79.1 million which represents an annual increase of 164.8 percent. The largest part of property income refers to

dividends (HRK 46.2 million) which were realized at the budgetary central government level (HRK 13.1 million) and the rest of the sum refers to extrabudgetary funds and agencies. The rest of the property income refers to rents which amounted to HRK 25.2 million and interests. Fines, penalties and forfeits amounted to HRK 27.2 million which represents an annual increase of 17.3 percent. Miscellaneous and unidentified revenue stood at HRK 175.9 million which represents an annual growth of 2.5 percent.

## EXPENSE

Total expense of consolidated central government amounted to HRK 7.5 billion which represents 7.7 percent of the planned amount and annual decrease of 2.5 percent. Observing consolidated central government according to the government level, it can be seen that the HRK 7.1 billion refers to budgetary central government and the rest of the sum (HRK 407.3 million) refers to extrabudgetary funds and agencies. Budgetary central government recorded an annual decrease of 1.4 percent and extrabudgetary funds recorded a decrease of 18.9 percent.

The largest share of total expense of consolidated central government (46.3 percent) refers to social benefits, followed by compensation of employees (27.8 percent), use of goods and services (7.9 percent), interest (5.0 percent), other expense (4.6 percent), subsidies (4.5 percent) and grants (3.8 percent). Social benefits stood at HRK 3.5 billion, representing an annual increase of 3.4 percent. Observing the structure of social benefits, 71.4 percent refers to social security benefits, 28.3 percent refers to social assistance benefits while the remaining 0.3 percent refers to employer social benefits. Expenses for pensions in January stood at HRK 2.3 billion. Within the structure of expenses for pensions HRK 1.0 billion refers to expenses for old age pensions, HRK



355.6 million refers to pensions for disabled persons, HRK 269.3 million refers to family pensions and HRK 253.8 million refers to veterans pensions.

Expenses for healthcare system were realized at the level of HRK 1.2 billion. Expenses for hospital health care amounted to HRK 552.3 million, primary health care in the amount of 213.7 million and expenses for medicaments on prescription amounted to 205.5 million. Among other social benefits, important items are also child allowance (HRK 119.8 million), expenses for additional maternity leave (HRK 64.0 million) and expenses for unemployment (HRK 74.8 million).

Compensation of employees stood at HRK 2.1 billion which represents an annual increase of 6.6 percent. Within its structure the largest shares refers to wages and salaries, which amounted to 1.8 billion and social contributions which stood at HRK 317.6 million. In comparison with the January 2005 wages and salaries grew by 6.8 percent and social contributions grew by 5.2 percent.

Expense for use of goods and services amounted to HRK 595.4 million representing an annual increase of 8.8 percent. Expense for use of goods and services refer mostly on different types of services like telephone service, post and transportation services etc.

Expense for interest payments amounted to HRK 377.4 million. It can be seen that 54.4 percent of expenses for interest refers to interests to residents which confirms orientation towards domestic sources in financing. Interests to residents other than general government stood at HRK 205.5 million and interests to nonresidents amounted to HRK 171.9 million

Other expense recorded an annual decrease of 33.3 percent, expense for subsidies recorded a decrease of 41.8 percent and expenses for grants recorded also decrease of 37.7 percent. Among other expenses, capital expenses are the most important and they amounted to HRK 253.7 million (annual decrease of 36.2 percent). At the same time, the capital expenses of extrabudgetary funds and agencies also decreased significantly (33.2 percent). Capital expenses of consolidated central government stood at 96.1 million and recorded an annual decrease of 24.2.

Expense for subsidies recorded a significant decrease of 41.8 percent and they stood at HRK 338.7 million. Subsidies to public corporations amounted to HRK 207.1 million which represents an annual decrease of 30 percent. This is mostly result of decrease of expenses for subsidies to Croatian Railways (8.1 percent). The rest of the sum (HRK 131.6 million) refers to subsidies to private enterprises and is directed completely to stimulating agriculture production.

## TRANSACTIONS IN NON-FINANCIAL ASSETS

In January 2006 acquisition of non-financial assets (HRK 252.2 million) surpassed the disposal of non-financial assets (HRK 29.6 million) in the amount of HRK 222.6 million. According to these figures, net acquisition of non-financial assets was realized 29 percent lower than in the January 2005. The largest contribution of net acquisition of non-financial assets came from net acquisition of fixed assets (91.8 percent), mainly of buildings and structures and machinery and equipment. According to government level, more than 76 percent of total net acquisition refers to extrabudgetary funds and agencies, especially Croatian

Motorways and Croatian Roads and the rest of the sum refers to budgetary central government. On the other hand, disposal of non-financial assets mostly refers to fixed assets (disposals of buildings and structures).

## TRANSACTIONS IN FINANCIAL ASSETS

Net financial assets of consolidated central government in January 2006 amounted to HRK 252.8 million as a result of increase of domestic financial assets. Currency and deposits amounted to HRK 78.6 million. According to government level, currency and deposits of budgetary central government amounted to HRK 69.4 million and currency and deposits of extrabudgetary funds and agencies amounted to HRK 9.2 million. Net loans were recorded at the level of HRK 169.4 million as a result of greater acquisition (HRK 190.7 million) than disposal (HRK 21.3 million). According to government level, net loans of budgetary central government amounted HRK 164.2 million and extrabudgetary funds and agencies amounted to HRK 5.2 million. Net shares and other equity amounted in January HRK 4.9 million, which results from acquisition of shares and other equity in the amount of HRK 9.0 million and disposals of shares and other equity in the amount of HRK 4.1 million. Acquisition of shares and other equity refers completely on budgetary central government and disposals of shares and other equity refers to extrabudgetary funds and agencies.

## TRANSACTIONS IN LIABILITIES

Total net incurrence of liabilities of consolidated central government amounted to HRK 961.9 million. Net domestic liabilities amounted to HRK 528.2 million as a result of an increase in net incurrence of loans and net incurrence of securities other than shares. Incurrence of liabilities on the basis of loans stood at HRK 415 million and refers mostly to the budgetary central government. Repayments of liabilities on the basis of loans refer to budgetary central government (HRK 6.2 million) and Croatian Privatization Fund (HRK 499 thousands). Incurrence of liabilities on the basis of securities other than shares amounted to HRK 120 million and refers completely to budgetary central government. In January there were no repayments of securities other than shares.

Foreign liabilities were realized at the level of HRK 433.7 million as a result of greater incurrence on the basis of loans (HRK 1.2 billion) then repayments (HRK 746.8 million). According to government level, the largest part of this sum refers to budgetary central government (HRK 1.1 billion). Incurrence of extrabudgetary funds and agencies refers to foreign incurrence of Croatian Roads in the amount of HRK 40.6 million. Repayments of loans were recorded by budgetary central government in the amount of HRK 741.2 million and Croatian Waters in the amount of HRK 5.6 million.

## NET LENDING/BORROWING

Net operating balance of consolidated central government, defined as difference between total revenue and total expense, recorded the amount of HRK -486.4 million. By subtracting net acquisition of non-financial assets from net operating balance, a category net lending/borrowing is obtained, amounting to HRK -709.0 million. This amount is financed by described transactions in liabilities and financial assets, i.e. by difference between net liabilities (HRK 961.9 million) and net acquisition of financial assets (HRK 252.8 million).

TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE

(000 HRK)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>74 677 474</b>	<b>80 463 518</b>	<b>85 654 942</b>	<b>18 435 859</b>	<b>21 170 989</b>	<b>22 386 379</b>	<b>23 661 715</b>	<b>93 995 548</b>	<b>6 732 436</b>	<b>7,16</b>
<b>11</b>	<b>Taxes (111+113+114+115+116)</b>	<b>45 281 076</b>	<b>47 149 862</b>	<b>50 687 564</b>	<b>10 330 123</b>	<b>12 996 112</b>	<b>13 917 627</b>	<b>13 443 703</b>	<b>56 537 027</b>	<b>3 912 567</b>	<b>6,92</b>
<b>111</b>	<b>Taxes of income and profits and capital gains (1111+1112)</b>	<b>6 189 047</b>	<b>6 259 713</b>	<b>7 057 112</b>	<b>1 733 814</b>	<b>1 901 937</b>	<b>1 604 643</b>	<b>1 816 718</b>	<b>7 456 658</b>	<b>561 849</b>	<b>7,53</b>
1111	Payable by individuals	3 114 581	3 128 273	3 106 476	892 729	449 183	821 946	942 619	3 448 620	313 547	9,09
1112	Payable by corporations and other enterprises	3 074 466	3 131 440	3 950 636	841 085	1 452 754	782 697	874 099	4 008 037	248 302	6,20
1113	Unallocable	0	0	0	0	0	0	0	0	0	
<b>113</b>	<b>Taxes on property</b>	<b>289 926</b>	<b>355 823</b>	<b>375 501</b>	<b>84 651</b>	<b>88 023</b>	<b>88 978</b>	<b>113 849</b>	<b>399 803</b>	<b>28 869</b>	<b>7,22</b>
<b>114</b>	<b>Taxes on goods and services (1141+...+1146)</b>	<b>36 651 148</b>	<b>38 602 221</b>	<b>41 323 002</b>	<b>8 074 192</b>	<b>10 541 026</b>	<b>11 705 584</b>	<b>11 002 200</b>	<b>46 549 921</b>	<b>3 186 809</b>	<b>6,85</b>
1141	General taxes on goods and services (11411+11412)	28 260 009	30 013 661	32 399 952	6 236 797	8 356 744	9 075 964	8 730 447	34 153 259	2 288 304	6,70
11411	Value-added taxes	28 129 300	29 864 905	32 243 372	6 203 554	8 313 791	9 034 765	8 691 261	33 993 846	2 277 834	6,70
11412	Sales taxes	130 709	148 757	156 580	33 243	42 953	41 198	39 185	159 412	10 470	6,57
1142	Excises (11421+11422+11423+11424+11425+11426+11427+11428)	7 850 993	7 941 554	8 177 659	1 685 544	2 007 896	2 450 364	2 033 855	11 637 787	837 030	7,19
11421	- on cars, other motor vehicles, boats and planes	899 047	945 209	1 080 926	221 845	310 928	276 613	271 540	1 162 340	83 002	2,01
11422	- on petroleum products	3 345 888	3 325 659	3 337 501	700 426	796 313	982 467	858 296	6 485 199	452 857	12,85
11423	- on alcohol	234 125	230 796	228 386	60 510	48 859	65 320	53 697	244 643	21 183	8,66
11424	- on beer	746 255	718 278	702 386	111 768	173 983	264 943	151 692	723 306	51 079	7,06
11425	- on nonalcoholic beverages	131 377	132 984	141 905	27 353	36 517	50 607	27 427	167 560	10 909	6,51
11426	- on tobacco products	2 349 410	2 430 843	2 518 801	523 131	600 403	768 222	627 045	2 654 481	201 764	7,60
11427	- on coffee	125 344	135 437	145 334	35 461	35 366	35 769	38 738	177 911	12 886	7,24
11428	- on luxury goods	19 548	22 348	22 420	5 049	5 528	6 422	5 420	22 348	3 351	14,99
<b>115</b>	<b>Taxes on international trade and transactions</b>	<b>1 810 866</b>	<b>1 590 727</b>	<b>1 562 930</b>	<b>341 761</b>	<b>393 982</b>	<b>412 010</b>	<b>415 178</b>	<b>1 532 635</b>	<b>108 213</b>	<b>7,06</b>
<b>116</b>	<b>Other taxes</b>	<b>340 089</b>	<b>341 377</b>	<b>369 019</b>	<b>95 705</b>	<b>71 144</b>	<b>106 412</b>	<b>95 758</b>	<b>598 011</b>	<b>26 827</b>	<b>4,49</b>
<b>12</b>	<b>Social contributions</b>	<b>27 416 931</b>	<b>29 477 597</b>	<b>31 301 340</b>	<b>7 466 238</b>	<b>7 702 642</b>	<b>7 945 580</b>	<b>8 186 879</b>	<b>33 627 039</b>	<b>2 622 372</b>	<b>7,80</b>
121	Social security contributions (1211+1212+1213+1214)	27 416 931	29 477 597	31 301 340	7 466 238	7 702 642	7 945 580	8 186 879	33 627 039	2 622 372	7,80
1211	Employee contributions	12 334 662	13 139 274	13 857 360	3 324 732	3 412 895	3 524 240	3 595 493	16 930 000	1 175 338	6,94
1212	Employer contributions	14 323 245	15 737 707	16 695 492	3 973 130	4 096 600	4 236 563	4 389 200	16 697 039	1 396 658	8,36
1213	Self-employed or unemployed contributions	759 023	600 616	748 487	168 377	193 147	184 778	202 186	0	50 376	
1214	Unallocable contributions										
<b>13</b>	<b>Grants</b>	<b>10 407</b>	<b>10 122</b>	<b>27 505</b>	<b>3 322</b>	<b>10 763</b>	<b>6 524</b>	<b>6 897</b>	<b>577 373</b>	<b>875</b>	<b>0,15</b>
<b>14</b>	<b>Other revenue (141+142+143+144+145)</b>	<b>1 969 060</b>	<b>3 825 938</b>	<b>3 638 534</b>	<b>636 177</b>	<b>461 473</b>	<b>516 648</b>	<b>2 024 236</b>	<b>3 254 109</b>	<b>196 622</b>	<b>6,04</b>
<b>141</b>	<b>Property income (1411+1412+1413+1415)</b>	<b>417 485</b>	<b>2 667 701</b>	<b>2 226 646</b>	<b>276 915</b>	<b>139 505</b>	<b>101 953</b>	<b>1 708 273</b>	<b>1 615 923</b>	<b>39 245</b>	<b>2,43</b>
1411	Interest	19 433	35 752	62 783	21 762	391	888	39 742	57 624	1 657	2,88
1412	Dividends	108 123	1 868 841	1 123 346	0	80 977	0	1 042 369	170 174	13 076	7,68
1413	Withdrawals from income of quasi-corporations	5	146 820	192 516	0	0	0	192 516	942 734	0	
1415	Rent	289 925	616 289	848 001	255 153	58 137	101 065	433 647	445 391	24 511	5,50
<b>142</b>	<b>Sales of goods and services (1422+1423)</b>	<b>749 463</b>	<b>676 951</b>	<b>782 428</b>	<b>166 927</b>	<b>203 209</b>	<b>218 881</b>	<b>193 412</b>	<b>783 688</b>	<b>91 986</b>	<b>11,74</b>
1421	Sales of market establishments	0	0	0	0	0	0	0	0	0	
1422	Administrative fees	305 448	312 994	397 066	80 203	106 399	112 439	98 025	330 840	54 704	16,53
1423	Incidental sales by nonmarket establishments	444 015	363 957	385 362	86 723	96 810	106 442	95 387	452 848	37 282	8,23
<b>143</b>	<b>Fines, penalties, and forfeits</b>	<b>307 168</b>	<b>342 371</b>	<b>360 707</b>	<b>81 730</b>	<b>91 909</b>	<b>95 781</b>	<b>91 286</b>	<b>414 418</b>	<b>27 167</b>	<b>6,56</b>
<b>144</b>	<b>Voluntary transfers other than grants</b>	<b>1 523</b>	<b>249</b>	<b>5 653</b>	<b>3 821</b>	<b>-2 623</b>	<b>1 895</b>	<b>2 560</b>	<b>26 860</b>	<b>1 395</b>	<b>5,19</b>
<b>145</b>	<b>Miscellaneous and unidentified revenue</b>	<b>493 422</b>	<b>138 667</b>	<b>263 099</b>	<b>106 784</b>	<b>29 472</b>	<b>98 138</b>	<b>28 705</b>	<b>413 220</b>	<b>36 830</b>	<b>8,91</b>

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

**TABLE 3: BUDGETARY CENTRAL GOVERNMENT EXPENSE**

(000 HRK)	2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>77 075 487</b>	<b>83 131 114</b>	<b>87 857 459</b>	<b>23 341 727</b>	<b>20 628 497</b>	<b>20 787 111</b>	<b>23 100 125</b>	<b>95 368 326</b>	<b>7 378 544</b>	<b>7,74</b>
<b>21 Compensation of employees (211+212)</b>	<b>21 225 816</b>	<b>22 268 287</b>	<b>23 182 586</b>	<b>5 617 431</b>	<b>5 665 728</b>	<b>5 921 396</b>	<b>5 978 031</b>	<b>24 164 073</b>	<b>1 998 478</b>	<b>8,27</b>
211 Wages and salaries	18 037 101	18 888 605	19 699 216	4 761 265	4 796 503	5 034 502	5 106 946	20 544 719	1 694 247	8,25
212 Social contributions	3 188 715	3 379 682	3 483 370	856 166	869 225	886 894	871 085	3 619 354	304 231	8,41
<b>22 Use of goods and services</b>	<b>4 170 611</b>	<b>4 358 721</b>	<b>4 951 912</b>	<b>1 435 813</b>	<b>1 063 387</b>	<b>1 100 945</b>	<b>1 351 767</b>	<b>6 270 043</b>	<b>453 602</b>	<b>7,23</b>
<b>24 Interest (241+242+243)</b>	<b>3 587 329</b>	<b>3 972 466</b>	<b>4 387 010</b>	<b>1 913 923</b>	<b>915 123</b>	<b>826 752</b>	<b>731 212</b>	<b>4 566 988</b>	<b>352 306</b>	<b>7,71</b>
241 To nonresidents	1 879 420	1 976 502	2 053 588	1 393 700	327 098	189 556	143 234	1 808 822	149 004	8,24
242 To residents other than general government	1 707 909	1 995 964	2 333 422	520 223	588 026	637 195	587 978	2 758 167	203 301	7,37
<b>25 Subsidies (251+252)</b>	<b>4 292 712</b>	<b>4 968 069</b>	<b>5 248 744</b>	<b>1 815 513</b>	<b>943 475</b>	<b>969 624</b>	<b>1 520 132</b>	<b>5 297 470</b>	<b>336 353</b>	<b>6,35</b>
251 To public corporations	1 942 932	2 783 462	2 784 825	814 954	619 570	585 987	764 314	2 608 697	207 103	7,94
252 To private enterprises	2 349 781	2 184 606	2 463 919	1 000 559	323 905	383 637	755 818	2 688 773	129 251	4,81
<b>26 Grants (261+262+263)</b>	<b>3 746 958</b>	<b>3 420 327</b>	<b>3 796 847</b>	<b>1 021 495</b>	<b>677 125</b>	<b>773 114</b>	<b>1 325 113</b>	<b>6 498 097</b>	<b>533 981</b>	<b>8,22</b>
261 To foreign governments (2611+2612)	43 918	76 464	73 639	3 000	0	22 569	48 070	78 550	0	
2611 Current	43 918	46 500	49 174	3 000	0	13 500	32 674	48 550	0	
2612 Capital	0	29 964	24 465	0	0	9 069	15 396	30 000	0	
262 To international organizations (2621+2622)	41 239	83 434	93 832	30 885	30 527	14 497	17 923	103 566	2 885	2,79
2621 Current	41 239	83 434	93 832	30 885	30 527	14 497	17 923	103 566	2 885	2,79
2622 Capital	0	0	0	0	0	0	0	0	0	
263 To other general government units (2631+2632)	3 661 801	3 260 429	3 629 376	987 610	646 597	736 048	1 259 120	6 315 982	531 096	8,41
2631 Current	3 198 505	2 498 598	2 623 246	814 316	563 223	483 918	761 790	2 348 923	305 307	13,00
2632 Capital	463 297	761 831	1 006 130	173 294	83 374	252 131	497 331	3 967 059	225 790	5,69
<b>27 Social benefits (271+272+273)</b>	<b>36 204 270</b>	<b>39 730 887</b>	<b>41 358 455</b>	<b>10 241 876</b>	<b>10 469 838</b>	<b>10 305 813</b>	<b>10 340 928</b>	<b>43 206 284</b>	<b>3 446 704</b>	<b>7,98</b>
271 Social security benefits	28 917 772	28 189 472	29 308 716	7 269 602	7 478 663	7 323 188	7 237 264	30 103 957	2 448 635	8,13
272 Social assistance benefits	6 731 910	11 177 315	11 792 075	2 917 085	2 930 668	2 945 800	2 998 524	12 962 327	986 451	7,61
273 Employer social benefits	554 589	364 100	257 663	55 189	60 508	36 825	105 141	140 000	11 618	8,30
<b>28 Other expense (281+282)</b>	<b>3 847 791</b>	<b>4 412 359</b>	<b>4 931 907</b>	<b>1 295 677</b>	<b>893 820</b>	<b>889 467</b>	<b>1 852 942</b>	<b>5 365 371</b>	<b>257 120</b>	<b>4,79</b>
281 Property expense other than interest	6 767	3 955	4 920	1 312	654	1 026	1 928	0	97	
282 Miscellaneous other expense (2821+2822)	3 841 024	4 408 404	4 926 987	1 294 365	893 167	888 441	1 851 014	5 365 371	257 023	4,79
2821 Current	2 325 646	1 842 516	2 154 806	527 549	535 602	487 636	604 019	2 173 287	93 180	4,29
2822 Capital	1 515 378	2 565 888	2 772 181	766 816	357 564	400 805	1 246 996	3 192 083	163 843	5,13

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)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>31</b>	<b>NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>1 812 404</b>	<b>1 419 467</b>	<b>1 553 667</b>	<b>280 816</b>	<b>199 644</b>	<b>385 310</b>	<b>687 896</b>	<b>1 989 197</b>	<b>38 735</b>	<b>1,95</b>
<b>31,1</b>	<b>Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)</b>	<b>2 054 989</b>	<b>1 663 868</b>	<b>1 828 816</b>	<b>341 134</b>	<b>290 205</b>	<b>439 188</b>	<b>758 289</b>	<b>2 233 472</b>	<b>58 553</b>	<b>2,62</b>
<b>31,2</b>	<b>Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)</b>	<b>242 586</b>	<b>244 401</b>	<b>275 149</b>	<b>60 318</b>	<b>90 561</b>	<b>53 877</b>	<b>70 393</b>	<b>244 275</b>	<b>19 818</b>	<b>8,11</b>
<b>311</b>	<b>Fixed assets (3111+3112+3113)</b>	<b>1 795 345</b>	<b>1 384 609</b>	<b>1 516 964</b>	<b>276 097</b>	<b>192 913</b>	<b>377 389</b>	<b>670 565</b>	<b>2 208 991</b>	<b>38 553</b>	<b>1,75</b>
311,1	Acquisitions: fixed assets (3111,1+3112,1+3113,1)	2 019 172	1 624 051	1 781 342	332 783	281 902	428 782	737 876	2 433 866	57 809	2,38
311,2	Disposals: fixed assets (3111,2+3112,2+3113,2)	223 827	239 442	264 379	56 685	88 989	51 393	67 311	224 875	19 256	8,56
<b>3111</b>	<b>Buildings and structures (3111,1-3111,2)</b>	<b>1 199 770</b>	<b>811 477</b>	<b>867 663</b>	<b>155 127</b>	<b>108 767</b>	<b>207 846</b>	<b>395 922</b>	<b>1 151 650</b>	<b>-14 090</b>	
3111,1	Acquisitions: buildings and structures	1 423 367	1 050 315	1 131 302	211 328	197 599	259 209	463 166	1 376 288	5 166	0,38
3111,2	Disposals: buildings and structures	223 597	238 838	263 639	56 201	88 832	51 362	67 243	224 637	19 256	8,57
<b>3112</b>	<b>Machinery and equipment (3112,1-3112,2)</b>	<b>516 598</b>	<b>518 941</b>	<b>557 315</b>	<b>103 037</b>	<b>76 755</b>	<b>154 880</b>	<b>222 645</b>	<b>839 745</b>	<b>46 732</b>	<b>5,57</b>
3112,1	Acquisitions: machinery and equipment	516 828	519 545	558 055	103 521	76 911	154 911	222 712	839 983	46 732	5,56
3112,2	Disposals: machinery and equipment	230	604	740	484	157	31	68	238	0	
<b>3113</b>	<b>Other fixed assets (3113,1-3113,2)</b>	<b>78 977</b>	<b>54 191</b>	<b>91 986</b>	<b>17 934</b>	<b>7 392</b>	<b>14 663</b>	<b>51 998</b>	<b>217 596</b>	<b>5 910</b>	<b>2,72</b>
3113,1	Acquisitions: other fixed assets	78 977	54 191	91 986	17 934	7 392	14 663	51 998	217 596	5 910	2,72
3113,2	Disposals: other fixed assets	0	0	0	0	0	0	0	0	0	
<b>312</b>	<b>Inventories</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-273 609</b>	<b>0</b>	
<b>313</b>	<b>Valuables (313,1-313,2)</b>	<b>5 303</b>	<b>7 518</b>	<b>7 220</b>	<b>2 660</b>	<b>1 999</b>	<b>804</b>	<b>1 757</b>	<b>7 018</b>	<b>153</b>	<b>2,18</b>
313,1	Acquisitions: valuables	5 303	7 518	7 220	2 660	1 999	804	1 757	7 018	153	2,18
313,2	Disposals: valuables	0	0	0	0	0	0	0	0	0	
<b>314</b>	<b>Nonproduced assets (314,1-314,2-314,3-314,4)</b>	<b>11 755</b>	<b>27 340</b>	<b>29 483</b>	<b>2 059</b>	<b>4 732</b>	<b>7 118</b>	<b>15 575</b>	<b>46 797</b>	<b>30</b>	<b>0,06</b>
314,1	Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	30 514	32 299	40 254	5 692	6 304	9 602	18 657	66 197	592	0,89
314,2	Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	18 759	4 959	10 771	3 633	1 572	2 484	3 082	19 400	562	2,90
<b>3141</b>	<b>Land (3141,1-3141,2)</b>	<b>-18 361</b>	<b>7 062</b>	<b>-10 282</b>	<b>-3 264</b>	<b>-1 572</b>	<b>-2 463</b>	<b>-2 982</b>	<b>-12 250</b>	<b>-562</b>	<b>4,59</b>
3141,1	Acquisitions: land	398	12 021	489	368	0	21	100	7 150	0	
3141,2	Disposals: land	18 759	4 959	10 771	3 633	1 572	2 484	3 082	19 400	562	2,90
<b>3142</b>	<b>Subsoil assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>3143</b>	<b>Other naturally occurring assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>3144</b>	<b>Intangible nonproduced assets (3144,1-3144,2)</b>	<b>30 116</b>	<b>20 278</b>	<b>39 765</b>	<b>5 324</b>	<b>6 304</b>	<b>9 581</b>	<b>18 557</b>	<b>59 047</b>	<b>592</b>	<b>1,00</b>
3144,1	Acquisitions: intangible nonproduced assets	30 116	20 278	39 765	5 324	6 304	9 581	18 557	59 047	592	1,00
3144,2	Disposals: intangible nonproduced assets	0	0	0	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)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006
<b>32</b>	<b>NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>-1 320 129</b>	<b>221 977</b>	<b>1 754 764</b>	<b>322 474</b>	<b>401 526</b>	<b>837 525</b>	<b>193 239</b>	<b>-3 359 057</b>	<b>242 594</b>
<b>32,1</b>	<b>Acquisition of financial assets (321,1+322,1)</b>	<b>2 071 124</b>	<b>1 787 080</b>	<b>1 264 131</b>	<b>288 212</b>	<b>167 099</b>	<b>371 470</b>	<b>437 351</b>	<b>1 214 200</b>	<b>187 698</b>
<b>32,2</b>	<b>Disposals of financial assets (321,2+322,2)</b>	<b>4 537 782</b>	<b>450 839</b>	<b>199 492</b>	<b>73 180</b>	<b>30 036</b>	<b>41 335</b>	<b>54 942</b>	<b>4 573 256</b>	<b>14 478</b>
	<b>Currency and deposits (3212+3222)</b>	<b>1 146 530</b>	<b>-1 114 264</b>	<b>690 124</b>	<b>107 441</b>	<b>264 463</b>	<b>507 390</b>	<b>-189 170</b>	<b>0</b>	<b>69 374</b>
<b>321</b>	<b>Domestic (3212+3213+3214+3215+3216+3217+3218)</b>	<b>-1 330 055</b>	<b>212 192</b>	<b>1 759 621</b>	<b>330 030</b>	<b>398 827</b>	<b>837 525</b>	<b>193 239</b>	<b>-3 375 824</b>	<b>242 594</b>
<b>321,1</b>	<b>Acquisition of domestic financial assets (3213,1+...+3218,1)</b>	<b>2 061 197</b>	<b>1 777 294</b>	<b>1 261 432</b>	<b>288 212</b>	<b>164 399</b>	<b>371 470</b>	<b>437 351</b>	<b>1 197 432</b>	<b>187 698</b>
<b>321,2</b>	<b>Disposals of domestic financial assets (3213,2+...+3218,2)</b>	<b>4 537 782</b>	<b>450 839</b>	<b>191 935</b>	<b>65 623</b>	<b>30 036</b>	<b>41 335</b>	<b>54 942</b>	<b>4 573 256</b>	<b>14 478</b>
3212	Currency and deposits	1 146 530	-1 114 264	690 124	107 441	264 463	507 390	-189 170	0	69 374
3213	Securities other than shares (3213,1-3213,2)	0	0	0	0	0	0	0	0	0
3213,1	Acquisition: Securities other than shares	0	0	0	0	0	0	0	0	0
3213,2	Disposals: Securities other than shares	0	0	0	0	0	0	0	0	0
3214	Loans (3214,1-3214,2)	393 363	1 002 955	847 590	167 075	96 899	298 653	284 964	642 476	164 220
3214,1	Acquisition: Loans	1 576 177	1 328 794	1 026 367	225 412	126 934	339 988	334 033	965 732	178 698
3214,2	Disposals: Loans	1 182 815	325 839	178 776	58 337	30 036	41 335	49 069	323 256	14 478
3215	Shares and other equity (3215,1-3215,2)	-2 869 948	323 500	221 906	55 514	37 465	31 482	97 445	-4 018 300	9 000
3215,1	Acquisition: Shares and other equity	485 020	448 500	235 065	62 800	37 465	31 482	103 318	231 700	9 000
3215,2	Disposals: Shares and other equity	3 354 968	125 000	13 159	7 287	0	0	5 873	4 250 000	0
<b>322</b>	<b>Foreign (3222+3223+3224+3225+3226+3227+3228)</b>	<b>9 926</b>	<b>9 786</b>	<b>-4 857</b>	<b>-7 556</b>	<b>2 699</b>	<b>0</b>	<b>0</b>	<b>16 768</b>	<b>0</b>
<b>322,1</b>	<b>Acquisition of foreign financial assets (3223,1+...+3228,1)</b>	<b>9 926</b>	<b>9 786</b>	<b>2 699</b>	<b>0</b>	<b>2 699</b>	<b>0</b>	<b>0</b>	<b>16 768</b>	<b>0</b>
<b>322,2</b>	<b>Disposals of foreign financial assets (3223,2+...+3228,2)</b>	<b>0</b>	<b>0</b>	<b>7 556</b>	<b>7 556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3222	Currency and deposits	0	0	0	0	0	0	0	0	0
3225	Shares and other equity (3225,1-3225,2)	9 926	9 786	-4 857	-7 556	2 699	0	0	16 768	0
3225,1	Acquisition: Shares and other equity	9 926	9 786	2 699	0	2 699	0	0	16 768	0
3225,2	Disposals: Shares and other equity	0	0	7 556	7 556	0	0	0	0	0
<b>323</b>	<b>Monetary gold and SDRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 6: TRANSACTIONS IN LIABILITIES OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006.
<b>33</b>	<b>NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>2 890 289</b>	<b>4 309 040</b>	<b>5 510 948</b>	<b>5 509 158</b>	<b>58 677</b>	<b>-376 434</b>	<b>319 546</b>	<b>2 919</b>	<b>927 438</b>
<b>33,1</b>	<b>Repayments (331,1+332,1)</b>	<b>6 520 771</b>	<b>13 717 082</b>	<b>10 253 489</b>	<b>5 239 553</b>	<b>864 579</b>	<b>1 143 959</b>	<b>3 005 398</b>	<b>10 562 684</b>	<b>747 425</b>
<b>33,2</b>	<b>Incurrences (331,2+332,2)</b>	<b>9 411 059</b>	<b>18 026 122</b>	<b>15 764 437</b>	<b>10 748 711</b>	<b>923 256</b>	<b>767 526</b>	<b>3 324 944</b>	<b>10 565 603</b>	<b>1 674 863</b>
	<b>Currency and deposits (3312+3322)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>331</b>	<b>Domestic (3312+3313+3314+3316+3317+3318)</b>	<b>-159 690</b>	<b>4 038 705</b>	<b>10 591 560</b>	<b>9 775 480</b>	<b>288 690</b>	<b>-47 645</b>	<b>575 035</b>	<b>3 813 392</b>	<b>528 693</b>
<b>331,1</b>	<b>Domestic repayments (3313,1+3314,1+3315,1+3316,1+3317,1+3318,1)</b>	<b>4 146 435</b>	<b>9 009 705</b>	<b>4 389 323</b>	<b>826 706</b>	<b>477 438</b>	<b>422 125</b>	<b>2 663 054</b>	<b>4 526 332</b>	<b>6 217</b>
<b>331,2</b>	<b>Domestic incurrences (3313,2+3314,2+3315,2+3316,2+3317,2+3318,2)</b>	<b>3 986 745</b>	<b>13 048 410</b>	<b>14 980 882</b>	<b>10 602 186</b>	<b>766 128</b>	<b>374 480</b>	<b>3 238 089</b>	<b>8 339 723</b>	<b>534 910</b>
3312	Currency and deposits	0	0	0	0	0	0	0	0	0
3313	Securities other than shares (3313,2-3313,1)	635 811	6 357 476	9 636 343	6 264 076	305 721	1 786 744	1 279 802	6 773 888	119 948
3313,1	Repayments: Securities other than shares	2 305 093	5 025 194	2 844 601	623 179	151 728	106 414	1 963 281	565 835	0
3313,2	Incurrences: Securities other than shares	2 940 904	11 382 670	12 480 944	6 887 254	457 449	1 893 158	3 243 083	7 339 723	119 948
3314	Loans (3314,2-3314,1)	-795 501	-2 318 771	955 217	3 511 405	-17 031	-1 834 389	-704 767	-2 960 496	408 745
3314,1	Repayments: Loans	1 841 342	3 984 511	1 544 722	203 527	325 710	315 711	699 773	3 960 496	6 217
3314,2	Incurrences: Loans	1 045 841	1 665 740	2 499 938	3 714 932	308 679	-1 518 678	-4 994	1 000 000	414 962
<b>332</b>	<b>Foreign (3322+3323+3324+3326+3327+3328)</b>	<b>3 049 979</b>	<b>270 335</b>	<b>-5 080 612</b>	<b>-4 266 322</b>	<b>-230 013</b>	<b>-328 789</b>	<b>-255 489</b>	<b>-3 810 473</b>	<b>398 745</b>
<b>332,1</b>	<b>Foreign repayments (3323,1+3324,1+3325,1+3326,1+3327,1+3328,1)</b>	<b>2 374 335</b>	<b>4 707 377</b>	<b>5 864 167</b>	<b>4 412 847</b>	<b>387 141</b>	<b>721 834</b>	<b>342 345</b>	<b>6 036 352</b>	<b>741 208</b>
<b>332,2</b>	<b>Foreign incurrences (3323,2+3324,2+3325,2+3326,2+3327,2+3328,2)</b>	<b>5 424 314</b>	<b>4 977 712</b>	<b>783 554</b>	<b>146 525</b>	<b>157 128</b>	<b>393 046</b>	<b>86 855</b>	<b>2 225 880</b>	<b>1 139 954</b>
3322	Currency and deposits	0	0	0	0	0	0	0	0	0
3323	Securities other than shares (3323,2-3323,1)	4 051 109	1 215 439	-3 713 935	-3 713 935	0	0	0	-3 650 000	0
3323,1	Repayments: Securities other than shares	0	2 526 876	3 713 935	3 713 935	0	0	0	3 650 000	0
3323,2	Incurrences: Securities other than shares	4 051 109	3 742 315	0	0	0	0	0	0	0
3324	Loans (3324,2-3324,1)	-1 001 130	-945 104	-1 366 677	-552 387	-230 013	-328 789	-255 489	-160 473	398 745
3324,1	Repayments: Loans	2 374 335	2 180 501	2 150 232	698 912	387 141	721 834	342 345	2 386 352	741 208
3324,2	Incurrences: Loans	1 373 205	1 235 397	783 554	146 525	157 128	393 046	86 855	2 225 880	1 139 954

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 2006		
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government
<b>82 (=32) NET ACQUISITION OF FINANCIAL ASSETS</b>	<b>242 594</b>	<b>10 257</b>	<b>252 851</b>
Acquisition of financial assets	373 708	21 191	394 899
Disposals of financial assets	131 114	10 934	142 048
<b>821 (=321) Domestic</b>	<b>242 594</b>	<b>10 257</b>	<b>252 851</b>
Acquisition of domestic financial assets	373 708	21 191	394 899
Disposals of domestic financial assets	131 114	10 934	142 048
8211 General government	0	175	175
Acquisitions: General Government	0	175	175
Disposals: General Government	0	0	0
8212 Central bank	524 555	0	524 555
Acquisitions: Central bank	524 555	0	524 555
Disposals: Central bank	0	0	0
8213 Other depository corporations	-446 181	9 176	-437 005
Acquisitions: Other depository corporations	-329 544	9 176	-320 368
Disposals: Other depository corporations	116 636	0	116 636
8215 Nonfinancial corporations	157 150	906	158 056
Acquisitions: Nonfinancial corporations	171 628	11 840	183 468
Disposals: Nonfinancial corporations	14 478	10 934	25 412
8216 Households and nonprofit institutions serving households	7 070	0	7 070
Acquisitions: Hholds and nonprofit institutions serving hholds	7 070	0	7 070
Disposals: Hholds and nonprofit institutions serving hholds	0	0	0
<b>822 (=322) Foreign</b>	<b>0</b>	<b>0</b>	<b>0</b>
Acquisition of foreign financial assets	0	0	0
Disposals of foreign financial assets	0	0	0
8227 International organizations	0	0	0
Acquisitions: International organizations	0	0	0
Disposals: International organizations	0	0	0
8229 Other nonresidents	0	0	0
Acquisitions: Other nonresidents	0	0	0
Disposals: Other nonresidents	0	0	0
<b>83 (=33) NET INCURRENCE OF LIABILITIES</b>	<b>927 438</b>	<b>34 460</b>	<b>961 898</b>
Repayments: liabilities	747 425	6 139	753 564
Incurrences: liabilities	1 674 863	40 599	1 715 462
<b>831 (=331) Domestic</b>	<b>528 693</b>	<b>-499</b>	<b>528 194</b>
Repayments: domestic liabilities	6 217	499	6 716
Incurrences: domestic liabilities	534 910	0	534 910
8311 General government	0	0	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	0	0
8313 Other depository corporations	528 265	-499	527 766
Repayments: Other depository corporations	6 217	499	6 716
Incurrences: Other depository corporations	534 482	0	534 482
8314 Financial corporations not elsewhere classified	427	0	427
Repayments: Financial corporations not elsewhere classified	0	0	0
Incurrences: Financial corporations not elsewhere classified	427	0	427
8315 Nonfinancial corporations	0	0	0
Repayments: Nonfinancial corporations	0	0	0
Incurrences: Nonfinancial corporations	0	0	0
<b>832 (=332) Foreign</b>	<b>398 745</b>	<b>34 959</b>	<b>433 704</b>
Repayments: foreign liabilities	741 208	5 640	746 848
Incurrences: foreign liabilities	1 139 954	40 599	1 180 553
8321 General government	-277 384	0	-277 384
Repayments: General Government	277 384	0	277 384
Incurrences: General Government	0	0	0
8327 International organizations	1 099 105	0	1 099 105
Repayments: International organizations	40 848	0	40 848
Incurrences: International organizations	1 139 954	0	1 139 954
8328 Financial corporations other than international organizations	-417 387	34 959	-382 428
Repayments: Financial corporations other than international organizations	417 387	5 640	423 027
Incurrences: Financial corporations other than international organizations	0	40 599	40 599
8329 Other nonresidents	-5 589	0	-5 589
Repayments: Other nonresidents	5 589	0	5 589
Incurrences: Other nonresidents	0	0	0

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 8: STATEMENT OF BUDGETARY CENTRAL GOVERNMENT OPERATIONS

(000 HRK)	2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006
<b>TRANSACTIONS AFFECTING NET WORTH</b>									
<b>1 REVENUE (11+12+13+14)</b>	<b>74 677 474</b>	<b>80 463 518</b>	<b>85 654 942</b>	<b>18 435 859</b>	<b>21 170 989</b>	<b>22 386 379</b>	<b>23 661 715</b>	<b>93 995 548</b>	<b>6 732 436</b>
11 Taxes	45 281 076	47 149 862	50 687 564	10 330 123	12 996 112	13 917 627	13 443 703	56 537 027	3 912 567
12 Social contributions	27 416 931	29 477 597	31 301 340	7 466 238	7 702 642	7 945 580	8 186 879	33 627 039	2 622 372
13 Grants	10 407	10 122	27 505	3 322	10 763	6 524	6 897	577 373	875
14 Other revenue	1 969 060	3 825 938	3 638 534	636 177	461 473	516 648	2 024 236	3 254 109	196 622
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>77 075 487</b>	<b>83 131 114</b>	<b>87 857 459</b>	<b>23 341 727</b>	<b>20 628 497</b>	<b>20 787 111</b>	<b>23 100 125</b>	<b>95 368 326</b>	<b>7 378 544</b>
21 Compensation of employees	21 225 816	22 268 287	23 182 586	5 617 431	5 665 728	5 921 396	5 978 031	24 164 073	1 998 478
22 Use of goods and services	4 170 611	4 358 721	4 951 912	1 435 813	1 063 387	1 100 945	1 351 767	6 270 043	453 602
24 Interest	3 587 329	3 972 466	4 387 010	1 913 923	915 123	826 752	731 212	4 566 988	352 306
25 Subsidies	4 292 712	4 968 069	5 248 744	1 815 513	943 475	969 624	1 520 132	5 297 470	336 353
26 Grants	3 746 958	3 420 327	3 796 847	1 021 495	677 125	773 114	1 325 113	6 498 097	533 981
27 Social benefits	36 204 270	39 730 887	41 358 455	10 241 876	10 469 838	10 305 813	10 340 928	43 206 284	3 446 704
28 Other expense	3 847 791	4 412 359	4 931 907	1 295 677	893 820	889 467	1 852 942	5 365 371	257 120
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>-2 398 014</b>	<b>-2 667 596</b>	<b>-2 202 517</b>	<b>-4 905 868</b>	<b>542 493</b>	<b>1 599 269</b>	<b>561 590</b>	<b>-1 372 779</b>	<b>-646 109</b>
<b>CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>-2 398 014</b>	<b>-2 667 596</b>	<b>-2 202 517</b>	<b>-4 905 868</b>	<b>542 493</b>	<b>1 599 269</b>	<b>561 590</b>	<b>-1 372 779</b>	<b>-646 109</b>
<b>TRANSACTIONS IN NONFINANCIAL ASSETS</b>									
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>1 812 404</b>	<b>1 419 467</b>	<b>1 553 667</b>	<b>280 816</b>	<b>199 644</b>	<b>385 310</b>	<b>687 896</b>	<b>1 989 197</b>	<b>38 735</b>
311 Fixed assets	1 795 345	1 384 609	1 516 964	276 097	192 913	377 389	670 565	2 208 991	38 553
312 Change in inventories	0	0	0	0	0	0	0	-273 609	0
313 Valuables	5 303	7 518	7 220	2 660	1 999	804	1 757	7 018	153
314 Nonproduced assets	11 755	27 340	29 483	2 059	4 732	7 118	15 575	46 797	30
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-4 210 417</b>	<b>-4 087 063</b>	<b>-3 756 184</b>	<b>-5 186 685</b>	<b>342 849</b>	<b>1 213 959</b>	<b>-126 306</b>	<b>-3 361 975</b>	<b>-684 844</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>									
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322)</b>	<b>-1 320 129</b>	<b>221 977</b>	<b>1 754 764</b>	<b>322 474</b>	<b>401 526</b>	<b>837 525</b>	<b>193 239</b>	<b>-3 359 057</b>	<b>242 594</b>
321 Domestic	-1 330 055	212 192	1 759 621	330 030	398 827	837 525	193 239	-3 375 824	242 594
322 Foreign	9 926	9 786	-4 857	-7 556	2 699	0	0	16 768	0
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>2 890 289</b>	<b>4 309 040</b>	<b>5 510 948</b>	<b>5 509 158</b>	<b>58 677</b>	<b>-376 434</b>	<b>319 546</b>	<b>2 919</b>	<b>927 438</b>
331 Domestic	-159 690	4 038 705	10 591 560	9 775 480	288 690	-47 645	575 035	3 813 392	528 693
332 Foreign	3 049 979	270 335	-5 080 612	-4 266 322	-230 013	-328 789	-255 489	-3 810 473	398 745

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

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

	Revenues (1)	Expense (2)	Operating balance	Interest payments	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
VI 2004	6 574 244	6 970 456	-396 211	272 648	-123 563
VII	6 912 122	7 349 181	-437 059	350 599	-86 461
VIII	6 854 176	6 577 731	276 445	205 417	481 862
IX	6 860 619	6 842 840	17 780	217 206	234 986
X	6 411 577	6 860 475	-448 898	134 321	-314 577
XI	6 964 856	6 971 348	-6 492	331 483	324 991
XII	9 515 229	7 558 775	1 956 454	256 274	2 212 728
I-XII 2004	80 463 518	83 131 114	-2 667 596	3 972 466	1 304 870
I 2005	5 928 076	7 289 353	-1 361 277	241 661	-1 119 616
II	5 884 336	7 429 670	-1 545 335	700 927	-844 407
III	6 623 448	8 622 704	-1 999 257	971 335	-1 027 922
IV	7 027 636	6 777 307	250 329	300 347	550 676
V	6 975 739	6 971 534	4 205	342 889	347 094
VI	7 167 614	6 879 655	287 958	271 888	559 847
VII	7 101 783	7 379 944	-278 162	252 083	-26 078
VIII	7 660 215	6 619 639	1 040 576	271 014	1 311 590
IX	7 624 381	6 787 527	836 854	303 654	1 140 508
X	7 113 642	7 783 913	-670 270	198 538	-471 733
XI	7 197 178	7 099 184	97 994	315 124	413 118
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
I 2006	6 732 436	7 378 544	-646 109	352 306	-293 803

Note: See notes on methodology

## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

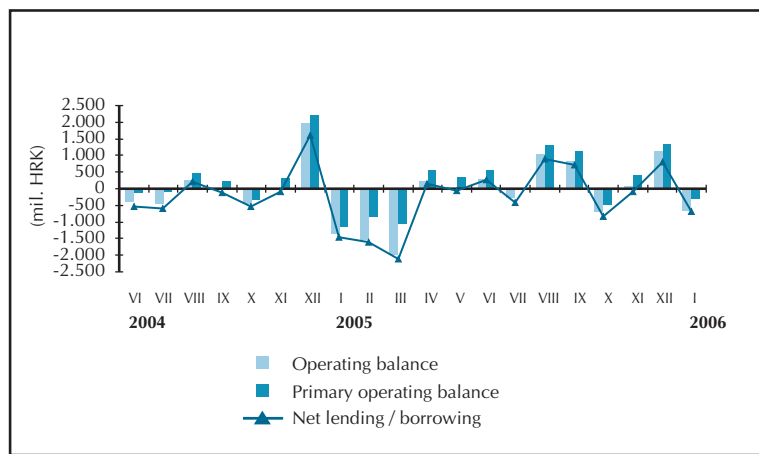


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	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
I 2006	-646 109	38 735	-684 844	684 844	242 594	927 438

\*GFS 2001

Note: See notes on methodology

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

(000 HRK)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 845 366</b>	<b>670 814</b>	<b>398 797</b>	<b>97 623</b>	<b>94 885</b>	<b>96 115</b>	<b>110 174</b>	<b>511 000</b>	<b>61 280</b>	<b>11,99</b>
11	Taxes	0	0	0	0	0	0	0	0	0	
12	Social security contributions	772	0	0	0	0	0	0	0	0	
<b>13</b>	<b>Grants (131+133)</b>	<b>1 741 865</b>	<b>540 922</b>	<b>360 327</b>	<b>87 987</b>	<b>84 513</b>	<b>87 034</b>	<b>100 793</b>	<b>386 000</b>	<b>26 089</b>	<b>6,76</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	1 741 865	540 922	360 327	87 987	84 513	87 034	100 793	386 000	26 089	6,76
1331	Current	1 714 878	521 361	334 155	82 287	80 681	82 891	88 296	351 000	25 582	7,29
1332	Capital	26 987	19 561	26 172	5 700	3 832	4 143	12 497	35 000	507	1,45
<b>14</b>	<b>Other revenue</b>	<b>102 729</b>	<b>129 892</b>	<b>38 470</b>	<b>9 636</b>	<b>10 372</b>	<b>9 081</b>	<b>9 381</b>	<b>125 000</b>	<b>35 191</b>	<b>28,15</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>1 844 077</b>	<b>587 420</b>	<b>381 060</b>	<b>87 828</b>	<b>92 057</b>	<b>91 870</b>	<b>109 305</b>	<b>466 000</b>	<b>27 912</b>	<b>5,99</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>241 408</b>	<b>290 789</b>	<b>286 521</b>	<b>69 112</b>	<b>66 580</b>	<b>70 468</b>	<b>80 361</b>	<b>340 000</b>	<b>24 612</b>	<b>7,24</b>
211	Wages and salaries	207 538	252 989	248 416	60 115	57 602	61 212	69 487	295 000	21 210	7,19
212	Social contributions	33 870	37 800	38 105	8 997	8 978	9 256	10 874	45 000	3 402	7,56
<b>22</b>	<b>Use of goods and services</b>	<b>127 140</b>	<b>90 721</b>	<b>89 512</b>	<b>16 961</b>	<b>23 300</b>	<b>20 645</b>	<b>28 606</b>	<b>125 300</b>	<b>3 257</b>	<b>2,60</b>
<b>24</b>	<b>Interest</b>	<b>0</b>	<b>896</b>	<b>602</b>	<b>120</b>	<b>107</b>	<b>207</b>	<b>168</b>	<b>700</b>	<b>39</b>	<b>5,57</b>
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>27</b>	<b>Social benefits</b>	<b>1 472 945</b>	<b>205 014</b>	<b>4 425</b>	<b>1 635</b>	<b>2 070</b>	<b>550</b>	<b>170</b>	<b>0</b>	<b>4</b>	
<b>28</b>	<b>Other expense</b>	<b>2 584</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net-gross operating balance (1-2)</b>		<b>1 289</b>	<b>83 394</b>	<b>17 737</b>	<b>9 795</b>	<b>2 828</b>	<b>4 245</b>	<b>869</b>	<b>45 000</b>	<b>33 368</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>21 937</b>	<b>18 022</b>	<b>19 724</b>	<b>1 646</b>	<b>3 378</b>	<b>1 684</b>	<b>13 016</b>	<b>55 000</b>	<b>7</b>	<b>0,01</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	27 173	21 154	22 380	2 933	3 843	2 582	13 022	57 000	7	0,01
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	5 236	3 132	2 656	1 287	465	898	6	2 000	0	
311	Fixed assets (311,1-311,2-311,3)	0	18 022	11 840	1 232	3 020	1 684	5 904	45 200	7	0,02
311,1	Acquisitions: fixed assets	0	21 154	14 496	2 519	3 485	2 582	5 910	47 200	7	0,01
311,2	Disposals: fixed assets	0	3 132	2 656	1 287	465	898	6	2 000	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-20 648</b>	<b>65 372</b>	<b>-1 987</b>	<b>8 149</b>	<b>-550</b>	<b>2 561</b>	<b>-12 147</b>	<b>-10 000</b>	<b>33 361</b>	
<b>Financing (33-32)</b>		<b>20 648</b>	<b>-65 372</b>	<b>1 987</b>	<b>-8 149</b>	<b>550</b>	<b>-2 561</b>	<b>12 147</b>	<b>10 000</b>	<b>-33 361</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-20 570</b>	<b>65 372</b>	<b>-1 978</b>	<b>8 149</b>	<b>-541</b>	<b>2 561</b>	<b>-12 147</b>	<b>-10 000</b>	<b>33 361</b>	
321	Domestic	-20 570	65 372	-1 978	8 149	-541	2 561	-12 147	-10 000	33 361	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>78</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
331	Domestic	78	0	9	0	9	0	0	0	0	
332	Foreign	0	0	0	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

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

(000 HRK)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 109 974</b>	<b>865 013</b>	<b>1 065 102</b>	<b>246 991</b>	<b>219 320</b>	<b>261 328</b>	<b>337 463</b>	<b>1 071 031</b>	<b>94 984</b>	<b>8,87</b>
<b>11</b>	<b>Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>12</b>	<b>Social security contributions</b>	<b>6 905</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>287 791</b>	<b>201 874</b>	<b>201 235</b>	<b>54 846</b>	<b>59 448</b>	<b>35 571</b>	<b>51 370</b>	<b>223 709</b>	<b>17 500</b>	<b>7,82</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	287 791	201 874	201 235	54 846	59 448	35 571	51 370	223 709	17 500	7,82
1331	Current	287 791	201 874	201 235	54 846	59 448	35 571	51 370	223 709	17 500	7,82
1332	Capital	0	0	0	0	0	0	0	0	0	
<b>14</b>	<b>Other revenue</b>	<b>815 278</b>	<b>663 139</b>	<b>863 867</b>	<b>192 145</b>	<b>159 872</b>	<b>225 757</b>	<b>286 093</b>	<b>847 322</b>	<b>77 484</b>	<b>9,14</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>888 105</b>	<b>831 295</b>	<b>914 337</b>	<b>208 979</b>	<b>214 271</b>	<b>222 319</b>	<b>268 768</b>	<b>1 037 881</b>	<b>69 552</b>	<b>6,70</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>180 743</b>	<b>185 992</b>	<b>234 059</b>	<b>50 632</b>	<b>52 224</b>	<b>64 149</b>	<b>67 054</b>	<b>227 214</b>	<b>18 912</b>	<b>8,32</b>
211	Wages and salaries	155 722	160 298	197 839	43 814	45 144	56 845	52 036	196 398	16 256	8,28
212	Social contributions	25 021	25 694	36 220	6 818	7 080	7 304	15 018	30 816	2 656	8,62
<b>22</b>	<b>Use of goods and services</b>	<b>113 659</b>	<b>100 979</b>	<b>115 760</b>	<b>23 239</b>	<b>29 329</b>	<b>31 362</b>	<b>31 830</b>	<b>118 819</b>	<b>9 567</b>	<b>8,05</b>
<b>24</b>	<b>Interest</b>	<b>20 554</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6 250</b>	<b>0</b>	
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>27</b>	<b>Social benefits</b>	<b>490 368</b>	<b>544 324</b>	<b>564 518</b>	<b>135 108</b>	<b>132 718</b>	<b>126 808</b>	<b>169 884</b>	<b>607 398</b>	<b>41 073</b>	<b>6,76</b>
<b>28</b>	<b>Other expense</b>	<b>82 781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78 200</b>	<b>0</b>	
<b>Net-gross operating balance (1-2)</b>		<b>221 869</b>	<b>33 718</b>	<b>150 765</b>	<b>38 012</b>	<b>5 049</b>	<b>39 009</b>	<b>68 695</b>	<b>33 150</b>	<b>25 432</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>27 272</b>	<b>30 291</b>	<b>38 637</b>	<b>8 157</b>	<b>4 126</b>	<b>10 158</b>	<b>16 196</b>	<b>33 150</b>	<b>1 546</b>	<b>4,66</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	31 236	30 913	38 971	8 272	4 219	10 204	16 276	33 500	1 583	4,73
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	3 964	622	334	115	93	46	80	350	37	10,57
311	Fixed assets (311,1-311,2-311,3)	0	28 308	38 727	8 195	4 149	10 155	16 228	31 133	1 487	4,78
311,1	Acquisitions: fixed assets	0	28 802	38 948	8 272	4 219	10 181	16 276	31 483	1 524	4,84
311,2	Disposals: fixed assets	0	494	221	77	70	26	48	350	37	10,57
<b>314</b>	<b>Nonproduced assets (3141+3142+3143+3144)</b>	<b>0</b>	<b>1 983</b>	<b>-90</b>	<b>-38</b>	<b>-23</b>	<b>3</b>	<b>-32</b>	<b>2 017</b>	<b>59</b>	<b>2,93</b>
314,1	Acquisitions: nonproduced assets	0	2 111	23	0	0	23	0	2 017	59	2,93
314,2	Disposals: nonproduced assets	0	128	113	38	23	20	32	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>194 597</b>	<b>3 427</b>	<b>112 128</b>	<b>29 855</b>	<b>923</b>	<b>28 851</b>	<b>52 499</b>	<b>0</b>	<b>23 886</b>	
<b>Financing (33-32)</b>		<b>-194 597</b>	<b>-3 427</b>	<b>-112 128</b>	<b>-29 855</b>	<b>-923</b>	<b>-28 851</b>	<b>-52 499</b>	<b>0</b>	<b>-23 886</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>604 597</b>	<b>3 427</b>	<b>112 128</b>	<b>29 855</b>	<b>923</b>	<b>28 851</b>	<b>52 499</b>	<b>0</b>	<b>23 886</b>	
321	Domestic	604 597	3 427	112 128	29 855	923	28 851	52 499	0	23 886	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>410 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
331	Domestic	410 000	0	0	0	0	0	0	0	0	
332	Foreign	0	0	0	0	0	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 11: THE CROATIAN EMPLOYMENT SERVICE (HZZ) TRANSACTIONS

(000 HRK)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>89 573</b>	<b>111 674</b>	<b>114 938</b>	<b>28 989</b>	<b>29 201</b>	<b>31 245</b>	<b>25 503</b>	<b>110 958</b>	<b>9 357</b>	<b>8,43</b>
<b>11</b>	<b>Taxes</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>72 000</b>	<b>96 167</b>	<b>96 102</b>	<b>23 856</b>	<b>23 768</b>	<b>27 193</b>	<b>21 285</b>	<b>96 398</b>	<b>8 907</b>	<b>9,24</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	72 000	96 167	96 102	23 856	23 768	27 193	21 285	96 398	8 907	9,24
1331	Current	72 000	96 167	96 102	23 856	23 768	27 193	21 285	96 398	8 907	9,24
1332	Capital	0	0	0	0	0	0	0	0	0	
<b>14</b>	<b>Other revenue</b>	<b>17 573</b>	<b>15 507</b>	<b>18 836</b>	<b>5 133</b>	<b>5 433</b>	<b>4 052</b>	<b>4 218</b>	<b>14 560</b>	<b>450</b>	<b>3,09</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>140 387</b>	<b>141 333</b>	<b>145 931</b>	<b>34 530</b>	<b>33 938</b>	<b>36 457</b>	<b>41 006</b>	<b>163 580</b>	<b>13 335</b>	<b>8,15</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>91 633</b>	<b>101 411</b>	<b>107 372</b>	<b>25 190</b>	<b>24 827</b>	<b>28 015</b>	<b>29 340</b>	<b>120 450</b>	<b>9 397</b>	<b>7,80</b>
211	Wages and salaries	78 711	87 690	92 869	21 738	21 382	24 269	25 480	103 950	8 107	7,80
212	Social contributions	12 922	13 721	14 503	3 452	3 445	3 746	3 860	16 500	1 290	7,82
<b>22</b>	<b>Use of goods and services</b>	<b>34 844</b>	<b>36 512</b>	<b>37 889</b>	<b>9 340</b>	<b>9 042</b>	<b>8 382</b>	<b>11 125</b>	<b>41 120</b>	<b>3 793</b>	<b>9,22</b>
<b>24</b>	<b>Interest</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>27</b>	<b>Social benefits</b>	<b>13 910</b>	<b>3 408</b>	<b>670</b>	<b>0</b>	<b>69</b>	<b>60</b>	<b>541</b>	<b>2 000</b>	<b>145</b>	<b>7,25</b>
<b>28</b>	<b>Other expense</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net-gross operating balance (1-2)</b>		<b>-50 814</b>	<b>-29 659</b>	<b>-30 993</b>	<b>-5 541</b>	<b>-4 737</b>	<b>-5 212</b>	<b>-15 503</b>	<b>-52 622</b>	<b>-3 978</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>8 767</b>	<b>4 865</b>	<b>4 866</b>	<b>11</b>	<b>533</b>	<b>728</b>	<b>3 594</b>	<b>6 270</b>	<b>-112</b>	
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	9 061	4 915	4 933	11	534	793	3 595	6 340	0	
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	294	50	67	0	1	65	1	70	112	
311	Fixed assets (311,1-311,2-311,3)	0	4 865	4 864	10	533	728	3 593	5 140	-112	
311,1	Acquisitions: fixed assets	0	4 915	4 931	10	534	793	3 594	5 210	0	
311,2	Disposals: fixed assets	0	50	67	0	1	65	1	70	112	
314	Nonproduced assets (3141+3142+3143+3144)	0	0	2	1	0	0	1	1 130	0	
314,1	Acquisitions: nonproduced assets	0	0	2	1	0	0	1	1 130	0	
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-59 581</b>	<b>-34 524</b>	<b>-35 859</b>	<b>-5 552</b>	<b>-5 270</b>	<b>-5 940</b>	<b>-19 097</b>	<b>-58 892</b>	<b>-3 866</b>	
<b>Financing (33-32)</b>		<b>59 581</b>	<b>34 524</b>	<b>35 859</b>	<b>5 552</b>	<b>5 270</b>	<b>5 940</b>	<b>19 097</b>	<b>58 892</b>	<b>3 866</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-59 581</b>	<b>-34 524</b>	<b>-35 859</b>	<b>-5 552</b>	<b>-5 270</b>	<b>-5 940</b>	<b>-19 097</b>	<b>-58 892</b>	<b>-3 866</b>	
321	Domestic	-59 581	-34 524	-35 859	-5 552	-5 270	-5 940	-19 097	-58 892	-3 866	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
331	Domestic	0	0	0	0	0	0	0	0	0	
332	Foreign	0	0	0	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)		2003	2004	2005	I - III 2005	IV - VI 2005	VII- IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 544 421</b>	<b>1 658 435</b>	<b>1 712 796</b>	<b>299 530</b>	<b>310 078</b>	<b>377 834</b>	<b>725 354</b>	<b>2 104 974</b>	<b>103 063</b>	<b>4,90</b>
<b>11</b>	<b>Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>395 522</b>	<b>434 004</b>	<b>486 550</b>	<b>85 630</b>	<b>64 079</b>	<b>56 495</b>	<b>280 346</b>	<b>612 974</b>	<b>3 197</b>	<b>0,52</b>
131	From foreign governments	1 434	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	394 088	434 004	486 550	85 630	64 079	56 495	280 346	612 974	3 197	0,52
1331	Current	182 000	105 340	203 499	48 081	59 927	0	95 491	101 000	346	0,34
1332	Capital	212 088	328 664	283 051	37 549	4 152	56 495	184 855	511 974	2 851	0,56
<b>14</b>	<b>Other revenue</b>	<b>1 148 899</b>	<b>1 224 431</b>	<b>1 226 246</b>	<b>213 900</b>	<b>245 999</b>	<b>321 339</b>	<b>445 008</b>	<b>1 492 000</b>	<b>99 866</b>	<b>6,69</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>1 427 067</b>	<b>1 426 283</b>	<b>1 496 306</b>	<b>254 581</b>	<b>243 682</b>	<b>369 764</b>	<b>628 279</b>	<b>1 851 574</b>	<b>105 062</b>	<b>5,67</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>87 792</b>	<b>93 675</b>	<b>99 418</b>	<b>21 252</b>	<b>26 629</b>	<b>24 503</b>	<b>27 034</b>	<b>111 000</b>	<b>8 265</b>	<b>7,45</b>
211	Wages and salaries	75 924	80 618	85 524	18 074	23 187	20 990	23 273	95 600	7 064	7,39
212	Social contributions	11 868	13 057	13 894	3 178	3 442	3 513	3 761	15 400	1 201	7,80
<b>22</b>	<b>Use of goods and services</b>	<b>826 878</b>	<b>743 383</b>	<b>791 040</b>	<b>134 682</b>	<b>159 912</b>	<b>207 500</b>	<b>288 946</b>	<b>962 240</b>	<b>54 025</b>	<b>5,61</b>
<b>24</b>	<b>Interest</b>	<b>37 057</b>	<b>37 907</b>	<b>33 737</b>	<b>8 416</b>	<b>9 237</b>	<b>8 327</b>	<b>7 757</b>	<b>34 110</b>	<b>2 237</b>	<b>6,56</b>
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47 000</b>	<b>0</b>	
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>475 340</b>	<b>551 318</b>	<b>572 111</b>	<b>90 231</b>	<b>47 904</b>	<b>129 434</b>	<b>304 542</b>	<b>697 224</b>	<b>40 535</b>	<b>5,81</b>
<b>Net-gross operating balance (1-2)</b>		<b>117 354</b>	<b>232 152</b>	<b>216 490</b>	<b>44 949</b>	<b>66 396</b>	<b>8 070</b>	<b>97 075</b>	<b>253 400</b>	<b>-1 999</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>290 709</b>	<b>282 527</b>	<b>218 823</b>	<b>32 896</b>	<b>24 364</b>	<b>37 329</b>	<b>124 234</b>	<b>220 900</b>	<b>12 250</b>	<b>5,55</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	291 043	282 797	219 119	32 943	24 416	37 382	124 378	221 000	12 269	5,55
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	334	270	296	47	52	53	144	100	19	19,00
311	Fixed assets (311,1-311,2-311,3)	0	277 053	212 946	32 264	22 286	35 447	122 949	212 900	12 200	5,73
311,1	Acquisitions: fixed assets	0	277 323	213 242	32 311	22 338	35 500	123 093	213 000	12 219	5,74
311,2	Disposals: fixed assets	0	270	296	47	52	53	144	100	19	19,00
314	Nonproduced assets (314,1-314,2-314,3-314,4)	0	5 474	5 877	632	2 078	1 882	1 285	8 000	50	0,63
314,1	Acquisitions: nonproduced assets	0	5 474	5 877	632	2 078	1 882	1 285	8 000	50	0,63
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-173 355</b>	<b>-50 375</b>	<b>-2 333</b>	<b>12 053</b>	<b>42 032</b>	<b>-29 259</b>	<b>-27 159</b>	<b>32 500</b>	<b>-14 249</b>	
<b>Financing (33-32)</b>		<b>173 355</b>	<b>50 375</b>	<b>2 333</b>	<b>-12 053</b>	<b>-42 032</b>	<b>29 259</b>	<b>27 159</b>	<b>-32 500</b>	<b>14 249</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-146 776</b>	<b>-11 385</b>	<b>4 607</b>	<b>11 100</b>	<b>-21 140</b>	<b>-22 557</b>	<b>37 204</b>	<b>67 730</b>	<b>-19 889</b>	
321	Domestic	-146 776	-11 385	4 607	11 100	-21 140	-22 557	37 204	67 730	-19 889	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>26 579</b>	<b>38 990</b>	<b>6 940</b>	<b>-953</b>	<b>-63 172</b>	<b>6 702</b>	<b>64 363</b>	<b>35 230</b>	<b>-5 640</b>	
331	Domestic	30 289	42 859	-26 176	-4 143	-55 900	-3 339	37 206	-89 000	0	
332	Foreign	-3 710	-3 869	33 116	3 190	-7 272	10 041	27 157	124 230	-5 640	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 13: THE ENVIRONMENT PROTECTION FUND TRANSACTIONS

(000 HRK)		2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>172 273</b>	<b>214 737</b>	<b>40 165</b>	<b>66 668</b>	<b>57 136</b>	<b>50 768</b>	<b>1 003 600</b>	<b>17 160</b>	<b>1,71</b>
<b>11</b>	<b>Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>1 525</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
131	From foreign governments	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	1 525	0	0	0	0	0	0	0	
1331	Current	1 525	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	
<b>14</b>	<b>Other revenue</b>	<b>170 748</b>	<b>214 737</b>	<b>40 165</b>	<b>66 668</b>	<b>57 136</b>	<b>50 768</b>	<b>1 003 600</b>	<b>17 160</b>	<b>1,71</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>32 443</b>	<b>170 979</b>	<b>76 407</b>	<b>19 856</b>	<b>39 539</b>	<b>35 177</b>	<b>867 259</b>	<b>10 989</b>	<b>1,27</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>1 905</b>	<b>3 966</b>	<b>740</b>	<b>875</b>	<b>874</b>	<b>1 477</b>	<b>12 046</b>	<b>437</b>	<b>3,63</b>
211	Wages and salaries	1 633	3 407	634	756	750	1 267	10 280	374	3,64
212	Social contributions	272	559	106	119	124	210	1 766	63	3,57
<b>22</b>	<b>Use of goods and services</b>	<b>2 734</b>	<b>12 162</b>	<b>895</b>	<b>934</b>	<b>3 563</b>	<b>6 770</b>	<b>497 383</b>	<b>1 054</b>	<b>0,21</b>
<b>24</b>	<b>Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>4 123</b>	<b>0</b>	<b>0</b>	<b>2 026</b>	<b>2 097</b>	<b>58 250</b>	<b>2 400</b>	<b>4,12</b>
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>149 780</b>	<b>74 765</b>	<b>17 875</b>	<b>32 982</b>	<b>24 158</b>	<b>295 260</b>	<b>7 071</b>	<b>2,39</b>
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>27 804</b>	<b>948</b>	<b>7</b>	<b>172</b>	<b>94</b>	<b>675</b>	<b>4 320</b>	<b>27</b>	<b>0,63</b>
<b>Net-gross operating balance (1-2)</b>		<b>139 830</b>	<b>43 758</b>	<b>-36 242</b>	<b>46 812</b>	<b>17 597</b>	<b>15 591</b>	<b>136 341</b>	<b>6 171</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>1 786</b>	<b>11 983</b>	<b>4 708</b>	<b>3 639</b>	<b>2 474</b>	<b>1 162</b>	<b>25 310</b>	<b>49</b>	<b>0,19</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 786	11 983	4 708	3 639	2 474	1 162	25 310	49	0,19
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	0	0	0	0	0	0	
311	Fixed assets (311,1-311,2-311,3)	1 553	11 808	4 708	3 635	2 370	1 095	25 060	41	0,16
311,1	Acquisitions: fixed assets	1 553	11 808	4 708	3 635	2 370	1 095	25 060	41	0,16
311,2	Disposals: fixed assets	0	0	0	0	0	0	0	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	233	175	0	4	104	67	250	8	3,20
314,1	Acquisitions: nonproduced assets	233	175	0	4	104	67	250	8	3,20
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>138 044</b>	<b>31 775</b>	<b>-40 950</b>	<b>43 173</b>	<b>15 123</b>	<b>14 429</b>	<b>111 031</b>	<b>6 122</b>	
<b>Financing (33-32)</b>		<b>-138 044</b>	<b>-31 775</b>	<b>40 950</b>	<b>-43 173</b>	<b>-15 123</b>	<b>-14 429</b>	<b>-111 031</b>	<b>-6 122</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>138 044</b>	<b>31 775</b>	<b>-40 950</b>	<b>43 173</b>	<b>15 123</b>	<b>14 429</b>	<b>111 031</b>	<b>6 122</b>	
321	Domestic	138 044	31 775	-40 950	43 173	15 123	14 429	111 031	6 122	
322	Foreign	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
331	Domestic	0	0	0	0	0	0	0	0	
332	Foreign	0	0	0	0	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)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 927 787</b>	<b>2 295 423</b>	<b>2 548 613</b>	<b>470 872</b>	<b>580 843</b>	<b>822 656</b>	<b>674 242</b>	<b>2 583 000</b>	<b>166 629</b>	<b>6,45</b>
<b>11</b>	<b>Taxes</b>	<b>1 313 743</b>	<b>1 341 683</b>	<b>1 380 753</b>	<b>278 820</b>	<b>333 602</b>	<b>411 083</b>	<b>357 248</b>	<b>0</b>	<b>0</b>	
1142	Excises	1 313 743	1 341 683	1 380 753	278 820	333 602	411 083	357 248	0	0	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 480 000</b>	<b>103 838</b>	<b>7,02</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	0	0	0	0	0	1 480 000	103 838	7,02
1331	Current	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	1 480 000	103 838	7,02
<b>14</b>	<b>Other revenue</b>	<b>614 044</b>	<b>953 740</b>	<b>1 167 860</b>	<b>192 052</b>	<b>247 241</b>	<b>411 573</b>	<b>316 994</b>	<b>1 103 000</b>	<b>62 791</b>	<b>5,69</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>692 490</b>	<b>756 796</b>	<b>1 089 880</b>	<b>206 525</b>	<b>251 770</b>	<b>261 291</b>	<b>370 294</b>	<b>1 314 933</b>	<b>75 890</b>	<b>5,77</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>162 982</b>	<b>236 353</b>	<b>289 605</b>	<b>75 811</b>	<b>66 366</b>	<b>74 061</b>	<b>73 367</b>	<b>314 021</b>	<b>24 435</b>	<b>7,78</b>
211	Wages and salaries	140 867	203 955	250 113	65 289	57 102	64 241	63 481	271 461	21 027	7,75
212	Social contributions	22 115	32 398	39 492	10 522	9 264	9 820	9 886	42 560	3 408	8,01
<b>22</b>	<b>Use of goods and services</b>	<b>406 858</b>	<b>258 509</b>	<b>316 548</b>	<b>58 957</b>	<b>67 214</b>	<b>96 511</b>	<b>93 866</b>	<b>225 075</b>	<b>22 224</b>	<b>9,87</b>
<b>24</b>	<b>Interest</b>	<b>122 650</b>	<b>191 132</b>	<b>444 950</b>	<b>52 256</b>	<b>117 145</b>	<b>81 557</b>	<b>193 992</b>	<b>742 388</b>	<b>21 082</b>	<b>2,84</b>
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>4 542</b>	<b>3 610</b>	<b>0</b>	<b>793</b>	<b>816</b>	<b>2 001</b>	<b>0</b>	<b>0</b>	
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>0</b>	<b>66 260</b>	<b>35 167</b>	<b>19 501</b>	<b>252</b>	<b>8 346</b>	<b>7 068</b>	<b>33 449</b>	<b>8 149</b>	<b>24,36</b>
<b>Net-gross operating balance (1-2)</b>		<b>1 235 297</b>	<b>1 538 627</b>	<b>1 458 733</b>	<b>264 347</b>	<b>329 073</b>	<b>561 365</b>	<b>303 948</b>	<b>1 268 067</b>	<b>90 739</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>5 113 679</b>	<b>5 778 694</b>	<b>3 912 730</b>	<b>929 140</b>	<b>1 094 748</b>	<b>1 057 793</b>	<b>831 049</b>	<b>2 992 232</b>	<b>150 357</b>	<b>5,02</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	5 113 679	5 778 694	3 912 730	929 140	1 094 748	1 057 793	831 049	2 992 232	150 357	5,02
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	0	0	0	0	0	0	0	
311	Fixed assets (311,1-311,2-311,3)	0	5 697 892	3 795 963	928 542	1 059 972	1 007 622	799 827	2 881 822	136 413	4,73
311,1	Acquisitions: fixed assets	0	5 697 892	3 795 963	928 542	1 059 972	1 007 622	799 827	2 881 822	136 413	4,73
311,2	Disposals: fixed assets	0	0	0	0	0	0	0	0	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	0	80 802	116 767	598	34 776	50 171	31 222	110 410	13 944	12,63
314,1	Acquisitions: nonproduced assets	0	80 802	116 767	598	34 776	50 171	31 222	110 410	13 944	12,63
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-3 878 382</b>	<b>-4 240 067</b>	<b>-2 453 997</b>	<b>-664 793</b>	<b>-765 675</b>	<b>-496 428</b>	<b>-527 101</b>	<b>-1 724 165</b>	<b>-59 618</b>	
<b>Financing (33-32)</b>		<b>3 878 382</b>	<b>4 240 067</b>	<b>2 453 997</b>	<b>664 793</b>	<b>765 675</b>	<b>496 428</b>	<b>527 101</b>	<b>1 724 165</b>	<b>59 618</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-412 302</b>	<b>-162 274</b>	<b>-12 344</b>	<b>513 565</b>	<b>-404 294</b>	<b>-183 964</b>	<b>62 349</b>	<b>12 835</b>	<b>-19 019</b>	
321	Domestic	-412 302	-162 274	-12 344	513 565	-404 294	-183 964	62 349	12 835	-19 019	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331-332)</b>	<b>3 466 080</b>	<b>4 077 793</b>	<b>2 441 653</b>	<b>1 178 358</b>	<b>361 381</b>	<b>312 464</b>	<b>589 450</b>	<b>1 737 000</b>	<b>40 599</b>	
331	Domestic	530 000	379 709	1 698 272	963 400	153 521	211 126	370 225	1 459 026	0	
332	Foreign	2 936 080	3 698 084	743 381	214 958	207 860	101 338	219 225	277 974	40 599	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 15: THE CROATIAN ROADS Ltd. TRANSACTIONS

(000 HRK)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 379 782</b>	<b>1 417 787</b>	<b>1 474 726</b>	<b>292 372</b>	<b>351 219</b>	<b>438 649</b>	<b>392 486</b>	<b>1 546 150</b>	<b>99 280</b>	<b>6,42</b>
<b>11</b>	<b>Taxes</b>	<b>1 317 361</b>	<b>1 342 121</b>	<b>1 380 732</b>	<b>278 979</b>	<b>333 437</b>	<b>411 083</b>	<b>357 233</b>	<b>0</b>	<b>0</b>	
1142	Excises	1 317 361	1 342 121	1 380 732	278 979	333 437	411 083	357 233	0	0	
<b>12</b>	<b>Social security contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 480 000</b>	<b>96 279</b>	<b>6,51</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	0	0	0	0	0	1 480 000	96 279	6,51
1331	Current	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	1 480 000	96 279	6,51
<b>14</b>	<b>Other revenue</b>	<b>62 421</b>	<b>75 666</b>	<b>93 994</b>	<b>13 393</b>	<b>17 782</b>	<b>27 566</b>	<b>35 253</b>	<b>66 150</b>	<b>3 001</b>	<b>4,54</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>840 372</b>	<b>934 630</b>	<b>1 062 781</b>	<b>244 130</b>	<b>287 688</b>	<b>282 333</b>	<b>248 630</b>	<b>1 231 000</b>	<b>94 277</b>	<b>7,66</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>45 037</b>	<b>51 590</b>	<b>61 041</b>	<b>14 306</b>	<b>14 265</b>	<b>17 136</b>	<b>15 334</b>	<b>69 800</b>	<b>6 536</b>	<b>9,36</b>
211	Wages and salaries	38 733	44 349	52 439	12 306	12 231	14 674	13 228	59 927	5 601	9,35
212	Social contributions	6 304	7 241	8 602	2 000	2 034	2 462	2 106	9 873	935	9,47
<b>22</b>	<b>Use of goods and services</b>	<b>592 492</b>	<b>696 421</b>	<b>726 845</b>	<b>157 170</b>	<b>203 166</b>	<b>227 316</b>	<b>139 193</b>	<b>870 256</b>	<b>44 799</b>	<b>5,15</b>
<b>24</b>	<b>Interest</b>	<b>928</b>	<b>4 306</b>	<b>16 060</b>	<b>1 367</b>	<b>6 975</b>	<b>5 640</b>	<b>2 078</b>	<b>47 200</b>	<b>1 716</b>	<b>3,64</b>
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>27</b>	<b>Social benefits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>201 915</b>	<b>182 313</b>	<b>258 835</b>	<b>71 287</b>	<b>63 282</b>	<b>32 241</b>	<b>92 025</b>	<b>243 744</b>	<b>41 226</b>	<b>16,91</b>
<b>Net-gross operating balance (1-2)</b>		<b>539 410</b>	<b>483 157</b>	<b>411 945</b>	<b>48 242</b>	<b>63 531</b>	<b>156 316</b>	<b>143 856</b>	<b>315 150</b>	<b>5 003</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>736 943</b>	<b>834 631</b>	<b>922 807</b>	<b>207 234</b>	<b>268 183</b>	<b>311 434</b>	<b>135 956</b>	<b>1 040 550</b>	<b>28 737</b>	<b>2,76</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	738 092	835 907	925 995	207 441	270 824	311 648	136 082	1 042 100	28 889	2,77
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 149	1 276	3 188	207	2 641	214	126	1 550	152	9,81
311	Fixed assets (311,1-311,2-311,3)	0	742 582	833 411	190 806	241 483	287 319	113 803	969 150	22 871	2,36
311,1	Acquisitions: fixed assets	0	743 858	836 599	191 013	244 124	287 533	113 929	970 700	23 023	2,37
311,2	Disposals: fixed assets	0	1 276	3 188	207	2 641	214	126	1 550	152	9,81
314	Nonproduced assets (314,1-314,2-314,3-314,4)	0	92 049	89 396	16 428	26 700	24 115	22 153	71 400	5 866	8,22
314,1	Acquisitions: nonproduced assets	0	92 049	89 396	16 428	26 700	24 115	22 153	71 400	5 866	8,22
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-197 533</b>	<b>-351 474</b>	<b>-510 862</b>	<b>-158 992</b>	<b>-204 652</b>	<b>-155 118</b>	<b>7 900</b>	<b>-725 400</b>	<b>-23 734</b>	
<b>Financing (33-32)</b>		<b>197 533</b>	<b>351 474</b>	<b>510 862</b>	<b>158 992</b>	<b>204 652</b>	<b>155 118</b>	<b>-7 900</b>	<b>725 400</b>	<b>23 734</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-167 248</b>	<b>296</b>	<b>50 297</b>	<b>23 573</b>	<b>17 211</b>	<b>-27 959</b>	<b>37 472</b>	<b>0</b>	<b>-23 734</b>	
321	Domestic	-167 248	296	50 297	23 573	17 211	-27 959	37 472	0	-23 734	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>30 285</b>	<b>351 770</b>	<b>561 159</b>	<b>182 565</b>	<b>221 863</b>	<b>127 159</b>	<b>29 572</b>	<b>725 400</b>	<b>0</b>	
331	Domestic	0	100 000	302 376	130 000	98 318	78 383	-4 325	415 400	0	
332	Foreign	30 285	251 770	258 783	52 565	123 545	48 776	33 897	310 000	0	

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)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>581 931</b>	<b>575 893</b>	<b>367 438</b>	<b>95 022</b>	<b>85 916</b>	<b>94 534</b>	<b>91 966</b>	<b>413 436</b>	<b>8 371</b>	<b>2,02</b>
11	Taxes	0	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	
13	Grants (131+133)	0	0	0	0	0	0	0	0	0	
131	From foreign governments	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	0	0	0	0	0	0	0	
1331	Current	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	
<b>14</b>	<b>Other revenue</b>	<b>581 931</b>	<b>575 893</b>	<b>367 438</b>	<b>95 022</b>	<b>85 916</b>	<b>94 534</b>	<b>91 966</b>	<b>413 436</b>	<b>8 371</b>	<b>2,02</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>251 360</b>	<b>314 474</b>	<b>174 000</b>	<b>3 933</b>	<b>66 181</b>	<b>51 903</b>	<b>51 983</b>	<b>119 492</b>	<b>5 526</b>	<b>4,62</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>4 110</b>	<b>4 678</b>	<b>5 621</b>	<b>1 420</b>	<b>1 167</b>	<b>1 378</b>	<b>1 656</b>	<b>8 422</b>	<b>441</b>	<b>5,24</b>
211	Wages and salaries	3 507	4 010	4 821	1 215	1 007	1 178	1 421	7 200	378	5,25
212	Social contributions	603	668	800	205	160	200	235	1 222	63	5,16
<b>22</b>	<b>Use of goods and services</b>	<b>7 915</b>	<b>10 664</b>	<b>12 099</b>	<b>1 934</b>	<b>2 972</b>	<b>4 516</b>	<b>2 677</b>	<b>11 010</b>	<b>2 161</b>	<b>19,63</b>
<b>24</b>	<b>Interest</b>	<b>187 360</b>	<b>136 971</b>	<b>121 940</b>	<b>0</b>	<b>61 806</b>	<b>0</b>	<b>60 134</b>	<b>60</b>	<b>0</b>	
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>27</b>	<b>Social benefits</b>	<b>51 975</b>	<b>162 161</b>	<b>1 511</b>	<b>579</b>	<b>236</b>	<b>399</b>	<b>297</b>	<b>100 000</b>	<b>0</b>	
<b>28</b>	<b>Other expense</b>	<b>0</b>	<b>0</b>	<b>32 829</b>	<b>0</b>	<b>0</b>	<b>45 610</b>	<b>-12 781</b>	<b>0</b>	<b>2 924</b>	
<b>Net-gross operating balance (1-2)</b>		<b>330 571</b>	<b>261 419</b>	<b>193 438</b>	<b>91 089</b>	<b>19 735</b>	<b>42 631</b>	<b>39 983</b>	<b>293 944</b>	<b>2 845</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>-94</b>	<b>27 624</b>	<b>14 131</b>	<b>1 046</b>	<b>382</b>	<b>-84</b>	<b>12 787</b>	<b>-25 030</b>	<b>170</b>	
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	2 464	27 624	14 232	1 046	382	7	12 797	1 470	232	15,78
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	2 558	0	101	0	0	91	10	26 500	62	0,23
311	Fixed assets (311,1-311,2-311,3)	0	27 624	11 115	1 046	382	-84	9 771	-20 030	170	
311,1	Acquisitions: fixed assets	0	27 624	11 216	1 046	382	7	9 781	1 470	232	15,78
311,2	Disposals: fixed assets	0	0	101	0	0	91	10	21 500	62	0,29
<b>Net lending - borrowing (1-2-31)</b>		<b>330 665</b>	<b>233 795</b>	<b>179 307</b>	<b>90 043</b>	<b>19 353</b>	<b>42 715</b>	<b>27 196</b>	<b>318 974</b>	<b>2 675</b>	
<b>Financing (33-32)</b>		<b>-330 665</b>	<b>-233 795</b>	<b>-179 307</b>	<b>-90 043</b>	<b>-19 353</b>	<b>-42 715</b>	<b>-27 196</b>	<b>-318 974</b>	<b>-2 675</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>330 665</b>	<b>-134 228</b>	<b>-340 259</b>	<b>72 249</b>	<b>-82 419</b>	<b>42 715</b>	<b>-372 804</b>	<b>318 974</b>	<b>2 675</b>	
321	Domestic	330 665	-134 228	-340 259	72 249	-82 419	42 715	-372 804	318 974	2 675	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>0</b>	<b>-368 023</b>	<b>-519 566</b>	<b>-17 794</b>	<b>-101 772</b>	<b>0</b>	<b>-400 000</b>	<b>0</b>	<b>0</b>	
331	Domestic	0	-368 023	-519 566	-17 794	-101 772	0	-400 000	0	0	
332	Foreign	0	0	0	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)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>125 991</b>	<b>62 946</b>	<b>237 044</b>	<b>5 852</b>	<b>29 122</b>	<b>192 864</b>	<b>9 206</b>	<b>46 300</b>	<b>6 851</b>	<b>14,80</b>
11	Taxes	0	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	
13	Grants (131+133)	0	0	0	0	0	0	0	0	0	
131	From foreign governments	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	0	0	0	0	0	0	0	
1331	Current	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	
14	Other revenue	125 991	62 946	237 044	5 852	29 122	192 864	9 206	46 300	6 851	14,80
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>51 685</b>	<b>60 141</b>	<b>182 119</b>	<b>22 668</b>	<b>125 503</b>	<b>15 551</b>	<b>18 397</b>	<b>89 193</b>	<b>4 742</b>	<b>5,32</b>
21	Compensation of employees (211+212)	28 942	31 044	35 996	8 470	9 651	8 580	9 295	39 965	3 820	9,56
211	Wages and salaries	24 794	26 721	31 273	7 295	8 268	7 571	8 139	35 038	3 490	9,96
212	Social contributions	4 148	4 323	4 723	1 175	1 383	1 009	1 156	4 927	330	6,70
22	Use of goods and services	22 655	29 097	33 545	8 948	10 677	6 789	7 131	32 557	922	2,83
24	Interest	88	0	0	0	0	0	0	16 671	0	
25	Subsidies	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	0	0	0	0	0	0	0	
27	Social benefits	0	0	0	0	0	0	0	0	0	
28	Other expense	0	0	112 578	5 250	105 175	182	1 971	0	0	
<b>Net-gross operating balance (1-2)</b>		<b>74 306</b>	<b>2 805</b>	<b>54 925</b>	<b>-16 816</b>	<b>-96 381</b>	<b>177 313</b>	<b>-9 191</b>	<b>-42 893</b>	<b>2 109</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>-15 603</b>	<b>-24 444</b>	<b>-40 272</b>	<b>-1 637</b>	<b>-13 670</b>	<b>-22 033</b>	<b>-2 932</b>	<b>1 674</b>	<b>-9 111</b>	
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	3 778	725	2 061	389	374	1 162	136	80 374	247	0,31
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	19 381	25 169	42 333	2 026	14 044	23 195	3 068	78 700	9 358	11,89
311	Fixed assets (311,1-311,2-311,3)	0	-24 444	-40 272	-1 637	-13 670	-22 033	-2 932	1 674	-9 111	
311,1	Acquisitions: fixed assets	0	725	2 061	389	374	1 162	136	80 374	247	0,31
311,2	Disposals: fixed assets	0	25 169	42 333	2 026	14 044	23 195	3 068	78 700	9 358	11,89
<b>Net lending - borrowing (1-2-31)</b>		<b>89 909</b>	<b>27 249</b>	<b>95 197</b>	<b>-15 179</b>	<b>-82 711</b>	<b>199 346</b>	<b>-6 259</b>	<b>-44 567</b>	<b>11 220</b>	
<b>Financing (33-32)</b>		<b>-89 909</b>	<b>-27 249</b>	<b>-95 197</b>	<b>15 179</b>	<b>82 711</b>	<b>-199 346</b>	<b>6 259</b>	<b>44 567</b>	<b>-11 220</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>280 272</b>	<b>15 293</b>	<b>100 403</b>	<b>-18 551</b>	<b>-32 202</b>	<b>167 136</b>	<b>-15 980</b>	<b>-410 000</b>	<b>10 721</b>	
321	Domestic	280 272	15 293	100 403	-18 551	-32 202	167 136	-15 980	-410 000	10 721	
322	Foreign	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>190 363</b>	<b>-11 956</b>	<b>5 206</b>	<b>-3 372</b>	<b>50 509</b>	<b>-32 210</b>	<b>-9 721</b>	<b>-365 433</b>	<b>-499</b>	
331	Domestic	190 363	-11 956	5 206	-3 372	50 509	-32 210	-9 721	-360 987	-499	
332	Foreign	0	0	0	0	0	0	0	-4 446	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 18: CONSOLIDATED CENTRAL GOVERNMENT BY ECONOMIC CATEGORY

(000 HRK)		2003	2004	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>80 786 555</b>	<b>87 019 284</b>	<b>92 644 919</b>	<b>19 760 956</b>	<b>22 706 433</b>	<b>24 552 448</b>	<b>25 625 083</b>	<b>99 106 916</b>	<b>7 043 601</b>	<b>7,11</b>
<b>11</b>	<b>Taxes (111+113+114+115+116)</b>	<b>47 912 180</b>	<b>49 833 666</b>	<b>53 449 049</b>	<b>10 887 922</b>	<b>13 663 151</b>	<b>14 739 793</b>	<b>14 158 184</b>	<b>56 537 027</b>	<b>3 912 567</b>	<b>6,92</b>
111	Taxes of income and profits and capital gains	6 189 047	6 259 713	7 057 112	1 733 814	1 901 937	1 604 643	1 816 718	7 456 658	561 849	7,53
113	Taxes on property	289 926	355 823	375 501	84 651	88 023	88 978	113 849	399 803	28 869	7,22
114	Taxes on goods and services (1141+1142+1144+1145+1146)	39 282 252	41 286 025	44 084 487	8 631 991	11 208 065	12 527 750	11 716 681	46 549 921	3 186 809	6,85
1141	General taxes on goods and services (11411+11412)	28 260 009	30 013 661	32 399 952	6 388 649	8 204 893	9 075 964	8 730 447	34 153 259	2 288 304	6,70
11411	Value-added taxes	28 129 300	29 864 905	32 243 372	6 203 554	8 313 791	9 034 765	8 691 261	33 993 846	2 277 834	6,70
11412	Sales taxes	130 709	148 757	156 580	185 095	-108 898	41 198	39 185	159 412	10 470	6,57
1142	Excises	10 482 097	10 625 358	10 939 144	2 243 343	2 674 936	3 272 530	2 748 336	11 637 787	837 030	7,19
115	Taxes on international trade and transactions	1 810 866	1 590 727	1 562 930	341 761	393 982	412 010	415 178	1 532 635	108 213	7,06
116	Other taxes	340 089	341 377	369 019	95 705	71 144	106 412	95 758	598 011	26 827	4,49
<b>12</b>	<b>Social contributions</b>	<b>27 424 608</b>	<b>29 477 597</b>	<b>31 301 340</b>	<b>7 466 238</b>	<b>7 702 642</b>	<b>7 945 580</b>	<b>8 186 879</b>	<b>33 627 039</b>	<b>2 622 372</b>	<b>7,80</b>
<b>13</b>	<b>Grants</b>	<b>11 841</b>	<b>10 122</b>	<b>27 505</b>	<b>3 322</b>	<b>10 763</b>	<b>6 524</b>	<b>6 897</b>	<b>577 373</b>	<b>875</b>	<b>0,15</b>
<b>14</b>	<b>Other revenue</b>	<b>5 437 926</b>	<b>7 697 900</b>	<b>7 867 026</b>	<b>1 403 475</b>	<b>1 329 878</b>	<b>1 860 550</b>	<b>3 273 123</b>	<b>8 365 477</b>	<b>507 787</b>	<b>6,07</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>80 715 286</b>	<b>86 941 437</b>	<b>92 330 638</b>	<b>24 228 989</b>	<b>21 731 635</b>	<b>21 951 845</b>	<b>24 418 170</b>	<b>98 230 157</b>	<b>7 530 019</b>	<b>7,67</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>22 068 463</b>	<b>23 265 724</b>	<b>24 306 185</b>	<b>5 884 364</b>	<b>5 928 312</b>	<b>6 210 560</b>	<b>6 282 949</b>	<b>25 406 991</b>	<b>2 095 333</b>	<b>8,25</b>
211	Wages and salaries	18 762 897	19 750 868	20 665 917	4 991 745	5 023 182	5 286 232	5 364 758	21 619 573	1 777 754	8,22
212	Social contributions	3 305 566	3 514 856	3 640 268	892 619	905 130	924 328	918 191	3 787 418	317 579	8,39
<b>22</b>	<b>Use of goods and services</b>	<b>6 291 714</b>	<b>6 327 741</b>	<b>7 087 312</b>	<b>1 847 939</b>	<b>1 569 933</b>	<b>1 707 529</b>	<b>1 961 911</b>	<b>9 153 803</b>	<b>595 404</b>	<b>6,50</b>
<b>24</b>	<b>Interest</b>	<b>3 955 966</b>	<b>4 343 680</b>	<b>5 004 299</b>	<b>1 976 082</b>	<b>1 110 393</b>	<b>922 483</b>	<b>995 341</b>	<b>5 414 377</b>	<b>377 380</b>	<b>6,97</b>
<b>25</b>	<b>Subsidies</b>	<b>4 292 712</b>	<b>4 968 069</b>	<b>5 252 867</b>	<b>1 815 513</b>	<b>943 475</b>	<b>971 650</b>	<b>1 522 229</b>	<b>5 355 720</b>	<b>338 753</b>	<b>6,33</b>
<b>26</b>	<b>Grants</b>	<b>1 737 217</b>	<b>2 162 993</b>	<b>2 806 023</b>	<b>843 941</b>	<b>463 985</b>	<b>600 619</b>	<b>897 478</b>	<b>2 561 276</b>	<b>285 242</b>	<b>11,14</b>
<b>27</b>	<b>Social benefits</b>	<b>37 939 553</b>	<b>40 645 794</b>	<b>41 929 579</b>	<b>10 379 198</b>	<b>10 604 931</b>	<b>10 433 630</b>	<b>10 511 820</b>	<b>43 915 682</b>	<b>3 487 926</b>	<b>7,94</b>
<b>28</b>	<b>Other expense</b>	<b>4 429 661</b>	<b>5 227 438</b>	<b>5 944 375</b>	<b>1 481 953</b>	<b>1 110 605</b>	<b>1 105 374</b>	<b>2 246 442</b>	<b>6 422 308</b>	<b>349 981</b>	<b>5,45</b>
<b>NET-GROSS OPERATING BALANCE (1-2)</b>		<b>71 268</b>	<b>77 847</b>	<b>314 281</b>	<b>-4 468 033</b>	<b>974 799</b>	<b>2 600 603</b>	<b>1 206 913</b>	<b>876 758</b>	<b>-486 419</b>	
<b>3</b>	<b>CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>71 268</b>	<b>77 847</b>	<b>314 281</b>	<b>-4 468 033</b>	<b>974 799</b>	<b>2 600 603</b>	<b>1 206 913</b>	<b>876 758</b>	<b>-486 419</b>	
<b>31</b>	<b>NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>7 996 014</b>	<b>8 373 463</b>	<b>6 657 096</b>	<b>1 464 017</b>	<b>1 585 327</b>	<b>1 784 793</b>	<b>1 822 958</b>	<b>6 339 253</b>	<b>222 628</b>	<b>3,51</b>
311	Fixed assets	7 867 051	8 158 064	6 397 366	1 441 263	1 514 703	1 700 597	1 740 803	6 361 040	202 519	3,18
312	Inventories	0	0	0	0	0	0	0	-273 609	0	
313	Valuables	5 303	7 518	7 220	2 660	1 999	804	1 757	7 018	153	2,18
314	Nonproduced assets	123 659	207 881	252 510	20 094	68 625	83 393	80 399	244 804	19 957	8,15
<b>NET LENDING-BORROWING (1-2-31)</b>		<b>-7 924 745</b>	<b>-8 295 616</b>	<b>-6 342 815</b>	<b>-5 932 051</b>	<b>-610 528</b>	<b>815 810</b>	<b>-616 046</b>	<b>-5 462 494</b>	<b>-709 047</b>	
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>		<b>7 924 745</b>	<b>8 295 616</b>	<b>6 342 815</b>	<b>5 932 051</b>	<b>610 528</b>	<b>-815 810</b>	<b>616 046</b>	<b>5 462 494</b>	<b>709 047</b>	
<b>32</b>	<b>NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>-963 228</b>	<b>28 384</b>	<b>1 653 534</b>	<b>915 912</b>	<b>-91 743</b>	<b>853 491</b>	<b>-24 126</b>	<b>-3 327 379</b>	<b>252 851</b>	
321	Domestic	-973 154	18 598	1 658 391	923 468	-94 442	853 491	-24 126	-3 344 146	252 851	
322	Foreign	9 926	9 786	-4 857	-7 556	2 699	0	0	16 768	0	
323	Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>6 961 518</b>	<b>8 324 000</b>	<b>7 996 349</b>	<b>6 847 962</b>	<b>518 785</b>	<b>37 681</b>	<b>591 920</b>	<b>2 135 116</b>	<b>961 898</b>	
331	Domestic	948 884	4 107 680	12 041 681	10 843 571	424 664	206 315	567 130	5 237 831	528 194	
332	Foreign	6 012 634	4 216 320	-4 045 332	-3 995 609	94 121	-168 634	24 790	-3 102 715	433 704	

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	2005	I - III 2005	IV - VI 2005	VII - IX 2005	X - XII 2005	Plan 2006	I 2006	I 2006 Plan 2006
<b>1 REVENUE (A+B)</b>	<b>87 019 284</b>	<b>92 644 919</b>	<b>19 760 956</b>	<b>22 706 433</b>	<b>24 552 448</b>	<b>25 625 083</b>	<b>99 106 916</b>	<b>7 043 601</b>	<b>7,11</b>
<b>A) Budgetary Central Government</b>	<b>80 463 518</b>	<b>85 654 942</b>	<b>18 435 859</b>	<b>21 170 989</b>	<b>22 386 379</b>	<b>23 661 715</b>	<b>93 995 548</b>	<b>6 732 436</b>	<b>7,16</b>
<b>B) Extrabudgetary users (1+...+9)</b>	<b>6 555 766</b>	<b>6 989 977</b>	<b>1 325 097</b>	<b>1 535 444</b>	<b>2 166 068</b>	<b>1 963 368</b>	<b>5 111 368</b>	<b>311 165</b>	<b>6,09</b>
1. Croatian Institute for Pension Insurance	129 892	38 470	9 636	10 372	9 081	9 381	125 000	35 191	28,15
2. Croatian Health Insurance Institute	663 139	863 867	192 145	159 872	225 757	286 093	847 322	77 484	9,14
3. Croatian Employment Service	15 507	18 836	5 133	5 433	4 052	4 218	14 560	450	3,09
4. Croatian Waters	1 224 431	1 226 246	213 900	245 999	321 339	445 008	1 492 000	99 866	6,69
5. Environment Protection Fund	170 748	214 737	40 165	66 668	57 136	50 768	1 003 600	17 160	1,71
6. Croatian motorways Ltd.	2 295 423	2 548 613	470 872	580 843	822 656	674 242	1 103 000	62 791	5,69
7. Croatian roads Ltd.	1 417 787	1 474 726	292 372	351 219	438 649	392 486	66 150	3 001	4,54
8. State Agency for Deposit Insurance and Bank Rehabilitation	575 893	367 438	95 022	85 916	94 534	91 966	413 436	8 371	2,02
9. Croatian Privatization Fund	62 946	237 044	5 852	29 122	192 864	9 206	46 300	6 851	14,80
<b>2 EXPENSE (A+B)</b>	<b>86 941 437</b>	<b>92 330 638</b>	<b>24 228 989</b>	<b>21 731 635</b>	<b>21 951 845</b>	<b>24 418 170</b>	<b>98 230 157</b>	<b>7 530 019</b>	<b>7,67</b>
<b>A) Budgetary Central Government</b>	<b>81 861 164</b>	<b>86 716 855</b>	<b>23 089 408</b>	<b>20 396 689</b>	<b>20 708 049</b>	<b>22 522 710</b>	<b>91 136 245</b>	<b>7 122 734</b>	<b>7,82</b>
<b>B) Extrabudgetary funds and agencies (1+...+9)</b>	<b>5 080 273</b>	<b>5 613 783</b>	<b>1 139 581</b>	<b>1 334 946</b>	<b>1 243 796</b>	<b>1 895 460</b>	<b>7 093 912</b>	<b>407 285</b>	<b>5,74</b>
1. Croatian Institute for Pension Insurance	587 420	381 060	87 828	92 057	91 870	109 305	466 000	27 912	5,99
2. Croatian Health Insurance Institute	831 295	914 337	208 979	214 271	222 319	268 768	1 037 881	69 552	6,70
3. Croatian Employment Service	141 333	145 931	34 530	33 938	36 457	41 006	163 580	13 335	8,15
4. Croatian Waters	1 426 283	1 496 306	254 581	243 682	369 764	628 279	1 804 574	105 062	5,82
5. Environment Protection Fund	32 443	170 979	76 407	19 856	-86 083	160 799	867 259	10 989	1,27
6. Croatian motorways Ltd.	752 254	1 086 270	206 525	251 770	259 682	368 293	1 314 933	75 890	5,77
7. Croatian roads Ltd.	934 630	1 062 781	244 130	287 688	282 333	248 630	1 231 000	94 277	7,66
8. State Agency for Deposit Insurance and Bank Rehabilitation	314 474	174 000	3 933	66 181	51 903	51 983	119 492	5 526	4,62
9. Croatian Privatization Fund	60 141	182 119	22 668	125 503	15 551	18 397	89 193	4 742	5,32
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>77 847</b>	<b>314 281</b>	<b>-4 468 033</b>	<b>974 799</b>	<b>2 600 603</b>	<b>1 206 913</b>	<b>876 758</b>	<b>-486 419</b>	
<b>3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>77 847</b>	<b>314 281</b>	<b>-4 468 033</b>	<b>974 799</b>	<b>2 600 603</b>	<b>1 206 913</b>	<b>876 758</b>	<b>-486 419</b>	
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS</b>	<b>8 373 463</b>	<b>6 657 096</b>	<b>1 464 017</b>	<b>1 585 327</b>	<b>1 784 793</b>	<b>1 822 958</b>	<b>6 339 253</b>	<b>222 628</b>	<b>3,51</b>
Acquisition (A+B)	8 648 383	6 981 220	1 528 017	1 693 184	1 863 233	1 896 786	6 692 798	252 186	3,77
A) Budgetary Central Government	1 663 868	1 828 816	341 134	290 205	439 188	758 289	2 233 472	58 553	2,62
B) Extrabudgetary users	6 984 515	5 152 404	1 186 883	1 402 979	1 424 045	1 138 497	4 459 326	193 633	4,34
Disposals (A+B)	274 920	324 124	64 000	107 857	78 439	73 828	353 545	29 558	8,36
A) Budgetary Central Government	244 401	275 149	60 318	90 561	53 877	70 393	244 275	19 818	8,11
B) Extrabudgetary users	30 519	48 975	3 682	17 296	24 562	3 435	109 270	9 740	8,91
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-8 295 616</b>	<b>-6 342 815</b>	<b>-5 932 051</b>	<b>-610 528</b>	<b>815 810</b>	<b>-616 046</b>	<b>-5 462 494</b>	<b>-709 047</b>	
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>	<b>8 295 616</b>	<b>6 342 815</b>	<b>5 932 051</b>	<b>610 528</b>	<b>-815 810</b>	<b>616 046</b>	<b>5 462 494</b>	<b>709 047</b>	
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>28 384</b>	<b>1 653 534</b>	<b>915 912</b>	<b>-91 743</b>	<b>853 491</b>	<b>-24 126</b>	<b>-3 327 379</b>	<b>252 851</b>	
321 Domestic (A+B)	18 599	1 658 391	923 468	-94 442	853 491	-24 126	-3 344 146	252 851	
A) Budgetary Central Government	138 578	1 749 621	330 030	398 827	828 815	191 950	-3 375 824	242 594	
B) Extrabudgetary users	-119 979	-91 230	593 438	-493 269	24 676	-216 075	31 678	10 257	
322 Foreign (A+B)	<b>9 786</b>	<b>-4 857</b>	<b>-7 556</b>	<b>2 699</b>	<b>0</b>	<b>0</b>	<b>16 768</b>	<b>0</b>	
A) Budgetary Central Government	9 786	-4 857	-7 556	2 699	0	0	16 768	0	
B) Extrabudgetary users	0	0	0	0	0	0	0	0	
323 Monetary gold and SDRs	0	0	0	0	0	0	0	0	
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>8 324 000</b>	<b>7 996 349</b>	<b>6 847 962</b>	<b>518 785</b>	<b>37 681</b>	<b>591 920</b>	<b>2 135 116</b>	<b>961 898</b>	
331 Domestic (A+B)	<b>4 107 680</b>	<b>12 041 681</b>	<b>10 843 571</b>	<b>424 664</b>	<b>206 315</b>	<b>567 130</b>	<b>5 237 831</b>	<b>528 194</b>	
A) Budgetary Central Government	4 038 705	10 591 560	9 775 480	279 979	-38 935	575 035	3 813 392	528 693	
B) Extrabudgetary users	68 975	1 450 121	1 068 091	144 685	245 250	-7 905	1 424 439	-499	
332 Foreign (A+B)	<b>4 216 320</b>	<b>-4 045 332</b>	<b>-3 995 609</b>	<b>94 121</b>	<b>-168 634</b>	<b>24 790</b>	<b>-3 102 715</b>	<b>433 704</b>	
A) Budgetary Central Government	270 335	-5 080 612	-4 266 322	-230 013	-328 789	-255 489	-3 810 473	398 745	
B) Extrabudgetary users	3 945 985	1 035 280	270 713	324 133	160 155	280 279	707 758	34 959	

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)	Expenditures (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
I 2006	7 043 601	7 530 019	-486 419	377 380	-109 039

Note: See notes on methodology

## MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT / SURPLUS

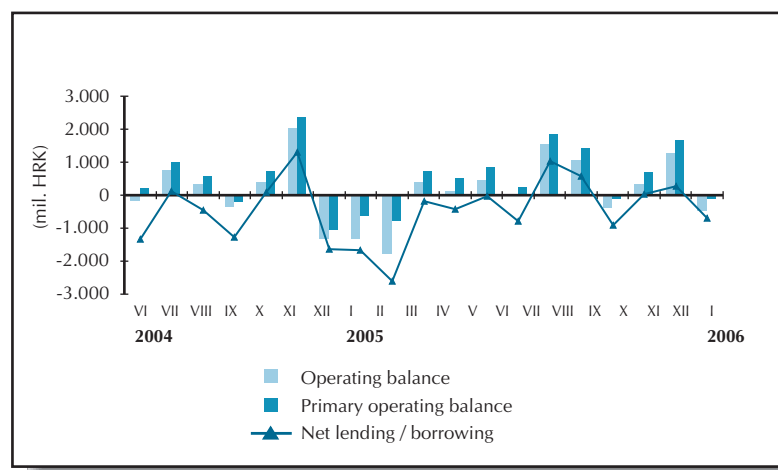


TABLE 19B: NET LENDING / BORROWING (000 HRK)

	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
I 2006	-486 419	222 628	-709 047	709 047	252 851	961 898

\* Deficit according to GFS 2001 methodology

Note: See notes on methodology

TABLE 23: GENERAL GOVERNMENT DEBT STOCK

	31.12. 2002 <sup>§</sup>		31.12. 2003 <sup>§</sup>		31.12.2004 <sup>§</sup>		31.3.2005 <sup>§</sup>		30.6.2005 <sup>§</sup>		30.9.2005 <sup>§</sup>		31.12.2005 <sup>§</sup>		31.1. 2006 <sup>§</sup>	
	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP
<b>A. Foreign debt (A1+A2+A3)</b>	<b>40 367,0</b>	<b>22,5</b>	<b>45 860,9</b>	<b>23,8</b>	<b>50 116,7</b>	<b>24,2</b>	<b>45 022,8</b>	<b>20,2</b>	<b>45 420,1</b>	<b>20,4</b>	<b>45 792,3</b>	<b>20,6</b>	<b>45 477,3</b>	<b>20,4</b>	<b>45 446,2</b>	<b>19,0</b>
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	36 623,8	15,3
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	8 623,2	3,6
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	199,2	0,1
<b>B. Domestic debt (B1+B2+B3)</b>	<b>32 214,0</b>	<b>18,0</b>	<b>35 545,3</b>	<b>18,4</b>	<b>42 554,5</b>	<b>20,5</b>	<b>52 294,3</b>	<b>23,5</b>	<b>53 415,2</b>	<b>24,0</b>	<b>54 713,7</b>	<b>24,6</b>	<b>55 601,9</b>	<b>25,0</b>	<b>55 826,2</b>	<b>23,3</b>
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	50 875,0	21,3
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	3 624,1	1,5
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	1 327,1	0,6	1 327,1	0,6
<b>C. General Government total debt, (C1+C2+C3)</b>	<b>72 580,9</b>	<b>40,5</b>	<b>81 406,2</b>	<b>42,2</b>	<b>92 671,2</b>	<b>44,8</b>	<b>97 317,1</b>	<b>43,7</b>	<b>98 835,3</b>	<b>44,4</b>	<b>100 506,0</b>	<b>45,1</b>	<b>101 079,2</b>	<b>45,4</b>	<b>101 272,4</b>	<b>42,3</b>
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	87 498,8	36,6
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	12 247,3	5,1
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	1 526,3	0,7	1 526,3	0,6
<b>Total guarantees of Republic of Croatia</b>	<b>15 578,8</b>	<b>8,7</b>	<b>15 326,6</b>	<b>7,9</b>	<b>12 274,6</b>	<b>5,9</b>	<b>12 050,1</b>	<b>5,4</b>	<b>12 390,5</b>	<b>5,6</b>	<b>12 149,2</b>	<b>5,5</b>	<b>12 222,8</b>	<b>5,5</b>	<b>12 024,4</b>	<b>5,0</b>
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	6 669,2	2,8
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	5 355,2	2,2
<b>Total debt of HBOR</b>	<b>3 816,0</b>	<b>2,1</b>	<b>4 954,0</b>	<b>2,6</b>	<b>5 776,3</b>	<b>2,8</b>	<b>5 594,5</b>	<b>2,5</b>	<b>6 242,1</b>	<b>2,8</b>	<b>6 523,4</b>	<b>2,9</b>	<b>7 135,5</b>	<b>3,2</b>	<b>6 934,4</b>	<b>2,9</b>
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	6 482,0	2,7
Domestic debt of HBOR	442,3	0,2	328,1	0,2	382,2	0,2	370,2	0,2	319,6	0,1	311,5	0,1	535,4	0,2	452,4	0,2

Note: See notes on methodology

Source: Ministry of Finance, NBS for GDP



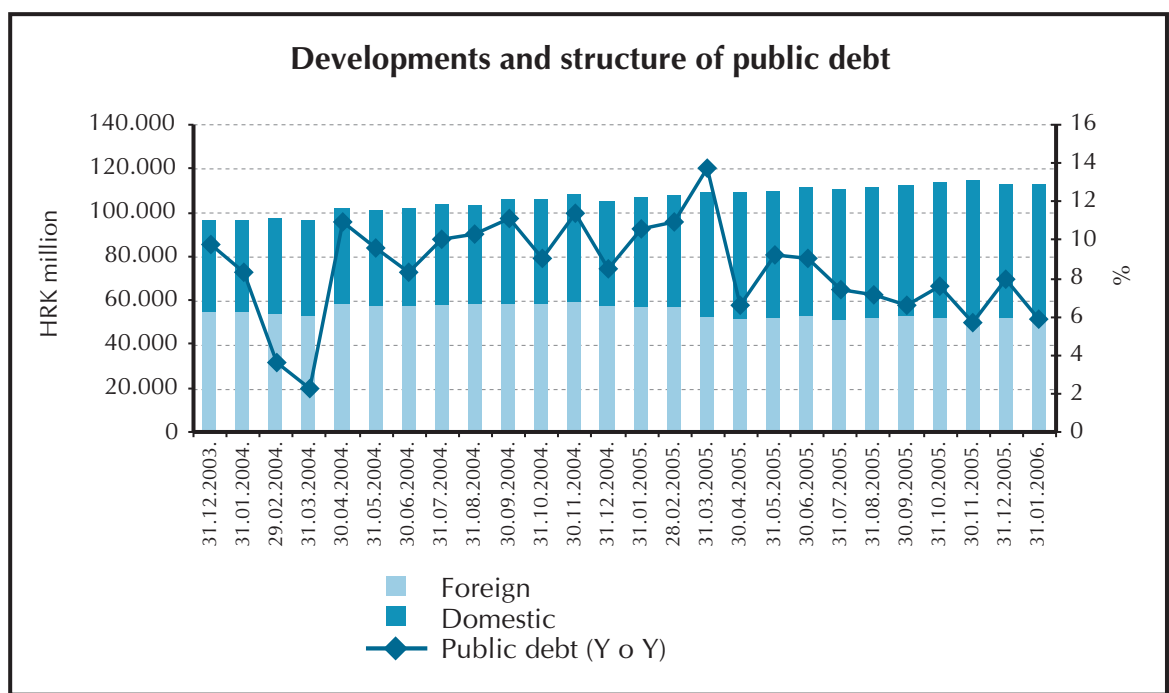
## PUBLIC DEBT

General government debt amounted to HRK 101.3 billion in January 2006 reaching 42.3% of the expected GDP for 2006. Out of that, HRK 45.4 billion or 44.9% referred to foreign general government debt. According to government level, the largest part of general government debt related to central government (HRK 87.5 billion or 86.4%) followed by extrabudgetary funds (12.1%) and local government (1.5%). Central government also made the largest part of foreign debt (80.6%), 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 (70.4%) 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 January to HRK 113.3 billion or 47.4% of the expected GDP. Out of that, 46.0% or HRK 52.1 billion related to the external component of public debt. Total issued government guarantees reached HRK 12.0 billion or equivalently 5.0% of GDP out of which HRK 6.7 billion or 55.5% referred to foreign guarantees. In the same period the debt of the HBOR amounted to HRK 6.9 billion and was almost completely (93.5%) created by borrowing abroad.

Compared to the same month previous year, general government debt increased by 6.6%, primarily as a result of stronger central government borrowing (7.5%), while the borrowing of extrabudgetary funds continues to slow down (3.2% in January compared to 7.4% in December or compared to the average yearly growth rate for 2005 that amounted to 16%). Foreign debt decreased by 8.5% as a result of increased borrowing of central government on the domestic market (foreign central government debt decreased by 11.7%) which has been to a certain extent neutralised by stronger foreign borrowing of extrabudgetary funds that grew at 9.3%.

Compared to general government debt, public debt grew somewhat slower (5.9%). The foreign component of public debt decreased by 8.6% as a result of mentioned developments in general government debt and reduced issuance of foreign guarantees which decreased by 9.4%. The faster growth of HBOR debt recorded in the last quarter of 2005 continued in January (24.3%). This is an extension of the stronger foreign borrowing started by the end of the third quarter which in January grew at 25%, while domestic borrowing decelerated significantly from 40.1% but still remains high at 15.3% in January 2006.



**TABLE 24: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT****DOMESTIC DEBT STOCK IN 000 (31. JANUARY 2006)**

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	430 630	2011	7,20%
Big Bonds - Series III	EUR	59 048	434 557	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 471 867	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 679 667	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	4 783 566	2014	5,50%
Bonds - Series 06 D-07	EUR	400 000	2 943 733	2007	3,875%
Bonds - Series 07 D-19	EUR	200 000	1 471 867	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	2 575 767	2015	4,25%
Bonds - Series 10 D-15	HRK	3 500 000	3 500 000	2015	5,25%
BRA Bonds I	EUR	39 302	289 237	2007	6,00%
BRA Bonds II	EUR	23 197	170 717	2012	5,00%
BRA Bonds III	EUR	61 229	450 601	2012	7,20%
BRA Bonds IV	EUR	31 754	233 685	2012	5,00%
BRA Bonds V-A	EUR	1 089	8 014	2007	6,00%
BRA Bonds V-B	EUR	81 394	599 006	2008	7,00%
Club loan	EUR	231 360	1 702 655	2006	3,65%
Syndicated FX loan	EUR	500 000	3 679 667	2010	2,63%
Medium and long term debt			<b>34 263 314</b>		
Treasury Bills	HRK	11 832 600	11 832 600		
	EUR	110 560	813 648		
Other short-term debt	HRK	805 959	805 959		
Short-term debt			<b>13 452 207</b>		
Total debt			<b>47 715 520</b>		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

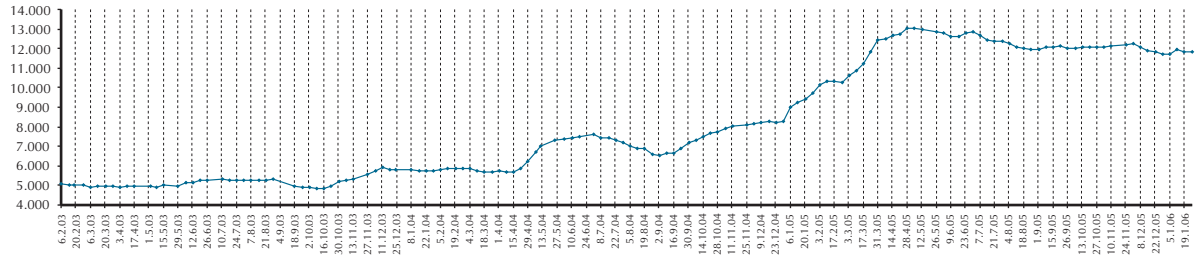
**TABLE 25: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE**

(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 (%)	Uniform price allocation per 100 HRK (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	97,937 / 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%
	3.1.2006.	23 000	23 000	99,086 / 3,70%	99,086 / 3,70%	40 000	459 200	98,080 / 3,93%	98,140 / 3,80%	341 500	2 181 300	96,047 / 4,13%	96,164 / 4,00%
	10.1.2006.	10 000	185 000	99,105 / 3,62%	99,184 / 3,30%	35 000	485 000	98,197 / 3,68%	98,309 / 3,45%	296 000	1 010 200	96,336 / 3,81%	96,441 / 3,70%
	24.1.2006.	50 000	180 000	99,136 / 3,50%	99,184 / 3,30%	34 000	184 000	98,232 / 3,61%	98,357 / 3,35%	211 400	626 400	96,480 / 3,66%	95,581 / 3,55%

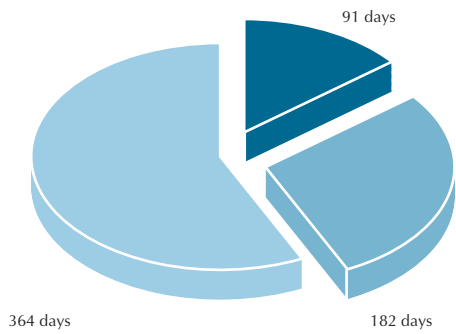
Note: See notes on methodology

Source: Ministry of Finance

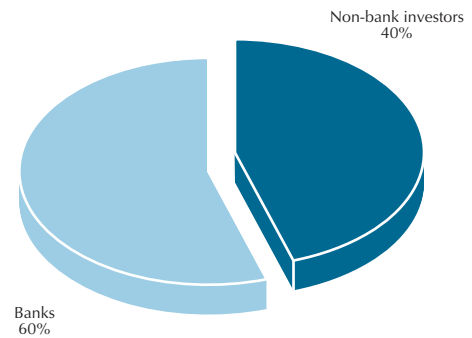
## T-Bill's Outstanding Debt



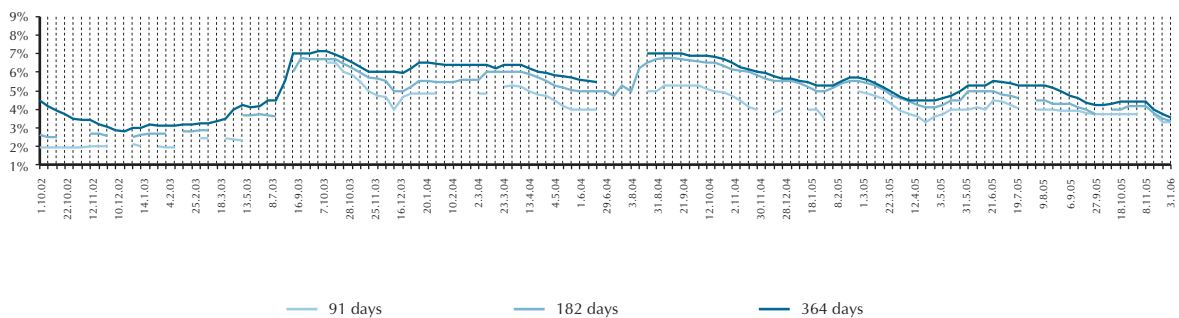
## Structure of outstanding T-Bills on 31 January 2006



## 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 2002.

As of January 1<sup>st</sup> 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 1<sup>st</sup> 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

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Secretary of State: Ante Žigman, M. Sc.

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Ministry Secretary: Zvonko Šakić

## State Treasury

Chief Treasurer: Vesna Orlandini

## Assistant Ministers

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Sector for Budget Preparation: Niko Raič, M. Sc.  
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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  
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## ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review number	Notes	Release			
		April 06	May 06	June 06	July 06
		125	126	127	128
<b>SDDS Data Category</b>		April 06	May 06	June 06	July 06
<b>General Government operations</b>	1)		(03/06)		
<b>Central Government operations</b>	2)	(02/06)	(03/06)	(04/06)	(05/06)
<b>Internal Central Government Debt</b>	3)	(02/06)	(03/06)	(04/06)	(05/06)

- 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