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TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2001	2002	2003	2004	2005	2006	2006			2007	2006				2007		
							Q2	Q3	Q4	Q1	IX	X	XI	XII	I	II	III
GDP, current prices (mil. HRK)	165 639	181 231	198 422	214 983	231 349	250 590	61 911	69 099	62 859	-	-	-	-	-	-	-	-
GDP, real growth rates	4,4	5,6	5,3	4,3	4,3	4,8	3,6	4,7	4,8	-	-	-	-	-	-	-	-
Total volume of industrial production, growth rate as %	6,0	5,4	4,1	3,7	5,1	4,5	0,0	5,9	6,1	8,0	3,0	8,3	6,9	3,1	9,0	5,7	9,0
Retail sales turnover, real growth rate as %	10,0	12,5	3,7	2,6	2,8	2,1	0,2	2,0	4,0	-	2,8	4,6	3,4	4,0	7,8	7,2	-
Total volume of construction projects, growth rate as %	3,6	12,8	22,8	2,0	-0,8	9,3	8,4	7,5	7,1	-	4,7	9,8	7,3	3,6	13,7	7,7	-
Nights spent by tourists, growth rate as %	11,0	3,0	4,0	2,0	7,6	3,1	8,1	1,7	7,8	7,2	7,2	3,2	20,6	13,8	6,9	1,4	11,3
Producer's prices, period average, %	3,6	-0,4	1,9	3,5	3,0	2,9	3,7	2,8	1,7	1,9	2,0	1,5	1,6	1,9	2,2	1,7	2,0
Consumer prices, period average, %	3,8	1,7	1,8	2,1	3,3	3,2	3,8	3,3	2,2	1,6	2,8	2,1	2,5	2,0	1,8	1,2	1,8
Total persons in employment, end of period	1 340 504	1 351 364	1 387 910	1 397 416	1 417 158	1 467 398	1 485 839	1 488 937	1 467 398	1 461 135	1 488 937	1 480 100	1 475 520	1 467 398	1 456 863	1 455 471	1 461 135
Unemployed persons, end of period	395 141	366 162	318 684	317 577	307 851	293 153	274 471	279 017	293 153	291 642	279 017	289 881	292 269	293 153	299 083	298 775	291 642
Unemployment rate, end of period	23,1	21,5	19,1	18,5	17,8	16,7	15,6	15,8	16,7	16,6	15,8	16,4	16,5	16,7	17,0	17,0	16,6
Unemployment rate - ILO comparable, period average, %	15,8	14,8	14,3	13,8	12,7	-	11,8	-	-	-	-	-	-	-	-	-	-
Average monthly gross wages and salaries, growth rate as %	3,9	6,0	4,8	6,4	4,4	6,2	5,9	5,6	7,2	-	5,3	6,6	7,7	7,1	7,3	6,5	-
Average monthly gross wages and salaries paid off in HRK	5 061	5 366	5 623	5 985	6 248	6 634	6 642	6 584	6 851	-	6 530	6 593	7 097	6 864	6 850	6 739	-
Exchange rate HRK/USD, period average	8,34	7,87	6,70	6,03	5,95	5,84	5,80	5,73	5,71	5,62	5,80	5,86	5,71	5,57	5,66	5,64	5,56
Exchange rate HRK/EUR, period average	7,47	7,41	7,56	7,50	7,40	7,32	7,28	7,30	7,36	7,36	7,39	7,39	7,34	7,36	7,37	7,36	7,36
Trade Balance (mil. USD)	-4 481	-5 818	-8 022	-8 565	-9 788	-11 112	-3 114	-2 862	-2 750	-2 956	-916	-1 007	-977	-766	-791	-972	-1 193
Exports (mil. USD)	4 666	4 904	6 187	8 024	8 773	10 376	2 429	2 582	2 994	2 629	890	1 013	900	1 080	762	908	959
Imports (mil. USD)	9 147	10 722	14 209	16 589	18 560	21 488	5 543	5 445	5 744	5 585	1 805	2 020	1 878	1 846	1 553	1 880	2 153
Current Account Balance (mil. EUR)	-818	-2 095	-1 866	-1 404	-1 985	-2 617	-1 286	2 145	-1 424	-	-	-	-	-	-	-	-
Current Account Balance (as % of GDP)	-3,7	-8,6	-7,1	-4,9	-6,3	-7,6	-15,1	22,6	-16,7	-	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. EUR)	5 334	5 651	6 554	6 436	7 438	8 725	8 744	8 135	8 725	9 520	8 135	8 516	8 984	8 725	9 173	9 565	9 520
Total outstanding external debt, end of period (mil. EUR)	13 458	15 055	19 811	22 781	25 541	29 032	27 571	27 195	29 032	-	27 195	27 745	28 380	29 032	29 389	29 590	-
Internal debt of consolidated central government, eop. (mil. HRK)	21 944	23 597	26 261	35 789	47 243	52 290	52 079	52 852	52 290	-	52 852	53 002	53 442	52 290	52 408	54 181	-
Commercial bank's loans, growth rate as %	23,2	33,6	16,8	13,1	20,3	22,7	24,8	23,7	22,7	20,0	23,7	22,0	21,4	22,7	22,1	21,3	20,0
Interest rates on treasury bills of 91 days maturity, end of period	4,00%	2,00%	4,00%	3,80%	3,70%	3,00%	3,10%	3,00%	3,00%	3,00%	3,00%	3,00%	3,00%	3,00%	3,40%	3,30%	3,00%
ZIBOR (3 m), average	7,90%	4,60%	5,50%	7,35%	6,19%	4,46%	4,10%	4,43%	4,45%	4,35%	4,45%	4,49%	4,35%	4,52%	4,43%	4,32%	4,29%

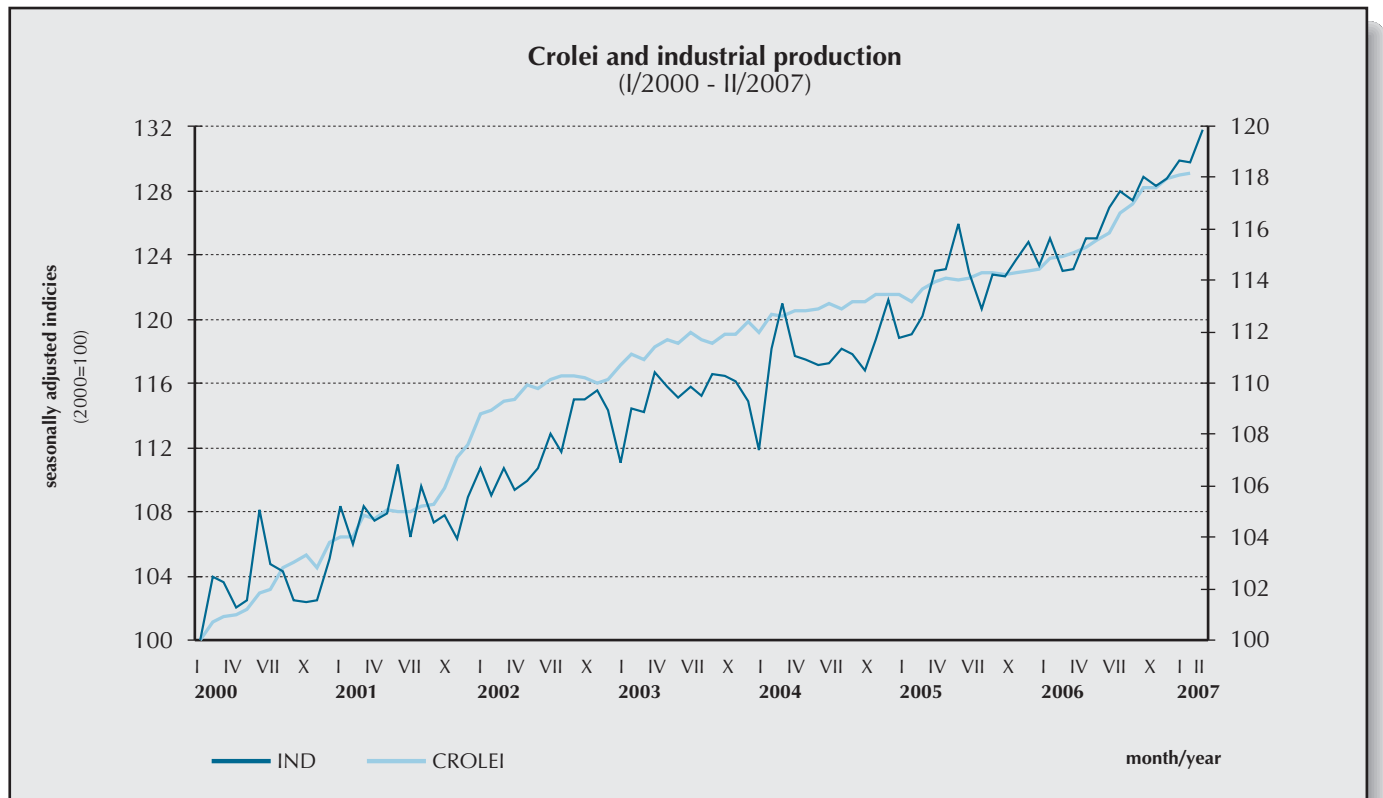
Source: Central Bureau of Statistics, Croatian National Bank, Ministry of Finance

# MACROECONOMIC TRENDS

## CROLEI - LEADING INDICATOR OF INDUSTRIAL PRODUCTION

In February 2007, the value of CROLEI index has not recorded any significant change at monthly level. Compared to the previous month, when it recorded a slight increase of 0.3 percentage points, the value of the index went up by only 0.03 points in February. At annual level the index grew by 4.2 percent, implying that the annual growth rate of CROLEI index has slightly slowed down in comparison with the past two months. In parallel with the stagnating of the value of CROLEI, the diffusive index, representing the share of the number of increasing components in the overall number of components, has maintained the level of 64 percent. The values of the diffusive index in the last three months, together with the corresponding values of CROLEI index, point to the conclusion that a moderate rise in economic activity can be expected in the period until the end of the third quarter of 2007.

Four monetary sector components, two real sector components and the only international sector component all made a positive contribution to this month's value of CROLEI index. These components, which have increased in February compared to January 2007, are: nominal net wage, real retail trade turnover, imports of machinery and transportation equipment, total liquid funds, domestic currency time and savings deposits of commercial banks, foreign reserves of commercial banks and total cash of participants in the payment system. The components recording a decline come from the real, the fiscal and the monetary sector. They are: registered persons employed, total tourist bed-nights, unconsolidated budget revenues and cash market interest rate on other loans. Cash market interest rate on other loans actually went up in February, but, as it is a negative sign indicator, in the calculation of the index this is recorded as a decline.



## REAL SECTOR

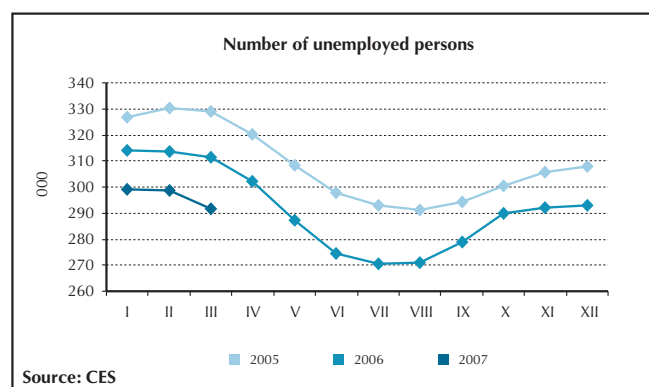
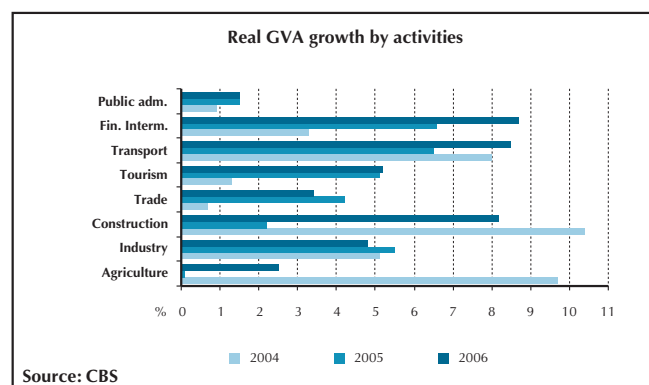
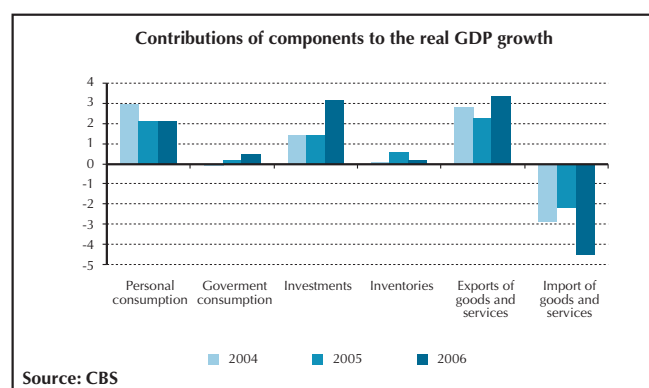
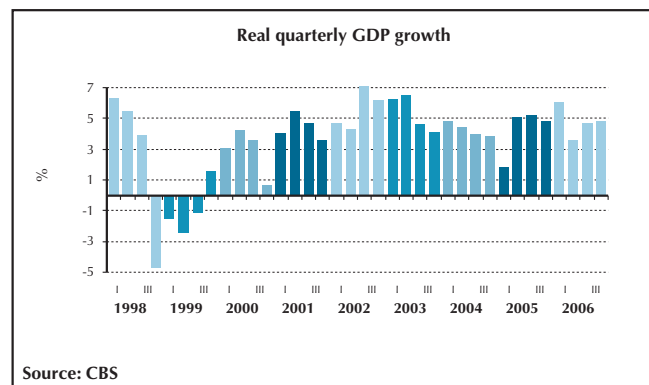
Real annual GDP growth rate amounted to 4.8 percent in the last quarter of 2006. Observing the whole year, real GDP growth rate in 2006 equaled also 4.8 percent, thus accelerating by 0.5 percentage points compared to 2005. The decline in inflation during the fourth quarter of 2006 contributed to the slowing down of GDP deflator growth rate to 3.0 percent. When observing the whole year 2006, the deflator amounted 3.4 percent. Total nominal GDP reached the amount of HRK 250.6 billion in 2006, implying that GDP per capita went up from EUR 7,000 in 2005 to EUR 7,700 in year 2006. The final GDP data for the year 2004 was also published. It resulted in an increase in nominal GDP for 2004 of about HRK 2.2 billion. Also, the 2004 real GDP growth rate was revised from the preliminary 3.8 to 4.3 percent.

When observing GDP by expenditure categories, the highest growth rates in the last quarter of 2006 were recorded by the exports of goods and services, with the real growth rate of 11.2 percent and the investments, with the growth rate of 9.2 percent. The acceleration in real annual growth rates during the fourth quarter of 2006 was recorded by the personal consumption, which rose by 4.1 percent and the government consumption, which rose by 4.4 percent, while the real growth rate of imports of goods and services decelerated to 5.0 percent. The highest contribution to the GDP growth of 4.8 percentage points came from the exports of goods and services, which led to the positive contribution of net exports of 1.6 percentage points. Also, high contributions to the GDP growth were recorded by the personal consumption (2.7 percentage points) and the investments (also 2.7 percentage points), while the contribution of government consumption equaled 0.9 percentage points. The negative contribution to the GDP growth came from the inventories (which include statistical discrepancy), in the amount of -3.1 percentage points and from the imports of goods and services, in the amount of -3.2 percentage points.

Observing the whole year, the highest annual real growth rates in 2006 were recorded by the investments, with the growth rate of 10.9 percent, the imports of goods and services, with the growth rate of 7.3 percent and the exports of goods and services, with the growth rate of 6.9 percent. Compared to the year 2005, the real growth rate of personal consumption slightly accelerated to 3.5 percent. The government consumption rose by 2.2 percent, its highest annual growth since the year 2002. Regarding the contributions to the GDP growth in 2006, the highest positive contribution of 3.4 percentage points came from the exports of goods and services. Since the imports of goods and services recorded a higher, but negative, contribution of -4.5 percentage points, the contribution of net exports to the GDP growth in 2006 was also negative and equaled -1.1 percentage points. The investments contributed to the GDP growth with 3.2 percentage points, the personal consumption with 2.1 percentage points, the government consumption with 0.4 percentage points, while the inventories (which include statistical discrepancy) made a contribution of 0.2 percentage points. The production side calculation of GDP shows that the highest real growth of value added in 2006 was recorded in financial intermediation (8.7 percent), followed by transport (8.5 percent) and construction (8.2 percent).

Positive trends on the labour market present since the second half of 2005 continued in all months of 2007. According to the latest Croatian Employment Service data, in March 2007

the number of registered unemployed persons amounted to 291,642, which is the lowest March value since the year 1997. At annual level the number of unemployed decreased by 19,669 or 6.3 percent, while at monthly level it went down by 7,133 or 2.4 percent.



## MONETARY TRENDS

The money (M1) equaled HRK 45.4 billion at the end of February 2007, thus decreasing by HRK 555 million at monthly level. This was a result of a decline in demand deposits, in the amount of HRK 630 million, while the other component of money, currency outside banks, increased by HRK 75 million. At the annual level, growth rate of money keeps moving above the level of 20 percent for the sixth consecutive month, so it equaled 22.2 percent in February, decelerating by 1.3 percentage points in comparison with the previous month.

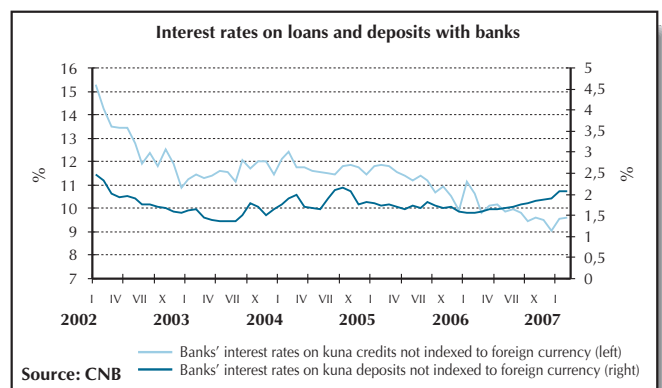
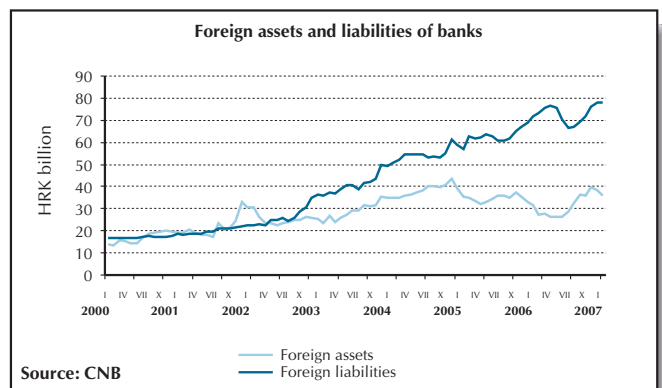
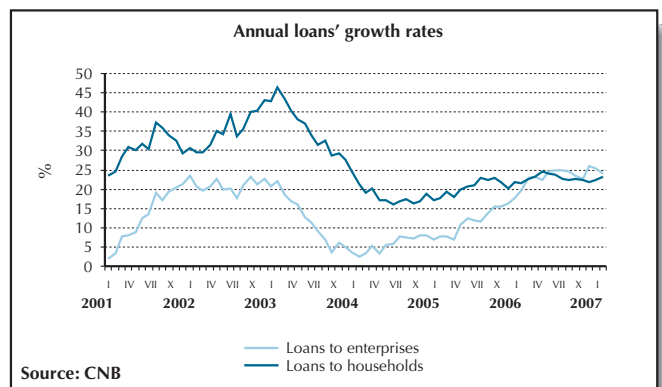
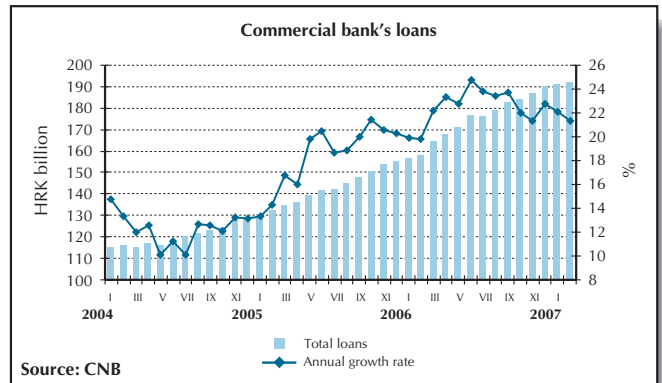
Total loans of commercial banks amounted to HRK 192.3 billion at the end of February and continued its growth, which equaled HRK 1.3 billion at monthly level. The annual growth rate of total loans in the amount of 21.3 percent decelerated by 0.8 percentage points compared to January. Kuna loans rose at monthly level by HRK 1.4 billion in February, while foreign currency loans recorded a decrease of HRK 143 million. In so doing, kuna loans made 90.0 percent of total loans in February and foreign currency loans the remaining 10.0 percent. With a monthly increase in its loans of HRK 1.1 billion, the sector of households made a larger contribution to the growth of total loans in February than the sector of enterprises, whose loans rose by HRK 901 million. That way, the loans to households increased their share in total loans to 51.0 percent and loans to enterprises to 41.3 percent. Observing the annual change, in February, for the ninth consecutive month, loans to enterprises recorded a higher growth rate than the loans to households. Thereby, loans to enterprises went up by 24.0 percent, while loans to households increased by 23.2 percent. The housing loans again slightly increased their share in total loans to households, to 39.0 percent, while annually they grew by 34.1 percent. The loans to central government decreased in February compared to the same month of 2006 by 1.0 percent.

Total deposits with commercial banks decreased by HRK 559 million in February and amounted to HRK 167.6 billion at the end of the month. Their annual growth rate accelerated further to 21.0 percent. Demand deposits with banks equaled HRK 31.4 billion at the end of the month. Kuna deposits increased by HRK 604 million in February, while foreign currency deposits went down by HRK 533 million, in comparison with January. The largest contribution to the growth of kuna deposits came again this month from the sector of enterprises, whose deposits grew by HRK 529 million and other banking institutions whose deposits were HRK 449 million higher when compared to January. On the other hand, decrease in foreign currency deposits of sector of enterprises in February in amount of HRK 322 million, contributed the most to the decline in total foreign currency deposits. Kuna deposits recorded once again a high annual growth rate of 56.2 percent in February, although rate decelerated in comparison with the previous month, whereas foreign currency deposits growth accelerated to 7.6 percent, which is the highest annual growth rate since November 2005.

Total foreign assets of commercial banks equaled HRK 35.8 billion at the end of the month, falling by HRK 2.6 billion at monthly level. At annual level foreign assets recorded a rise of HRK 4.3 billion or 13.7 percent. Foreign liabilities of commercial banks amounted to HRK 78.1 billion at the end of February. At monthly level they went up by HRK 293 million and at annual level by HRK 6.3 billion or 8.8 percent. Net foreign assets leveled HRK -42.3 billion at the end of February.

The average bank interest rates on kuna credits not indexed to the foreign currency rose to 9.59 percent in February. The

average bank interest rates on kuna deposits not indexed to the foreign currency also grew slightly at monthly level and amounted to 2.07 percent. Thereby, the difference between the active and the passive interest rates not indexed to foreign currency increased to 7.52 percentage points.



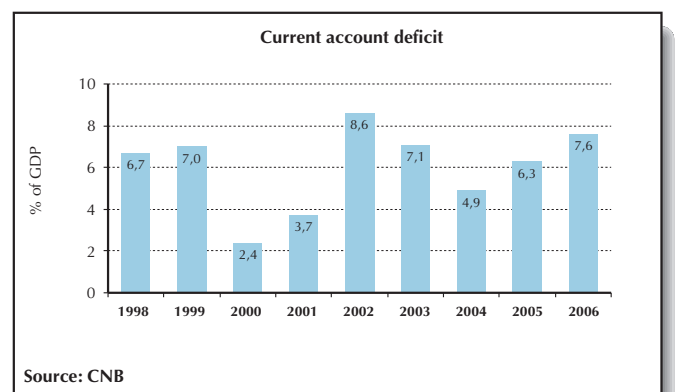
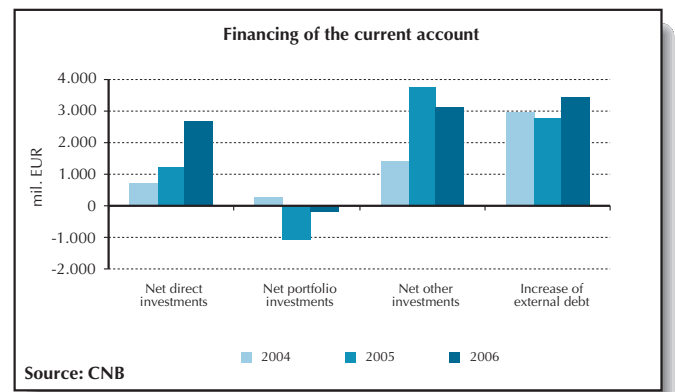
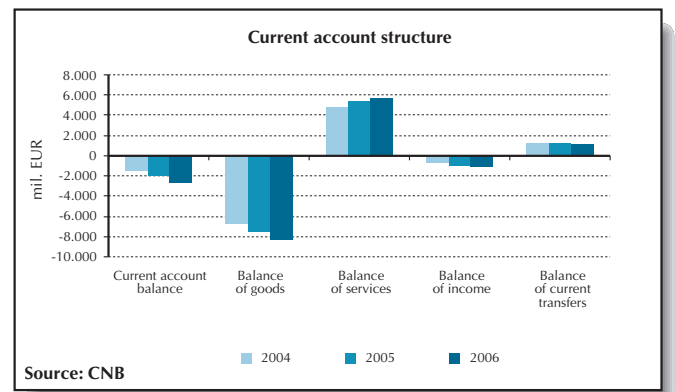
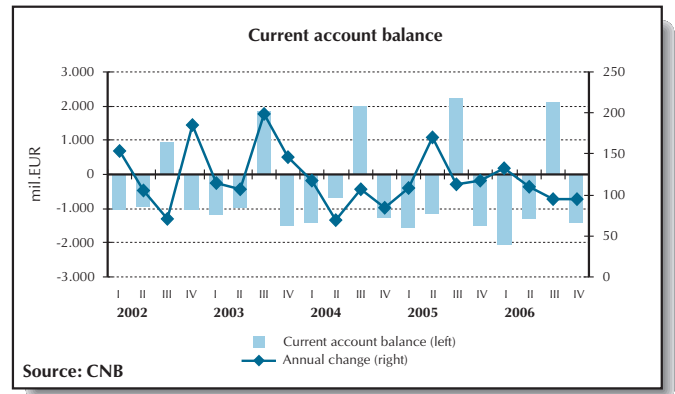
## INTERNATIONAL SECTOR

The Croatian National Bank's balance of payments data on foreign relations shows a current account deficit in the amount of EUR 1.4 billion in the last quarter of 2006. Compared to the same period in 2005, current account deficit decreased by 5.6 percent. The goods account deficit amounted to EUR 2.0 billion in the last quarter and has increased by 1.7 percent at annual level. This was the result of a 19.7 percent rise in exports of goods and a 10.7 percent rise in imports of goods in the observed period. The services account has recorded a high, 48.8 percent annual growth of surplus. This growth was the result of high services based revenues in the last quarter of 2006 of over EUR 1.0 billion, which represents 10.3 percent increase in comparison with the same period of 2005. What also contributed to the annual decrease in the current account deficit were positive shifts in the income account. Deficit in amount of EUR 48 million recorded in the income account in the last quarter of 2005 turned into a EUR 11 million surplus in the last quarter of 2006. These income account developments were largely the result of a high growth of revenues from compensation of employees. The current transfers account surplus has declined at annual level by 16.1 percent, to EUR 244 million in the fourth quarter of 2006. The coverage of imports of goods and services by exports of goods and services was at the level of 67.0 percent in the last quarter of 2006.

The main feature of the financial account in the last quarter of 2006 was the high amount of direct investments which nearly reached net EUR 1.0 billion. The portfolio investments account recorded a net outflow in the amount of EUR 161 million, while the other investments account recorded a net inflow in the amount of EUR 900 million, mainly as a result of banks' and other sectors' borrowing. Foreign reserves went up by EUR 639 million in the fourth quarter and net errors and omissions were at the level of EUR 335 million.

In the year 2006, the current account deficit was at the level of EUR 2.6 billion, EUR 633 million more than in 2005. This was the result of a EUR 842 million annual increase in the goods account deficit, a EUR 106 million increase in the income account deficit and a EUR 80 million decrease in the current transfers account surplus. This was only partially covered by a EUR 395 million increase in the services account surplus. The coverage of imports of goods and services by exports of goods and services was in 2006 at the level of 86.4 percent. The share of the current account deficit in GDP rose from 6.3 percent in 2005 to 7.6 percent in 2006.

When observing the financial account of the balance of payments in 2006, the most significant change was recorded in direct investments. Net direct investments increased from EUR 1.2 billion in 2005 to EUR 2.7 billion in 2006, which is the highest amount of direct investments recorded so far. The portfolio investments account recorded an outflow of EUR 193 million, while the other investments account recorded an inflow of EUR 3.1 billion. Net errors and omissions were in 2006 at the level of EUR -1.4 billion, while the foreign reserves grew by EUR 1.4 billion.





## CONSOLIDATED CENTRAL GOVERNMENT - JANUARY - FEBRUARY 2007 PERIOD

### REVENUES

In January-February 2007 period, total revenues of consolidated central government amounted to HRK 16.7 billion which makes an annual increase of 15.6 percent. The realization of revenues 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 (96.1 percent) and the rest of the sum refers to extrabudgetary funds and agencies. The highest level of revenues was recorded by Croatian Waters (HRK 229.9 million) and Croatian Motorways (HRK 183.6 million). It is worth to mention that since January 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of Central Government Budget.

The tax revenues represent the most important revenues category in consolidated central government. Tax revenues make 57.0 percent of the overall revenues collected with an annual increase of 16.6 percent. The largest part of the tax revenues is generated through value added tax which is completely revenue of budgetary central government. Revenues from value added tax were realized above all expectations. They amounted to HRK 5.9 billion with an annual growth of 17.6 percent.

Revenues from excises amounted to HRK 1.3 billion which represents an annual increase of 10.8 percent. It is worth mentioning that the road charges, which are integrated in excises on petroleum products since 2006, are excluded in this comparison. Excises on cars, excises on tobacco products and excises on oil derivatives (annual growth of high 7.9 percent) 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 non-alcoholic beverages were realized in the 6.7 percent lower amount and excises on coffee were realized in 0.5 percent lower amount when compared to the same period last year.

Within the structure of excises, the highest annual growth was recorded by excises on alcohol (28.8 percent) and excises on personal cars (23.7 percent). Excises on personal cars grew significantly due to greater car sales in the observed period.

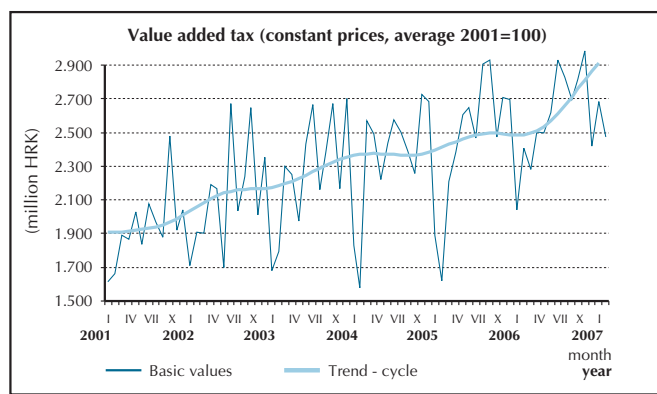
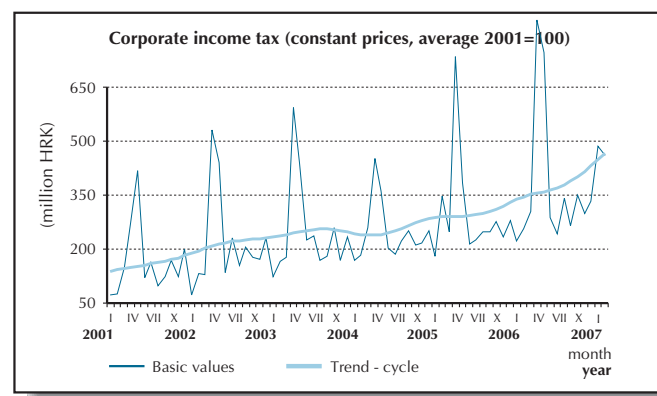
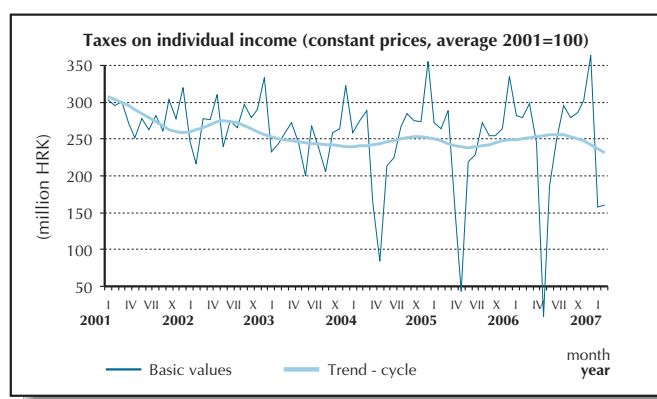
Excises on oil derivatives accounted for the 38.5 percent in total excises revenues having the strongest influence on the overall developments of the excises revenues. They amounted to HRK 498.1 million.

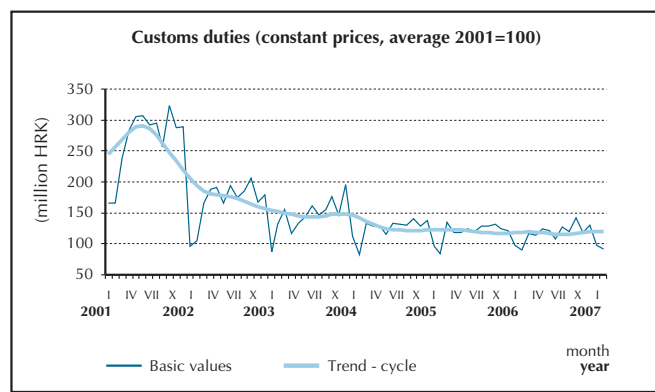
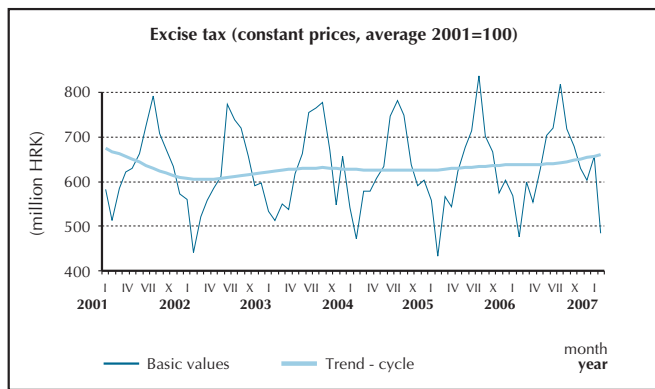
Revenues from excises on tobacco and tobacco products were realized in the amount of HRK 420.6 million representing an annual increase of significant 7.8 percent. Since August 2005, customs maintain strict checks of production and trade in tobacco products which has resulted in greater excises revenues from tobacco and narrowing of unofficial economy.

Revenues on excises on alcohol grew by 28.8 percent when compared to same period last year. Excises on beer grew by high 16.5 percent and revenues from excises on luxury products increased by 10.9 percent.

Income tax revenues were realized in the amount of HRK 362 million, representing decrease of 42.2 percent compared to same period previous year. Namely, as a result of decentralization, a part of budgetary central government income tax revenues belong now to local government as a substitute to subtracted revenues from profit tax. Changes in Law on financing of local government will provide rightful distribution of tax revenues within all areas of Republic of Croatia (especially areas of special state concern) and also higher liquidity of overall system of financing local government.

Profit taxes amounted to HRK 1.1 billion and in the same period last year it amounted to HRK 535.6 million. Namely, as a result of the decentralization, revenues from profit tax belong completely to budgetary central government.





Revenues from taxes on property amounted to HRK 83.5 million (annual increase of 40.9 percent).

Revenues from taxes on international trade and transactions were completely accomplished by the budgetary central government. They were realized in the amount of HRK 214.7 million which represents an annual growth of 2.1 percent.

Other taxes stood at HRK 51.8 million.

Social contributions, which are the second most important revenues of consolidated central government, make 34.8 percent of total generated revenues. They amounted to HRK 5.8 billion which represents an annual increase of 10.7 percent. Within the structure of social contributions the largest part refers to employers' contributions (HRK 3.1 billion) and contributions to employees (HRK 2.6 billion). The remaining HRK 110.4 million accounted for the contributions of self-employed and unemployed persons.

Other revenues were realized in the amount of HRK 1.4 billion which represents an annual growth of 33.1 percent. The largest part of other revenues were realized through sales of goods and services (43.6 percent), miscellaneous and unidentified revenues (29.3 percent) and the rest of collected sum refers to property income, fines, penalties and forfeits and voluntary transfers other than grants. Sales of goods and services stood at HRK 594.2 million. The largest part of this sum (91.8 percent) refers to administrative fees. Most of the administrative fees were collected on the level of the extrabudgetary funds and agencies. Miscellaneous and unidentified revenue stood at HRK 399.3 million which represents an annual growth of 29.3 percent. Property incomes were realized at the amount of HRK 291.4 million and the fines, penalties and forfeits amounted to HRK 68.6 million.

## EXPENSE

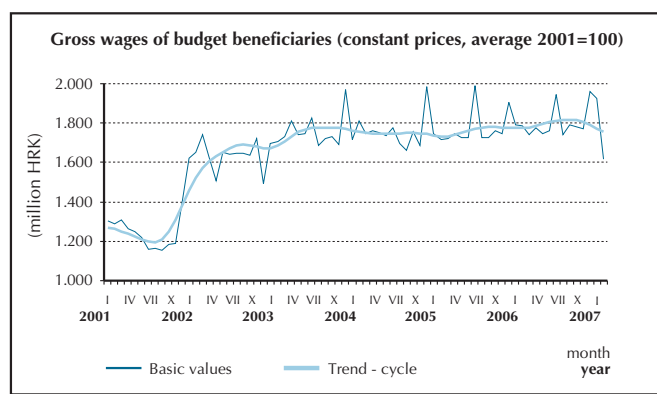
Total expense of consolidated central government amounted to HRK 16.5 billion which represents annual increase of 7.2 percent. Observing consolidated central government according to the government level, it can be seen that the HRK 15.8 billion refers to budgetary central government and the rest of the sum (HRK 735.3 million) refers to extrabudgetary funds and agencies.

The largest share of total expense of consolidated central government (45.6 percent) refers to social benefits, followed by compensation of employees (26.9 percent), use of goods and services (7.8 percent), subsidies (6.5 percent), interest (6.5 percent), other expense (4.3 percent), and grants (2.5 percent). Social benefits stood at HRK 7.5 billion, representing an annual increase of 7.2 percent. Observing the structure of social benefits, 71.8 percent refers to social security benefits, 27.5 percent refers to social assistance benefits while the remaining 0.7 percent refers to employer social benefits. Within their structure, the largest categories refer to expenses for pensions, health care system, maternity leave allowances, child allowance, expenses for unemployment etc. Expenses for pensions stood at HRK 4.8 billion. Within the structure of expenses for pensions HRK 2.1 billion refers to expenses for old age pensions, HRK 743.2 million refers to pensions for disabled persons, HRK 567.0 million refers to family pensions and HRK 575.1 million refers to veterans pensions.

Expenses for healthcare system were realized at the level of HRK 2.8 billion. Expenses for hospital health care amounted to HRK 1.2 billion, primary health care in the amount of 479.1 million and expenses for medicaments on prescription amounted to 382.1 million. Among other social benefits, important items are also child allowance (HRK 265.5 million), expenses for additional maternity leave (HRK 137.7 million) and expenses for unemployment (HRK 139.3 million).

Compensation of employees stood at HRK 4.4 billion which represents an annual increase of 6.0 percent. Within its structure the largest shares refer to wages and salaries, which amounted to 3.8 billion and social contributions which stood at HRK 681.3 million. In comparison with the same period previous year wages and salaries grew by 5.6 percent and social contributions grew by 8.0 percent.

Expense for use of goods and services amounted to HRK 1.3 billion representing an annual increase of 19 percent. Expense for use of goods and services refer mostly on different types of services like telephone service, post and transportation services etc.

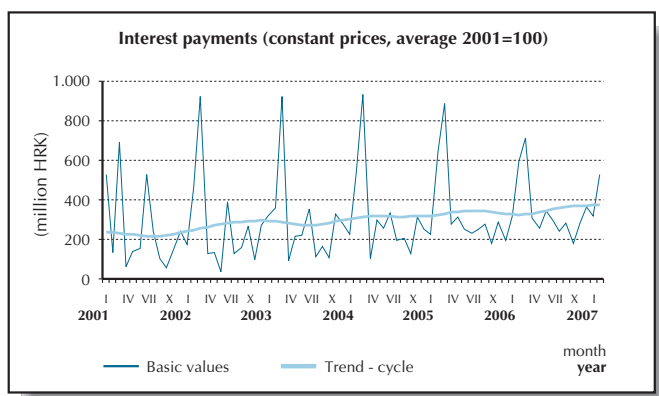


Expense for subsidies recorded stood at HRK 1.1 billion which represents 6.5 percent of total expenses. Subsidies to public corporations amounted to HRK 491.5 million which represents 45.9 percent of total subsidies. Subsidies to Croatian Railways stood at HRK 238.5 million. Subsidies to private enterprises amounted to HRK 579.5 million which accounts for 54.1 percent of total subsidies.

Expense for interest payments amounted to HRK 1.1 billion. It can be seen that 43.9 percent of expenses for interest refers to interests to residents, and the rest of the sum (56.1 percent) to interests to nonresidents. Interests to residents other than general government stood at HRK 473.1 million and interests to nonresidents amounted to HRK 604.8 million

Grants stood at HRK 405.8 million. Current grants to other general government units amounted to HRK 329.3 million which accounts for 81.2 percent of total grants. Capital grants to other general government units represent 13.3 percent of total grants and the rest of the amount (HRK 5.5 percent) refers to international organizations.

Other expenses stood at HRK 712.4 million which represents 4.3 percent of total expenses and 9.7 percent of the planned amount for 2007. Among other expenses, capital amounted to HRK 410.1 million, current amounted to HRK 301.6 million and the rest of the sum (HRK 792.8 thousands) refers to property expense other than interest.



## TRANSACTION IN NON-FINANCIAL ASSETS

Acquisition of non-financial assets (HRK 748.7 million) surpassed the disposal of non-financial assets (HRK 249.7 million) in the amount of HRK 499 million. This accounts for 97.4 percent of last year amount for category net acquisition of non-financial assets. 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, machinery and equipment and other fixed assets. According to government level, more than 69.2 percent of total net acquisition refers to extrabudgetary funds and agencies and

the rest of the sum refers to budgetary central government. On the other hand, disposal of non-financial assets mostly refers to disposals of inventories.

## TRANSACTIONS IN FINANCIAL ASSETS

Net financial assets of consolidated central government amounted to HRK 903.2 million as a result of decrease of domestic financial assets. Currency and deposits amounted to HRK 839.6 million. According to government level, currency and deposits of budgetary central government amounted to HRK 1.1 billion and currency and deposits of extrabudgetary funds and agencies amounted to HRK -218.6 million.

Net loans were recorded at the level of HRK 130.1 million as a result of greater acquisition (HRK 177 million) than disposal (HRK 46.9 million). According to government level, net loans of budgetary central government amounted HRK 147.2 million and extrabudgetary funds and agencies amounted to HRK -17.1 million.

Net shares and other equity amounted to HRK -66.5 million, which results from acquisition of shares and other equity in the amount of HRK 37.5 million and disposals of shares and other equity in the amount of HRK 104 million.

## TRANSACTIONS IN LIABILITIES

Total net incurrence of liabilities of consolidated central government amounted to HRK 1.3 billion. Net domestic liabilities amounted to HRK 1.8 billion as a result of an increase in net incurrence of securities other than shares and a decrease of liabilities on the basis of loans. Incurrence of liabilities on the basis of loans amounted to HRK -1.2 billion and refers mostly to the budgetary central government. Repayments of liabilities on the basis of loans refer to budgetary central government (HRK 27.8 million) and extrabudgetary funds and agencies (HRK 8.2 million). Net incurrence of liabilities on the basis of securities other than shares amounted to HRK 3.1 billion as a result of incurrence which amounted to HRK 3.2 billion and repayments in the amount of HRK 118.2 million.

Foreign liabilities were realized at the level of HRK -568.9 million as a result of greater repayments on the basis of loans (HRK 569 million) than incurrence (HRK 74 thousands).

## NET LENDING/BORROWING

Net operating balance of consolidated central government, defined as difference between total revenue and total expense, recorded the amount of HRK 142.4 million. By subtracting net acquisition of non-financial assets from net operating balance, a category net lending/borrowing is obtained, amounting to HRK 356.6 million. This amount is financed by described transactions in liabilities and financial assets, i.e. by difference between net liabilities (HRK 1.3 billion) and net acquisition of financial assets (HRK 903.3 million).

## REPORTING ON THE EXCESSIVE DEFICIT PROCEDURE (EDP)

Fiscal statistics has an important role in the European Union. The founding Maastricht Treaty on European Union of the year 1992 (article 104) and the annexed Protocol on the excessive deficit procedure (EDP), have established the criteria on the level of certain statistical indicators which the member countries have to meet, and the way of their monitoring and reporting. Fiscal deficit is not to exceed 3 percent, and general government debt 60 percent of gross domestic product.

The monitoring of the indicators has been performed since the year 1994, and it is regulated in detail by several regulations of the European Council and by acts of other bodies of the European Union. These provisions are included in EUROSTAT ESA 95 Manual on Government Deficit and Debt. The relevant data are assessed by means of Reporting of Government Deficits and Debt Levels, respectively Fiscal Notification, which is obligatory to be submitted to the EUROSTAT by the member countries of EU biannually, before April 1<sup>st</sup> and before October 1<sup>st</sup> every year. The purpose of the Report is to assess, according to the valid European methodology, the amount of fiscal deficit and the factors besides it which contribute to the increase in general government debt.

The countries in the process of acceding to the European Union (candidate and acceding countries) are also monitored by means of this Report, only with the difference of being obliged to submit the data only annually, before April 1<sup>st</sup>. The Report was for the first time submitted in the year 2005.

The basis of the statistical methodology is the European System of Accounts - ESA 95. Similarly to the Government Finance Statistics (GFS) 2001 methodology of the International Monetary Fund, ESA 95 has been developed on the basis of the international System of National Accounts (SNA). ESA 95, with its set of national accounts usually compiled by statistical institutions, practically represents an accountancy of stocks and flows of the whole economy of a country, within which the government represents only one of the sectors. The methodology and the definitions of specific categories in EDP are to maximum extent identical to the ones in ESA, with only a few precisely defined differences. (Due to these differences, the amounts of indicators of net borrowing/net lending - respectively deficit or surplus - are not quite identical in ESA and in EDP; so each has a special code.) In the member countries of the European Union, which have the system of sector accounts developed, EUROSTAT regularly checks whether the Fiscal Notification report is aligned, i.e. consistent with the national accounts data.

The structure of the report is defined by the mentioned acts, where some changes and expanding were repeatedly performed. Since April 2006, besides the main part of the report, the compiling of accompanying Questionnaire related to the notification tables, with additional data, is also required.

The main part of the report consists of several units, i.e. groups of tables:

- Table 1: Reporting of government deficit/surplus and debt levels. The data on gross domestic product, gross fixed capital formation and interest are also presented;
- Tables 2A to 2D: Reporting on the transition between the national definitions of government balance and the deficit/surplus (EDP B.9) of each government sub-sector;
- Tables 3A to 3E: Reporting on the contributions of the government deficit/surplus and the other relevant factors to the variation in the general government debt level, for general government subsectors;
- Table 4: Reporting on other data in accordance with the statements contained in the Council minutes of 22/11/1993.

The data in the Fiscal Notification are provided for the last four years, and partly also for the plan of the year when the reporting is performed. All the data are in national currency. For the Republic of Croatia it means millions of kuna.

The breakdown of the government sector into subsectors, for which the data are presented, as well as their grouping, differs from the practice of the IMF in the fact that by the principles of European statistics, in central government, besides budgetary central government, only the extrabudgetary funds except the social security ones are included. Besides central government, the other subsectors of general government are state government (the level not existing in the Republic of Croatia), local government (in the Republic of Croatia corresponding to all the levels of the units of local and regional self-government), and social security funds.

With the Fiscal Notification, explanatory notes are usually delivered to the EUROSTAT, which the Ministry of Finance regularly does. Explanatory notes provide a more detailed insight into the data entered in the tables.

In legal acts there are rather detailed regulations on the relations of the EU member countries and the European Commission respectively EUROSTAT concerning the data quality control, further betterment, permanent communications through visits and other topics.

TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>80 463 518</b>	<b>85 653 010</b>	<b>95 235 856</b>	<b>21 155 653</b>	<b>24 126 654</b>	<b>24 821 024</b>	<b>25 132 525</b>	<b>103 489 203</b>	<b>16 047 948</b>	<b>7 797 109</b>	<b>15,51</b>
<b>11</b>	<b>Taxes (111+113+114+115+116)</b>	<b>47 149 862</b>	<b>50 687 564</b>	<b>58 469 091</b>	<b>12 578 899</b>	<b>14 916 276</b>	<b>15 628 185</b>	<b>15 345 731</b>	<b>62 346 727</b>	<b>9 515 551</b>	<b>4 495 400</b>	<b>15,26</b>
<b>111</b>	<b>Taxes of income and profits and capital gains (1111+1112)</b>	<b>6 259 713</b>	<b>7 057 112</b>	<b>8 515 615</b>	<b>1 840 833</b>	<b>2 615 396</b>	<b>1 879 436</b>	<b>2 179 950</b>	<b>9 134 969</b>	<b>1 437 163</b>	<b>706 475</b>	<b>15,73</b>
1111	Payable by individuals	3 128 273	3 106 476	3 459 649	961 491	498 953	925 376	1 073 829	1 406 947	361 965	182 635	25,73
1112	Payable by corporations and other enterprises	3 131 440	3 950 636	5 055 966	879 342	2 116 443	954 060	1 106 121	7 728 022	1 075 199	523 840	13,91
<b>113</b>	<b>Taxes on property</b>	<b>355 823</b>	<b>375 501</b>	<b>482 331</b>	<b>107 699</b>	<b>105 479</b>	<b>117 380</b>	<b>151 774</b>	<b>493 114</b>	<b>83 512</b>	<b>43 855</b>	<b>16,94</b>
<b>114</b>	<b>Taxes on goods and services (1141+...+1146)</b>	<b>38 602 221</b>	<b>41 323 002</b>	<b>47 546 222</b>	<b>10 198 817</b>	<b>11 705 493</b>	<b>13 155 971</b>	<b>12 485 941</b>	<b>50 809 319</b>	<b>7 728 360</b>	<b>3 614 909</b>	<b>15,21</b>
1141	General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	7 594 838	8 652 541	9 535 777	9 308 224	37 788 443	5 889 313	2 828 799	15,58
11411	Value-added taxes	29 864 905	32 243 372	34 931 750	7 555 385	8 610 250	9 497 870	9 268 244	37 612 931	5 863 967	2 816 069	15,59
11412	Sales taxes	148 757	156 580	159 631	39 453	42 291	37 907	39 980	175 513	25 346	12 730	14,44
1142	Excises (11421+11422+11423+11424+11425+11426+11427+11428)	7 941 554	8 177 659	11 564 709	2 428 385	2 832 982	3 386 836	2 916 506	12 080 176	1 706 202	722 259	14,12
11421	- on cars, other motor vehicles, boats and planes	945 209	1 080 926	1 270 422	284 263	365 033	301 504	319 623	1 292 543	207 721	100 684	16,07
11422	- on petroleum products	3 325 659	3 337 501	6 316 440	1 301 266	1 523 988	1 845 966	1 645 220	6 587 764	909 199	388 179	13,80
11423	- on alcohol	230 796	228 386	230 178	57 484	49 858	60 335	62 501	230 355	38 182	14 631	16,58
11424	- on beer	718 278	702 386	716 167	109 815	176 944	272 885	156 524	752 755	82 631	26 956	10,98
11425	- on nonalcoholic beverages	132 984	141 905	140 404	27 729	30 177	51 476	31 021	145 644	17 571	7 382	12,06
11426	- on tobacco products	2 430 843	2 518 801	2 710 348	604 512	644 684	807 017	654 136	2 874 973	420 606	171 159	14,63
11427	- on coffee	135 437	145 334	156 666	36 863	36 854	41 370	41 579	170 430	25 175	11 686	14,77
11428	- on luxury goods	22 348	22 420	24 084	6 453	5 444	6 284	5 902	25 712	5 118	1 582	19,90
<b>115</b>	<b>Taxes on international trade and transactions</b>	<b>1 590 727</b>	<b>1 562 930</b>	<b>1 588 456</b>	<b>341 984</b>	<b>407 670</b>	<b>398 841</b>	<b>439 962</b>	<b>1 506 891</b>	<b>214 726</b>	<b>104 208</b>	<b>14,25</b>
<b>116</b>	<b>Other taxes</b>	<b>341 377</b>	<b>369 019</b>	<b>336 466</b>	<b>89 566</b>	<b>82 240</b>	<b>76 557</b>	<b>88 104</b>	<b>402 435</b>	<b>51 789</b>	<b>25 952</b>	<b>12,87</b>
<b>12</b>	<b>Social contributions</b>	<b>29 477 597</b>	<b>31 301 340</b>	<b>33 877 148</b>	<b>7 954 297</b>	<b>8 376 921</b>	<b>8 629 734</b>	<b>8 916 196</b>	<b>36 355 407</b>	<b>5 812 416</b>	<b>2 921 275</b>	<b>15,99</b>
121	Social security contributions (1211+1212+1213+1214)	29 477 597	31 301 340	33 877 148	7 954 297	8 376 921	8 629 734	8 916 196	36 355 407	5 812 416	2 921 275	15,99
1211	Employee contributions	13 139 274	13 857 360	15 084 349	3 568 313	3 731 202	3 842 749	3 942 085	16 218 890	2 597 275	1 307 952	16,01
1212	Employer contributions	15 737 707	16 695 492	18 051 382	4 223 221	4 472 540	4 601 352	4 754 269	18 488 051	3 104 755	1 558 492	16,79
1213	Self-employed or unemployed contributions	600 616	748 487	741 418	162 764	173 179	185 633	219 842	1 648 467	110 386	54 831	6,70
1214	Unallocable contributions	0	0	0	0	0	0	0	0	0	0	
<b>13</b>	<b>Grants</b>	<b>10 122</b>	<b>27 505</b>	<b>192 850</b>	<b>3 544</b>	<b>11 036</b>	<b>3 644</b>	<b>174 627</b>	<b>861 097</b>	<b>1 521</b>	<b>545</b>	<b>0,18</b>
<b>14</b>	<b>Other revenue (141+142+143+144+145)</b>	<b>3 825 938</b>	<b>3 636 601</b>	<b>2 696 767</b>	<b>618 913</b>	<b>822 421</b>	<b>559 462</b>	<b>695 971</b>	<b>3 925 972</b>	<b>718 460</b>	<b>379 889</b>	<b>18,30</b>
<b>141</b>	<b>Property income (1411+1412+1413+1415)</b>	<b>2 667 701</b>	<b>2 226 647</b>	<b>833 321</b>	<b>180 185</b>	<b>296 142</b>	<b>108 186</b>	<b>248 807</b>	<b>1 081 244</b>	<b>161 372</b>	<b>111 786</b>	<b>14,92</b>
1411	Interest	35 752	62 784	108 231	59 072	18 719	9 621	20 819	130 644	62 057	59 419	47,50
1412	Dividends	1 868 841	1 123 346	18 757	14 783	0	1	3 973	426 938	0	0	
1413	Withdrawals from income of quasi-corporations	146 820	192 516	288 113	0	209 366	1 040	77 707	95 575	0	0	
1415	Rent	616 289	848 001	418 220	106 331	68 057	97 524	146 309	428 087	99 315	52 367	23,20
<b>142</b>	<b>Sales of goods and services (1422+1423)</b>	<b>676 951</b>	<b>782 428</b>	<b>1 210 337</b>	<b>274 334</b>	<b>329 119</b>	<b>315 280</b>	<b>291 604</b>	<b>1 583 295</b>	<b>253 916</b>	<b>155 053</b>	<b>16,04</b>
1421	Sales of market establishments	0	0	0	0	0	0	0	0	0	0	
1422	Administrative fees	312 994	397 066	821 741	165 707	203 793	218 075	234 166	1 476 044	205 997	128 764	13,96
1423	Incidental sales by nonmarket establishments	363 957	385 362	388 596	108 627	125 326	97 205	57 438	107 251	47 918	26 289	44,68
<b>143</b>	<b>Fines, penalties, and forfeits</b>	<b>342 371</b>	<b>360 707</b>	<b>391 616</b>	<b>90 648</b>	<b>97 545</b>	<b>101 547</b>	<b>101 876</b>	<b>407 140</b>	<b>68 555</b>	<b>35 384</b>	<b>16,84</b>
<b>144</b>	<b>Voluntary transfers other than grants</b>	<b>249</b>	<b>5 653</b>	<b>6 737</b>	<b>2 219</b>	<b>280</b>	<b>2 226</b>	<b>2 013</b>	<b>5 850</b>	<b>2 700</b>	<b>211</b>	<b>46,15</b>
<b>145</b>	<b>Miscellaneous and unidentified revenue</b>	<b>138 667</b>	<b>261 166</b>	<b>254 757</b>	<b>71 527</b>	<b>99 335</b>	<b>32 224</b>	<b>51 671</b>	<b>848 443</b>	<b>231 918</b>	<b>77 456</b>	<b>27,33</b>

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

**TABLE 3: BUDGETARY CENTRAL GOVERNMENT EXPENSE**

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>83 131 114</b>	<b>87 857 465</b>	<b>95 948 387</b>	<b>23 260 320</b>	<b>23 203 454</b>	<b>23 334 535</b>	<b>26 150 078</b>	<b>103 859 513</b>	<b>16 259 951</b>	<b>8 533 344</b>	<b>15,66</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>22 268 287</b>	<b>23 182 586</b>	<b>24 313 867</b>	<b>5 965 427</b>	<b>5 979 166</b>	<b>6 151 600</b>	<b>6 217 675</b>	<b>26 804 125</b>	<b>4 355 286</b>	<b>2 171 832</b>	<b>16,25</b>
211	Wages and salaries	18 888 605	19 699 216	20 663 890	5 066 818	5 078 226	5 235 542	5 283 304	22 807 349	3 686 963	1 838 688	16,17
212	Social contributions	3 379 682	3 483 370	3 649 977	898 609	900 940	916 058	934 371	3 996 776	668 323	333 144	16,72
<b>22</b>	<b>Use of goods and services</b>	<b>4 358 721</b>	<b>4 951 917</b>	<b>6 069 756</b>	<b>1 297 332</b>	<b>1 269 577</b>	<b>1 242 904</b>	<b>2 259 943</b>	<b>7 449 002</b>	<b>928 819</b>	<b>541 424</b>	<b>12,47</b>
<b>24</b>	<b>Interest (241+242+243)</b>	<b>3 972 466</b>	<b>4 387 010</b>	<b>4 713 615</b>	<b>1 824 142</b>	<b>998 768</b>	<b>955 490</b>	<b>935 215</b>	<b>4 609 511</b>	<b>964 804</b>	<b>602 320</b>	<b>20,93</b>
241	To nonresidents	1 976 502	2 053 588	1 863 999	1 146 959	364 017	194 629	158 394	1 680 947	548 228	408 589	32,61
242	To residents other than general government	1 995 964	2 333 422	2 849 616	677 183	634 751	760 862	776 820	2 928 564	416 576	193 732	14,22
<b>25</b>	<b>Subsidies (251+252)</b>	<b>4 968 069</b>	<b>5 248 744</b>	<b>5 670 789</b>	<b>1 633 507</b>	<b>1 378 666</b>	<b>1 076 468</b>	<b>1 582 148</b>	<b>5 816 774</b>	<b>1 070 298</b>	<b>652 224</b>	<b>18,40</b>
251	To public corporations	2 783 462	2 784 825	2 692 785	758 313	652 762	575 855	705 855	2 667 925	491 524	275 542	18,42
252	To private enterprises	2 184 606	2 463 919	2 978 004	875 194	725 904	500 613	876 293	3 148 849	578 774	376 682	18,38
<b>26</b>	<b>Grants (261+262+263)</b>	<b>3 420 327</b>	<b>3 796 847</b>	<b>6 650 790</b>	<b>1 241 337</b>	<b>1 443 196</b>	<b>1 786 603</b>	<b>2 179 654</b>	<b>6 824 021</b>	<b>837 713</b>	<b>325 151</b>	<b>12,28</b>
261	To foreign governments (2611+2612)	76 464	73 639	64 795	0	9 989	23 047	31 759	77 950	237	237	
2611	Current	46 500	49 174	37 760	0	0	22 380	15 381	56 650	237	237	
2612	Capital	29 964	24 465	27 035	0	9 989	668	16 378	21 300	0	0	
262	To international organizations (2621+2622)	83 434	93 832	87 415	20 257	38 708	27 452	998	72 479	22 281	18 564	30,74
2621	Current	83 434	93 832	87 415	20 257	38 708	27 452	998	72 479	22 281	18 564	30,74
2622	Capital	0	0	0	0	0	0	0	0	0	0	
263	To other general government units (2631+2632)	3 260 429	3 629 376	6 498 581	1 221 080	1 394 499	1 736 105	2 146 897	6 673 592	815 195	306 351	12,22
2631	Current	2 498 598	2 623 246	2 663 156	576 758	617 652	613 596	855 149	2 220 269	329 313	106 330	14,83
2632	Capital	761 831	1 006 130	3 835 425	644 322	776 847	1 122 508	1 291 748	4 453 324	485 882	200 020	10,91
<b>27</b>	<b>Social benefits (271+272+273)</b>	<b>39 730 887</b>	<b>41 358 455</b>	<b>43 444 589</b>	<b>10 445 596</b>	<b>10 979 868</b>	<b>10 838 233</b>	<b>11 180 892</b>	<b>46 570 755</b>	<b>7 542 787</b>	<b>3 843 039</b>	<b>16,20</b>
271	Social security benefits	28 189 472	29 308 716	30 535 396	7 353 022	7 695 110	7 676 595	7 810 670	32 878 907	5 416 522	2 749 258	16,47
272	Social assistance benefits	11 177 315	11 792 075	12 786 632	3 069 424	3 246 569	3 139 399	3 331 241	13 571 780	2 074 059	1 071 938	15,28
273	Employer social benefits	364 100	257 663	122 561	23 150	38 189	22 240	38 982	120 067	52 207	21 842	43,48
<b>28</b>	<b>Other expense (281+282)</b>	<b>4 412 359</b>	<b>4 931 907</b>	<b>5 084 980</b>	<b>852 978</b>	<b>1 154 214</b>	<b>1 283 236</b>	<b>1 794 553</b>	<b>5 785 325</b>	<b>560 244</b>	<b>397 353</b>	<b>9,68</b>
281	Property expense other than interest	3 955	4 920	7 600	709	1 320	2 067	3 504	0	793	577	
282	Miscellaneous other expense (2821+2822)	4 408 404	4 926 987	5 077 381	852 268	1 152 894	1 281 169	1 791 049	5 785 325	559 451	396 776	9,67
2821	Current	1 842 516	2 154 806	2 304 214	473 958	616 747	555 961	657 548	2 555 550	282 413	213 443	11,05
2822	Capital	2 565 888	2 772 181	2 773 167	378 310	536 148	725 208	1 133 500	3 229 775	277 038	183 333	8,58

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)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>31</b>	<b>NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>1 419 467</b>	<b>1 553 668</b>	<b>1 555 792</b>	<b>166 254</b>	<b>238 506</b>	<b>322 028</b>	<b>829 004</b>	<b>2 965 943</b>	<b>14 912</b>	<b>96 780</b>	
<b>31,1</b>	<b>Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)</b>	<b>1 663 868</b>	<b>1 828 818</b>	<b>1 908 482</b>	<b>235 510</b>	<b>350 556</b>	<b>398 031</b>	<b>924 386</b>	<b>3 286 405</b>	<b>230 696</b>	<b>142 220</b>	<b>7,02</b>
<b>31,2</b>	<b>Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)</b>	<b>244 401</b>	<b>275 149</b>	<b>352 690</b>	<b>69 256</b>	<b>112 050</b>	<b>76 003</b>	<b>95 381</b>	<b>320 462</b>	<b>215 784</b>	<b>45 440</b>	<b>67,34</b>
<b>311</b>	<b>Fixed assets (3111+3112+3113)</b>	<b>1 384 609</b>	<b>1 516 968</b>	<b>1 595 121</b>	<b>173 842</b>	<b>271 334</b>	<b>327 178</b>	<b>822 767</b>	<b>2 863 112</b>	<b>187 026</b>	<b>120 348</b>	<b>6,53</b>
311,1	Acquisitions: fixed assets (3111,1+3112,1+3113,1)	1 624 051	1 781 347	1 844 783	229 888	337 010	386 071	891 815	3 133 647	227 752	140 609	7,27
311,2	Disposals: fixed assets (3111,2+3112,2+3113,2)	239 442	264 379	249 663	56 046	65 676	58 893	69 048	270 535	40 726	20 261	15,05
<b>3111</b>	<b>Buildings and structures (3111,1-3111,2)</b>	<b>811 477</b>	<b>867 663</b>	<b>831 377</b>	<b>63 089</b>	<b>166 564</b>	<b>194 451</b>	<b>407 273</b>	<b>1 380 682</b>	<b>63 587</b>	<b>52 049</b>	<b>4,61</b>
3111,1	Acquisitions: buildings and structures	1 050 315	1 131 302	1 080 074	118 935	231 784	253 283	476 074	1 650 540	104 210	72 300	6,31
3111,2	Disposals: buildings and structures	238 838	263 639	248 698	55 846	65 220	58 832	68 801	269 858	40 623	20 251	15,05
<b>3112</b>	<b>Machinery and equipment (3112,1-3112,2)</b>	<b>518 941</b>	<b>557 320</b>	<b>656 733</b>	<b>100 114</b>	<b>80 450</b>	<b>116 567</b>	<b>359 602</b>	<b>1 271 702</b>	<b>113 302</b>	<b>61 456</b>	<b>8,91</b>
3112,1	Acquisitions: machinery and equipment	519 545	558 060	657 696	100 314	80 907	116 628	359 848	1 272 379	113 405	61 466	8,91
3112,2	Disposals: machinery and equipment	604	740	964	200	457	61	246	677	103	10	15,21
<b>3113</b>	<b>Other fixed assets (3113,1-3113,2)</b>	<b>54 191</b>	<b>91 986</b>	<b>107 011</b>	<b>10 639</b>	<b>24 320</b>	<b>16 160</b>	<b>55 893</b>	<b>210 727</b>	<b>10 137</b>	<b>6 842</b>	<b>4,81</b>
3113,1	Acquisitions: other fixed assets	54 191	91 986	107 012	10 639	24 320	16 160	55 894	210 727	10 137	6 842	4,81
3113,2	Disposals: other fixed assets	0	0	1	0	0	0	1	0	0	0	
<b>312</b>	<b>Inventories</b>	<b>0</b>	<b>0</b>	<b>-80 226</b>	<b>-11 785</b>	<b>-37 430</b>	<b>-11 492</b>	<b>-19 519</b>	<b>-28 527</b>	<b>-172 520</b>	<b>-23 610</b>	
312,1	Acquisitions: inventories	0	0	1 048	0	437	60	551	2 000	169	84	8,43
312,2	Disposals: inventories	0	0	81 274	11 785	37 868	11 552	20 070	30 527	172 688	23 694	
<b>313</b>	<b>Valuables (313,1-313,2)</b>	<b>7 518</b>	<b>7 220</b>	<b>7 826</b>	<b>1 600</b>	<b>1 468</b>	<b>1 541</b>	<b>3 217</b>	<b>6 304</b>	<b>403</b>	<b>312</b>	<b>6,39</b>
313,1	Acquisitions: valuables	7 518	7 220	7 826	1 600	1 468	1 541	3 217	6 304	403	312	6,39
313,2	Disposals: valuables	0	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>27 340</b>	<b>29 480</b>	<b>33 072</b>	<b>2 597</b>	<b>3 135</b>	<b>4 801</b>	<b>22 539</b>	<b>125 054</b>	<b>3</b>	<b>-269</b>	
314,1	Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	32 299	40 251	54 826	4 023	11 640	10 360	28 803	144 454	2 373	1 216	1,64
314,2	Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	4 959	10 771	21 754	1 426	8 506	5 559	6 264	19 400	2 370	1 485	12,21
<b>3141</b>	<b>Land (3141,1-3141,2)</b>	<b>7 062</b>	<b>-10 282</b>	<b>-21 650</b>	<b>-1 394</b>	<b>-8 506</b>	<b>-5 487</b>	<b>-6 264</b>	<b>-16 300</b>	<b>-2 370</b>	<b>-1 485</b>	<b>14,54</b>
3141,1	Acquisitions: land	12 021	489	81	10	0	71	0	3 100	0	0	
3141,2	Disposals: land	4 959	10 771	21 732	1 403	8 506	5 559	6 264	19 400	2 370	1 485	12,21
<b>3142</b>	<b>Subsoil assets</b>	<b>0</b>	<b>0</b>	<b>-22</b>	<b>-22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
3142,1	Acquisitions: subsoil assets	0	0	0	0	0	0	0	0	0	0	
3142,2	Disposals: subsoil assets	0	0	22	22	0	0	0	0	0	0	
<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>0</b>	
<b>3144</b>	<b>Intangible nonproduced assets (3144,1-3144,2)</b>	<b>20 278</b>	<b>39 762</b>	<b>54 744</b>	<b>4 013</b>	<b>11 640</b>	<b>10 288</b>	<b>28 803</b>	<b>141 354</b>	<b>2 373</b>	<b>1 216</b>	<b>1,68</b>
3144,1	Acquisitions: intangible nonproduced assets	20 278	39 762	54 744	4 013	11 640	10 288	28 803	141 354	2 373	1 216	1,68
3144,2	Disposals: intangible nonproduced assets	0	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)	2004	2005	2006	I - III 2006.	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>221 977</b>	<b>1 752 825</b>	<b>-3 045 319</b>	<b>-517 178</b>	<b>15 260</b>	<b>267 886</b>	<b>-2 811 287</b>	<b>-569 630</b>	<b>1 131 566</b>	<b>981 566</b>
<b>32,1 Acquisition of financial assets (321,1+322,1)</b>	<b>1 787 080</b>	<b>1 264 131</b>	<b>1 285 738</b>	<b>364 785</b>	<b>230 911</b>	<b>304 884</b>	<b>385 159</b>	<b>1 231 505</b>	<b>186 872</b>	<b>103 345</b>
<b>32,2 Disposals of financial assets (321,2+322,2)</b>	<b>450 839</b>	<b>199 491</b>	<b>2 883 242</b>	<b>45 090</b>	<b>48 142</b>	<b>55 278</b>	<b>2 734 733</b>	<b>1 801 135</b>	<b>113 523</b>	<b>102 658</b>
<b>Currency and deposits (3212+3222)</b>	<b>-1 114 264</b>	<b>688 185</b>	<b>-1 447 815</b>	<b>-836 872</b>	<b>-167 510</b>	<b>18 280</b>	<b>-461 713</b>	<b>0</b>	<b>1 058 217</b>	<b>980 880</b>
<b>321 Domestic (3212+3213+3214+3215+3216+3217+3218)</b>	<b>212 192</b>	<b>1 757 681</b>	<b>-3 062 000</b>	<b>-517 178</b>	<b>12 579</b>	<b>267 886</b>	<b>-2 825 287</b>	<b>-583 058</b>	<b>1 131 566</b>	<b>981 566</b>
<b>321,1 Acquisition of domestic financial assets (3213,1+...+3218,1)</b>	<b>1 777 294</b>	<b>1 261 432</b>	<b>1 269 058</b>	<b>364 785</b>	<b>228 230</b>	<b>304 884</b>	<b>371 159</b>	<b>1 218 077</b>	<b>186 872</b>	<b>103 345</b>
<b>321,2 Disposals of domestic financial assets (3213,2+...+3218,2)</b>	<b>450 839</b>	<b>191 935</b>	<b>2 883 242</b>	<b>45 090</b>	<b>48 142</b>	<b>55 278</b>	<b>2 734 733</b>	<b>1 801 135</b>	<b>113 523</b>	<b>102 658</b>
3212 Currency and deposits	-1 114 264	688 185	-1 447 815	-836 872	-167 510	18 280	-461 713	0	1 058 217	980 880
3213 Securities other than shares (3213,1-3213,2)	0	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	0
3213,2 Disposals: Securities other than shares	0	0	0	0	0	0	0	0	0	0
3214 Loans (3214,1-3214,2)	1 002 955	847 590	832 321	279 493	109 980	195 596	247 251	707 942	147 156	83 494
3214,1 Acquisition: Loans	1 328 794	1 026 367	1 037 701	319 785	158 093	250 874	308 949	999 077	168 872	94 345
3214,2 Disposals: Loans	325 839	178 776	205 380	40 292	48 113	55 278	61 698	291 135	21 716	10 851
3215 Shares and other equity (3215,1-3215,2)	323 500	221 906	-2 446 505	40 201	70 109	54 010	-2 610 825	-1 291 000	-73 808	-82 808
3215,1 Acquisition: Shares and other equity	448 500	235 065	231 357	45 000	70 137	54 010	62 210	219 000	18 000	9 000
3215,2 Disposals: Shares and other equity	125 000	13 159	2 677 862	4 799	29	0	2 673 035	1 510 000	91 808	91 808
<b>322 Foreign (3222+3223+3224+3225+3226+3227+3228)</b>	<b>9 786</b>	<b>-4 857</b>	<b>16 681</b>	<b>0</b>	<b>2 681</b>	<b>0</b>	<b>14 000</b>	<b>13 428</b>	<b>0</b>	<b>0</b>
<b>322,1 Acquisition of foreign financial assets (3223,1+...+3228,1)</b>	<b>9 786</b>	<b>2 699</b>	<b>16 681</b>	<b>0</b>	<b>2 681</b>	<b>0</b>	<b>14 000</b>	<b>13 428</b>	<b>0</b>	<b>0</b>
<b>322,2 Disposals of foreign financial assets (3223,2+...+3228,2)</b>	<b>0</b>	<b>7 556</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>
3222 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3225 Shares and other equity (3225,1-3225,2)	9 786	-4 857	16 681	0	2 681	0	14 000	13 428	0	0
3225,1 Acquisition: Shares and other equity	9 786	2 699	16 681	0	2 681	0	14 000	13 428	0	0
3225,2 Disposals: Shares and other equity	0	7 556	0	0	0	0	0	0	0	0
<b>323 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>	<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)	2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>4 309 040</b>	<b>5 510 948</b>	<b>-776 996</b>	<b>1 753 743</b>	<b>-669 435</b>	<b>-896 575</b>	<b>-964 729</b>	<b>2 766 623</b>	<b>1 358 481</b>	<b>1 814 581</b>
<b>33,1 Repayments (331,1+332,1)</b>	<b>13 717 082</b>	<b>10 253 489</b>	<b>10 056 697</b>	<b>4 594 625</b>	<b>1 264 307</b>	<b>2 219 642</b>	<b>1 978 123</b>	<b>8 742 020</b>	<b>624 391</b>	<b>143 703</b>
<b>33,2 Incurrences (331,2+332,2)</b>	<b>18 026 122</b>	<b>15 764 437</b>	<b>9 279 701</b>	<b>6 348 368</b>	<b>594 872</b>	<b>1 323 067</b>	<b>1 013 394</b>	<b>11 508 643</b>	<b>1 982 872</b>	<b>1 958 284</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>0</b>
<b>331 Domestic (3312+3313+3314+3316+3317+3318)</b>	<b>4 038 705</b>	<b>10 591 560</b>	<b>3 166 260</b>	<b>4 883 826</b>	<b>-456 347</b>	<b>-357 843</b>	<b>-903 376</b>	<b>5 166 990</b>	<b>1 836 895</b>	<b>1 824 455</b>
<b>331,1 Domestic repayments (3313,1+3314,1+3315,1+3316,1+3317,1+3318,1)</b>	<b>9 009 705</b>	<b>4 389 323</b>	<b>4 250 184</b>	<b>192 732</b>	<b>943 819</b>	<b>1 540 691</b>	<b>1 572 942</b>	<b>4 591 107</b>	<b>145 978</b>	<b>133 829</b>
<b>331,2 Domestic incurrences (3313,2+3314,2+3315,2+3316,2+3317,2+3318,2)</b>	<b>13 048 410</b>	<b>14 980 882</b>	<b>7 416 444</b>	<b>5 076 557</b>	<b>487 472</b>	<b>1 182 848</b>	<b>669 566</b>	<b>9 758 097</b>	<b>1 982 872</b>	<b>1 958 284</b>
3312 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3313 Securities other than shares (3313,2-3313,1)	6 357 476	9 636 343	5 648 934	1 934 059	-31 194	2 013 736	1 732 333	6 202 303	3 080 472	2 590 248
3313,1 Repayments: Securities other than shares	5 025 194	2 844 601	550 859	110 365	160 485	112 824	167 186	3 555 794	118 211	118 211
3313,2 Incurrences: Securities other than shares	11 382 670	12 480 944	6 199 793	2 044 424	129 291	2 126 560	1 899 519	9 758 097	3 198 683	2 708 459
3314 Loans (3314,2-3314,1)	-2 318 771	955 217	-2 482 674	2 949 767	-425 154	-2 371 579	-2 635 709	-1 035 313	-1 243 577	-765 793
3314,1 Repayments: Loans	3 984 511	1 544 722	3 699 325	82 367	783 335	1 427 867	1 405 756	1 035 313	27 767	15 618
3314,2 Incurrences: Loans	1 665 740	2 499 938	1 216 651	3 032 134	358 181	-943 712	-1 229 952	0	-1 215 811	-750 175
<b>332 Foreign (3322+3323+3324+3326+3327+3328)</b>	<b>270 335</b>	<b>-5 080 612</b>	<b>-3 943 256</b>	<b>-3 130 083</b>	<b>-213 088</b>	<b>-538 733</b>	<b>-61 353</b>	<b>-2 400 368</b>	<b>-478 413</b>	<b>-9 874</b>
<b>332,1 Foreign repayments (3323,1+3324,1+3325,1+3326,1+3327,1+3328,1)</b>	<b>4 707 377</b>	<b>5 864 167</b>	<b>5 806 513</b>	<b>4 401 894</b>	<b>320 487</b>	<b>678 951</b>	<b>405 181</b>	<b>4 150 913</b>	<b>478 413</b>	<b>9 874</b>
<b>332,2 Foreign incurrences (3323,2+3324,2+3325,2+3326,2+3327,2+3328,2)</b>	<b>4 977 712</b>	<b>783 554</b>	<b>1 863 257</b>	<b>1 271 811</b>	<b>107 400</b>	<b>140 218</b>	<b>343 828</b>	<b>1 750 546</b>	<b>0</b>	<b>0</b>
3322 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3323 Securities other than shares (3323,2-3323,1)	1 215 439	-3 713 935	-3 480 781	-3 480 781	0	0	0	-2 120 000	0	0
3323,1 Repayments: Securities other than shares	2 526 876	3 713 935	3 480 781	3 480 781	0	0	0	2 120 000	0	0
3323,2 Incurrences: Securities other than shares	3 742 315	0	0	0	0	0	0	0	0	0
3324 Loans (3324,2-3324,1)	-945 104	-1 366 677	-462 475	350 698	-213 088	-538 733	-61 353	-280 368	-478 413	-9 874
3324,1 Repayments: Loans	2 180 501	2 150 232	2 325 732	921 113	320 487	678 951	405 181	2 030 913	478 413	9 874
3324,2 Incurrences: Loans	1 235 397	783 554	1 863 257	1 271 811	107 400	140 218	343 828	1 750 546	0	0

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 - II 2007		
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government
<b>82 (=32) NET ACQUISITION OF FINANCIAL ASSETS</b>	<b>1 131 566</b>	<b>-228 316</b>	<b>903 250</b>
Acquisition of financial assets	1 286 471	-190 970	1 095 501
Disposals of financial assets	154 905	37 346	192 251
<b>821 (=321) Domestic</b>	<b>1 131 566</b>	<b>-228 316</b>	<b>903 250</b>
Acquisition of domestic financial assets	1 286 471	-190 970	1 095 501
Disposals of domestic financial assets	154 905	37 346	192 251
8211 General government	0	0	0
Acquisitions: General Government	0	0	0
Disposals: General Government	0	0	0
8212 Central bank	1 043 906	0	1 043 906
Acquisitions: Central bank	1 043 906	0	1 043 906
Disposals: Central bank	0	0	0
8213 Other depository institutions	32 311	-218 610	-186 299
Acquisitions: Other depository institutions	73 693	-218 610	-144 917
Disposals: Other depository institutions	41 382	0	41 382
8215 Nonfinancial institutions	48 525	-9 706	38 819
Acquisitions: Nonfinancial institutions	153 369	27 640	181 009
Disposals: Nonfinancial institutions	104 844	37 346	142 190
8216 Households and nonprofit institutions serving households	6 824	0	6 824
Acquisitions: Hholds and nonprofit institutions serving hholds	15 503	0	15 503
Disposals: Hholds and nonprofit institutions serving hholds	8 679	0	8 679
<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>1 358 481</b>	<b>-98 651</b>	<b>1 259 830</b>
Repayments: liabilities	624 391	98 725	723 116
Incurrences: liabilities	1 982 872	74	1 982 946
<b>831 (=331) Domestic</b>	<b>1 836 895</b>	<b>-8 183</b>	<b>1 828 712</b>
Repayments: domestic liabilities	145 978	8 183	154 161
Incurrences: domestic liabilities	1 982 872	0	1 982 872
8311 General government	0	0	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	0	0
8313 Other depository institutions	1 832 115	-8 183	1 823 932
Repayments: Other depository institutions	145 472	8 183	153 655
Incurrences: Other depository institutions	1 977 586	0	1 977 586
8314 Financial institutions not elsewhere classified	5 286	0	5 286
Repayments: Financial institutions not elsewhere classified	0	0	0
Incurrences: Financial institutions not elsewhere classified	5 286	0	5 286
8315 Nonfinancial institutions	-506	0	-506
Repayments: Nonfinancial institutions	506	0	506
Incurrences: Nonfinancial institutions	0	0	0
<b>832 (=332) Foreign</b>	<b>-478 413</b>	<b>-90 468</b>	<b>-568 881</b>
Repayments: foreign liabilities	478 413	90 542	568 955
Incurrences: foreign liabilities	0	74	74
8321 General government	-179 131	0	-179 131
Repayments: General Government	179 131	0	179 131
Incurrences: General Government	0	0	0
8327 International organizations	-45 704	0	-45 704
Repayments: International organizations	45 704	0	45 704
Incurrences: International organizations	0	0	0
8328 Financial institutions other than international organizations	-253 578	-90 468	-344 046
Repayments: Financial institutions other than international organizations	253 578	90 542	344 120
Incurrences: Financial institutions other than international organizations	0	74	74
8329 Other nonresidents	0	0	0
Repayments: Other nonresidents	0	0	0
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)	2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007
<b>TRANSACTIONS AFFECTING NET WORTH</b>										
<b>1 REVENUE (11+12+13+14)</b>	<b>80 463 518</b>	<b>85 653 010</b>	<b>95 235 856</b>	<b>21 155 653</b>	<b>24 126 654</b>	<b>24 821 024</b>	<b>25 132 525</b>	<b>103 489 203</b>	<b>16 047 948</b>	<b>7 797 109</b>
11 Taxes	47 149 862	50 687 564	58 469 091	12 578 899	14 916 276	15 628 185	15 345 731	62 346 727	9 515 551	4 495 400
12 Social contributions	29 477 597	31 301 340	33 877 148	7 954 297	8 376 921	8 629 734	8 916 196	36 355 407	5 812 416	2 921 275
13 Grants	10 122	27 505	192 850	3 544	11 036	3 644	174 627	861 097	1 521	545
14 Other revenue	3 825 938	3 636 601	2 696 767	618 913	822 421	559 462	695 971	3 925 972	718 460	379 889
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>83 131 114</b>	<b>87 857 465</b>	<b>95 948 387</b>	<b>23 260 320</b>	<b>23 203 454</b>	<b>23 334 535</b>	<b>26 150 078</b>	<b>103 859 513</b>	<b>16 259 951</b>	<b>8 533 344</b>
21 Compensation of employees	22 268 287	23 182 586	24 313 867	5 965 427	5 979 166	6 151 600	6 217 675	26 804 125	4 355 286	2 171 832
22 Use of goods and services	4 358 721	4 951 917	6 069 756	1 297 332	1 269 577	1 242 904	2 259 943	7 449 002	928 819	541 424
24 Interest	3 972 466	4 387 010	4 713 615	1 824 142	998 768	955 490	935 215	4 609 511	964 804	602 320
25 Subsidies	4 968 069	5 248 744	5 670 789	1 633 507	1 378 666	1 076 468	1 582 148	5 816 774	1 070 298	652 224
26 Grants	3 420 327	3 796 847	6 650 790	1 241 337	1 443 196	1 786 603	2 179 654	6 824 021	837 713	325 151
27 Social benefits	39 730 887	41 358 455	43 444 589	10 445 596	10 979 868	10 838 233	11 180 892	46 570 755	7 542 787	3 843 039
28 Other expense	4 412 359	4 931 907	5 084 980	852 978	1 154 214	1 283 236	1 794 553	5 785 325	560 244	397 353
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>-2 667 596</b>	<b>-2 204 455</b>	<b>-712 531</b>	<b>-2 104 667</b>	<b>923 201</b>	<b>1 486 489</b>	<b>-1 017 554</b>	<b>-370 309</b>	<b>-212 003</b>	<b>-736 235</b>
<b>CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>-2 667 596</b>	<b>-2 204 455</b>	<b>-712 531</b>	<b>-2 104 667</b>	<b>923 201</b>	<b>1 486 489</b>	<b>-1 017 554</b>	<b>-370 309</b>	<b>-212 003</b>	<b>-736 235</b>
<b>TRANSACTIONS IN NONFINANCIAL ASSETS</b>										
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>1 419 467</b>	<b>1 553 668</b>	<b>1 555 792</b>	<b>166 254</b>	<b>238 506</b>	<b>322 028</b>	<b>829 004</b>	<b>2 965 943</b>	<b>14 912</b>	<b>96 780</b>
311 Fixed assets	1 384 609	1 516 968	1 595 121	173 842	271 334	327 178	822 767	2 863 112	187 026	120 348
312 Change in inventories	0	0	-80 226	-11 785	-37 430	-11 492	-19 519	-28 527	-172 520	-23 610
313 Valuables	7 518	7 220	7 826	1 600	1 468	1 541	3 217	6 304	403	312
314 Nonproduced assets	27 340	29 480	33 072	2 597	3 135	4 801	22 539	125 054	3	-269
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-4 087 063</b>	<b>-3 758 123</b>	<b>-2 268 323</b>	<b>-2 270 921</b>	<b>684 695</b>	<b>1 164 461</b>	<b>-1 846 558</b>	<b>-3 336 253</b>	<b>-226 915</b>	<b>-833 015</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>										
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322)</b>	<b>221 977</b>	<b>1 752 825</b>	<b>-3 045 319</b>	<b>-517 178</b>	<b>15 260</b>	<b>267 886</b>	<b>-2 811 287</b>	<b>-569 630</b>	<b>1 131 566</b>	<b>981 566</b>
321 Domestic	212 192	1 757 681	-3 062 000	-517 178	12 579	267 886	-2 825 287	-583 058	1 131 566	981 566
322 Foreign	9 786	-4 857	16 681	0	2 681	0	14 000	13 428	0	0
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>4 309 040</b>	<b>5 510 948</b>	<b>-776 996</b>	<b>1 753 743</b>	<b>-669 435</b>	<b>-896 575</b>	<b>-964 729</b>	<b>2 766 623</b>	<b>1 358 481</b>	<b>1 814 581</b>
331 Domestic	4 038 705	10 591 560	3 166 260	4 883 826	-456 347	-357 843	-903 376	5 166 990	1 836 895	1 824 455
332 Foreign	270 335	-5 080 612	-3 943 256	-3 130 083	-213 088	-538 733	-61 353	-2 400 368	-478 413	-9 874

## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

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

	Revenues (1)	Expenditures (2)	Operating balance	Interest payments	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
II 2005	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	9 348 962	8 217 033	1 131 929	217 550	1 349 479
I-XII 2005	85 653 010	87 857 465	-2 204 455	4 387 010	2 182 555
I 2006	6 732 436	7 378 544	-646 109	352 306	-293 803
II	7 066 393	7 834 015	-767 622	668 364	-99 258
III	7 356 824	8 047 760	-690 936	803 473	112 537
IV	8 303 060	8 100 571	202 490	347 470	549 960
V	7 959 006	7 639 665	319 341	290 237	609 578
VI	7 864 588	7 463 219	401 370	361 062	762 431
VII	8 301 280	7 890 702	410 578	362 665	773 243
VIII	8 465 491	7 701 843	763 647	273 643	1 037 290
IX	8 054 253	7 741 990	312 263	319 183	631 446
X	8 363 146	8 176 028	187 118	203 148	390 266
XI	8 406 749	7 993 898	412 850	318 984	731 834
XII	8 362 630	9 903 664	-1 541 034	413 083	-1 127 951
I-XII 2006	95 235 856	95 871 899	-636 043	4 713 615	4 077 573
I 2007	8 250 839	7 726 608	524 231	362 483	886 715
II	7 797 109	8 533 344	-736 235	602 320	-133 914
I-II 2007	16 047 948	16 259 951	-212 003	964 804	752 801

Note: See notes on methodology

## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

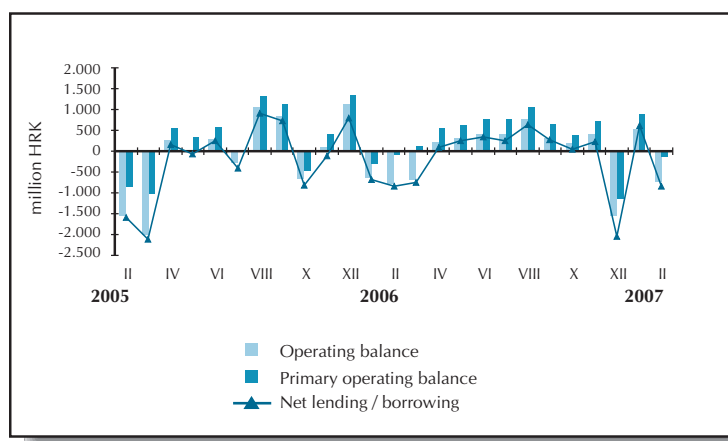


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	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)
II 2005	-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	1 131 929	336 593	795 336	-795 336	593 872	-201 464
I-XII 2005	-2 204 455	1 553 668	-3 758 123	3 758 123	1 752 825	5 510 948
I 2006	-646 109	38 735	-684 844	684 844	242 594	927 438
II	-767 622	66 960	-834 582	834 582	-451 110	383 472
III	-690 936	60 559	-751 495	751 495	-308 662	442 833
IV	202 490	111 293	91 197	-91 197	-52 317	-143 513
V	319 341	66 835	252 507	-252 507	189 990	-62 516
VI	401 370	60 378	340 991	-340 991	-122 414	-463 405
VII	410 578	153 857	256 721	-256 721	49 976	-206 745
VIII	763 647	117 573	646 075	-646 075	435 927	-210 148
IX	312 263	50 598	261 665	-261 665	-218 017	-479 682
X	187 118	138 082	-49 037	49 037	80 804	31 767
XI	412 850	178 288	234 563	-234 563	652 822	418 259
XII	-1 541 034	512 635	-2 053 669	2 053 669	-3 468 424	-1 414 755
I-XII 2006	-636 043	1 555 792	-2 191 835	2 191 835	-2 968 831	-776 996
I 2007	524 231	-81 868	606 100	-606 100	150 000	-456 099
II	-736 235	96 780	-833 015	833 015	981 566	1 814 581
I-II 2007	-212 003	14 912	-226 915	226 915	1 131 566	1 358 481

\* GFS 2001

Note: See notes on methodology

TABLE 9: THE CROATIAN WATERS TRANSACTIONS

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 658 435</b>	<b>1 715 607</b>	<b>1 974 484</b>	<b>237 247</b>	<b>359 494</b>	<b>577 256</b>	<b>800 487</b>	<b>2 164 890</b>	<b>266 453</b>	<b>116 945</b>	<b>12,31</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>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>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>434 004</b>	<b>487 813</b>	<b>447 088</b>	<b>11 462</b>	<b>90 915</b>	<b>133 188</b>	<b>211 523</b>	<b>485 490</b>	<b>36 575</b>	<b>25 257</b>	<b>7,53</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	434 004	487 813	447 088	11 462	90 915	133 188	211 523	485 490	36 575	25 257	7,53
1331	Current	105 340	203 499	89 259	346	68 555	13 196	7 162	1 000	0	0	
1332	Capital	328 664	284 314	357 829	11 116	22 360	119 992	204 361	484 490	36 575	25 257	7,55
<b>14</b>	<b>Other revenue</b>	<b>1 224 431</b>	<b>1 227 794</b>	<b>1 527 396</b>	<b>225 785</b>	<b>268 579</b>	<b>444 068</b>	<b>588 964</b>	<b>1 679 400</b>	<b>229 878</b>	<b>91 688</b>	<b>13,69</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>1 426 283</b>	<b>1 489 465</b>	<b>1 779 071</b>	<b>238 830</b>	<b>322 642</b>	<b>521 782</b>	<b>695 817</b>	<b>1 923 990</b>	<b>228 402</b>	<b>86 365</b>	<b>11,87</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>93 675</b>	<b>99 418</b>	<b>111 293</b>	<b>24 502</b>	<b>26 157</b>	<b>24 884</b>	<b>35 750</b>	<b>127 180</b>	<b>19 006</b>	<b>9 851</b>	<b>14,94</b>
211	Wages and salaries	80 618	85 524	96 298	21 042	22 614	21 321	31 321	109 550	16 482	8 627	15,05
212	Social contributions	13 057	13 894	14 995	3 460	3 543	3 563	4 429	17 630	2 524	1 224	14,32
<b>22</b>	<b>Use of goods and services</b>	<b>743 383</b>	<b>790 683</b>	<b>1 072 459</b>	<b>156 731</b>	<b>235 930</b>	<b>313 203</b>	<b>366 595</b>	<b>970 010</b>	<b>105 998</b>	<b>41 128</b>	<b>10,93</b>
<b>24</b>	<b>Interest</b>	<b>37 907</b>	<b>33 734</b>	<b>31 693</b>	<b>7 571</b>	<b>7 245</b>	<b>8 286</b>	<b>8 591</b>	<b>31 110</b>	<b>3 747</b>	<b>1</b>	<b>12,04</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>0</b>	
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>0</b>	<b>53 887</b>	<b>0</b>	<b>10 956</b>	<b>14 723</b>	<b>28 208</b>	<b>58 000</b>	<b>1 140</b>	<b>125</b>	<b>1,97</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>0</b>	
<b>28</b>	<b>Other expense</b>	<b>551 318</b>	<b>565 630</b>	<b>509 739</b>	<b>50 026</b>	<b>42 354</b>	<b>160 686</b>	<b>256 673</b>	<b>737 690</b>	<b>98 511</b>	<b>35 260</b>	<b>13,35</b>
<b>Net-gross operating balance (1-2)</b>		<b>232 152</b>	<b>226 142</b>	<b>195 413</b>	<b>-1 583</b>	<b>36 852</b>	<b>55 474</b>	<b>104 670</b>	<b>240 900</b>	<b>38 051</b>	<b>30 580</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>282 527</b>	<b>230 292</b>	<b>223 118</b>	<b>13 697</b>	<b>6 694</b>	<b>36 846</b>	<b>165 881</b>	<b>151 900</b>	<b>50 389</b>	<b>4 808</b>	<b>33,17</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	282 797	230 588	224 978	13 752	7 439	36 885	166 902	152 000	51 825	4 818	34,10
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	270	296	1 860	55	745	39	1 021	100	1 436	10	
311	Fixed assets (311,1-311,2-311,3)	277 053	224 415	208 462	13 303	5 835	30 926	158 398	143 900	50 012	4 538	34,75
311,1	Acquisitions: fixed assets	277 323	224 711	210 322	13 358	6 580	30 965	159 419	144 000	51 448	4 548	35,73
311,2	Disposals: fixed assets	270	296	1 860	55	745	39	1 021	100	1 436	10	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	5 474	5 877	14 656	394	859	5 920	7 483	8 000	377	270	2,57
314,1	Acquisitions: nonproduced assets	5 474	5 877	14 656	394	859	5 920	7 483	8 000	377	270	2,57
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-50 375</b>	<b>-4 150</b>	<b>-27 705</b>	<b>-15 280</b>	<b>30 158</b>	<b>18 628</b>	<b>-61 211</b>	<b>89 000</b>	<b>-12 338</b>	<b>25 772</b>	
<b>Financing (33-32)</b>		<b>50 375</b>	<b>4 150</b>	<b>27 705</b>	<b>15 280</b>	<b>-30 158</b>	<b>-18 628</b>	<b>61 211</b>	<b>-89 000</b>	<b>12 338</b>	<b>-25 772</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-11 385</b>	<b>5 284</b>	<b>-29 421</b>	<b>-35 696</b>	<b>-7 900</b>	<b>-443</b>	<b>14 618</b>	<b>70 000</b>	<b>-17 990</b>	<b>25 772</b>	
321	Domestic	-11 385	5 284	-29 421	-35 696	-7 900	-443	14 618	70 000	-17 990	25 772	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>38 990</b>	<b>9 434</b>	<b>-1 716</b>	<b>-20 416</b>	<b>-38 058</b>	<b>-19 071</b>	<b>75 829</b>	<b>-19 000</b>	<b>-5 652</b>	<b>0</b>	
331	Domestic	42 859	-26 179	12 778	-14 776	-28 019	-19 046	74 619	-67 000	0	0	
332	Foreign	-3 869	35 613	-14 494	-5 640	-10 039	-25	1 210	48 000	-5 652	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 10: THE ENVIRONMENT PROTECTION FUND TRANSACTIONS

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>172 273</b>	<b>214 737</b>	<b>660 190</b>	<b>94 166</b>	<b>119 113</b>	<b>178 513</b>	<b>268 398</b>	<b>965 400</b>	<b>120 635</b>	<b>82 293</b>	<b>12,50</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>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>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>1 525</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	1 525	0	350	0	0	0	350	0	0	0	
1331	Current	1 525	0	350	0	0	0	350	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	0	
<b>14</b>	<b>Other revenue</b>	<b>170 748</b>	<b>214 737</b>	<b>659 840</b>	<b>94 166</b>	<b>119 113</b>	<b>178 513</b>	<b>268 048</b>	<b>965 400</b>	<b>120 635</b>	<b>82 293</b>	<b>12,50</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>32 443</b>	<b>172 045</b>	<b>734 764</b>	<b>72 949</b>	<b>180 071</b>	<b>207 229</b>	<b>274 515</b>	<b>913 181</b>	<b>121 406</b>	<b>74 374</b>	<b>13,29</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>1 905</b>	<b>3 966</b>	<b>6 843</b>	<b>1 317</b>	<b>1 542</b>	<b>1 588</b>	<b>2 396</b>	<b>12 811</b>	<b>1 515</b>	<b>743</b>	<b>11,83</b>
211	Wages and salaries	1 633	3 407	5 864	1 128	1 335	1 360	2 041	10 955	1 298	637	11,85
212	Social contributions	272	559	979	189	207	228	355	1 856	217	106	11,69
<b>22</b>	<b>Use of goods and services</b>	<b>2 734</b>	<b>12 162</b>	<b>608 913</b>	<b>41 119</b>	<b>161 974</b>	<b>189 232</b>	<b>216 588</b>	<b>587 536</b>	<b>105 792</b>	<b>64 388</b>	<b>18,01</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>0</b>	<b>0</b>	
<b>25</b>	<b>Subsidies</b>	<b>0</b>	<b>5 189</b>	<b>13 803</b>	<b>11 373</b>	<b>382</b>	<b>1 745</b>	<b>303</b>	<b>102 737</b>	<b>683</b>	<b>0</b>	<b>0,66</b>
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>149 780</b>	<b>102 355</b>	<b>19 079</b>	<b>15 896</b>	<b>13 909</b>	<b>53 471</b>	<b>203 277</b>	<b>12 888</b>	<b>9 024</b>	<b>6,34</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>0</b>	
<b>28</b>	<b>Other expense</b>	<b>27 804</b>	<b>948</b>	<b>2 850</b>	<b>61</b>	<b>277</b>	<b>755</b>	<b>1 757</b>	<b>6 821</b>	<b>528</b>	<b>219</b>	<b>7,74</b>
<b>Net-gross operating balance (1-2)</b>		<b>139 830</b>	<b>42 692</b>	<b>-74 574</b>	<b>21 217</b>	<b>-60 958</b>	<b>-28 716</b>	<b>-6 117</b>	<b>52 219</b>	<b>-771</b>	<b>7 919</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>1 786</b>	<b>12 917</b>	<b>14 151</b>	<b>97</b>	<b>778</b>	<b>1 213</b>	<b>12 063</b>	<b>2 653</b>	<b>10 228</b>	<b>2 855</b>	<b>385,53</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 786	12 917	14 287	97	914	1 213	12 063	2 653	10 244	2 855	386,13
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	136	0	136	0	0	0	16	0	
311	Fixed assets (311,1-311,2-311,3)	1 553	12 742	2 520	87	671	177	1 585	2 390	2 236	329	93,56
311,1	Acquisitions: fixed assets	1 553	12 742	2 656	87	807	177	1 585	2 390	2 252	329	94,23
311,2	Disposals: fixed assets	0	0	136	0	136	0	0	0	16	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	233	175	11 631	10	107	1 036	10 478	263	7 992	2 526	
314,1	Acquisitions: nonproduced assets	233	175	11 631	10	107	1 036	10 478	263	7 992	2 526	
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>138 044</b>	<b>29 775</b>	<b>-88 725</b>	<b>21 120</b>	<b>-61 736</b>	<b>-29 929</b>	<b>-18 180</b>	<b>49 566</b>	<b>-10 999</b>	<b>5 064</b>	
<b>Financing (33-32)</b>		<b>-138 044</b>	<b>-29 775</b>	<b>88 725</b>	<b>-21 120</b>	<b>61 736</b>	<b>29 929</b>	<b>18 180</b>	<b>-49 566</b>	<b>10 999</b>	<b>-5 064</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>138 044</b>	<b>29 775</b>	<b>-88 725</b>	<b>21 120</b>	<b>-61 736</b>	<b>-29 929</b>	<b>-18 180</b>	<b>109 566</b>	<b>-10 999</b>	<b>5 064</b>	
321	Domestic	138 044	29 775	-88 725	21 120	-61 736	-29 929	-18 180	109 566	-10 999	5 064	
322	Foreign	0	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>60 000</b>	<b>0</b>	<b>0</b>	
331	Domestic	0	0	0	0	0	0	0	30 000	0	0	
332	Foreign	0	0	0	0	0	0	0	30 000	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 11: THE CROATIAN MOTORWAYS Ltd. TRANSACTIONS

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>2 295 423</b>	<b>2 547 003</b>	<b>2 715 743</b>	<b>508 018</b>	<b>655 043</b>	<b>885 494</b>	<b>667 188</b>	<b>2 754 065</b>	<b>389 128</b>	<b>178 740</b>	<b>14,13</b>
<b>11</b>	<b>Taxes</b>	<b>1 341 683</b>	<b>1 380 753</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>	
1142	Excises	1 341 683	1 380 753	0	0	0	0	0	0	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>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>0</b>	<b>0</b>	<b>1 450 358</b>	<b>294 281</b>	<b>350 892</b>	<b>425 596</b>	<b>379 589</b>	<b>1 510 065</b>	<b>205 544</b>	<b>82 869</b>	<b>13,61</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	1 450 358	294 281	350 892	425 596	379 589	1 510 065	205 544	82 869	13,61
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 450 358	294 281	350 892	425 596	379 589	1 510 065	205 544	82 869	13,61
<b>14</b>	<b>Other revenue</b>	<b>953 740</b>	<b>1 166 250</b>	<b>1 265 385</b>	<b>213 737</b>	<b>304 151</b>	<b>459 898</b>	<b>287 599</b>	<b>1 244 000</b>	<b>183 584</b>	<b>95 871</b>	<b>14,76</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>756 796</b>	<b>1 088 687</b>	<b>1 574 500</b>	<b>240 668</b>	<b>442 933</b>	<b>355 175</b>	<b>535 724</b>	<b>1 734 830</b>	<b>225 350</b>	<b>123 185</b>	<b>12,99</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>236 353</b>	<b>289 866</b>	<b>320 097</b>	<b>71 866</b>	<b>74 319</b>	<b>89 625</b>	<b>84 287</b>	<b>363 418</b>	<b>55 035</b>	<b>28 637</b>	<b>15,14</b>
211	Wages and salaries	203 955	250 374	276 180	61 878	64 051	77 731	72 520	314 257	47 275	24 603	15,04
212	Social contributions	32 398	39 492	43 917	9 988	10 268	11 894	11 767	49 161	7 760	4 034	15,78
<b>22</b>	<b>Use of goods and services</b>	<b>258 509</b>	<b>314 534</b>	<b>305 765</b>	<b>63 661</b>	<b>66 456</b>	<b>77 374</b>	<b>98 274</b>	<b>265 313</b>	<b>32 439</b>	<b>11 994</b>	<b>12,23</b>
<b>24</b>	<b>Interest</b>	<b>191 132</b>	<b>445 185</b>	<b>591 733</b>	<b>96 876</b>	<b>203 047</b>	<b>52 075</b>	<b>239 735</b>	<b>803 074</b>	<b>107 447</b>	<b>78 465</b>	<b>13,38</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>0</b>	
<b>26</b>	<b>Grants</b>	<b>4 542</b>	<b>3 610</b>	<b>304 649</b>	<b>8 265</b>	<b>77 247</b>	<b>128 460</b>	<b>90 677</b>	<b>278 000</b>	<b>23 048</b>	<b>0</b>	<b>8,29</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>0</b>	
<b>28</b>	<b>Other expense</b>	<b>66 260</b>	<b>35 492</b>	<b>52 256</b>	<b>0</b>	<b>21 864</b>	<b>7 641</b>	<b>22 751</b>	<b>25 026</b>	<b>7 381</b>	<b>4 089</b>	<b>29,49</b>
<b>Net-gross operating balance (1-2)</b>		<b>1 538 627</b>	<b>1 458 316</b>	<b>1 141 243</b>	<b>267 350</b>	<b>212 110</b>	<b>530 319</b>	<b>131 464</b>	<b>1 019 235</b>	<b>163 778</b>	<b>55 555</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>5 778 694</b>	<b>3 942 727</b>	<b>2 949 761</b>	<b>473 848</b>	<b>861 980</b>	<b>844 597</b>	<b>769 336</b>	<b>2 300 555</b>	<b>337 815</b>	<b>120 813</b>	<b>14,68</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	5 778 694	3 942 727	3 249 761	473 848	861 980	844 597	1 069 336	2 300 555	337 815	120 813	14,68
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	300 000	0	0	0	300 000	0	0	0	
311	Fixed assets (311,1-311,2-311,3)	5 697 892	3 825 950	2 748 525	431 307	804 967	766 804	745 447	2 243 312	315 687	110 238	14,07
311,1	Acquisitions: fixed assets	5 697 892	3 825 950	3 048 525	431 307	804 967	766 804	1 045 447	2 243 312	315 687	110 238	14,07
311,2	Disposals: fixed assets	0	0	300 000	0	0	0	300 000	0	0	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	80 802	116 777	201 236	42 541	57 013	77 793	23 889	57 243	22 128	10 575	38,66
314,1	Acquisitions: nonproduced assets	80 802	116 777	201 236	42 541	57 013	77 793	23 889	57 243	22 128	10 575	38,66
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-4 240 067</b>	<b>-2 484 411</b>	<b>-1 808 518</b>	<b>-206 498</b>	<b>-649 870</b>	<b>-314 278</b>	<b>-637 872</b>	<b>-1 281 320</b>	<b>-174 037</b>	<b>-65 258</b>	
<b>Financing (33-32)</b>		<b>4 240 067</b>	<b>2 484 411</b>	<b>1 808 518</b>	<b>206 498</b>	<b>649 870</b>	<b>314 278</b>	<b>637 872</b>	<b>1 281 320</b>	<b>174 037</b>	<b>65 258</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-162 274</b>	<b>-42 758</b>	<b>242 550</b>	<b>-36 187</b>	<b>15 098</b>	<b>220 893</b>	<b>42 746</b>	<b>9 880</b>	<b>-258 853</b>	<b>-65 259</b>	
321	Domestic	-162 274	-42 758	242 550	-36 187	15 098	220 893	42 746	9 880	-258 853	-65 259	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331-332)</b>	<b>4 077 793</b>	<b>2 441 653</b>	<b>2 051 068</b>	<b>170 311</b>	<b>664 968</b>	<b>535 171</b>	<b>680 618</b>	<b>1 291 200</b>	<b>-84 816</b>	<b>-1</b>	
331	Domestic	379 709	1 698 272	1 758 422	0	621 289	474 871	662 262	1 884 364	0	0	
332	Foreign	3 698 084	743 381	292 646	170 311	43 679	60 300	18 356	-593 164	-84 816	-1	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 12: THE CROATIAN ROADS Ltd. TRANSACTIONS

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 417 787</b>	<b>1 474 714</b>	<b>1 803 313</b>	<b>297 684</b>	<b>449 184</b>	<b>562 916</b>	<b>493 529</b>	<b>1 848 500</b>	<b>235 212</b>	<b>88 461</b>	<b>12,72</b>
<b>11</b>	<b>Taxes</b>	<b>1 342 121</b>	<b>1 380 732</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>	
1142	Excises	1 342 121	1 380 732	0	0	0	0	0	0	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>0</b>	
<b>13</b>	<b>Grants (131+133)</b>	<b>0</b>	<b>0</b>	<b>1 739 237</b>	<b>285 424</b>	<b>425 664</b>	<b>553 418</b>	<b>474 731</b>	<b>1 770 065</b>	<b>226 738</b>	<b>84 490</b>	<b>12,81</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	1 739 237	285 424	425 664	553 418	474 731	1 770 065	226 738	84 490	12,81
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 739 237	285 424	425 664	553 418	474 731	1 770 065	226 738	84 490	12,81
<b>14</b>	<b>Other revenue</b>	<b>75 666</b>	<b>93 982</b>	<b>64 076</b>	<b>12 260</b>	<b>23 520</b>	<b>9 498</b>	<b>18 798</b>	<b>78 435</b>	<b>8 474</b>	<b>3 971</b>	<b>10,80</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>934 630</b>	<b>1 062 405</b>	<b>1 226 188</b>	<b>245 294</b>	<b>315 601</b>	<b>286 074</b>	<b>379 219</b>	<b>1 423 222</b>	<b>149 835</b>	<b>70 253</b>	<b>10,53</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>51 590</b>	<b>61 054</b>	<b>70 779</b>	<b>16 787</b>	<b>17 187</b>	<b>19 277</b>	<b>17 528</b>	<b>80 300</b>	<b>11 346</b>	<b>5 911</b>	<b>14,13</b>
211	Wages and salaries	44 349	52 452	60 780	14 389	14 786	16 500	15 105	69 039	9 729	5 070	14,09
212	Social contributions	7 241	8 602	9 999	2 398	2 401	2 777	2 423	11 262	1 617	841	14,36
<b>22</b>	<b>Use of goods and services</b>	<b>696 421</b>	<b>726 456</b>	<b>850 687</b>	<b>161 786</b>	<b>247 998</b>	<b>210 121</b>	<b>230 782</b>	<b>1 027 372</b>	<b>106 778</b>	<b>57 207</b>	<b>10,39</b>
<b>24</b>	<b>Interest</b>	<b>4 306</b>	<b>16 060</b>	<b>43 374</b>	<b>5 078</b>	<b>11 873</b>	<b>3 931</b>	<b>22 492</b>	<b>73 800</b>	<b>840</b>	<b>497</b>	<b>1,14</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>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>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>0</b>	
<b>28</b>	<b>Other expense</b>	<b>182 313</b>	<b>258 835</b>	<b>261 348</b>	<b>61 643</b>	<b>38 543</b>	<b>52 745</b>	<b>108 417</b>	<b>241 750</b>	<b>30 871</b>	<b>6 638</b>	<b>12,77</b>
<b>Net-gross operating balance (1-2)</b>		<b>483 157</b>	<b>412 309</b>	<b>577 125</b>	<b>52 390</b>	<b>133 583</b>	<b>276 842</b>	<b>114 310</b>	<b>425 278</b>	<b>85 377</b>	<b>18 208</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>834 631</b>	<b>923 171</b>	<b>1 350 855</b>	<b>178 952</b>	<b>592 387</b>	<b>319 235</b>	<b>260 281</b>	<b>1 267 202</b>	<b>117 589</b>	<b>57 627</b>	<b>9,28</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	835 907	926 359	1 351 643	179 225	592 531	319 412	260 475	1 267 202	117 800	57 675	9,30
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 276	3 188	788	273	144	177	194	0	211	48	
311	Fixed assets (311,1-311,2-311,3)	742 582	833 817	1 227 297	155 785	561 944	280 503	229 065	1 165 102	89 895	52 755	7,72
311,1	Acquisitions: fixed assets	743 858	837 005	1 228 085	156 058	562 088	280 680	229 259	1 165 102	90 106	52 803	7,73
311,2	Disposals: fixed assets	1 276	3 188	788	273	144	177	194	0	211	48	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	92 049	89 354	123 558	23 167	30 443	38 732	31 216	102 100	27 694	4 872	27,12
314,1	Acquisitions: nonproduced assets	92 049	89 354	123 558	23 167	30 443	38 732	31 216	102 100	27 694	4 872	27,12
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>-351 474</b>	<b>-510 862</b>	<b>-773 730</b>	<b>-126 562</b>	<b>-458 804</b>	<b>-42 393</b>	<b>-145 971</b>	<b>-841 924</b>	<b>-32 212</b>	<b>-39 419</b>	
<b>Financing (33-32)</b>		<b>351 474</b>	<b>510 862</b>	<b>773 730</b>	<b>126 562</b>	<b>458 804</b>	<b>42 393</b>	<b>145 971</b>	<b>841 924</b>	<b>32 212</b>	<b>39 419</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>296</b>	<b>50 297</b>	<b>-29 064</b>	<b>-19 255</b>	<b>-26 445</b>	<b>-28 145</b>	<b>44 781</b>	<b>0</b>	<b>-32 212</b>	<b>-39 419</b>	
321	Domestic	296	50 297	-29 064	-19 255	-26 445	-28 145	44 781	0	-32 212	-39 419	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
<b>33</b>	<b>Net incurrence of liabilities (331+332)</b>	<b>351 770</b>	<b>561 159</b>	<b>744 666</b>	<b>107 307</b>	<b>432 359</b>	<b>14 248</b>	<b>190 752</b>	<b>841 924</b>	<b>0</b>	<b>0</b>	
331	Domestic	100 000	302 376	471 685	0	399 918	2 316	69 451	489 454	0	0	
332	Foreign	251 770	258 783	272 981	107 307	32 441	11 932	121 301	352 470	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance



TABLE 13: THE STATE AGENCY FOR DEPOSIT INSURANCE AND BANKS REHABILITATION TRANSACTIONS

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>575 893</b>	<b>367 438</b>	<b>409 575</b>	<b>112 078</b>	<b>83 974</b>	<b>87 396</b>	<b>126 127</b>	<b>784 538</b>	<b>89 293</b>	<b>73 714</b>	<b>11,38</b>
11	Taxes	0	0	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	0	
13	Grants (131+133)	0	0	0	0	0	0	0	0	0	0	
131	From foreign governments	0	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	0	
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	0	
14	Other revenue	575 893	367 438	409 575	112 078	83 974	87 396	126 127	784 538	89 293	73 714	11,38
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>314 474</b>	<b>182 993</b>	<b>27 354</b>	<b>10 509</b>	<b>3 933</b>	<b>5 480</b>	<b>7 432</b>	<b>126 678</b>	<b>20 948</b>	<b>1 183</b>	<b>16,54</b>
21	Compensation of employees (211+212)	4 678	5 621	5 713	1 360	1 351	1 466	1 536	7 473	857	440	11,47
211	Wages and salaries	4 010	4 821	4 896	1 163	1 157	1 261	1 315	6 390	733	377	11,47
212	Social contributions	668	800	817	197	194	205	221	1 083	124	63	11,45
22	Use of goods and services	10 664	21 092	12 472	3 360	1 422	2 455	5 235	14 395	5 160	683	35,85
24	Interest	136 971	121 940	239	0	0	239	0	510	0	0	
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	0	0	0	0	0	0	0	0	
27	Social benefits	162 161	1 511	1 357	648	280	53	376	100 000	20	0	
28	Other expense	0	32 829	7 573	5 141	880	1 267	285	4 300	14 911	60	
<b>Net-gross operating balance (1-2)</b>		<b>261 419</b>	<b>184 445</b>	<b>382 221</b>	<b>101 569</b>	<b>80 041</b>	<b>81 916</b>	<b>118 695</b>	<b>657 860</b>	<b>68 345</b>	<b>72 531</b>	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	27 624	14 131	493	334	128	0	31	-17 410	-20 019	81	
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	27 624	14 232	565	399	135	0	31	590	81	81	
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	101	72	65	7	0	0	18 000	20 100	0	111,67
311	Fixed assets (311,1-311,2-311,3)	27 624	11 115	493	334	128	0	31	590	-20 019	81	
311,1	Acquisitions: fixed assets	27 624	11 216	565	399	135	0	31	590	81	81	
311,2	Disposals: fixed assets	0	101	72	65	7	0	0	0	20 100	0	
<b>Net lending - borrowing (1-2-31)</b>		<b>233 795</b>	<b>170 314</b>	<b>381 728</b>	<b>101 235</b>	<b>79 913</b>	<b>81 916</b>	<b>118 664</b>	<b>675 270</b>	<b>88 364</b>	<b>72 450</b>	
<b>Financing (33-32)</b>		<b>-233 795</b>	<b>-170 314</b>	<b>-381 728</b>	<b>-101 235</b>	<b>-79 913</b>	<b>-81 916</b>	<b>-118 664</b>	<b>-675 270</b>	<b>-88 364</b>	<b>-72 450</b>	
32	Net acquisition of financial assets (321+322)	-134 228	-349 252	381 728	101 235	79 913	81 916	118 664	675 270	88 364	72 450	
321	Domestic	-134 228	-349 252	381 728	101 235	79 913	81 916	118 664	675 270	88 364	72 450	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	-368 023	-519 566	0	0	0	0	0	0	0	0	
331	Domestic	-368 023	-519 566	0	0	0	0	0	0	0	0	
332	Foreign	0	0	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 PRIVATIZATION FUND TRANSACTIONS

(000 HRK)		2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>62 946</b>	<b>237 044</b>	<b>66 864</b>	<b>10 954</b>	<b>5 939</b>	<b>38 702</b>	<b>11 269</b>	<b>44 400</b>	<b>12 038</b>	<b>2 494</b>	<b>27,11</b>
11	Taxes	0	0	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	0	
13	Grants (131+133)	0	0	0	0	0	0	0	0	0	0	
131	From foreign governments	0	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	0	
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	0	
14	Other revenue	62 946	237 044	66 864	10 954	5 939	38 702	11 269	44 400	12 038	2 494	27,11
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>60 141</b>	<b>182 119</b>	<b>75 201</b>	<b>16 840</b>	<b>21 580</b>	<b>17 078</b>	<b>19 703</b>	<b>86 720</b>	<b>12 374</b>	<b>5 902</b>	<b>14,27</b>
21	Compensation of employees (211+212)	31 044	35 996	33 476	9 119	8 880	7 128	8 349	38 965	5 070	2 829	13,01
211	Wages and salaries	26 721	31 273	29 059	8 140	7 662	6 101	7 156	34 038	4 342	2 423	12,76
212	Social contributions	4 323	4 723	4 417	979	1 218	1 027	1 193	4 927	728	406	14,78
22	Use of goods and services	29 097	33 545	26 172	5 189	7 347	6 095	7 541	33 239	6 179	2 946	18,59
24	Interest	0	0	15 553	2 532	5 353	3 855	3 813	14 516	1 125	127	7,75
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	0	0	0	0	0	0	0	0	
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	0	112 578	0	0	0	0	0	0	0	0	
<b>Net-gross operating balance (1-2)</b>		<b>2 805</b>	<b>54 925</b>	<b>-8 337</b>	<b>-5 886</b>	<b>-15 641</b>	<b>21 624</b>	<b>-8 434</b>	<b>-42 320</b>	<b>-336</b>	<b>-3 408</b>	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	-24 444	-40 272	-63 496	-45 262	-6 829	-5 281	-6 124	-15 413	-11 893	219	
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	725	2 061	2 189	691	602	289	607	83 287	221	219	
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	25 169	42 333	65 685	45 953	7 431	5 570	6 731	98 700	12 114	0	12,27
311	Fixed assets (311,1-311,2-311,3)	-24 444	-40 272	-63 496	-45 262	-6 829	-5 281	-6 124	-15 413	-11 893	219	77,16
311,1	Acquisitions: fixed assets	725	2 061	2 189	691	602	289	607	83 287	221	219	
311,2	Disposals: fixed assets	25 169	42 333	65 685	45 953	7 431	5 570	6 731	98 700	12 114	0	12,27
<b>Net lending - borrowing (1-2-31)</b>		<b>27 249</b>	<b>95 197</b>	<b>55 159</b>	<b>39 376</b>	<b>-8 812</b>	<b>26 905</b>	<b>-2 310</b>	<b>-26 907</b>	<b>11 557</b>	<b>-3 627</b>	
<b>Financing (33-32)</b>		<b>-27 249</b>	<b>-95 197</b>	<b>-55 159</b>	<b>-39 376</b>	<b>8 812</b>	<b>-26 905</b>	<b>2 310</b>	<b>26 907</b>	<b>-11 557</b>	<b>3 627</b>	
32	Net acquisition of financial assets (321+322)	15 293	100 403	-71 194	29 745	-100 893	8 370	-8 416	-133 392	3 374	-5 556	
321	Domestic	15 293	100 403	-71 194	29 745	-100 893	8 370	-8 416	-133 392	3 374	-5 556	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	-11 956	5 206	-126 353	-9 631	-92 081	-18 535	-6 106	-106 485	-8 183	-1 929	
331	Domestic	-11 956	5 206	-126 353	-9 631	-92 081	-18 535	-6 106	-88 779	-8 183	-1 929	
332	Foreign	0	0	0	0	0	0	0	-17 707	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 15: CONSOLIDATED CENTRAL GOVERNMENT BY ECONOMIC CATEGORY

(000 HRK)	2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1 REVENUE (11+12+13+14)</b>	<b>87 019 284</b>	<b>92 642 473</b>	<b>100 380 552</b>	<b>22 066 880</b>	<b>25 173 056</b>	<b>26 243 302</b>	<b>26 897 314</b>	<b>108 285 376</b>	<b>16 691 725</b>	<b>8 143 345</b>	<b>15,41</b>
<b>11 Taxes (111+113+114+115+116)</b>	<b>49 833 666</b>	<b>53 449 049</b>	<b>58 469 091</b>	<b>12 578 899</b>	<b>14 916 276</b>	<b>15 628 185</b>	<b>15 345 731</b>	<b>62 346 727</b>	<b>9 515 551</b>	<b>4 495 400</b>	<b>15,26</b>
111 Taxes of income and profits and capital gains	6 259 713	7 057 112	8 515 615	1 840 833	2 615 396	1 879 436	2 179 950	9 134 969	1 437 163	706 475	15,73
113 Taxes on property	355 823	375 501	482 331	107 699	105 479	117 380	151 774	493 114	83 512	43 855	16,94
114 Taxes on goods and services (1141+1142+1144+1145+1146)	41 286 025	44 084 487	47 546 223	10 198 817	11 705 493	13 155 971	12 485 941	50 809 319	7 728 361	3 614 909	15,21
1141 General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	7 594 838	8 652 541	9 535 777	9 308 224	37 788 443	5 889 313	2 828 799	15,58
11411 Value-added taxes	29 864 905	32 243 372	34 931 750	7 555 385	8 610 250	9 497 870	9 268 244	37 612 931	5 863 967	2 816 069	15,59
11412 Sales taxes	148 757	156 580	159 631	39 453	42 291	37 907	39 980	175 513	25 346	12 730	14,44
1142 Excises	10 625 358	10 939 144	11 564 709	2 428 385	2 832 982	3 386 836	2 916 506	12 080 177	1 706 202	722 259	14,12
115 Taxes on international trade and transactions	1 590 727	1 562 930	1 588 456	341 984	407 670	398 841	439 962	1 506 891	214 726	104 208	14,25
116 Other taxes	341 377	369 019	336 466	89 566	82 240	76 557	88 104	402 435	51 789	25 952	12,87
<b>12 Social contributions</b>	<b>29 477 597</b>	<b>31 301 340</b>	<b>33 877 148</b>	<b>7 954 297</b>	<b>8 376 921</b>	<b>8 629 734</b>	<b>8 916 196</b>	<b>36 355 407</b>	<b>5 812 416</b>	<b>2 921 275</b>	<b>15,99</b>
<b>13 Grants</b>	<b>10 122</b>	<b>27 505</b>	<b>191 350</b>	<b>3 544</b>	<b>11 036</b>	<b>2 144</b>	<b>174 627</b>	<b>861 097</b>	<b>1 396</b>	<b>-3 250</b>	
<b>14 Other revenue</b>	<b>7 697 900</b>	<b>7 864 579</b>	<b>7 842 963</b>	<b>1 530 140</b>	<b>1 868 823</b>	<b>1 983 240</b>	<b>2 460 760</b>	<b>8 722 144</b>	<b>1 362 362</b>	<b>729 920</b>	<b>15,62</b>
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>86 941 437</b>	<b>92 332 140</b>	<b>98 737 410</b>	<b>23 715 252</b>	<b>23 860 320</b>	<b>23 789 786</b>	<b>27 372 052</b>	<b>106 302 513</b>	<b>16 549 284</b>	<b>8 698 195</b>	<b>15,57</b>
<b>21 Compensation of employees (211+212)</b>	<b>23 265 724</b>	<b>24 300 115</b>	<b>25 514 510</b>	<b>6 246 182</b>	<b>6 271 406</b>	<b>6 461 892</b>	<b>6 535 031</b>	<b>27 434 271</b>	<b>4 448 115</b>	<b>2 220 243</b>	<b>16,21</b>
211 Wages and salaries	19 750 868	20 665 832	21 701 267	5 308 671	5 330 377	5 503 961	5 558 258	23 351 577	3 766 822	1 880 425	16,13
212 Social contributions	3 514 856	3 634 283	3 813 243	937 511	941 029	957 931	976 773	4 082 694	681 293	339 818	16,69
<b>22 Use of goods and services</b>	<b>6 327 741</b>	<b>7 100 232</b>	<b>9 192 740</b>	<b>1 786 706</b>	<b>2 051 775</b>	<b>2 095 840</b>	<b>3 258 383</b>	<b>10 346 866</b>	<b>1 291 165</b>	<b>719 770</b>	<b>12,48</b>
<b>24 Interest</b>	<b>4 343 680</b>	<b>5 004 650</b>	<b>5 398 744</b>	<b>1 937 036</b>	<b>1 227 045</b>	<b>1 024 011</b>	<b>1 210 652</b>	<b>5 532 520</b>	<b>1 077 963</b>	<b>681 410</b>	<b>19,48</b>
<b>25 Subsidies</b>	<b>4 968 069</b>	<b>5 253 933</b>	<b>5 684 592</b>	<b>1 644 880</b>	<b>1 379 048</b>	<b>1 078 213</b>	<b>1 582 451</b>	<b>5 919 511</b>	<b>1 070 981</b>	<b>652 224</b>	<b>18,09</b>
<b>26 Grants</b>	<b>2 162 993</b>	<b>2 804 760</b>	<b>2 836 973</b>	<b>545 104</b>	<b>533 269</b>	<b>642 775</b>	<b>1 115 825</b>	<b>3 597 678</b>	<b>405 807</b>	<b>137 889</b>	<b>11,28</b>
<b>27 Social benefits</b>	<b>40 645 794</b>	<b>41 930 232</b>	<b>44 188 777</b>	<b>10 583 235</b>	<b>11 139 583</b>	<b>10 980 715</b>	<b>11 485 244</b>	<b>46 670 755</b>	<b>7 542 807</b>	<b>3 843 039</b>	<b>16,16</b>
<b>28 Other expense</b>	<b>5 227 438</b>	<b>5 938 219</b>	<b>5 921 109</b>	<b>972 108</b>	<b>1 258 195</b>	<b>1 506 339</b>	<b>2 184 468</b>	<b>6 800 912</b>	<b>712 446</b>	<b>443 619</b>	<b>10,48</b>
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 643 142</b>	<b>-1 648 372</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-474 739</b>	<b>1 982 863</b>	<b>142 441</b>	<b>-554 850</b>	
<b>3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 643 142</b>	<b>-1 648 372</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-474 739</b>	<b>1 982 863</b>	<b>142 441</b>	<b>-554 850</b>	
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>8 373 463</b>	<b>6 699 416</b>	<b>6 100 978</b>	<b>793 432</b>	<b>1 699 893</b>	<b>1 525 283</b>	<b>2 082 370</b>	<b>6 655 431</b>	<b>499 021</b>	<b>283 183</b>	<b>7,50</b>
311 Fixed assets	8 158 064	6 439 709	5 780 771	734 087	1 644 156	1 404 981	1 997 547	6 402 993	612 944	288 508	9,57
312 Inventories	0	0	-80 226	-11 785	-37 430	-11 492	-19 519	-28 527	-172 520	-23 610	
313 Valuables	7 518	7 220	7 826	1 600	1 468	1 541	3 217	6 304	403	312	6,39
314 Nonproduced assets	207 881	252 487	392 608	69 530	91 700	130 253	101 125	274 660	58 194	17 974	21,19
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-8 295 616</b>	<b>-6 389 083</b>	<b>-4 457 836</b>	<b>-2 441 804</b>	<b>-387 156</b>	<b>928 233</b>	<b>-2 557 109</b>	<b>-4 672 568</b>	<b>-356 580</b>	<b>-838 033</b>	
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>	<b>8 295 616</b>	<b>6 389 083</b>	<b>4 457 836</b>	<b>2 441 804</b>	<b>387 156</b>	<b>-928 233</b>	<b>2 557 109</b>	<b>4 672 568</b>	<b>356 580</b>	<b>838 033</b>	
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>28 384</b>	<b>1 609 760</b>	<b>-2 567 167</b>	<b>-440 490</b>	<b>-89 403</b>	<b>543 471</b>	<b>-2 580 745</b>	<b>161 693</b>	<b>903 250</b>	<b>974 618</b>	
321 Domestic	18 598	1 614 616	-2 583 848	-440 490	-92 084	543 471	-2 594 745	148 266	903 250	974 618	
322 Foreign	9 786	-4 857	16 681	0	2 681	0	14 000	13 428	0	0	
323 Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	0	
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>8 324 000</b>	<b>7 998 843</b>	<b>1 890 669</b>	<b>2 001 314</b>	<b>297 753</b>	<b>-384 762</b>	<b>-23 636</b>	<b>4 834 261</b>	<b>1 259 830</b>	<b>1 812 651</b>	
331 Domestic	4 107 680	12 041 678	5 282 792	4 859 419	444 760	81 764	-103 150	7 415 030	1 828 712	1 822 526	
332 Foreign	4 216 320	-4 042 835	-3 392 123	-2 858 105	-147 007	-466 526	79 514	-2 580 769	-568 881	-9 875	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 16: CONSOLIDATED CENTRAL GOVERNMENT ACCORDING TO GOVERNMENT LEVEL

(000 HRK)	2004	2005	2006	I - III 2006	IV - VI 2006	VII - IX 2006	X - XII 2006	Plan 2007	I - II 2007	II 2007	I - II 2007 Plan 2007
<b>1 REVENUE (A+B)</b>	<b>87 019 284</b>	<b>92 642 473</b>	<b>100 380 552</b>	<b>22 066 880</b>	<b>25 173 056</b>	<b>26 243 302</b>	<b>26 897 314</b>	<b>108 285 376</b>	<b>16 691 725</b>	<b>8 143 345</b>	<b>15,41</b>
<b>A) Budgetary Central Government</b>	<b>80 463 518</b>	<b>85 653 010</b>	<b>95 234 356</b>	<b>21 155 653</b>	<b>24 126 654</b>	<b>24 819 524</b>	<b>25 132 525</b>	<b>103 489 203</b>	<b>16 047 823</b>	<b>7 796 984</b>	<b>15,51</b>
<b>B) Extrabudgetary users (1+...+9)</b>	<b>6 555 766</b>	<b>6 989 463</b>	<b>5 146 196</b>	<b>911 227</b>	<b>1 046 402</b>	<b>1 423 778</b>	<b>1 764 789</b>	<b>4 796 173</b>	<b>643 902</b>	<b>346 361</b>	<b>13,43</b>
1. Croatian Institute for Pension Insurance	129 892	38 010	286 047	39 735	13 880	2 211	230 221	-	-	-	-
2. Croatian Health Insurance Institute	663 139	863 868	849 413	200 497	225 446	202 249	221 221	-	-	-	-
3. Croatian Employment Service	15 507	18 855	17 600	2 015	1 800	1 243	12 542	-	-	-	-
4. Croatian Waters	1 224 431	1 227 794	1 527 396	225 785	268 579	444 068	588 964	1 679 400	229 878	88 018	13,69
5. Environment Protection Fund	170 748	214 737	659 840	94 166	119 113	178 513	268 048	965 400	120 635	82 293	12,50
6. Croatian motorways Ltd.	2 295 423	2 547 003	1 265 385	213 737	304 151	459 898	287 599	1 244 000	183 584	95 871	14,76
7. Croatian roads Ltd.	1 417 787	1 474 714	64 076	12 260	23 520	9 498	18 798	78 435	8 474	3 971	10,80
8. State Agency for Deposit Insurance and Bank Rehabilitation	575 893	367 438	409 575	112 078	83 974	87 396	126 127	784 538	89 293	73 714	11,38
9. Croatian Privatization Fund	62 946	237 044	66 864	10 954	5 939	38 702	11 269	44 400	12 038	2 494	27,11
<b>2 EXPENSE (A+B)</b>	<b>86 941 437</b>	<b>92 332 140</b>	<b>98 737 410</b>	<b>23 715 252</b>	<b>23 860 320</b>	<b>23 789 786</b>	<b>27 372 052</b>	<b>106 302 513</b>	<b>16 549 284</b>	<b>8 698 195</b>	<b>15,57</b>
<b>A) Budgetary Central Government</b>	<b>81 861 164</b>	<b>86 715 598</b>	<b>91 978 328</b>	<b>22 545 008</b>	<b>22 266 675</b>	<b>22 162 075</b>	<b>25 004 570</b>	<b>100 371 892</b>	<b>15 814 017</b>	<b>8 336 933</b>	<b>15,76</b>
<b>B) Extrabudgetary funds and agencies (1+...+9)</b>	<b>5 080 273</b>	<b>5 616 542</b>	<b>6 759 082</b>	<b>1 170 244</b>	<b>1 593 645</b>	<b>1 627 711</b>	<b>2 367 482</b>	<b>5 930 621</b>	<b>735 267</b>	<b>361 262</b>	<b>12,40</b>
1. Croatian Institute for Pension Insurance	587 420	382 162	558 477	94 813	104 689	522 252	259 453	-	-	-	-
2. Croatian Health Insurance Institute	831 295	914 345	932 823	220 561	241 176	226 088	244 998	-	-	-	-
3. Croatian Employment Service	141 333	145 931	155 353	38 045	38 267	37 743	41 298	-	-	-	-
4. Croatian Waters	1 426 283	1 489 465	1 779 071	238 830	322 642	521 782	695 817	1 923 990	228 402	86 365	11,87
5. Environment Protection Fund	32 443	172 045	734 764	72 949	180 071	207 229	274 515	913 181	121 406	74 374	13,29
6. Croatian motorways Ltd.	752 254	1 085 077	1 269 851	232 403	365 686	226 715	445 047	1 456 830	202 302	123 185	13,89
7. Croatian roads Ltd.	934 630	1 062 405	1 226 188	245 294	315 601	286 074	379 219	1 423 222	149 835	70 253	10,53
8. State Agency for Deposit Insurance and Bank Rehabilitation	314 474	182 993	27 354	10 509	3 933	5 480	7 432	126 678	20 948	1 183	16,54
9. Croatian Privatization Fund	60 141	182 119	75 201	16 840	21 580	17 078	19 703	86 720	12 374	5 902	14,27
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 643 142</b>	<b>-1 648 372</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-474 739</b>	<b>1 982 863</b>	<b>142 441</b>	<b>-554 850</b>	
<b>3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 643 142</b>	<b>-1 648 372</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-474 739</b>	<b>1 982 863</b>	<b>142 441</b>	<b>-554 850</b>	
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS</b>	<b>8 373 463</b>	<b>6 699 416</b>	<b>6 100 978</b>	<b>793 432</b>	<b>1 699 893</b>	<b>1 525 283</b>	<b>2 082 370</b>	<b>6 655 431</b>	<b>499 021</b>	<b>283 183</b>	<b>7,50</b>
Acquisition (A+B)	8 648 383	7 024 180	6 833 360	910 076	1 823 210	1 612 656	2 487 419	7 092 692	748 682	328 681	10,56
A) Budgetary Central Government	1 663 868	1 828 818	1 908 482	235 510	350 556	398 031	924 386	3 286 405	230 696	142 220	7,02
B) Extrabudgetary users	6 984 515	5 195 362	4 924 878	674 566	1 472 654	1 214 625	1 563 033	3 806 288	517 986	186 461	13,61
Disposals (A+B)	274 920	324 763	732 382	116 644	123 317	87 373	405 048	437 262	249 661	45 498	57,10
A) Budgetary Central Government	244 401	275 149	352 690	69 256	112 050	76 003	95 381	320 462	215 784	45 440	67,34
B) Extrabudgetary users	30 519	49 614	379 692	47 388	11 267	11 370	309 667	116 800	33 877	58	29,00
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-8 295 616</b>	<b>-6 389 083</b>	<b>-4 457 836</b>	<b>-2 441 804</b>	<b>-387 156</b>	<b>928 233</b>	<b>-2 557 109</b>	<b>-4 672 568</b>	<b>-356 580</b>	<b>-838 033</b>	
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>	<b>8 295 616</b>	<b>6 389 083</b>	<b>4 457 836</b>	<b>2 441 804</b>	<b>387 156</b>	<b>-928 233</b>	<b>2 557 109</b>	<b>4 672 568</b>	<b>356 580</b>	<b>838 033</b>	
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>28 384</b>	<b>1 609 760</b>	<b>-2 567 167</b>	<b>-440 490</b>	<b>-89 403</b>	<b>543 471</b>	<b>-2 580 745</b>	<b>161 693</b>	<b>903 250</b>	<b>974 618</b>	
<b>321 Domestic (A+B)</b>	<b>18 599</b>	<b>1 614 616</b>	<b>-2 583 848</b>	<b>-440 490</b>	<b>-92 084</b>	<b>543 471</b>	<b>-2 594 745</b>	<b>148 266</b>	<b>903 250</b>	<b>974 618</b>	
A) Budgetary Central Government	138 578	1 747 681	-3 062 000	-517 178	12 579	267 886	-2 825 287	-583 058	1 131 566	981 566	
B) Extrabudgetary users	-119 979	-133 065	478 152	76 688	-104 663	275 585	230 542	731 323	-228 316	-6 948	
<b>322 Foreign (A+B)</b>	<b>9 786</b>	<b>-4 857</b>	<b>16 681</b>	<b>0</b>	<b>2 681</b>	<b>0</b>	<b>14 000</b>	<b>13 428</b>	<b>0</b>	<b>0</b>	
A) Budgetary Central Government	9 786	-4 857	16 681	0	2 681	0	14 000	13 428	0	0	
B) Extrabudgetary users	0	0	0	0	0	0	0	0	0	0	
323 Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	0	
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>8 324 000</b>	<b>7 998 843</b>	<b>1 890 669</b>	<b>2 001 314</b>	<b>297 753</b>	<b>-384 762</b>	<b>-23 635</b>	<b>4 834 261</b>	<b>1 259 830</b>	<b>1 812 651</b>	
<b>331 Domestic (A+B)</b>	<b>4 107 680</b>	<b>12 041 678</b>	<b>5 282 792</b>	<b>4 859 419</b>	<b>444 760</b>	<b>81 763</b>	<b>-103 150</b>	<b>7 415 030</b>	<b>1 828 712</b>	<b>1 822 526</b>	
A) Budgetary Central Government	4 038 705	10 591 560	3 166 260	4 883 826	-456 347	-357 843	-903 376	5 166 990	1 836 895	1 824 455	
B) Extrabudgetary users	68 975	1 450 118	2 116 532	-24 407	901 107	439 606	800 226	2 248 040	-8 183	-1 929	
<b>332 Foreign (A+B)</b>	<b>4 216 320</b>	<b>-4 042 835</b>	<b>-3 392 123</b>	<b>-2 858 105</b>	<b>-147 007</b>	<b>-466 526</b>	<b>79 514</b>	<b>-2 580 769</b>	<b>-568 881</b>	<b>-9 875</b>	
A) Budgetary Central Government	270 335	-5 080 612	-3 943 256	-3 130 083	-213 088	-538 733	-61 353	-2 400 368	-478 413	-9 874	
B) Extrabudgetary users	3 945 985	1 037 777	551 133	271 978	66 081	72 207	140 867	-180 401	-90 468	-1	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

## MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT/SURPLUS

TABLE 16A: 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
II 2005	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	10 071 754	8 808 592	1 263 162	385 486	1 648 648
I-XII 2005	92 642 473	92 332 140	310 333	5 004 650	5 314 983
I 2006	7 043 601	7 530 019	-486 419	377 380	-109 039
II	7 394 415	7 905 118	-510 703	691 625	180 922
III	7 628 864	8 280 114	-651 250	868 032	216 782
IV	8 602 086	8 260 962	341 125	402 096	743 221
V	8 324 996	7 862 702	462 294	379 240	841 534
VI	8 245 974	7 736 657	509 318	445 710	955 027
VII	8 756 125	8 091 840	664 286	390 829	1 055 114
VIII	9 012 922	7 758 067	1 254 855	298 772	1 553 627
IX	8 474 254	7 939 879	534 375	334 411	868 786
X	8 868 501	8 378 504	489 997	252 828	742 825
XI	8 916 620	8 338 893	577 726	416 064	993 790
XII	9 112 193	10 654 655	-1 542 462	541 760	-1 000 702
I-XII 2006	100 380 552	98 737 410	1 643 142	5 398 744	7 041 886
I 2007	8 548 380	7 851 090	697 291	396 552	1 093 843
II	8 143 345	8 698 195	-554 850	681 410	126 560
I-II 2007	16 691 725	16 549 284	142 441	1 077 963	1 220 404

Note: See notes on methodology

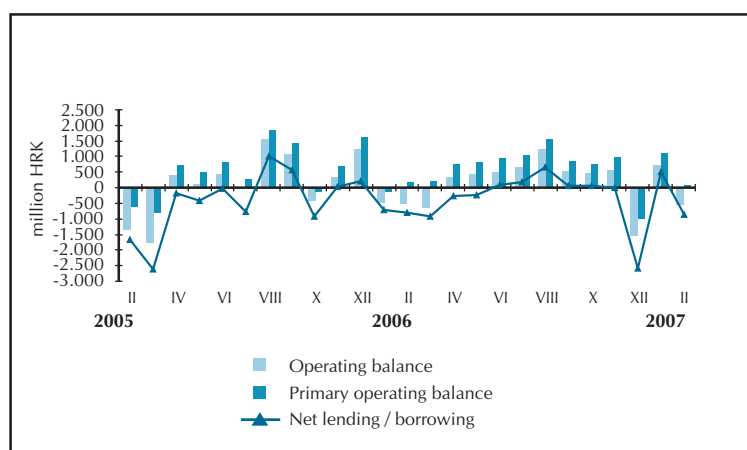


TABLE 16B: NET LENDING / BORROWING (000 HRK)

	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)
II 2005	-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	1 263 162	1 050 447	212 715	-212 715	-335 665	-548 380
I-XII 2005	310 333	6 699 416	-6 389 083	6 389 083	1 609 760	7 998 843
I 2006	-486 419	222 628	-709 047	709 047	252 851	961 898
II	-510 703	289 615	-800 318	800 318	-341 361	458 957
III	-651 250	281 189	-932 439	932 439	-351 980	580 459
IV	341 125	604 597	-263 472	263 472	56 255	319 728
V	462 294	682 902	-220 607	220 607	162 164	382 772
VI	509 318	412 394	96 923	-96 923	-307 823	-404 746
VII	664 286	473 654	190 631	-190 631	6 693	-183 938
VIII	1 254 855	592 433	662 423	-662 423	628 927	-33 496
IX	534 375	459 196	75 179	-75 179	-92 149	-167 328
X	489 997	442 099	47 899	-47 899	264 848	216 949
XI	577 726	586 128	-8 402	8 402	500 484	508 885
XII	-1 542 462	1 054 144	-2 596 606	2 596 606	-3 346 076	-749 470
I-XII 2006	1 643 142	6 100 978	-4 457 836	4 457 836	-2 567 167	1 890 669
I 2007	697 291	215 838	481 453	-481 453	-71 368	-552 820
II	-554 850	283 183	-838 033	838 033	974 618	1 812 651
I-II 2007	142 441	499 021	-356 580	356 580	903 250	1 259 830

\* Deficit according to GFS 2001 methodology

Note: See notes on methodology

TABLE 20: GENERAL GOVERNMENT DEBT STOCK

	31.12. 2002 <sup>§</sup>		31.12. 2003 <sup>§</sup>		31.12. 2004 <sup>§</sup>		31.12. 2005 <sup>§</sup>		31.3. 2006 <sup>§</sup>		30.6. 2006 <sup>§</sup>		30.9. 2006 <sup>§</sup>		31.12. 2006 <sup>§</sup>		31.1. 2007 <sup>§</sup>		28.2. 2007 <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	mil. HRK	% GDP	mil. HRK	% GDP
<b>A. Foreign debt (A1+A2+A3)</b>	<b>40 367,0</b>	<b>22,3</b>	<b>45 860,9</b>	<b>23,1</b>	<b>50 283,5</b>	<b>23,4</b>	<b>45 358,6</b>	<b>19,6</b>	<b>42 199,8</b>	<b>16,8</b>	<b>41 627,8</b>	<b>16,6</b>	<b>41 991,7</b>	<b>16,8</b>	<b>41 566,9</b>	<b>16,6</b>	<b>41 470,5</b>	<b>15,3</b>	<b>40 894,7</b>	<b>15,1</b>
1. Central Government foreign debt	37 388,3	20,6	41 048,8	20,7	42 095,7	19,6	36 433,6	15,7	33 087,3	13,2	32 653,6	13,0	32 849,1	13,1	32 505,9	13,0	32 439,0	12,0	31 926,7	11,8
2. Foreign debt of Extrabudgetary funds	2 755,4	1,5	4 463,2	2,2	7 925,3	3,7	8 725,8	3,8	8 889,9	3,5	8 757,6	3,5	8 967,6	3,6	8 895,3	3,5	8 865,8	3,3	8 802,3	3,2
3. Local Government foreign debt	223,3	0,1	348,9	0,2	262,5	0,1	199,2	0,1	222,6	0,1	216,6	0,1	175,0	0,1	165,7	0,1	165,7	0,1	165,7	0,1
<b>B. Domestic debt (B1+B2+B3)</b>	<b>32 214,0</b>	<b>17,8</b>	<b>35 545,3</b>	<b>17,9</b>	<b>42 554,4</b>	<b>19,8</b>	<b>55 821,6</b>	<b>24,1</b>	<b>59 580,3</b>	<b>23,8</b>	<b>60 827,5</b>	<b>24,3</b>	<b>61 581,0</b>	<b>24,6</b>	<b>60 549,0</b>	<b>24,2</b>	<b>60 620,5</b>	<b>22,4</b>	<b>62 349,3</b>	<b>23,0</b>
1. Central Government domestic debt	23 320,0	12,9	28 160,8	14,2	37 223,7	17,3	50 559,5	21,9	54 563,3	21,8	55 440,1	22,1	56 083,8	22,4	54 216,7	21,6	54 290,6	20,0	56 049,6	20,7
2. Domestic debt of Extrabudgetary funds	7 659,1	4,2	6 247,5	3,1	3 911,2	1,8	3 935,0	1,7	3 925,3	1,6	4 296,4	1,7	4 336,9	1,7	5 168,2	2,1	5 165,8	1,9	5 135,6	1,9
3. Local Government domestic debt	1 234,8	0,7	1 137,0	0,6	1 419,6	0,7	1 327,1	0,6	1 091,7	0,4	1 091,0	0,4	1 160,3	0,5	1 164,1	0,5	1 164,1	0,4	1 164,1	0,4
<b>C. General Government total debt (C1+C2+C3)</b>	<b>72 581,0</b>	<b>40,0</b>	<b>81 406,2</b>	<b>41,0</b>	<b>92 837,9</b>	<b>43,2</b>	<b>101 180,2</b>	<b>43,7</b>	<b>101 780,1</b>	<b>40,6</b>	<b>102 455,3</b>	<b>40,9</b>	<b>103 572,7</b>	<b>41,3</b>	<b>102 115,9</b>	<b>40,8</b>	<b>102 091,0</b>	<b>37,7</b>	<b>103 244,0</b>	<b>38,1</b>
1. Central Government total debt (A1+B1)	60 708,4	33,5	69 209,6	34,9	79 319,4	36,9	86 993,1	37,6	87 650,6	35,0	88 093,7	35,2	88 932,9	35,5	86 722,6	34,6	86 729,6	32,0	87 976,3	32,5
2. Total debt of Extrabudgetary funds (A2+B2)	10 414,6	5,7	10 710,7	5,4	11 836,4	5,5	12 660,8	5,5	12 815,2	5,1	13 054,0	5,2	13 304,5	5,3	14 063,5	5,6	14 031,6	5,2	13 937,9	5,1
3. Local Government total debt (A3+B3)	1 458,1	0,8	1 485,9	0,7	1 682,1	0,8	1 526,3	0,7	1 314,3	0,5	1 307,6	0,5	1 335,3	0,5	1 329,8	0,5	1 329,8	0,5	1 329,8	0,5
<b>Total guarantees of the Republic of Croatia</b>	<b>15 578,9</b>	<b>8,6</b>	<b>15 326,6</b>	<b>7,7</b>	<b>12 144,2</b>	<b>5,6</b>	<b>12 383,8</b>	<b>5,4</b>	<b>12 395,4</b>	<b>4,9</b>	<b>12 644,1</b>	<b>5,0</b>	<b>13 724,5</b>	<b>5,5</b>	<b>14 090,4</b>	<b>5,6</b>	<b>14 177,8</b>	<b>5,2</b>	<b>14 166,9</b>	<b>5,2</b>
Foreign guarantees	8 155,0	4,5	8 530,1	4,3	7 592,3	3,5	7 115,3	3,1	6 749,4	2,7	6 417,8	2,6	6 988,1	2,8	6 838,1	2,7	6 655,5	2,5	6 681,9	2,5
Domestic guarantees	7 423,8	4,1	6 796,5	3,4	4 551,9	2,1	5 268,5	2,3	5 646,0	2,3	6 226,3	2,5	6 736,4	2,7	7 252,3	2,9	7 522,3	2,8	7 485,0	2,8
<b>Total debt of HBOR</b>	<b>3 816,1</b>	<b>2,1</b>	<b>4 954,0</b>	<b>2,5</b>	<b>5 745,6</b>	<b>2,7</b>	<b>7 135,4</b>	<b>3,1</b>	<b>6 850,5</b>	<b>2,7</b>	<b>6 998,7</b>	<b>2,8</b>	<b>7 427,6</b>	<b>3,0</b>	<b>7 654,3</b>	<b>3,1</b>	<b>7 609,1</b>	<b>2,8</b>	<b>7 507,0</b>	<b>2,8</b>
Foreign debt of HBOR	3 373,7	1,9	4 625,9	2,3	5 363,5	2,5	6 601,2	2,9	6 424,9	2,6	6 339,3	2,5	7 218,9	2,9	7 361,1	2,9	7 265,9	2,7	7 164,3	2,6
Domestic debt of HBOR	442,3	0,2	328,1	0,2	382,2	0,2	534,2	0,2	425,6	0,2	659,4	0,3	208,7	0,1	293,2	0,1	343,2	0,1	342,7	0,1

Note: See notes on methodology

Source: Ministry of Finance, CBS for GDP

## PUBLIC DEBT AT THE END OF FEBRUARY 2007

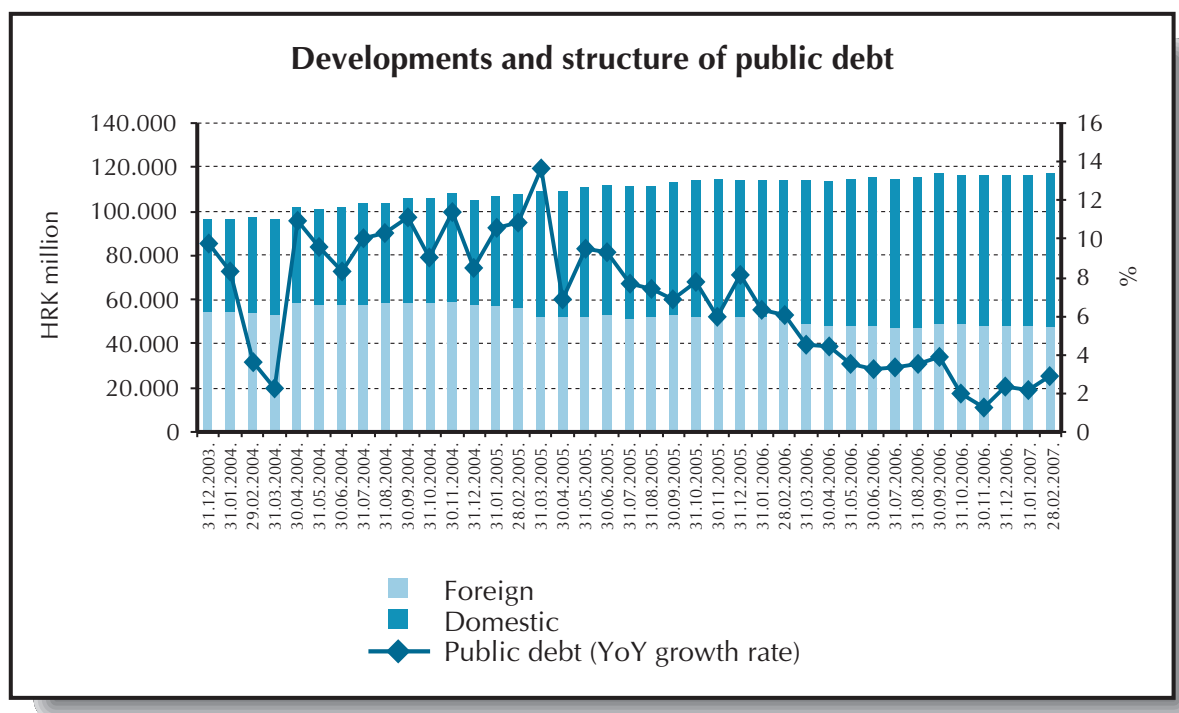
At the end of February 2007, public debt of the Republic of Croatia amounted to HRK 117.4 billion reaching 43.3 percent of the expected GDP for 2007. General government total debt amounted to HRK 103.2 billion (87.9 percent) and total guarantees amounted to HRK 14.2 billion (12.1 percent of total debt).

With the amount of HRK 103.2 billion, total general government debt recorded a moderate increase in February of 2007 compared to the stock of the previous month. Foreign general government debt component recorded a reduction compared to the stock of the previous month in the amount of HRK 575.8 million primarily due to the reduction of foreign debt of central government. On the other hand, domestic component of general government total debt recorded an increase compared to the stock of the previous month in the amount of HRK 1.7 billion primarily due to the increase in domestic debt of the central government. Within the domestic component of the total general government debt, the slight decrease compared to the stock of the previous month was recorded in extrabudgetary funds and agencies.

According to government level, the largest part of public debt referred to central government (HRK 88.0 billion), while the share of extrabudgetary funds and agencies amounted to HRK 13.9 billion. Central government kept the trend of more pronounced domestic borrowing (63.7 percent of total central government debt was created by domestic borrowing), while 63.2 percent of extrabudgetary funds and agencies' debt resulted from foreign borrowing.

Total guarantees issued by the Republic of Croatia were kept at 5.2 percent of GDP. Foreign guarantees recorded an increase compared to the previous month, while domestic guarantees recorded a reduction. Hence, domestic guarantees reached the share of 52.8 percent of total guarantees of the Republic of Croatia at the end of February of 2007.

Total debt of HBOR amounted to HRK 7.5 billion and was almost entirely (95.4 percent) created by foreign borrowings. Total debt of HBOR recorded a reduction in February of 2007 and the reduction was recorded in both, domestic and foreign components.



**TABLE 21: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT**  
**DOMESTIC DEBT STOCK IN 000 (28 FEBRUARY 2007)**

Debt item:	Currency	Stock	Stock / HRK:	Maturity:	Interest rate:
Big Bonds - Series I	HRK	1 910 587	1 910 587	2011	5,00%
Big Bonds - Series II	EUR	46 060	338 324	2011	7,20%
Big Bonds - Series III	EUR	47 730	350 591	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1469 058	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 672 646	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	4 774 440	2014	5,50%
Bonds - Series 06 D-07	EUR	400 000	2 938 117	2007	3,875%
Bonds - Series 07 D-19	EUR	200 000	1 469 058	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	2 570 852	2015	4,25%
Bonds - Series 10 D-15	HRK	5 500 000	5 500 000	2015	5,25%
Bonds - Series 11 D-13	HRK	4 000 000	4 000 000	2013	4,50%
Bonds - Series 12 D-17	HRK	2 500 000	2 500 000	2017	4,75%
BRA Bonds I	EUR	20 232	148 607	2007	6,00%
BRA Bonds II	EUR	18 483	135 763	2012	5,00%
BRA Bonds III	EUR	49 492	363 533	2012	7,20%
BRA Bonds IV	EUR	25 300	185 836	2012	5,00%
BRA Bonds V-A	EUR	561	4 117	2007	6,00%
BRA Bonds V-B	EUR	55 666	408 881	2008	7,00%
Syndicated FX loan	EUR	500 000	3 672 646	2010	2,63%
<b>Medium and long term debt</b>			<b>40 413 057</b>		
Treasury Bills	HRK	13 040 400	13 040 400		
	EUR	45 700	335 680		
Other short-term debt	HRK	391 425	391 425		
<b>Short-term debt</b>			<b>13 767 505</b>		
<b>Total debt</b>			<b>54 180 562</b>		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance



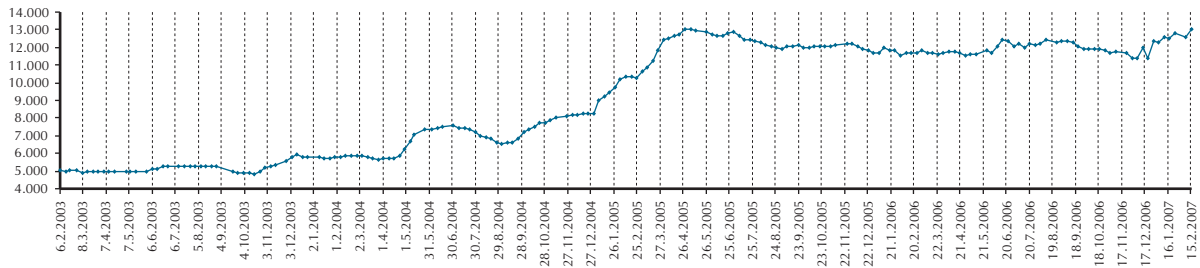
TABLE 22: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(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 (%)
14. 3. 2006.	170 000	170 000	99,259 / 2,99%	99,258 / 3,00%	80 000	130 000	98,419 / 3,22%	98,478 / 3,10%	110 000	170 000	96,625 / 3,50%	96,721 / 3,40%
21. 3. 2006.	70 000	120 000	99,250 / 3,03%	99,257 / 3,00%	130 000	130 000	98,469 / 3,12%	98,454 / 3,15%	190 000	215 000	96,585 / 3,55%	96,488 / 3,65%
28. 3. 2006.	20 000	20 000	99,282 / 2,90%	99,282 / 2,90%	15 000	40 000	98,342 / 3,38%	98,478 / 3,10%	481 700	501 700	96,443 / 3,70%	96,395 / 3,75%
4. 4. 2006.	92 000	92 000	99,307 / 2,80%	99,307 / 2,80%	35 000	85 000	98,337 / 3,39%	98,405 / 3,25%	231 600	371 600	96,339 / 3,81%	96,395 / 3,75%
11. 4. 2006.	200 000	311 000	99,268 / 2,96%	99,282 / 2,90%					235 500	648 000	96,321 / 3,83%	96,349 / 3,80%
25. 4. 2006.	45 000	65 000	99,296 / 2,85%	99,307 / 2,80%	5 000	5 000	98,429 / 3,20%	98,429 / 3,20%	55 000	360 000	96,273 / 3,88%	96,349 / 3,80%
2. 5. 2006.	5 000	5 000	99,258 / 3,00%	99,258 / 3,00%	28 000	28 000	98,505 / 3,04%	98,502 / 3,05%	240 000	310 000	96,318 / 3,83%	96,303 / 3,85%
9. 5. 2006.	20 000	20 000	99,295 / 2,85%	99,258 / 3,00%					386 000	446 000	96,221 / 3,94%	96,164 / 4,00%
23. 5. 2006.									291 000	421 000	96,153 / 4,01%	96,164 / 4,00%
6. 6. 2006.	5 000	5 000	99,258 / 3,00%	99,258 / 3,00%		105 000	98,164 / 3,75%		480 600	620 600	96,165 / 4,00%	96,164 / 4,00%
13. 6. 2006.	130 000	130 000	99,239 / 3,08%	99,233 / 3,10%	60 000	120 000	98,335 / 3,40%	98,477 / 3,10%	390 000	450 000	96,157 / 4,01%	96,164 / 4,00%
20. 6. 2006.	5 000	55 000	99,166 / 3,37%	99,233 / 3,10%					95 000	185 000	96,109 / 4,06%	96,164 / 4,00%
4. 7. 2006.	70 000	120 000	99,207 / 3,21%	99,258 / 3,00%					490 000	650 000	96,156 / 4,01%	96,164 / 4,00%
18. 7. 2006.	42 500	82 500	99,256 / 3,01%	99,282 / 2,90%					423 500	866 500	96,143 / 4,02%	96,164 / 4,00%
25. 7. 2006.	30 000	40 000	99,266 / 2,97%	99,297 / 2,84%					494 900	716 000	96,177 / 3,99%	96,164 / 4,00%
1. 8. 2006.	5 000	20 000	99,206 / 3,21%	99,307 / 2,80%					390 000	425 000	96,172 / 3,99%	96,164 / 4,00%
8. 8. 2006.	10 000	10 000	99,172 / 3,35%	99,172 / 3,35%	50 000	50 000	98,188 / 3,70%	98,188 / 3,70%	349 000	429 000	96,163 / 4,00%	96,164 / 4,00%
29. 8. 2006.	20 000	135 000	99,165 / 3,38%	99,184 / 3,30%	15 000	90 000	98,152 / 3,78%	98,213 / 3,65%	322 000	1 131 700	96,204 / 3,96%	96,256 / 3,90%
5. 9. 2006.	6 000	241 000	99,146 / 3,45%	99,196 / 3,25%	71 500	515 000	98,200 / 3,68%	98,237 / 3,60%	324 000	789 000	96,273 / 3,88%	96,303 / 3,85%
12. 9. 2006.	5 000	115 000	99,129 / 3,52%	99,209 / 3,20%	15 000	245 000	98,190 / 3,70%	98,261 / 3,55%	361 100	476 100	96,290 / 3,86%	96,303 / 3,85%
19. 9. 2006.	100 000	100 000	99,258 / 3,00%	99,258 / 3,00%	10 000	10 000	98,261 / 3,55%	98,261 / 3,55%	280 000	280 000	96,232 / 3,93%	96,164 / 4,00%
26. 9. 2006.	40 000	100 000	99,172 / 3,35%	99,258 / 3,00%		65 000	98,146 / 3,79%		260 000	537 000	96,102 / 4,07%	96,118 / 4,05%
3. 10. 2006.		60 000	99,114 / 3,58%			50 000	98,188 / 3,70%		461 700	891 700	96,130 / 4,04%	96,164 / 4,00%
10. 10. 2006.	5 000	15 000	99,168 / 3,37%	99,258 / 3,00%		20 000	98,188 / 3,70%		350 000	760 000	96,132 / 4,03%	96,164 / 4,00%
17. 10. 2006.	10 000	30 000	99,168 / 3,37%	99,258 / 3,00%		20 000	98,188 / 3,70%		490 700	883 700	96,179 / 3,98%	96,164 / 4,00%
24. 10. 2006.	5 000	35 000	99,142 / 3,47%	99,258 / 3,00%		30 000	98,188 / 3,70%		451 600	594 000	96,187 / 3,98%	96,164 / 4,00%
31. 10. 2006.		30 000	99,123 / 3,55%		40 000	70 000	98,243 / 3,59%	98,285 / 3,50%	405 000	875 000	96,186 / 3,98%	96,210 / 3,95%
7. 11. 2006.	50 000	80 000	99,207 / 3,20%	99,258 / 3,00%	5 000	25 000	98,227 / 3,62%	98,285 / 3,50%	301 000	872 100	96,218 / 3,94%	96,210 / 3,95%
21. 11. 2006.		30 000	99,135 / 3,50%		50 000	70 000	98,271 / 3,53%	98,285 / 3,50%	250 000	797 000	96,256 / 3,90%	96,256 / 3,90%
12. 12. 2006.	60 000	80 000	99,224 / 3,14%	99,258 / 3,00%	5 000	25 000	98,227 / 3,62%	98,285 / 3,50%	617 500	890 000	96,243 / 3,91%	96,256 / 3,90%
19. 12. 2006.	52 000	72 000	99,235 / 3,09%	99,258 / 3,00%		20 000	98,213 / 3,65%		400 700	400 700	96,272 / 3,88%	96,256 / 3,90%
2. 1. 2007.	20 000	20 000	99,123 / 3,55%	99,123 / 3,55%	20 000	20 000	98,213 / 3,65%	98,213 / 3,65%	265 000	360 000	96,234 / 3,92%	96,256 / 3,90%
9. 1. 2007.	150 000	185 000	99,146 / 3,46%	99,135 / 3,50%	35 000	85 000	98,184 / 3,71%	98,213 / 3,65%	374 000	629 000	96,236 / 3,92%	96,256 / 3,90%
23. 1. 2007.	120 000	365 000	99,151 / 3,44%	99,159 / 3,40%	48 000	325 000	98,231 / 3,61%	98,237 / 3,60%	336 800	966 000	96,279 / 3,88%	96,303 / 3,85%
13. 2. 2007.	60 000	220 000	99,164 / 3,38%	99,184 / 3,30%	150 000	463 000	98,277 / 3,52%	98,309 / 3,45%	254 000	1 009 000	96,401 / 3,74%	96,488 / 3,65%

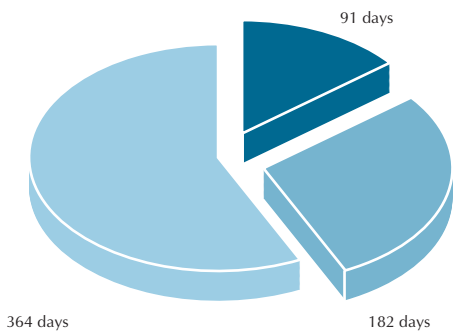
Note: See notes on methodology

Source: Ministry of Finance

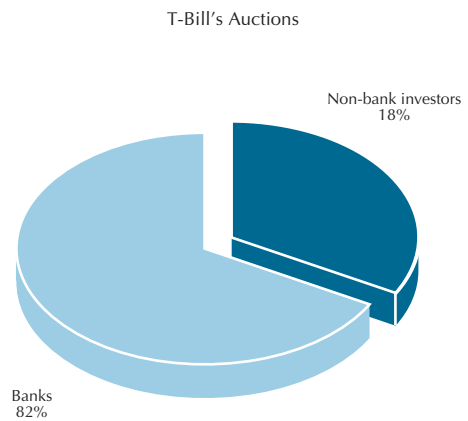
### T-Bill's Outstanding Debt



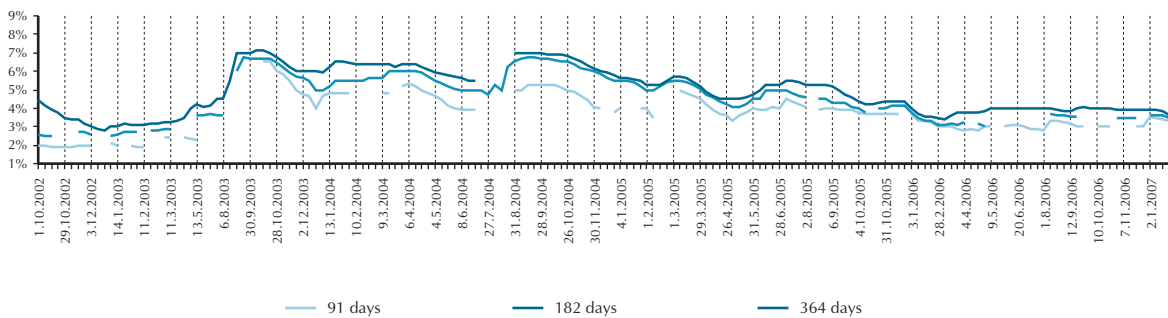
### Structure of outstanding T-Bill's on 28 February 2007



### Structure of bids accepted according to buyers



### Annual yield on T-Bills



## NOTES ON METHODOLOGY

### CROLEI Index

Based on the so-called leading indicators, the Economic Institute in Zagreb and the Ministry of Finance compile the **CROLEI (CROatian Leading Economic Indicator)**, a composite forecast index created 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 using the industrial production index as the reference series. In October of 2004, a thorough revision of the system of indicators, methodological procedures and CROLEI index itself took place.

The new revised index combines eleven best-performing leading indicators, whose average prognostic power has increased significantly compared to the previous index, with an average prediction time of six months in relation to the referent series. The revised index includes five components of the previous prognostic measure indicating the applicability of the method of indicators. According to the standards of the method, this represents a very stable and highly significant relation between the indicators and the referent series, which helps the overall economic activity forecasting. The new CROLEI index includes eleven best-performing leading indicators such as: nominal net wage, registered employed persons, 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 follows: 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. In cases when the information needed to determine to which of the mentioned categories taxes should be attributed is not available, the taxes are treated as not allocable (1113).
- *Taxes on payroll and workforce (112)* consist of taxes that are collected from employers or self-employed persons, either as a proportion of payroll size or as a fixed amount per person, and are not earmarked for social security schemes. Since this category doesn't exist in the tax system of the Republic of Croatia, it is not published in the report on Central Budget Revenues.
- *Taxes on property (113)* include 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) as well as taxes on financial and capital transactions (1134). In the report on Central Budget Revenues, this category consists only of taxes on property.
- *Taxes on goods and services (114)* include 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 entering the country or services 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)* cover revenue from taxes levied predominantly on bases other than those described under previous tax headings. It also includes revenue from unidentified taxes that can't be classified in one of the mentioned tax categories.

**Social contributions (12)**, within the tax system of the Republic of Croatia, 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 the same contributions were paid partly by the employee and partly by the employer and it was impossible to separate the two).

**Grants (13)** are non-compulsory 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 that government units earn from financial and/or nonproduced assets that they own: interest (1411), dividends (1412), withdrawals from income of quasi-corporations (1413), property income from insurance policyholders (1414) and rent (1415), which is property income received from the lease of land and other naturally occurring assets. Revenues from sales of goods and services (142) refer to sales by market establishments (1421) owned by government which carry out only a single productive activity or the principal productive activity accounts for most of the value added; then administrative fees (1422) and incidental sales by non-market establishments (1423).

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

As of 1<sup>st</sup> of July 2001, Central Budget revenues include pension insurance contributions, which were, prior to that revenue of the Croatian Institute for Pension Insurance. Also, as of 1<sup>st</sup> of January 2002, health insurance contributions and employment contributions, which were prior to that revenues of the Croatian Employment Service and the Croatian Health Insurance Institute, are included in the Central Government Budget. All mentioned revenues are classified according to the GFS 2001 methodology.

By the end of 2001, two new extra-budgetary funds were founded: Regional Development Fund as well as the Development and Employment Fund. They took over some of the Central Budget activities as well as the receipts from privatisation of public enterprises. As of 1<sup>st</sup> of January 2003, these funds have been included in the coverage of the Central Government Budget.

Since 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of Central Government Budget.

### **Table 3: Central Budget Expense**

**Central Budget Expense (2)** is, according to the International Monetary Fund's GFS 2001 (Government Finance Statistics) methodology, a decrease in net worth resulting from a financial transaction in relation to Government. 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)** represents 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 psychical 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 resulting from a government unit borrowing funds from another unit. Total interest payable is subdivided into interest payable to non-residents (241), interest payable to residents other than general government (242) and interest payable to other general government units (243).

**Subsidies (25)** are current non-repayable payments that government makes to enterprises based on the level of their production activities or the quantities or values of goods or services they produce, sell, export or import. Subsidies also include transfers to public corporations and quasi-corporations aimed to compensate for losses arising from pricing policies that reflect deliberate government economic and social policy by charging prices that are lower than the average cost of production. Subsidies are classified by recipient type: whether it is a public financial/nonfinancial enterprise (251) or private financial/nonfinancial enterprise (252).

**Grants (26)** are non-compulsory 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. In-kind benefits from insurance 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 and aimed to cover the same needs as social insurance benefits but that are not subject to social insurance schemes. Social assistance benefits may be paid in cases when no social insurance scheme exists to cover the circumstances in question, when households do not participate in existing social insurance schemes, or when social insurance benefits are inadequate to meet particular needs. In the Republic of Croatia, a larger part of this category refers to child allowances, various aids to families and households, disabled persons, etc. Grants in kind include co-financing of 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 the Republic of Croatia, a major part of this category relates to severance payments.

**Other expense (28)** is subdivided into 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 income from insurance policyholders or rent (as the expense related to the lease 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 non-profit 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 consumption (except social benefits), capital grants to enterprises and non-profit institutions serving households for the acquisition of nonfinancial assets or coverage of accumulated losses, capital grants to households for construction and reconstruction purposes, etc.

As of 1<sup>st</sup> of July 2001, Central Government Budget expense includes the expense for domestic pensions, which was prior to that expense of the Croatian Institute for Pension Insurance.

As of 1<sup>st</sup> of January 2002, Central Government Budget expense includes the expense originating from employment rights as well as expense based on health insurance, which were prior to that expenses of the Croatian Employment Service and Croatian Health Insurance Institute respectively.

As of 1<sup>st</sup> of January 2004, Central Government Budget expense includes the expense for foreign pensions, which was prior to that expense of the Croatian Institute for Pension Insurance.

All mentioned expenses are classified according to the GFS 2001 methodology.

As of 1<sup>st</sup> of January 2003, the coverage of the Central Government Budget is expanded by classifying the Regional Development Fund and the Development and Employment Fund as budget users, which were prior to that classified as extrabudgetary funds.

Since 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of Central Government Budget.

#### **Table 4: Transactions in Nonfinancial Assets of Budgetary Central Government**

**Nonfinancial assets (31)** usually occur as outputs from a production process, as natural resources or as a creation of society. Depending on that, nonfinancial assets are classified as produced and nonproduced nonfinancial assets. According to GFS 2001 methodology, all assets, including nonfinancial assets, as well as liabilities are observed from several aspects using different classifications identified by different codes. Those classifications are then further subdivided in groups according to categories of assets/liabilities which are identical among classifications. Namely, GFS 2001 observes assets and liabilities from the aspects of: transactions (classification 3); gains/losses from holdings of assets and liabilities (classification 4); other flows in assets/liabilities (classification 5); and stocks (classification 6). Currently, the data needed to produce classifications 4, 5 and 6 is not available in the Republic of Croatia. As a result, the reports include only data on transactions (code 31 for nonfinancial assets). In this sense, the following definitions and codes should be acknowledged.

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

- *Fixed assets (311)* represent produced assets that are used repeatedly or continuously in the production process for more than one year. Fixed assets are composed of three main categories:
  - buildings and structures (3111), which by the existing chart of account also includes the subgroup of construction objects;
  - machinery and equipment (3112), which by existing chart of accounts also includes the subgroup of transportation machinery as well as the subgroup of books, artworks and other art values;
  - other fixed assets (3113), which also includes cultivated assets (animal stock, plantations) as well as nonmaterial produced assets (investment in computer programs, science works etc.)
- *Inventories (312)* represent goods and services held by producers for sale, use in production or other use at a later date. Inventories are classified as strategic stocks (which include goods held for strategic and emergency purposes, goods held within organizations acting as market regulators as well as goods of special national interest) and other inventories (which consist of materials and supplies used in production process, work in progress, finished goods and goods for resale). Usually, those transactions appear with a small share in the budget.
- *Valuables (313)* are produced goods of considerable value that are acquired and held over time primarily as stores of value and not 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) which are of social origin (patents, leasing contracts, goodwill etc.). Naturally occurring assets include land (3141), subsoil assets (3142) and other naturally occurring assets (3143), e.g. electro-magnetic frequencies.

All transactions that increase the value of a certain fixed asset are called **acquisitions**, while transactions that reduce the value of a certain category are called **disposals**. In order to record separately acquisitions and disposals, additional sub-codes are added after the code's decimal point (comma): number 1 to denote acquisitions and number 2 to denote disposals.

For example, the construction of a school building or a hospital is treated as an acquisition of fixed assets, i.e. buildings and structures (3111,1), while sales of public flats are denoted as sales of fixed assets (3111,2). Similarly, purchases of cars and computer equipment are treated as acquisitions of fixed assets, namely under machinery and equipment (3112,1) while sales of the same are denoted as sales of fixed assets (3112,2). As an exception according to the GFS 2001 methodology, inventories are presented only as net changes resulting from transactions and not as 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 another unit (debtor) according to the terms of the agreement. Claims can figure as claims on other units, domestic (321) or foreign (322). The classification of financial assets is primarily based upon the degree of liquidity and legal characteristics 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 are not financial claims, which mean 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**. According to GFS 2001, it is customary to present only net acquisition of financial assets but here the data is presented through acquisitions and disposal due to transparency. The same coding system described in nonfinancial assets is also used for financial 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. Namely, 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**

Upon the creation of a financial claim of the creditor, 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 classification of liabilities is primarily based upon the degree of 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 (only of public corporations so they don't appear in the budget), insurance technical reserves, financial derivatives and other accounts receivable.

Transactions that increase the level of liabilities are referred to as **incurrence** of liabilities, while transactions that decrease the level of liabilities are referred to as **repayment**. As in the case of financial assets and due to transparency, the reports present gross repayments (denoted by number 1) and incurrence (denoted by number 2). 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 the 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). The only exception are repayments of short-term loans and the amortization of short-term securities performed within the same year that are, according to Article 59, point (3) of the Budget Accounting and Chart of Accounts Rulebook ("Official Gazette" 119/2001, 74/2002 and 3/2004), presented as net value, hence as a reduction in incurrence rather than as a repayment.

The result of net transactions in liabilities (33) and net transactions in financial assets (32) is 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. Data for Budgetary Central Government, Extrabudgetary funds and Consolidated Central Government is published monthly, while data for Local Government and Consolidated General Government is published quarterly.

#### **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 is 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 9-14**

According to Article 3 of the Budget Act ("Official Gazette" 96/2003), extrabudgetary users are extrabudgetary funds, enterprises and other legal entities in which the central or local government has decisive management control. An extrabudgetary fund is an extrabudgetary user; a legal entity created by law and financed by specific contributions and other revenues.

The Croatian Institute for Pension Insurance, Croatian Health Insurance Institute, Croatian Employment Service and the public enterprise "Croatian Waters" have been classified as extrabudgetary funds since 1994. By the end of 2001 two more funds were created, namely the Development and Employment Fund and the Regional Development Fund, which took over some of the Central Budget activities resulting in an expansion of the coverage of extrabudgetary funds since the 1<sup>st</sup> of January 2002. As of the 1<sup>st</sup> of January 2003, these funds have ceased as extrabudgetary funds and have been included in the coverage of the Central Government Budget as budgetary funds/users.

As of the 1<sup>st</sup> of July 2001, revenues from pension insurance contributions and expenses for pensions have been transferred from the Croatian Institute for Pension Insurance to Central Government Budget. The largest share of pension payments (domestic pensions) is now paid directly through the State Treasury, while the remaining payments are performed through the Croatian Institute for Pension Insurance.

As of the 1<sup>st</sup> of January 2002, revenues from contributions and expenses for settlement of particular obligations of the Croatian Health Insurance Institute and Croatian Employment Service have been transferred to the Central Government Budget (through the State Treasury system). Currently, contributions for pension insurance amount to 20percent of the salary (persons that participate in the second pillar of the pension insurance system pay 15percent for the first pillar plus 5percent for the second pillar). Contributions paid by employers include special contributions for the insurance against work injuries and professional diseases in the amount of 0.5percent on salaries, health insurance contributions amounting 15percent on salaries as well as employment contributions in the amount of 1.7percent on salaries.

In April of 2001, two new state-owned legal entities were created, namely the Croatian Motorways and Croatian Roads. These entities took over the functions of the former Croatian Road Authority. Data on these entities as well as data on the State Agency for Deposit Insurance and Bank Rehabilitation

and the Croatian Privatization Fund was presented in the reports of 2002 according to the requirements of the IMF methodology. Since 2003, they have become part of the official coverage of Consolidated Central Government, which is used in the process of budget creation.

Since the 1<sup>st</sup> of January 2004, the coverage of extrabudgetary funds also includes the Environment Protection Fund. Further, since the 1<sup>st</sup> of May 2004, payments of foreign pensions have been performed directly through the State Treasury and no longer by transfer to the Croatian Institute for Pension Insurance.

Since 2007 social security funds (Croatian Institute for Pension Insurance, Croatian Health Insurance Institute and Croatian Employment Service) have been included in the coverage of Central Government Budget.

Tables 9-14 detail data on revenue and expense according to the economic classification as well as transactions in nonfinancial assets, financial assets and liabilities for each extrabudgetary fund.

#### **Table 15: Consolidated Central Government by Economic Category**

The Consolidated Central Government according to GFS 2001 methodology is equivalent to the Consolidated Central Government Budget according as defined by the Budget Act (Consolidated State Budget and financial plans of extrabudgetary users).

The Consolidated Central Government Budget results from the consolidation of financial transactions between the State Budget and extrabudgetary users, as well as between the extrabudgetary users themselves.

Table 15 presents the Consolidated Central Government's revenue and expense as well as the transactions in nonfinancial assets, financial assets and liabilities according to the economic classification.

#### **Table 16: Consolidated Central Government According to Government Level**

Table 16 gives summary of revenue, expense, transactions in nonfinancial assets, financial assets and liabilities for each of the component of the Consolidated Central Government, namely the Budgetary Central Government and extrabudgetary users (disaggregated).

#### **Table 16A-16B**

**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 is 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 17: Local Government Transactions (the largest 53 units)**

Table 17 details data on revenue and expense of local governments (53 largest units that include counties, the City of Zagreb and other 32 cities, which make up to 70-80 percent of total transactions and which are in this sense observed since 2001) according to economic category as well as data on transactions in nonfinancial assets, financial assets and liabilities. Table 20 is published quarterly according to financial reports of the Financial Agency (FINA).

According to the 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 revenue from own sources, through mutual taxes and through grants from state and county budgets.

Counties own sources of revenues are as follow: income from 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 revenue as stipulated by special legislation.

The own sources of revenues of municipalities and cities are: income from own assets, municipal taxes (consumption tax, vacation houses tax, public land use tax, tax on uncultivated agricultural land, tax on unused entrepreneurial real estate, tax on unused construction land, tax on company name), monetary fines, administrative fees, residence fees, utility charges, charges for the use of public municipal or urban land and other revenue as stipulated by special legislation. Beside this, cities and municipalities can impose surtax to income tax as an additional revenue source (up to 10 percent in municipalities, up to 12 percent in cities below 30,000 inhabitants, up to 15 percent in cities with the population above 30,000 and up to 30 percent in the City of Zagreb).

Mutual taxes of central budget and local and regional self-government units are: property sales tax (the share of municipalities and cities is 60 percent and that of the central budget 40 percent), personal income tax (municipalities and cities receive 52 percent increased by share of decentralized functions, counties 15 percent also increased by share of decentralized functions, the share of grants for adjustment for decentralized functions is

21 percent and the share for decentralised function is 12 percent. City Zagreb receives 67 percent of personal income tax increased by share for decentralised functions. For those municipalities and cities on islands that reach an agreement on mutual financing of a capital project concerning island development the share of personal income tax increases by 21 percent. Municipalities and cities located in the Areas of Special State Concern or in the Mountain Areas, the share of personal income tax amount to 90 percent.

The part of personal income tax revenue which is allotted from central budget to local governments on the basis of decentralized functions is treated as grant from other general government units according to GFS 2001 methodology.

#### **Table 18: Consolidated General Government by Economic Category**

Table 18 details data by economic category on revenue and expense as well as data on transactions in nonfinancial assets, financial assets and liabilities of the Consolidated General Government and it is published quarterly.

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

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

#### **Table 19: Consolidated General Government by government level**

Table 19 details data on 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, Extrabudgetary Users and Local Government Budgets (the largest 53 units). It is published quarterly and for further methodology notes see explanation for table 18.

#### **Table 20: 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 21: Consolidated Central Government Domestic Debt**

**Frozen Foreign Exchange Deposits** - at the end of 1991 and based on 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 the 27<sup>th</sup> of April 1991 were converted into public debt of the Republic of Croatia. The deposits were augmented by the corresponding interest rate payments in 1991. The claims amounting DEM 5.034 billion were substituted by bonds of the Republic of Croatia repaid in twenty semi-annual instalments beginning as of 30<sup>th</sup> of June 1995.

**Big Bonds** were issued in 1991 with a DEM 1,550.09 million nominal value. In 1996 Big Bonds were split into Big Bonds I, Big Bonds II (Riječka banka 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, the Government replaced the old Big Bonds I, which were not paying interest, with new bonds for economic restructuring (Big Bonds I). The new Big Bonds I mature in 2011 and pay an annual interest rate of 5percent.

**Reconstruction Bonds** were issued in 1992 and 1993 ("Official 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 had a value of DEM 50 million and USD 30 million, the second issue was worth CAD 10 million, while the third issue had a value of AUD 25 million.

**Bonds - Series D** are issued through a syndicate of domestic banks in order to foster the development of domestic capital markets. Bonds Series 01 D-04 were issued in 2001 with a EUR 200 million nominal value, maturing in three years with an annual interest rate of 6.5percent ("Official 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 6.875percent annual interest rate ("Official Gazette" No. 112/2001). Bonds Series 03 D-12 were issued in three tranches. The first two issues took place in 2002 with a EUR 300 million nominal value. The third issue took place in January 2003 with a EUR 200 million nominal value. These bonds mature in 2012 and pay an annual interest rate of 6.875percent ("Official Gazette" No. 58/2002, No. 111/2002, No. 14/2003).

**BRA Bonds:** BRA Bonds I were issued for the rehabilitation of Riječka banka (HRK 552 million, "Official Gazette" Nos. 31/96, 20/98) and Splitska banka (HRK 765 million, "Official Gazette" 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 ("Official Gazette", No. 106/98): BRA Bonds II (PBZ-DEM) were issued in the amount of DEM 84,333.6 million or equivalently 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 10-year period ("Official Gazette", No. 56/98). During 1998, as part of the rehabilitation process of Dubrovačka banka, a large portion of this bonds were redeemed. At the beginning of 1999, a new decision on the rehabilitation and reconstruction of Dubrovačka banka was enacted ("Official Gazette", 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 and additional HRK 185 million as recapitalisation of the bank. BRA Bonds V-A were issued as a substitute for the unredeemed portion of the BRA Bonds V, whereas BRA bonds V-B covered the remaining part (HRK 1,600.3 million) according to the new decision.



**Treasury Bills** are short-term securities issued by the Ministry of Finance. The issue price is set at regular auctions, while the planned issue is announced by the Ministry of Finance with the bid invitation. Treasury bills are issued with 91,182, and 364 days maturity.

**Deposit Insurance Scheme BRA Bonds** are issued by the State Agency for Deposit Insurance and Bank Rehabilitation and are guaranteed by the Government. They are issued in order to foster the development of domestic capital markets and as means of payment for the insured deposits of bankrupted banks. Deposit Insurance Scheme BRA Bonds I were issued in 2000 with a EUR 105 million nominal value, an annual interest rate of 8percent and with a maturity of 3 years. Deposit Insurance Scheme BRA Bonds II were issued in 2000 with a EUR 225 million nominal value, 2005 maturity and 8.375percent annual interest rate.

**Health Institute Bonds** were issued by the Croatian Health Insurance Institute and were guaranteed by the Government with the purpose to foster the development of the domestic capital market and to help the restructuring of the health insurance system. These Bonds were issued in 2000 with a nominal value of EUR 222 million and 8.5percent annual interest rate with the maturity in 2004.

#### **Table 22: Results of the Treasury Bills' auctions held by the Ministry of Finance**

**Treasury Bills** are short-term securities issued by the Ministry of Finance. The issue price is set at regular auctions, while the planned issue is announced by the Ministry of Finance with the bid invitation. Treasury bills are issued with 91,182, and 364 days maturity.

Table 21 details the results of the treasury bills' 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 (percent), uniform price allocation per 100 HRK/yielding (percent).

#### **Table 23: Balance Sheet of public enterprises**

According to Article 13 of the Law on Accountancy (Official Gazette no. 146/2005) the Balance Sheet is a systematic overview of assets, capital and liabilities on a certain date.

Table 23 is based on data retrieved from the Balance Sheet as fundamental financial statement, for nine selected public enterprises owned by the government. Table 23 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; noncurrent liabilities; current liabilities; accruals and deferred income).

#### **Table 24: Profit and Loss Statement of public enterprises**

According to article 13 of the Law on Accountancy (Official Gazette 146/2005) 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 24 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).

#### **Table 25: Trade payables and trade receivables of public enterprises**

Table 25 represents short financial statement "Trade payables and trade receivables" of selected eight public enterprises. Data are collected quarterly within the whole set of reports on public enterprises in which republic of Croatia holds majority share. Provided data present overdue trade payables and overdue trade receivables of selected public enterprise on a particular day.

**Note:** The GFS 2001 Manual is published on the IMF web site under the following address:

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

# MANAGEMENT OF THE MINISTRY OF FINANCE

## Cabinet of the Minister

Minister for Finance: Ivan Šuker, B. Sc.  
Secretary of State: Ante Žigman, M. Sc.

## Ministry Secretariat

Ministry Secretary: Zvonko Šakić

## State Treasury

Chief Treasurer: Vesna Orlandini

## Assistant Ministers

Bureau for Macroeconomics Analysis and Planning: Zdravko Marić, M. Sc.  
Sector for Budget Preparation: Niko Raič, M. Sc.  
Sector for Budget Execution: Ivana Maletić  
Public Debt and Cash Management  
Department: Hrvoje Radovanić  
Department for International Financial  
Institutions and European Integration: Ana Hrastović  
Department for Financing EU Assistance  
Programmes and Projects: Vladimira Ivandić, M. Sc.  
Department of Economy: Krešimir Dragić, M. Sc.  
Department for Financial System: Vedran Duvnjak  
Internal Audit and Control Department: Ljerka Linzbauer, M. Sc.  
Tax administration: Ivica Mladineo, M. Sc., Head  
Customs administration: Mladen Barišić, M. Sc., Director  
Foreign exchange inspectorate: Slavica Pezer-Blečić, M. Sc., Chief Inspector  
Finance Police: Jakov Sučević, Director  
Independent Service for Second-Instance  
Administrative Procedure: Zdenka Koharić  
Independent Information System  
Service: Ivan Rašeta  
Independent Border-Crossing Construction and  
Maintenance Service: Ante Kapulica  
Independent Public Relations and  
Communications Division: Sanja Bach  
Independent Department of  
Internal Auditing: Tomislav Mičetić  
Independent Financial Management, Internal  
Monitoring and Control Division: Marijan Čižmešija, M. Sc.  
Money Laundering Prevention  
Department: Ivica Maros, Head

## ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review number	Notes	Release			
		May 07	June 07	July 07	August 07
<b>SDDS Data Category</b>		May 07	June 07	July 07	August 07
<b>General Government operations</b>	<b>1)</b>	<b>(03/07)</b>			<b>(06/07)</b>
<b>Central Government operations</b>	<b>2)</b>	<b>(03/07)</b>	<b>(04/07)</b>	<b>(05/07)</b>	<b>(06/07)</b>
<b>Internal Central Government Debt</b>	<b>3)</b>	<b>(03/07)</b>	<b>(04/07)</b>	<b>(05/07)</b>	<b>(06/07)</b>

- 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

