



REPUBLIC OF CROATIA - MINISTRY OF FINANCE

# STATISTICAL REVIEW

MINISTRY OF FINANCE MONTHLY STATISTICAL REVIEW - NUMBER **140**

ZAGREB, MAY 2007

**V/2007**

**COMPILED AND PUBLISHED BY: MINISTRY OF FINANCE, BUREAU FOR MACROECONOMIC ANALYSIS AND PLANNING**

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Printed in 860 copies.

**ISSN 1334-4013**

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TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2001	2002	2003	2004	2005	2006	2006		2007		2007						
							Q3	Q4	Q1	Q2	I	II	III	IV	V	VI	VII
GDP, current prices (mil. HRK)	165 639	181 231	198 422	214 983	231 349	250 590	69 099	62 859	62 561	-	-	-	-	-	-	-	-
GDP, real growth rates	4,4	5,6	5,3	4,3	4,3	4,8	4,7	4,8	7,0	-	-	-	-	-	-	-	-
Total volume of industrial production, growth rate as %	6,0	5,4	4,1	3,7	5,1	4,5	5,9	6,1	8,0	7,1	9,0	5,7	9,0	9,4	7,7	4,4	8,5
Retail sales turnover, real growth rate as %	10,0	12,5	3,7	2,6	2,8	2,1	2,0	4,0	7,7	5,6	7,8	7,2	8,2	7,1	6,2	4,1	-
Total volume of construction projects, growth rate as %	3,6	12,8	22,8	2,0	-0,8	9,3	7,5	7,1	6,5	-	13,7	7,7	0,1	2,6	1,2	-	-
Nights spent by tourists, growth rate as %	11,0	3,0	4,0	2,0	7,6	3,1	1,7	7,8	7,2	6,9	6,9	1,4	11,3	9,4	9,5	5,3	6,6
Producer's prices, period average, %	3,6	-0,4	1,9	3,5	3,0	2,9	2,8	1,7	1,9	2,5	2,2	1,7	2,0	2,3	2,3	2,9	3,0
Consumer prices, period average, %	3,8	1,7	1,8	2,1	3,3	3,2	3,3	2,2	1,6	2,1	1,8	1,2	1,8	2,3	2,2	1,9	2,1
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	1 488 937	1 467 398	1 461 135	1 498 892	1 456 863	1 455 471	1 461 135	1 470 479	1 484 522	1 498 892	-
Unemployed persons, end of period	395 141	366 162	318 684	317 577	307 851	293 153	279 017	293 153	291 642	249 548	299 083	298 775	291 642	278 384	263 357	249 548	245 768
Unemployment rate, end of period	23,1	21,5	19,1	18,5	17,8	16,7	15,8	16,7	16,6	14,3	17,0	17,0	16,6	15,9	15,1	14,3	14,0
Unemployment rate - ILO comparable, period average, %	15,8	14,8	14,3	13,8	12,7	11,2	-	10,5	11,2	-	-	-	-	-	-	-	-
Average monthly gross wages and salaries, growth rate as %	3,9	6,0	4,8	6,4	4,4	6,2	5,6	7,2	6,2	5,7	7,3	6,5	4,9	6,8	4,7	5,7	-
Average monthly gross wages and salaries paid off in HRK	5 061	5 366	5 623	5 985	6 248	6 634	6 584	6 851	6 854	7 023	6 850	6 739	6 973	6 901	7 102	7 065	-
Exchange rate HRK/USD, period average	8,34	7,87	6,70	6,03	5,95	5,84	5,73	5,71	5,62	5,46	5,66	5,64	5,56	5,48	5,42	5,47	5,32
Exchange rate HRK/EUR, period average	7,47	7,41	7,56	7,50	7,40	7,32	7,30	7,36	7,36	7,35	7,37	7,36	7,36	7,40	7,33	7,33	7,29
Trade Balance (mil. USD)	-4 481	-5 818	-8 022	-8 565	-9 788	-11 126	-2 861	-2 766	-2 965	-3 541	-791	-974	-1 201	-1 170	-1 315	-1 056	-
Exports (mil. USD)	4 666	4 904	6 187	8 024	8 773	10 377	2 582	2 995	2 633	3 035	762	908	964	980	1 038	1 017	-
Imports (mil. USD)	9 147	10 722	14 209	16 589	18 560	21 502	5 443	5 761	5 599	6 576	1 553	1 881	2 165	2 149	2 354	2 073	-
Current Account Balance (mil. EUR)	-806	-2 091	-1 874	-1 457	-1 992	-2 671	2 063	-1 483	-2 039	-	-	-	-	-	-	-	-
Current Account Balance (as % of GDP)	-3,6	-8,5	-7,1	-5,1	-6,4	-7,8	21,9	-17,6	-23,9	-	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. EUR)	5 334	5 651	6 554	6 436	7 438	8 725	8 135	8 725	9 520	9 170	9 173	9 565	9 520	9 488	9 452	9 170	-
Total outstanding external debt, end of period (mil. EUR)	13 609	15 143	19 884	22 933	25 748	29 199	27 373	29 199	29 918	-	29 621	29 861	29 918	29 751	30 235	-	-
Internal debt of consolidated central government, eop. (mil. HRK)	21 944	23 597	26 261	35 789	47 243	52 290	52 852	52 290	54 675	-	52 408	54 181	54 675	54 695	53 602	-	-
Commercial bank's loans, growth rate as %	23,2	33,6	16,8	13,1	20,3	22,7	23,7	22,7	20,0	17,2	22,1	21,3	20,0	19,5	18,6	17,2	-
Interest rates on treasury bills of 91 days maturity, end of period	4,00%	2,00%	4,00%	3,80%	3,70%	3,00%	3,00%	3,00%	3,00%	3,00%	3,40%	3,30%	3,00%	3,05%	3,00%	3,00%	3,20%
ZIBOR (3 m), average	7,90%	4,60%	5,50%	7,35%	6,19%	4,46%	4,43%	4,45%	4,35%	4,95%	4,43%	4,32%	4,29%	4,53%	4,81%	5,60%	7,37%

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

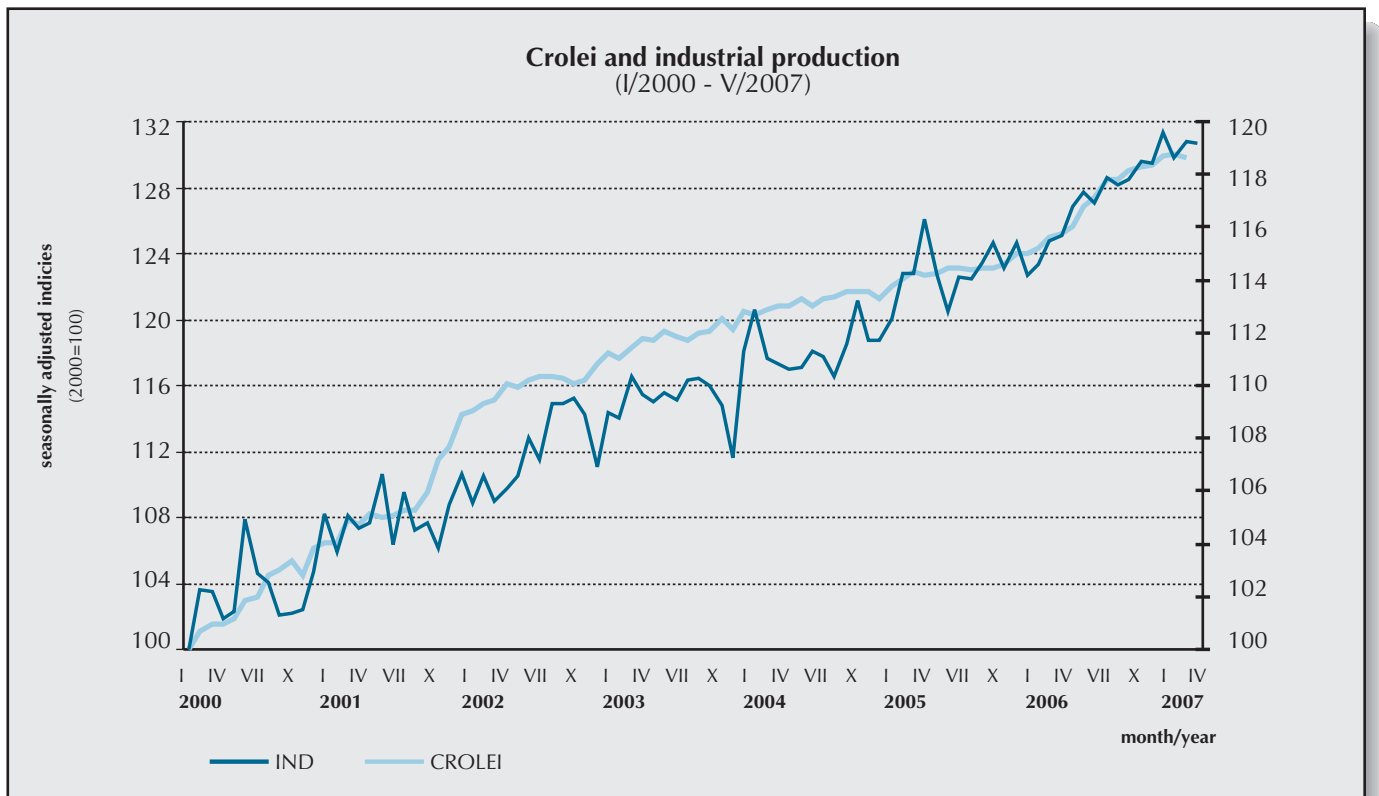
# MACROECONOMIC TRENDS

## CROLEI - LEADING INDICATOR OF INDUSTRIAL PRODUCTION

In May 2007, the value of CROLEI index went down moderately at monthly level. Compared to the previous month, when it recorded a moderate rise, the value of the index in May declined by 0.13 points which is its highest recorded monthly decline since June 2005. At annual level the index has grown by 3.9 percent, its lowest annual growth rate since last August. This represents a significant deceleration of its annual growth rate in comparison with the last nine months. In parallel with the moderate decline in the value of CROLEI, the diffusive index, representing the share of the number of increasing components in the overall number of components, decreased in May to the level of 54 percent. Values of the diffusive index from the last three months, together with the corresponding values of CROLEI index, still indicate that a continuation of the moderate rise in economic activity can be expected in the period until the end of the fourth quarter of 2007. Only if the value of CROLEI records a decline again in the upcoming two

months could the more significant slowing down of economic activity be expected.

Of the eleven components included in the calculation of the index, five made a negative contribution to the value of CROLEI index in May. Three of these components come from the real sector; one is from fiscal and one from monetary sector. The components which recorded a decrease in their seasonally adjusted values in May compared to April 2007 are: nominal net wage, registered persons employed, total tourist bed-nights, unconsolidated budget revenues and cash market interest rate on other loans (the increase of which is actually recorded as a decrease in the calculation of the index). The components which have recorded a rise come from the real, the international and the monetary sector. They are: real retail trade turnover, imports of machinery and transportation equipment, total cash of participants in the payment system, total liquid funds, domestic currency time and savings deposits of commercial banks and foreign reserves of commercial banks.



## REAL SECTOR

Real annual GDP growth amounted to 7.0 percent in the first quarter of 2007, which is the highest growth since the third quarter of 2002. GDP deflator increased by 3.1 percent in the first quarter, thus significantly exceeding consumer price index growth, primarily due to the higher increase in government consumption deflator. Nominal GDP growth amounted to 10.3 percent, so in the first quarter of 2007 nominal GDP reached the amount of HRK 62,561 million.

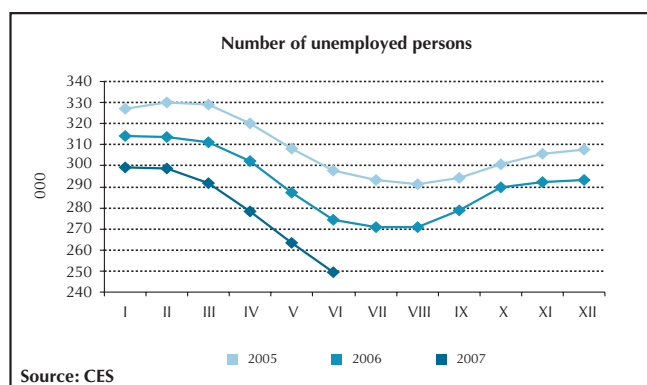
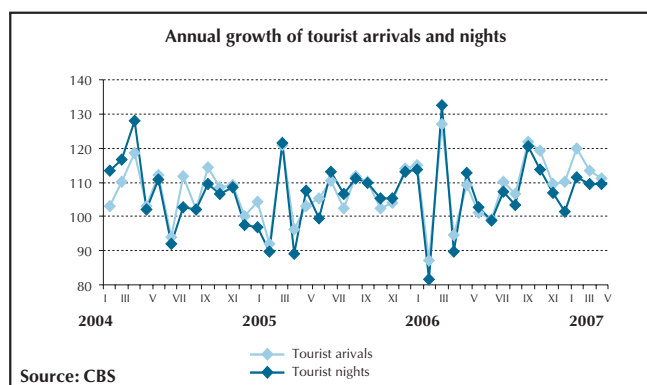
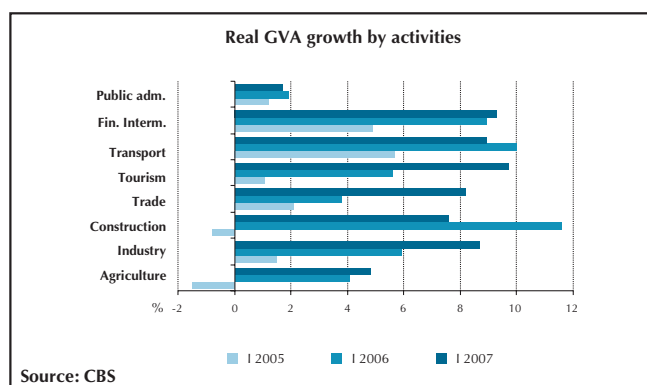
When observing GDP by expenditure categories, the highest growth rates in the first quarter of 2007 were recorded by the investments, with the real growth rate of 11.2 percent and personal consumption, with the growth rate of 7.1 percent. Government consumption rose by 2.8 percent in the first quarter, real growth of exports of goods and services amounted to 3.0 percent and growth of imports of goods and services 3.7 percent. The highest contribution to the GDP growth in the first quarter was recorded by personal consumption (4.4 percentage points) and investments (3.3 percentage points). Exports of goods and services contributed with 1.2 percentage points, but negative contribution of imports of goods and services, in the amount of -2.4 percentage points led to the negative contribution of net exports of -1.2 percentage points. Contribution of government consumption equaled 0.6 percentage points, while the negative contribution to the GDP growth came from the inventories (which include statistical discrepancy), in the amount of -0.2 percentage points.

Calculation of GDP from production side shows that the highest real growth of value added in the first quarter was recorded in hotels and restaurants (9.7 percent), financial intermediation (9.3 percent), transport (8.9 percent) and industry (8.7 percent). Value added growth was also recorded in other activities, which resulted in annual growth of total value added of 6.9 percent in the first quarter of 2007.

In May 2007 there were 892 thousands of tourist arrivals and 3.036 million of tourist nights realized in Croatia. When compared to May 2006, total number of tourist arrivals increased by 11.0 percent, while total number of tourist nights rose by 9.5 percent. Foreign tourists' arrivals made 77.9 percent of total number of tourist arrivals in May and increased by 11.6 percent at annual level, while domestic tourist arrivals went up by 8.9 percent. Foreign tourists also realized higher number of nights than domestic tourists, that is, 84.8 percent of total tourist nights in May. In comparison with May 2006, increase in number of foreign tourists' nights was 11.4 percent, while, at the same time, number of domestic tourists' nights decreased by 0.1 percent. Observing the period of the first five months of 2007, total number of tourist arrivals increased by 12.6 percent and total number of tourist nights by 9.0 percent annually. In so doing, foreign tourists achieved stronger annual growth rates of arrivals and nights than domestic tourists. Foreign tourists' arrivals increased by 13.6 percent at annual level in the first five months and domestic tourists' arrivals by 10.2 percent, while foreign tourists' nights went up by 11.9 percent and domestic tourists' nights by 0.9 percent.

Further decrease in number of unemployed persons was recorded in June 2007. According to the Croatian Employment Service data, in June there were 249,548 registered unemployed

persons, which is the lowest value since December 1995. At annual level the number of unemployed decreased by 24,923 or 9.1 percent, while at monthly level it went down by 13,809 or 5.2 percent.



## MONETARY TRENDS

The money (M1) amounted to HRK 48.7 billion at the end of May 2007, which is HRK 825 million higher than in April. The highest contribution to money growth in May came from the demand deposits, which increased by HRK 588 million, while currency outside banks saw a rise of HRK 237 million. The annual growth rate of money decelerated to 19.4 percent in May.

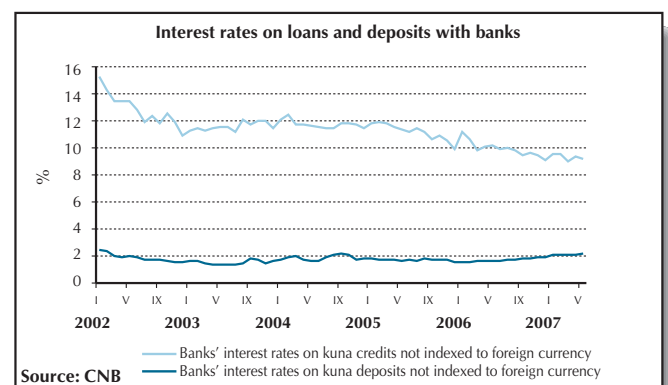
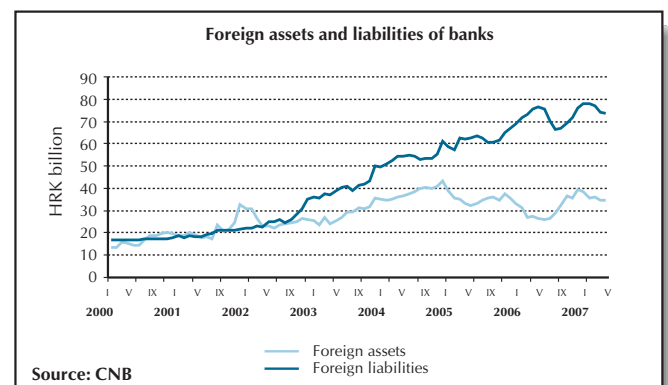
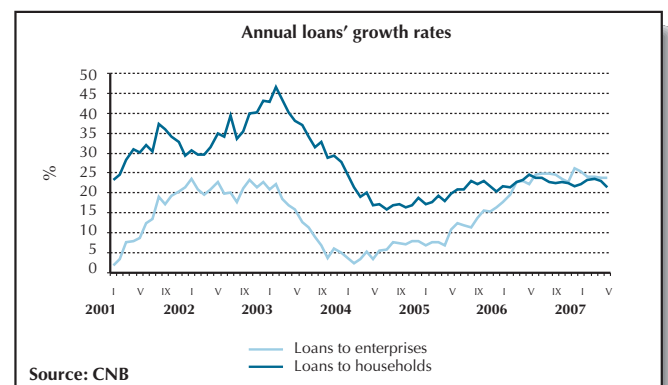
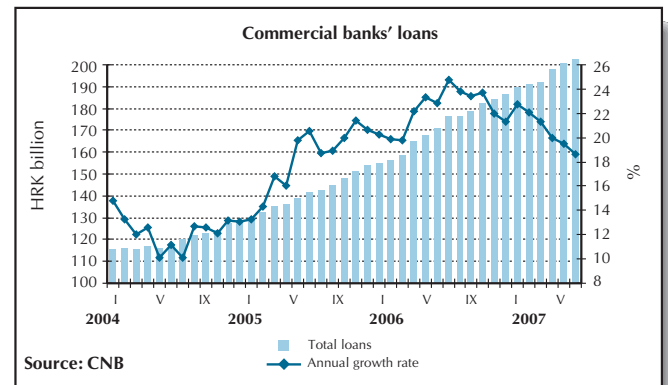
Total loans of commercial banks reached the level of HRK 202.6 billion at the end of May and increased by HRK 2.4 billion compared to April. The annual growth rate of total loans decelerated to 18.6 percent in May, the lowest level since April 2005. Kuna loans rose at monthly level by HRK 2.3 billion in May, while foreign currency loans went up by HRK 8.5 million. With a monthly increase in its loans of HRK 1.4 billion, the sector of households made larger contribution to the growth of total loans than the sector of enterprises, whose loans went up in May by HRK 912 million. Observing the annual change, loans to enterprises record higher growth rates than loans to households for the last year. Therefore, loans to enterprises increased by 23.7 percent and loans to households by 21.6 percent compared to May 2006. Annual growth of housing loans decelerated to 29.8 percent in May, which is the lowest level since December 2005. The loans to central government decreased by 19.3 percent in May, compared to the same month of the previous year.

Total deposits with commercial banks stood at level of HRK 173.5 billion at the end of May and went up by HRK 2.2 billion at monthly level. Their annual growth rate amounted to 20.9 percent and in comparison with April decelerated by 1.0 percentage point. Demand deposits with banks rose to HRK 33.7 billion in May. Kuna deposits recorded stronger growth in May than foreign currency deposits, that is, they went up by HRK 1.3 billion, while foreign currency deposits increased by HRK 260 million. The highest increase in kuna deposits in May was recorded in deposits of other financial institutions (HRK 719 million) and deposits of enterprises (HRK 375 million), while decrease recorded only deposits of households (HRK 104 million). The largest increase in foreign currency deposits was recorded by enterprises, whose deposits rose by HRK 245 million, and deposits of other financial institutions (increase of HRK 158 million), while only decrease was in deposits of sector of households (HRK 164 million). The annual growth rate of kuna deposits slowed down again this month and equaled 38.8 percent, while foreign currency deposits growth accelerated to 12.9 percent, which is their highest annual growth rate since November 2002.

Foreign assets of commercial banks amounted to HRK 34.7 billion at the end of May and declined by HRK 44 million at monthly level. However, observing the annual change, foreign assets records an increase for the sixth consecutive month, which was no less than HRK 8.2 billion or 30.9 percent in May. Foreign liabilities of commercial banks stood at the level of HRK 73.6 billion at the end of May. Compared to April they decreased by HRK 454 million, while at annual level foreign liabilities declined by HRK 2.8 billion or 3.6 percent. Net foreign assets leveled HRK -38.9 billion at the end of May.

The average bank interest rates on kuna credits not indexed to foreign currency declined in May to 9.21 percent. The average bank interest rates on kuna deposits not indexed to

foreign currency increased at monthly level and amounted to 2.16 percent. In so doing, the difference between the active and the passive interest rates not indexed to foreign currency decreased to 7.05 percentage points.



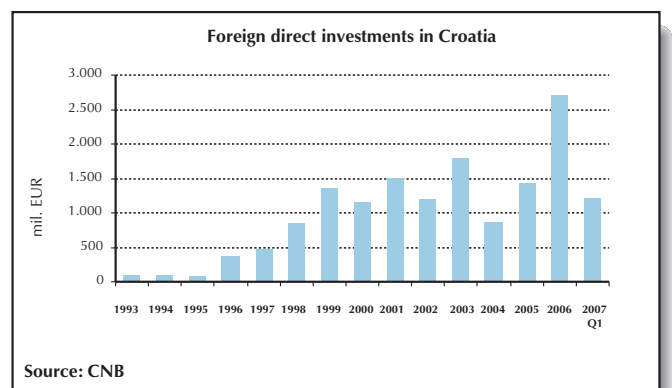
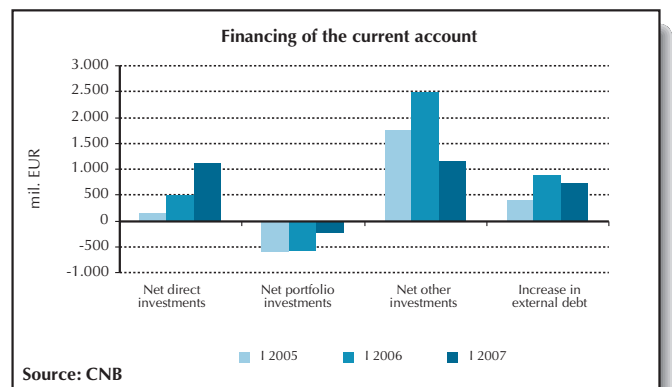
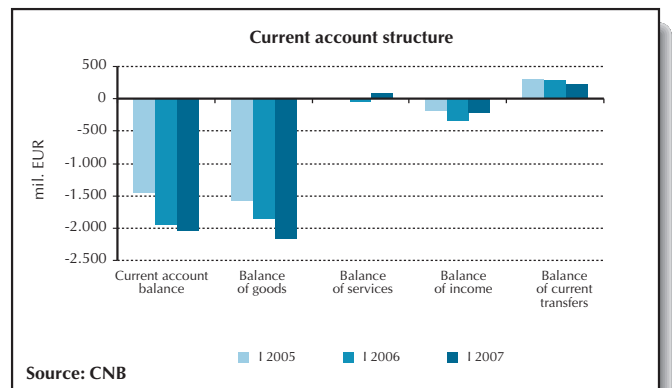
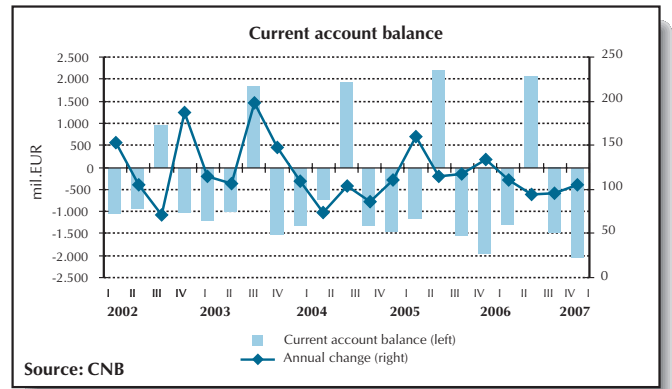
## INTERNATIONAL SECTOR

Balance of payments current account deficit amounted to EUR 2.039 billion in the first quarter of 2007. Compared to the same period of 2006, deficit increased by EUR 91 million or 4.7 percent. The highest contribution to the deficit growth came from the increase in negative balance in the goods account, which went up by EUR 297 million or 16.0 percent at annual level. The services account recorded surplus in amount of EUR 93 million, which is significant increase in inflow concerning the fact that in the first quarter of 2006 deficit of EUR 43 million was recorded in the services account. This surplus was the result of high tourism revenues, which amounted to EUR 255 million in the first quarter and in comparison with the same quarter of 2006, went up by EUR 68 million or 36.2 percent. Deficit in the income account decreased by EUR 119 million or 35.6 percent in comparison with the first quarter of 2006, which is mostly the result of decline in direct investment income outflow. The current transfers account surplus decreased at annual level by EUR 49 million or 16.9 percent in the first quarter.

Current account deficit in the first quarter of 2007 was mostly financed by direct investments, which equalled net EUR 1.122 billion and in comparison with the same period of 2006 went up by 126.7 percent. The portfolio investments account recorded a net outflow in the amount of EUR 238 million, while the other investments account recorded a net inflow in the amount of EUR 1.154 billion in the first quarter. The highest net inflow was recorded by other sectors, in amount of EUR 607 million, and by banks (EUR 539 million), while government recorded net inflow of EUR 6 million. Described developments in the financial and current account of balance of payments resulted in foreign reserves increase of EUR 808 million. Net errors and omissions were at the level of EUR 802 million in the first quarter of 2007.

Total foreign direct investments in Croatia stood at level of EUR 15.2 billion at the end of March 2007. In the first quarter of 2007 amount of FDI in Croatia was EUR 1.207 billion, which is the highest amount recorded so far in one quarter. This also represents more than twice higher amount than the amount recorded in the first quarter of 2006, when EUR 517 million of FDI was realized. In total amount of FDI in the first quarter of 2007, equity investments made 76.8 percent, which is EUR 928 million. Other investments made 16.4 percent of total FDI in the first quarter, that is EUR 198 million, and reinvested earnings amounted to EUR 82 million, or 6.8 percent of total FDI.

When observing FDI structure by activities in the first quarter of 2007, the highest amount was invested in financial intermediation (EUR 676 million) and in supporting and auxiliary transport activities (EUR 153 million). Majority of investments in the first quarter of 2007 came from Austria (EUR 1.1 billion) and following were Netherlands (EUR 69 million) and France (EUR 51 million). In the period from 1993 till the end of March 2007, leading countries by the amount of FDI in Croatia were Austria (25.6 percent), Netherlands (17.2 percent), Germany (14.5 percent) and France (8.3 percent).





## CONSOLIDATED CENTRAL GOVERNMENT - JANUARY-MAY 2007 PERIOD

### REVENUES

In January - May 2007 period, total revenues of consolidated central government amounted to HRK 44.7 billion which makes an annual increase of 14.6 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 691.6 million) and Croatian Motorways (HRK 470 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 58.5 percent of the overall revenues collected with an annual increase of 15.3 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 14.8 billion with an annual growth of 12.3 percent.

Revenues from excises amounted to HRK 3.5 billion which represents an annual increase of 8.8 percent. It is worth mentioning that the road charges, which are integrated in excises on petroleum products since 2006, are excluded in this comparison.

All excises were realized in the higher amount than in the same period last year. The highest annual growth rate was recorded by excises on personal cars (15.7 percent), excises on tobacco and tobacco products (10.4 percent) and excises on alcohol (9.6 percent). Excises on personal cars grew significantly due to greater car sales in the observed period.

Revenues from excises on oil derivatives make 38.2 percent of total revenues from excises and thus have the strongest influence on the overall developments of the excises revenues. They amounted to HRK 1.3 billion representing an annual growth rate of 5.3 percent.

With 31.7 percent, revenues from excises on tobacco and tobacco products have the second largest share in total revenues from excises. They were realized in the amount of HRK 1.1 billion. 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.

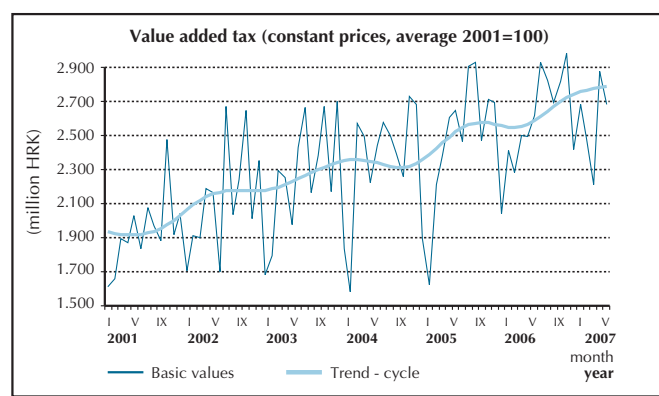
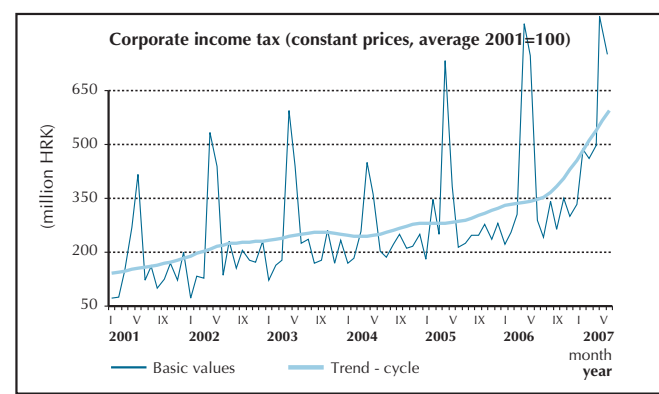
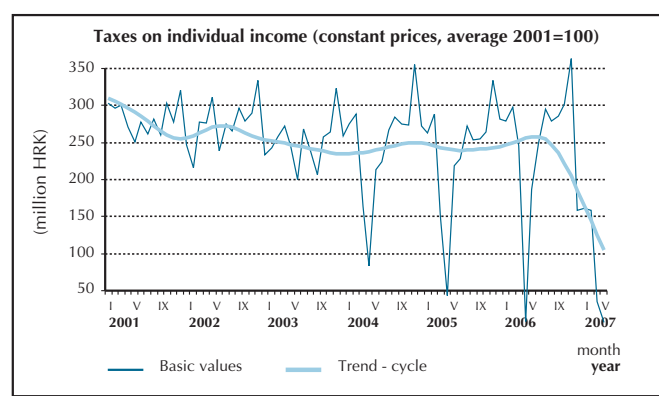
Revenues from excises on beer grew by high 8 percent compared to same period last year. Revenues from excises on nonalcoholic beverages grew by 4.9 percent, revenues from excises on coffee by 0.5 percent and revenues from excises on luxury products by 5.2 percent.

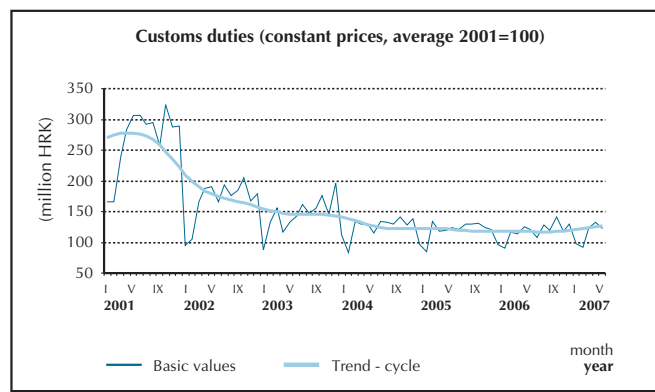
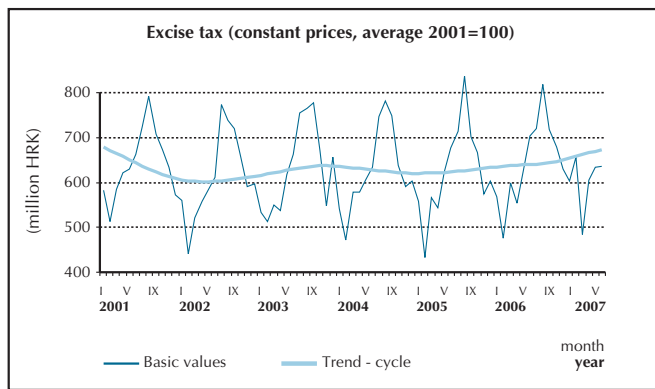
Income tax revenues were realized in the amount of HRK 592.9 million, representing an annual decrease of 52.5 percent. Namely, as a result of decentralization, a part of budgetary central government income tax revenues belong now to local

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 4.7 billion while in the same period last year it amounted to HRK 2.7 billion. 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 223.5 million (annual increase of 26.6 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 652.2 million which represents an annual growth of 6.6 percent.

Other taxes stood at HRK 139 million.

Social contributions, which are the second most important revenues of consolidated central government, make 33.4 percent of total generated revenues. They amounted to HRK 14.9 billion which represents an annual increase of 10.7 percent. Within the structure of social contributions the largest part refers to employers' contributions (HRK 8 billion) and contributions to employees (HRK 6.6 billion). The remaining HRK 301.8 million accounted for the contributions of self-employed and unemployed persons.

Grants reached the amount of HRK 70.5 million, mostly on the basis of capital grants from international organizations.

Other revenues were realized in the amount of HRK 3.5 billion which represents an annual growth of 25.1 percent. The largest part of other revenues were realized through sales of goods and services (47.4 percent), miscellaneous and unidentified revenues (26.7 percent), property income (20.4 percent) and the rest of collected sum refers to fines, penalties and forfeits and voluntary transfers other than grants. Sales of goods and services stood at HRK 1.7 billion, 94.5 percent of which 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 947.6 million which represents an annual growth of 6.8 percent. Property incomes were realized in the amount of HRK 724.1 million and fines, penalties and forfeits amounted to HRK 176.8 million.

## EXPENSE

Total expense of consolidated central government amounted to HRK 42.3 billion which represents annual increase of 6.2 percent. Observing consolidated central government according to the government level, it can be seen that the HRK 40.4 billion refers to budgetary central government and the rest of the sum (HRK 1.9 billion) refers to extrabudgetary funds and agencies.

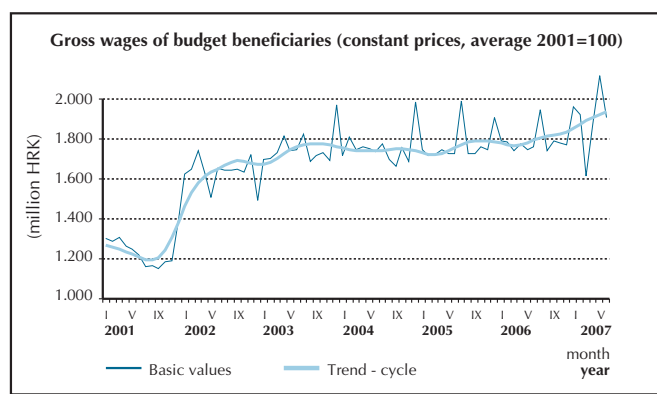
The largest share of total expense of consolidated central government (45.2 percent) refers to social benefits, followed by compensation of employees (26.9 percent), use of goods and services (8.6 percent), subsidies (6.1 percent), interest (6 percent), other expense (4.8 percent), and grants (2.4 percent). Social benefits stood at HRK 19.1 billion, representing an annual increase of 5.5 percent. Observing the structure of social benefits, 70.6 percent refers to social security benefits, 28.9 percent refers to social assistance benefits while the remaining 0.5 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 12.3 billion. Within the structure of expenses for pensions HRK 5.3 billion refers to expenses for old age pensions, HRK 1.5 billion refers to pensions for disabled persons, HRK 1.9 billion refers to family pensions and HRK 1.7 billion refers to veterans pensions.

Expenses for healthcare system were realized at the level of HRK 6.8 billion. Expenses for hospital health care amounted to HRK 3.1 billion, primary health care in the amount of 1.2 million and expenses for medicaments on prescription amounted to 956.9 million. Among other social benefits, important items are also child allowance (HRK 712.3 million), expenses for additional maternity leave (HRK 353.1 million) and expenses for unemployment (HRK 340 million).

Compensation of employees stood at HRK 11.4 billion which represents an annual increase of 9.3 percent. Within its structure the largest shares refer to wages and salaries, which amounted to 9.7 billion and social contributions which stood at HRK 1.7 billion. In comparison with the same period previous year wages and salaries grew by 9.4 percent and social contributions grew by 8.7 percent.

Expense for use of goods and services amounted to HRK 3.6 billion representing an annual increase of 14.5 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 2.6 billion which

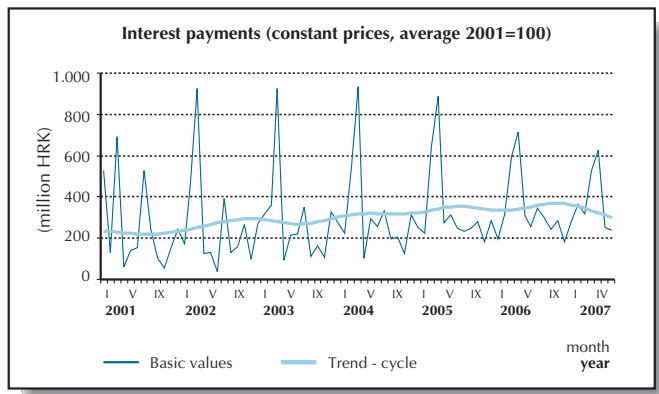


Expense for subsidies recorded stood at HRK 2.6 billion which represents 6.1 percent of total expenses. Subsidies to public corporations accounted for 46.8 percent of total subsidies, where subsidies for Croatian Railways have the largest share. Subsidies to private enterprises accounted for 53.2 percent of total subsidies.

Expense for interest payments amounted to HRK 2.5 billion. It can be seen that 44.2 percent of expenses for interest refers to interests to residents, and the rest of the sum (55.8 percent) to interests to nonresidents. Interests to residents other than general government stood at HRK 1.1 billion and interests to nonresidents amounted to HRK 1.4 billion

Grants stood at HRK 1 billion. Current grants to other general government units amounted to HRK 805.9 million which accounts for 80.6 percent of total grants. Capital grants to other general government units represent 15.1 percent of total grants, grants to international organizations represent 3.8 percent of total grants and the rest of the amount (HRK 0.5 percent) refers to grants to foreign governments.

Other expenses stood at HRK 2 billion which represents 4.8 percent of total expenses and 30.1 percent of the planned amount for 2007. Among other expenses, capital amounted to HRK 1.1 billion, current amounted to HRK 963.1 million and the rest of the sum (HRK 1.7 million) refers to property expense other than interest.



### TRANSACTION IN NON-FINANCIAL ASSETS

Acquisition of non-financial assets (HRK 2.3 billion) surpassed the disposal of non-financial assets (HRK 354.2 million) in the amount of HRK 1.9 billion. This accounts for 92.5 percent of last year amount for category net acquisition of non-financial assets. The largest contribution to net acquisition of non-financial assets came from net acquisition of fixed assets (92.6 percent), mainly of buildings and structures, machinery and equipment and other fixed assets. According to government level, 72.1 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 and disposals of fixed assets at budgetary central government level.

### TRANSACTIONS IN FINANCIAL ASSETS

In the observed period, net financial assets of consolidated central government amounted to HRK 1.4 billion as a result

of an increase in domestic financial assets of HRK 1.4 billion and an increase in foreign financial assets of HRK 5.3 billion. Currency and deposits amounted to HRK 1.2 billion. According to government level, currency and deposits of budgetary central government amounted to HRK 1.3 billion and currency and deposits of extrabudgetary funds and agencies amounted to HRK -82.5 million.

Net loans recorded an increase of HRK 206.1 million as a result of greater acquisition (HRK 324.6 million) than disposal (HRK 118.5 million). According to government level, net loans of budgetary central government amounted HRK 179.8 million and extrabudgetary funds and agencies amounted to HRK 26.3 million. Net shares and other equity amounted to HRK -10.9 million as a result of acquisition of shares and other equity in the amount of HRK 109.5 million and disposals of shares and other equity in the amount of HRK 120.5 million.

Foreign financial assets amounted to HRK 5.3 million as a result of acquisition of shares and other equity.

### TRANSACTIONS IN LIABILITIES

Total net incurrence of liabilities of consolidated general government amounted to HRK 940.2 million. Net domestic liabilities amounted to HRK 1.5 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 securities other than shares amounted to HRK 3.1 billion and refers completely to budgetary central government level. Repayments on the same basis amounted to HRK 290.7 million. Net incurrence of liabilities on the basis of loans amounted to HRK -1.3 billion as a result of repayments in the amount of HRK 527.1 million and incurrence of liabilities in the amount of HRK -767.8 million.

Foreign liabilities were realized at the level of HRK -536.1 million as a result of greater repayments on the basis of loans (HRK 1.1 billion) than incurrence (HRK 524.4 million).

### NET LENDING/BORROWING

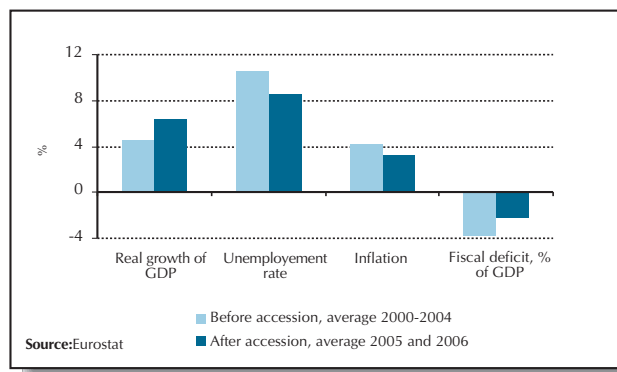
Net operating balance of consolidated central government, defined as difference between total revenue and total expense, stood at the level of HRK 2.4 billion. By subtracting net acquisition of non-financial assets from net operating balance, a category of net lending/borrowing is obtained, amounting to HRK 470.8 million.

## Macroeconomic Impacts of Accession to European Union

Institute of Economics, Zagreb released the study that examines economic impacts of Republic of Croatia accession to European Union. Beside the impacts that accession will have on specific areas of the economy, macroeconomic impacts are examined as well. Possible developments of separate macroeconomic aggregates were observed through three aspects. Firstly, the comparison of new member states macroeconomic indicators was done in the period before and after accession to European Union. Then, the impact of institutional reforms and accession to Union internal market was examined by *WorldScan* general equilibrium model while developments of aggregate level of prices and basic product groups were estimated by regression analyses.

The comparison of average gross domestic product growth of new member states from 2004 in the period before accession to European Union, from year 2000 to 2004, with average gross domestic product growth in year 2005 and 2006, indicate acceleration from average 4.5 percent to 6 percent. Concerning the structure of gross domestic product, the strengthening of investments is observable which share in gross domestic product increased from 23 to 25 percent. Increase in share of exports from 60 to 64.5 percent was also recorded but despite this fact contribution of net exports to gross domestic product growth was negative because the average share of imports increased from 63.7 to 69.4 percent of gross domestic product. In this analyses it should be taken in consideration the fact that described developments of macroeconomic indicators happened in favorable world economic conditions.

**Chart:** Comparison of 10 New Member States Macroeconomic Indicators before and after EU Accession



Robust economic activity following the accession was accompanied by favorable trends on labor market. Thus, decrease of unemployment rate was recorded at most new members and the average unemployment rate was reduced from 10.6 percent in the observed period before accession to 8.6 percent in the period after accession to European Union. In the same time, wages increased which is evident from the fact that average gross nominal wage increased from EUR 578 per employee before accession to EUR 633 after accession. In spite of robust economic growth and reduction in unemployment, there was decrease of average inflation from 4.2 to 3.5 percent. Concerning fiscal deficit as one of the main challenges in the sense of fulfilling Maastricht criteria, it decreased from average 3.7 to 2.1 percent of gross domestic product.

Estimation of internal market accession and institutional reforms macroeconomic impacts was performed by *WorldScan* general equilibrium model with simulation of accession to European Union in year 2009 and, alternatively, staying out of the European Union. The results indicate that the impact of internal market accession would be seen in year 2025 as increased gross domestic product of 1.1 percent, consumption 2.6 percent and increase in welfare of USD 1 billion as compared to the scenario of non accession. The strongest influence would be on exports which estimate shows increase of almost 14 percent. Concerning institutional reforms, increase of gross domestic product in year 2025 compared to non accession would amount to 7.8 percent, personal consumption 12.9 percent while increased welfare would amount to USD 5.1 billion. The strongest influence is also in this case on export activity which would increase by almost 57 percent.

**Table:** Macroeconomic Impacts of Accession to EU, 2025.

	GDP (%)	Consumption (%)	Welfare* (USD billion)	Exports (%)	Terms of Trade (%)
<b>IMPACTS OF ACCESSION TO INTERNAL MARKET</b>					
<b>Croatia</b>	<b>1,1</b>	<b>2,6</b>	<b>1,0</b>	<b>13,9</b>	<b>3,3</b>
New Member States EU	0,0	0,0	0,2	0,1	0,0
EU-15	0,0	0,0	0,6	0,0	0,0
EU-27	0,0	0,0	0,8	0,0	0,0
<b>IMPACTS OF INSTITUTIONAL REFORMS</b>					
<b>Croatia</b>	<b>7,8</b>	<b>12,9</b>	<b>5,1</b>	<b>56,9</b>	<b>9,9</b>
New Member States EU	0,0	0,1	0,4	0,4	0,1
EU-15	0,0	0,0	1,6	0,1	0,0
EU-27	0,0	0,0	2,0	0,1	0,0

**Notes:** \*Welfare is measured by equivalent variation (the measure of growth of private real incomes). Consumption concerns personal and government.

**Source:** "Accession to European Union: Expected Economic Impacts", Institute of Economics, Zagreb

When total impacts are observed, it is interesting to compare average gross domestic product growth and degree of gross domestic product per capita convergence in the case of accession and non accession to European Union. In the period from year 2010 to 2025 average annual gross domestic product growth would increase from 4.3 to 4.9 percent in the accession scenario. Gross domestic product of the Republic of Croatia per capita measured by purchasing power standard amounted in 2005 to 48 percent of average level of EU-25 and projections indicate its' increase to 68 percent by year 2025 in the case of non accession and to 75 percent in the case of accession to European Union. Described analyses doesn't comprise all positive impacts of accession, like for example inflow of foreign direct investments, and in this way in some amount understates total influences on the economy.

Based on the experience of new member states which discrepancy between level and structure of prices in the moment of accession was significantly higher than in Croatia, it is expected that tendency of aggregate prices growth due to accession won't be high. The average annual growth of prices of 1.4 percent compared to Eurozone can be considered as upper edge of fundamental pressure to prices growth induced by accession and it shouldn't be an obstacle to Maastricht criteria fulfillment.

**TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE**

(000 HRK)		2004	2005	2006	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>80 463 518</b>	<b>85 653 010</b>	<b>95 235 557</b>	<b>24 126 654</b>	<b>24 821 024</b>	<b>25 132 226</b>	<b>108 501 515</b>	<b>23 851 140</b>	<b>42 955 704</b>	<b>8 757 769</b>	<b>39,59</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>14 916 276</b>	<b>15 628 185</b>	<b>15 345 731</b>	<b>64 148 604</b>	<b>14 017 755</b>	<b>26 146 857</b>	<b>5 315 235</b>	<b>40,76</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>2 615 396</b>	<b>1 879 436</b>	<b>2 179 950</b>	<b>10 078 339</b>	<b>2 188 372</b>	<b>5 274 717</b>	<b>893 853</b>	<b>52,34</b>
1111	Payable by individuals	3 128 273	3 106 476	3 459 649	498 953	925 376	1 073 829	1 650 551	543 857	592 899	8 153	35,92
1112	Payable by corporations and other enterprises	3 131 440	3 950 636	5 055 966	2 116 443	954 060	1 106 121	8 427 788	1 644 515	4 681 818	885 700	55,55
<b>113</b>	<b>Taxes on property</b>	<b>355 823</b>	<b>375 501</b>	<b>482 331</b>	<b>105 479</b>	<b>117 380</b>	<b>151 774</b>	<b>533 685</b>	<b>126 963</b>	<b>223 458</b>	<b>53 084</b>	<b>41,87</b>
<b>114</b>	<b>Taxes on goods and services (1141+...+1146)</b>	<b>38 602 221</b>	<b>41 323 002</b>	<b>47 546 223</b>	<b>11 705 493</b>	<b>13 155 971</b>	<b>12 485 941</b>	<b>51 584 380</b>	<b>11 263 242</b>	<b>19 857 524</b>	<b>4 197 394</b>	<b>38,50</b>
1141	General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	8 652 541	9 535 777	9 308 224	38 387 622	8 440 180	14 897 505	3 124 330	38,81
11411	Value-added taxes	29 864 905	32 243 372	34 931 750	8 610 250	9 497 870	9 268 244	38 212 839	8 399 864	14 826 333	3 107 961	38,80
11412	Sales taxes	148 757	156 580	159 631	42 291	37 907	39 980	174 784	40 316	71 173	16 369	40,72
1142	Excises (11421+11422+11423+11424+11425+11426+11427+11428)	7 941 554	8 177 659	11 564 709	2 832 982	3 386 836	2 916 506	12 208 771	2 620 967	4 589 454	989 670	37,59
11421	- on cars, other motor vehicles, boats and planes	945 209	1 080 926	1 270 422	365 033	301 504	319 623	1 453 306	336 254	600 669	129 014	41,33
11422	- on petroleum products	3 325 659	3 337 501	6 316 440	1 523 988	1 845 966	1 645 220	6 512 945	1 389 712	2 452 460	544 495	37,66
11423	- on alcohol	230 796	228 386	230 178	49 858	60 335	62 501	230 978	47 732	87 719	10 333	37,98
11424	- on beer	718 278	702 386	716 167	176 944	272 885	156 524	755 407	126 630	234 606	59 668	31,06
11425	- on nonalcoholic beverages	132 984	141 905	140 404	30 177	51 476	31 021	145 274	26 679	47 563	12 043	32,74
11426	- on tobacco products	2 430 843	2 518 801	2 710 348	644 684	807 017	654 136	2 921 855	649 797	1 094 756	220 299	37,47
11427	- on coffee	135 437	145 334	156 666	36 854	41 370	41 579	163 147	37 237	61 375	11 982	37,62
11428	- on luxury goods	22 348	22 420	24 084	5 444	6 284	5 902	25 859	6 927	10 307	1 838	39,86
<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>407 670</b>	<b>398 841</b>	<b>439 962</b>	<b>1 615 059</b>	<b>357 299</b>	<b>652 150</b>	<b>141 119</b>	<b>40,38</b>
<b>116</b>	<b>Other taxes</b>	<b>341 377</b>	<b>369 019</b>	<b>336 466</b>	<b>82 240</b>	<b>76 557</b>	<b>88 104</b>	<b>337 141</b>	<b>81 879</b>	<b>139 008</b>	<b>29 785</b>	<b>41,23</b>
<b>12</b>	<b>Social contributions</b>	<b>29 477 597</b>	<b>31 301 340</b>	<b>33 877 148</b>	<b>8 376 921</b>	<b>8 629 734</b>	<b>8 916 196</b>	<b>37 115 946</b>	<b>8 741 858</b>	<b>14 928 140</b>	<b>3 068 958</b>	<b>40,22</b>
121	Social security contributions (1211+1212+1213+1214)	29 477 597	31 301 340	33 877 148	8 376 921	8 629 734	8 916 196	37 115 946	8 741 858	14 928 140	3 068 958	40,22
1211	Employee contributions	13 139 274	13 857 360	15 084 349	3 731 202	3 842 749	3 942 085	16 502 518	3 897 464	6 647 648	1 367 960	40,28
1212	Employer contributions	15 737 707	16 695 492	18 051 382	4 472 540	4 601 352	4 754 269	18 707 820	4 669 683	7 978 664	1 635 127	42,65
1213	Self-employed or unemployed contributions	600 616	748 487	741 418	173 179	185 633	219 842	1 905 609	174 712	301 828	65 871	15,84
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>195 984</b>	<b>11 036</b>	<b>3 644</b>	<b>177 761</b>	<b>863 561</b>	<b>12 330</b>	<b>73 803</b>	<b>18 421</b>	<b>8,55</b>
<b>14</b>	<b>Other revenue (141+142+143+144+145)</b>	<b>3 825 938</b>	<b>3 636 601</b>	<b>2 693 335</b>	<b>822 421</b>	<b>559 462</b>	<b>692 539</b>	<b>6 373 403</b>	<b>1 079 197</b>	<b>1 806 904</b>	<b>355 155</b>	<b>28,35</b>
<b>141</b>	<b>Property income (1411+1412+1413+1415)</b>	<b>2 667 701</b>	<b>2 226 647</b>	<b>832 400</b>	<b>296 142</b>	<b>108 186</b>	<b>247 887</b>	<b>3 440 079</b>	<b>207 803</b>	<b>483 562</b>	<b>118 007</b>	<b>14,06</b>
1411	Interest	35 752	62 784	108 232	18 719	9 621	20 820	116 374	65 872	89 212	4 223	76,66
1412	Dividends	1 868 841	1 123 346	17 835	0	1	3 051	976 938	16	86 932	86 916	8,90
1413	Withdrawals from income of quasi-corporations	146 820	192 516	288 113	209 366	1 040	77 707	180 552	0	104 838	46	58,07
1415	Rent	616 289	848 001	418 220	68 057	97 524	146 309	2 166 215	141 916	202 580	26 823	9,35
<b>142</b>	<b>Sales of goods and services (1422+1423)</b>	<b>676 951</b>	<b>782 428</b>	<b>1 209 296</b>	<b>329 119</b>	<b>315 280</b>	<b>290 563</b>	<b>1 527 298</b>	<b>401 891</b>	<b>653 123</b>	<b>137 635</b>	<b>42,76</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	203 793	218 075	234 166	1 420 002	342 440	561 835	121 476	39,57
1423	Incidental sales by nonmarket establishments	363 957	385 362	387 555	125 326	97 205	56 397	107 296	59 451	91 288	16 159	85,08
<b>143</b>	<b>Fines, penalties, and forfeits</b>	<b>342 371</b>	<b>360 707</b>	<b>391 616</b>	<b>97 545</b>	<b>101 547</b>	<b>101 876</b>	<b>421 307</b>	<b>107 144</b>	<b>176 755</b>	<b>35 001</b>	<b>41,95</b>
<b>144</b>	<b>Voluntary transfers other than grants</b>	<b>249</b>	<b>5 653</b>	<b>6 737</b>	<b>280</b>	<b>2 226</b>	<b>2 013</b>	<b>4 316</b>	<b>5 644</b>	<b>5 279</b>	<b>-1 545</b>	<b>122,32</b>
<b>145</b>	<b>Miscellaneous and unidentified revenue</b>	<b>138 667</b>	<b>261 166</b>	<b>253 286</b>	<b>99 335</b>	<b>32 224</b>	<b>50 200</b>	<b>980 404</b>	<b>356 716</b>	<b>488 185</b>	<b>66 057</b>	<b>49,79</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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New 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>95 949 951</b>	<b>23 203 454</b>	<b>23 334 535</b>	<b>26 151 642</b>	<b>108 447 435</b>	<b>24 963 473</b>	<b>41 551 314</b>	<b>8 076 340</b>	<b>38,31</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>5 979 166</b>	<b>6 151 600</b>	<b>6 217 675</b>	<b>27 477 952</b>	<b>6 507 526</b>	<b>11 158 540</b>	<b>2 209 894</b>	<b>40,61</b>
211	Wages and salaries	18 888 605	19 699 216	20 663 890	5 078 226	5 235 542	5 283 304	23 113 401	5 509 421	9 491 800	1 874 172	41,07
212	Social contributions	3 379 682	3 483 370	3 649 977	900 940	916 058	934 371	4 364 550	998 105	1 666 739	335 722	38,19
<b>22</b>	<b>Use of goods and services</b>	<b>4 358 721</b>	<b>4 951 917</b>	<b>6 069 116</b>	<b>1 269 577</b>	<b>1 242 904</b>	<b>2 259 303</b>	<b>7 702 325</b>	<b>1 450 705</b>	<b>2 548 575</b>	<b>494 299</b>	<b>33,09</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>998 768</b>	<b>955 490</b>	<b>935 215</b>	<b>4 586 817</b>	<b>1 680 283</b>	<b>2 245 762</b>	<b>273 681</b>	<b>48,96</b>
241	To nonresidents	1 976 502	2 053 588	1 863 999	364 017	194 629	158 394	1 686 209	966 120	1 227 431	15 744	72,79
242	To residents other than general government	1 995 964	2 333 422	2 849 616	634 751	760 862	776 820	2 900 608	714 163	1 018 331	257 937	35,11
<b>25</b>	<b>Subsidies (251+252)</b>	<b>4 968 069</b>	<b>5 248 744</b>	<b>5 670 789</b>	<b>1 378 666</b>	<b>1 076 468</b>	<b>1 582 148</b>	<b>6 017 759</b>	<b>1 652 902</b>	<b>2 569 368</b>	<b>436 769</b>	<b>42,70</b>
251	To public corporations	2 783 462	2 784 825	2 692 785	652 762	575 855	705 855	2 827 516	768 664	1 199 529	198 343	42,42
252	To private enterprises	2 184 606	2 463 919	2 978 004	725 904	500 613	876 293	3 190 243	884 238	1 369 839	238 426	42,94
<b>26</b>	<b>Grants (261+262+263)</b>	<b>3 420 327</b>	<b>3 796 847</b>	<b>6 652 994</b>	<b>1 443 196</b>	<b>1 786 603</b>	<b>2 181 858</b>	<b>8 513 643</b>	<b>1 217 303</b>	<b>2 154 251</b>	<b>486 406</b>	<b>25,30</b>
261	To foreign governments (2611+2612)	76 464	73 639	64 795	9 989	23 047	31 759	93 950	685	5 290	4 589	5,63
2611	Current	46 500	49 174	37 760	0	22 380	15 381	69 650	685	1 258	557	1,81
2612	Capital	29 964	24 465	27 035	9 989	668	16 378	24 300	0	4 032	4 032	16,59
262	To international organizations (2621+2622)	83 434	93 832	89 619	38 708	27 452	3 202	73 440	28 625	37 852	1 142	51,54
2621	Current	83 434	93 832	89 619	38 708	27 452	3 202	73 440	28 625	37 852	1 142	51,54
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	1 394 499	1 736 105	2 146 897	8 346 253	1 187 993	2 111 109	480 676	25,29
2631	Current	2 498 598	2 623 246	2 663 156	617 652	613 596	855 149	2 451 058	455 959	805 887	163 907	32,88
2632	Capital	761 831	1 006 130	3 835 425	776 847	1 122 508	1 291 748	5 895 195	732 035	1 305 222	316 768	22,14
<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>10 979 868</b>	<b>10 838 233</b>	<b>11 180 892</b>	<b>48 538 710</b>	<b>11 556 319</b>	<b>19 115 408</b>	<b>3 803 428</b>	<b>39,38</b>
271	Social security benefits	28 189 472	29 308 716	30 535 396	7 695 110	7 676 595	7 810 670	34 499 553	8 143 186	13 499 595	2 684 498	39,13
272	Social assistance benefits	11 177 315	11 792 075	12 786 632	3 246 569	3 139 399	3 331 241	13 919 090	3 345 735	5 517 416	1 105 320	39,64
273	Employer social benefits	364 100	257 663	122 561	38 189	22 240	38 982	120 067	67 397	98 397	13 610	81,95
<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>1 154 214</b>	<b>1 283 236</b>	<b>1 794 553</b>	<b>5 610 231</b>	<b>898 437</b>	<b>1 759 411</b>	<b>371 864</b>	<b>31,36</b>
281	Property expense other than interest	3 955	4 920	7 600	1 320	2 067	3 504	0	1 226	1 726	256	
282	Miscellaneous other expense (2821+2822)	4 408 404	4 926 987	5 077 381	1 152 894	1 281 169	1 791 049	5 610 231	897 211	1 757 686	371 607	31,33
2821	Current	1 842 516	2 154 806	2 304 214	616 747	555 961	657 548	2 618 498	474 697	938 578	194 099	35,84
2822	Capital	2 565 888	2 772 181	2 773 167	536 148	725 208	1 133 500	2 991 733	422 514	819 108	177 508	27,38

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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New 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>238 506</b>	<b>322 028</b>	<b>829 004</b>	<b>2 954 080</b>	<b>84 367</b>	<b>330 945</b>	<b>106 710</b>	<b>11,20</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>350 556</b>	<b>398 031</b>	<b>924 386</b>	<b>3 436 026</b>	<b>332 408</b>	<b>636 048</b>	<b>130 424</b>	<b>18,51</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>112 050</b>	<b>76 003</b>	<b>95 381</b>	<b>481 947</b>	<b>248 041</b>	<b>305 103</b>	<b>23 714</b>	<b>63,31</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>271 334</b>	<b>327 178</b>	<b>822 767</b>	<b>2 999 099</b>	<b>249 141</b>	<b>483 748</b>	<b>101 512</b>	<b>16,13</b>
311,1	Acquisitions: fixed assets (3111,1+3112,1+3113,1)	1 624 051	1 781 347	1 844 783	337 010	386 071	891 815	3 271 645	319 581	602 614	121 523	18,42
311,2	Disposals: fixed assets (3111,2+3112,2+3113,2)	239 442	264 379	249 663	65 676	58 893	69 048	272 547	70 440	118 866	20 012	43,61
<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>166 564</b>	<b>194 451</b>	<b>407 273</b>	<b>1 385 069</b>	<b>105 825</b>	<b>245 639</b>	<b>70 104</b>	<b>17,73</b>
3111,1	Acquisitions: buildings and structures	1 050 315	1 131 302	1 080 074	231 784	253 283	476 074	1 654 965	175 062	362 494	89 354	21,90
3111,2	Disposals: buildings and structures	238 838	263 639	248 698	65 220	58 832	68 801	269 897	69 237	116 855	19 250	43,30
<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>80 450</b>	<b>116 567</b>	<b>359 602</b>	<b>1 395 879</b>	<b>131 215</b>	<b>214 506</b>	<b>25 582</b>	<b>15,37</b>
3112,1	Acquisitions: machinery and equipment	519 545	558 060	657 696	80 907	116 628	359 848	1 398 529	132 418	216 516	26 344	15,48
3112,2	Disposals: machinery and equipment	604	740	964	457	61	246	2 650	1 203	2 011	762	75,87
<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>24 320</b>	<b>16 160</b>	<b>55 893</b>	<b>218 151</b>	<b>12 101</b>	<b>23 604</b>	<b>5 826</b>	<b>10,82</b>
3113,1	Acquisitions: other fixed assets	54 191	91 986	107 012	24 320	16 160	55 894	218 151	12 101	23 604	5 826	10,82
3113,2	Disposals: other fixed assets	0	0	1	0	0	1	0	0	0	0	
<b>312</b>	<b>Inventories</b>	<b>0</b>	<b>0</b>	<b>-80 226</b>	<b>-37 430</b>	<b>-11 492</b>	<b>-19 519</b>	<b>-168 139</b>	<b>-173 789</b>	<b>-175 665</b>	<b>1 502</b>	
312,1	Acquisitions: inventories	0	0	1 048	437	60	551	21 861	601	2 294	1 624	10,49
312,2	Disposals: inventories	0	0	81 274	37 868	11 552	20 070	190 000	174 390	177 959	122	93,66
<b>313</b>	<b>Valuables (313,1-313,2)</b>	<b>7 518</b>	<b>7 220</b>	<b>7 826</b>	<b>1 468</b>	<b>1 541</b>	<b>3 217</b>	<b>7 704</b>	<b>1 256</b>	<b>3 052</b>	<b>855</b>	<b>39,61</b>
313,1	Acquisitions: valuables	7 518	7 220	7 826	1 468	1 541	3 217	7 704	1 256	3 052	855	39,61
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>3 135</b>	<b>4 801</b>	<b>22 539</b>	<b>115 416</b>	<b>7 759</b>	<b>19 811</b>	<b>2 841</b>	<b>17,16</b>
314,1	Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	32 299	40 251	54 826	11 640	10 360	28 803	134 816	10 970	28 089	6 421	20,84
314,2	Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	4 959	10 771	21 754	8 506	5 559	6 264	19 400	3 211	8 279	3 580	42,67
<b>3141</b>	<b>Land (3141,1-3141,2)</b>	<b>7 062</b>	<b>-10 282</b>	<b>-21 650</b>	<b>-8 506</b>	<b>-5 487</b>	<b>-6 264</b>	<b>-16 310</b>	<b>-3 183</b>	<b>-8 216</b>	<b>-3 575</b>	<b>50,38</b>
3141,1	Acquisitions: land	12 021	489	81	0	71	0	3 090	28	58	0	1,86
3141,2	Disposals: land	4 959	10 771	21 732	8 506	5 559	6 264	19 400	3 211	8 274	3 575	42,65
<b>3142</b>	<b>Subsoil assets</b>	<b>0</b>	<b>0</b>	<b>-22</b>	<b>0</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	0	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>11 640</b>	<b>10 288</b>	<b>28 803</b>	<b>131 726</b>	<b>10 942</b>	<b>28 027</b>	<b>6 416</b>	<b>21,28</b>
3144,1	Acquisitions: intangible nonproduced assets	20 278	39 762	54 744	11 640	10 288	28 803	131 726	10 942	28 032	6 421	21,28
3144,2	Disposals: intangible nonproduced assets	0	0	0	0	0	0	0	0	5	5	

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	IV - VI 2006.	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>221 977</b>	<b>1 752 825</b>	<b>-3 047 174</b>	<b>15 260</b>	<b>267 886</b>	<b>-2 813 142</b>	<b>-595 028</b>	<b>345 952</b>	<b>1 476 388</b>	<b>-176 337</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>230 911</b>	<b>304 884</b>	<b>385 159</b>	<b>1 206 107</b>	<b>247 097</b>	<b>350 793</b>	<b>51 912</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>48 142</b>	<b>55 278</b>	<b>2 734 733</b>	<b>1 801 135</b>	<b>124 318</b>	<b>167 471</b>	<b>21 001</b>
<b>Currency and deposits (3212+3222)</b>	<b>-1 114 264</b>	<b>688 185</b>	<b>-1 449 670</b>	<b>-167 510</b>	<b>18 280</b>	<b>-463 568</b>	<b>0</b>	<b>223 173</b>	<b>1 293 066</b>	<b>-207 248</b>
<b>321 Domestic (3212+3213+3214+3215+3216+3217+3218)</b>	<b>212 192</b>	<b>1 757 681</b>	<b>-3 063 855</b>	<b>12 579</b>	<b>267 886</b>	<b>-2 827 142</b>	<b>-608 456</b>	<b>345 952</b>	<b>1 471 058</b>	<b>-181 667</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>228 230</b>	<b>304 884</b>	<b>371 159</b>	<b>1 192 679</b>	<b>247 097</b>	<b>345 463</b>	<b>46 582</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>48 142</b>	<b>55 278</b>	<b>2 734 733</b>	<b>1 801 135</b>	<b>124 318</b>	<b>167 471</b>	<b>21 001</b>
3212 Currency and deposits	-1 114 264	688 185	-1 449 670	-167 510	18 280	-463 568	0	223 173	1 293 066	-207 248
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	109 980	195 596	247 251	675 244	169 587	179 790	7 571
3214,1 Acquisition: Loans	1 328 794	1 026 367	1 037 701	158 093	250 874	308 949	966 379	202 097	255 453	28 572
3214,2 Disposals: Loans	325 839	178 776	205 380	48 113	55 278	61 698	291 135	32 510	75 664	21 001
3215 Shares and other equity (3215,1-3215,2)	323 500	221 906	-2 446 505	70 109	54 010	-2 610 825	-1 283 700	-46 808	-1 798	18 010
3215,1 Acquisition: Shares and other equity	448 500	235 065	231 357	70 137	54 010	62 210	226 300	45 000	90 010	18 010
3215,2 Disposals: Shares and other equity	125 000	13 159	2 677 862	29	0	2 673 035	1 510 000	91 808	91 808	0
<b>322 Foreign (3222+3223+3224+3225+3226+3227+3228)</b>	<b>9 786</b>	<b>-4 857</b>	<b>16 681</b>	<b>2 681</b>	<b>0</b>	<b>14 000</b>	<b>13 428</b>	<b>0</b>	<b>5 330</b>	<b>5 330</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>2 681</b>	<b>0</b>	<b>14 000</b>	<b>13 428</b>	<b>0</b>	<b>5 330</b>	<b>5 330</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	2 681	0	14 000	13 428	0	5 330	5 330
3225,1 Acquisition: Shares and other equity	9 786	2 699	16 681	2 681	0	14 000	13 428	0	5 330	5 330
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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>4 309 040</b>	<b>5 510 948</b>	<b>-776 988</b>	<b>-669 435</b>	<b>-896 575</b>	<b>-964 721</b>	<b>2 304 972</b>	<b>1 542 653</b>	<b>402 943</b>	<b>-751 056</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>1 264 307</b>	<b>2 219 642</b>	<b>1 978 123</b>	<b>8 677 243</b>	<b>821 372</b>	<b>1 599 923</b>	<b>304 808</b>
<b>33,2 Incurrences (331,2+332,2)</b>	<b>18 026 122</b>	<b>15 764 437</b>	<b>9 279 708</b>	<b>594 872</b>	<b>1 323 067</b>	<b>1 013 402</b>	<b>10 982 215</b>	<b>2 364 024</b>	<b>2 002 866</b>	<b>-446 248</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>-456 347</b>	<b>-357 843</b>	<b>-903 376</b>	<b>4 245 541</b>	<b>2 114 689</b>	<b>1 073 173</b>	<b>-819 172</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>943 819</b>	<b>1 540 691</b>	<b>1 572 942</b>	<b>4 740 993</b>	<b>249 335</b>	<b>774 553</b>	<b>272 593</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>487 472</b>	<b>1 182 848</b>	<b>669 566</b>	<b>8 986 534</b>	<b>2 364 024</b>	<b>1 847 726</b>	<b>-546 580</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	-31 194	2 013 736	1 732 333	5 430 740	3 256 264	2 771 280	-723 727
3313,1 Repayments: Securities other than shares	5 025 194	2 844 601	550 859	160 485	112 824	167 186	3 555 794	118 211	290 735	172 524
3313,2 Incurrences: Securities other than shares	11 382 670	12 480 944	6 199 793	129 291	2 126 560	1 899 519	8 986 534	3 374 475	3 062 014	-551 204
3314 Loans (3314,2-3314,1)	-2 318 771	955 217	-2 482 674	-425 154	-2 371 579	-2 635 709	-1 185 199	-1 141 575	-1 698 107	-95 445
3314,1 Repayments: Loans	3 984 511	1 544 722	3 699 325	783 335	1 427 867	1 405 756	1 185 199	131 124	483 819	100 069
3314,2 Incurrences: Loans	1 665 740	2 499 938	1 216 651	358 181	-943 712	-1 229 952	0	-1 010 451	-1 214 288	4 624
<b>332 Foreign (3322+3323+3324+3326+3327+3328)</b>	<b>270 335</b>	<b>-5 080 612</b>	<b>-3 943 248</b>	<b>-213 088</b>	<b>-538 733</b>	<b>-61 345</b>	<b>-1 940 569</b>	<b>-572 037</b>	<b>-670 230</b>	<b>68 116</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>320 487</b>	<b>678 951</b>	<b>405 181</b>	<b>3 936 250</b>	<b>572 037</b>	<b>825 370</b>	<b>32 215</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>1 863 264</b>	<b>107 400</b>	<b>140 218</b>	<b>343 836</b>	<b>1 995 681</b>	<b>0</b>	<b>155 140</b>	<b>100 331</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	0	0	0	-1 850 000	0	0	0
3323,1 Repayments: Securities other than shares	2 526 876	3 713 935	3 480 781	0	0	0	1 850 000	0	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	-462 468	-213 088	-538 733	-61 345	-90 569	-572 037	-670 230	68 116
3324,1 Repayments: Loans	2 180 501	2 150 232	2 325 732	320 487	678 951	405 181	2 086 250	572 037	825 370	32 215
3324,2 Incurrences: Loans	1 235 397	783 554	1 863 264	107 400	140 218	343 836	1 995 681	0	155 140	100 331

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 - V 2007		
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government
<b>82 (=32) NET ACQUISITION OF FINANCIAL ASSETS</b>	<b>1 476 388</b>	<b>-65 340</b>	<b>1 411 048</b>
Acquisition of financial assets	1 720 263	6 198	1 726 461
Disposals of financial assets	243 875	71 538	315 413
<b>821 (=321) Domestic</b>	<b>1 471 058</b>	<b>-65 340</b>	<b>1 405 718</b>
Acquisition of domestic financial assets	1 714 933	6 198	1 721 131
Disposals of domestic financial assets	243 875	71 538	315 413
8211 General government	0	0	0
Acquisitions: General Government	0	0	0
Disposals: General Government	0	0	0
8212 Central bank	1 327 014	0	1 327 014
Acquisitions: Central bank	1 327 014	0	1 327 014
Disposals: Central bank	0	0	0
8213 Other depository institutions	56 052	-82 452	-26 400
Acquisitions: Other depository institutions	132 456	-82 452	50 004
Disposals: Other depository institutions	76 404	0	76 404
8215 Nonfinancial institutions	74 447	17 112	91 559
Acquisitions: Nonfinancial institutions	222 515	88 650	311 165
Disposals: Nonfinancial institutions	148 068	71 538	219 606
8216 Households and nonprofit institutions serving households	13 545	0	13 545
Acquisitions: Hholds and nonprofit institutions serving hholds	32 948	0	32 948
Disposals: Hholds and nonprofit institutions serving hholds	19 403	0	19 403
<b>822 (=322) Foreign</b>	<b>5 330</b>	<b>0</b>	<b>5 330</b>
Acquisition of foreign financial assets	5 330	0	5 330
Disposals of foreign financial assets	0	0	0
8227 International organizations	5 330	0	5 330
Acquisitions: International organizations	5 330	0	5 330
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>402 943</b>	<b>537 287</b>	<b>940 230</b>
Repayments: liabilities	1 599 923	278 463	1 878 386
Incurrences: liabilities	2 002 866	815 750	2 818 616
<b>831 (=331) Domestic</b>	<b>1 073 173</b>	<b>403 139</b>	<b>1 476 312</b>
Repayments: domestic liabilities	774 553	43 311	817 864
Incurrences: domestic liabilities	1 847 726	446 450	2 294 176
8311 General government	0	0	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	0	0
8313 Other depository institutions	1 067 650	403 139	1 470 789
Repayments: Other depository institutions	773 267	43 311	816 578
Incurrences: Other depository institutions	1 840 918	446 450	2 287 368
8314 Financial institutions not elsewhere classified	6 808	0	6 808
Repayments: Financial institutions not elsewhere classified	0	0	0
Incurrences: Financial institutions not elsewhere classified	6 808	0	6 808
8315 Nonfinancial institutions	-1 286	0	-1 286
Repayments: Nonfinancial institutions	1 286	0	1 286
Incurrences: Nonfinancial institutions	0	0	0
<b>832 (=332) Foreign</b>	<b>-670 230</b>	<b>134 148</b>	<b>-536 082</b>
Repayments: foreign liabilities	825 370	235 152	1 060 522
Incurrences: foreign liabilities	155 140	369 300	524 440
8321 General government	-189 678	0	-189 678
Repayments: General Government	189 678	0	189 678
Incurrences: General Government	0	0	0
8327 International organizations	-243 478	0	-243 478
Repayments: International organizations	343 810	0	343 810
Incurrences: International organizations	100 331	0	100 331
8328 Financial institutions other than international organizations	-237 075	134 148	-102 927
Repayments: Financial institutions other than international organizations	291 883	235 152	527 035
Incurrences: Financial institutions other than international organizations	54 808	369 300	424 108
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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 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>95 235 557</b>	<b>24 126 654</b>	<b>24 821 024</b>	<b>25 132 226</b>	<b>108 501 515</b>	<b>23 851 140</b>	<b>42 955 704</b>	<b>8 757 769</b>
11 Taxes	47 149 862	50 687 564	58 469 091	14 916 276	15 628 185	15 345 731	64 148 604	14 017 755	26 146 857	5 315 235
12 Social contributions	29 477 597	31 301 340	33 877 148	8 376 921	8 629 734	8 916 196	37 115 946	8 741 858	14 928 140	3 068 958
13 Grants	10 122	27 505	195 984	11 036	3 644	177 761	863 561	12 330	73 803	18 421
14 Other revenue	3 825 938	3 636 601	2 693 335	822 421	559 462	692 539	6 373 403	1 079 197	1 806 904	355 155
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>83 131 114</b>	<b>87 857 465</b>	<b>95 949 951</b>	<b>23 203 454</b>	<b>23 334 535</b>	<b>26 151 642</b>	<b>108 447 435</b>	<b>24 963 473</b>	<b>41 551 314</b>	<b>8 076 340</b>
21 Compensation of employees	22 268 287	23 182 586	24 313 867	5 979 166	6 151 600	6 217 675	27 477 952	6 507 526	11 158 540	2 209 894
22 Use of goods and services	4 358 721	4 951 917	6 069 116	1 269 577	1 242 904	2 259 303	7 702 325	1 450 705	2 548 575	494 299
24 Interest	3 972 466	4 387 010	4 713 615	998 768	955 490	935 215	4 586 817	1 680 283	2 245 762	273 681
25 Subsidies	4 968 069	5 248 744	5 670 789	1 378 666	1 076 468	1 582 148	6 017 759	1 652 902	2 569 368	436 769
26 Grants	3 420 327	3 796 847	6 652 994	1 443 196	1 786 603	2 181 858	8 513 643	1 217 303	2 154 251	486 406
27 Social benefits	39 730 887	41 358 455	43 444 589	10 979 868	10 838 233	11 180 892	48 538 710	11 556 319	19 115 408	3 803 428
28 Other expense	4 412 359	4 931 907	5 084 980	1 154 214	1 283 236	1 794 553	5 610 231	898 437	1 759 411	371 864
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>-2 667 596</b>	<b>-2 204 455</b>	<b>-714 394</b>	<b>923 201</b>	<b>1 486 489</b>	<b>-1 019 416</b>	<b>54 080</b>	<b>-1 112 333</b>	<b>1 404 390</b>	<b>681 429</b>
<b>CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>-2 667 596</b>	<b>-2 204 455</b>	<b>-714 394</b>	<b>923 201</b>	<b>1 486 489</b>	<b>-1 019 416</b>	<b>54 080</b>	<b>-1 112 333</b>	<b>1 404 390</b>	<b>681 429</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>238 506</b>	<b>322 028</b>	<b>829 004</b>	<b>2 954 080</b>	<b>84 367</b>	<b>330 945</b>	<b>106 710</b>
311 Fixed assets	1 384 609	1 516 968	1 595 121	271 334	327 178	822 767	2 999 099	249 141	483 748	101 512
312 Change in inventories	0	0	-80 226	-37 430	-11 492	-19 519	-168 139	-173 789	-175 665	1 502
313 Valuables	7 518	7 220	7 826	1 468	1 541	3 217	7 704	1 256	3 052	855
314 Nonproduced assets	27 340	29 480	33 072	3 135	4 801	22 539	115 416	7 759	19 811	2 841
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-4 087 063</b>	<b>-3 758 123</b>	<b>-2 270 186</b>	<b>684 695</b>	<b>1 164 461</b>	<b>-1 848 421</b>	<b>-2 900 000</b>	<b>-1 196 700</b>	<b>1 073 445</b>	<b>574 719</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>-3 047 174</b>	<b>15 260</b>	<b>267 886</b>	<b>-2 813 142</b>	<b>-595 028</b>	<b>345 952</b>	<b>1 476 388</b>	<b>-176 337</b>
321 Domestic	212 192	1 757 681	-3 063 855	12 579	267 886	-2 827 142	-608 456	345 952	1 471 058	-181 667
322 Foreign	9 786	-4 857	16 681	2 681	0	14 000	13 428	0	5 330	5 330
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>4 309 040</b>	<b>5 510 948</b>	<b>-776 988</b>	<b>-669 435</b>	<b>-896 575</b>	<b>-964 721</b>	<b>2 304 972</b>	<b>1 542 653</b>	<b>402 943</b>	<b>-751 056</b>
331 Domestic	4 038 705	10 591 560	3 166 260	-456 347	-357 843	-903 376	4 245 541	2 114 689	1 073 173	-819 172
332 Foreign	270 335	-5 080 612	-3 943 248	-213 088	-538 733	-61 345	-1 940 569	-572 037	-670 230	68 116

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

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

	Revenues (1)	Expenditures (2)	Operating balance	Interest payments	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
V 2005	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
III	7 803 192	8 703 522	-900 330	715 479	-184 851
IV	10 346 796	8 511 501	1 835 294	291 798	2 127 093
V	8 757 769	8 076 340	681 429	273 681	955 110
I-V 2007	42 955 704	41 551 314	1 404 390	2 245 762	3 650 153

Note: See notes on methodology

## MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

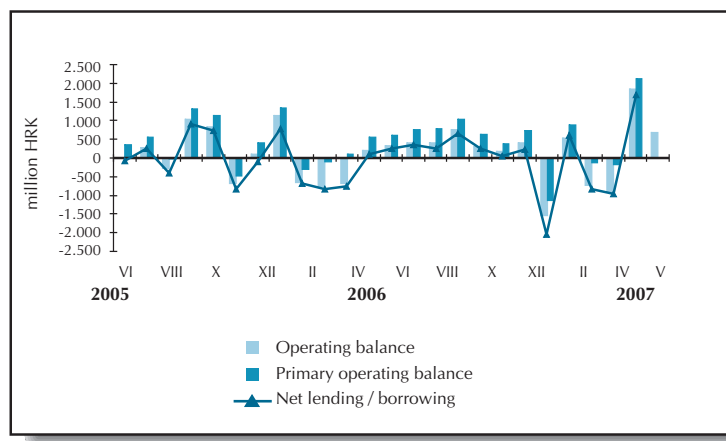


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	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)
V 2005	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
III	-900 330	69 455	-969 785	969 785	-785 614	184 171
IV	1 835 294	139 868	1 695 426	-1 695 426	1 306 773	-388 654
V	681 429	106 710	574 719	-574 719	-176 337	-751 056
I-V 2007	1 404 390	330 945	1 073 445	-1 073 445	1 476 388	402 942

\* GFS 2001

Note: See notes on methodology

TABLE 9: THE CROATIAN WATERS TRANSACTIONS

(000 HRK)		2004	2005	2006	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 658 435</b>	<b>1 715 607</b>	<b>1 971 613</b>	<b>359 494</b>	<b>577 256</b>	<b>797 616</b>	<b>2 447 990</b>	<b>430 742</b>	<b>744 219</b>	<b>155 409</b>	<b>30,40</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+132+133)</b>	<b>434 004</b>	<b>487 813</b>	<b>444 762</b>	<b>90 915</b>	<b>133 188</b>	<b>209 197</b>	<b>577 990</b>	<b>39 575</b>	<b>53 992</b>	<b>10 094</b>	<b>9,34</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	39 500	0	1 420	455	3,59
133	From other general government units (1331+1332)	434 004	487 813	444 762	90 915	133 188	209 197	538 490	39 575	52 572	9 639	9,76
1331	Current	105 340	203 499	89 259	68 555	13 196	7 162	3 000	0	0	0	
1332	Capital	328 664	284 314	355 503	22 360	119 992	202 035	535 490	39 575	52 572	9 639	9,82
<b>14</b>	<b>Other revenue</b>	<b>1 224 431</b>	<b>1 227 794</b>	<b>1 526 851</b>	<b>268 579</b>	<b>444 068</b>	<b>588 419</b>	<b>1 870 000</b>	<b>391 167</b>	<b>690 227</b>	<b>145 315</b>	<b>36,91</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>1 779 088</b>	<b>322 642</b>	<b>521 782</b>	<b>695 834</b>	<b>2 138 990</b>	<b>332 546</b>	<b>553 797</b>	<b>117 375</b>	<b>25,89</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>93 675</b>	<b>99 418</b>	<b>111 293</b>	<b>26 157</b>	<b>24 884</b>	<b>35 750</b>	<b>126 750</b>	<b>27 911</b>	<b>46 503</b>	<b>9 099</b>	<b>36,69</b>
211	Wages and salaries	80 618	85 524	96 298	22 614	21 321	31 321	109 050	24 167	40 113	7 805	36,78
212	Social contributions	13 057	13 894	14 995	3 543	3 563	4 429	17 700	3 744	6 390	1 294	36,10
<b>22</b>	<b>Use of goods and services</b>	<b>743 383</b>	<b>790 683</b>	<b>1 072 478</b>	<b>235 930</b>	<b>313 203</b>	<b>366 614</b>	<b>1 169 902</b>	<b>163 653</b>	<b>338 923</b>	<b>95 032</b>	<b>28,97</b>
<b>24</b>	<b>Interest</b>	<b>37 907</b>	<b>33 734</b>	<b>31 692</b>	<b>7 245</b>	<b>8 286</b>	<b>8 590</b>	<b>32 560</b>	<b>8 214</b>	<b>10 551</b>	<b>3</b>	<b>32,40</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>53 751</b>	<b>10 956</b>	<b>14 723</b>	<b>28 072</b>	<b>60 500</b>	<b>2 977</b>	<b>6 033</b>	<b>3 056</b>	<b>9,97</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>509 874</b>	<b>42 354</b>	<b>160 686</b>	<b>256 808</b>	<b>749 278</b>	<b>129 791</b>	<b>151 787</b>	<b>10 185</b>	<b>20,26</b>
<b>Net-gross operating balance (1-2)</b>		<b>232 152</b>	<b>226 142</b>	<b>192 525</b>	<b>36 852</b>	<b>55 474</b>	<b>101 782</b>	<b>309 000</b>	<b>98 196</b>	<b>190 422</b>	<b>38 034</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>282 527</b>	<b>230 292</b>	<b>223 123</b>	<b>6 694</b>	<b>36 846</b>	<b>165 886</b>	<b>279 000</b>	<b>60 510</b>	<b>75 177</b>	<b>7 906</b>	<b>26,95</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	282 797	230 588	224 983	7 439	36 885	166 907	281 500	62 235	77 336	7 912	27,47
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	270	296	1 860	745	39	1 021	2 500	1 725	2 159	6	86,36
311	Fixed assets (311,1-311,2-311,3)	277 053	224 415	208 532	5 835	30 926	158 468	271 000	59 582	71 423	5 889	26,36
311,1	Acquisitions: fixed assets	277 323	224 711	210 392	6 580	30 965	159 489	273 500	61 307	73 582	5 895	26,90
311,2	Disposals: fixed assets	270	296	1 860	745	39	1 021	2 500	1 725	2 159	6	86,36
314	Nonproduced assets (314,1-314,2-314,3-314,4)	5 474	5 877	14 591	859	5 920	7 418	8 000	928	3 754	2 017	25,73
314,1	Acquisitions: nonproduced assets	5 474	5 877	14 591	859	5 920	7 418	8 000	928	3 754	2 017	25,73
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>-30 598</b>	<b>30 158</b>	<b>18 628</b>	<b>-64 104</b>	<b>30 000</b>	<b>37 686</b>	<b>115 245</b>	<b>30 128</b>	
<b>Financing (33-32)</b>		<b>50 375</b>	<b>4 150</b>	<b>30 598</b>	<b>-30 158</b>	<b>-18 628</b>	<b>64 104</b>	<b>-30 000</b>	<b>-37 686</b>	<b>-115 245</b>	<b>-30 128</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-11 385</b>	<b>5 284</b>	<b>-32 316</b>	<b>-7 900</b>	<b>-443</b>	<b>11 723</b>	<b>70 000</b>	<b>21 936</b>	<b>94 857</b>	<b>30 128</b>	
321	Domestic	-11 385	5 284	-32 316	-7 900	-443	11 723	70 000	21 936	94 857	30 128	
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>-1 718</b>	<b>-38 058</b>	<b>-19 071</b>	<b>75 827</b>	<b>40 000</b>	<b>-15 750</b>	<b>-20 388</b>	<b>0</b>	
331	Domestic	42 859	-26 179	12 778	-28 019	-19 046	74 619	-8 000	-19 010	-23 648	0	
332	Foreign	-3 869	35 613	-14 496	-10 039	-25	1 208	48 000	3 260	3 260	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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New 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>119 113</b>	<b>178 513</b>	<b>268 398</b>	<b>965 400</b>	<b>174 533</b>	<b>353 517</b>	<b>125 393</b>	<b>36,62</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+132+133)</b>	<b>1 525</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	1 525	0	350	0	0	350	0	0	0	0	
1331	Current	1 525	0	350	0	0	350	0	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>119 113</b>	<b>178 513</b>	<b>268 048</b>	<b>965 400</b>	<b>174 533</b>	<b>353 517</b>	<b>125 393</b>	<b>36,62</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>180 071</b>	<b>207 229</b>	<b>274 515</b>	<b>888 271</b>	<b>194 299</b>	<b>356 647</b>	<b>102 518</b>	<b>40,15</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>1 905</b>	<b>3 966</b>	<b>6 843</b>	<b>1 542</b>	<b>1 588</b>	<b>2 396</b>	<b>12 941</b>	<b>2 450</b>	<b>4 377</b>	<b>958</b>	<b>33,82</b>
211	Wages and salaries	1 633	3 407	5 864	1 335	1 360	2 041	11 085	2 103	3 753	820	33,86
212	Social contributions	272	559	979	207	228	355	1 856	347	624	138	33,63
<b>22</b>	<b>Use of goods and services</b>	<b>2 734</b>	<b>12 162</b>	<b>608 913</b>	<b>161 974</b>	<b>189 232</b>	<b>216 588</b>	<b>695 260</b>	<b>171 623</b>	<b>324 002</b>	<b>96 575</b>	<b>46,60</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>382</b>	<b>1 745</b>	<b>303</b>	<b>45 300</b>	<b>3 672</b>	<b>6 301</b>	<b>1 805</b>	<b>13,91</b>
<b>26</b>	<b>Grants</b>	<b>0</b>	<b>149 780</b>	<b>102 355</b>	<b>15 896</b>	<b>13 909</b>	<b>53 471</b>	<b>120 900</b>	<b>15 902</b>	<b>20 989</b>	<b>3 140</b>	<b>17,36</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>277</b>	<b>755</b>	<b>1 757</b>	<b>13 871</b>	<b>652</b>	<b>978</b>	<b>40</b>	<b>7,05</b>
<b>Net-gross operating balance (1-2)</b>		<b>139 830</b>	<b>42 692</b>	<b>-74 574</b>	<b>-60 958</b>	<b>-28 716</b>	<b>-6 117</b>	<b>77 129</b>	<b>-19 766</b>	<b>-3 130</b>	<b>22 875</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>778</b>	<b>1 213</b>	<b>12 063</b>	<b>27 563</b>	<b>13 505</b>	<b>15 362</b>	<b>250</b>	<b>55,73</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 786	12 917	14 287	914	1 213	12 063	27 563	13 522	15 419	250	55,94
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	136	136	0	0	0	17	57	0	
311	Fixed assets (311,1-311,2-311,3)	1 553	12 742	2 520	671	177	1 585	15 550	5 322	6 517	250	41,91
311,1	Acquisitions: fixed assets	1 553	12 742	2 656	807	177	1 585	15 550	5 339	6 574	250	42,28
311,2	Disposals: fixed assets	0	0	136	136	0	0	0	17	57	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	233	175	11 631	107	1 036	10 478	12 013	8 183	8 845	0	73,63
314,1	Acquisitions: nonproduced assets	233	175	11 631	107	1 036	10 478	12 013	8 183	8 845	0	73,63
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>-61 736</b>	<b>-29 929</b>	<b>-18 180</b>	<b>49 566</b>	<b>-33 271</b>	<b>-18 492</b>	<b>22 625</b>	
<b>Financing (33-32)</b>		<b>-138 044</b>	<b>-29 775</b>	<b>88 725</b>	<b>61 736</b>	<b>29 929</b>	<b>18 180</b>	<b>-49 566</b>	<b>33 271</b>	<b>18 492</b>	<b>-22 625</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>-61 736</b>	<b>-29 929</b>	<b>-18 180</b>	<b>109 566</b>	<b>-33 271</b>	<b>-18 492</b>	<b>22 625</b>	
321	Domestic	138 044	29 775	-88 725	-61 736	-29 929	-18 180	109 566	-33 271	-18 492	22 625	
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>60 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
331	Domestic	0	0	0	0	0	0	30 000	0	0	0	
332	Foreign	0	0	0	0	0	0	30 000	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Financea

TABLE 11: THE CROATIAN MOTORWAYS Ltd. TRANSACTIONS

(000 HRK)		2004	2005	2006	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>2 295 423</b>	<b>2 547 003</b>	<b>2 721 483</b>	<b>655 043</b>	<b>885 494</b>	<b>672 928</b>	<b>4 304 065</b>	<b>554 476</b>	<b>1 036 621</b>	<b>234 398</b>	<b>24,08</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+132+133)</b>	<b>0</b>	<b>0</b>	<b>1 450 358</b>	<b>350 892</b>	<b>425 596</b>	<b>379 589</b>	<b>3 025 107</b>	<b>316 773</b>	<b>566 661</b>	<b>126 378</b>	<b>18,73</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	1 450 358	350 892	425 596	379 589	3 025 107	316 773	566 661	126 378	18,73
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 450 358	350 892	425 596	379 589	3 025 107	316 773	566 661	126 378	18,73
<b>14</b>	<b>Other revenue</b>	<b>953 740</b>	<b>1 166 250</b>	<b>1 271 125</b>	<b>304 151</b>	<b>459 898</b>	<b>293 339</b>	<b>1 278 958</b>	<b>237 703</b>	<b>469 960</b>	<b>108 020</b>	<b>36,75</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>756 796</b>	<b>1 088 687</b>	<b>1 574 490</b>	<b>442 933</b>	<b>355 175</b>	<b>535 714</b>	<b>1 793 580</b>	<b>343 052</b>	<b>655 783</b>	<b>175 464</b>	<b>36,56</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>236 353</b>	<b>289 866</b>	<b>320 097</b>	<b>74 319</b>	<b>89 625</b>	<b>84 287</b>	<b>363 418</b>	<b>82 595</b>	<b>136 372</b>	<b>26 166</b>	<b>37,52</b>
211	Wages and salaries	203 955	250 374	276 180	64 051	77 731	72 520	314 257	71 317	117 508	22 450	37,39
212	Social contributions	32 398	39 492	43 917	10 268	11 894	11 767	49 161	11 278	18 864	3 716	38,37
<b>22</b>	<b>Use of goods and services</b>	<b>258 509</b>	<b>314 534</b>	<b>301 452</b>	<b>66 456</b>	<b>77 374</b>	<b>93 961</b>	<b>266 109</b>	<b>63 067</b>	<b>138 548</b>	<b>45 538</b>	<b>52,06</b>
<b>24</b>	<b>Interest</b>	<b>191 132</b>	<b>445 185</b>	<b>589 173</b>	<b>203 047</b>	<b>52 075</b>	<b>237 175</b>	<b>811 028</b>	<b>116 150</b>	<b>268 638</b>	<b>75 030</b>	<b>33,12</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>301 777</b>	<b>77 247</b>	<b>128 460</b>	<b>87 805</b>	<b>282 555</b>	<b>68 562</b>	<b>98 225</b>	<b>28 121</b>	<b>34,76</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>61 991</b>	<b>21 864</b>	<b>7 641</b>	<b>32 486</b>	<b>70 471</b>	<b>12 678</b>	<b>14 000</b>	<b>609</b>	<b>19,87</b>
<b>Net-gross operating balance (1-2)</b>		<b>1 538 627</b>	<b>1 458 316</b>	<b>1 146 993</b>	<b>212 110</b>	<b>530 319</b>	<b>137 214</b>	<b>2 510 485</b>	<b>211 424</b>	<b>380 838</b>	<b>58 934</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>861 980</b>	<b>844 597</b>	<b>769 336</b>	<b>4 547 325</b>	<b>582 659</b>	<b>1 140 402</b>	<b>314 848</b>	<b>25,08</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	5 778 694	3 942 727	3 249 761	861 980	844 597	1 069 336	4 547 325	595 911	1 153 654	314 848	25,37
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	300 000	0	0	300 000	0	13 252	13 252	0	
311	Fixed assets (311,1-311,2-311,3)	5 697 892	3 825 950	2 748 525	804 967	766 804	745 447	4 217 962	548 763	1 088 780	306 285	25,81
311,1	Acquisitions: fixed assets	5 697 892	3 825 950	3 048 525	804 967	766 804	1 045 447	4 217 962	562 015	1 102 032	306 285	26,13
311,2	Disposals: fixed assets	0	0	300 000	0	0	300 000	0	13 252	13 252	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	80 802	116 777	201 236	57 013	77 793	23 889	329 363	33 896	51 622	8 563	15,67
314,1	Acquisitions: nonproduced assets	80 802	116 777	201 236	57 013	77 793	23 889	329 363	33 896	51 622	8 563	15,67
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>-1 802 768</b>	<b>-649 870</b>	<b>-314 278</b>	<b>-632 122</b>	<b>-2 036 840</b>	<b>-371 235</b>	<b>-759 564</b>	<b>-255 914</b>	
<b>Financing (33-32)</b>		<b>4 240 067</b>	<b>2 484 411</b>	<b>1 802 768</b>	<b>649 870</b>	<b>314 278</b>	<b>632 122</b>	<b>2 036 840</b>	<b>371 235</b>	<b>759 564</b>	<b>255 914</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>-162 274</b>	<b>-42 758</b>	<b>248 366</b>	<b>15 098</b>	<b>220 893</b>	<b>48 562</b>	<b>9 880</b>	<b>-234 657</b>	<b>-211 066</b>	<b>82 131</b>	
321	Domestic	-162 274	-42 758	248 366	15 098	220 893	48 562	9 880	-234 657	-211 066	82 131	
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>2 051 134</b>	<b>664 968</b>	<b>535 171</b>	<b>680 684</b>	<b>2 046 720</b>	<b>136 578</b>	<b>548 498</b>	<b>338 045</b>	
331	Domestic	379 709	1 698 272	1 758 422	621 289	474 871	662 262	325 256	220 507	442 003	73 678	
332	Foreign	3 698 084	743 381	292 712	43 679	60 300	18 422	1 721 464	-83 929	106 495	264 367	

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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>1 417 787</b>	<b>1 474 714</b>	<b>1 804 019</b>	<b>449 184</b>	<b>562 916</b>	<b>494 235</b>	<b>1 883 282</b>	<b>390 128</b>	<b>675 302</b>	<b>167 731</b>	<b>35,86</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+132+133)</b>	<b>0</b>	<b>0</b>	<b>1 739 270</b>	<b>425 664</b>	<b>553 418</b>	<b>474 764</b>	<b>1 805 107</b>	<b>378 314</b>	<b>655 841</b>	<b>163 809</b>	<b>36,33</b>
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	1 739 270	425 664	553 418	474 764	1 805 107	378 314	655 841	163 809	36,33
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 739 270	425 664	553 418	474 764	1 805 107	378 314	655 841	163 809	36,33
<b>14</b>	<b>Other revenue</b>	<b>75 666</b>	<b>93 982</b>	<b>64 749</b>	<b>23 520</b>	<b>9 498</b>	<b>19 471</b>	<b>78 175</b>	<b>11 814</b>	<b>19 461</b>	<b>3 922</b>	<b>24,89</b>
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>934 630</b>	<b>1 062 405</b>	<b>1 226 934</b>	<b>315 601</b>	<b>286 074</b>	<b>379 965</b>	<b>1 446 960</b>	<b>225 415</b>	<b>394 623</b>	<b>92 293</b>	<b>27,27</b>
<b>21</b>	<b>Compensation of employees (211+212)</b>	<b>51 590</b>	<b>61 054</b>	<b>70 786</b>	<b>17 187</b>	<b>19 277</b>	<b>17 535</b>	<b>81 511</b>	<b>16 892</b>	<b>29 749</b>	<b>5 988</b>	<b>36,50</b>
211	Wages and salaries	44 349	52 452	60 787	14 786	16 500	15 112	70 107	14 483	25 562	5 135	36,46
212	Social contributions	7 241	8 602	9 999	2 401	2 777	2 423	11 404	2 409	4 187	853	36,72
<b>22</b>	<b>Use of goods and services</b>	<b>696 421</b>	<b>726 456</b>	<b>850 772</b>	<b>247 998</b>	<b>210 121</b>	<b>230 867</b>	<b>1 038 521</b>	<b>155 946</b>	<b>265 185</b>	<b>59 877</b>	<b>25,53</b>
<b>24</b>	<b>Interest</b>	<b>4 306</b>	<b>16 060</b>	<b>43 374</b>	<b>11 873</b>	<b>3 931</b>	<b>22 492</b>	<b>70 868</b>	<b>5 315</b>	<b>18 579</b>	<b>39</b>	<b>26,22</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>9 300</b>	<b>0</b>	<b>300</b>	<b>300</b>	<b>3,23</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>262 002</b>	<b>38 543</b>	<b>52 745</b>	<b>109 071</b>	<b>246 760</b>	<b>47 262</b>	<b>80 810</b>	<b>26 089</b>	<b>32,75</b>
<b>Net-gross operating balance (1-2)</b>		<b>483 157</b>	<b>412 309</b>	<b>577 085</b>	<b>133 583</b>	<b>276 842</b>	<b>114 270</b>	<b>436 322</b>	<b>164 713</b>	<b>280 679</b>	<b>75 438</b>	
<b>31</b>	<b>Net acquisition of nonfinancial assets (31,1 - 31,2)</b>	<b>834 631</b>	<b>923 171</b>	<b>1 350 834</b>	<b>592 387</b>	<b>319 235</b>	<b>260 260</b>	<b>1 278 246</b>	<b>202 981</b>	<b>395 038</b>	<b>134 248</b>	<b>30,90</b>
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	835 907	926 359	1 351 622	592 531	319 412	260 454	1 278 506	203 226	395 392	134 310	30,93
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 276	3 188	788	144	177	194	260	245	354	62	136,15
311	Fixed assets (311,1-311,2-311,3)	742 582	833 817	1 227 447	561 944	280 503	229 215	1 164 842	165 761	324 192	105 727	27,83
311,1	Acquisitions: fixed assets	743 858	837 005	1 228 235	562 088	280 680	229 409	1 165 102	166 006	324 546	105 789	27,86
311,2	Disposals: fixed assets	1 276	3 188	788	144	177	194	260	245	354	62	136,15
314	Nonproduced assets (314,1-314,2-314,3-314,4)	92 049	89 354	123 387	30 443	38 732	31 045	113 404	37 220	70 846	28 521	62,47
314,1	Acquisitions: nonproduced assets	92 049	89 354	123 387	30 443	38 732	31 045	113 404	37 220	70 846	28 521	62,47
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>-773 749</b>	<b>-458 804</b>	<b>-42 393</b>	<b>-145 990</b>	<b>-841 924</b>	<b>-38 268</b>	<b>-114 359</b>	<b>-58 810</b>	
<b>Financing (33-32)</b>		<b>351 474</b>	<b>510 862</b>	<b>773 749</b>	<b>458 804</b>	<b>42 393</b>	<b>145 990</b>	<b>841 924</b>	<b>38 268</b>	<b>114 359</b>	<b>58 810</b>	
<b>32</b>	<b>Net acquisition of financial assets (321+322)</b>	<b>296</b>	<b>50 297</b>	<b>-29 083</b>	<b>-26 445</b>	<b>-28 145</b>	<b>44 762</b>	<b>0</b>	<b>-41 091</b>	<b>-92 711</b>	<b>-34 339</b>	
321	Domestic	296	50 297	-29 083	-26 445	-28 145	44 762	0	-41 091	-92 711	-34 339	
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>432 359</b>	<b>14 248</b>	<b>190 752</b>	<b>841 924</b>	<b>-2 823</b>	<b>21 648</b>	<b>24 471</b>	
331	Domestic	100 000	302 376	471 685	399 918	2 316	69 451	526 454	-7 033	-7 033	0	
332	Foreign	251 770	258 783	272 981	32 441	11 932	121 301	315 470	4 210	28 681	24 471	

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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>575 893</b>	<b>367 438</b>	<b>409 581</b>	<b>83 974</b>	<b>87 396</b>	<b>126 133</b>	<b>771 585</b>	<b>91 675</b>	<b>185 987</b>	<b>78 069</b>	<b>24,10</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+132+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	
132	From international organizations	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	409 581	83 974	87 396	126 133	771 585	91 675	185 987	78 069	24,10
<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>3 933</b>	<b>5 480</b>	<b>7 432</b>	<b>57 079</b>	<b>22 070</b>	<b>27 065</b>	<b>2 157</b>	<b>47,42</b>
21	Compensation of employees (211+212)	4 678	5 621	5 713	1 351	1 466	1 536	7 511	1 306	2 209	447	29,41
211	Wages and salaries	4 010	4 821	4 896	1 157	1 261	1 315	6 420	1 118	1 891	382	29,45
212	Social contributions	668	800	817	194	205	221	1 091	188	318	65	29,15
22	Use of goods and services	10 664	21 092	12 472	1 422	2 455	5 235	24 368	5 734	7 668	1 526	31,47
24	Interest	136 971	121 940	239	0	239	0	500	0	320	0	64,00
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	280	53	376	2 000	118	304	184	15,20
28	Other expense	0	32 829	7 573	880	1 267	285	22 700	14 912	16 564	0	72,97
<b>Net-gross operating balance (1-2)</b>		<b>261 419</b>	<b>184 445</b>	<b>382 227</b>	<b>80 041</b>	<b>81 916</b>	<b>118 701</b>	<b>714 506</b>	<b>69 605</b>	<b>158 922</b>	<b>75 912</b>	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	27 624	14 131	493	128	0	31	-14 935	-19 998	-19 924	0	133,40
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	27 624	14 232	565	135	0	31	6 665	102	176	0	2,64
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	101	72	7	0	0	21 600	20 100	20 100	0	93,06
311	Fixed assets (311,1-311,2-311,3)	27 624	11 115	493	128	0	31	5 065	-19 998	-19 924	0	
311,1	Acquisitions: fixed assets	27 624	11 216	565	135	0	31	6 665	102	176	0	2,64
311,2	Disposals: fixed assets	0	101	72	7	0	0	1 600	20 100	20 100	0	1 256,25
<b>Net lending - borrowing (1-2-31)</b>		<b>233 795</b>	<b>170 314</b>	<b>381 734</b>	<b>79 913</b>	<b>81 916</b>	<b>118 670</b>	<b>729 441</b>	<b>89 603</b>	<b>178 846</b>	<b>75 912</b>	
<b>Financing (33-32)</b>		<b>-233 795</b>	<b>-170 314</b>	<b>-381 734</b>	<b>-79 913</b>	<b>-81 916</b>	<b>-118 670</b>	<b>-729 441</b>	<b>-89 603</b>	<b>-178 846</b>	<b>-75 912</b>	
32	Net acquisition of financial assets (321+322)	-134 228	-349 252	381 734	79 913	81 916	118 670	729 441	89 603	178 846	75 912	
321	Domestic	-134 228	-349 252	381 734	79 913	81 916	118 670	729 441	89 603	178 846	75 912	
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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1</b>	<b>REVENUE (11+12+13+14)</b>	<b>62 946</b>	<b>237 044</b>	<b>65 871</b>	<b>5 939</b>	<b>38 702</b>	<b>10 276</b>	<b>44 400</b>	<b>12 623</b>	<b>17 471</b>	<b>1 387</b>	<b>39,35</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+132+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	
132	From international organizations	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	65 871	5 939	38 702	10 276	44 400	12 623	17 471	1 387	39,35
<b>2</b>	<b>EXPENSE (21+22+24+25+26+27+28)</b>	<b>60 141</b>	<b>182 119</b>	<b>78 375</b>	<b>21 580</b>	<b>17 078</b>	<b>22 877</b>	<b>86 720</b>	<b>17 416</b>	<b>33 047</b>	<b>6 412</b>	<b>38,11</b>
21	Compensation of employees (211+212)	31 044	35 996	31 920	8 880	7 128	6 793	38 965	7 772	13 496	2 789	34,64
211	Wages and salaries	26 721	31 273	27 508	7 662	6 101	5 605	34 038	6 689	11 845	2 601	34,80
212	Social contributions	4 323	4 723	4 412	1 218	1 027	1 188	4 927	1 083	1 651	188	33,51
22	Use of goods and services	29 097	33 545	30 039	7 347	6 095	11 408	33 239	8 282	14 367	3 107	43,22
24	Interest	0	0	16 416	5 353	3 855	4 676	14 516	1 362	5 184	516	35,71
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>-12 504</b>	<b>-15 641</b>	<b>21 624</b>	<b>-12 601</b>	<b>-42 320</b>	<b>-4 793</b>	<b>-15 576</b>	<b>-5 025</b>	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	-24 444	-40 272	-51 175	-6 829	-5 281	6 197	-15 413	-12 730	-11 273	76	73,14
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	725	2 061	2 907	602	289	1 325	83 287	325	1 891	109	2,27
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	25 169	42 333	54 082	7 431	5 570	-4 872	98 700	13 055	13 164	33	13,34
311	Fixed assets (311,1-311,2-311,3)	-24 444	-40 272	-51 175	-6 829	-5 281	6 197	-15 413	-12 730	-11 273	76	73,14
311,1	Acquisitions: fixed assets	725	2 061	2 907	602	289	1 325	83 287	325	1 891	109	2,27
311,2	Disposals: fixed assets	25 169	42 333	54 082	7 431	5 570	-4 872	98 700	13 055	13 164	33	13,34
<b>Net lending - borrowing (1-2-31)</b>		<b>27 249</b>	<b>95 197</b>	<b>38 671</b>	<b>-8 812</b>	<b>26 905</b>	<b>-18 798</b>	<b>-26 907</b>	<b>7 937</b>	<b>-4 303</b>	<b>-5 101</b>	
<b>Financing (33-32)</b>		<b>-27 249</b>	<b>-95 197</b>	<b>-38 671</b>	<b>8 812</b>	<b>-26 905</b>	<b>18 798</b>	<b>26 907</b>	<b>-7 937</b>	<b>4 303</b>	<b>5 101</b>	
32	Net acquisition of financial assets (321+322)	15 293	100 403	-87 682	-100 893	8 370	-24 904	-133 392	-246	-16 774	-5 101	
321	Domestic	15 293	100 403	-87 682	-100 893	8 370	-24 904	-133 392	-246	-16 774	-5 101	
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	-92 081	-18 535	-6 106	-106 485	-8 183	-12 471	0	
331	Domestic	-11 956	5 206	-126 353	-92 081	-18 535	-6 106	-88 779	-8 183	-8 183	0	
332	Foreign	0	0	0	0	0	0	-17 707	0	-4 288	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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1 REVENUE (11+12+13+14)</b>	<b>87 019 284</b>	<b>92 642 473</b>	<b>100 392 605</b>	<b>25 173 056</b>	<b>26 243 302</b>	<b>26 909 367</b>	<b>113 587 978</b>	<b>24 768 255</b>	<b>44 689 068</b>	<b>9 219 592</b>	<b>39,34</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>14 916 276</b>	<b>15 628 185</b>	<b>15 345 731</b>	<b>64 148 605</b>	<b>14 017 755</b>	<b>26 146 858</b>	<b>5 315 235</b>	<b>40,76</b>
111 Taxes of income and profits and capital gains	6 259 713	7 057 112	8 515 615	2 615 396	1 879 436	2 179 950	10 078 339	2 188 372	5 274 717	893 853	52,34
113 Taxes on property	355 823	375 501	482 331	105 479	117 380	151 774	533 685	126 963	223 458	53 084	41,87
114 Taxes on goods and services (1141+1142+1144+1145+1146)	41 286 025	44 084 487	47 546 223	11 705 493	13 155 971	12 485 941	51 584 380	11 263 242	19 857 525	4 197 394	38,50
1141 General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	8 652 541	9 535 777	9 308 224	38 387 622	8 440 180	14 897 505	3 124 330	38,81
11411 Value-added taxes	29 864 905	32 243 372	34 931 750	8 610 250	9 497 870	9 268 244	38 212 839	8 399 864	14 826 333	3 107 961	38,80
11412 Sales taxes	148 757	156 580	159 631	42 291	37 907	39 980	174 784	40 316	71 173	16 369	40,72
1142 Excises	10 625 358	10 939 144	11 564 709	2 832 982	3 386 836	2 916 506	12 208 771	2 620 967	4 589 454	989 670	37,59
115 Taxes on international trade and transactions	1 590 727	1 562 930	1 588 456	407 670	398 841	439 962	1 615 059	357 299	652 150	141 119	40,38
116 Other taxes	341 377	369 019	336 466	82 240	76 557	88 104	337 141	81 879	139 008	29 785	41,23
<b>12 Social contributions</b>	<b>29 477 597</b>	<b>31 301 340</b>	<b>33 877 148</b>	<b>8 376 921</b>	<b>8 629 734</b>	<b>8 916 196</b>	<b>37 115 946</b>	<b>8 741 858</b>	<b>14 928 140</b>	<b>3 068 958</b>	<b>40,22</b>
<b>13 Grants</b>	<b>10 122</b>	<b>27 505</b>	<b>194 484</b>	<b>11 036</b>	<b>2 144</b>	<b>177 761</b>	<b>941 506</b>	<b>9 930</b>	<b>70 543</b>	<b>18 138</b>	<b>7,49</b>
<b>14 Other revenue</b>	<b>7 697 900</b>	<b>7 864 579</b>	<b>7 851 883</b>	<b>1 868 823</b>	<b>1 983 240</b>	<b>2 469 680</b>	<b>11 381 921</b>	<b>1 998 712</b>	<b>3 543 527</b>	<b>817 261</b>	<b>31,13</b>
<b>2 EXPENSE (21+22+24+25+26+27+28)</b>	<b>86 941 437</b>	<b>92 332 140</b>	<b>98 751 408</b>	<b>23 860 320</b>	<b>23 789 786</b>	<b>27 386 050</b>	<b>109 528 777</b>	<b>25 361 209</b>	<b>42 292 522</b>	<b>8 271 994</b>	<b>38,61</b>
<b>21 Compensation of employees (211+212)</b>	<b>23 265 724</b>	<b>24 300 115</b>	<b>25 512 962</b>	<b>6 271 406</b>	<b>6 461 892</b>	<b>6 533 483</b>	<b>28 109 046</b>	<b>6 646 452</b>	<b>11 391 246</b>	<b>2 255 341</b>	<b>40,53</b>
211 Wages and salaries	19 750 868	20 665 832	21 699 724	5 330 377	5 503 961	5 556 715	23 658 358	5 629 298	9 692 472	1 913 365	40,97
212 Social contributions	3 514 856	3 634 283	3 813 238	941 029	957 931	976 768	4 450 688	1 017 154	1 698 773	341 976	38,17
<b>22 Use of goods and services</b>	<b>6 327 741</b>	<b>7 100 232</b>	<b>9 193 481</b>	<b>2 051 775</b>	<b>2 095 840</b>	<b>3 259 160</b>	<b>10 929 724</b>	<b>2 019 010</b>	<b>3 637 268</b>	<b>795 954</b>	<b>33,28</b>
<b>24 Interest</b>	<b>4 343 680</b>	<b>5 004 650</b>	<b>5 397 046</b>	<b>1 227 045</b>	<b>1 024 011</b>	<b>1 208 954</b>	<b>5 516 288</b>	<b>1 811 324</b>	<b>2 549 034</b>	<b>349 269</b>	<b>46,21</b>
<b>25 Subsidies</b>	<b>4 968 069</b>	<b>5 253 933</b>	<b>5 684 592</b>	<b>1 379 048</b>	<b>1 078 213</b>	<b>1 582 451</b>	<b>6 063 059</b>	<b>1 656 574</b>	<b>2 575 669</b>	<b>438 574</b>	<b>42,48</b>
<b>26 Grants</b>	<b>2 162 993</b>	<b>2 804 760</b>	<b>2 838 842</b>	<b>533 269</b>	<b>642 775</b>	<b>1 117 694</b>	<b>3 656 639</b>	<b>567 682</b>	<b>1 000 044</b>	<b>220 459</b>	<b>27,35</b>
<b>27 Social benefits</b>	<b>40 645 794</b>	<b>41 930 232</b>	<b>44 192 851</b>	<b>11 139 583</b>	<b>10 980 715</b>	<b>11 489 318</b>	<b>48 540 710</b>	<b>11 556 437</b>	<b>19 115 712</b>	<b>3 803 612</b>	<b>39,38</b>
<b>28 Other expense</b>	<b>5 227 438</b>	<b>5 938 219</b>	<b>5 931 633</b>	<b>1 258 195</b>	<b>1 506 339</b>	<b>2 194 992</b>	<b>6 713 311</b>	<b>1 103 733</b>	<b>2 023 551</b>	<b>408 786</b>	<b>30,14</b>
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 641 197</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-476 683</b>	<b>4 059 202</b>	<b>-592 954</b>	<b>2 396 545</b>	<b>947 597</b>	
<b>3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 641 197</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-476 683</b>	<b>4 059 202</b>	<b>-592 954</b>	<b>2 396 545</b>	<b>947 597</b>	
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)</b>	<b>8 373 463</b>	<b>6 699 416</b>	<b>6 108 627</b>	<b>1 699 893</b>	<b>1 525 283</b>	<b>2 090 019</b>	<b>9 055 866</b>	<b>911 294</b>	<b>1 925 727</b>	<b>564 038</b>	<b>21,26</b>
311 Fixed assets	8 158 064	6 439 709	5 788 654	1 644 156	1 404 981	2 005 430	8 658 105	995 841	1 943 463	519 739	22,45
312 Inventories	0	0	-80 226	-37 430	-11 492	-19 519	-168 139	-173 789	-175 665	1 502	
313 Valuables	7 518	7 220	7 826	1 468	1 541	3 217	7 704	1 256	3 052	855	39,61
314 Nonproduced assets	207 881	252 487	392 374	91 700	130 253	100 891	558 196	87 986	154 878	41 942	27,75
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-8 295 616</b>	<b>-6 389 083</b>	<b>-4 467 430</b>	<b>-387 156</b>	<b>928 233</b>	<b>-2 566 703</b>	<b>-4 996 665</b>	<b>-1 504 248</b>	<b>470 818</b>	<b>383 559</b>	
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (32-33)</b>	<b>8 295 616</b>	<b>6 389 083</b>	<b>4 467 430</b>	<b>387 156</b>	<b>-928 233</b>	<b>2 566 703</b>	<b>4 996 665</b>	<b>1 504 248</b>	<b>-470 818</b>	<b>-383 559</b>	
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>28 384</b>	<b>1 609 760</b>	<b>-2 576 689</b>	<b>-89 403</b>	<b>543 471</b>	<b>-2 590 267</b>	<b>190 466</b>	<b>148 226</b>	<b>1 411 048</b>	<b>-4 981</b>	
321 Domestic	18 598	1 614 616	-2 593 370	-92 084	543 471	-2 604 267	177 039	148 226	1 405 718	-10 311	
322 Foreign	9 786	-4 857	16 681	2 681	0	14 000	13 428	0	5 330	5 330	
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>1 890 741</b>	<b>297 753</b>	<b>-384 762</b>	<b>-23 564</b>	<b>5 187 131</b>	<b>1 652 475</b>	<b>940 230</b>	<b>-388 540</b>	
331 Domestic	4 107 680	12 041 678	5 282 792	444 760	81 764	-103 150	5 030 473	2 300 970	1 476 312	-745 494	
332 Foreign	4 216 320	-4 042 835	-3 392 051	-147 007	-466 526	79 586	156 658	-648 496	-536 082	356 954	

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	IV - VI 2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	I - V 2007	V 2007	I - V 2007 New Plan 2007
<b>1 REVENUE (A+B)</b>	<b>87 019 284</b>	<b>92 642 473</b>	<b>100 392 605</b>	<b>25 173 056</b>	<b>26 243 302</b>	<b>26 909 367</b>	<b>108 285 376</b>	<b>24 768 255</b>	<b>44 689 068</b>	<b>9 219 592</b>	<b>41,27</b>
<b>A) Budgetary Central Government</b>	<b>80 463 518</b>	<b>85 653 010</b>	<b>95 234 057</b>	<b>24 126 654</b>	<b>24 819 524</b>	<b>25 132 226</b>	<b>103 489 203</b>	<b>23 848 740</b>	<b>42 951 025</b>	<b>8 757 031</b>	<b>41,50</b>
<b>B) Extrabudgetary users (1+...+9)</b>	<b>6 555 766</b>	<b>6 989 463</b>	<b>5 158 548</b>	<b>1 046 402</b>	<b>1 423 778</b>	<b>1 777 141</b>	<b>4 796 173</b>	<b>919 515</b>	<b>1 738 043</b>	<b>462 561</b>	<b>36,24</b>
1. Croatian Institute for Pension Insurance	129 892	38 010	293 485	13 880	2 211	237 659	-	-	-	-	-
2. Croatian Health Insurance Institute	663 139	863 868	848 683	225 446	202 249	220 491	-	-	-	-	-
3. Croatian Employment Service	15 507	18 855	18 363	1 800	1 243	13 305	-	-	-	-	-
4. Croatian Waters	1 224 431	1 227 794	1 526 851	268 579	444 068	588 419	1 679 400	391 167	691 647	145 770	41,18
5. Environment Protection Fund	170 748	214 737	659 840	119 113	178 513	268 048	965 400	174 533	353 517	125 393	36,62
6. Croatian motorways Ltd.	2 295 423	2 547 003	1 271 125	304 151	459 898	293 339	1 244 000	237 703	469 960	108 020	37,78
7. Croatian roads Ltd.	1 417 787	1 474 714	64 749	23 520	9 498	19 471	78 435	11 814	19 461	3 922	24,81
8. State Agency for Deposit Insurance and Bank Rehabilitation	575 893	367 438	409 581	83 974	87 396	126 133	784 538	91 675	185 987	78 069	23,71
9. Croatian Privatization Fund	62 946	237 044	65 871	5 939	38 702	10 276	44 400	12 623	17 471	1 387	39,35
<b>2 EXPENSE (A+B)</b>	<b>86 941 437</b>	<b>92 332 140</b>	<b>98 751 408</b>	<b>23 860 320</b>	<b>23 789 786</b>	<b>27 386 050</b>	<b>106 302 513</b>	<b>25 361 209</b>	<b>42 292 522</b>	<b>8 271 994</b>	<b>39,79</b>
<b>A) Budgetary Central Government</b>	<b>81 861 164</b>	<b>86 715 598</b>	<b>91 979 693</b>	<b>22 266 675</b>	<b>22 162 075</b>	<b>25 005 935</b>	<b>100 371 892</b>	<b>24 294 973</b>	<b>40 370 085</b>	<b>7 804 197</b>	<b>40,22</b>
<b>B) Extrabudgetary funds and agencies (1+...+9)</b>	<b>5 080 273</b>	<b>5 616 542</b>	<b>6 771 715</b>	<b>1 593 645</b>	<b>1 627 711</b>	<b>2 380 115</b>	<b>5 930 621</b>	<b>1 066 236</b>	<b>1 922 437</b>	<b>467 798</b>	<b>32,42</b>
1. Croatian Institute for Pension Insurance	587 420	382 162	565 857	104 689	99 522	266 833	-	-	-	-	-
2. Croatian Health Insurance Institute	831 295	914 345	931 628	241 176	226 088	243 803	-	-	-	-	-
3. Croatian Employment Service	141 333	145 931	155 002	38 267	37 743	40 947	-	-	-	-	-
4. Croatian Waters	1 426 283	1 489 465	1 779 088	322 642	521 782	695 834	1 923 990	332 546	553 797	117 375	28,78
5. Environment Protection Fund	32 443	172 045	734 764	180 071	207 229	274 515	913 181	194 299	356 647	102 518	39,06
6. Croatian motorways Ltd.	752 254	1 085 077	1 272 713	365 686	226 715	447 909	1 456 830	274 490	557 558	147 343	38,27
7. Croatian roads Ltd.	934 630	1 062 405	1 226 934	315 601	286 074	379 965	1 423 222	225 415	394 323	91 993	27,71
8. State Agency for Deposit Insurance and Bank Rehabilitation	314 474	182 993	27 354	3 933	5 480	7 432	126 678	22 070	27 065	2 157	21,37
9. Croatian Privatization Fund	60 141	182 119	78 375	21 580	17 078	22 877	86 720	17 416	33 047	6 412	38,11
<b>NET-GROSS OPERATING BALANCE (1-2)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 641 197</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-476 683</b>	<b>1 982 863</b>	<b>-592 954</b>	<b>2 396 545</b>	<b>947 597</b>	
<b>3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)</b>	<b>77 847</b>	<b>310 333</b>	<b>1 641 197</b>	<b>1 312 737</b>	<b>2 453 516</b>	<b>-476 683</b>	<b>1 982 863</b>	<b>-592 954</b>	<b>2 396 545</b>	<b>947 597</b>	
<b>31 NET ACQUISITION OF NONFINANCIAL ASSETS</b>	<b>8 373 463</b>	<b>6 699 416</b>	<b>6 108 627</b>	<b>1 699 893</b>	<b>1 525 283</b>	<b>2 090 019</b>	<b>6 655 431</b>	<b>911 294</b>	<b>1 925 727</b>	<b>564 038</b>	<b>28,93</b>
Acquisition (A+B)	8 648 383	7 024 180	6 836 371	1 823 210	1 612 656	2 490 430	7 092 692	1 207 729	2 279 916	587 853	32,14
A) Budgetary Central Government	1 663 868	1 828 818	1 908 482	350 556	398 031	924 386	3 286 405	332 408	636 048	130 424	19,35
B) Extrabudgetary users	6 984 515	5 195 362	4 927 889	1 472 654	1 214 625	1 566 044	3 806 288	875 321	1 643 868	457 429	43,19
Disposals (A+B)	274 920	324 763	727 744	123 317	87 373	400 410	437 262	296 435	354 189	23 815	81,00
A) Budgetary Central Government	244 401	275 149	352 690	112 050	76 003	95 381	320 462	248 041	305 103	23 714	95,21
B) Extrabudgetary users	30 519	49 614	375 054	11 267	11 370	305 029	116 800	48 394	49 086	101	42,03
<b>NET LENDING-BORROWING (1-2-31)</b>	<b>-8 295 616</b>	<b>-6 389 083</b>	<b>-4 467 430</b>	<b>-387 156</b>	<b>928 233</b>	<b>-2 566 703</b>	<b>-4 672 568</b>	<b>-1 504 248</b>	<b>470 818</b>	<b>383 559</b>	
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)</b>	<b>8 295 616</b>	<b>6 389 083</b>	<b>4 467 430</b>	<b>387 156</b>	<b>-928 233</b>	<b>2 566 703</b>	<b>4 672 568</b>	<b>1 504 248</b>	<b>-470 818</b>	<b>-383 559</b>	
<b>32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)</b>	<b>28 384</b>	<b>1 609 760</b>	<b>-2 576 689</b>	<b>-89 403</b>	<b>543 471</b>	<b>-2 590 267</b>	<b>161 693</b>	<b>148 226</b>	<b>1 411 048</b>	<b>-4 981</b>	
<b>321 Domestic (A+B)</b>	<b>18 599</b>	<b>1 614 616</b>	<b>-2 593 370</b>	<b>-92 084</b>	<b>543 471</b>	<b>-2 604 267</b>	<b>148 266</b>	<b>148 226</b>	<b>1 405 718</b>	<b>-10 311</b>	
A) Budgetary Central Government	138 578	1 747 681	-3 063 855	12 579	267 886	-2 827 142	-583 058	345 952	1 471 058	-181 667	
B) Extrabudgetary users	-119 979	-133 065	470 485	-104 663	275 585	222 875	731 323	-197 726	-65 340	171 356	
<b>322 Foreign (A+B)</b>	<b>9 786</b>	<b>-4 857</b>	<b>16 681</b>	<b>2 681</b>	<b>0</b>	<b>14 000</b>	<b>13 428</b>	<b>0</b>	<b>5 330</b>	<b>5 330</b>	
A) Budgetary Central Government	9 786	-4 857	16 681	2 681	0	14 000	13 428	0	5 330	5 330	
B) Extrabudgetary users	0	0	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>	
<b>33 NET INCURRENCE OF LIABILITIES (331+332)</b>	<b>8 324 000</b>	<b>7 998 843</b>	<b>1 890 741</b>	<b>297 753</b>	<b>-384 762</b>	<b>-23 564</b>	<b>4 834 261</b>	<b>1 652 475</b>	<b>940 230</b>	<b>-388 540</b>	
<b>331 Domestic (A+B)</b>	<b>4 107 680</b>	<b>12 041 678</b>	<b>5 282 792</b>	<b>444 760</b>	<b>81 763</b>	<b>-103 150</b>	<b>7 415 030</b>	<b>2 300 970</b>	<b>1 476 312</b>	<b>-745 494</b>	
A) Budgetary Central Government	4 038 705	10 591 560	3 166 260	-456 347	-357 843	-903 376	5 166 990	2 114 689	1 073 173	-819 172	
B) Extrabudgetary users	68 975	1 450 118	2 116 532	901 107	439 606	800 226	2 248 040	186 281	403 139	73 678	
<b>332 Foreign (A+B)</b>	<b>4 216 320</b>	<b>-4 042 835</b>	<b>-3 392 051</b>	<b>-147 007</b>	<b>-466 526</b>	<b>79 586</b>	<b>-2 580 769</b>	<b>-648 496</b>	<b>-536 082</b>	<b>356 954</b>	
A) Budgetary Central Government	270 335	-5 080 612	-3 943 248	-213 088	-538 733	-61 345	-2 400 368	-572 037	-670 230	68 116	
B) Extrabudgetary users	3 945 985	1 037 777	551 197	66 081	72 207	140 931	-180 401	-76 459	134 148	288 838	

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
V 2005	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
III	8 076 530	8 811 925	-735 395	733 361	-2 034
IV	10 701 221	8 659 319	2 041 902	388 441	2 430 344
V	9 219 592	8 271 994	947 597	349 269	1 296 866
I-V 2007	44 689 068	42 292 522	2 396 545	2 549 034	4 945 580

Note: See notes on methodology

## MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT / SURPLUS

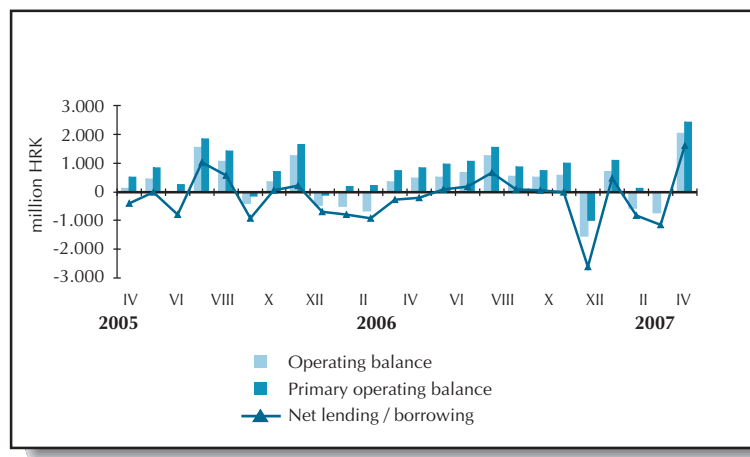


TABLE 16B: NET LENDING / BORROWING (000 HRK)

	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)
V 2005	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
III	-735 395	412 273	-1 147 668	1 147 668	-755 024	392 644
IV	2 041 902	450 395	1 591 507	-1 591 507	1 267 803	-323 705
V	947 597	564 038	383 559	-383 559	-4 981	-388 540
I-V 2007	2 396 545	1 925 727	470 818	-470 818	1 411 048	940 230

\* 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>		31.12. 2006 <sup>§</sup>		31.1. 2007 <sup>§</sup>		28.2. 2007 <sup>§</sup>		31.3. 2007 <sup>§</sup>		30.4. 2007 <sup>§</sup>		31.5. 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>40 240,4</b>	<b>22,2</b>	<b>45 676,4</b>	<b>23,0</b>	<b>50 240,7</b>	<b>23,4</b>	<b>45 363,6</b>	<b>19,6</b>	<b>41 619,1</b>	<b>16,6</b>	<b>41 493,2</b>	<b>15,2</b>	<b>40 930,2</b>	<b>15,0</b>	<b>40 715,2</b>	<b>14,9</b>	<b>40 193,1</b>	<b>14,7</b>	<b>40 423,7</b>	<b>14,8</b>
1. Central Government foreign debt	37 432,1	20,7	41 041,9	20,7	42 231,2	19,6	36 414,5	15,7	32 540,0	13,0	32 432,9	11,8	31 933,7	11,7	31 764,1	11,6	31 400,7	11,5	31 348,9	11,5
2. Foreign debt of Extrabudgetary funds	2 585,1	1,4	4 285,6	2,2	7 747,0	3,6	8 749,8	3,8	8 913,4	3,6	8 894,5	3,2	8 830,7	3,2	8 886,0	3,2	8 727,4	3,2	9 009,6	3,3
3. Local Government foreign debt	223,3	0,1	348,9	0,2	262,5	0,1	199,2	0,1	165,7	0,1	165,7	0,1	165,7	0,1	65,1	0,0	65,1	0,0	65,1	0,0
<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>60 549,0</b>	<b>24,2</b>	<b>60 620,5</b>	<b>22,1</b>	<b>62 349,2</b>	<b>22,8</b>	<b>63 319,2</b>	<b>23,1</b>	<b>63 427,2</b>	<b>23,2</b>	<b>62 563,9</b>	<b>22,9</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	54 216,7	21,6	54 290,6	19,8	56 049,6	20,5	56 553,6	20,7	56 525,6	20,7	55 645,5	20,3
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	5 168,2	2,1	5 165,8	1,9	5 135,6	1,9	5 371,9	2,0	5 507,9	2,0	5 524,7	2,0
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	1 164,1	0,5	1 164,1	0,4	1 164,1	0,4	1 393,7	0,5	1 393,7	0,5	1 393,7	0,5
<b>C. General Government total debt (C1+C2+C3)</b>	<b>72 454,4</b>	<b>40,0</b>	<b>81 221,6</b>	<b>40,9</b>	<b>92 795,2</b>	<b>43,2</b>	<b>101 185,2</b>	<b>43,7</b>	<b>102 168,1</b>	<b>40,8</b>	<b>102 113,6</b>	<b>37,3</b>	<b>103 279,4</b>	<b>37,7</b>	<b>104 034,4</b>	<b>38,0</b>	<b>103 620,4</b>	<b>37,9</b>	<b>102 987,6</b>	<b>37,6</b>
1. Central Government total debt (A1+B1)	60 752,1	33,5	69 202,7	34,9	79 454,9	37,0	86 974,0	37,6	86 756,7	34,6	86 723,5	31,7	87 983,3	32,1	88 317,7	32,3	87 926,3	32,1	86 994,4	31,8
2. Total debt of Extrabudgetary funds (A2+B2)	10 244,2	5,7	10 533,1	5,3	11 658,2	5,4	12 684,8	5,5	14 081,6	5,6	14 060,3	5,1	13 966,3	5,1	14 257,9	5,2	14 235,3	5,2	14 534,3	5,3
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	1 329,8	0,5	1 329,8	0,5	1 329,8	0,5	1 458,8	0,5	1 458,8	0,5	1 458,8	0,5
<b>Total guarantees of the Republic of Croatia</b>	<b>16 079,2</b>	<b>8,9</b>	<b>15 419,2</b>	<b>7,8</b>	<b>12 262,3</b>	<b>5,7</b>	<b>12 455,1</b>	<b>5,4</b>	<b>14 099,6</b>	<b>5,6</b>	<b>14 196,5</b>	<b>5,2</b>	<b>14 191,7</b>	<b>5,2</b>	<b>14 942,1</b>	<b>5,5</b>	<b>14 895,1</b>	<b>5,4</b>	<b>15 034,4</b>	<b>5,5</b>
Foreign guarantees	8 655,3	4,8	8 622,7	4,3	7 710,4	3,6	7 186,7	3,1	6 847,2	2,7	6 674,2	2,4	6 706,7	2,5	6 784,2	2,5	6 767,9	2,5	6 949,9	2,5
Domestic guarantees	7 423,8	4,1	6 796,5	3,4	4 551,9	2,1	5 268,5	2,3	7 252,3	2,9	7 522,3	2,7	7 485,0	2,7	8 157,9	3,0	8 127,3	3,0	8 084,5	3,0
<b>Total debt of HBOR</b>	<b>3 824,8</b>	<b>2,1</b>	<b>4 925,3</b>	<b>2,5</b>	<b>5 841,5</b>	<b>2,7</b>	<b>7 139,4</b>	<b>3,1</b>	<b>7 688,2</b>	<b>3,1</b>	<b>7 648,2</b>	<b>2,8</b>	<b>7 560,8</b>	<b>2,8</b>	<b>7 632,9</b>	<b>2,8</b>	<b>7 558,1</b>	<b>2,8</b>	<b>7 463,2</b>	<b>2,7</b>
Foreign debt of HBOR	3 382,5	1,9	4 597,3	2,3	5 459,3	2,5	6 605,1	2,9	7 395,1	3,0	7 305,1	2,7	7 218,1	2,6	7 288,9	2,7	7 183,0	2,6	7 096,9	2,6
Domestic debt of HBOR	442,3	0,2	328,1	0,2	382,2	0,2	534,2	0,2	293,2	0,1	343,2	0,1	342,7	0,1	343,9	0,1	375,0	0,1	366,4	0,1

Note: See notes on methodology

Source: Ministry of Finance, CBS for GDP

## PUBLIC DEBT AT THE END OF MAY 2007

Public debt of the Republic of Croatia amounted to HRK 118.0 billion at the end of May 2007, thus reaching 43.1 percent of the expected GDP for 2007. Total general government debt amounted to HRK 103.0 billion (87.3 percent) and total guarantees amounted to HRK 15.0 billion (12.7 percent of total debt).

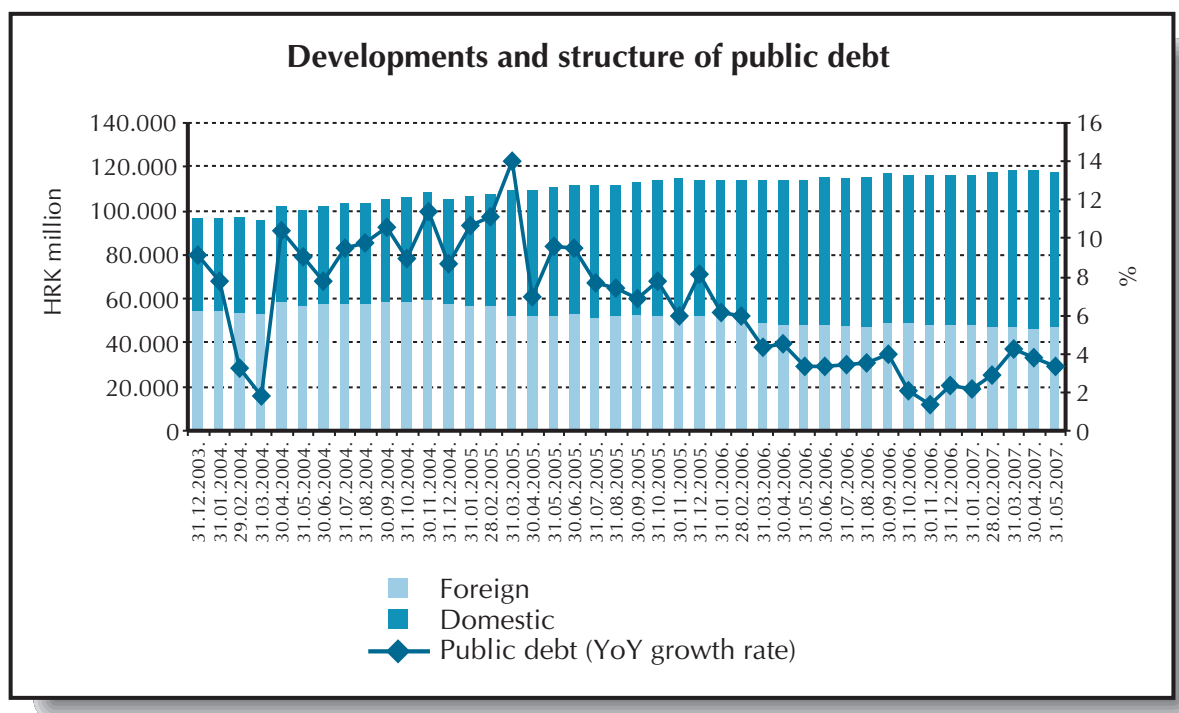
With the amount of HRK 103.0 billion, total general government debt recorded a decrease of HRK 632.8 million in May 2007 compared to the stock of the previous month. Foreign general government debt component recorded an increase compared to the previous month in the amount of HRK 230.5 million due to the increase of foreign debt of extrabudgetary funds and agencies. On the other hand, domestic component of the total general government debt recorded a reduction compared to the stock of the previous month in the amount of HRK 863.3 million due to the decrease in domestic debt of the central government.

According to government level, the largest part of public debt referred to central government (HRK 87.0 billion), while the

debt of extrabudgetary funds and agencies amounted to HRK 14.5 billion and the debt of local government amounted to HRK 1.5 billion. Central government kept the trend of more pronounced domestic borrowing; 64.0 percent of total central government debt was created by domestic borrowing, while 62.0 percent of extrabudgetary funds and agencies' debt resulted from foreign borrowing.

Total guarantees issued by the Republic of Croatia were kept at 5.5 percent of GDP, but have increased by HRK 139.2 million in comparison to the previous month as the result of the increase of foreign guarantees. Domestic guarantees account for the share of 53.8 percent of total guarantees of the Republic of Croatia at the end of May 2007.

Total debt of HBOR amounted to HRK 7.5 billion and was almost entirely (95.1 percent) created by foreign borrowings. Total debt of HBOR recorded a decrease of HRK 94.8 million in May 2007 compared to the previous month as the result of the reduction of both foreign and domestic component of the debt.



**TABLE 21: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT**  
**DOMESTIC DEBT STOCK IN 000 (31 MAY 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	336 636	2011	7,20%
Big Bonds - Series III	EUR	47 730	348 841	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 461 727	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 654 317	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	4 750 612	2014	5,50%
Bonds - Series 06 D-07	EUR	400 000	2 923 454	2007	3,875%
Bonds - Series 07 D-19	EUR	200 000	1 461 727	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	2 558 022	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	10 265	75 023	2007	6,00%
BRA Bonds II	EUR	18 483	135 085	2012	5,00%
BRA Bonds III	EUR	49 492	361 719	2012	7,20%
BRA Bonds IV	EUR	25 300	184 908	2012	5,00%
BRA Bonds V-A	EUR	284	2 076	2007	6,00%
BRA Bonds V-B	EUR	42 795	312 773	2008	7,00%
Syndicated FX loan	EUR	500 000	3 654 317	2010	4,38%
<b>Medium and long term debt</b>			<b>40 131 824</b>		
Treasury Bills	HRK	12 896 100	12 896 100		
	EUR	45 700	334 005		
Other short-term debt	HRK	239 578	239 578		
<b>Short-term debt</b>			<b>13 469 683</b>		
<b>Total debt</b>			<b>53 601 506</b>		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance



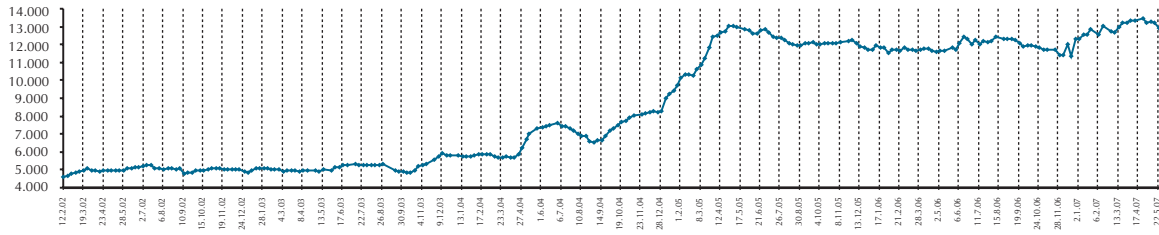
TABLE 22: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(000 HRK) Day of Auction	91 days				182 days				364 days			
	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)
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%
13.3.2007.	25 000	145 000	99,196 / 3,25%	99,221 / 3,15%	100 000	290 000	98,339 / 3,39%	98,381 / 3,30%	334 000	814 000	96,571 / 3,56%	96,627 / 3,50%
20.3.2007.	44 000	219 000	99,206 / 3,21%	99,233 / 3,10%	50 000	130 000	98,340 / 3,39%	98,381 / 3,30%	406 000	665 000	96,596 / 3,53%	96,627 / 3,50%
27.3.2007.	50 000	200 000	99,258 / 3,00%	99,258 / 3,00%	50 000	105 000	98,374 / 3,31%	98,381 / 3,30%	400 000	765 000	96,622 / 3,51%	96,627 / 3,50%
3.4.2007.	20 000	50 000	99,258 / 3,00%	99,258 / 3,00%	30 000	100 000	98,381 / 3,30%	98,381 / 3,30%	311 000	481 000	96,607 / 3,52%	96,627 / 3,50%
10.4.2007.	50 000	50 000	99,245 / 3,05%	99,245 / 3,05%	50 000	50 000	98,357 / 3,35%	98,357 / 3,35%	301 000	653 000	96,606 / 3,52%	96,627 / 3,50%
24.4.2007.									300 000	863 000	96,608 / 3,52%	96,627 / 3,50%
8.5.2007.	30 000	30 000	99,258 / 3,00%	99,258 / 3,00%	50 000	50 000	98,381 / 3,30%	98,381 / 3,30%	419 000	638 000	96,638 / 3,49%	96,627 / 3,50%

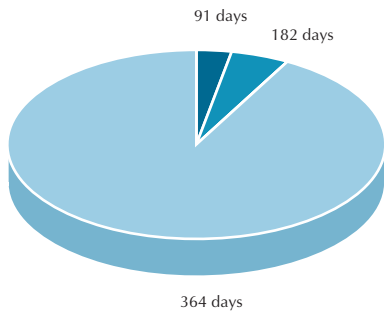
Note: See notes on methodology

Source: Ministry of Finance

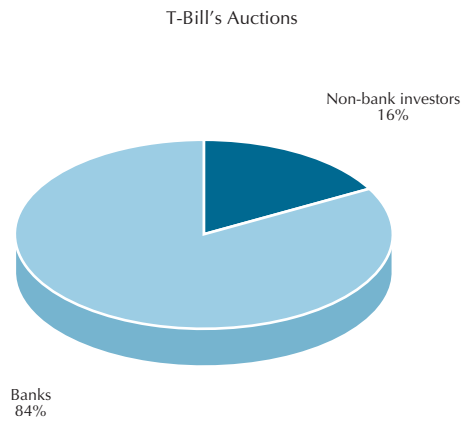
## T-Bill's Outstanding Debt



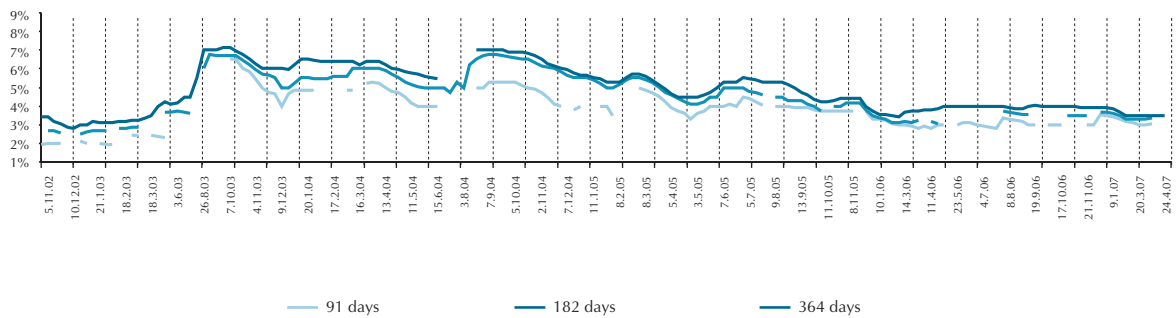
## Structure of outstanding T-Bill's on 31 May 2007



## 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 15percent 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:**

All diagrams shown in text about fiscal sector refer to Budgetary Central Government.

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			
		August 07	September 07	October 07	November 07
<b>SDDS Data Category</b>		August 07	September 07	October 07	November 07
<b>General Government operations</b>	<b>1)</b>	<b>(06/07)</b>			<b>(09/07)</b>
<b>Central Government operations</b>	<b>2)</b>	<b>(06/07)</b>	<b>(07/07)</b>	<b>(08/07)</b>	<b>(09/07)</b>
<b>Internal Central Government Debt</b>	<b>3)</b>	<b>(06/07)</b>	<b>(07/07)</b>	<b>(08/07)</b>	<b>(09/07)</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

