



REPUBLIC OF CROATIA - MINISTRY OF FINANCE

STATISTICAL REVIEW

MINISTRY OF FINANCE MONTHLY STATISTICAL REVIEW - NUMBER **143**

ZAGREB, AUGUST 2007

VIII/2007

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

KATANČIĆEVA 5, 10000 ZAGREB, REPUBLIC OF CROATIA
TEL.: (385) 1 4591392
FAX: (385) 1 4591393

Editorial Board

Editor-in-chief: M. Sc. Zdravko Marić
Other members of Editorial Board: B. Sc. Stanko Kršlović
B. Sc. Dinko Pavuna

**WHEN USING DATA FROM THIS PUBLICATION,
PLEASE CITE THE SOURCE**

Available on the Internet: www.mfin.hr

SYMBOLS

§ preliminary data

Printed in 860 copies.

ISSN 1334-4013

CONTENTS

Table 1: Basic Macroeconomic Indicators for the Croatian Economy	4
Macroeconomic trends	5
CROLEI - Leading indicator of industrial production	5
Consolidated Central Government - January-August 2007 period	9
The Maastricht Criteria	12
Table 2: Budgetary Central Government Revenue	13
Table 3: Budgetary Central Government Expense	14
Table 4: Transactions in Nonfinancial Assets of Budgetary Central Government	15
Table 5: Transactions in Financial Assets of Budgetary Central Government	16
Table 6: Transactions in Liabilities of Budgetary Central Government	17
Table 7: Transactions in Financial Assets and Liabilities, by sectors	18
Table 8: Statement of Budgetary Central Government Operations	19
Table 8A/8B: Measures of Budgetary Central Government deficit/surplus	20
Table 9: The Croatian Waters Transactions	21
Table 10: The Environment Protection Fund Transactions	22
Table 11: The Croatian Motorways Ltd. Transactions	23
Table 12: The Croatian Roads Ltd. Transactions	24
Table 13: The State Agency for Deposit Insurance and Banks Rehabilitation Transactions	25
Table 14: The Croatian Privatization Fund Transactions	26
Table 15: Consolidated Central Government by Economic Category	27
Table 16: Consolidated Central Government According to Government Level	28
Table 16A/16B: Measures of Consolidated Central Government deficit/surplus	29
Table 20: General Government Debt Stock	30
Public Debt at the end of August 2007	31
Table 21: Consolidated Central Government Domestic Debt	32
Table 22: Results of the Treasury Bill's Auctions held by the Ministry of Finance	33
Treasury Bills	34
Table 23: Balance sheet of public enterprises	35
Table 24: Profit and loss statement of public enterprises	36
Table 25: Trade payables and trade receivables of public enterprises	37
Notes on Methodology	38
Management of the Ministry of Finance	45
Advance Release Calendar	46

TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2001	2002	2003	2004	2005	2006	2006	2007				2007					
							Q4	Q1	Q2	Q3	IV	V	VI	VII	VIII	IX	X
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	4,5	9,4	7,7	4,4	8,5	2,8	2,1	5,5
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	5,3	7,1	6,2	4,1	6,0	10,7	-1,1	4,6
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	-	2,6	1,2	-3,8	3,5	2,6	-	-
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	5,3	9,4	9,5	5,3	6,6	5,7	1,1	0,2
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	2,3	2,3	2,9	3,0	3,6	4,5	4,9
Consumer prices, period average, %	3,8	1,7	1,8	2,1	3,3	3,2	2,2	1,6	2,1	2,9	2,3	2,2	1,9	2,1	2,6	3,9	4,3
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	1 503 246	1 470 479	1 484 522	1 498 892	1 510 942	1 511 007	1 503 246	1 495 220
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	278 384	263 357	249 548	245 768	242 851	246 191	250 087
Unemployment rate, end of period	23,1	21,5	19,1	18,5	17,8	16,7	16,7	16,6	14,3	14,1	15,9	15,1	14,3	14,0	13,8	14,1	14,3
Unemployment rate - ILO comparable, period average, %	15,8	14,8	14,3	13,8	12,7	11,2	10,5	11,2	9,1	-	-	-	-	-	-	-	-
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	6,6	6,8	4,8	5,7	7,9	6,3	5,5	-
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	7 015	6 901	7 102	7 065	7 067	7 089	6 890	-
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	5,48	5,42	5,47	5,32	5,37	5,28	5,15
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	7,40	7,33	7,33	7,29	7,31	7,31	7,32
Trade Balance (mil. USD)	-4 481	-5 818	-8 022	-8 565	-9 788	-11 126	-2 766	-2 965	-3 535	-3 293	-1 169	-1 314	-1 053	-1 141	-1 103	-1 049	-1 342
Exports (mil. USD)	4 666	4 904	6 187	8 024	8 773	10 377	2 995	2 633	3 053	3 163	980	1 040	1 033	1 210	912	1 041	1 229
Imports (mil. USD)	9 147	10 722	14 209	16 589	18 560	21 502	5 761	5 598	6 588	6 456	2 149	2 354	2 085	2 351	2 015	2 090	2 571
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	8 795	9 488	9 452	9 170	9 412	9 223	8 795	8 974
Total outstanding external debt, end of period (mil. EUR)	13 609	15 143	19 884	22 933	25 748	29 200	29 200	29 976	30 818	30 806	29 784	30 377	30 818	30 938	30 735	30 806	-
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	-	54 695	53 602	53 311	54 733	54 858	-	-
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	16,4	19,5	18,6	17,2	18,1	17,4	16,4	14,4
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%	3,05%	3,00%	3,00%	3,20%	3,20%	3,35%	3,65%
ZIBOR (3 m), average	7,90%	4,60%	5,50%	7,35%	6,19%	4,46%	4,45%	4,35%	4,95%	6,28%	4,53%	4,81%	5,60%	7,37%	5,58%	5,84%	6,49%

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

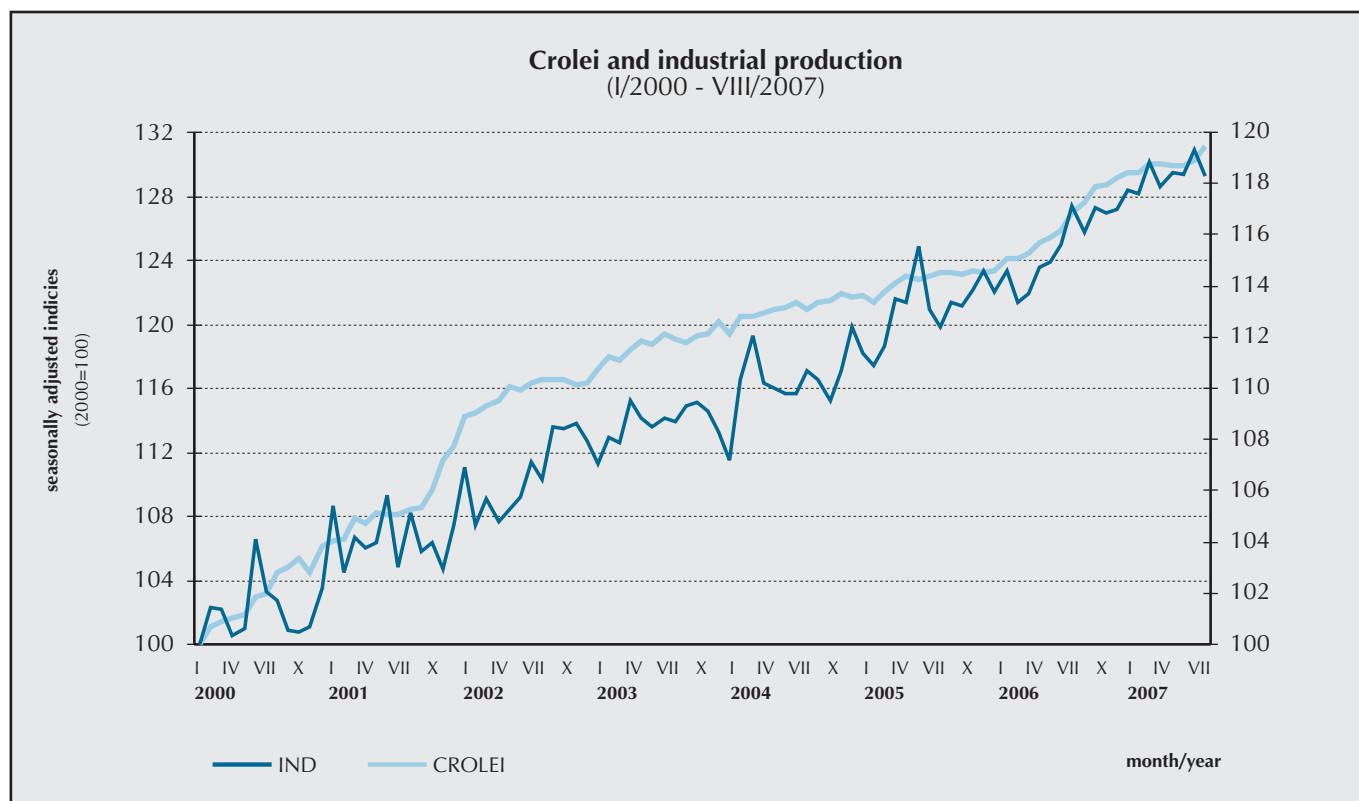
MACROECONOMIC TRENDS

CROLEI - LEADING INDICATOR OF INDUSTRIAL PRODUCTION

The value of CROLEI index went up by 0.89 percentage points in August 2007 compared with July. This has been second successive significant monthly rise in the value of CROLEI since May, when the index recorded a decline. However, the slowing down of the annual growth rate of CROLEI, which has been present since April 2007 and continued in August, indicates that the last month's forecast is still valid. Namely, the slowing down of economic growth in the last quarter of 2007 is still expected. Furthermore, it is likely that the slowing down of economic growth will extend to the beginning of the first quarter of 2008.

The value of the diffusive index, representing the share of the number of increasing components in the overall number of seasonally adjusted components, equalled 64 percent in August. This represents an increase compared with July, when it stood at the level of 55 percent. The largest contribution to the monthly growth of CROLEI in August came from the

decrease in cash market interest rate on other loans, and that was only its second monthly decrease this year. Moreover, the positive contribution of cash market interest rate on other loans was only slightly lower than that of all the other raising components taken together. These other raising components were: registered persons employed, real retail trade turnover, unconsolidated budget revenues, total liquid funds, total cash of participants in the payment system and foreign reserves of commercial banks. The number of registered persons employed has gone up for the first time after four consecutive monthly declines. Only four components recorded a monthly decrease in August. They are: domestic currency time and savings deposits of commercial banks, total tourist bed-nights, imports of machinery and transportation equipment and net wage. The latter two components have changed their territory compared with July when they, together with the real retail trade turnover, made the largest contribution to the growth of CROLEI index.



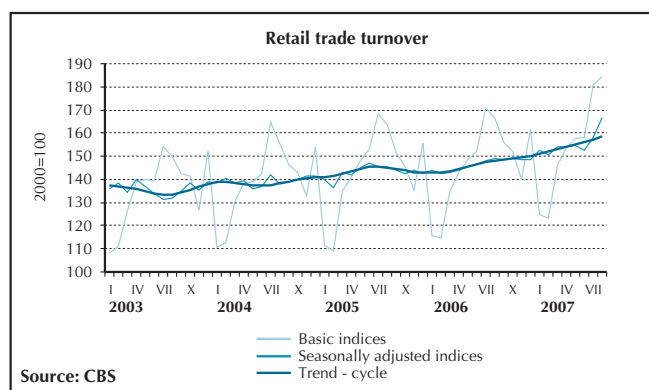
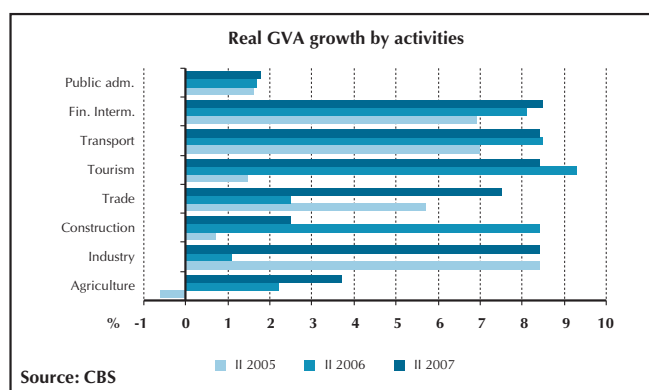
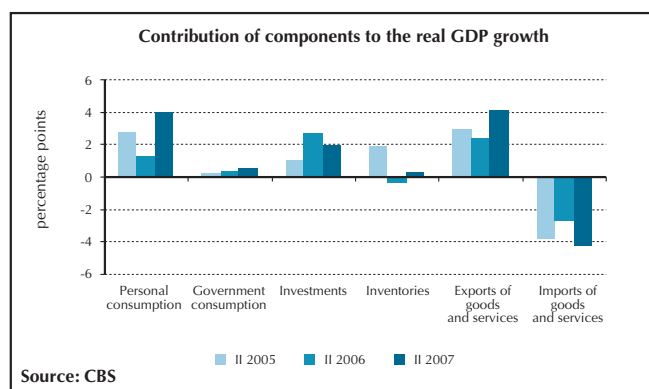
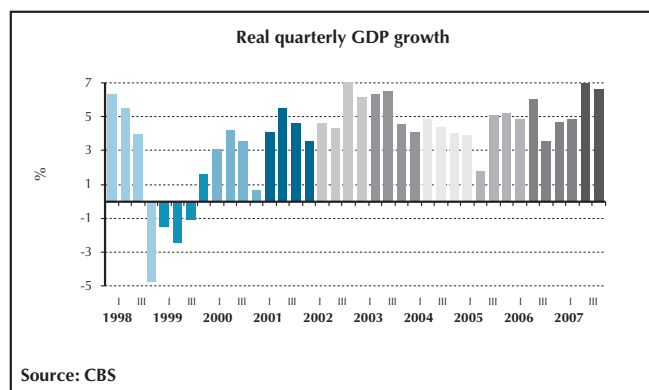
REAL SECTOR

Real annual GDP growth amounted to 6.6 percent in the second quarter of 2007, while in the first half of the year growth equaled 6.8 percent. GDP deflator growth amounted to 3.4 percent in the first half of the year and along with annual nominal growth of 10.5 percent, in the first half of the year GDP reached the level of HRK 131.034 billion. When observing GDP by expenditure categories, the highest real growth rate in the second quarter of 2007 recorded the exports of goods and services, which increased by 8.9 percent. In comparison with the first quarter of 2007 growth of exports accelerated by no less than 5.9 percentage points. Following is personal consumption, which real growth rate amounted to 6.5 percent in the second quarter, and imports of goods and services, with the real growth rate of 6.4 percent. Investment increased really by 5.8 percent and the government consumption by 2.7 percent.

The highest positive contribution to the GDP growth in the second quarter of 2007 came from the exports of goods and services, in the amount of 4.1 percentage points, and from personal consumption, whose contribution equaled 4.0 percentage points. Investments contributed to the GDP growth with 1.9 percentage points, government consumption with 0.5 percentage points, while the contribution of inventories (which include statistical discrepancy), unlike previous quarter was positive and equaled 0.3 percentage points. The negative contribution of imports of goods and services to the GDP growth of -4.2 percentage points and strong positive contribution of exports of goods and services resulted in decline in negative contribution of net exports from -1.2 percentage points in the first quarter of 2007 to -0.1 percentage point in the second quarter of the current year.

The production side calculation of GDP shows that the highest real growth of value added in the second quarter was recorded in financial intermediation (8.5 percent), hotels and restaurants (8.4 percent), transport (8.4 percent) and industry (8.4 percent). Real growth of value added of trade amounted to 7.5 percent, agriculture 3.7 percent, construction 2.5 percent and public administration 1.8 percent. Real growth of total value added equaled 6.3 percent in the second quarter.

In August 2007 high annual growth rates of retail trade were recorded. Therefore, the nominal annual growth of retail trade turnover amounted to 13.8 percent in August, while the real growth equaled 10.7 percent, which is the highest growth since April 2003. Partial influence on such a high growth had low previous years' base, since in August 2006 real growth of retail trade amounted to only 1.9 percent. However, this achievement was also in line with the developments of other indicators potentially influencing retail trade, like employment, loans to households and tourism. Thus, the number of employed persons in August increased at annual level by more than twelve thousands, while loans to households (excluding housing loans) rose by 16.1 percent. Influence on retail trade growth in August also had main tourist season, when number of tourists nights increased by 5.7 percent. In the first eight months of 2007, retail trade turnover was 8.9 percent nominally and 7.1 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 eight months was recorded by the non-specialized stores with food, beverages or tobacco predominating (12.5 percent) and the automotive fuels (11.8 percent).



MONETARY TRENDS

The money (M1) amounted to HRK 53.7 billion at the end of August 2007 and, after five consecutive months of rising, declined by HRK 407 million at monthly level. Both components of the money recorded a decrease in August compared with July. The currency outside banks decreased by HRK 266 million and the demand deposits by HRK 141 million. The annual growth rate of money decelerated to 19.4 percent in August.

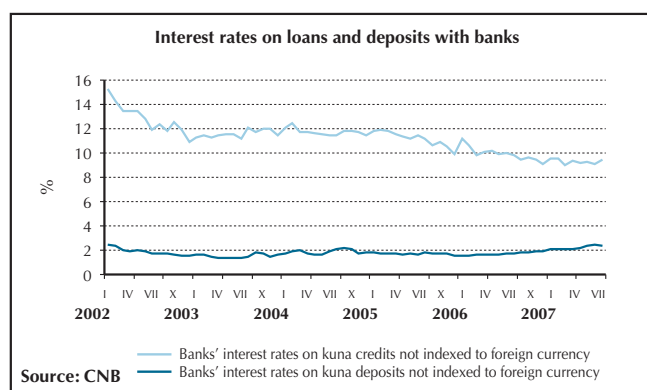
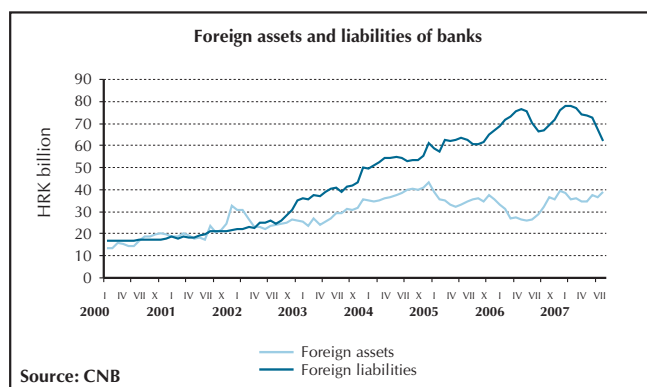
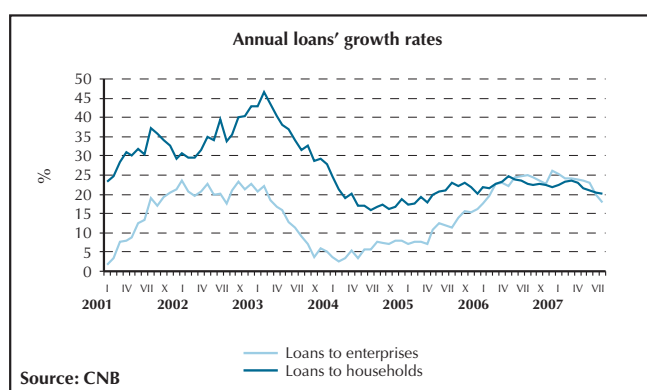
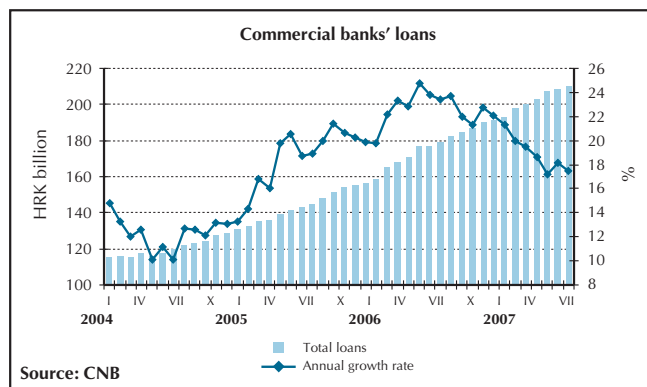
Total loans of commercial banks reached the level of HRK 210.1 billion at the end of August and increased by HRK 1.7 billion compared with July. The annual growth rate of total loans decelerated in August compared with July by 0.7 percentage points and equaled 17.4 percent. Kuna loans recorded a monthly increase of HRK 1.7 billion in August while foreign currency loans declined by HRK 71 million. Loans to households went up in August by HRK 1.7 billion at monthly level while loans to enterprises fell by HRK 264 million. At annual level, loans to households in August recorded again a higher growth rate than loans to enterprises. They increased by 20.2 percent compared with August 2006 while the loans to enterprises rose by 17.8 percent, their lowest annual growth rate since January 2006. The annual growth rate of housing loans decelerated in August to 27.0 percent, the lowest rate since July 2005. The loans to central government decreased by 0.4 percent in August compared with the same month of the previous year.

Total deposits with commercial banks stood at level of HRK 190.3 billion at the end of August. At monthly level they went up by high HRK 6.6 billion as a result of stronger inflow of deposits due to the tourist season. Also, this was their largest monthly increase since December 2001. The annual growth rate of total deposits reached 20.3 percent in August. In comparison with July, it accelerated by 0.8 percentage points. The demand deposits with banks decreased in August to HRK 37.2 billion. Foreign currency deposits recorded once again a stronger growth rate than kuna deposits in August. They went up by high HRK 5.8 billion, which represents their highest monthly rise since December 2001, while kuna deposits increased by HRK 933 million. The highest monthly increase in kuna deposits in August was recorded by the deposits of enterprises (HRK 1.4 billion) and the deposits of other financial institutions (HRK 1.0 billion). The largest monthly rise in foreign currency deposits was recorded by the sector of households (HRK 2.8 billion) and the sector of enterprises (HRK 1.3 billion). The annual growth rate of kuna deposits slowed down again this month and equaled 16.3 percent, while the foreign currency deposits growth rate accelerated to 21.6 percent, their highest annual growth rate since October 2002.

Foreign assets of commercial banks amounted to HRK 38.8 billion at the end of August and increased by HRK 2.5 billion at monthly level. Observing the annual change, foreign assets have recorded an increase for the ninth consecutive month, in the amount of HRK 10.1 billion or 35.4 percent. Foreign liabilities of commercial banks stood at the level of HRK 62.2 billion at the end of August. Compared with July they decreased by HRK 5.0 billion. At annual level foreign liabilities declined by HRK 4.4 billion or 6.6 percent, their largest annual decline since October 1997. Net foreign assets leveled HRK -23.4 billion at the end of August.

The average bank interest rates on kuna credits not indexed to foreign currency increased in August to 9.46 percent. The

average bank interest rates on kuna deposits not indexed to foreign currency declined at monthly level and equaled 2.37 percent. Thereby, the difference between the active and the passive interest rates not indexed to foreign currency increased to 7.09 percentage points.

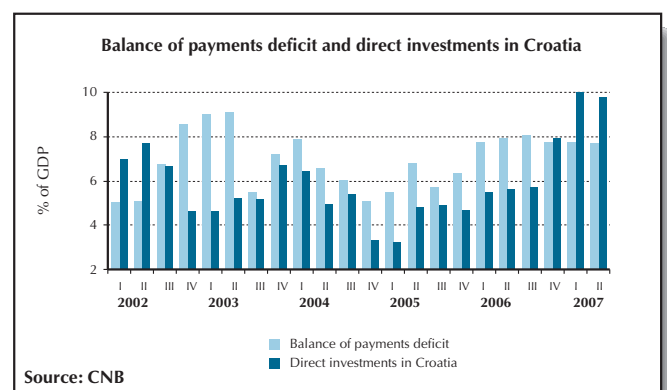
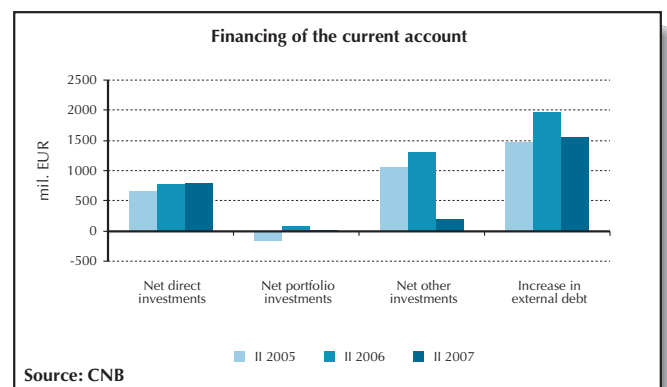
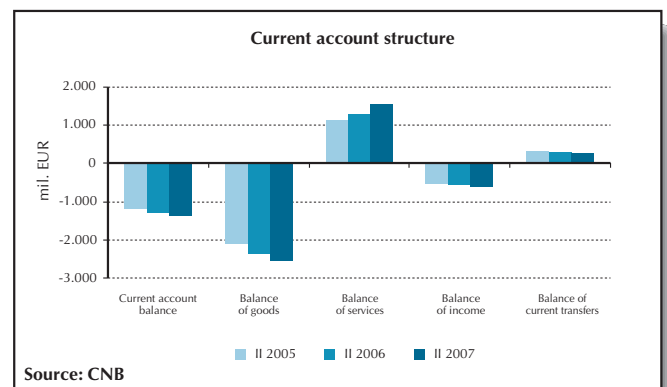
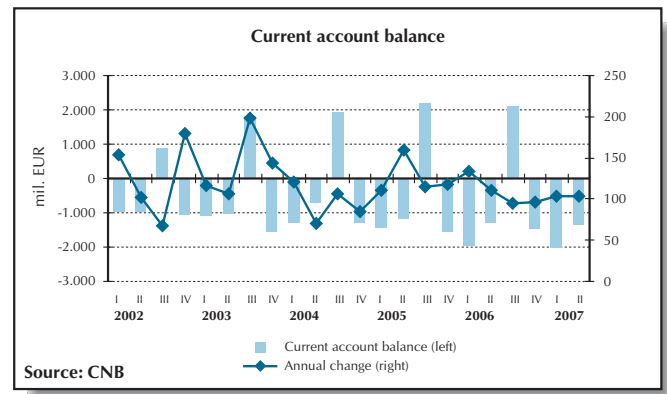


INTERNATIONAL SECTOR

According to the Croatian National Bank data, balance of payments current account deficit amounted to EUR 1.350 billion in the second quarter of 2007. Compared to the same period of 2006, deficit increased by EUR 51 million or 3.9 percent. When observed as percentage of GDP, current account deficit equalled 7.7 percent in the second quarter. The highest contribution to the deficit growth came from the increase in negative balance in the goods account, despite stronger annual growth in exports (16.1 percent) than in imports of goods (11.8 percent) in the second quarter. Goods account deficit equalled EUR 2.5 billion in the second quarter and went up by 8.2 percent at annual level. In the income account there was also increase in negative balance, to EUR 598 million, which is 8.9 percent higher than in the same period of the previous year. The biggest part of the income account deficit made debit based on reinvested earnings, in amount of EUR 603 million. The current transfers account recorded a surplus of EUR 263 million, but surplus decreased by 11.5 percent at annual level. The services account recorded surplus in amount of EUR 1.5 billion and increased by 17.2 percent in comparison with the same period of 2006. Tourism revenues amounted to EUR 1.6 billion in the second quarter and in comparison with the same quarter of 2006 went up by 13.5 percent. The coverage of imports of goods and services by exports of goods and services was at level of 81.6 percent in the second quarter.

Observing the financial account of the balance of payment, the most significant item were direct investments. They equalled net EUR 794 million in the second quarter and in comparison with the same period of 2006 went up by 2.8 percent. The portfolio investments account recorded a net inflow in the amount of EUR 7.7 million, with notable increase in liabilities of government in the amount of EUR 284 million, as a result of HBOR bond issue. Other investments account recorded a net inflow in the amount of EUR 192 million in the second quarter. The highest net inflow was recorded by other sectors, in amount of EUR 898 million, while banks recorded net outflow of EUR 697 million and government net outflow of EUR 10 million. Foreign reserves decreased by EUR 336 million in the second quarter, while net errors and omissions amounted to EUR 11 million.

In the first half of 2007, the current account deficit was at the level of EUR 3.4 billion, EUR 117 million or 3.6 percent more than in the same period of 2006. This was the result of a EUR 493 million annual increase in the goods account deficit and a EUR 80 million decline in the current transfers account surplus, which was just partially covered by increase in services account surplus of EUR 376 million and decline in the income account deficit of EUR 81 million. The coverage of imports of goods and services by exports of goods and services was at level of 70.5 percent in the first half of the year. Financial account was characterised by increase in direct investments from EUR 1.3 billion in the first half of 2006 to EUR 2.0 billion in the first half of 2007. The portfolio investments account recorded net outflow of EUR 371 million in the first half of the year, while in the other investments account inflow of EUR 1.4 billion was recorded. Net errors and omissions were at level of EUR 800 million in the first half of the year and foreign reserves rose by EUR 472 million.



CONSOLIDATED CENTRAL GOVERNMENT - JANUARY-AUGUST 2007 PERIOD

REVENUES

In January - August 2007 period, total revenues of consolidated central government amounted to HRK 73.8 billion which represents an annual increase of high 13.5 percent. The realization of revenues is still above the expectations.

Observing consolidated central government according to government level, it can be seen that 95.7 percent of total revenues refers to budgetary central government and the rest refers to extrabudgetary funds and agencies. Among the extrabudgetary funds and agencies the highest level of revenues was recorded by Croatian Waters (HRK 1.2 billion) and Croatian Motorways (HRK 986.2 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 of consolidated central government. They have recorded an annual increase of 13.1 percent in the January - August 2007 period. Out of tax revenues, the largest amount 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 the expectations. They amounted to HRK 25.1 billion with an annual growth rate of 10.8 percent.

Revenues from excises amounted to HRK 6.1 billion which makes an annual increase of 7 percent. It is worth mentioning that the road charges, which are integrated in excises on petroleum products since 2006, are excluded in this comparison.

All excises were realized in the higher amount than in the same period of last year. Highest annual growth rates were recorded by excises on personal cars (15.2 percent), excises on luxury products (13.1 percent), excises on tobacco and tobacco products (9.2 percent) and excises on beer (7.8 percent). The high recorded growth rate of excises on personal cars was solely due to increased 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 excises revenues. They amounted to HRK 2.2 billion representing an annual growth rate of 2.2 percent.

With 32.3 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 2 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 986.4 million, representing an annual decrease of 52.4 percent. Namely, as a result of decentralization, a part of budgetary central government income tax revenues now belongs 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

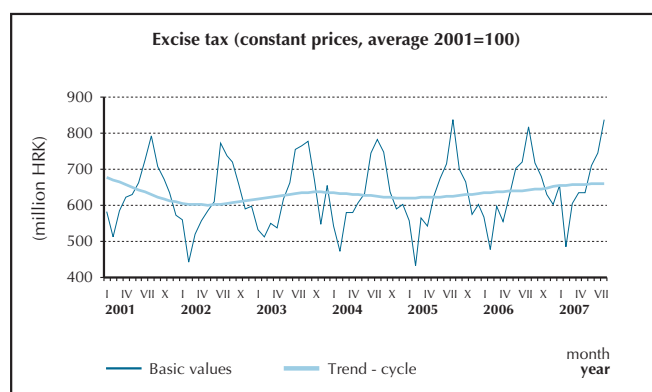
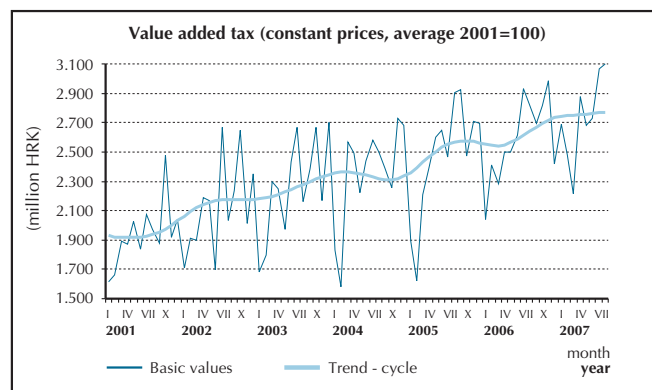
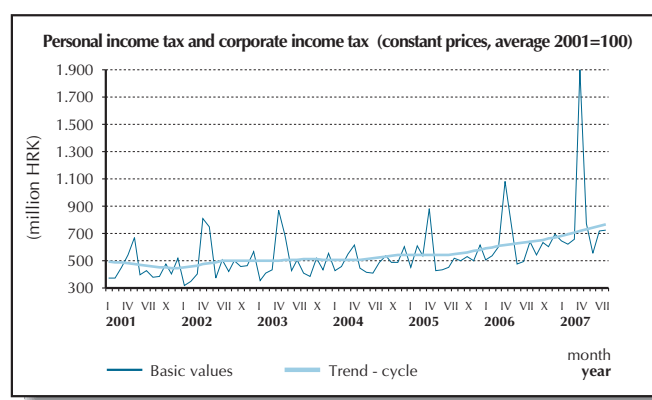
Republic of Croatia (especially areas of special state concern) and also a higher liquidity of overall system of financing of local government.

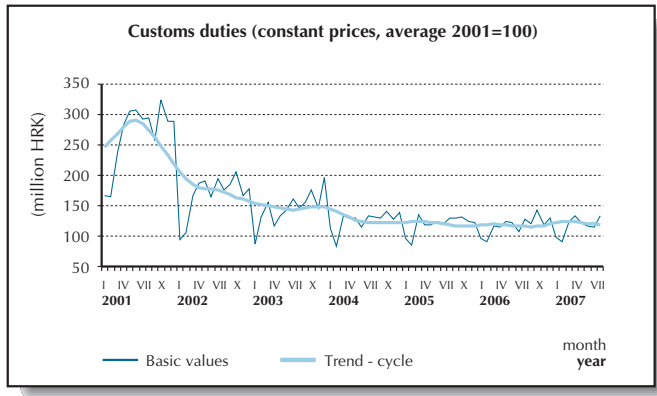
Revenues from profit tax amounted to HRK 6.6 billion while in the same period of last year they leveled HRK 3.7 billion. Namely, as a result of decentralization, revenues from profit tax belong completely to budgetary central government.

Revenues from taxes on property amounted to HRK 344.8 million with an annual increase of high 20.2 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 1.1 billion which represents an annual growth of 5.7 percent.

Other taxes stood at HRK 214.1 million.





Social contributions, which are the second most important revenues category of consolidated central government, make 33.2 percent of total generated revenues. They amounted to HRK 24.5 billion which represents an annual increase of 10.9 percent. Within the structure of social contributions, the largest part refers to employer contributions (HRK 13.1 billion) and employee contributions (HRK 10.9 billion). The remaining HRK 509.1 million refers to contributions of self-employed and unemployed persons.

Grants reached the amount of HRK 162.1 million, mostly (97.5 percent) on the basis of grants from international organizations.

Other revenues were realized in the amount of HRK 6 billion which represents an annual growth of high 25.9 percent. The largest part of other revenues was realized through sales of goods and services (48.3 percent), miscellaneous and unidentified revenues (28.7 percent), property income (17.8 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 2.9 billion, 94.7 percent of which refers to administrative fees mostly realized by extrabudgetary funds and agencies. Miscellaneous and unidentified revenues stood at HRK 1.7 billion which represents an annual growth of 13.6 percent. Property income was realized in the amount of HRK 1.1 billion, while fines, penalties and forfeits amounted to HRK 290.7 million.

EXPENSE

Total expense of consolidated central government in January - August 2007 period amounted to HRK 69 billion which represents an annual increase of 8.8 percent. Observing consolidated central government according to government level, HRK 65.6 billion refers to budgetary central government and HRK 3.4 billion refers to extrabudgetary funds and agencies.

The largest share of total expense of consolidated central government (45.6 percent) refers to social benefits, followed by compensation of employees (27 percent), use of goods and services (8.8 percent), interest (5.6 percent), subsidies (5.4 percent), other expense (5 percent) and grants (2.5 percent).

Social benefits stood at HRK 31.4 billion, representing an annual increase of 8.5 percent. Observing the structure of social benefits, 71.1 percent refers to social security benefits, 28.5 percent refers to social assistance benefits, while the remaining 0.4 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 19.6 billion. Within the structure of expenses for pensions HRK 8.5 billion refers to expenses for old age pensions, HRK 3 billion refers to pensions for disabled persons, HRK 2.3 billion refers to family pensions and HRK 2.6 billion refers to veterans pensions.

Expenses for healthcare system were realized at the level of HRK 11 billion. Expenses for hospital health care amounted to HRK 4.9 billion, for primary health care to HRK 2 billion and expenses for medicaments on prescription amounted to HRK 1.5 billion. Among other social benefits, the important items are also child allowance (HRK 1.2 billion), expenses for additional maternity leave (HRK 574.4 million) and expenses for unemployment (HRK 507.3 million).

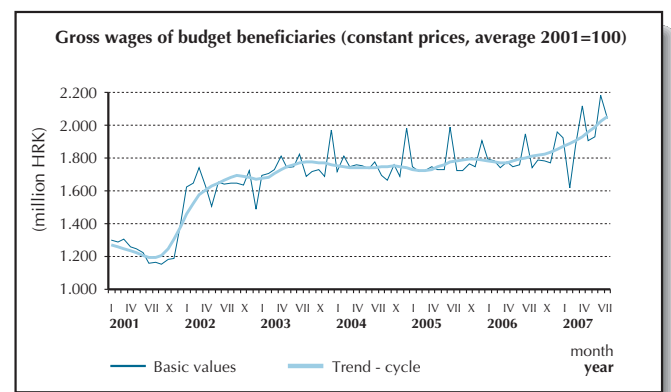
Compensation of employees stood at HRK 18.6 billion which represents an annual rise of 10.5 percent. This is the result of an increase in both wages and salaries (annual rise of 10.1 percent) and social contributions (annual rise of 13 percent). In absolute terms, wages and salaries amounted to 15.8 billion and social contributions to HRK 2.8 billion.

Expense for use of goods and services amounted to HRK 6.1 billion representing an annual increase of 16.5 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 3.8 billion which makes 5.4 percent of total expenses. Subsidies to public corporations make 47.6 percent of total subsidies (in the amount of HRK 1.8 billion) and their largest part refers to subsidies to Croatian Railways (in the amount of HRK 1 billion). Subsidies to private enterprises make the remaining 52.4 percent of total subsidies (in the amount of HRK 2 billion).

Expense for interest payments amounted to HRK 3.9 billion. 54 percent of expense for interest payments refers to interests to residents, and the remaining 46 percent to interests to nonresidents. Interests to residents other than general government stood at HRK 2.1 billion and interests to nonresidents at HRK 1.8 billion.

Grants leveled HRK 1.7 billion. Current grants to other general government units amounted to HRK 1.3 billion which accounts for 74 percent of total grants. Capital grants to other general government units represent 21.1 percent of total grants, current grants to international organizations represent 2.8 percent of total grants and the rest of the amount (2.1 percent) refers to grants to foreign governments.



Other expenses stood at HRK 3.4 billion which represents 5 percent of total expenses and 51.4 percent of the planned amount for 2007. Among other expenses, capital expenses equaled HRK 1.8 billion, current expenses HRK 1.6 billion and the rest (HRK 2.3 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 4.4 billion as the acquisition of non-financial assets (HRK 4.8 billion) surpassed the disposal of non-financial assets (HRK 417.4 million). This amount accounts for 48.3 percent of the planned amount for 2007. The largest contribution to acquisition of non-financial assets came from the acquisition of fixed assets (94.1 percent), mainly buildings and structures. According to government level, 71.7 percent of total acquisition refers to extrabudgetary funds and agencies and the rest of the sum 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 1.4 billion as a result of an increase in domestic financial assets of HRK 1.4 billion and an increase in foreign financial assets of HRK 8 million. Currency and deposits of consolidated central government reached HRK 1.1 billion. According to government level, currency and deposits of budgetary central government amounted to HRK 775.2 million and currency and deposits of extrabudgetary funds and agencies to HRK 304.7 million.

Net loans recorded an increase of HRK 392.4 million as a result of greater acquisition (HRK 548.7 million) than disposal (HRK 156.3 million). According to government level, net loans of budgetary central government amounted to HRK 335.4 million and net loans of extrabudgetary funds and agencies to HRK 57 million. Furthermore, net domestic shares and other equity amounted to HRK -38.4 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 159 million.

Foreign financial assets stood at the level of HRK 8 million, solely as a result of acquisition of shares and other equity at the budgetary central government level.

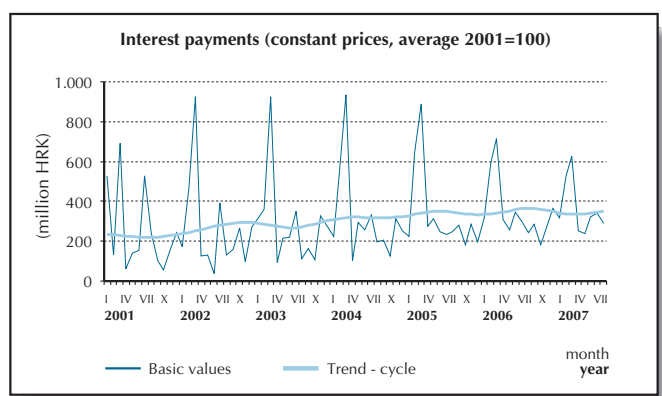
TRANSACTIONS IN LIABILITIES

Total net incurrence of liabilities of consolidated central government amounted to HRK 1 billion. Net domestic liabilities amounted to HRK 3.1 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 5.2 billion and refers entirely to budgetary central government. Repayments on the same basis amounted to HRK 3.3 billion. Net domestic incurrence of liabilities on the basis of loans amounted to HRK 1.3 billion as a result of repayments in the amount of HRK 691.6 million and incurrence of liabilities in the amount of HRK 2 billion.

Net foreign liabilities were realized at the level of HRK -2.1 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 foreign 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 foreign incurrence of liabilities on the basis of loans amounted to HRK -354.2 million as a result of repayments in the amount of HRK 1.9 billion and incurrence of liabilities in the amount of HRK 1.6 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 4.8 billion. By subtracting net acquisition of non-financial assets from net operating balance, a category of net lending/borrowing is obtained. In the observed period net lending/borrowing amounted to HRK 434.6 million.



THE MAASTRICHT CRITERIA

The Maastricht criteria (also known as the convergence criteria) are the principles defined by the contract signed in Maastricht (Netherlands) in 1992. They represent economic conditions that a European Union member state has to fulfill in order to enter the Eurozone, that is, to become a full member of the European Economic and Monetary Union (EMU), and adopt the Euro. Therefore, the Maastricht criteria are not preconditions to enter the European Union (EU), but to adopt the Euro as a national currency. Only when it becomes a member of the EU can a state, according to the compliance with convergence criteria and successful participation in ERM II¹, and after getting the permission, adopt the Euro. There are five economic Maastricht criteria, although Article 121(1) of the European Community Treaty mentions only four main criteria. This is because the government finance criteria consist of two sub criteria: annual government deficit and government debt. Hence, there are actually five criteria, as follows:

1. Inflation rate

Inflation rate must not be more than 1.5 percentage points higher than the average rate of the 3 best-performing member states of the EU (based on inflation).

2. Annual government deficit

The ratio of annual government deficit to gross domestic product (GDP) must not exceed 3% at the end of the preceding fiscal year. If not, it is at least required that it reaches a level close to 3%. Only exceptional and temporary excesses would be granted for exceptional cases.

3. Government debt

The ratio of gross government debt to GDP must not exceed 60% at the end of the preceding fiscal year. Even if the target cannot be achieved due to the specific conditions, the ratio must have sufficiently diminished and must be approaching the reference value at a satisfactory pace.

4. Long-term interest rates

The nominal long-term interest rate must not be more than 2 percentage points higher than the 3 best-performing member states (based on inflation).

5. Exchange rate

Applicant countries should have joined the exchange-rate mechanism (ERM II) under the European Monetary System (EMS) for 2 consecutive years and should not have devaluated its currency during the period.

Croatia has conducted a firm fiscal consolidation since 2004. The objective of such a policy is to insure transparency and efficiency of the public finance system which should result in reduction of fiscal deficit and public debt. Since the beginning of the process of fiscal consolidation, net lending/borrowing (fiscal deficit according to ESA 95 methodology) has decreased more than twice, from -5.5% of GDP in 2003 to -2.2% of GDP in 2006, that is to the estimated level of -1.6% of GDP in 2007. With the deficit below 3.0% of GDP Croatia already satisfies Maastricht criteria regarding the level of government deficit. On the other hand, public debt as a percentage of GDP is significantly below the Maastricht criteria. In 2006 it recorded a decrease of 2.7 percentage points, from the level of 49.1% of GDP at the end of 2005 to 46.4% of GDP at the end of 2006.

Budget deficit reduction was the result of improvement and functional rearrangement of the public finance system through strengthening of the budget management, implementation and expansion of the Single Treasury Account, implementation of budgetary analysis and measuring of fiscal impacts, as well as strengthening of tax administration in order to suppress the grey economy. Furthermore, the fiscal consolidation has had positive effects on public debt trend as well.

Further orientation on budgetary spending efficiency and comprehensive conduction of the fiscal consolidation will, in the upcoming period, contribute to further reduction of net lending/borrowing from -1.6% GDP in 2007 to a moderate surplus at the end of the medium term. Also, constant fiscal deficit reduction will result in a further decline of the share of public debt in GDP. General government orientation on borrowing from primarily domestic sources will result in positive effects on foreign debt trends and contribute to further development of domestic financial market.

Croatia, as a candidate country, participates in the process of fiscal surveillance which includes two key documents: Excessive Deficit Procedure (EDP) and Pre-accession Economic Program (PEP).

EDP establishes level criteria for certain statistical indicators that a member state must achieve and the way of their monitoring and reporting. EDP emphasizes on reconciliation of deficit and public debt trends in the past, with regard to deficit and public debt realization in the context of Maastricht criteria.

PEP, as an economic program, is largely oriented on the future, that is, to the medium term, which includes the current year and the three succeeding years. It represents one of the key documents regarding the conduction of economic policy in the medium term, and is created in a consultation process between state administration bodies, business community and unions representatives. PEP defines macroeconomic and fiscal framework in the forthcoming three year period, priority areas of Croatian government policy, sequence of these priorities, as well as specific measures for successful implementation of structural reforms in the economy.

¹ ERM (European Exchange Rate Mechanism) is a system of adaptable exchange rates which allows fluctuations of national currency against the euro of 15% at most. ERM II was introduced on the basis of Amsterdam European Council Resolution (June 1997) on the establishment of an exchange-rate mechanism in the third stage of Economic and Monetary Union. ERM II has replaced 'old' European exchange rate mechanism on 1 January 1999.

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 - VIII 2007	VIII 2007	I - VIII 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	70 602 751	9 705 393	65,07
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	43 121 688	6 045 597	67,22
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	7 571 439	832 682	75,13
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	986 393	190 044	59,76
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	6 585 046	642 638	78,13
113	Taxes on property	355 823	375 501	482 331	117 380	151 774	533 685	126 963	135 671	344 779	38 091	64,60
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	33 919 914	5 001 755	65,76
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	25 184 296	3 586 893	65,61
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	25 070 616	3 573 965	65,61
11412	Sales taxes	148 757	156 580	159 631	37 907	39 980	174 784	40 316	44 264	113 679	12 928	65,04
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	8 098 786	1 305 333	66,34
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	1 004 994	126 503	69,15
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	4 244 669	697 304	65,17
11423	- on alcohol	230 796	228 386	230 178	60 335	62 501	230 978	47 732	57 159	152 786	34 341	66,15
11424	- on beer	718 278	702 386	716 167	272 885	156 524	755 407	126 630	187 928	508 638	105 828	67,33
11425	- on nonalcoholic beverages	132 984	141 905	140 404	51 476	31 021	145 274	26 679	33 921	96 465	19 843	66,40
11426	- on tobacco products	2 430 843	2 518 801	2 710 348	807 017	654 136	2 921 855	649 797	734 127	1 967 134	302 310	67,32
11427	- on coffee	135 437	145 334	156 666	41 370	41 579	163 147	37 237	38 574	105 668	15 519	64,77
11428	- on luxury goods	22 348	22 420	24 084	6 284	5 902	25 859	6 927	5 724	18 432	3 684	71,28
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	1 071 443	152 783	66,34
116	Other taxes	341 377	369 019	336 466	76 557	88 104	337 141	81 879	84 192	214 113	20 286	63,51
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	24 507 330	3 261 941	66,03
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	24 507 330	3 261 941	66,03
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	10 905 799	1 460 556	66,09
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	13 092 478	1 739 683	69,98
1213	Self-employed or unemployed contributions	600 616	748 487	741 418	185 633	219 842	1 905 609	174 712	193 013	509 053	61 702	26,71
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	169 016	46 622	19,57
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	2 804 718	351 232	44,01
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	707 096	71 387	20,55
1411	Interest	35 752	62 784	108 232	9 621	20 820	116 374	65 872	26 931	107 347	8 932	92,24
1412	Dividends	1 868 841	1 123 346	17 835	1	3 051	976 938	16	86 916	154 708	0	15,84
1413	Withdrawals from income of quasi-corporations	146 820	192 516	288 113	1 040	77 707	180 552	0	104 840	117 283	12 442	64,96
1415	Rent	616 289	848 001	418 220	97 524	146 309	2 166 215	141 916	92 066	327 758	50 014	15,13
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	1 067 249	134 659	69,88
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	931 472	124 322	65,60
1423	Incidental sales by nonmarket establishments	363 957	385 362	387 555	97 205	56 397	107 296	59 451	50 211	135 777	10 337	126,54
143	Fines, penalties, and forfeits	342 371	360 707	391 616	101 547	101 876	421 307	107 144	107 640	290 724	38 228	69,01
144	Voluntary transfers other than grants	249	5 653	6 737	2 226	2 013	4 316	5 644	-184	5 786	0	134,06
145	Miscellaneous and unidentified revenue	138 667	261 166	253 286	32 224	50 200	980 404	356 716	211 157	733 864	106 958	74,85

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 - VIII 2007	VIII 2007	I - VIII 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	67 743 201	9 442 172	62,47
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	18 243 599	2 355 728	66,39
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	15 457 272	1 919 546	66,88
212	Social contributions	3 379 682	3 483 370	3 649 977	916 058	934 371	4 364 550	998 105	1 008 397	2 786 328	436 182	63,84
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	4 139 040	598 170	53,74
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	3 342 656	333 341	72,88
241	To nonresidents	1 976 502	2 053 588	1 863 999	194 629	158 394	1 686 209	966 120	355 550	1 463 016	12 836	86,76
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	1 879 641	320 505	64,80
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	3 749 103	458 283	62,30
251	To public corporations	2 783 462	2 784 825	2 692 785	575 855	705 855	2 827 516	768 664	598 057	1 787 796	207 001	63,23
252	To private enterprises	2 184 606	2 463 919	2 978 004	500 613	876 293	3 190 243	884 238	667 618	1 961 307	251 282	61,48
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	3 851 454	644 724	45,24
261	To foreign governments (2611+2612)	76 464	73 639	64 795	23 047	31 759	93 950	685	12 753	36 077	18 148	38,40
2611	Current	46 500	49 174	37 760	22 380	15 381	69 650	685	7 650	30 574	18 148	43,90
2612	Capital	29 964	24 465	27 035	668	16 378	24 300	0	5 103	5 503	0	22,65
262	To international organizations (2621+2622)	83 434	93 832	89 619	27 452	3 202	73 440	28 625	12 463	48 287	5 847	65,75
2621	Current	83 434	93 832	89 619	27 452	3 202	73 440	28 625	12 463	48 287	5 847	65,75
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	3 767 090	620 729	45,14
2631	Current	2 498 598	2 623 246	2 663 156	613 596	855 149	2 451 058	455 959	501 945	1 286 601	169 653	52,49
2632	Capital	761 831	1 006 130	3 835 425	1 122 508	1 291 748	5 895 195	732 035	904 991	2 480 488	451 075	42,08
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	31 438 529	4 683 234	64,77
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	22 342 834	3 507 788	64,76
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	8 962 767	1 168 088	64,39
273	Employer social benefits	364 100	257 663	122 561	22 240	38 982	120 067	67 397	40 663	132 927	7 358	110,71
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	2 978 820	368 692	53,10
281	Property expense other than interest	3 955	4 920	7 600	2 067	3 504	0	1 226	676	2 290	171	
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	2 976 530	368 521	53,06
2821	Current	1 842 516	2 154 806	2 304 214	555 961	657 548	2 618 498	474 697	657 747	1 577 774	186 093	60,25
2822	Capital	2 565 888	2 772 181	2 773 167	725 208	1 133 500	2 991 733	422 514	575 255	1 398 756	182 428	46,75

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 - VIII 2007	VIII 2007	I - VIII 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	989 418	430 038	33,49
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	1 357 038	447 892	39,49
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	367 620	17 854	76,28
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	1 129 155	426 842	37,65
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	1 304 735	443 852	39,88
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	175 580	17 010	64,42
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	427 770	54 507	30,88
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	601 119	71 366	36,32
3111,2	Disposals: buildings and structures	238 838	263 639	248 698	58 832	68 801	269 897	69 237	66 203	173 349	16 859	64,23
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	652 462	361 174	46,74
3112,1	Acquisitions: machinery and equipment	519 545	558 060	657 696	116 628	359 848	1 398 529	132 418	134 748	654 693	361 325	46,81
3112,2	Disposals: machinery and equipment	604	740	964	61	246	2 650	1 203	858	2 231	151	84,20
3113	Other fixed assets (3113,1-3113,2)	54 191	91 986	107 011	16 160	55 893	218 151	12 101	20 093	48 924	11 161	22,43
3113,1	Acquisitions: other fixed assets	54 191	91 986	107 012	16 160	55 894	218 151	12 101	20 093	48 924	11 161	22,43
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	-177 598	-254	
312,1	Acquisitions: inventories	0	0	1 048	60	551	21 861	601	1 694	2 804	95	12,83
312,2	Disposals: inventories	0	0	81 274	11 552	20 070	190 000	174 390	3 586	180 402	349	94,95
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	87,52
313,1	Acquisitions: valuables	7 518	7 220	7 826	1 541	3 217	7 704	1 256	4 416	6 742	1	87,52
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	31 118	3 449	26,96
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	42 756	3 945	31,71
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	11 639	496	59,99
3141	Land (3141,1-3141,2)	7 062	-10 282	-21 650	-5 487	-6 264	-16 310	-3 183	-6 890	-11 573	-496	70,96
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	11 631	496	59,95
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	42 691	3 945	32,41
3144,1	Acquisitions: intangible nonproduced assets	20 278	39 762	54 744	10 288	28 803	131 726	10 942	23 235	42 699	3 945	32,41
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 - VIII 2007	VIII 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	1 127 756	568 214
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	553 013	33 386
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	200 463	9 756
Currency and deposits (3212+3222)	-1 114 264	688 185	-1 449 670	18 280	-463 568	0	223 173	738 439	775 206	544 584
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	1 119 723	568 214
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	544 980	33 386
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	200 463	9 756
3212 Currency and deposits	-1 114 264	688 185	-1 449 670	18 280	-463 568	0	223 173	738 439	775 206	544 584
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	335 392	23 630
3214,1 Acquisition: Loans	1 328 794	1 026 367	1 037 701	250 874	308 949	966 379	202 097	151 701	443 980	33 386
3214,2 Disposals: Loans	325 839	178 776	205 380	55 278	61 698	291 135	32 510	54 819	108 588	9 756
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	0
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	0
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 - VIII 2007	VIII 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	-742 376	735 031
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	7 244 835	147 442
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	6 502 459	882 472
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	2 209 057	604 981
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	3 954 918	125 633
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	6 163 975	730 614
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	1 842 827	198 265
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	3 334 374	121 199
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	5 177 201	319 464
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	366 229	406 717
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	620 544	4 434
3314,2 Incurrences: Loans	1 665 740	2 499 938	1 216 651	-943 712	-1 229 952	0	-1 010 451	-202 899	986 774	411 151
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	-2 951 433	130 049
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	3 289 917	21 809
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	338 484	151 858
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	0
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	0
3323,2 Incurrences: Securities other than shares	3 742 315	0	0	0	0	0	0	0	0	0
3324 Loans (3324,2-3324,1)	-945 104	-1 366 677	-462 468	-538 733	-61 345	-90 569	-572 037	-293 772	-1 193 710	130 049
3324,1 Repayments: Loans	2 180 501	2 150 232	2 325 732	678 951	405 181	2 086 250	572 037	477 654	1 532 194	21 809
3324,2 Incurrences: Loans	1 235 397	783 554	1 863 264	140 218	343 836	1 995 681	0	183 882	338 484	151 858

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 - VIII 2007		
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government
82 (=32) NET ACQUISITION OF FINANCIAL ASSETS	1 127 756	314 197	1 441 953
Acquisition of financial assets	1 390 019	429 038	1 819 057
Disposals of financial assets	262 263	114 841	377 104
821 (=321) Domestic	1 119 723	314 197	1 433 920
Acquisition of domestic financial assets	1 381 986	429 038	1 811 024
Disposals of domestic financial assets	262 263	114 841	377 104
8211 General government	0	0	0
Acquisitions: General Government	0	0	0
Disposals: General Government	0	0	0
8212 Central bank	588 107	0	588 107
Acquisitions: Central bank	588 107	0	588 107
Disposals: Central bank	0	0	0
8213 Other depository institutions	286 099	304 688	590 787
Acquisitions: Other depository institutions	347 898	304 688	652 586
Disposals: Other depository institutions	61 800	0	61 800
8215 Nonfinancial institutions	222 289	9 509	231 798
Acquisitions: Nonfinancial institutions	392 984	124 350	517 334
Disposals: Nonfinancial institutions	170 695	114 841	285 536
8216 Households and nonprofit institutions serving households	23 228	0	23 228
Acquisitions: Hholds and nonprofit institutions serving hholds	52 996	0	52 996
Disposals: Hholds and nonprofit institutions serving hholds	29 767	0	29 767
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	-742 376	1 749 687	1 007 311
Repayments: liabilities	7 244 835	475 348	7 720 183
Incurrences: liabilities	6 502 459	2 225 035	8 727 494
831 (=331) Domestic	2 209 057	910 133	3 119 190
Repayments: domestic liabilities	3 954 918	71 010	4 025 928
Incurrences: domestic liabilities	6 163 975	981 143	7 145 118
8311 General government	0	0	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	0	0
8313 Other depository institutions	2 190 744	910 133	3 100 877
Repayments: Other depository institutions	3 952 838	71 010	4 023 848
Incurrences: Other depository institutions	6 143 582	981 143	7 124 725
8314 Financial institutions not elsewhere classified	20 392	0	20 392
Repayments: Financial institutions not elsewhere classified	0	0	0
Incurrences: Financial institutions not elsewhere classified	20 392	0	20 392
8315 Nonfinancial institutions	-2 080	0	-2 080
Repayments: Nonfinancial institutions	2 080	0	2 080
Incurrences: Nonfinancial institutions	0	0	0
832 (=332) Foreign	-2 951 433	839 554	-2 111 879
Repayments: foreign liabilities	3 289 917	404 338	3 694 255
Incurrences: foreign liabilities	338 484	1 243 892	1 582 376
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	-225 187	0	-225 187
Repayments: International organizations	508 862	0	508 862
Incurrences: International organizations	283 676	0	283 676
8328 Financial institutions other than international organizations	-2 352 559	839 554	-1 513 005
Repayments: Financial institutions other than international organizations	2 407 368	404 338	2 811 706
Incurrences: Financial institutions other than international organizations	54 808	1 243 892	1 298 700
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	New Plan 2007	I - III 2007	IV - VI 2007	I - VIII 2007	VIII 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	70 602 751	9 705 393
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	43 121 688	6 045 597
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	24 507 330	3 261 941
13 Grants	10 122	27 505	195 984	3 644	177 761	863 561	12 330	102 253	169 016	46 622
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	2 804 718	351 232
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	67 743 201	9 442 172
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	18 243 599	2 355 728
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	4 139 040	598 170
24 Interest	3 972 466	4 387 010	4 713 615	955 490	935 215	4 586 817	1 680 283	936 070	3 342 656	333 341
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	3 749 103	458 283
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	3 851 454	644 724
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	31 438 529	4 683 234
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	2 978 820	368 692
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	2 859 550	263 221
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	2 859 550	263 221
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	989 418	430 038
311 Fixed assets	1 384 609	1 516 968	1 595 121	327 178	822 767	2 999 099	249 141	333 946	1 129 155	426 842
312 Change in inventories	0	0	-80 226	-11 492	-19 519	-168 139	-173 789	-1 891	-177 598	-254
313 Valuables	7 518	7 220	7 826	1 541	3 217	7 704	1 256	4 416	6 742	1
314 Nonproduced assets	27 340	29 480	33 072	4 801	22 539	115 416	7 759	16 336	31 118	3 449
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	1 870 132	-166 817
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	1 127 756	568 214
321 Domestic	212 192	1 757 681	-3 063 855	267 886	-2 827 142	-608 456	345 952	889 264	1 119 723	568 214
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	-742 376	735 031
331 Domestic	4 038 705	10 591 560	3 166 260	-357 843	-903 376	4 245 541	2 114 689	-1 429 551	2 209 057	604 981
332 Foreign	270 335	-5 080 612	-3 943 248	-538 733	-61 345	-1 940 569	-572 037	-293 772	-2 951 433	130 049

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
VIII 2005	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
VIII	9 705 393	9 442 172	263 221	333 341	596 562
I-VIII 2007	70 602 751	67 743 201	2 859 550	3 342 656	6 202 206

Note: See notes on methodology

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

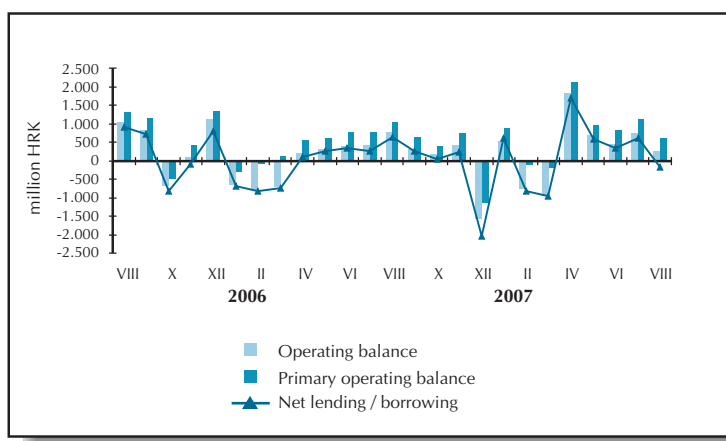


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	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)
VIII 2005	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
VIII	263 221	430 038	-166 817	166 817	568 214	735 031
I-VIII 2007	2 859 550	989 418	1 870 132	-1 870 132	1 127 756	-742 376

* 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 - VIII 2007	VIII 2007	I - VIII 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	1 406 200	218 429	57,44
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	199 770	54 993	34,56
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	4 027	263	10,19
133	From other general government units (1331+1332)	434 004	487 813	444 762	133 188	209 197	538 490	39 575	37 589	195 743	54 730	36,35
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	195 743	54 730	36,55
14	Other revenue	1 224 431	1 227 794	1 526 851	444 068	588 419	1 870 000	391 167	453 500	1 206 430	163 436	64,51
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	1 081 823	219 661	50,58
21	Compensation of employees (211+212)	93 675	99 418	111 293	24 884	35 750	126 750	27 911	29 523	76 000	9 508	59,96
211	Wages and salaries	80 618	85 524	96 298	21 321	31 321	109 050	24 167	25 295	65 363	8 138	59,94
212	Social contributions	13 057	13 894	14 995	3 563	4 429	17 700	3 744	4 228	10 637	1 370	60,10
22	Use of goods and services	743 383	790 683	1 072 478	313 203	366 614	1 169 902	163 653	286 905	685 698	140 450	58,61
24	Interest	37 907	33 734	31 692	8 286	8 590	32 560	8 214	7 700	20 943	0	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	14 774	6 101	24,42
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	284 408	63 602	37,96
Net-gross operating balance (1-2)		232 152	226 142	192 525	55 474	101 782	309 000	98 196	115 684	324 377	-1 232	
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	129 136	21 985	46,29
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	131 360	22 011	46,66
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	2 224	26	88,96
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	124 102	21 962	45,79
311,1	Acquisitions: fixed assets	277 323	224 711	210 392	30 965	159 489	273 500	61 307	22 713	126 326	21 988	46,19
311,2	Disposals: fixed assets	270	296	1 860	39	1 021	2 500	1 725	469	2 224	26	88,96
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	5 034	23	34,50
314,1	Acquisitions: nonproduced assets	5 474	5 877	14 591	5 920	7 418	8 000	928	3 265	5 034	23	34,50
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	195 241	-23 217	
Financing (33-32)		50 375	4 150	30 598	-18 628	64 104	-30 000	-37 686	-90 175	-195 241	23 217	
32	Net acquisition of financial assets (321+322)	-11 385	5 284	-32 316	-443	11 723	70 000	21 936	68 061	156 255	-15 580	
321	Domestic	-11 385	5 284	-32 316	-443	11 723	70 000	21 936	68 061	156 255	-15 580	
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	-38 986	7 637	
331	Domestic	42 859	-26 179	12 778	-19 046	74 619	-8 000	-19 010	-25 335	-47 506	-3	
332	Foreign	-3 869	35 613	-14 496	-25	1 208	48 000	3 260	3 221	8 520	7 640	

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 - VIII 2007	VIII 2007	I - VIII 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	636 329	115 429	65,91
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	636 329	115 429	65,91
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	571 537	68 114	64,34
21	Compensation of employees (211+212)	1 905	3 966	6 843	1 588	2 396	12 941	2 450	3 048	7 490	1 016	57,88
211	Wages and salaries	1 633	3 407	5 864	1 360	2 041	11 085	2 103	2 633	6 439	870	58,09
212	Social contributions	272	559	979	228	355	1 856	347	415	1 051	146	56,64
22	Use of goods and services	2 734	12 162	608 913	189 232	216 588	695 260	171 623	206 089	498 028	44 105	71,63
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	9 616	1 486	21,23
26	Grants	0	149 780	102 355	13 909	53 471	120 900	15 902	10 126	54 215	20 995	44,84
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	2 188	512	15,77
Net-gross operating balance (1-2)		139 830	42 692	-74 574	-28 716	-6 117	77 129	-19 766	19 031	64 792	47 315	
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	19 420	3 380	70,46
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	19 487	3 380	70,70
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	7 759	564	49,90
311,1	Acquisitions: fixed assets	1 553	12 742	2 656	177	1 585	15 550	5 339	1 640	7 826	564	50,33
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	11 661	2 816	97,07
314,1	Acquisitions: nonproduced assets	233	175	11 631	1 036	10 478	12 013	8 183	662	11 661	2 816	97,07
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	45 372	43 935	
Financing (33-32)		-138 044	-29 775	88 725	29 929	18 180	-49 566	33 271	-16 779	-45 372	-43 935	
32	Net acquisition of financial assets (321+322)	138 044	29 775	-88 725	-29 929	-18 180	109 566	-33 271	16 779	45 372	43 935	
321	Domestic	138 044	29 775	-88 725	-29 929	-18 180	109 566	-33 271	16 779	45 372	43 935	
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 - VIII 2007	VIII 2007	I - VIII 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	1 986 193	365 150	46,15
11	Taxes	1 341 683	1 380 753	0	0	0	0	0	0	0	0	0
1142	Excises	1 341 683	1 380 753	0	0	0	0	0	0	0	0	0
12	Social security contributions	0	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	999 985	169 375	33,06
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	0
132	From international organizations	0	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	999 985	169 375	33,06
1331	Current	0	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	999 985	169 375	33,06
14	Other revenue	953 740	1 166 250	1 271 125	459 898	293 339	1 278 958	237 703	355 809	986 208	195 775	77,11
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	1 112 913	117 110	62,05
21	Compensation of employees (211+212)	236 353	289 866	320 097	89 625	84 287	363 418	82 595	83 694	233 920	29 329	64,37
211	Wages and salaries	203 955	250 374	276 180	77 731	72 520	314 257	71 317	72 044	201 318	25 167	64,06
212	Social contributions	32 398	39 492	43 917	11 894	11 767	49 161	11 278	11 650	32 602	4 162	66,32
22	Use of goods and services	258 509	314 534	301 452	77 374	93 961	266 109	63 067	100 011	210 179	15 409	78,98
24	Interest	191 132	445 185	589 173	52 075	237 175	811 028	116 150	280 254	463 232	21 249	57,12
25	Subsidies	0	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	189 438	50 446	67,04
27	Social benefits	0	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	16 144	677	22,91
	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	873 280	248 040	
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	2 123 714	340 869	46,70
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	2 136 966	340 869	46,99
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	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	2 033 863	335 568	48,22
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	2 047 115	335 568	48,53
311,2	Disposals: fixed assets	0	0	300 000	0	300 000	0	13 252	0	13 252	0	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	89 851	5 301	27,28
314,1	Acquisitions: nonproduced assets	80 802	116 777	201 236	77 793	23 889	329 363	33 896	35 785	89 851	5 301	27,28
314,2	Disposals: nonproduced assets	0	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	-1 250 434	-92 829	
	Financing (33-32)	4 240 067	2 484 411	1 802 768	314 278	632 122	2 036 840	371 235	608 003	1 250 434	92 829	
32	Net acquisition of financial assets (321+322)	-162 274	-42 758	248 366	220 893	48 562	9 880	-234 657	101 490	-83 072	53 453	
321	Domestic	-162 274	-42 758	248 366	220 893	48 562	9 880	-234 657	101 490	-83 072	53 453	
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	1 167 362	146 282	
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	725 359	146 282	

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 - VIII 2007	VIII 2007	I - VIII 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	1 230 993	217 064	65,36
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	1 166 055	213 989	64,60
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	1 166 055	213 989	64,60
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	1 166 055	213 989	64,60
14	Other revenue	75 666	93 982	64 749	9 498	19 471	78 175	11 814	43 679	64 938	3 075	83,07
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	761 902	170 199	52,66
21	Compensation of employees (211+212)	51 590	61 054	70 786	19 277	17 535	81 511	16 892	19 162	51 936	6 177	63,72
211	Wages and salaries	44 349	52 452	60 787	16 500	15 112	70 107	14 483	16 482	44 565	5 293	63,57
212	Social contributions	7 241	8 602	9 999	2 777	2 423	11 404	2 409	2 680	7 371	884	64,64
22	Use of goods and services	696 421	726 456	850 772	210 121	230 867	1 038 521	155 946	159 113	526 916	127 837	50,74
24	Interest	4 306	16 060	43 374	3 931	22 492	70 868	5 315	28 204	34 032	65	48,02
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	147 718	36 120	59,86
Net-gross operating balance (1-2)		483 157	412 309	577 085	276 842	114 270	436 322	164 713	205 203	469 091	46 865	
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	1 139 135	171 045	89,12
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	1 139 849	171 084	89,15
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 276	3 188	788	177	194	260	245	180	714	39	274,62
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	1 015 345	159 205	87,17
311,1	Acquisitions: fixed assets	743 858	837 005	1 228 235	280 680	229 409	1 165 102	166 006	263 123	1 016 059	159 244	87,21
311,2	Disposals: fixed assets	1 276	3 188	788	177	194	260	245	180	714	39	274,62
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	123 790	11 840	109,16
314,1	Acquisitions: nonproduced assets	92 049	89 354	123 387	38 732	31 045	113 404	37 220	65 886	123 790	11 840	109,16
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	-670 044	-124 180	
Financing (33-32)		351 474	510 862	773 749	42 393	145 990	841 924	38 268	123 626	670 044	124 180	
32	Net acquisition of financial assets (321+322)	296	50 297	-29 083	-28 145	44 762	0	-41 091	-96 066	-48 207	51 920	
321	Domestic	296	50 297	-29 083	-28 145	44 762	0	-41 091	-96 066	-48 207	51 920	
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	621 837	176 100	
331	Domestic	100 000	302 376	471 685	2 316	69 451	526 454	-7 033	0	507 660	103 000	
332	Foreign	251 770	258 783	272 981	11 932	121 301	315 470	4 210	27 560	114 177	73 100	

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 - VIII 2007	VIII 2007	I - VIII 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	284 144	80 413	36,83
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	284 144	80 413	36,83
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	41 786	1 268	73,21
21	Compensation of employees (211+212)	4 678	5 621	5 713	1 466	1 536	7 511	1 306	1 393	3 929	603	52,31
211	Wages and salaries	4 010	4 821	4 896	1 261	1 315	6 420	1 118	1 192	3 370	516	52,49
212	Social contributions	668	800	817	205	221	1 091	188	201	559	87	51,24
22	Use of goods and services	10 664	21 092	12 472	2 455	5 235	24 368	5 734	10 777	17 873	651	73,35
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	0	15,40
28	Other expense	0	32 829	7 573	1 267	285	22 700	14 912	1 652	19 356	14	85,27
Net-gross operating balance (1-2)		261 419	184 445	382 227	81 916	118 701	714 506	69 605	85 475	242 358	79 145	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	27 624	14 131	493	0	31	-14 935	-19 998	74	-18 908	61	126,60
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	1 192	61	17,88
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	-18 908	61	
311,1	Acquisitions: fixed assets	27 624	11 216	565	0	31	6 665	102	74	1 192	61	17,88
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	261 266	79 084	
Financing (33-32)		-233 795	-170 314	-381 734	-81 916	-118 670	-729 441	-89 603	-85 401	-261 266	-79 084	
32	Net acquisition of financial assets (321+322)	-134 228	-349 252	381 734	81 916	118 670	729 441	89 603	85 401	261 266	79 084	
321	Domestic	-134 228	-349 252	381 734	81 916	118 670	729 441	89 603	85 401	261 266	79 084	
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 - VIII 2007	VIII 2007	I - VIII 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	26 640	2 141	60,00
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	26 640	2 141	60,00
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	55 018	6 729	63,44
21	Compensation of employees (211+212)	31 044	35 996	31 920	7 128	6 793	38 965	7 772	10 438	24 371	3 469	62,55
211	Wages and salaries	26 721	31 273	27 508	6 101	5 605	34 038	6 689	9 031	21 132	3 095	62,08
212	Social contributions	4 323	4 723	4 412	1 027	1 188	4 927	1 083	1 407	3 239	374	65,74
22	Use of goods and services	29 097	33 545	30 039	6 095	11 408	33 239	8 282	8 453	21 693	2 904	65,26
24	Interest	0	0	16 416	3 855	4 676	14 516	1 362	6 309	8 954	356	61,68
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	-28 378	-4 588	
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	-11 487	-150	74,53
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	1 900	7	2,28
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	13 387	157	13,56
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	-11 487	-150	74,53
311,1	Acquisitions: fixed assets	725	2 061	2 907	289	1 325	83 287	325	1 556	1 900	7	2,28
311,2	Disposals: fixed assets	25 169	42 333	54 082	5 570	-4 872	98 700	13 055	142	13 387	157	13,56
Net lending - borrowing (1-2-31)		27 249	95 197	38 671	26 905	-18 798	-26 907	7 937	-16 954	-16 891	-4 438	
Financing (33-32)		-27 249	-95 197	-38 671	-26 905	18 798	26 907	-7 937	16 954	16 891	4 438	
32	Net acquisition of financial assets (321+322)	15 293	100 403	-87 682	8 370	-24 904	-133 392	-246	-4 087	-17 417	-9 648	
321	Domestic	15 293	100 403	-87 682	8 370	-24 904	-133 392	-246	-4 087	-17 417	-9 648	
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	-526	-5 210	
331	Domestic	-11 956	5 206	-126 353	-18 535	-6 106	-88 779	-8 183	18 081	7 976	-1 922	
332	Foreign	0	0	0	0	0	-17 707	0	-5 214	-8 502	-3 288	

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 - VIII 2007	VIII 2007	I - VIII 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	73 800 533	10 259 795	64,97
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	43 121 688	6 045 597	67,22
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	7 571 439	832 682	75,13
113 Taxes on property	355 823	375 501	482 331	117 380	151 774	533 685	126 963	135 671	344 779	38 091	64,60
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	33 919 914	5 001 755	65,76
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	25 184 296	3 586 893	65,61
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	25 070 616	3 573 965	65,61
11412 Sales taxes	148 757	156 580	159 631	37 907	39 980	174 784	40 316	44 264	113 679	12 928	65,04
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	8 098 786	1 305 333	66,34
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	1 071 443	152 783	66,34
116 Other taxes	341 377	369 019	336 466	76 557	88 104	337 141	81 879	84 192	214 113	20 286	63,51
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	24 507 330	3 261 941	66,03
13 Grants	10 122	27 505	194 484	2 144	177 761	941 506	9 930	103 474	162 109	40 756	17,22
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	6 009 407	911 501	52,80
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	68 995 463	9 581 029	62,99
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	18 641 245	2 405 830	66,32
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	15 799 459	1 962 625	66,78
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	2 841 787	443 205	63,85
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	6 099 427	929 256	55,81
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	3 870 137	355 011	70,16
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	3 758 719	459 769	61,99
26 Grants	2 162 993	2 804 760	2 838 842	642 775	1 117 694	3 656 639	567 682	666 863	1 738 464	278 043	47,54
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	31 438 837	4 683 234	64,77
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	3 448 634	469 617	51,37
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	4 805 070	678 766	
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	4 805 070	678 766	
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	4 370 428	967 228	48,26
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	4 279 829	944 052	49,43
312 Inventories	0	0	-80 226	-11 492	-19 519	-168 139	-173 789	-1 892	-177 598	-254	
313 Valuables	7 518	7 220	7 826	1 541	3 217	7 704	1 256	4 416	6 742	1	87,52
314 Nonproduced assets	207 881	252 487	392 374	130 253	100 891	558 196	87 986	121 934	261 454	23 429	46,84
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	434 642	-288 462	
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	-434 642	288 462	
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	1 441 953	771 378	
321 Domestic	18 598	1 614 616	-2 593 370	543 471	-2 604 267	177 039	148 226	1 060 842	1 433 920	771 378	
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	1 007 311	1 059 840	
331 Domestic	4 107 680	12 041 678	5 282 792	81 764	-103 150	5 030 473	2 300 970	-1 215 309	3 119 190	706 056	
332 Foreign	4 216 320	-4 042 835	-3 392 051	-466 526	79 586	156 658	-648 496	219 792	-2 111 879	353 783	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 16: CONSOLIDATED CENTRAL GOVERNMENT ACCORDING TO GOVERNMENT LEVEL

(000 HRK)	2004	2005	2006	VII - IX 2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	I - VIII 2007	VIII 2007	I - VIII 2007 New Plan 2007
1 REVENUE (A+B)	87 019 284	92 642 473	100 392 605	26 243 302	26 909 367	113 587 978	24 768 255	28 917 282	73 800 533	10 259 795	64,97
A) Budgetary Central Government	80 463 518	85 653 010	95 234 057	24 819 524	25 132 226	108 496 960	23 848 740	27 709 655	70 591 817	9 699 263	65,06
B) Extrabudgetary users (1+...+9)	6 555 766	6 989 463	5 158 548	1 423 778	1 777 141	5 091 018	919 515	1 207 627	3 208 716	560 532	63,03
1. Croatian Institute for Pension Insurance	129 892	38 010	293 485	2 211	237 659	-	-	-	-	-	-
2. Croatian Health Insurance Institute	663 139	863 868	848 683	202 249	220 491	-	-	-	-	-	-
3. Croatian Employment Service	15 507	18 855	18 363	1 243	13 305	-	-	-	-	-	-
4. Croatian Waters	1 224 431	1 227 794	1 526 851	444 068	588 419	1 952 500	391 167	457 001	1 210 457	163 699	62,00
5. Environment Protection Fund	170 748	214 737	659 840	178 513	268 048	965 400	174 533	241 675	636 329	115 429	65,91
6. Croatian motorways Ltd.	2 295 423	2 547 003	1 271 125	459 898	293 339	1 278 958	237 703	355 809	986 208	195 775	77,11
7. Croatian roads Ltd.	1 417 787	1 474 714	64 749	9 498	19 471	78 175	11 814	43 679	64 938	3 075	83,07
8. State Agency for Deposit Insurance and Bank Rehabilitation	575 893	367 438	409 581	87 396	126 133	771 585	91 675	99 803	284 144	80 413	36,83
9. Croatian Privatization Fund	62 946	237 044	65 871	38 702	10 276	44 400	12 623	9 660	26 640	2 141	60,00
2 EXPENSE (A+B)	86 941 437	92 332 140	98 751 408	23 789 786	27 386 050	109 528 777	25 361 209	25 318 294	68 995 463	9 581 029	62,99
A) Budgetary Central Government	81 861 164	86 715 598	91 979 693	22 162 075	25 005 935	103 409 031	24 294 973	23 959 539	65 561 222	9 048 395	63,40
B) Extrabudgetary funds and agencies (1+...+9)	5 080 273	5 616 542	6 771 715	1 627 711	2 380 115	6 119 746	1 066 236	1 358 755	3 434 241	532 635	56,12
1. Croatian Institute for Pension Insurance	587 420	382 162	565 857	99 522	266 833	-	-	-	-	-	-
2. Croatian Health Insurance Institute	831 295	914 345	931 628	226 088	243 803	-	-	-	-	-	-
3. Croatian Employment Service	141 333	145 931	155 002	37 743	40 947	-	-	-	-	-	-
4. Croatian Waters	1 426 283	1 489 465	1 779 088	521 782	695 834	2 138 990	332 546	378 906	1 081 823	219 661	50,58
5. Environment Protection Fund	32 443	172 045	734 764	207 229	274 515	888 271	194 299	222 644	571 537	68 114	64,34
6. Croatian motorways Ltd.	752 254	1 085 077	1 272 713	226 715	447 909	1 511 025	274 490	465 649	923 475	66 664	61,12
7. Croatian roads Ltd.	934 630	1 062 405	1 226 934	286 074	379 965	1 437 660	225 415	252 028	760 602	170 199	52,91
8. State Agency for Deposit Insurance and Bank Rehabilitation	314 474	182 993	27 354	5 480	7 432	57 079	22 070	14 328	41 786	1 268	73,21
9. Croatian Privatization Fund	60 141	182 119	78 375	17 078	22 877	86 720	17 416	25 200	55 018	6 729	63,44
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	4 805 070	678 766	
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	4 805 070	678 766	
31 NET ACQUISITION OF NONFINANCIAL ASSETS	8 373 463	6 699 416	6 108 627	1 525 283	2 090 019	9 055 866	911 294	1 534 597	4 370 428	967 228	48,26
Acquisition (A+B)	8 648 383	7 024 180	6 836 371	1 612 656	2 490 430	9 660 873	1 207 729	1 613 012	4 787 792	985 304	49,56
A) Budgetary Central Government	1 663 868	1 828 818	1 908 482	398 031	924 386	3 436 026	332 408	430 381	1 357 038	447 892	39,49
B) Extrabudgetary users	6 984 515	5 195 362	4 927 889	1 214 625	1 566 044	6 224 847	875 321	1 182 631	3 430 754	537 412	55,11
Disposals (A+B)	274 920	324 763	727 744	87 373	400 410	605 007	296 435	78 415	417 364	18 076	68,99
A) Budgetary Central Government	244 401	275 149	352 690	76 003	95 381	481 947	248 041	77 574	367 620	17 854	76,28
B) Extrabudgetary users	30 519	49 614	375 054	11 370	305 029	123 060	48 394	841	49 744	222	40,42
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	434 642	-288 462	
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	-434 642	288 462	
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	1 441 953	771 378	
321 Domestic (A+B)	18 599	1 614 616	-2 593 370	543 471	-2 604 267	177 039	148 226	1 060 842	1 433 920	771 378	
A) Budgetary Central Government	138 578	1 747 681	-3 063 855	267 886	-2 827 142	-608 456	345 952	889 264	1 119 723	568 214	
B) Extrabudgetary users	-119 979	-133 065	470 485	275 585	222 875	785 494	-197 726	171 578	314 197	203 164	
322 Foreign (A+B)	9 786	-4 857	16 681	0	14 000	13 428	0	8 033	8 033	0	
A) Budgetary Central Government	9 786	-4 857	16 681	0	14 000	13 428	0	8 033	8 033	0	
B) Extrabudgetary users	0	0	0	0	0	0	0	0	0	0	
323 Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	0	
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	1 007 311	1 059 840	
331 Domestic (A+B)	4 107 680	12 041 678	5 282 792	81 763	-103 150	5 030 473	2 300 970	-1 215 309	3 119 190	706 056	
A) Budgetary Central Government	4 038 705	10 591 560	3 166 260	-357 843	-903 376	4 245 541	2 114 689	-1 429 551	2 209 057	604 981	
B) Extrabudgetary users	68 975	1 450 118	2 116 532	439 606	800 226	784 932	186 281	214 242	910 133	101 075	
332 Foreign (A+B)	4 216 320	-4 042 835	-3 392 051	-466 526	79 586	156 658	-648 496	219 792	-2 111 879	353 783	
A) Budgetary Central Government	270 335	-5 080 612	-3 943 248	-538 733	-61 345	-1 940 569	-572 037	-293 772	-2 951 433	130 049	
B) Extrabudgetary users	3 945 985	1 037 777	551 197	72 207	140 931	2 097 227	-76 459	513 564	839 554	223 734	

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
VIII 2005	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
VIII	10 259 795	9 581 029	678 766	355 011	1 033 777
I-VIII 2007	73 800 533	68 995 463	4 805 070	3 870 137	8 675 207

Note: See notes on methodology

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT / SURPLUS

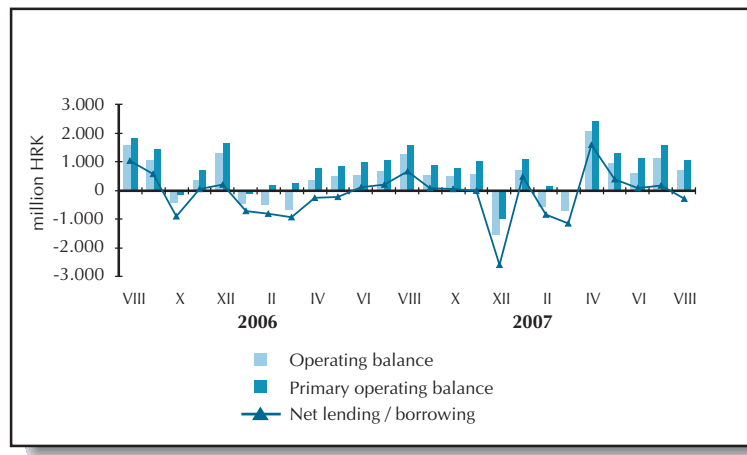


TABLE 16B: NET LENDING / BORROWING (000 HRK)

	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)
VIII 2005	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
VIII	678 766	967 228	-228 462	228 462	771 378	1 059 840
I-VIII 2007	4 805 070	4 370 428	434 642	-434 642	1 441 953	1 007 311

* 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 [§]		30.6.2007 [§]		31.7.2007 [§]		31.8.2007 [§]	
	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
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	41 620,0	16,6	40 733,6	14,9	40 465,9	14,8	38 430,3	14,0	39 085,6	14,3
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	32 540,9	13,0	31 782,8	11,6	31 165,8	11,4	29 011,8	10,6	29 404,4	10,7
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	9 231,6	3,4	9 349,9	3,4	9 612,6	3,5
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	68,6	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	63 549,9	23,2	64 950,0	23,7	65 238,9	23,8
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	56 616,2	20,7	57 622,1	21,1	57 811,7	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	5 540,7	2,0	5 935,0	2,2	6 034,3	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	1 393,0	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	102 169,0	40,8	104 052,9	38,0	104 015,8	38,0	103 380,3	37,8	104 324,5	38,1
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	86 757,6	34,6	88 336,4	32,3	87 782,0	32,1	86 633,8	31,7	87 216,1	31,9
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	14 772,2	5,4	15 284,9	5,6	15 646,8	5,7
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	1 461,6	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	14 098,3	5,6	14 938,7	5,5	14 911,5	5,4	14 717,8	5,4	14 837,6	5,4
Foreign guarantees	8 655,3	4,8	8 622,7	4,3	7 710,4	3,6	7 186,7	3,1	6 846,0	2,7	6 780,8	2,5	6 860,6	2,5	6 741,2	2,5	6 780,1	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	8 050,9	2,9	7 976,5	2,9	8 057,5	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	7 686,4	3,1	7 632,4	2,8	9 126,2	3,3	9 115,9	3,3	9 102,4	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	7 338,9	2,9	7 265,3	2,7	8 845,7	3,2	8 871,9	3,2	8 863,8	3,2
Domestic debt of HBOR	442,3	0,2	328,1	0,2	382,2	0,2	534,2	0,2	347,5	0,1	367,1	0,1	280,6	0,1	244,0	0,1	238,6	0,1

Note: See notes on methodology

Source: Ministry of Finance, CBS for GDP

PUBLIC DEBT AT THE END OF AUGUST 2007

Public debt of the Republic of Croatia amounted to HRK 119.2 billion at the end of August 2007, thus reaching 43.5 percent of the expected GDP for the year 2007. In comparison to July 2007, public debt increased by HRK 1.1 billion. Total general government debt amounted to HRK 104.3 billion (87.5 percent) and total guarantees amounted to HRK 14.8 billion (12.5 percent of total debt).

Total general government debt recorded an increase of HRK 944.2 million in August 2007 compared to the stock of the previous month. Foreign general government debt component recorded a rise compared to the previous month in the amount of HRK 655.3 million due to the increase of foreign debt of both central government and extrabudgetary funds and agencies. Domestic component of the total general government debt also recorded a rise compared to the stock of the previous month in the amount of HRK 288.9 million 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 87.2 billion), while the

debt of extrabudgetary funds and agencies amounted to HRK 15.6 billion and the debt of local government amounted to HRK 1.5 billion. Central government kept the trend of more pronounced domestic borrowing; 66.3 percent of total central government debt was created by domestic borrowing, while 61.4 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 increased by HRK 119.9 million in comparison to the previous month as the result of a rise in both domestic and foreign guarantees. Domestic guarantees account for 54.3 percent of total guarantees of the Republic of Croatia at the end of August 2007.

Total debt of HBOR amounted to HRK 9.1 billion in August 2007 and recorded a decrease by HRK 13.5 million compared to July 2007 as the result of the decrease of both domestic and foreign component of the debt. Total debt of HBOR was almost entirely (97.4 percent) created by foreign borrowings.

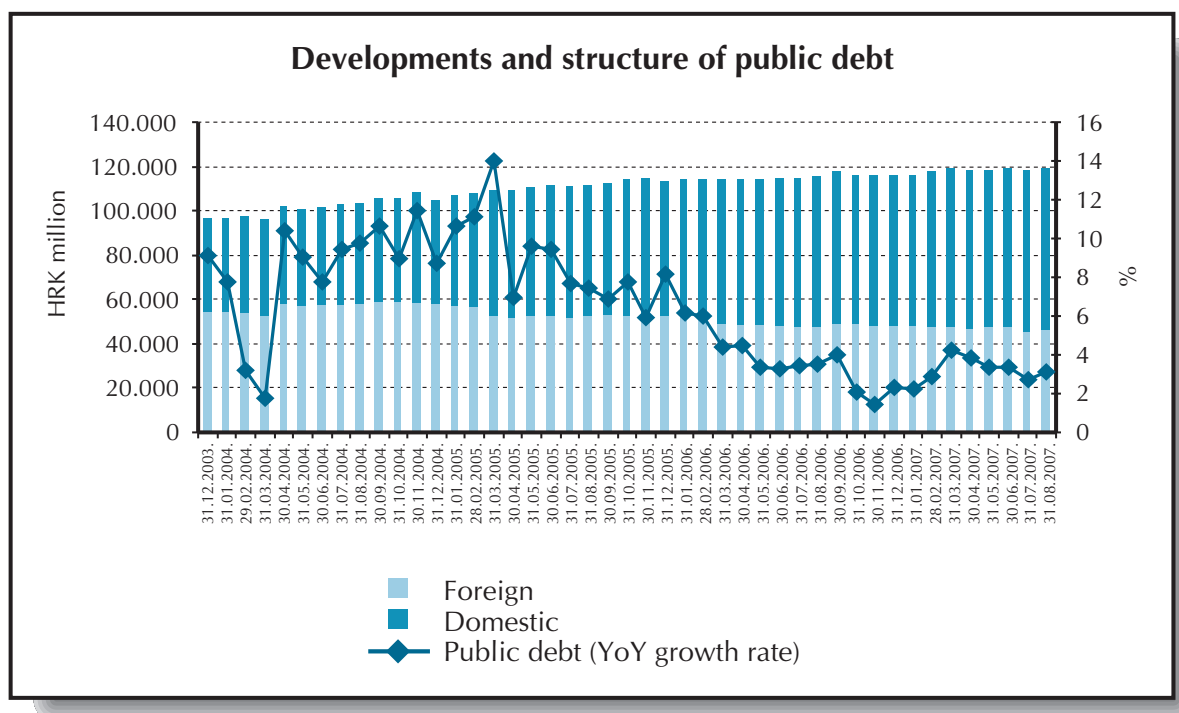


TABLE 21: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT
DOMESTIC DEBT STOCK IN 000 (31 AUGUST 2007)

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	41 637	304 757	2011	7,20%
Big Bonds - Series III	EUR	43 682	319 724	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 463 881	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 659 702	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	4 757 612	2014	5,50%
Bonds - Series 07 D-19	EUR	200 000	1 463 881	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	2 561 791	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	75 136	2007	6,00%
BRA Bonds II	EUR	16 832	123 202	2012	5,00%
BRA Bonds III	EUR	45 294	331 528	2012	7,20%
BRA Bonds IV	EUR	23 041	168 645	2012	5,00%
BRA Bonds V-A	EUR	284	2 082	2007	6,00%
BRA Bonds V-B	EUR	42 795	313 236	2008	7,00%
Syndicated FX loan	EUR	500 000	3 659 702	2010	4,38%
Medium and long term debt			40 115 463		
Treasury Bills	HRK	12 021 100	12 021 100		
	EUR	41 700	305 219		
Other short-term debt	HRK	223 465	223 465		
Short-term FX loan	EUR	299 532	2 192 395		
Short-term debt			14 742 179		
Total debt			54 857 642		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

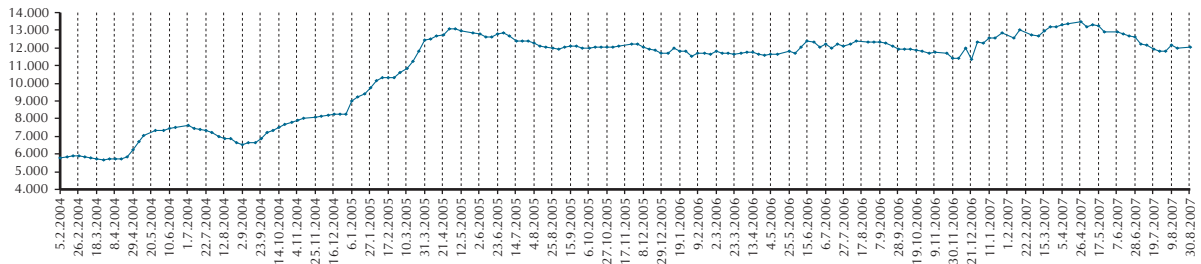
TABLE 22: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(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 (%)
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%
7.8.2007.		20 000	99,135 / 3,50%		20 000	52 000	98,239 / 3,59%	98,333 / 3,40%	697 000	937 000	95,754 / 4,45%	95,705 / 4,50%
28.8.2007.		30 000	99,160 / 3,40%		5 000	35 000	98,312 / 3,44%	98,333 / 3,40%	345 000	913 000	95,811 / 4,38%	95,842 / 4,35%

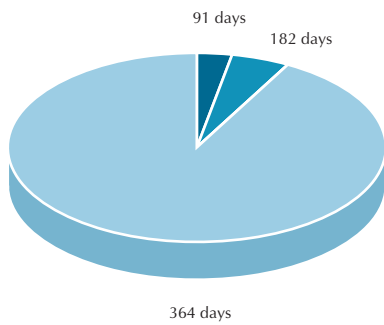
Note: See notes on methodology

Source: Ministry of Finance

T-Bill's Outstanding Debt

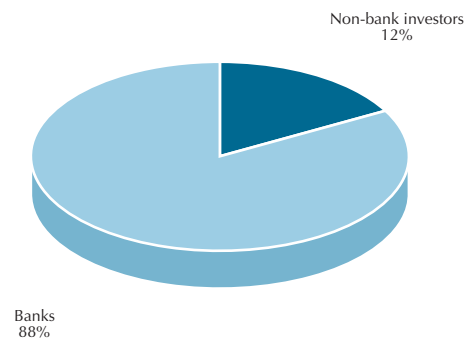


Structure of outstanding T-Bill's on 31 August 2007



Structure of bids accepted according to buyers

T-Bill's Auctions



Annual yield on T-Bills

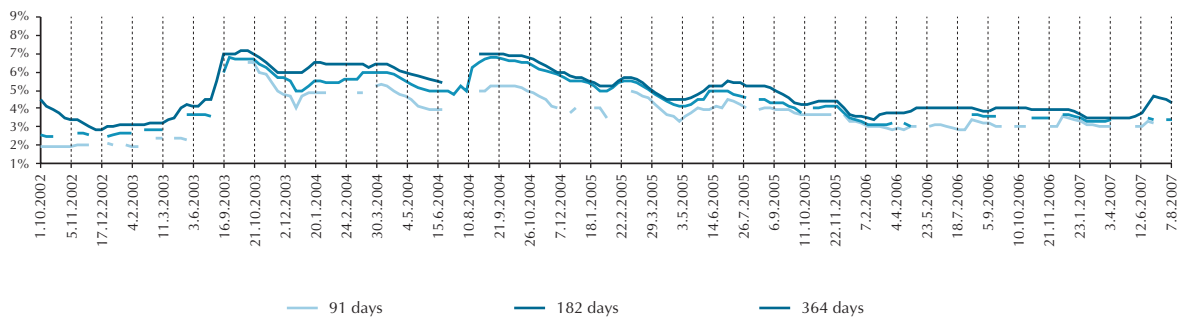


TABLE 23: BALANCE SHEET OF PUBLIC ENTERPRISES

	(000 HRK)		Croatian Railways		HEP		Croatian forests		Jadrolinija		Croatian Postal Service		Narodne novine		INA		Ploput	
	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05	31.12.06	31.12.05		
ASSETS																		
1. Claims on unpaid share equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Non-current assets	11 683 443	10 747 825	26 577 627	25 220 117	1 216 127	1 212 458	840 298	854 934	906 986	895 516	190 666	198 218	14 371 036	12 840 713	116 786	118 050		
2.1. Intangible assets	25 019	15 316	307 039	254 216	9 193	10 842	1	2	5 250	6 164	3 607	2 703	678 246	538 303	3 787	1 092		
2.2. Tangible assets	10 762 885	9 830 984	24 411 755	23 128 218	1 168 026	1 153 325	835 986	850 621	513 653	564 255	165 975	175 961	11 464 579	10 317 715	107 868	111 674		
2.3. Financial assets	795 270	790 945	1 777 697	1 762 228	38 206	47 589	4 311	4 311	351 553	285 615	17 402	15 315	1 512 830	1 324 685	5 131	5 284		
2.4. Long term receivables	100 269	110 580	81 136	75 455	702	702	0	0	36 530	39 482	3 682	4 239	715 381	660 010	0	0		
3. Current assets	1 462 803	1 562 519	2 758 020	2 855 930	663 407	654 565	119 075	97 818	412 162	397 379	223 311	217 254	5 714 185	5 586 380	19 503	19 517		
3.1. Inventories	917 029	961 184	962 590	947 916	117 240	127 513	21 083	23 021	24 345	19 144	41 435	59 800	2 367 241	3 034 886	4 236	4 461		
3.2. Receivables	413 984	488 410	1 568 233	1 513 733	480 392	432 948	79 245	31 503	180 234	194 578	65 961	77 207	2 960 356	2 299 405	8 341	11 484		
3.3. Financial assets	15 855	14 594	72 421	230 430	45 930	69 941	137	228	120 532	93 350	106 112	61 602	160 088	103 757	3 589	442		
3.4. Cash and cash equivalents	115 935	98 331	154 776	163 851	19 845	24 163	18 610	43 066	87 051	90 307	9 803	18 645	226 500	148 332	3 337	3 130		
4. Prepayments and accrued income	0	4 755	0	0	534	1 110	15 403	12 167	220	406	856	1 298	208 133	310 308	44	41		
5. Loss above the value of equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6. TOTAL ASSETS	13 146 246	12 315 099	29 335 647	28 076 047	1 880 068	1 868 133	974 776	964 919	1 319 368	1 293 301	414 833	416 770	20 293 354	18 737 401	136 333	137 608		
7. Off balance sheet assets	5 214 336	5 379 801	2 371 640	2 033 067	35 716 186	35 078 563	0	0	128 274	147 340	3 792	2 215	13 039 289	14 342 049	11 435	2 581		
EQUITY AND LIABILITIES																		
1. Equity and reserves	4 155 714	4 137 648	18 151 118	17 962 248	1 203 439	1 174 075	575 081	544 181	982 564	979 613	331 762	316 210	11 569 326	10 737 008	91 079	103 261		
1.1. Paid-up share equity	4 087 433	7 334 968	19 792 159	19 792 159	1 171 670	1 151 734	209 054	209 054	878 827	878 827	204 792	204 792	9 000 000	9 000 000	111 546	107 599		
1.2. Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
1.3. Revaluation reserve	0	0	-2 031 587	-2 024 560	0	0	64 713	66 462	1 281	0	14 508	12 368	66 561	-96 273	0	0		
1.4. Reserves	2 799	255 463	230 946	153 579	0	0	275 834	246 669	76 256	73 676	96 257	17 049	1 951 886	1 951 886	0	0		
1.5.1. Retained earnings	50 215	0	0	0	2 405	0	21 996	19 402	24 531	20 962	0	64 118	0	0	2 465	4 073		
1.5.2. Retained losses brought forward	0	3 502 998	57 270	400 245	0	992	0	0	0	0	0	0	118 605	1 010 667	20 489	4 776		
1.6.1. Profit for the year	15 267	50 215	216 870	441 315	29 364	23 333	3 484	2 594	1 669	6 148	16 205	17 883	669 484	892 062	0	0		
1.6.2. Loss for the year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2 443	3 635		
2. Long term provisions	0	0	967 834	872 323	104 855	128 416	2 117	2 117	85 798	20 697	4 235	1 549	1 171 529	1 726 880	856	0		
3. Non-current liabilities	3 827 754	4 008 166	7 529 518	6 901 931	107 700	86 219	259 671	302 104	23 457	25 121	1 550	1 614	1 523 242	768 329	2 405	2 246		
4. Current liabilities	1 293 280	1 266 138	2 687 177	2 339 545	458 603	464 402	136 797	116 517	175 159	202 948	69 127	88 804	5 766 361	5 251 275	13 152	13 244		
5. Accruals and deferred income	3 869 498	2 903 147	0	0	5 471	15 021	1 110	0	52 390	64 922	8 159	8 593	262 896	253 909	28 841	18 857		
6. TOTAL EQUITY AND LIABILITIES	13 146 246	12 315 099	29 335 647	28 076 047	1 880 068	1 868 133	974 776	964 919	1 319 368	1 293 301	414 833	416 770	20 293 354	18 737 401	136 333	137 608		
7. Off balance sheet liabilities	5 214 336	5 379 801	2 371 640	2 033 067	35 716 186	35 078 563	0	0	128 274	147 340	3 792	2 215	13 039 289	14 342 049	11 435	2 581		

Note: The data for 31 December 2006 is preliminary

Source: Ministry of Finance

TABLE 24: PROFIT AND LOSS STATEMENT OF PUBLIC ENTERPRISES

(000 HRK)	Croatian Railways		HEP		Croatian forests		Jadrolinija		Croatian Postal Service		Narodne novine		INA		Ploput	
	I-XII 06	I-XII 05	I-XII 06	I-XII 05	I-XII 06	I-XII 05	I-XII 06	I-XII 05	I-XII 06	I-XII 05	II-XII 06	I-XII 05	I-XII 06	I-XII 05	I-XII 06	I-XII 05
Operational income	3 625 567	3 663 106	10 190 810	9 592 770	2 295 763	2 019 259	776 718	720 130	1 482 033	1 471 203	21 845 287	19 636 591	474 256	502 236	59 483	58 493
Domestic sales income	634 863	576 428	8 934 769	8 241 986	1 398 959	1 236 279	351 304	305 103	1 404 448	1 358 004	14 352 248	13 485 173	459 551	486 220	10 374	10 642
Exports income	670 098	604 109	763 370	929 162	111 361	122 278	135 524	123 771	16 074	20 962	6 973 838	5 748 815	128	241	42 330	40 543
Subsidies and donations	2 122 203	2 330 859	0	0	325	661	288 913	288 388	13 644	16 934	0	0	0	0	2 661	3 367
Own costs capitalised	14 344	15 294	144 452	142 711	683 040	601 260	0	0	621	656	25 797	29 562	4 936	6 795	989	971
Other operating income	184 059	136 416	348 219	278 911	102 078	58 781	977	2 868	47 246	74 647	493 404	373 041	9 641	8 980	3 129	2 970
Operational costs	3 578 902	3 541 203	9 846 609	9 108 897	2 308 555	2 031 595	765 769	735 151	1 564 342	1 455 147	21 099 219	18 496 981	454 047	482 172	60 848	62 568
Material costs	1 358 715	1 313 298	5 398 090	4 845 050	681 436	550 011	432 404	413 859	246 094	194 768	17 179 516	15 343 491	324 669	350 551	10 934	11 952
Staff costs	1 364 189	1 390 134	1 575 249	1 494 358	911 018	781 775	181 466	172 526	1 034 799	1 030 712	1 519 521	1 483 667	74 359	76 893	31 702	31 623
Depreciation and amortisation	424 359	400 924	1 781 069	1 718 838	96 545	100 842	62 311	61 755	61 726	55 872	763 549	796 646	18 360	19 364	8 465	8 506
Current assets adjustments	19 553	11 477	158 015	165 038	39 646	38 201	515	531	1 996	15 594	471 006	441 581	10 344	7 826	32	4
Provisions for charges and risks	0	0	53 002	102 978	49 696	17 179	0	0	76 395	0	5 778	64 390	592	559	0	0
Other operational costs	412 086	425 370	882 255	783 680	511 258	525 294	89 073	86 480	143 332	158 201	1 277 130	876 927	24 220	26 484	9 715	10 483
Financial income	11 855	30 395	160 841	236 962	27 448	26 189	5 204	8 280	91 784	1 139	507 813	377 225	4 584	3 638	611	1 158
Financial expense	224 676	223 633	186 922	240 469	11 901	16 316	16 919	12 880	7 806	11 047	410 120	401 888	552	645	1 689	718
Income on ordinary activities	3 637 422	3 693 501	10 351 651	9 829 732	2 323 211	2 045 448	781 922	728 410	1 573 817	1 472 342	22 353 100	20 013 816	478 840	505 874	60 094	59 651
Expenses on ordinary activities	3 803 578	3 764 836	10 033 531	9 349 366	2 320 456	2 047 911	782 688	748 031	1 572 148	1 466 194	21 509 339	18 898 869	454 599	482 817	62 537	63 286
Profit on ordinary activities	0	0	318 120	480 366	2 755	0	0	0	1 669	6 148	843 761	1 114 947	24 241	23 057	0	0
Loss on ordinary activities	166 156	71 335	0	0	0	2 463	766	19 621	0	0	0	0	0	0	2 443	3 635
Income on non-ordinary activities	233 682	201 513	0	0	58 274	66 872	8 266	24 002	0	0	0	0	3 947	6 542	0	0
Expenses on ordinary activities	52 259	79 963	0	0	31 665	41 076	2 786	1 787	0	0	0	0	5 474	4 921	0	0
Profit on non-ordinary activities	181 423	121 550	0	0	26 609	25 796	5 480	22 215	0	0	0	0	0	1 621	0	0
Loss on non-ordinary activities	0	0	0	0	0	0	0	0	0	0	0	0	1 527	0	0	0
Total income	3 871 104	3 895 014	10 351 651	9 829 732	2 381 485	2 112 320	790 188	752 412	1 573 817	1 472 342	22 353 100	20 013 816	482 787	512 416	60 094	59 651
Total expenses	3 855 837	3 844 799	10 033 531	9 349 366	2 352 121	2 088 987	785 474	749 818	1 572 148	1 466 194	21 509 339	18 898 869	460 073	487 738	62 537	63 286
Profit before taxes	15 267	50 215	318 120	480 366	29 364	23 333	4 714	2 594	1 669	6 148	843 761	1 114 947	22 714	24 678	0	0
Loss before taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2 443	3 635
Profit tax	0	0	109 779	56 037	0	0	1 230	0	0	0	174 277	222 885	6 508	6 795	0	0
Other taxes	0	0	25 008	27 879	0	0	0	0	0	0	0	0	0	0	0	0
Profit after taxes	15 267	50 215	183 333	396 450	29 364	23 333	3 484	2 594	1 669	6 148	669 484	892 062	16 206	17 883	0	0
Loss after taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2 443	3 635
Profit on net monetary position	0	0	33 537	44 865	0	0	0	0	0	0	0	0	0	0	0	0
Loss on net monetary position	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROFIT FOR THE YEAR	15 267	50 215	216 870	441 315	29 364	23 333	3 484	2 594	1 669	6 148	669 484	892 062	16 206	17 883	0	0
LOSS FOR THE YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2 443	3 635

Note: The data for 2006 is preliminary

Source: Ministry of Finance

TABLE 25: TRADE PAYABLES AND TRADE RECEIVABLES OF PUBLIC ENTERPRISES

(000 HRK)	Croatian Railways		HEP		Croatian forests		Jadrolinija		Croatian Postal Service		Narodne novine		Ploput		Croatia osiguranje	
	31. 12. 06	31. 12. 05	31. 12. 06	31. 12. 05	31. 12. 06	31. 12. 05	31. 12. 06	31. 12. 05	31. 12. 06	31. 12. 05	31. 12. 06	31. 12. 05	31. 12. 06	31. 12. 05	31. 12. 06	31. 12. 05
1. TRADE PAYABLES	301 062	406 708	1 047 883	1 006 656	161 922	176 130	110 357	97 194	36 397	51 033	49 156	55 985	1 918	8 850	100 105	135 976
1.1. Overdue trade payables	103 575	111 704	119 282	136 035	50 435	77 182	88 286	77 755	4 352	20 564	12 607	4 088	652	8 216	100 105	135 976
2. AMOUNTS PAYABLE IN RESPECT TO INVESTMENTS	299 310	217 912	663 125	588 293	30 217	24 578	1 039	2 827	5 362	1 070	234	121	103	2 237	674	142
3. TOTAL AMOUNTS PAYABLE (1+2)	600 372	624 620	1 711 008	1 594 949	192 139	200 708	111 396	100 021	41 759	52 103	49 390	56 106	2 021	11 087	100 779	136 118
3.1. Overdue total amounts payable	214 702	189 207	134 895	220 429	55 985	86 944	89 117	80 017	4 422	20 644	12 831	4 195	702	10 393	100 779	136 118
domestic	213 799	183 904	134 895	220 429	55 985	86 944	83 605	74 974	3 710	19 613	12 831	4 195	702	3 299	94 580	130 487
foreign	903	5 303	0	0	0	0	5 512	5 043	712	1 031	0	0	0	7 094	6 199	5 631
4. PAYABLES TO THE BUDGET BENEFICIARIES	0	0	0	0	0	0	0	121	740	964	654	691	123	127	26 182	15 191
4.1. Overdue payables to the budget beneficiaries	0	0	0	0	0	0	0	121	26	319	17	67	123	127	2 426	934
5. TRADE RECEIVABLES	196 731	267 948	1 323 312	1 303 814	367 773	330 283	19 024	16 124	153 502	171 246	98 907	113 150	7 028	8 744	602 016	624 942
5.1. Overdue trade receivables	188 409	164 760	1 124 815	1 108 242	256 805	261 054	17 122	14 512	44 022	59 404	64 037	67 694	6 466	7 140	592 473	614 248
domestic buyers	183 020	149 230	1 088 086	1 014 660	246 945	252 157	13 000	11 920	41 646	52 539	64 029	67 687	1 337	2 711	559 909	581 258
foreign buyers	5 389	15 530	36 729	93 582	9 860	8 897	4 122	2 592	2 376	6 865	8	7	5 129	4 429	32 564	32 990
6. RECEIVABLES FROM THE BUDGET BENEFICIARIES	0	0	90 273	84 953	1 423	3 148	11 966	12 108	46 890	76 926	32 030	33 828	0	0	2 714	1 796
6.1. Overdue receivables from the budget beneficiaries	0	0	45 139	43 020	1 347	3 111	11 966	12 108	9 480	42 545	18 184	17 480	0	0	1 513	1 113

Note: The data for 31 December 2006 is preliminary

Source: Ministry of Finance

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 15 percent in cities with the population above 30,000 and up to 30 percent in the City of Zagreb).

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

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

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

Table 18: Consolidated General Government by Economic Category

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

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

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

Table 19: Consolidated General Government by government level

Table 19 details data on aggregate amounts of revenue, expense, transactions in nonfinancial and financial assets as well as transactions in liabilities for each component of the Consolidated General Government: Central Budget, Extrabudgetary Users and Local Government Budgets (the largest 53 units). It is published quarterly and for further methodology notes see explanation for table 18.

Table 20: General Government debt stock

This table presents foreign and domestic debt of the Central Government including agencies (HAC, HC, DAB and HFP), Extrabudgetary funds and Local Government. In compliance with Stand-by Arrangement, debt data also includes guarantees of Republic of Croatia (domestic and foreign) and the debt of Croatian Bank for Reconstruction and Development (HBOR). According to the Budget Act (Official Gazette no. 96/2003), public debt is defined as the debt of the Consolidated Budget of the Republic of Croatia plus issued total guarantees.

In December of 2003, debt of HAC, HC, DAB and HFP was classified from Central Government sector to Extra-budgetary funds sector.

The International Monetary Fund and the World Bank introduced a new international reporting standard on external debt in 2004. The new standard is based on recommendations derived from the new External Debt Statistics - Guide for Compilers and Users and is accepted by countries members of the Special Data Dissemination Standard - SDDS. Since Croatia is member the SDDS, the Ministry of Finance started compiling external debt data according to the new standard since the beginning of 2005. Data in line with the new standard is available since the no. 115 of the Monthly Statistical Review.

Table 21: Consolidated Central Government Domestic Debt

Frozen Foreign Exchange Deposits - at the end of 1991 and based on a directive of the Croatian Government ("Official Gazette" 71/91, 3/92, 12/92, 71/92, 103/93), the foreign exchange deposits of citizens in banks operating in the Republic of Croatia as of the 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>

MANAGEMENT OF THE MINISTRY OF FINANCE

Cabinet of the Minister

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

Ministry Secretariat

Ministry Secretary: Zvonko Šakić

State Treasury

Chief Treasurer: Vesna Orlandini

Assistant Ministers

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

ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review number	Notes	Release			
		November 07	December 07	January 08	February 08
		144	145	146	147
SDDS Data Category		November 07	December 07	January 08	February 08
General Government operations	1)	(09/07)			(12/07)
Central Government operations	2)	(09/07)	(10/07)	(11/07)	(12/07)
Internal Central Government Debt	3)	(09/07)	(10/07)	(11/07)	(12/07)

- 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

