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TABLE 1 : BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2001	2002	2003	2004	2005	2006		2007			2007						
						Q4	Q1	Q2	Q3	III	IV	V	VI	VII	VIII	IX	
GDP, current prices (mil. HRK)	165 639	181 231	198 422	214 983	231 349	250 590	62 859	62 561	68 473	-	-	-	-	-	-	-	-
GDP, real growth rates	4,4	5,6	5,3	4,3	4,3	4,8	4,8	7,0	6,6	-	-	-	-	-	-	-	-
Total volume of industrial production, growth rate as %	6,0	5,4	4,1	3,7	5,1	4,5	6,1	8,0	7,1	-	9,0	9,4	7,7	4,4	8,5	2,8	-
Retail sales turnover, real growth rate as %	10,0	12,5	3,7	2,6	2,8	2,1	4,0	7,7	5,6	-	8,2	7,1	6,2	4,1	6,0	10,7	-
Total volume of construction projects, growth rate as %	3,6	12,8	22,8	2,0	-0,8	9,3	7,1	6,5	0,0	-	0,1	2,6	1,2	-3,8	3,5	-	-
Nights spent by tourists, growth rate as %	11,0	3,0	4,0	2,0	7,6	3,1	7,8	7,2	6,9	-	11,3	9,4	9,5	5,3	6,6	5,7	-
Producer's prices, period average, %	3,6	-0,4	1,9	3,5	3,0	2,9	1,7	1,9	2,5	3,8	2,0	2,3	2,3	2,9	3,0	3,6	4,5
Consumer prices, period average, %	3,8	1,7	1,8	2,1	3,3	3,2	2,2	1,6	2,1	2,9	1,8	2,3	2,2	1,9	2,1	2,6	3,9
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	1 467 398	1 461 135	1 498 892	-	1 461 135	1 470 479	1 484 522	1 498 892	1 510 942	1 511 007	-
Unemployed persons, end of period	395 141	366 162	318 684	317 577	307 851	293 153	293 153	291 642	249 548	246 191	291 642	278 384	263 357	249 548	245 768	242 851	246 191
Unemployment rate, end of period	23,1	21,5	19,1	18,5	17,8	16,7	16,7	16,6	14,3	-	16,6	15,9	15,1	14,3	14,0	13,8	-
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	7,2	6,2	5,7	-	4,9	6,8	4,7	5,7	7,9	-	-
Average monthly gross wages and salaries paid off in HRK	5 061	5 366	5 623	5 985	6 248	6 634	6 851	6 854	7 023	-	6 973	6 901	7 102	7 065	7 067	-	-
Exchange rate HRK/USD, period average	8,34	7,87	6,70	6,03	5,95	5,84	5,71	5,62	5,46	5,32	5,56	5,48	5,42	5,47	5,32	5,37	5,28
Exchange rate HRK/EUR, period average	7,47	7,41	7,56	7,50	7,40	7,32	7,36	7,36	7,35	7,31	7,36	7,40	7,33	7,33	7,29	7,31	7,31
Trade Balance (mil. USD)	-4 481	-5 818	-8 022	-8 565	-9 788	-11 126	-2 766	-2 965	-3 547	-	-1 201	-1 169	-1 314	-1 065	-1 181	-1 110	-
Exports (mil. USD)	4 666	4 904	6 187	8 024	8 773	10 377	2 995	2 633	3 039	-	964	980	1 040	1 019	1 170	884	-
Imports (mil. USD)	9 147	10 722	14 209	16 589	18 560	21 502	5 761	5 598	6 586	-	2 164	2 149	2 354	2 084	2 350	1 994	-
Current Account Balance (mil. EUR)	-821	-2 099	-1 889	-1 454	-1 988	-2 647	-1 489	-2 022	-1 350	-	-	-	-	-	-	-	-
Current Account Balance (as % of GDP)	-3,7	-8,6	-7,2	-5,1	-6,4	-7,7	-17,4	-23,8	-14,5	-	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. EUR)	5 334	5 651	6 554	6 436	7 438	8 725	8 725	9 520	9 170	-	9 520	9 488	9 452	9 170	9 412	9 223	-
Total outstanding external debt, end of period (mil. EUR)	13 609	15 143	19 884	22 933	25 748	29 205	29 205	29 962	30 755	-	29 962	29 761	30 342	30 755	-	-	-
Internal debt of consolidated central government, eop. (mil. HRK)	21 944	23 597	26 261	35 789	47 243	52 290	52 290	54 675	53 311	-	54 675	54 695	53 602	53 311	54 733	-	-
Commercial bank's loans, growth rate as %	23,2	33,6	16,8	13,1	20,3	22,7	22,7	20,0	17,2	-	20,0	19,5	18,6	17,2	18,1	17,4	-
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%	3,35%	3,00%	3,05%	3,00%	3,00%	3,20%	3,35%	3,35%
ZIBOR (3 m), average	7,90%	4,60%	5,50%	7,35%	6,19%	4,46%	4,45%	4,35%	4,95%	6,28%	4,29%	4,53%	4,81%	5,60%	7,37%	5,58%	5,84%

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

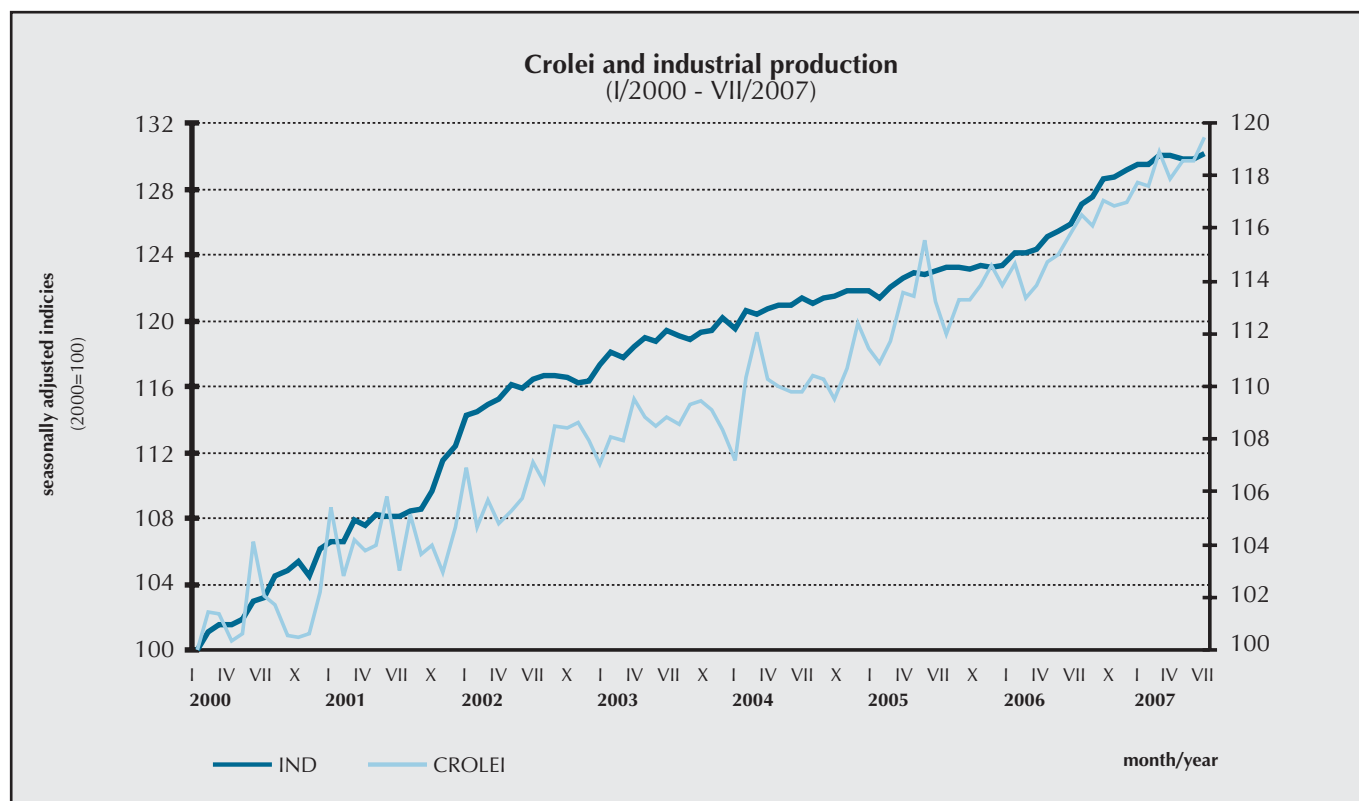
MACROECONOMIC TRENDS

CROLEI - LEADING INDICATOR OF INDUSTRIAL PRODUCTION

After its two consecutive monthly declines in May (0.22 percentage points) and June (0.03 percentage points), the value of CROLEI index in July 2007 rose by 0.34 percentage points compared to June. Also, the value of CROLEI in July was higher than the previously highest recorded value from March. However, the slowing down of annual growth rate of CROLEI in the May - July 2007 period indicates that the rise in economic activity in the last quarter of 2007 is going to be slower than it was at the beginning of the year.

The value of diffusive index, representing the share of the number of increasing components in the overall number of seasonally adjusted components, equalled 55 percent in July, the same as in June. The largest contribution to the monthly growth of CROLEI in July came from the real sector where an increase was recorded by real net wage, real retail

trade turnover and imports of machinery and transportation equipment. The fiscal sector also contributed positively to the growth of CROLEI through the rise in unconsolidated budget revenues. A more modest positive contribution came from the increase in total tourist bed-nights. Total liquid funds have been on the increase for eighth consecutive months while the other four monetary components recorded a monthly decline in July, thus negatively contributing to the value of CROLEI. These components are: total cash of participants in the payment system, foreign reserves of commercial banks, domestic currency time and savings deposits of commercial banks and cash market interest rate on other loans. The latter two components have contributed negatively to the value of CROLEI for, respectively, three and four consecutive months. Registered persons employed are among the decreasing components for the fourth consecutive month.



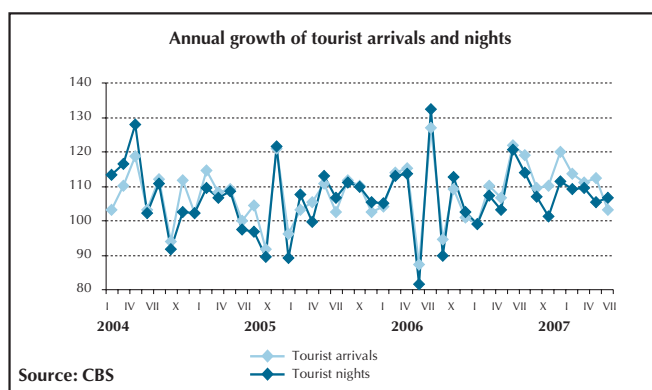
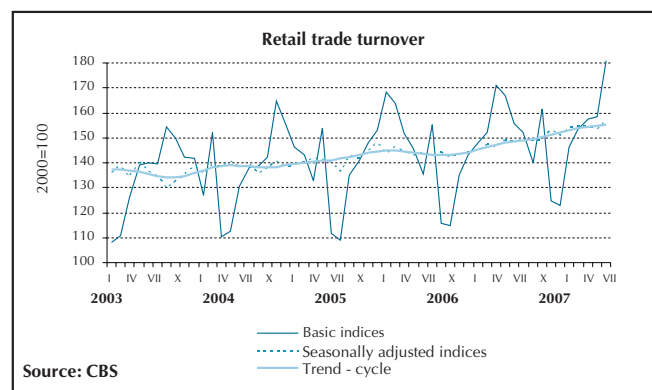
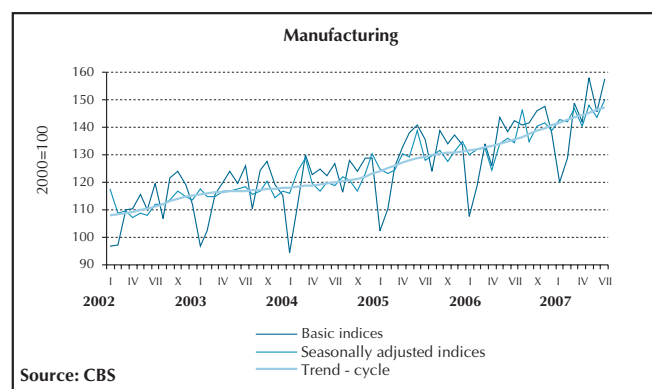
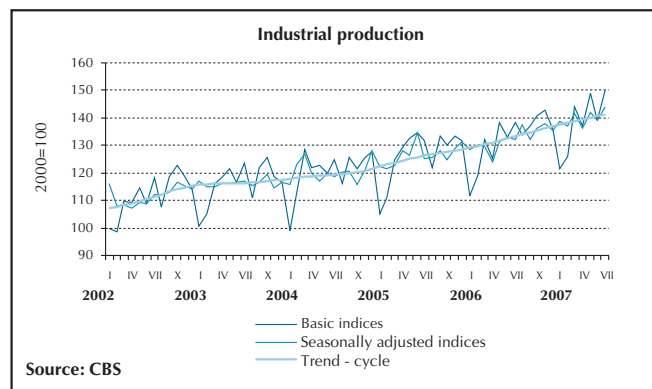
REAL SECTOR

Industrial production rose at annual level in July 2007 by 8.5 percent, where this year's July had one working day more than July 2006. The trend-index of industrial production was 0.6 percent higher in July compared to June 2007. In the first seven months of 2007 industrial production increased by 7.7 percent compared to the same period of the previous year. Observing by main industrial groupings, the highest industrial production growth in the first seven months of 2007 was recorded by durable consumer goods (20.6 percent) and capital goods (17.7 percent), implying further industrial production growth in the future since the capital goods aren't intended for consumption but for further production. In the first seven months intermediate goods production increased annually by 8.6 percent, non-durable consumer goods by 6.5 percent, while production of energy fell by 0.5 percent. Observing by activities, mining and quarrying increased by 5.6 percent in the first seven months of 2007, and electricity, gas and water supply recorded a decline of 4.2 percent, which can be explained by the unusually warm weather in the observed period. Manufacturing, the activity with the largest share in total industrial production (79.33 percent), grew by 9.9 percent in the first seven months. The highest contribution to the manufacturing growth in the first seven months came from the manufacture of food and beverages which increased by 6.2 percent at annual level, from publishing, printing and reproduction of recorded media (11.7 percent growth), the manufacture of fabricated metal products, except machinery and equipment (21.6 percent), the manufacture of radio, television and communication equipment and apparatus (42.8 percent), the manufacture of other non-metallic mineral products (8.6 percent) and the manufacture of machinery and equipment (9.9 percent).

The nominal annual growth of retail trade turnover amounted to 8.1 percent in July, while the real growth equaled 6.0 percent. This was in line with the developments of other indicators potentially influencing retail trade, primarily employment and loans to households. Thus, the number of employed persons in July increased at annual level by around thirteen thousands and the loans to households (excluding housing loans) rose by 16.1 percent. In the first seven months of 2007, retail trade turnover was 8.2 percent nominally and 6.6 percent really higher than in the same period of 2006. Observing nominal retail trade turnover by activities, the most significant annual growth in the first seven months was recorded by the non-specialized stores with food, beverages or tobacco predominating (12.2 percent) and the automotive fuels (8.6 percent).

In July 2007 there were 2.6 million of tourist arrivals, which is 3.3 percent higher in comparison with July 2006. Total number tourist nights in July amounted to 16.5 million and increased by 6.6 percent at annual level. Domestic tourists recorded higher growth rates of arrivals and nights than foreign tourists in July. Domestic tourists' arrivals went up by 9.4 percent in July, while foreign tourists' arrivals increased by 2.7 percent at annual level. Number of domestic tourists' nights increased by 17.1 percent in July, while increase in number of foreign tourists' nights was 5.6 percent. Observing the period of the first seven months of 2007, total number of tourist arrivals amounted to 6.2 million and increased by 8.4 percent annually and total number of tourist nights equaled 29.6 million and rose by 6.7 percent. Foreign tourists' arrivals

increased by 7.8 percent at annual level in the first seven months and domestic tourists' arrivals by 10.8 percent, while foreign tourists' nights went up by 6.3 percent and domestic tourists' nights by 9.9 percent.



MONETARY TRENDS

The money (M1) amounted to HRK 54.1 billion at the end of July 2007, which is HRK 2.6 billion higher than in June. Higher contribution to money growth in July came from the demand deposits, which increased by HRK 1.9 billion, than the currency outside banks, which saw a rise of HRK 683 million. The annual growth rate of money decelerated to 20.3 percent in July.

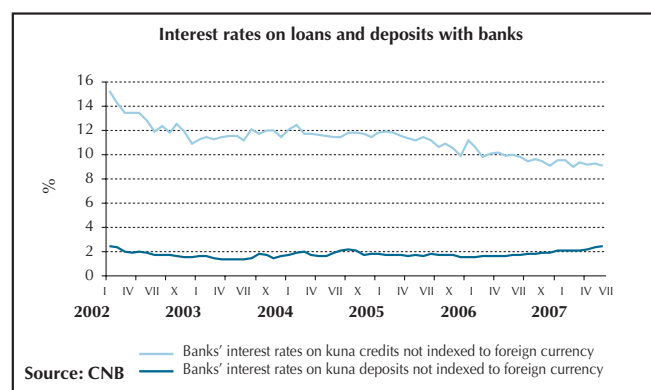
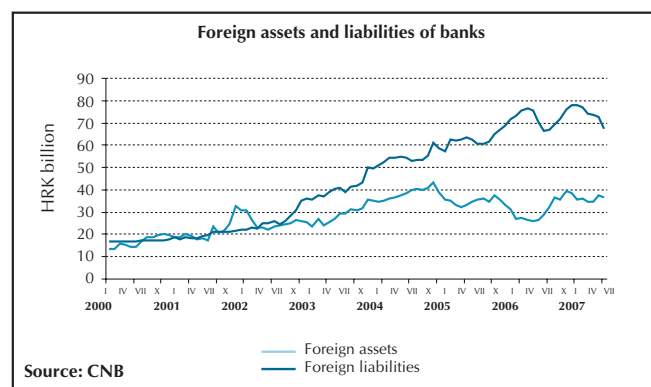
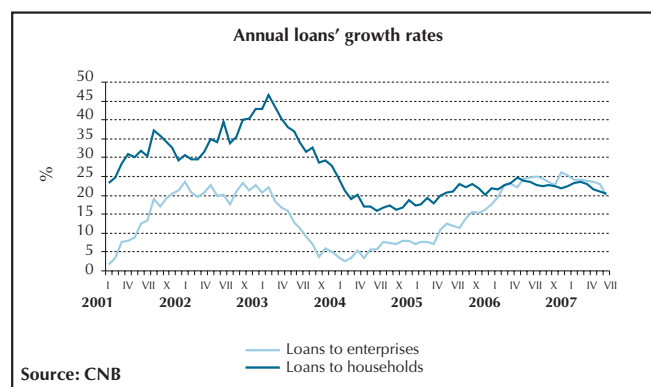
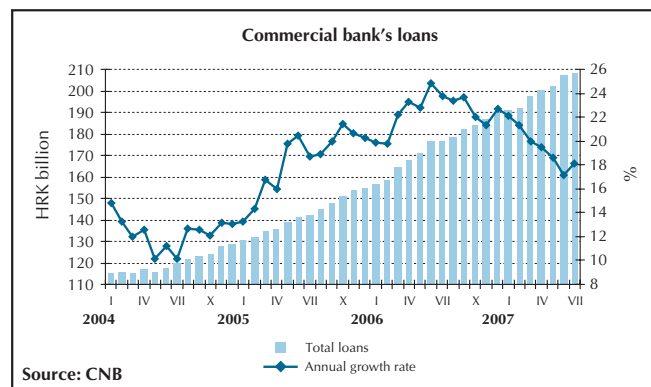
Total loans of commercial banks reached the level of HRK 208.4 billion at the end of July and increased by HRK 1.3 billion compared to June. After six consecutive months of slowing down, the annual growth rate of total loans accelerated in July by 1.0 percentage point to 18.1 percent. Kuna loans have, for the first time since February 2006, recorded a decrease of HRK 388 million at monthly level. Foreign currency loans went up in July by high HRK 1.7 billion. With a monthly increase in its loans of HRK 1.4 billion, the sector of households made a positive contribution to the growth of total loans in July, while the sector of enterprises recorded the largest decline in its loans since December 1999, in the amount of HRK 1.7 billion. At annual level, for the first time since May 2006, the loans to households record a higher growth rate than the loans to enterprises. They increased by 20.5 percent while the loans to enterprises rose by 19.8 percent compared to July 2006. The annual growth rate of housing loans decelerated in July to 28.0 percent, the lowest rate since July 2005. The loans to central government decreased by 0.2 percent in July compared to the same month of the previous year.

Total deposits with commercial banks stood at level of HRK 183.7 billion at the end of July. They went up by high HRK 6.3 billion at monthly level, as a result of stronger deposits inflow due to the tourist season. The annual growth rate of total deposits amounted to 19.6 percent and in comparison with June decelerated by 0.5 percentage points. Demand deposits with banks rose in July to HRK 37.4 billion. The foreign currency deposits recorded stronger growth in July than the kuna deposits. They went up by high HRK 3.9 billion, while the kuna deposits increased by HRK 532 million. The highest increase in kuna deposits in July was recorded by the deposits of enterprises (HRK 379 million) and the deposits of other banking institutions (HRK 247 million). The largest rise in foreign currency deposits was recorded also by the sector of enterprises (HRK 2.3 billion) and the sector of households (HRK 1.4 billion). The annual growth rate of kuna deposits slowed down again this month and equaled 21.6 percent, while the foreign currency deposits growth rate accelerated to 16.9 percent, their highest annual growth rate since October 2002.

Foreign assets of commercial banks leveled HRK 36.3 billion at the end of July and decreased by HRK 1.1 billion at monthly level. Observing the annual change, foreign assets have recorded an increase for the eighth consecutive month, in the amount of HRK 9.8 billion or 37.1 percent. Foreign liabilities of commercial banks stood at the level of HRK 67.3 billion at the end of July. Compared to June they decreased by HRK 5.3 billion, their largest monthly decrease so far. At annual level foreign liabilities declined by HRK 3.2 billion or 4.5 percent, their largest annual decline since November 1997. Net foreign assets leveled HRK -30.9 billion at the end of July.

The average bank interest rates on kuna credits not indexed to foreign currency declined in July to 9.13 percent. The average bank interest rates on kuna deposits not indexed to foreign

currency increased at monthly level and amounted to 2.45 percent. Thereby, the difference between the active and the passive interest rates not indexed to foreign currency decreased to 6.68 percentage points.



INTERNATIONAL SECTOR

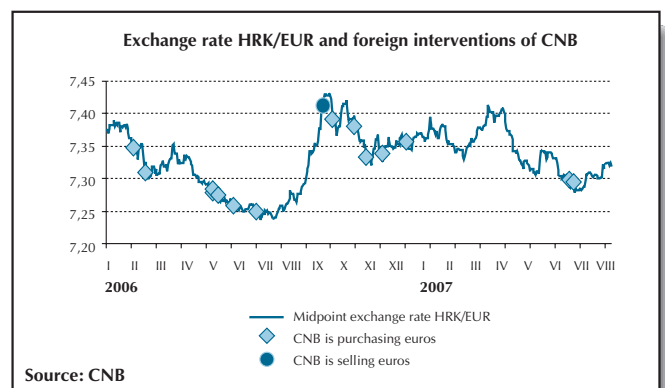
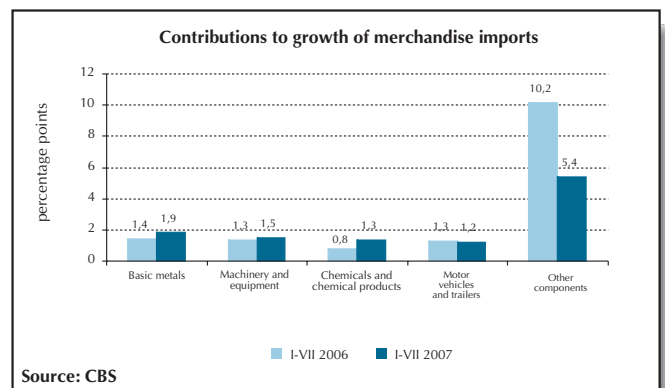
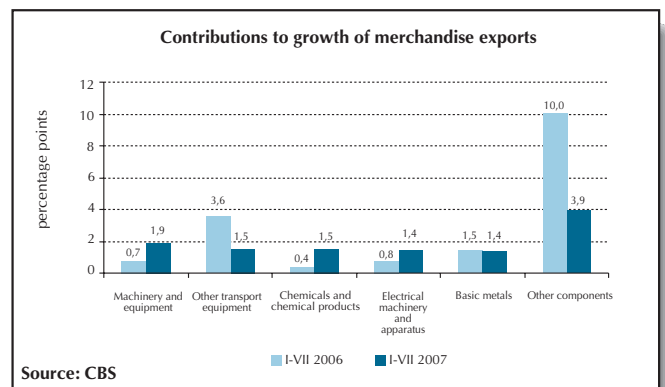
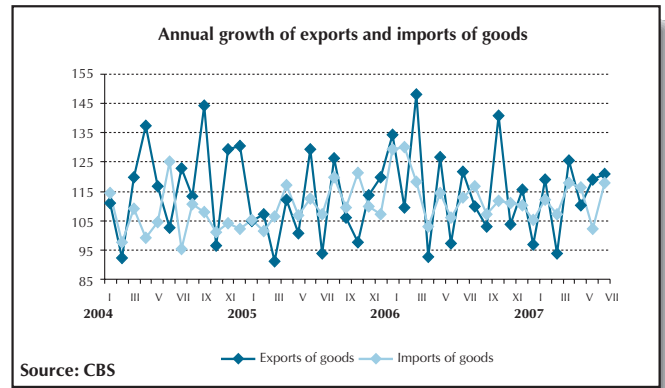
In July 2007 total merchandise exports recorded for the second consecutive month higher annual growth rate than merchandise imports. Total merchandise exports expressed in HRK increased in July by 20.9 percent, while total merchandise imports rose by 17.8 percent. Observing the first seven months of 2007, total merchandise exports (expressed in HRK) grew annually by 11.6 percent, which is slightly higher than total merchandise imports, which went up by 11.3 percent. Excluding the category of other transport equipment from the foreign trade, exports increased annually by 11.5 percent in the first seven months of 2007 and imports by 10.8 percent. The coverage of imports of goods by exports of goods amounted to 47.1 percent in the first seven months, which is 0.1 percentage point higher than in the same period of the previous year.

The highest contribution to the total exports growth in the first seven months came from the manufacture of machinery and equipment, which exports increased by 28.1 percent, than from the manufacture of chemicals and chemical products (17.7 percent growth), the manufacture of electrical machinery and apparatus (30.9 percent), the manufacture of basic metals (28.8 percent) and from the manufacture of other transport equipment (12.4 percent). Categories with the highest contribution to the annual growth of imports in the first seven months of 2007 were the manufacture of chemicals and chemical products (annual growth of imports of 13.3 percent), the manufacture of machinery and equipment (15.1 percent), the manufacture of basic metals (27.8 percent) and the manufacture of motor vehicles, trailers and semi-trailers (12.8 percent).

The highest share in total merchandise exports in the first seven months of 2007 still have exports to Italy, which made 21.0 percent of total Croatian merchandise exports. Exports to Bosnia and Herzegovina made 13.7 percent, Germany 10.3 percent, Slovenia 8.2 percent and Austria 6.1 percent of total Croatian merchandise exports. Compared to the first seven months of 2006, exports to Bosnia and Herzegovina were 30.9 percent higher, to Slovenia 11.0 percent higher, to Germany 7.3 percent higher, exports to Austria were 7.0 percent higher, while exports to Italy declined by 5.3 percent. Observing the foreign trade expressed in USD, exports rose annually by 20.0 percent in the first seven months of 2007 while imports increased by 19.5 percent.

The average exchange rate of kuna against euro oscillated in August 2007 in a narrow range of minimal 7.30 HRK/EUR and the maximal 7.33 HRK/EUR. The average monthly exchange rate HRK/EUR amounted to 7.31 HRK/EUR in August. Compared to July average monthly exchange rate depreciated by 0.3 percent and compared to August 2006 the exchange rate depreciated by 0.5 percent. In the first eight months of 2007 the average exchange rate of kuna against euro equaled 7.34 HRK/EUR and depreciated by 0.6 percent compared to the same period of the previous year. If exchange rate at the end of period is observed, exchange rate of HRK/EUR increased from 7.31 HRK/EUR at the end of August 2006 to 7.32 HRK/EUR at the end of August 2007, thereby kuna depreciated by 0.1 percent. Exchange rate of U.S. dollar against kuna moved in accordance with fluctuation of U.S. dollar against euro on the world foreign exchange markets. In so doing, at the end of August HRK/USD exchange rate amounted to 5.37 HRK/USD, while the average exchange rate was 5.49 HRK/USD in the first eight months of 2007, thus appreciating by 6.8 percent

in comparison to the same period of the previous year. There were no Croatian National Bank interventions on the foreign exchange market in August.



CONSOLIDATED CENTRAL GOVERNMENT - JANUARY-JULY 2007 PERIOD

REVENUES

In January-July 2007 period, total revenues of consolidated central government amounted to HRK 63.5 billion which makes an annual increase of 13.5 percent. The realization of revenues is above the expectations.

Observing consolidated central government according to government level, it can be seen that the largest share in total revenues refers to budgetary central government (95.8 percent) and the rest of the sum refers to extrabudgetary funds and agencies. Among the extrabudgetary funds and agencies the highest level of revenues was recorded by Croatian Waters (HRK 1 billion) and Croatian Motorways (HRK 790.4 million). It is worth mentioning 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 budgetary central government.

Tax revenues make 58.4 percent of the overall revenues collected and therefore represent the most important revenues category in consolidated central government. They have recorded an annual increase of 13.4 percent in the January - July 2007 period. The largest part of tax revenues is generated through value added tax. Revenues from value added tax, which are in their entirety collected by the budgetary central government, were realized above all expectations. They amounted to HRK 21.5 billion with an annual growth rate of 10.5 percent.

Revenues from excises amounted to HRK 5.1 billion which represents an annual increase of 7.3 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, except excises on alcohol, were realized in the higher amount then in the same period last year. The highest annual growth rate was recorded by excises on personal cars (16.1 percent), excises on tobacco and tobacco products (10.1 percent) and excises on beer (7.2 percent). Only revenues from excises on alcohol recorded an annual decline of 3.3 percent. The high recorded growth rate of excises on personal cars was solely due to greater car sales in the observed period.

Revenues from excises on oil derivatives make 36.8 percent of total revenues from excises and thus have the strongest influence on the overall developments of the excises revenues. They amounted to HRK 1.9 billion representing an annual growth rate of 2.5 percent.

With 32.4 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 1.7 billion. Since August 2005, customs maintain strict checks of production and trade of tobacco products which have resulted in greater excises revenues from tobacco and narrowing of unofficial economy.

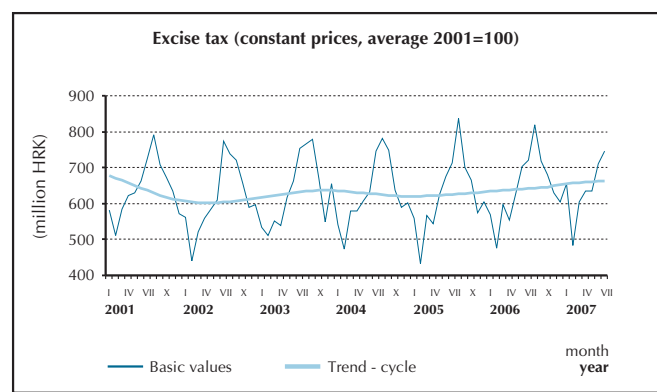
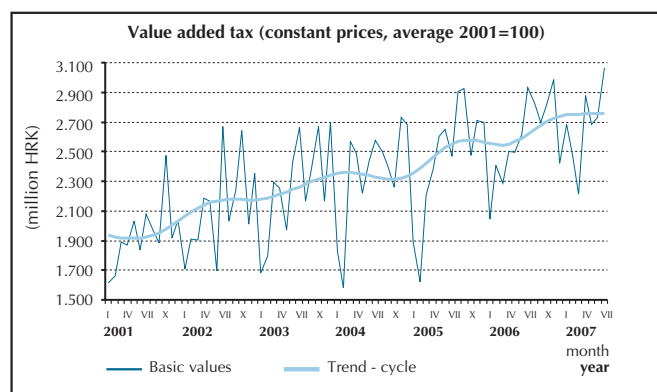
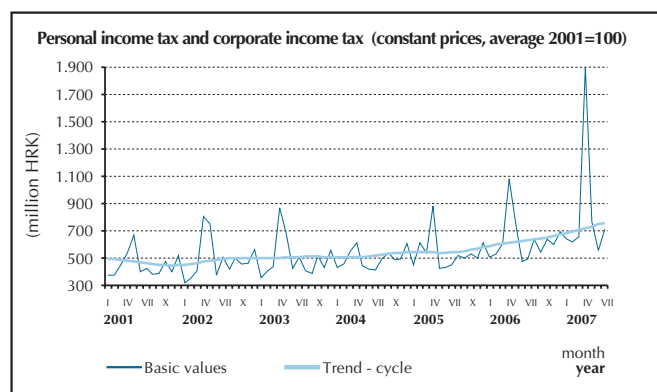
Income tax revenues were realized in the amount of HRK 796.3 million, representing an annual decrease of 54.2 percent. Namely, as a result of decentralization, a part of budgetary central government income tax revenues belong now to local government as a substitute for subtracted revenues from profit

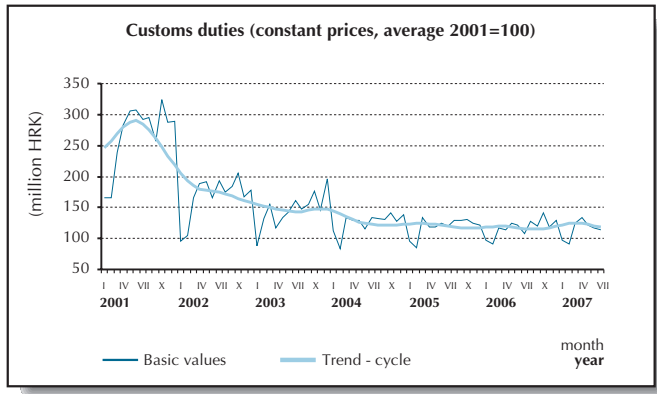
tax. Changes in Law on financing of local government will provide rightful distribution of tax revenues within all areas of Republic of Croatia (especially areas of special state concern) and also higher liquidity of overall system of financing local government.

Revenues from profit tax amounted to HRK 5.9 billion while in the same period of last year they leveled HRK 3.3 billion. Namely, as a result of decentralization, revenues from profit tax belong completely to budgetary central government.

Revenues from taxes on property amounted to HRK 306.7 million with an annual increase of 23.2 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 918.7 million which represents an annual growth of 5.5 percent.





Other taxes stood at HRK 193.8 million.

Social contributions, which are the second most important revenues category of consolidated central government, make 33.4 percent of total generated revenues. They amounted to HRK 21.2 billion which represents an annual increase of 10.4 percent. Within the structure of social contributions, the largest part refers to employer contributions (HRK 11.4 billion) and employee contributions (HRK 9.4 billion). The remaining HRK 447.4 million refers to the contributions of self-employed and unemployed persons.

Grants reached the amount of HRK 121.4 million, mostly (97.1 percent) on the basis of grants from international organizations.

Other revenues were realized in the amount of HRK 5.1 billion which represents an annual growth of 26.2 percent. The largest part of other revenues was realized through sales of goods and services (48.8 percent), miscellaneous and unidentified revenues (27.9 percent), property income (18 percent) and the rest of the collected sum refers to fines, penalties and forfeits and voluntary transfers other than grants. Sales of goods and services stood at HRK 2.5 billion, 94.2 percent of which refers to administrative fees mostly realized by the extrabudgetary funds and agencies. Miscellaneous and unidentified revenues stood at HRK 1.4 billion which represents an annual growth of 8.1 percent. Property income was realized in the amount of HRK 919.8 million, while fines, penalties and forfeits amounted to HRK 252.5 million.

EXPENSE

Total expense of consolidated central government amounted to HRK 59.4 billion which represents an annual increase of 6.7 percent. Observing consolidated central government according to government level, HRK 56.5 billion refers to budgetary central government and the remaining HRK 2.9 billion refers to extrabudgetary funds and agencies.

The largest share of total expense of consolidated central government (45 percent) refers to social benefits, followed by compensation of employees (27.3 percent), use of goods and services (8.7 percent), interest (5.9 percent), subsidies (5.6 percent), other expense (5 percent) and grants (2.5 percent). Social benefits stood at HRK 26.8 billion, representing an annual increase of 5.5 percent. Observing the structure of social benefits, 70.4 percent refers to social security benefits, 29.1 percent refers to social assistance benefits, while the remaining 0.5 percent refers to employer social benefits.

Within their structure, the main categories are expenses for pensions, health care system, maternity leave allowances, child allowance, expenses for unemployment etc. Expenses for pensions stood at HRK 17.1 billion. Within the structure of expenses for pensions HRK 7.5 billion refers to expenses for old age pensions, HRK 2.6 billion refers to pensions for disabled persons, HRK 2 billion refers to family pensions and HRK 2.3 billion refers to veterans pensions.

Expenses for healthcare system were realized at the level of HRK 9.5 billion. Expenses for hospital health care amounted to HRK 4.3 billion, for primary health care to HRK 1.7 billion and expenses for medicaments on prescription amounted to HRK 1.3 billion. Among other social benefits, the important items are also child allowance (HRK 1.1 billion), expenses for additional maternity leave (HRK 500.9 million) and expenses for unemployment (HRK 453.1 million).

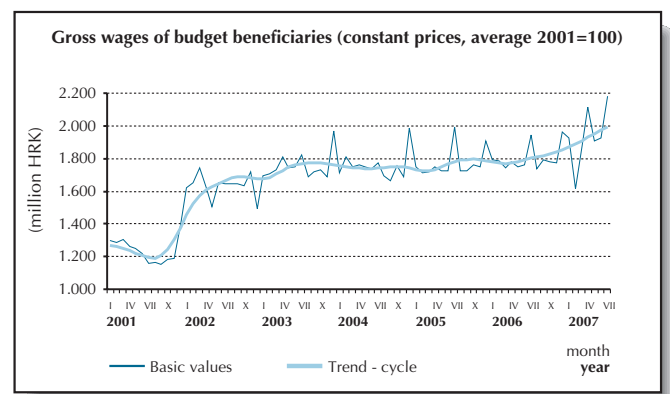
Compensation of employees stood at HRK 16.2 billion which represents an annual increase of 9.6 percent. The largest share of compensation of employees refers to wages and salaries, which amounted to 13.8 billion, followed by social contributions which stood at HRK 2.4 billion. In comparison with the same period of previous year wages and salaries grew by 9.6 percent and social contributions by 9.2 percent.

Expense for use of goods and services amounted to HRK 5.2 billion representing an annual increase of 14 percent. Expense for use of goods and services refer mostly to different types of services like telephone service, post and transportation services etc.

Expense for subsidies stood at the level of HRK 3.3 billion which makes 5.6 percent of total expenses. Subsidies to public corporations make 47.9 percent of total subsidies (in the amount of HRK 1.6 billion) and their largest part refers to subsidies to Croatian Railways (in the amount of HRK 880.2 million). Subsidies to private enterprises make the remaining 52.1 percent of total subsidies (in the amount of HRK 1.7 billion).

Expense for interest payments amounted to HRK 3.5 billion. 50.3 percent of expense for interest payments refers to interests to residents, and the remaining 49.7 percent to interests to nonresidents. Interests to residents other than general government stood at HRK 1.8 billion and interests to nonresidents at HRK 1.7 billion.

Grants stood at HRK 1.5 billion. Current grants to other general government units amounted to HRK 1.1 billion which accounts for 76.5 percent of total grants. Capital grants to other general government units represent 19.4 percent of total grants, grants



to international organizations represent 2.9 percent of total grants and the rest of the amount (1.2 percent) refers to grants to foreign governments.

Other expenses stood at HRK 3 billion which represents 5 percent of total expenses and 44.4 percent of the planned amount for 2007. Among other expenses, capital expenses amounted to HRK 1.6 billion, current amounted to HRK 1.4 billion and the rest (HRK 2.1 million) refers to property expense other than interest.

TRANSACTION IN NON-FINANCIAL ASSETS

Net acquisition of non-financial assets of consolidated central government amounted HRK 3.4 billion as the acquisition of non-financial assets (HRK 3.8 billion) surpassed the disposal of non-financial assets (HRK 399.3 million). This amount accounts for 37.6 percent of the planned amount for 2007. The largest contribution to acquisition of non-financial assets came from acquisition of fixed assets (93.2 percent), mainly of buildings and structures and, to a lesser degree, of machinery and equipment and other fixed assets. According to government level, 76.1 percent of total acquisition refers to extrabudgetary funds and agencies and the rest of the sum refers to budgetary central government. On the other hand, the disposal of non-financial assets mostly refers to disposals of inventories and disposals of fixed assets at the budgetary central government level.

TRANSACTIONS IN FINANCIAL ASSETS

In the observed period, net acquisition of financial assets of consolidated central government amounted to HRK 670.6 million as a result of an increase in domestic financial assets of HRK 662.5 million and an increase in foreign financial assets of HRK 8 million. Currency and deposits amounted to HRK 330.9 million. According to government level, currency and deposits of budgetary central government amounted to HRK 230.6 million and currency and deposits of extrabudgetary funds and agencies to HRK 100.3 million.

Net loans recorded an increase of HRK 351.1 million as a result of greater acquisition (HRK 497.4 million) than disposal (HRK 146.3 million). According to government level, net loans of budgetary central government amounted HRK 311.8 million and net loans of extrabudgetary funds and agencies to HRK 39.4 million. Furthermore, net domestic shares and other equity amounted to HRK -19.5 million as a result of acquisition of shares and other equity in the amount of HRK 120.7 million

and disposals of shares and other equity in the amount of HRK 140.2 million.

Foreign financial assets amounted to HRK 8 million as a result of acquisition of shares and other equity.

TRANSACTIONS IN LIABILITIES

Total net incurrence of liabilities of consolidated central government amounted to HRK -52.5 million. Net domestic liabilities amounted to HRK 2.4 billion as a result of an increase in net incurrence of liabilities on the basis of securities other than shares and an increase in net incurrence of liabilities on the basis of loans. Incurrence of liabilities on the basis of securities other than shares amounted to HRK 4.9 billion and refers completely to budgetary central government. Repayments on the same basis amounted to HRK 3.2 billion. Net incurrence of liabilities on the basis of loans amounted to HRK 768.6 million as a result of repayments in the amount of HRK 685.2 million and incurrence of liabilities in the amount of HRK 1.5 billion.

Net foreign liabilities were realized at the level of HRK -2.5 billion as a result of a decrease in net incurrence of liabilities on the basis of securities other than shares and a decrease in net incurrence of liabilities on the basis of loans. Net incurrence of liabilities on the basis of securities other than shares amounted to HRK -1.8 billion solely as a result of repayments at the budgetary central government level. Net incurrence of liabilities on the basis of loans amounted to HRK -707.9 million as a result of repayments in the amount of HRK 1.9 billion and incurrence of liabilities in the amount of HRK 1.2 billion.

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 4.1 billion. By subtracting net acquisition of non-financial assets from net operating balance, a category of net lending/borrowing is obtained. Net lending/borrowing amounted to HRK 723.1 million.

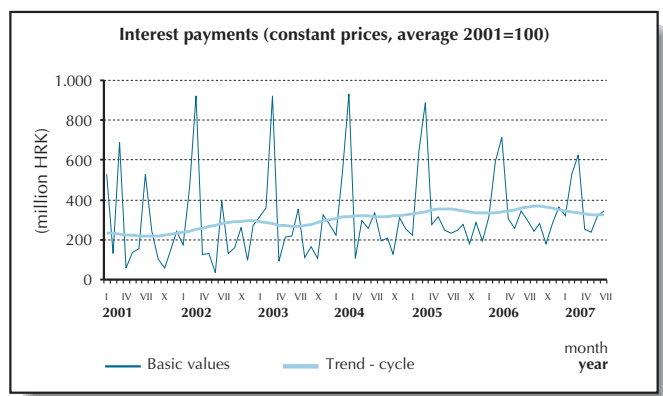


TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE

(000 HRK)	2004	2005	2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1 REVENUE (11+12+13+14)	80 463 518	85 653 010	95 235 557	24 821 024	25 132 226	108 501 515	23 851 140	27 711 935	60 897 359	9 334 284	56,13
11 Taxes (111+113+114+115+116)	47 149 862	50 687 564	58 469 091	15 628 185	15 345 731	64 148 604	14 017 755	17 286 246	37 076 090	5 772 089	57,80
111 Taxes of income and profits and capital gains (1111+1112)	6 259 713	7 057 112	8 515 615	1 879 436	2 179 950	10 078 339	2 188 372	3 729 640	6 738 758	820 746	66,86
1111 Payable by individuals	3 128 273	3 106 476	3 459 649	925 376	1 073 829	1 650 551	543 857	100 460	796 350	152 033	48,25
1112 Payable by corporations and other enterprises	3 131 440	3 950 636	5 055 966	954 060	1 106 121	8 427 788	1 644 515	3 629 180	5 942 408	668 713	70,51
113 Taxes on property	355 823	375 501	482 331	117 380	151 774	533 685	126 963	135 671	306 688	44 054	57,47
114 Taxes on goods and services (1141+...+1146)	38 602 221	41 323 002	47 546 223	13 155 971	12 485 941	51 584 380	11 263 242	12 906 488	28 918 159	4 748 430	56,06
1141 General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	9 535 777	9 308 224	38 387 622	8 440 180	9 622 975	21 597 402	3 534 247	56,26
11411 Value-added taxes	29 864 905	32 243 372	34 931 750	9 497 870	9 268 244	38 212 839	8 399 864	9 578 712	21 496 651	3 518 076	56,26
11412 Sales taxes	148 757	156 580	159 631	37 907	39 980	174 784	40 316	44 264	100 751	16 172	57,64
1142 Excises (11421+11422+11423+11424+11425+11426+11427+11428)	7 941 554	8 177 659	11 564 709	3 386 836	2 916 506	12 208 771	2 620 967	3 037 455	6 793 453	1 135 031	55,64
11421 - on cars, other motor vehicles, boats and planes	945 209	1 080 926	1 270 422	301 504	319 623	1 453 306	336 254	405 715	878 491	136 522	60,45
11422 - on petroleum products	3 325 659	3 337 501	6 316 440	1 845 966	1 645 220	6 512 945	1 389 712	1 574 308	3 547 365	583 345	54,47
11423 - on alcohol	230 796	228 386	230 178	60 335	62 501	230 978	47 732	57 159	118 445	13 555	51,28
11424 - on beer	718 278	702 386	716 167	272 885	156 524	755 407	126 630	187 928	402 810	88 252	53,32
11425 - on nonalcoholic beverages	132 984	141 905	140 404	51 476	31 021	145 274	26 679	33 921	76 621	16 021	52,74
11426 - on tobacco products	2 430 843	2 518 801	2 710 348	807 017	654 136	2 921 855	649 797	734 127	1 664 824	280 900	56,98
11427 - on coffee	135 437	145 334	156 666	41 370	41 579	163 147	37 237	38 574	90 149	14 339	55,26
11428 - on luxury goods	22 348	22 420	24 084	6 284	5 902	25 859	6 927	5 724	14 747	2 096	57,03
115 Taxes on international trade and transactions	1 590 727	1 562 930	1 588 456	398 841	439 962	1 615 059	357 299	430 257	918 660	131 104	56,88
116 Other taxes	341 377	369 019	336 466	76 557	88 104	337 141	81 879	84 192	193 827	27 756	57,49
12 Social contributions	29 477 597	31 301 340	33 877 148	8 629 734	8 916 196	37 115 946	8 741 858	9 302 667	21 245 389	3 200 864	57,24
121 Social security contributions (1211+1212+1213+1214)	29 477 597	31 301 340	33 877 148	8 629 734	8 916 196	37 115 946	8 741 858	9 302 667	21 245 389	3 200 864	57,24
1211 Employee contributions	13 139 274	13 857 360	15 084 349	3 842 749	3 942 085	16 502 518	3 897 464	4 140 993	9 445 243	1 406 787	57,24
1212 Employer contributions	15 737 707	16 695 492	18 051 382	4 601 352	4 754 269	18 707 820	4 669 683	4 968 661	11 352 795	1 714 452	60,68
1213 Self-employed or unemployed contributions	600 616	748 487	741 418	185 633	219 842	1 905 609	174 712	193 013	447 351	79 626	23,48
1214 Unallocable contributions	0	0	0	0	0	0	0	0	0	0	
13 Grants	10 122	27 505	195 984	3 644	177 761	863 561	12 330	102 253	122 393	7 811	14,17
14 Other revenue (141+142+143+144+145)	3 825 938	3 636 601	2 693 335	559 462	692 539	6 373 403	1 079 197	1 020 769	2 453 486	353 520	38,50
141 Property income (1411+1412+1413+1415)	2 667 701	2 226 647	832 400	108 186	247 887	3 440 079	207 803	310 753	635 709	117 153	18,48
1411 Interest	35 752	62 784	108 232	9 621	20 820	116 374	65 872	26 931	98 415	5 613	84,57
1412 Dividends	1 868 841	1 123 346	17 835	1	3 051	976 938	16	86 916	154 708	67 777	15,84
1413 Withdrawals from income of quasi-corporations	146 820	192 516	288 113	1 040	77 707	180 552	0	104 840	104 841	1	58,07
1415 Rent	616 289	848 001	418 220	97 524	146 309	2 166 215	141 916	92 066	277 745	43 763	12,82
142 Sales of goods and services (1422+1423)	676 951	782 428	1 209 296	315 280	290 563	1 527 298	401 891	391 403	932 590	139 296	61,06
1421 Sales of market establishments	0	0	0	0	0	0	0	0	0	0	
1422 Administrative fees	312 994	397 066	821 741	218 075	234 166	1 420 002	342 440	341 192	807 150	123 518	56,84
1423 Incidental sales by nonmarket establishments	363 957	385 362	387 555	97 205	56 397	1 072 296	59 451	50 211	125 440	15 778	116,91
143 Fines, penalties, and forfeits	342 371	360 707	391 616	101 547	101 876	421 307	107 144	107 640	252 495	37 712	59,93
144 Voluntary transfers other than grants	249	5 653	6 737	2 226	2 013	4 316	5 644	-184	5 786	326	134,06
145 Miscellaneous and unidentified revenue	138 667	261 166	253 286	32 224	50 200	980 404	356 716	211 157	626 906	59 033	63,94

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 3: BUDGETARY CENTRAL GOVERNMENT EXPENSE

(000 HRK)		2004	2005	2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
2	EXPENSE (21+22+24+25+26+27+28)	83 131 114	87 857 465	95 949 951	23 334 535	26 151 642	108 447 435	24 963 473	24 738 509	58 301 030	8 599 048	53,76
21	Compensation of employees (211+212)	22 268 287	23 182 586	24 313 867	6 151 600	6 217 675	27 477 952	6 507 526	6 875 961	15 887 871	2 504 385	57,82
211	Wages and salaries	18 888 605	19 699 216	20 663 890	5 235 542	5 283 304	23 113 401	5 509 421	5 867 563	13 537 726	2 160 742	58,57
212	Social contributions	3 379 682	3 483 370	3 649 977	916 058	934 371	4 364 550	998 105	1 008 397	2 350 145	343 644	53,85
22	Use of goods and services	4 358 721	4 951 917	6 069 116	1 242 904	2 259 303	7 702 325	1 450 705	1 584 541	3 540 870	505 625	45,97
24	Interest (241+242+243)	3 972 466	4 387 010	4 713 615	955 490	935 215	4 586 817	1 680 283	936 070	3 009 316	392 963	65,61
241	To nonresidents	1 976 502	2 053 588	1 863 999	194 629	158 394	1 686 209	966 120	355 550	1 450 179	128 509	86,00
242	To residents other than general government	1 995 964	2 333 422	2 849 616	760 862	776 820	2 900 608	714 163	580 520	1 559 136	264 453	53,75
25	Subsidies (251+252)	4 968 069	5 248 744	5 670 789	1 076 468	1 582 148	6 017 759	1 652 902	1 265 675	3 290 821	372 243	54,69
251	To public corporations	2 783 462	2 784 825	2 692 785	575 855	705 855	2 827 516	768 664	598 057	1 580 795	214 075	55,91
252	To private enterprises	2 184 606	2 463 919	2 978 004	500 613	876 293	3 190 243	884 238	667 618	1 710 026	158 169	53,60
26	Grants (261+262+263)	3 420 327	3 796 847	6 652 994	1 786 603	2 181 858	8 513 643	1 217 303	1 432 151	3 206 730	557 276	37,67
261	To foreign governments (2611+2612)	76 464	73 639	64 795	23 047	31 759	93 950	685	12 753	17 929	4 491	19,08
2611	Current	46 500	49 174	37 760	22 380	15 381	69 650	685	7 650	12 426	4 091	17,84
2612	Capital	29 964	24 465	27 035	668	16 378	24 300	0	5 103	5 503	400	22,65
262	To international organizations (2621+2622)	83 434	93 832	89 619	27 452	3 202	73 440	28 625	12 463	42 441	1 353	57,79
2621	Current	83 434	93 832	89 619	27 452	3 202	73 440	28 625	12 463	42 441	1 353	57,79
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	1 736 105	2 146 897	8 346 253	1 187 993	1 406 936	3 146 361	551 432	37,70
2631	Current	2 498 598	2 623 246	2 663 156	613 596	855 149	2 451 058	455 959	501 945	1 116 948	159 044	45,57
2632	Capital	761 831	1 006 130	3 835 425	1 122 508	1 291 748	5 895 195	732 035	904 991	2 029 413	392 388	34,42
27	Social benefits (271+272+273)	39 730 887	41 358 455	43 444 589	10 838 233	11 180 892	48 538 710	11 556 319	11 410 432	26 755 295	3 788 544	55,12
271	Social security benefits	28 189 472	29 308 716	30 535 396	7 676 595	7 810 670	34 499 553	8 143 186	8 057 629	18 835 047	2 634 231	54,60
272	Social assistance benefits	11 177 315	11 792 075	12 786 632	3 139 399	3 331 241	13 919 090	3 345 735	3 312 140	7 794 679	1 136 803	56,00
273	Employer social benefits	364 100	257 663	122 561	22 240	38 982	120 067	67 397	40 663	125 569	17 510	104,58
28	Other expense (281+282)	4 412 359	4 931 907	5 084 980	1 283 236	1 794 553	5 610 231	898 437	1 233 678	2 610 128	478 012	46,52
281	Property expense other than interest	3 955	4 920	7 600	2 067	3 504	0	1 226	676	2 119	217	
282	Miscellaneous other expense (2821+2822)	4 408 404	4 926 987	5 077 381	1 281 169	1 791 049	5 610 231	897 211	1 233 003	2 608 009	477 795	46,49
2821	Current	1 842 516	2 154 806	2 304 214	555 961	657 548	2 618 498	474 697	657 747	1 391 681	259 237	53,15
2822	Capital	2 565 888	2 772 181	2 773 167	725 208	1 133 500	2 991 733	422 514	575 255	1 216 328	218 559	40,66

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	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1 419 467	1 553 668	1 555 792	322 028	829 004	2 954 080	84 367	352 807	559 380	122 206	18,94
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 663 868	1 828 818	1 908 482	398 031	924 386	3 436 026	332 408	430 381	909 146	146 357	26,46
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	244 401	275 149	352 690	76 003	95 381	481 947	248 041	77 574	349 766	24 151	72,57
311	Fixed assets (3111+3112+3113)	1 384 609	1 516 968	1 595 121	327 178	822 767	2 999 099	249 141	333 946	702 313	119 226	23,42
311,1	Acquisitions: fixed assets (3111,1+3112,1+3113,1)	1 624 051	1 781 347	1 844 783	386 071	891 815	3 271 645	319 581	401 007	860 884	140 296	26,31
311,2	Disposals: fixed assets (3111,2+3112,2+3113,2)	239 442	264 379	249 663	58 893	69 048	272 547	70 440	67 061	158 570	21 070	58,18
3111	Buildings and structures (3111,1-3111,2)	811 477	867 663	831 377	194 451	407 273	1 385 069	105 825	179 963	373 263	87 475	26,95
3111,1	Acquisitions: buildings and structures	1 050 315	1 131 302	1 080 074	253 283	476 074	1 654 965	175 062	246 166	529 753	108 525	32,01
3111,2	Disposals: buildings and structures	238 838	263 639	248 698	58 832	68 801	269 897	69 237	66 203	156 490	21 050	57,98
3112	Machinery and equipment (3112,1-3112,2)	518 941	557 320	656 733	116 567	359 602	1 395 879	131 215	133 891	291 288	26 183	20,87
3112,1	Acquisitions: machinery and equipment	519 545	558 060	657 696	116 628	359 848	1 398 529	132 418	134 748	293 368	26 202	20,98
3112,2	Disposals: machinery and equipment	604	740	964	61	246	2 650	1 203	858	2 080	19	78,49
3113	Other fixed assets (3113,1-3113,2)	54 191	91 986	107 011	16 160	55 893	218 151	12 101	20 093	37 762	5 568	17,31
3113,1	Acquisitions: other fixed assets	54 191	91 986	107 012	16 160	55 894	218 151	12 101	20 093	37 762	5 568	17,31
3113,2	Disposals: other fixed assets	0	0	1	0	1	0	0	0	0	0	
312	Inventories	0	0	-80 226	-11 492	-19 519	-168 139	-173 789	-1 891	-177 344	-1 664	
312,1	Acquisitions: inventories	0	0	1 048	60	551	21 861	601	1 694	2 709	414	12,39
312,2	Disposals: inventories	0	0	81 274	11 552	20 070	190 000	174 390	3 586	180 053	2 077	94,76
313	Valuables (313,1-313,2)	7 518	7 220	7 826	1 541	3 217	7 704	1 256	4 416	6 742	1 070	87,51
313,1	Acquisitions: valuables	7 518	7 220	7 826	1 541	3 217	7 704	1 256	4 416	6 742	1 070	87,51
313,2	Disposals: valuables	0	0	0	0	0	0	0	0	0	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	27 340	29 480	33 072	4 801	22 539	115 416	7 759	16 336	27 669	3 573	23,97
314,1	Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	32 299	40 251	54 826	10 360	28 803	134 816	10 970	23 264	38 812	4 577	28,79
314,2	Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	4 959	10 771	21 754	5 559	6 264	19 400	3 211	6 928	11 143	1 004	57,44
3141	Land (3141,1-3141,2)	7 062	-10 282	-21 650	-5 487	-6 264	-16 310	-3 183	-6 890	-11 077	-1 004	67,92
3141,1	Acquisitions: land	12 021	489	81	71	0	3 090	28	29	58	0	1,86
3141,2	Disposals: land	4 959	10 771	21 732	5 559	6 264	19 400	3 211	6 919	11 135	1 004	57,40
3142	Subsoil assets	0	0	-22	0	0	0	0	0	0	0	
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	
3143	Other naturally occurring assets	0	0	0	0	0	0	0	0	0	0	
3144	Intangible nonproduced assets (3144,1-3144,2)	20 278	39 762	54 744	10 288	28 803	131 726	10 942	23 227	38 746	4 577	29,41
3144,1	Acquisitions: intangible nonproduced assets	20 278	39 762	54 744	10 288	28 803	131 726	10 942	23 235	38 754	4 577	29,42
3144,2	Disposals: intangible nonproduced assets	0	0	0	0	0	0	0	8	8	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 5: TRANSACTIONS IN FINANCIAL ASSETS OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)	2004	2005	2006	VII - IX 2006.	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	221 977	1 752 825	-3 047 174	267 886	-2 813 142	-595 028	345 952	897 297	559 543	-683 706
32,1 Acquisition of financial assets (321,1+322,1)	1 787 080	1 264 131	1 285 738	304 884	385 159	1 206 107	247 097	213 744	519 627	58 786
32,2 Disposals of financial assets (321,2+322,2)	450 839	199 491	2 883 242	55 278	2 734 733	1 801 135	124 318	54 886	190 707	11 503
Currency and deposits (3212+3222)	-1 114 264	688 185	-1 449 670	18 280	-463 568	0	223 173	738 439	230 622	-730 990
321 Domestic (3212+3213+3214+3215+3216+3217+3218)	212 192	1 757 681	-3 063 855	267 886	-2 827 142	-608 456	345 952	889 264	551 509	-683 706
321,1 Acquisition of domestic financial assets (3213,1+...+3218,1)	1 777 294	1 261 432	1 269 058	304 884	371 159	1 192 679	247 097	205 711	511 594	58 786
321,2 Disposals of domestic financial assets (3213,2+...+3218,2)	450 839	191 935	2 883 242	55 278	2 734 733	1 801 135	124 318	54 886	190 707	11 503
3212 Currency and deposits	-1 114 264	688 185	-1 449 670	18 280	-463 568	0	223 173	738 439	230 622	-730 990
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	195 596	247 251	675 244	169 587	96 882	311 762	45 293
3214,1 Acquisition: Loans	1 328 794	1 026 367	1 037 701	250 874	308 949	966 379	202 097	151 701	410 594	56 796
3214,2 Disposals: Loans	325 839	178 776	205 380	55 278	61 698	291 135	32 510	54 819	98 832	11 503
3215 Shares and other equity (3215,1-3215,2)	323 500	221 906	-2 446 505	54 010	-2 610 825	-1 283 700	-46 808	53 943	9 125	1 990
3215,1 Acquisition: Shares and other equity	448 500	235 065	231 357	54 010	62 210	226 300	45 000	54 010	101 000	1 990
3215,2 Disposals: Shares and other equity	125 000	13 159	2 677 862	0	2 673 035	1 510 000	91 808	67	91 875	0
322 Foreign (3222+3223+3224+3225+3226+3227+3228)	9 786	-4 857	16 681	0	14 000	13 428	0	8 033	8 033	0
322,1 Acquisition of foreign financial assets (3223,1+...+3228,1)	9 786	2 699	16 681	0	14 000	13 428	0	8 033	8 033	0
322,2 Disposals of foreign financial assets (3223,2+...+3228,2)	0	7 556	0	0	0	0	0	0	0	0
3222 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3225 Shares and other equity (3225,1-3225,2)	9 786	-4 857	16 681	0	14 000	13 428	0	8 033	8 033	0
3225,1 Acquisition: Shares and other equity	9 786	2 699	16 681	0	14 000	13 428	0	8 033	8 033	0
3225,2 Disposals: Shares and other equity	0	7 556	0	0	0	0	0	0	0	0
323 Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	0

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 6: TRANSACTIONS IN LIABILITIES OF BUDGETARY CENTRAL GOVERNMENT

(000 HRK)	2004	2005	2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007
33 NET INCURRENCE OF LIABILITIES (331+332)	4 309 040	5 510 948	-776 988	-896 575	-964 721	2 304 972	1 542 653	-1 723 323	-1 477 407	-1 296 737
33,1 Repayments (331,1+332,1)	13 717 082	10 253 489	10 056 697	2 219 642	1 978 123	8 677 243	821 372	1 129 621	7 097 393	5 146 401
33,2 Incurrences (331,2+332,2)	18 026 122	15 764 437	9 279 708	1 323 067	1 013 402	10 982 215	2 364 024	-593 702	5 619 987	3 849 664
Currency and deposits (3312+3322)	0	0	0	0	0	0	0	0	0	0
331 Domestic (3312+3313+3314+3316+3317+3318)	4 038 705	10 591 560	3 166 260	-357 843	-903 376	4 245 541	2 114 689	-1 429 551	1 604 075	918 937
331,1 Domestic repayments (3313,1+3314,1+3315,1+3316,1+3317,1+3318,1)	9 009 705	4 389 323	4 250 184	1 540 691	1 572 942	4 740 993	249 335	651 967	3 829 285	2 927 983
331,2 Domestic incurrences (3313,2+3314,2+3315,2+3316,2+3317,2+3318,2)	13 048 410	14 980 882	7 416 444	1 182 848	669 566	8 986 534	2 364 024	-777 584	5 433 360	3 846 920
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	2 013 736	1 732 333	5 430 740	3 256 264	-747 209	1 644 563	-864 492
3313,1 Repayments: Securities other than shares	5 025 194	2 844 601	550 859	112 824	167 186	3 555 794	118 211	172 524	3 213 174	2 922 440
3313,2 Incurrences: Securities other than shares	11 382 670	12 480 944	6 199 793	2 126 560	1 899 519	8 986 534	3 374 475	-574 686	4 857 737	2 057 947
3314 Loans (3314,2-3314,1)	-2 318 771	955 217	-2 482 674	-2 371 579	-2 635 709	-1 185 199	-1 141 575	-682 342	-40 488	1 783 429
3314,1 Repayments: Loans	3 984 511	1 544 722	3 699 325	1 427 867	1 405 756	1 185 199	131 124	479 443	616 111	5 544
3314,2 Incurrences: Loans	1 665 740	2 499 938	1 216 651	-943 712	-1 229 952	0	-1 010 451	-202 899	575 623	1 788 973
332 Foreign (3322+3323+3324+3326+3327+3328)	270 335	-5 080 612	-3 943 248	-538 733	-61 345	-1 940 569	-572 037	-293 772	-3 081 482	-2 215 674
332,1 Foreign repayments (3323,1+3324,1+3325,1+3326,1+3327,1+3328,1)	4 707 377	5 864 167	5 806 513	678 951	405 181	3 936 250	572 037	477 654	3 268 108	2 218 418
332,2 Foreign incurrences (3323,2+3324,2+3325,2+3326,2+3327,2+3328,2)	4 977 712	783 554	1 863 264	140 218	343 836	1 995 681	0	183 882	186 626	2 744
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	-1 850 000	0	0	-1 757 723	-1 757 723
3323,1 Repayments: Securities other than shares	2 526 876	3 713 935	3 480 781	0	0	1 850 000	0	0	1 757 723	1 757 723
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	-538 733	-61 345	-90 569	-572 037	-293 772	-1 323 759	-457 950
3324,1 Repayments: Loans	2 180 501	2 150 232	2 325 732	678 951	405 181	2 086 250	572 037	477 654	1 510 385	460 694
3324,2 Incurrences: Loans	1 235 397	783 554	1 863 264	140 218	343 836	1 995 681	0	183 882	186 626	2 744

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 - VII 2007		
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government
82 (=32) NET ACQUISITION OF FINANCIAL ASSETS	559 543	111 033	670 576
Acquisition of financial assets	1 249 467	206 802	1 456 269
Disposals of financial assets	689 924	95 769	785 693
821 (=321) Domestic	551 509	111 033	662 542
Acquisition of domestic financial assets	1 241 434	206 802	1 448 236
Disposals of domestic financial assets	689 924	95 769	785 693
8211 General government	0	0	0
Acquisitions: General Government	0	0	0
Disposals: General Government	0	0	0
8212 Central bank	533 904	0	533 904
Acquisitions: Central bank	554 859	0	554 859
Disposals: Central bank	20 955	0	20 955
8213 Other depository institutions	-204 282	100 298	-103 984
Acquisitions: Other depository institutions	273 981	100 298	374 279
Disposals: Other depository institutions	478 263	0	478 263
8215 Nonfinancial institutions	200 756	10 735	211 491
Acquisitions: Nonfinancial institutions	365 327	106 504	471 831
Disposals: Nonfinancial institutions	164 571	95 769	260 340
8216 Households and nonprofit institutions serving households	21 131	0	21 131
Acquisitions: Hholds and nonprofit institutions serving hholds	47 267	0	47 267
Disposals: Hholds and nonprofit institutions serving hholds	26 136	0	26 136
822 (=322) Foreign	8 033	0	8 033
Acquisition of foreign financial assets	8 033	0	8 033
Disposals of foreign financial assets	0	0	0
8227 International organizations	8 033	0	8 033
Acquisitions: International organizations	8 033	0	8 033
Disposals: International organizations	0	0	0
8229 Other nonresidents	0	0	0
Acquisitions: Other nonresidents	0	0	0
Disposals: Other nonresidents	0	0	0
83 (=33) NET INCURRENCE OF LIABILITIES	-1 477 407	1 424 878	-52 529
Repayments: liabilities	7 097 393	470 135	7 567 528
Incurrences: liabilities	5 619 987	1 895 013	7 515 000
831 (=331) Domestic	1 604 075	809 058	2 413 133
Repayments: domestic liabilities	3 829 285	69 085	3 898 370
Incurrences: domestic liabilities	5 433 360	878 143	6 311 503
8311 General government	0	0	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	0	0
8313 Other depository institutions	1 596 072	809 058	2 405 130
Repayments: Other depository institutions	3 827 468	69 085	3 896 553
Incurrences: Other depository institutions	5 423 540	878 143	6 301 683
8314 Financial institutions not elsewhere classified	9 820	0	9 820
Repayments: Financial institutions not elsewhere classified	0	0	0
Incurrences: Financial institutions not elsewhere classified	9 820	0	9 820
8315 Nonfinancial institutions	-1 817	0	-1 817
Repayments: Nonfinancial institutions	1 817	0	1 817
Incurrences: Nonfinancial institutions	0	0	0
832 (=332) Foreign	-3 081 482	615 820	-2 465 662
Repayments: foreign liabilities	3 268 108	401 050	3 669 158
Incurrences: foreign liabilities	186 626	1 016 870	1 203 496
8321 General government	-373 687	0	-373 687
Repayments: General Government	373 687	0	373 687
Incurrences: General Government	0	0	0
8327 International organizations	-358 680	0	-358 680
Repayments: International organizations	490 498	0	490 498
Incurrences: International organizations	131 818	0	131 818
8328 Financial institutions other than international organizations	-2 349 115	615 820	-1 733 295
Repayments: Financial institutions other than international organizations	2 403 923	401 050	2 804 973
Incurrences: Financial institutions other than international organizations	54 808	1 016 870	1 071 678
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	VII - IX 2006	X - XII 2006	Rebalans 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007
TRANSACTIONS AFFECTING NET WORTH										
1 REVENUE (11+12+13+14)	80 463 518	85 653 010	95 235 557	24 821 024	25 132 226	108 501 515	23 851 140	27 711 935	60 897 359	9 334 284
11 Taxes	47 149 862	50 687 564	58 469 091	15 628 185	15 345 731	64 148 604	14 017 755	17 286 246	37 076 090	5 772 089
12 Social contributions	29 477 597	31 301 340	33 877 148	8 629 734	8 916 196	37 115 946	8 741 858	9 302 667	21 245 389	3 200 864
13 Grants	10 122	27 505	195 984	3 644	177 761	863 561	12 330	102 253	122 393	7 811
14 Other revenue	3 825 938	3 636 601	2 693 335	559 462	692 539	6 373 403	1 079 197	1 020 769	2 453 486	353 520
2 EXPENSE (21+22+24+25+26+27+28)	83 131 114	87 857 465	95 949 951	23 334 535	26 151 642	108 447 435	24 963 473	24 738 509	58 301 030	8 599 048
21 Compensation of employees	22 268 287	23 182 586	24 313 867	6 151 600	6 217 675	27 477 952	6 507 526	6 875 961	15 887 871	2 504 385
22 Use of goods and services	4 358 721	4 951 917	6 069 116	1 242 904	2 259 303	7 702 325	1 450 705	1 584 541	3 540 870	505 625
24 Interest	3 972 466	4 387 010	4 713 615	955 490	935 215	4 586 817	1 680 283	936 070	3 009 316	392 963
25 Subsidies	4 968 069	5 248 744	5 670 789	1 076 468	1 582 148	6 017 759	1 652 902	1 265 675	3 290 821	372 243
26 Grants	3 420 327	3 796 847	6 652 994	1 786 603	2 181 858	8 513 643	1 217 303	1 432 151	3 206 730	557 276
27 Social benefits	39 730 887	41 358 455	43 444 589	10 838 233	11 180 892	48 538 710	11 556 319	11 410 432	26 755 295	3 788 544
28 Other expense	4 412 359	4 931 907	5 084 980	1 283 236	1 794 553	5 610 231	898 437	1 233 678	2 610 128	478 012
NET-GROSS OPERATING BALANCE (1-2)	-2 667 596	-2 204 455	-714 394	1 486 489	-1 019 416	54 080	-1 112 333	2 973 426	2 596 329	735 236
CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	-2 667 596	-2 204 455	-714 394	1 486 489	-1 019 416	54 080	-1 112 333	2 973 426	2 596 329	735 236
TRANSACTIONS IN NONFINANCIAL ASSETS										
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1 419 467	1 553 668	1 555 792	322 028	829 004	2 954 080	84 367	352 807	559 380	122 206
311 Fixed assets	1 384 609	1 516 968	1 595 121	327 178	822 767	2 999 099	249 141	333 946	702 313	119 226
312 Change in inventories	0	0	-80 226	-11 492	-19 519	-168 139	-173 789	-1 891	-177 344	-1 664
313 Valuables	7 518	7 220	7 826	1 541	3 217	7 704	1 256	4 416	6 742	1 070
314 Nonproduced assets	27 340	29 480	33 072	4 801	22 539	115 416	7 759	16 336	27 669	3 573
NET LENDING-BORROWING (1-2-31)	-4 087 063	-3 758 123	-2 270 186	1 164 461	-1 848 421	-2 900 000	-1 196 700	2 620 619	2 036 949	613 030
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)										
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322)	221 977	1 752 825	-3 047 174	267 886	-2 813 142	-595 028	345 952	897 297	559 543	-683 706
321 Domestic	212 192	1 757 681	-3 063 855	267 886	-2 827 142	-608 456	345 952	889 264	551 509	-683 706
322 Foreign	9 786	-4 857	16 681	0	14 000	13 428	0	8 033	8 033	0
33 NET INCURRENCE OF LIABILITIES (331+332)	4 309 040	5 510 948	-776 988	-896 575	-964 721	2 304 972	1 542 653	-1 723 323	-1 477 407	-1 296 737
331 Domestic	4 038 705	10 591 560	3 166 260	-357 843	-903 376	4 245 541	2 114 689	-1 429 551	1 604 075	918 937
332 Foreign	270 335	-5 080 612	-3 943 248	-538 733	-61 345	-1 940 569	-572 037	-293 772	-3 081 482	-2 215 674

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
VII 2005	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
VI	8 607 371	8 150 668	456 703	370 591	827 293
VII	9 334 284	8 599 048	735 236	392 963	1 128 199
I-VII 2007	60 897 359	58 301 030	2 596 329	3 009 316	5 605 645

Note: See notes on methodology

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

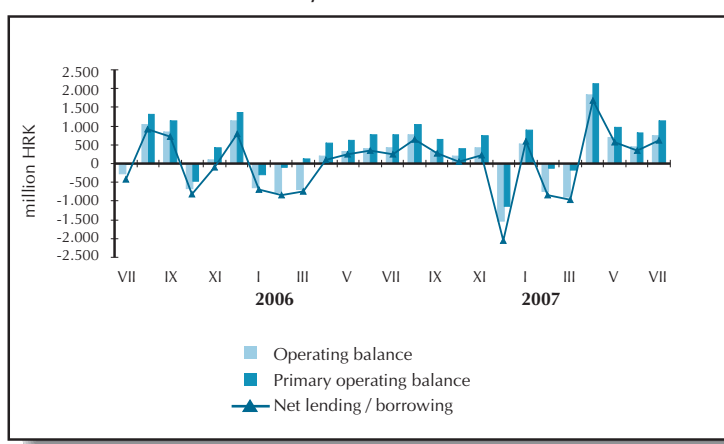


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	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)
VII 2005	-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
VI	456 703	106 229	350 474	-350 474	-233 139	-583 613
VII	735 236	122 206	613 030	-613 030	-683 706	-1 296 737
I-VII 2007	2 596 329	559 380	2 036 949	-2 036 949	559 543	-1 477 407

* GFS 2001

Note: See notes on methodology

TABLE 9: THE CROATIAN WATERS TRANSACTIONS

(000 HRK)		2004	2005	2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1	REVENUE (11+12+13+14)	1 658 435	1 715 607	1 971 613	577 256	797 616	2 447 990	430 742	494 590	1 187 771	262 439	48,52
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)	434 004	487 813	444 762	133 188	209 197	577 990	39 575	41 090	144 777	64 112	25,05
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	39 500	0	3 501	3 764	263	9,53
133	From other general government units (1331+1332)	434 004	487 813	444 762	133 188	209 197	538 490	39 575	37 589	141 013	63 849	26,19
1331	Current	105 340	203 499	89 259	13 196	7 162	3 000	0	0	0	0	
1332	Capital	328 664	284 314	355 503	119 992	202 035	535 490	39 575	37 589	141 013	63 849	26,33
14	Other revenue	1 224 431	1 227 794	1 526 851	444 068	588 419	1 870 000	391 167	453 500	1 042 994	198 327	55,78
2	EXPENSE (21+22+24+25+26+27+28)	1 426 283	1 489 465	1 779 088	521 782	695 834	2 138 990	332 546	378 906	862 162	150 710	40,31
21	Compensation of employees (211+212)	93 675	99 418	111 293	24 884	35 750	126 750	27 911	29 523	66 492	9 058	52,46
211	Wages and salaries	80 618	85 524	96 298	21 321	31 321	109 050	24 167	25 295	57 225	7 763	52,48
212	Social contributions	13 057	13 894	14 995	3 563	4 429	17 700	3 744	4 228	9 267	1 295	52,36
22	Use of goods and services	743 383	790 683	1 072 478	313 203	366 614	1 169 902	163 653	286 905	545 248	94 690	46,61
24	Interest	37 907	33 734	31 692	8 286	8 590	32 560	8 214	7 700	20 943	5 029	64,32
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	53 751	14 723	28 072	60 500	2 977	3 556	8 673	2 140	14,34
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	551 318	565 630	509 874	160 686	256 808	749 278	129 791	51 222	220 806	39 793	29,47
Net-gross operating balance (1-2)		232 152	226 142	192 525	55 474	101 782	309 000	98 196	115 684	325 609	111 729	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	282 527	230 292	223 123	36 846	165 886	279 000	60 510	25 509	107 151	21 132	38,41
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	282 797	230 588	224 983	36 885	166 907	281 500	62 235	25 978	109 349	21 136	38,85
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	270	296	1 860	39	1 021	2 500	1 725	469	2 198	4	87,92
311	Fixed assets (311,1-311,2-311,3)	277 053	224 415	208 532	30 926	158 468	271 000	59 582	22 244	102 140	20 314	37,69
311,1	Acquisitions: fixed assets	277 323	224 711	210 392	30 965	159 489	273 500	61 307	22 713	104 338	20 318	38,15
311,2	Disposals: fixed assets	270	296	1 860	39	1 021	2 500	1 725	469	2 198	4	87,92
314	Nonproduced assets (314,1-314,2-314,3-314,4)	5 474	5 877	14 591	5 920	7 418	8 000	928	3 265	5 011	818	34,34
314,1	Acquisitions: nonproduced assets	5 474	5 877	14 591	5 920	7 418	8 000	928	3 265	5 011	818	34,34
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
Net lending - borrowing (1-2-31)		-50 375	-4 150	-30 598	18 628	-64 104	30 000	37 686	90 175	218 458	90 597	
Financing (33-32)		50 375	4 150	30 598	-18 628	64 104	-30 000	-37 686	-90 175	-218 458	-90 597	
32	Net acquisition of financial assets (321+322)	-11 385	5 284	-32 316	-443	11 723	70 000	21 936	68 061	171 835	81 838	
321	Domestic	-11 385	5 284	-32 316	-443	11 723	70 000	21 936	68 061	171 835	81 838	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	38 990	9 434	-1 718	-19 071	75 827	40 000	-15 750	-22 114	-46 623	-8 759	
331	Domestic	42 859	-26 179	12 778	-19 046	74 619	-8 000	-19 010	-25 335	-47 503	-3 158	
332	Foreign	-3 869	35 613	-14 496	-25	1 208	48 000	3 260	3 221	880	-5 601	

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	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1	REVENUE (11+12+13+14)	172 273	214 737	660 190	178 513	268 398	965 400	174 533	241 675	520 900	104 692	53,96
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)	1 525	0	350	0	350	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)	1 525	0	350	0	350	0	0	0	0	0	
1331	Current	1 525	0	350	0	350	0	0	0	0	0	
1332	Capital	0	0	0	0	0	0	0	0	0	0	
14	Other revenue	170 748	214 737	659 840	178 513	268 048	965 400	174 533	241 675	520 900	104 692	53,96
2	EXPENSE (21+22+24+25+26+27+28)	32 443	172 045	734 764	207 229	274 515	888 271	194 299	222 644	503 423	86 480	56,67
21	Compensation of employees (211+212)	1 905	3 966	6 843	1 588	2 396	12 941	2 450	3 048	6 474	976	50,03
211	Wages and salaries	1 633	3 407	5 864	1 360	2 041	11 085	2 103	2 633	5 569	833	50,24
212	Social contributions	272	559	979	228	355	1 856	347	415	905	143	48,77
22	Use of goods and services	2 734	12 162	608 913	189 232	216 588	695 260	171 623	206 089	453 923	76 211	65,29
24	Interest	0	0	0	0	0	0	0	0	0	0	
25	Subsidies	0	5 189	13 803	1 745	303	45 300	3 672	2 629	8 130	1 829	17,95
26	Grants	0	149 780	102 355	13 909	53 471	120 900	15 902	10 126	33 220	7 192	27,48
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	27 804	948	2 850	755	1 757	13 871	652	752	1 676	272	12,08
Net-gross operating balance (1-2)		139 830	42 692	-74 574	-28 716	-6 117	77 129	-19 766	19 031	17 477	18 212	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	1 786	12 917	14 151	1 213	12 063	27 563	13 505	2 252	16 040	283	58,19
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 786	12 917	14 287	1 213	12 063	27 563	13 522	2 302	16 107	283	58,44
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	136	0	0	0	17	50	67	0	
311	Fixed assets (311,1-311,2-311,3)	1 553	12 742	2 520	177	1 585	15 550	5 322	1 590	7 195	283	46,27
311,1	Acquisitions: fixed assets	1 553	12 742	2 656	177	1 585	15 550	5 339	1 640	7 262	283	46,70
311,2	Disposals: fixed assets	0	0	136	0	0	0	17	50	67	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	233	175	11 631	1 036	10 478	12 013	8 183	662	8 845	0	73,63
314,1	Acquisitions: nonproduced assets	233	175	11 631	1 036	10 478	12 013	8 183	662	8 845	0	73,63
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
Net lending - borrowing (1-2-31)		138 044	29 775	-88 725	-29 929	-18 180	49 566	-33 271	16 779	1 437	17 929	
Financing (33-32)		-138 044	-29 775	88 725	29 929	18 180	-49 566	33 271	-16 779	-1 437	-17 929	
32	Net acquisition of financial assets (321+322)	138 044	29 775	-88 725	-29 929	-18 180	109 566	-33 271	16 779	1 437	17 929	
321	Domestic	138 044	29 775	-88 725	-29 929	-18 180	109 566	-33 271	16 779	1 437	17 929	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	0	0	0	0	0	60 000	0	0	0	0	
331	Domestic	0	0	0	0	0	30 000	0	0	0	0	
332	Foreign	0	0	0	0	0	30 000	0	0	0	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 11: THE CROATIAN MOTORWAYS Ltd. TRANSACTIONS

(000 HRK)		2004	2005	2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1	REVENUE (11+12+13+14)	2 295 423	2 547 003	2 721 483	885 494	672 928	4 304 065	554 476	729 978	1 621 043	336 589	37,66
11	Taxes	1 341 683	1 380 753	0	0	0	0	0	0	0	0	
1142	Excises	1 341 683	1 380 753	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	1 450 358	425 596	379 589	3 025 107	316 773	374 169	830 610	139 668	27,46
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	425 596	379 589	3 025 107	316 773	374 169	830 610	139 668	27,46
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 450 358	425 596	379 589	3 025 107	316 773	374 169	830 610	139 668	27,46
14	Other revenue	953 740	1 166 250	1 271 125	459 898	293 339	1 278 958	237 703	355 809	790 433	196 921	61,80
2	EXPENSE (21+22+24+25+26+27+28)	756 796	1 088 687	1 574 490	355 175	535 714	1 793 580	343 052	514 269	995 803	138 482	55,52
21	Compensation of employees (211+212)	236 353	289 866	320 097	89 625	84 287	363 418	82 595	83 694	204 591	38 302	56,30
211	Wages and salaries	203 955	250 374	276 180	77 731	72 520	314 257	71 317	72 044	176 151	32 790	56,05
212	Social contributions	32 398	39 492	43 917	11 894	11 767	49 161	11 278	11 650	28 440	5 512	57,85
22	Use of goods and services	258 509	314 534	301 452	77 374	93 961	266 109	63 067	100 011	194 770	31 692	73,19
24	Interest	191 132	445 185	589 173	52 075	237 175	811 028	116 150	280 254	441 983	45 579	54,50
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	4 542	3 610	301 777	128 460	87 805	282 555	68 562	48 620	138 992	21 810	49,19
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	66 260	35 492	61 991	7 641	32 486	70 471	12 678	1 690	15 467	1 099	21,95
	Net-gross operating balance (1-2)	1 538 627	1 458 316	1 146 993	530 319	137 214	2 510 485	211 424	215 709	625 240	198 107	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	5 778 694	3 942 727	2 949 761	844 597	769 336	4 547 325	582 659	823 712	1 782 845	376 474	39,21
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	5 778 694	3 942 727	3 249 761	844 597	1 069 336	4 547 325	595 911	823 712	1 796 097	376 474	39,50
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	300 000	0	300 000	0	13 252	0	13 252	0	
311	Fixed assets (311,1-311,2-311,3)	5 697 892	3 825 950	2 748 525	766 804	745 447	4 217 962	548 763	787 927	1 698 295	361 605	40,26
311,1	Acquisitions: fixed assets	5 697 892	3 825 950	3 048 525	766 804	1 045 447	4 217 962	562 015	787 927	1 711 547	361 605	40,58
311,2	Disposals: fixed assets	0	0	300 000	0	300 000	0	13 252	0	13 252	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	80 802	116 777	201 236	77 793	23 889	329 363	33 896	35 785	84 550	14 869	25,67
314,1	Acquisitions: nonproduced assets	80 802	116 777	201 236	77 793	23 889	329 363	33 896	35 785	84 550	14 869	25,67
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
	Net lending - borrowing (1-2-31)	-4 240 067	-2 484 411	-1 802 768	-314 278	-632 122	-2 036 840	-371 235	-608 003	-1 157 605	-178 367	
	Financing (33-32)	4 240 067	2 484 411	1 802 768	314 278	632 122	2 036 840	371 235	608 003	1 157 605	178 367	
32	Net acquisition of financial assets (321+322)	-162 274	-42 758	248 366	220 893	48 562	9 880	-234 657	101 490	-136 525	-3 358	
321	Domestic	-162 274	-42 758	248 366	220 893	48 562	9 880	-234 657	101 490	-136 525	-3 358	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331-332)	4 077 793	2 441 653	2 051 134	535 171	680 684	2 046 720	136 578	709 493	1 021 080	175 009	
331	Domestic	379 709	1 698 272	1 758 422	474 871	662 262	325 256	220 507	221 496	442 003	0	
332	Foreign	3 698 084	743 381	292 712	60 300	18 422	1 721 464	-83 929	487 997	579 077	175 009	

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	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1	REVENUE (11+12+13+14)	1 417 787	1 474 714	1 804 019	562 916	494 235	1 883 282	390 128	458 531	1 013 929	165 270	53,84
11	Taxes	1 342 121	1 380 732	0	0	0	0	0	0	0	0	
1142	Excises	1 342 121	1 380 732	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	1 739 270	553 418	474 764	1 805 107	378 314	414 852	952 066	158 900	52,74
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	553 418	474 764	1 805 107	378 314	414 852	952 066	158 900	52,74
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 739 270	553 418	474 764	1 805 107	378 314	414 852	952 066	158 900	52,74
14	Other revenue	75 666	93 982	64 749	9 498	19 471	78 175	11 814	43 679	61 863	6 370	79,13
2	EXPENSE (21+22+24+25+26+27+28)	934 630	1 062 405	1 226 934	286 074	379 965	1 446 960	225 415	253 328	591 703	112 960	40,89
21	Compensation of employees (211+212)	51 590	61 054	70 786	19 277	17 535	81 511	16 892	19 162	45 759	9 705	56,14
211	Wages and salaries	44 349	52 452	60 787	16 500	15 112	70 107	14 483	16 482	39 272	8 307	56,02
212	Social contributions	7 241	8 602	9 999	2 777	2 423	11 404	2 409	2 680	6 487	1 398	56,89
22	Use of goods and services	696 421	726 456	850 772	210 121	230 867	1 038 521	155 946	159 113	399 079	84 020	38,43
24	Interest	4 306	16 060	43 374	3 931	22 492	70 868	5 315	28 204	33 967	448	47,93
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	0	0	0	9 300	0	1 300	1 300	0	13,98
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	182 313	258 835	262 002	52 745	109 071	246 760	47 262	45 549	111 598	18 787	45,23
Net-gross operating balance (1-2)		483 157	412 309	577 085	276 842	114 270	436 322	164 713	205 203	422 226	52 310	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	834 631	923 171	1 350 834	319 235	260 260	1 278 246	202 981	328 829	968 090	436 280	75,74
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	835 907	926 359	1 351 622	319 412	260 454	1 278 506	203 226	329 009	968 765	436 530	75,77
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 276	3 188	788	177	194	260	245	180	675	250	259,62
311	Fixed assets (311,1-311,2-311,3)	742 582	833 817	1 227 447	280 503	229 215	1 164 842	165 761	262 943	856 140	427 436	73,50
311,1	Acquisitions: fixed assets	743 858	837 005	1 228 235	280 680	229 409	1 165 102	166 006	263 123	856 815	427 686	73,54
311,2	Disposals: fixed assets	1 276	3 188	788	177	194	260	245	180	675	250	259,62
314	Nonproduced assets (314,1-314,2-314,3-314,4)	92 049	89 354	123 387	38 732	31 045	113 404	37 220	65 886	111 950	8 844	98,72
314,1	Acquisitions: nonproduced assets	92 049	89 354	123 387	38 732	31 045	113 404	37 220	65 886	111 950	8 844	98,72
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
Net lending - borrowing (1-2-31)		-351 474	-510 862	-773 749	-42 393	-145 990	-841 924	-38 268	-123 626	-545 864	-383 970	
Financing (33-32)		351 474	510 862	773 749	42 393	145 990	841 924	38 268	123 626	545 864	383 970	
32	Net acquisition of financial assets (321+322)	296	50 297	-29 083	-28 145	44 762	0	-41 091	-96 066	-100 127	37 030	
321	Domestic	296	50 297	-29 083	-28 145	44 762	0	-41 091	-96 066	-100 127	37 030	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	351 770	561 159	744 666	14 248	190 752	841 924	-2 823	27 560	445 737	421 000	
331	Domestic	100 000	302 376	471 685	2 316	69 451	526 454	-7 033	0	404 660	411 693	
332	Foreign	251 770	258 783	272 981	11 932	121 301	315 470	4 210	27 560	41 077	9 307	

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	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1	REVENUE (11+12+13+14)	575 893	367 438	409 581	87 396	126 133	771 585	91 675	99 803	203 731	12 253	26,40
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	87 396	126 133	771 585	91 675	99 803	203 731	12 253	26,40
2	EXPENSE (21+22+24+25+26+27+28)	314 474	182 993	27 354	5 480	7 432	57 079	22 070	14 328	40 518	4 120	70,99
21	Compensation of employees (211+212)	4 678	5 621	5 713	1 466	1 536	7 511	1 306	1 393	3 326	627	44,28
211	Wages and salaries	4 010	4 821	4 896	1 261	1 315	6 420	1 118	1 192	2 854	544	44,45
212	Social contributions	668	800	817	205	221	1 091	188	201	472	83	43,26
22	Use of goods and services	10 664	21 092	12 472	2 455	5 235	24 368	5 734	10 777	17 222	711	70,67
24	Interest	136 971	121 940	239	239	0	500	0	320	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	53	376	2 000	118	186	308	4	15,40
28	Other expense	0	32 829	7 573	1 267	285	22 700	14 912	1 652	19 342	2 778	85,21
Net-gross operating balance (1-2)		261 419	184 445	382 227	81 916	118 701	714 506	69 605	85 475	163 213	8 133	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	27 624	14 131	493	0	31	-14 935	-19 998	74	-18 969	955	127,01
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	27 624	14 232	565	0	31	6 665	102	74	1 131	955	16,97
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	101	72	0	0	21 600	20 100	0	20 100	0	93,06
311	Fixed assets (311,1-311,2-311,3)	27 624	11 115	493	0	31	5 065	-19 998	74	-18 969	955	
311,1	Acquisitions: fixed assets	27 624	11 216	565	0	31	6 665	102	74	1 131	955	16,97
311,2	Disposals: fixed assets	0	101	72	0	0	1 600	20 100	0	20 100	0	1 256,25
Net lending - borrowing (1-2-31)		233 795	170 314	381 734	81 916	118 670	729 441	89 603	85 401	182 182	7 178	
Financing (33-32)		-233 795	-170 314	-381 734	-81 916	-118 670	-729 441	-89 603	-85 401	-182 182	-7 178	
32	Net acquisition of financial assets (321+322)	-134 228	-349 252	381 734	81 916	118 670	729 441	89 603	85 401	182 182	7 178	
321	Domestic	-134 228	-349 252	381 734	81 916	118 670	729 441	89 603	85 401	182 182	7 178	
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	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1	REVENUE (11+12+13+14)	62 946	237 044	65 871	38 702	10 276	44 400	12 623	9 660	24 499	2 216	55,18
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	38 702	10 276	44 400	12 623	9 660	24 499	2 216	55,18
2	EXPENSE (21+22+24+25+26+27+28)	60 141	182 119	78 375	17 078	22 877	86 720	17 416	25 200	48 289	5 673	55,68
21	Compensation of employees (211+212)	31 044	35 996	31 920	7 128	6 793	38 965	7 772	10 438	20 902	2 692	53,64
211	Wages and salaries	26 721	31 273	27 508	6 101	5 605	34 038	6 689	9 031	18 037	2 317	52,99
212	Social contributions	4 323	4 723	4 412	1 027	1 188	4 927	1 083	1 407	2 865	375	58,15
22	Use of goods and services	29 097	33 545	30 039	6 095	11 408	33 239	8 282	8 453	18 789	2 054	56,53
24	Interest	0	0	16 416	3 855	4 676	14 516	1 362	6 309	8 598	927	59,23
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	
Net-gross operating balance (1-2)		2 805	54 925	-12 504	21 624	-12 601	-42 320	-4 793	-15 540	-23 790	-3 457	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	-24 444	-40 272	-51 175	-5 281	6 197	-15 413	-12 730	1 414	-11 337	-21	73,56
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	725	2 061	2 907	289	1 325	83 287	325	1 556	1 893	12	2,27
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	25 169	42 333	54 082	5 570	-4 872	98 700	13 055	142	13 230	33	13,40
311	Fixed assets (311,1-311,2-311,3)	-24 444	-40 272	-51 175	-5 281	6 197	-15 413	-12 730	1 414	-11 337	-21	73,56
311,1	Acquisitions: fixed assets	725	2 061	2 907	289	1 325	83 287	325	1 556	1 893	12	2,27
311,2	Disposals: fixed assets	25 169	42 333	54 082	5 570	-4 872	98 700	13 055	142	13 230	33	13,40
Net lending - borrowing (1-2-31)		27 249	95 197	38 671	26 905	-18 798	-26 907	7 937	-16 954	-12 453	-3 436	
Financing (33-32)		-27 249	-95 197	-38 671	-26 905	18 798	26 907	-7 937	16 954	12 453	3 436	
32	Net acquisition of financial assets (321+322)	15 293	100 403	-87 682	8 370	-24 904	-133 392	-246	-4 087	-7 769	-3 436	
321	Domestic	15 293	100 403	-87 682	8 370	-24 904	-133 392	-246	-4 087	-7 769	-3 436	
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	-18 535	-6 106	-106 485	-8 183	12 867	4 684	0	
331	Domestic	-11 956	5 206	-126 353	-18 535	-6 106	-88 779	-8 183	18 081	9 898	0	
332	Foreign	0	0	0	0	0	-17 707	0	-5 214	-5 214	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	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VII 2007	VII 2007	I - VII 2007 New Plan 2007
1 REVENUE (11+12+13+14)	87 019 284	92 642 473	100 392 605	26 243 302	26 909 367	113 587 978	24 768 255	28 917 282	63 540 738	9 855 201	55,94
11 Taxes (111+113+114+115+116)	49 833 666	53 449 049	58 469 091	15 628 185	15 345 731	64 148 605	14 017 755	17 286 246	37 076 090	5 772 089	57,80
111 Taxes of income and profits and capital gains	6 259 713	7 057 112	8 515 615	1 879 436	2 179 950	10 078 339	2 188 372	3 729 640	6 738 758	820 746	66,86
113 Taxes on property	355 823	375 501	482 331	117 380	151 774	533 685	126 963	135 671	306 688	44 054	57,47
114 Taxes on goods and services (1141+1142+1144+1145+1146)	41 286 025	44 084 487	47 546 223	13 155 971	12 485 941	51 584 380	11 263 242	12 906 488	28 918 159	4 748 430	56,06
1141 General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	9 535 777	9 308 224	38 387 622	8 440 180	9 622 975	21 597 402	3 534 247	56,26
11411 Value-added taxes	29 864 905	32 243 372	34 931 750	9 497 870	9 268 244	38 212 839	8 399 864	9 578 712	21 496 651	3 518 076	56,26
11412 Sales taxes	148 757	156 580	159 631	37 907	39 980	174 784	40 316	44 264	100 751	16 172	57,64
1142 Excises	10 625 358	10 939 144	11 564 709	3 386 836	2 916 506	12 208 771	2 620 967	3 037 455	6 793 453	1 135 031	55,64
115 Taxes on international trade and transactions	1 590 727	1 562 930	1 588 456	398 841	439 962	1 615 059	357 299	430 257	918 660	131 104	56,88
116 Other taxes	341 377	369 019	336 466	76 557	88 104	337 141	81 879	84 192	193 827	27 756	57,49
12 Social contributions	29 477 597	31 301 340	33 877 148	8 629 734	8 916 196	37 115 946	8 741 858	9 302 667	21 245 389	3 200 864	57,24
13 Grants	10 122	27 505	194 484	2 144	177 761	941 506	9 930	103 474	121 353	7 949	12,89
14 Other revenue	7 697 900	7 864 579	7 851 883	1 983 240	2 469 680	11 381 921	1 998 712	2 224 895	5 097 906	874 299	44,79
2 EXPENSE (21+22+24+25+26+27+28)	86 941 437	92 332 140	98 751 408	23 789 786	27 386 050	109 528 777	25 361 209	25 318 294	59 414 434	8 734 931	54,25
21 Compensation of employees (211+212)	23 265 724	24 300 115	25 512 962	6 461 892	6 533 483	28 109 046	6 646 452	7 023 219	16 235 415	2 565 745	57,76
211 Wages and salaries	19 750 868	20 665 832	21 699 724	5 503 961	5 556 715	23 658 358	5 629 298	5 994 240	13 836 834	2 213 296	58,49
212 Social contributions	3 514 856	3 634 283	3 813 238	957 931	976 768	4 450 688	1 017 154	1 028 978	2 398 581	352 450	53,89
22 Use of goods and services	6 327 741	7 100 232	9 193 481	2 095 840	3 259 160	10 929 724	2 019 010	2 355 889	5 169 901	795 003	47,30
24 Interest	4 343 680	5 004 650	5 397 046	1 024 011	1 208 954	5 516 288	1 811 324	1 258 857	3 515 127	444 946	63,72
25 Subsidies	4 968 069	5 253 933	5 684 592	1 078 213	1 582 451	6 063 059	1 656 574	1 268 304	3 298 951	374 072	54,41
26 Grants	2 162 993	2 804 760	2 838 842	642 775	1 117 694	3 656 639	567 682	666 863	1 460 421	225 876	39,94
27 Social benefits	40 645 794	41 930 232	44 192 851	10 980 715	11 489 318	48 540 710	11 556 437	11 410 618	26 755 603	3 788 548	55,12
28 Other expense	5 227 438	5 938 219	5 931 633	1 506 339	2 194 992	6 713 311	1 103 733	1 334 543	2 979 017	540 741	44,37
NET-GROSS OPERATING BALANCE (1-2)	77 847	310 333	1 641 197	2 453 516	-476 683	4 059 202	-592 954	3 598 988	4 126 304	1 120 270	
3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	77 847	310 333	1 641 197	2 453 516	-476 683	4 059 202	-592 954	3 598 988	4 126 304	1 120 270	
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	8 373 463	6 699 416	6 108 627	1 525 283	2 090 019	9 055 866	911 294	1 534 597	3 403 200	957 309	37,58
311 Fixed assets	8 158 064	6 439 709	5 788 654	1 404 981	2 005 430	8 658 105	995 841	1 410 138	3 335 777	929 798	38,53
312 Inventories	0	0	-80 226	-11 492	-19 519	-168 139	-173 789	-1 892	-177 344	-1 664	
313 Valuables	7 518	7 220	7 826	1 541	3 217	7 704	1 256	4 416	6 742	1 070	87,51
314 Nonproduced assets	207 881	252 487	392 374	130 253	100 891	558 196	87 986	121 934	238 025	28 104	42,64
NET LENDING-BORROWING (1-2-31)	-8 295 616	-6 389 083	-4 467 430	928 233	-2 566 703	-4 996 665	-1 504 248	2 064 391	723 104	162 961	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (33-32)	8 295 616	6 389 083	4 467 430	-928 233	2 566 703	4 996 665	1 504 248	-2 064 391	-723 104	-162 961	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	28 384	1 609 760	-2 576 689	543 471	-2 590 267	190 466	148 226	1 068 875	670 576	-546 525	
321 Domestic	18 598	1 614 616	-2 593 370	543 471	-2 604 267	177 039	148 226	1 060 842	662 542	-546 525	
322 Foreign	9 786	-4 857	16 681	0	14 000	13 428	0	8 033	8 033	0	
323 Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	0	
33 NET INCURRENCE OF LIABILITIES (331+332)	8 324 000	7 998 843	1 890 741	-384 762	-23 564	5 187 131	1 652 475	-995 517	-52 529	-709 487	
331 Domestic	4 107 680	12 041 678	5 282 792	81 764	-103 150	5 030 473	2 300 970	-1 215 309	2 413 133	1 327 472	
332 Foreign	4 216 320	-4 042 835	-3 392 051	-466 526	79 586	156 658	-648 496	219 792	-2 465 662	-2 036 959	

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
VII 2005	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
VI	8 996 470	8 386 981	609 489	521 147	1 130 635
VII	9 855 201	8 734 931	1 120 270	444 946	1 565 216
I-VII 2007	63 540 738	59 414 434	4 126 304	3 515 127	7 641 431

Note: See notes on methodology

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT / SURPLUS

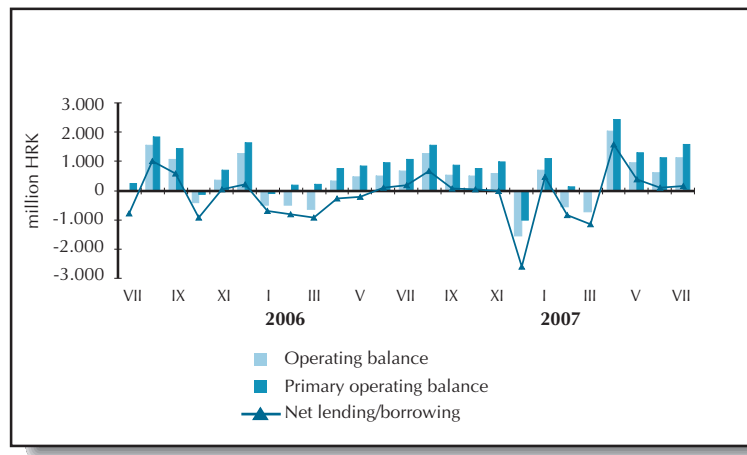


TABLE 16B: NET LENDING / BORROWING (000 HRK)

	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)
VII 2005	-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
VI	609 489	520 164	89 325	-89 325	-193 947	-283 272
VII	1 120 270	957 309	162 961	-162 961	-546 525	-709 487
I-VII 2007	4 126 304	3 403 200	723 104	-723 104	670 576	-52 529

* Deficit according to GFS 2001 methodology

Note: See notes on methodology

TABLE 20: GENERAL GOVERNMENT DEBT STOCK

	31.12. 2002 [§]		31.12. 2003 [§]		31.12. 2004 [§]		31.12. 2005 [§]		31.12. 2006 [§]		31.3. 2007 [§]		30.4. 2007 [§]		31.5. 2007 [§]		30.6. 2007 [§]		31.7. 2007 [§]	
	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
A. Foreign debt (A1+A2+A3)	40 240,4	22,2	45 676,4	23,0	50 240,7	23,4	45 363,6	19,6	41 619,1	16,6	40 732,8	14,9	40 216,5	14,7	40 455,4	14,8	40 472,8	14,8	38 435,4	14,0
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	31 781,9	11,6	31 424,4	11,5	31 379,4	11,5	31 159,9	11,4	29 004,2	10,6
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	8 885,8	3,2	8 727,0	3,2	9 011,0	3,3	9 244,3	3,4	9 362,6	3,4
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	65,1	0,0	65,1	0,0	65,1	0,0	68,6	0,0	68,6	0,0
B. Domestic debt (B1+B2+B3)	32 214,0	17,8	35 545,3	17,9	42 554,4	19,8	55 821,6	24,1	60 549,0	24,2	63 319,2	23,1	63 427,2	23,2	62 563,9	22,9	63 549,9	23,2	64 950,0	23,7
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	56 553,6	20,7	56 525,6	20,7	55 645,5	20,3	56 616,2	20,7	57 622,1	21,1
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	5 371,9	2,0	5 507,9	2,0	5 524,7	2,0	5 540,7	2,0	5 935,0	2,2
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	1 393,7	0,5	1 393,7	0,5	1 393,7	0,5	1 393,0	0,5	1 393,0	0,5
C. General Government total debt (C1+C2+C3)	72 454,4	40,0	81 221,6	40,9	92 795,2	43,2	101 185,2	43,7	102 168,1	40,8	104 052,0	38,0	103 643,7	37,9	103 019,3	37,6	104 022,7	38,0	103 385,5	37,8
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	88 335,5	32,3	87 950,0	32,1	87 024,9	31,8	87 776,2	32,1	86 626,3	31,6
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	14 257,7	5,2	14 234,9	5,2	14 535,6	5,3	14 784,9	5,4	15 297,6	5,6
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	1 458,8	0,5	1 458,8	0,5	1 458,8	0,5	1 461,6	0,5	1 461,6	0,5
Total guarantees of the Republic of Croatia	16 079,2	8,9	15 419,2	7,8	12 262,3	5,7	12 455,1	5,4	14 099,6	5,6	14 938,2	5,5	14 891,2	5,4	15 030,1	5,5	14 910,2	5,4	14 716,4	5,4
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	6 780,3	2,5	6 764,0	2,5	6 945,6	2,5	6 859,3	2,5	6 739,8	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	8 157,9	3,0	8 127,3	3,0	8 084,5	3,0	8 050,9	2,9	7 976,5	2,9
Total debt of HBOR	3 824,8	2,1	4 925,3	2,5	5 841,5	2,7	7 139,4	3,1	7 688,2	3,1	7 633,0	2,8	7 558,1	2,8	7 463,4	2,7	9 125,1	3,3	9 118,8	3,3
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	7 289,0	2,7	7 183,1	2,6	7 097,0	2,6	8 767,1	3,2	8 874,9	3,2
Domestic debt of HBOR	442,3	0,2	328,1	0,2	382,2	0,2	534,2	0,2	293,2	0,1	343,9	0,1	375,0	0,1	366,4	0,1	357,9	0,1	244,0	0,1

Note: See notes on methodology

Source: Ministry of Finance, CBS for GDP

PUBLIC DEBT AT THE END OF JULY 2007

Public debt of the Republic of Croatia amounted to HRK 118.1 billion at the end of July 2007, thus reaching 43.1 percent of the expected GDP for the year 2007. In comparison to June 2007, public debt decreased by HRK 831.0 million. Total general government debt amounted to HRK 103.4 billion (87.5 percent) and total guarantees amounted to HRK 14.7 billion (12.5 percent of total debt).

Total general government debt recorded a decrease of HRK 637.2 million in July 2007 compared to the stock of the previous month. Foreign general government debt component recorded a decline compared to the previous month in the amount of HRK 2.0 billion due to the decrease of foreign debt of the central government. On the other hand, domestic component of the total general government debt recorded a rise compared to the stock of the previous month in the amount of HRK 1.4 billion primarily due to the increase in domestic debt of the central government.

According to government level, the largest part of public debt referred to central government (HRK 86.6 billion), while the

debt of extrabudgetary funds and agencies amounted to HRK 15.3 billion and the debt of local government amounted to HRK 1.5 billion. Central government kept the trend of more pronounced domestic borrowing; 66.5 percent of total central government debt was created by domestic borrowing, while 61.2 percent of extrabudgetary funds and agencies' debt resulted from foreign borrowing.

Total guarantees issued by the Republic of Croatia levelled 5.4 percent of GDP and have decreased by HRK 193.8 million in comparison to the previous month as the result of a decline in both domestic and foreign guarantees. Domestic guarantees account for the 54.2 percent of total guarantees of the Republic of Croatia at the end of July 2007.

Total debt of HBOR amounted to HRK 9.1 billion and recorded a slight decrease by HRK 6.2 million compared to June 2007 as the result of the higher decrease of the domestic component compared to the increase in foreign component of the debt. Total debt of HBOR was almost entirely (97.3 percent) created by foreign borrowings.

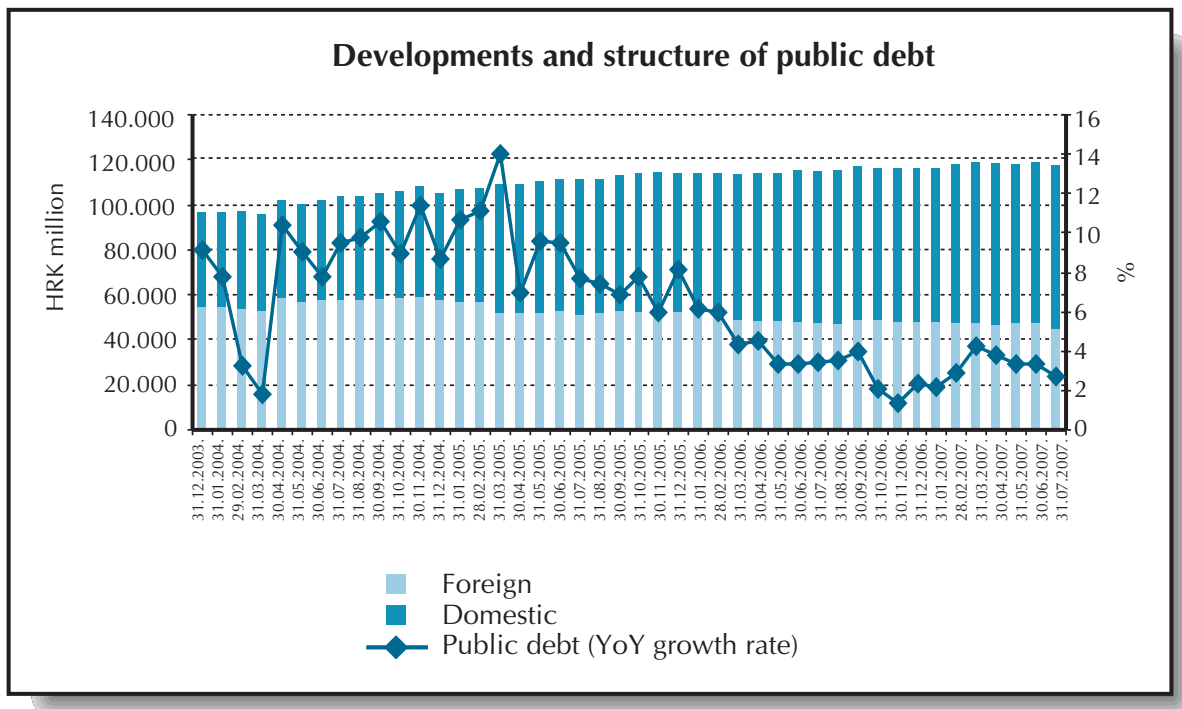


TABLE 21: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT
DOMESTIC DEBT STOCK IN 000 (31 JULY 2007)

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	336 115	2011	7,20%
Big Bonds - Series III	EUR	47 730	348 302	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 459 466	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 648 665	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	4 743 265	2014	5,50%
Bonds - Series 07 D-19	EUR	200 000	1 459 466	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	2 554 066	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	5 500 000	5 500 000	2017	4,75%
BRA Bonds I	EUR	10 265	74 907	2007	6,00%
BRA Bonds II	EUR	18 483	134 877	2012	5,00%
BRA Bonds III	EUR	49 492	361 159	2012	7,20%
BRA Bonds IV	EUR	25 300	184 622	2012	5,00%
BRA Bonds V-A	EUR	284	2 072	2007	6,00%
BRA Bonds V-B	EUR	42 795	312 289	2008	7,00%
Syndicated FX loan	EUR	500 000	3 648 665	2010	4,38%
Medium and long term debt			40 178 523		
Treasury Bills	HRK	11 796 100	11 796 100		
	EUR	45 700	333 488		
Other short-term debt	HRK	239 578	239 578		
Short-term FX loan	EUR	299 532	2 185 784		
Short-term debt			14 554 950		
Total debt			54 733 473		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

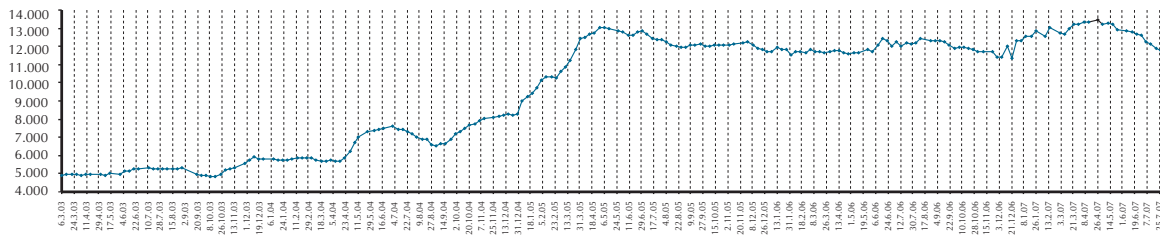
TABLE 22: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(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 (%)
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%
5. 6. 2007.									465 000	515 000	96,648 / 3,48%	96,627 / 3,50%
12. 6. 2007.	30 000	30 000	99,258 / 3,00%	99,258 / 3,00%	20 000	20 000	98,429 / 3,20%	98,429 / 3,20%	301 000	301 000	96,618 / 3,51%	96,534 / 3,60%
3. 7. 2007.	20 000	20 000	99,258 / 3,00%	99,258 / 3,00%					113 000	253 000	96,908 / 4,28%	96,395 / 3,75%
17. 7. 2007.	20 000	20 000	99,197 / 3,25%	99,184 / 3,30%	2 000	2 000	98,300 / 3,47%	98,300 / 3,47%	165 000	177 000	96,118 / 4,05%	96,934 / 4,25%
24. 7. 2007.	20 000	30 000	99,176 / 3,33%	99,209 / 3,20%	20 000	22 000	98,338 / 3,39%	98,357 / 3,35%	395 000	445 000	95,698 / 4,51%	95,523 / 4,70%
31. 7. 2007.		30 000	99,110 / 3,60%			62 000	97,886 / 4,33%		399 000	682 000	95,676 / 4,53%	95,614 / 4,60%

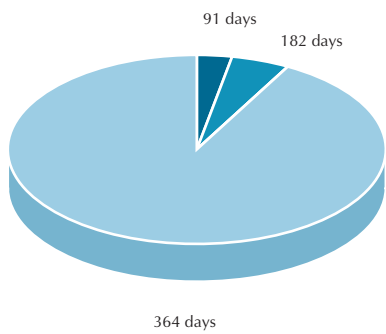
Note: See notes on methodology

Source: Ministry of Finance

T-Bill's Outstanding Debt

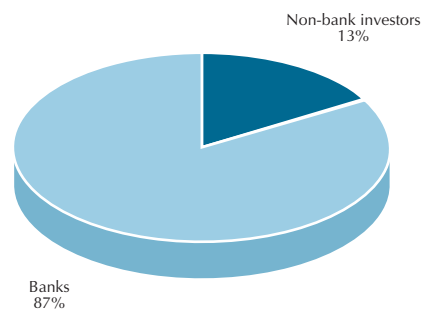


Structure of outstanding T-Bill's on 31 July 2007

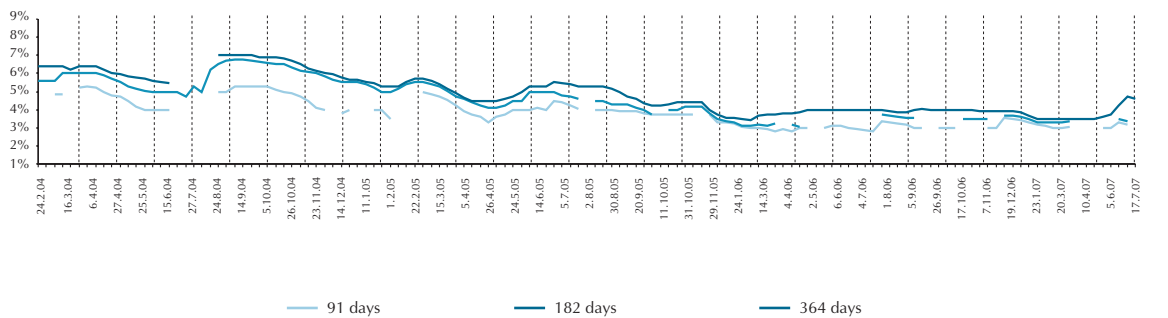


Structure of bids accepted according to buyers

T-Bill's Auctions



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 1st 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 1st 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 1st 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 1st 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 1st 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 1st 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 1st 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 1st of January 2002. As of the 1st 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 1st 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 1st 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 1st of January 2004, the coverage of extrabudgetary funds also includes the Environment Protection Fund. Further, since the 1st 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 27th 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 30th 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>

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ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review number	Notes	Release			
		October 07	November 07	December 07	January 08
		143	144	145	146
SDDS Data Category		October 07	November 07	December 07	January 08
General Government operations	1)		(09/07)		
Central Government operations	2)	(08/07)	(09/07)	(10/07)	(11/07)
Internal Central Government Debt	3)	(08/07)	(09/07)	(10/07)	(11/07)

- 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

