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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-November 2007 period	9
Table 2: Budgetary Central Government Revenue	12
Table 3: Budgetary Central Government Expense	13
Table 4: Transactions in Nonfinancial Assets of Budgetary Central Government	14
Table 5: Transactions in Financial Assets of Budgetary Central Government	15
Table 6: Transactions in Liabilities of Budgetary Central Government	16
Table 7: Transactions in Financial Assets and Liabilities, by sectors	17
Table 8: Statement of Budgetary Central Government Operations	18
Table 8A/8B: Measures of Budgetary Central Government deficit/surplus	19
Table 9: The Croatian Waters Transactions	20
Table 10: The Environment Protection Fund Transactions	21
Table 11: The Croatian Motorways Ltd. Transactions	22
Table 12: The Croatian Roads Ltd. Transactions	23
Table 13: The State Agency for Deposit Insurance and Banks Rehabilitation Transactions	24
Table 14: The Croatian Privatization Fund Transactions	25
Table 15: Consolidated Central Government by Economic Category	26
Table 16: Consolidated Central Government According to Government Level	27
Table 16A/16B: Measures of Consolidated Central Government deficit/surplus	28
Table 20: General Government Debt Stock	29
Public Debt at the end of November 2007	30
Table 21: Consolidated Central Government Domestic Debt	31
Table 22: Results of the Treasury Bill's Auctions held by the Ministry of Finance	32
Treasury Bills	33
Notes on Methodology	34
Management of the Ministry of Finance	41
Advance Release Calendar	42

TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2002	2003	2004	2005	2006	2007	2007				2007					2008	
							Q1	Q2	Q3	Q4	VII	VIII	IX	X	XI	XII	I
GDP, current prices (mil. HRK)	181 231	198 422	214 983	231 349	250 590	-	62 561	68 473	75 494	-	-	-	-	-	-	-	-
GDP, real growth rates	5,6	5,3	4,3	4,3	4,8	-	7,0	6,6	5,1	-	-	-	-	-	-	-	-
Total volume of industrial production, growth rate as %	5,4	4,1	3,7	5,1	4,5	5,6	8,0	7,1	4,5	3,2	8,5	2,8	2,1	5,5	2,5	1,4	-
Retail sales turnover, real growth rate as %	12,5	3,7	2,6	2,8	2,1	5,3	7,7	5,6	5,3	2,4	6,0	10,7	-1,1	4,6	3,0	-0,2	-
Total volume of construction projects, growth rate as %	12,8	22,8	2,0	-0,8	9,3	-	6,5	0,0	1,7	-	3,5	2,7	-1,0	4,2	0,0	-	-
Nights spent by tourists, growth rate as %	3,0	4,0	2,0	7,6	3,1	5,6	7,2	6,9	5,3	4,1	6,6	5,7	1,1	0,2	13,7	8,3	-
Producer's prices, period average, %	-0,4	1,9	3,5	3,0	2,9	3,4	1,9	2,5	3,8	5,5	3,0	3,6	4,5	4,9	5,4	5,8	7,4
Consumer prices, period average, %	1,7	1,8	2,1	3,3	3,2	2,9	1,6	2,1	2,9	5,0	2,1	2,6	3,9	4,3	4,6	5,8	6,2
Total persons in employment, end of period	1 351 364	1 387 910	1 397 416	1 417 158	1 467 398	1 480 972	1 461 135	1 498 892	1 503 246	1 480 972	1 510 942	1 511 007	1 503 246	1 495 220	1 491 143	1 480 972	-
Unemployed persons, end of period	366 162	318 684	317 577	307 851	293 153	254 484	291 642	249 548	246 191	254 484	245 768	242 851	246 191	250 087	253 183	254 484	261 129
Unemployment rate, end of period	21,5	19,1	18,5	17,8	16,7	14,7	16,6	14,3	14,1	14,7	14,0	13,8	14,1	14,3	14,5	14,7	15,1
Unemployment rate - ILO comparable, period average, %	14,8	14,3	13,8	12,7	11,2	-	11,2	9,1	8,4	-	-	-	-	-	-	-	-
Average monthly gross wages and salaries, growth rate as %	6,0	4,8	6,4	4,4	6,2	6,2	6,2	5,7	6,6	6,4	7,9	6,3	5,5	7,6	6,0	5,7	-
Average monthly gross wages and salaries paid off in HRK	5 366	5 623	5 985	6 248	6 634	7 046	6 854	7 023	7 015	7 291	7 067	7 089	6 890	7 096	7 521	7 255	-
Exchange rate HRK/USD, period average	7,87	6,70	6,03	5,95	5,84	5,36	5,62	5,46	5,32	5,06	5,32	5,37	5,28	5,15	5,00	5,02	4,99
Exchange rate HRK/EUR, period average	7,41	7,56	7,50	7,40	7,32	7,34	7,36	7,35	7,31	7,33	7,29	7,31	7,31	7,32	7,34	7,32	7,33
Trade Balance (mil. USD)	-5 818	-8 022	-8 565	-9 788	-11 126	-13 469	-2 965	-3 532	-3 297	-3 675	-1 140	-1 104	-1 053	-1 306	-1 260	-1 109	-
Exports (mil. USD)	4 904	6 187	8 024	8 773	10 377	12 360	2 633	3 053	3 164	3 509	1 211	912	1 042	1 292	1 151	1 067	-
Imports (mil. USD)	10 722	14 209	16 589	18 560	21 502	25 829	5 598	6 585	6 461	7 184	2 351	2 015	2 095	2 598	2 411	2 175	-
Current Account Balance (mil. EUR)	-2 099	-1 889	-1 454	-1 988	-2 644	-	-2 042	-1 358	2 097	-	-	-	-	-	-	-	-
Current Account Balance (as % of GDP)	-8,6	-7,2	-5,1	-6,4	-7,7	-	-24,0	-14,6	20,3	-	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. EUR)	5 651	6 554	6 436	7 438	8 725	9 307	9 520	9 170	8 795	9 307	9 412	9 223	8 795	8 974	9 112	9 307	-
Total outstanding external debt, end of period (mil. EUR)	15 143	19 884	22 933	25 748	29 258	-	30 107	30 996	31 113	-	31 142	30 982	31 113	31 568	31 924	-	-
Internal debt of consolidated central government, eop. (mil. HRK)	23 597	26 261	35 789	47 243	52 290	-	54 675	53 311	55 108	-	54 733	54 858	55 108	55 025	54 797	-	-
Commercial bank's loans, growth rate as %	33,6	16,8	13,1	20,3	22,7	13,4	20,0	17,2	16,4	13,4	18,1	17,4	16,4	14,4	13,2	13,4	-
Interest rates on treasury bills of 91 days maturity, end of period	2,00%	4,00%	3,80%	3,70%	3,00%	3,60%	3,00%	3,00%	3,35%	3,60%	3,20%	3,20%	3,35%	3,65%	3,60%	3,60%	3,65%
ZIBOR (3 m), average	4,60%	5,50%	7,35%	6,19%	4,46%	5,63%	4,35%	4,95%	6,28%	6,97%	7,37%	5,58%	5,84%	6,49%	7,19%	7,30%	7,56%

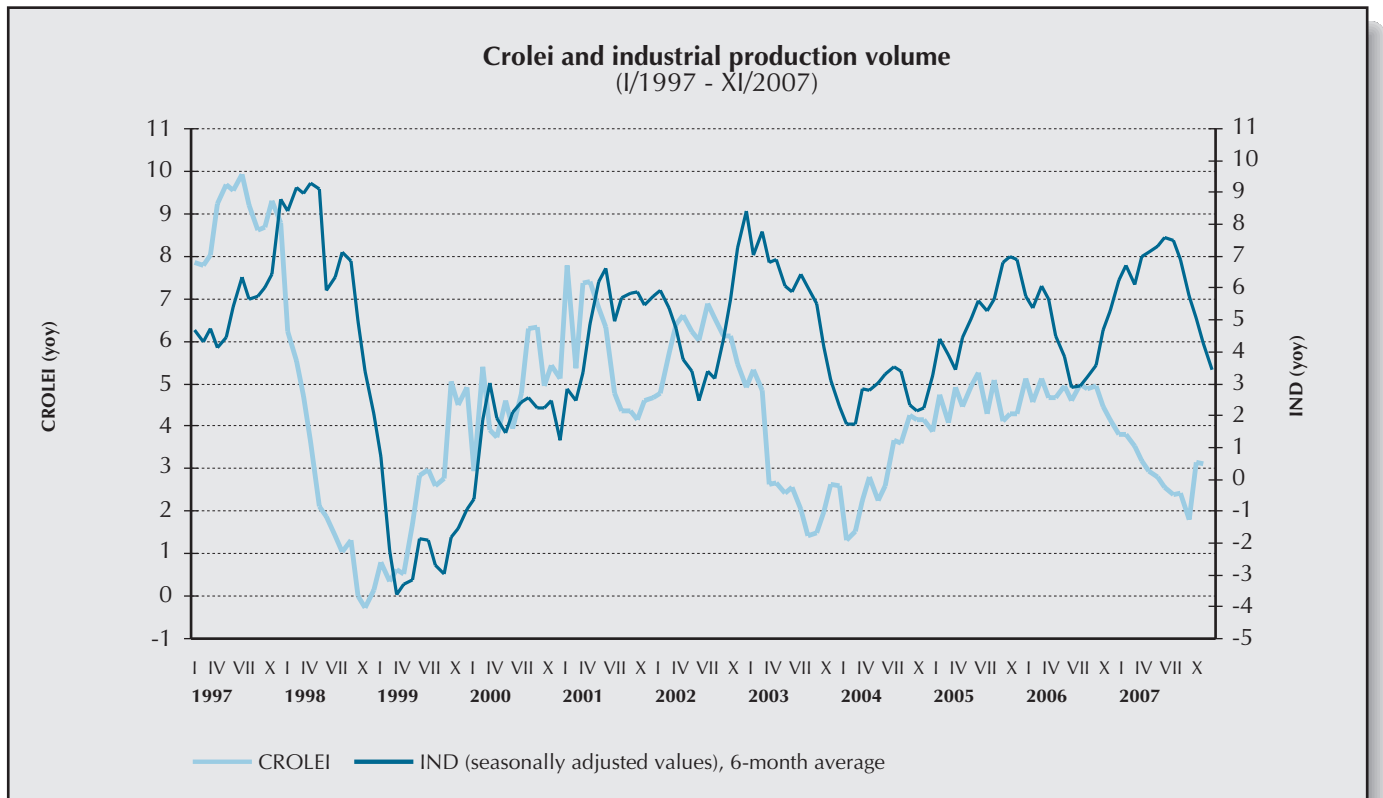
Source: Central Bureau of Statistics, Croatian National Bank, Ministry of Finance

MACROECONOMIC TRENDS

CROLEI - LEADING INDICATOR OF INDUSTRIAL PRODUCTION

In 2007 methodological revision of CROLEI index took place. The new CROLEI index, compiled based on the revision, consists of seven components. They are: unemployment benefits beneficiaries, producers' price indices in the EU-25, total cash of participants in the payment system, retail trade turnover, unconsolidated budget revenues, loans to households and cash market interest rate on kuna credits not indexed to foreign currency. The deceleration of annual growth rates of the new CROLEI in the January-November 2007 period indicates that a slowing down of economic growth in the first few months of 2008 can be expected. The trend of CROLEI was briefly changed in October and its growth rate in November was

almost the same as that of October. However, the value of the diffusive index, supplementary measure representing the share of the number of increasing components in the overall number of components, stood at only 43 percent in November. This indicates that, in spite of the speeding-up of annual growth rates of CROLEI in October and November, a change in the trend of the economy still can not be announced with certainty. Since the value of CROLEI has risen at monthly level during the entire 2007, the following months should still see the economy experiencing a moderate growth. The value of the diffusive index in the June-November 2007 period, when it stood above 60 percent on average, also confirms this prediction.



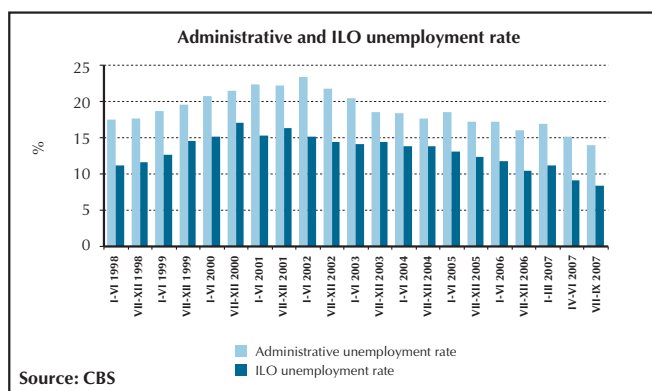
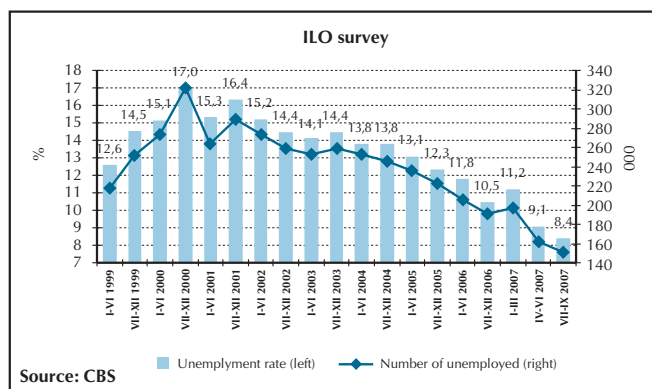
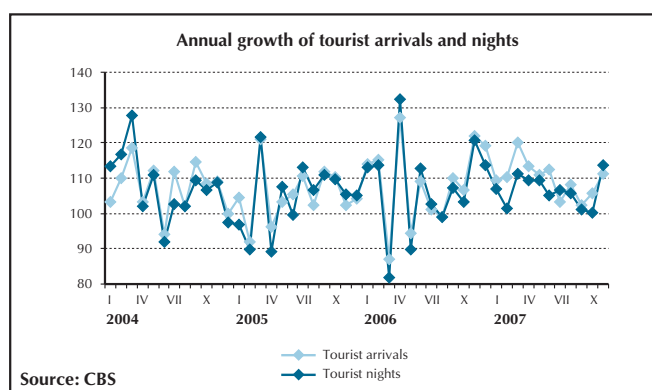
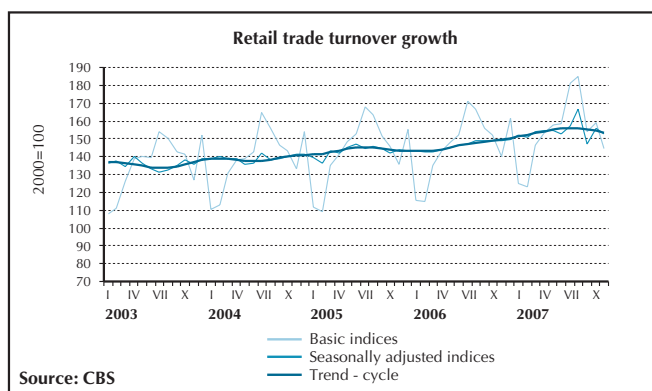
REAL SECTOR

Retail trade turnover recorded nominal annual growth of 8.8 percent in November 2007, while real turnover went up by 3.0 percent. This was in line with the developments of other indicators potentially influencing retail trade, primarily employment, loans to households and tourism. That way, number of employed persons in November increased at annual level by more than fifteen thousands, loans to households (excluding housing loans) rose by 15.3 percent and tourist nights rose by 13.7 percent in November, which is the highest growth recorded in 2007. In the first eleven months of 2007, retail trade turnover was 8.5 percent nominally and 5.8 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 eleven months was recorded by the automotive fuels (11.6 percent) and non-specialized stores with food, beverages or tobacco predominating (12.2 percent). Retail trade growth in mentioned activities was probably partially influenced by increase in prices of oil and food.

Total number of tourist arrivals increased in November 2007 by 11.1 percent at annual level, while total number of tourist nights rose by 13.7 percent, which is the highest growth recorded in 2007. Stronger annual growth of arrivals and nights was achieved in November by foreign tourists. Therefore, domestic tourists' arrivals recorded growth of 2.6 percent in November, while foreign tourists' arrivals increased by 21.4 percent. Number of domestic tourists' nights increased by 7.0 percent in November, while increase in number of foreign tourists' nights was 20.3 percent. Observing the period of the first eleven months of 2007, total number of tourist arrivals amounted to 11.0 million and increased by 7.5 percent annually and total number of tourist nights equaled 55.6 million and rose by 5.6 percent. Foreign tourists' arrivals increased by 7.5 percent at annual level in the first eleven months and domestic tourists' arrivals by 7.9 percent, while foreign tourists' nights went up by 5.4 percent and domestic tourists' nights by 7.5 percent.

Starting from year 2007 Central Bureau of Statistics publishes quarterly results on the Labour Force Survey. Labour Force Survey show that in the third quarter of 2007 unemployment rate decreased by 0.7 percentage points, that is, from 9.1 percent in the second quarter to 8.4 percent in the third quarter. Number of unemployed persons decreased in the third quarter by 11,000 in comparison to the second quarter, while number of employed went up by 52,000. Observing the average of first three quarters of 2007, working age population accounted for 3,650,000 persons. Of that number 48.8 percent were persons that worked or were actively looking for work and could be classified as labour force. When compared to Labour Force Survey results from 2006, working age population increased by 11,500 and labour force decreased by 4,000. Total number of employed in the first three quarters was on average at level of 1,611,000, which represents an increase of 25,000 compared to 2006. Number of unemployed persons decreased by 28,500, to the level of 170,000. Described developments determined the unemployment rate which was at level of 9.6 percent in the first three quarters, which is decrease of 1.6 percentage points compared to 2006 and the lowest level of unemployment rate. Registered unemployment rate of average 15.3 percent in the first three quarters of 2007 was still significantly higher than Labour Force Survey unemployment rate. It is important to mention that comparison of the Labour Force Survey results from the first three quarters of 2007 with the results of the entire 2006 overestimates positive results because

of less expressed favorable seasonal effects in the last quarter of 2006, that data for the first three quarters of 2007 still don't take into account. For the moment, only this kind of comparison on the annual level is possible, since first quarterly data on Labour Force Survey are published since 2007.



MONETARY TRENDS

The money (M1) amounted to HRK 54.2 billion at the end of November 2007 and increased by HRK 1.1 billion or 2.0 percent compared to October. The highest contribution to the money growth came from increase in demand deposits by HRK 704 million, while the currency outside banks rose by HRK 350 million. The annual growth rate of money accelerated to 17.1 percent in November, which is 0.2 percentage points more than in October.

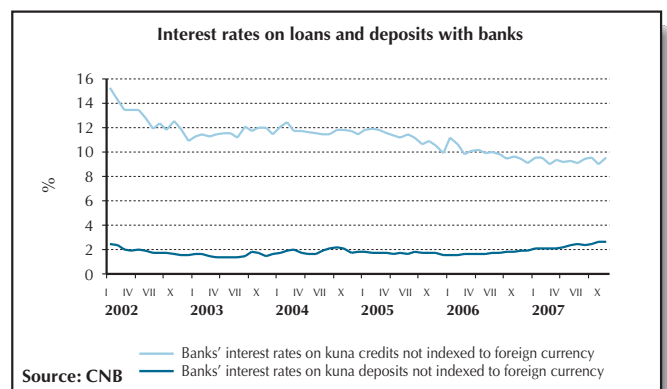
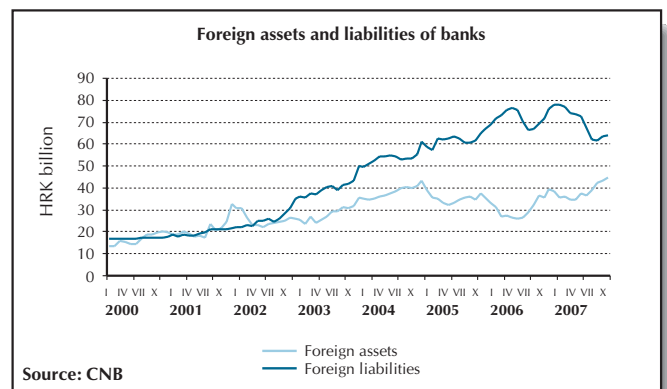
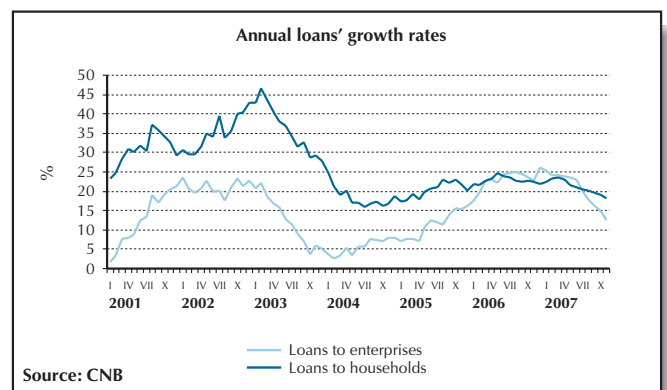
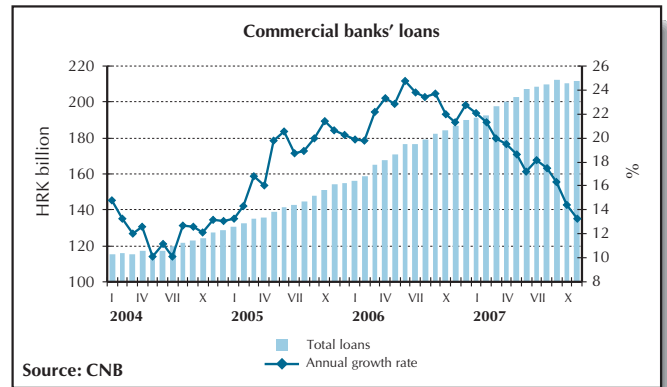
Total loans of commercial banks equaled HRK 211.6 billion at the end of November and increased by HRK 1.0 billion compared to October. The annual growth rate of total loans decelerated in November by 1.2 percentage points and equaled 13.2 percent, which is the lowest growth rate since December 2004. Kuna loans recorded a monthly increase of HRK 1.2 billion, while foreign currency loans declined in November by HRK 203 million. Loans to households went up in November by HRK 778 million at monthly level, while loans to enterprises rose by HRK 164 million. Loans to households recorded for the fifth consecutive month higher annual growth rate than loans to enterprises. Thereby, they increased by 18.3 percent compared to November 2006, while the loans to enterprises rose by 12.5 percent, their lowest annual growth rate since August 2005. The annual growth rate of housing loans continues to decelerate and it equaled 23.0 percent in November, which is 0.2 percentage points less than in October and the lowest rate since April 2005. The loans to the central government decreased by 13.7 percent in November compared to the same month of the previous year.

Total deposits with commercial banks stood at level of HRK 191.1 billion at the end of November and increased at monthly level by HRK 3.4 billion. The annual growth rate of total deposits equaled 15.9 percent in November and accelerated by 2.3 percentage points compared to October. In November, increase in both kuna and foreign currency deposits was recorded, whereas kuna deposits increased by HRK 1.5 billion and foreign currency deposits by HRK 1.1 billion. The highest increase in kuna deposits in November was recorded by deposits of households (HRK 1.4 billion) and the biggest decline in deposits of other banking institutions (HRK 1.3 billion), while the increase in foreign currency deposits was mostly the result of rise in foreign currency deposits of households (HRK 868 million). The annual growth rate of kuna deposits amounted to 13.9 percent in November, while the foreign currency deposits increased by 16.5 percent.

Foreign assets of commercial banks amounted to HRK 44.5 billion at the end of November and increased by HRK 1.2 billion at monthly level. Observing the annual change, foreign assets recorded an increase for the twelfth consecutive month, in the amount of HRK 8.7 billion or 24.2 percent. Foreign liabilities of commercial banks stood at the level of HRK 64.2 billion at the end of November and compared to October increased by HRK 856 million. At annual level foreign liabilities declined by HRK 7.6 billion or 10.6 percent. Net foreign assets leveled HRK -19.7 billion at the end of November.

The average bank interest rates on kuna credits not indexed to foreign currency increased from 9.02 percent in October to 9.52 percent in November. At the same time, the average bank interest rates on kuna deposits not indexed to foreign currency rose from 2.60 percent to 2.64 percent. Thereby, the

difference between the active and the passive interest rates not indexed to foreign currency in November increased to 6.88 percentage points.

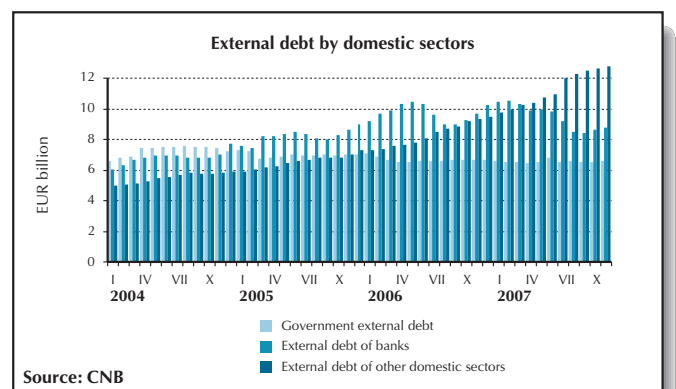
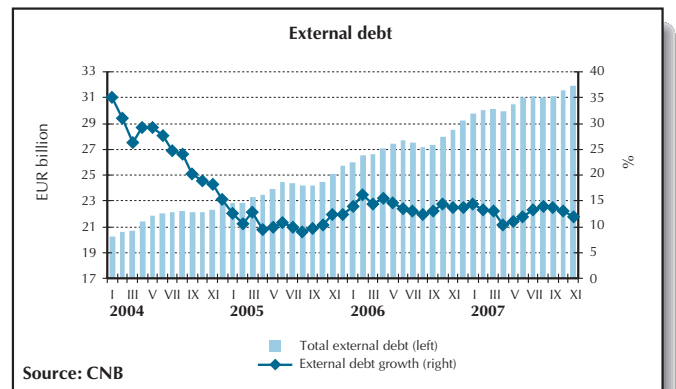
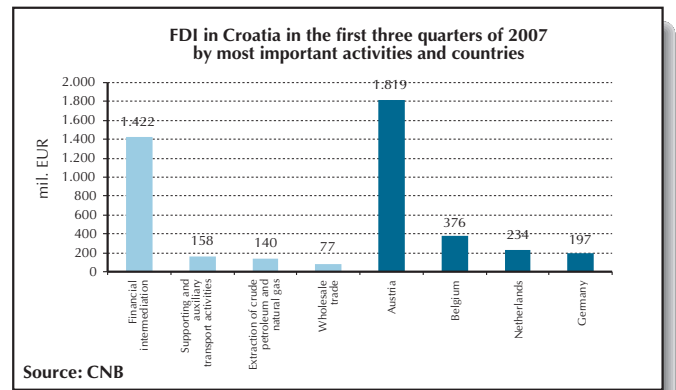
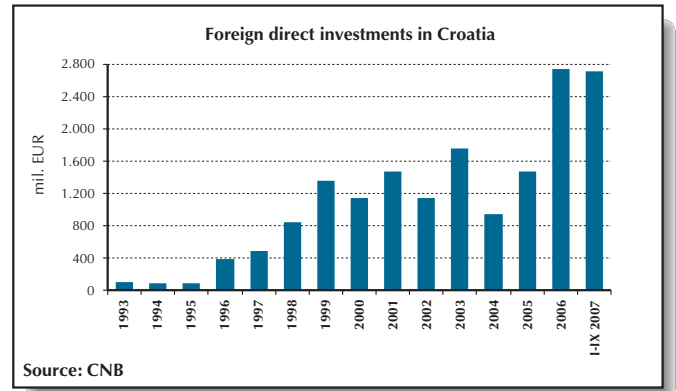


INTERNATIONAL SECTOR

Total foreign direct investments in Croatia stood at level of EUR 16.7 billion at the end of September 2007. In the first three quarters of 2007 amount of FDI in Croatia was EUR 2.7 billion, which is 49.8 percent higher than in the same period of 2006. Equity investments amounted to EUR 1.6 billion in the first three quarters and made 57.1 percent of total FDI. Other investments made 24.2 percent, that is EUR 657 million, and reinvested earnings amounted to EUR 508 million, or 18.7 percent of total FDI in the first three quarters.

When observing FDI structure by activities in the first three quarters of 2007, the highest amount was invested in financial intermediation (EUR 1.4 billion), supporting and auxiliary transport activities (EUR 158 million), extraction of crude petroleum and natural gas (EUR 140 million), wholesale trade and commission trade (EUR 77 million) and in manufacture of food products and beverages (EUR 68 million). Majority of investments in the first three quarters of 2007 came from Austria (EUR 1.8 billion), Belgium (EUR 376 million), Netherlands (EUR 234 million), Germany (EUR 197 million) and France (EUR 103 million). In the period from 1993 till the end of September 2007, leading countries by the amount of FDI in Croatia were Austria (27.6 percent or EUR 4.6 billion), Netherlands (16.7 percent), Germany (13.8 percent), France (7.8 percent) and Hungary (6.0 percent) of total foreign direct investments in the observed period).

Total external debt amounted to EUR 31.9 billion at the end of November 2007 and increased by EUR 357 million compared to October. Annual growth of the external debt decelerated from 13.0 percent in October to 11.9 percent in November. The share of external debt in GDP (GDP projection for 2007) equaled 85.0 percent in November. The highest increase in the external debt in the first eleven months of 2007 was recorded by other sectors, whose debt rose by EUR 3.3 billion, while external debt made by foreign direct investments went up by EUR 879 million. External debt of banks decreased in the first eleven months by EUR 1.4 billion and government debt by EUR 99 million. Since government contributes to the deceleration of total external debt growth by financing its needs on domestic financial market, external debt of banks and external debt of other sectors were at higher levels than the government debt at the end of November. There have also been significant changes in the external debt structure, where government share in total external debt fell from 23.3 percent in November 2006 to 20.6 percent in November 2007. In the same period, share of the external debt of banks decreased from 34.0 to 27.6 percent, while share of external debt of other sectors increased from 32.8 to 40.1 percent of total external debt. At the end of 2006 central bank brought new monetary policy measures, regarding purchase of compulsory CNB bills. Objective of these measures is slowing down of credit expansion and limitation of domestic credit growth to 12 percent for whole year 2007, which should result in deceleration of external debt growth.



CONSOLIDATED CENTRAL GOVERNMENT - JANUARY-NOVEMBER 2007 PERIOD

REVENUES

In January - November 2007 period, total revenues of consolidated central government amounted to HRK 103.2 billion which represents an annual increase of high 13 percent. The realization of revenues is still above expectations.

Observing consolidated central government according to government level, it can be seen that 95.5 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 1.8 billion) and Croatian Motorways (HRK 1.3 billion). 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 57.7 percent of the overall revenues collected and therefore represent the most important revenues category of consolidated central government. They recorded an annual increase of 10.9 percent in the January - November 2007 period. Among 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 expectations, in the amount of HRK 35 billion with an annual growth rate of 8.7 percent.

Revenues from excises amounted to HRK 8.4 billion which makes an annual rise of 5.1 percent. It is worth mentioning that the road charges, which have been integrated in excises on petroleum products since 2006, are excluded in this comparison.

All the excises were realized in the higher amount then in the same period of last year. Highest annual growth rates were recorded by the excises on luxury products (16 percent), excises on personal cars (13.2 percent), excises on tobacco and tobacco products (8.2 percent) and excises on beer (4.3 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 37.6 percent of total revenues from excises and thereby have the strongest influence on the overall developments of excises revenues. They amounted to HRK 3.2 billion representing an annual growth rate of 0.1 percent.

With 32.2 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 2.7 billion. Since August 2005, customs have maintained strict checks of production and trade of tobacco products which resulted in greater excises revenues from tobacco and narrowing of unofficial economy.

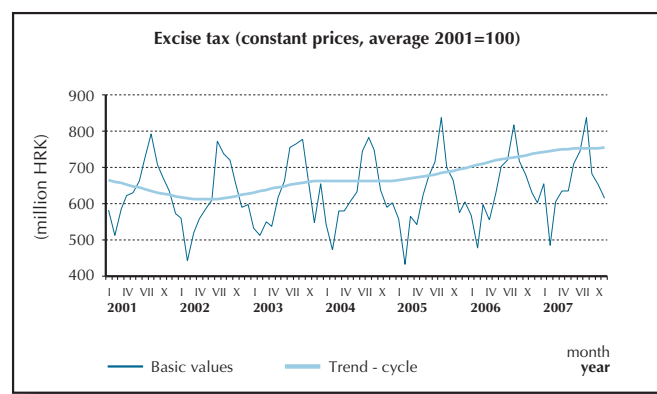
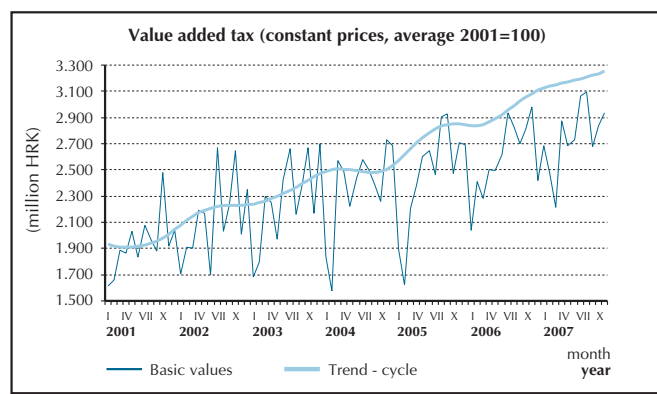
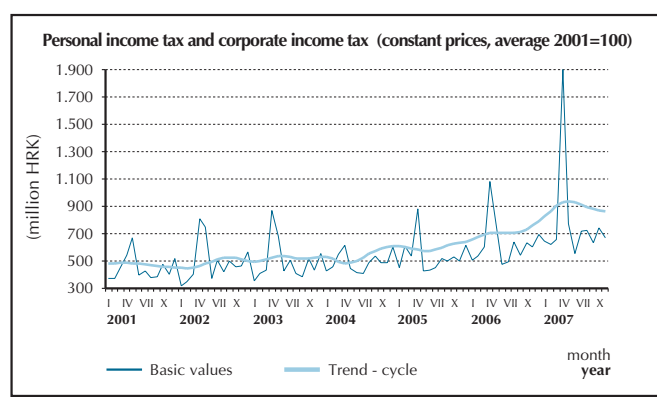
Income tax revenues were realized in the amount of HRK 1.5 billion, representing an annual decline of 49.4 percent. As a result of decentralization, part of budgetary central government income tax revenues now belong to local government as a substitute for subtracted revenues from profit tax. Changes in the Law on financing of local government will provide rightful

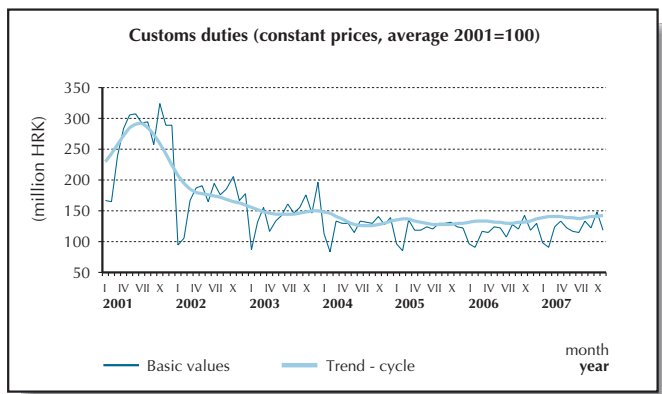
distribution of tax revenues within all areas of Republic of Croatia (especially areas of special state concern) and also a higher liquidity of overall system of financing of local government.

Revenues from profit tax amounted to HRK 8.4 billion while in the same period of last year they leveled HRK 4.7 billion. To explain this, revenues from profit tax, as a result of decentralization, are now entirely collected by the budgetary central government.

Revenues from taxes on property stood at HRK 517.3 million with an annual increase of high 19.4 percent.

Revenues from taxes on international trade and transactions were collected entirely by the budgetary central government. They amounted to HRK 1.5 billion which represents an annual rise of 6 percent.





Other taxes stood at HRK 298.3 million.

Social contributions are the second most important revenues category of consolidated central government with 33 percent of total generated revenues. They amounted to HRK 34 billion which represents an annual increase of 10.7 percent. Within the structure of social contributions, the largest part refers to employer contributions (HRK 18.1 billion) and employee contributions (HRK 15.1 billion). The remaining HRK 716.7 million refers to contributions of self-employed and unemployed persons.

Grants reached the amount of HRK 369.8 million. The largest part of this amount (86.5 percent) refers to grants from international organizations, 11.7 percent refers to grants from other general government units and the remaining 1.8 percent refers to grants from foreign governments.

Other revenues were realized in the amount of HRK 9.2 billion which represents an annual growth of high 35.2 percent. The largest part of other revenues was realized through sales of goods and services (44.8 percent), followed by property income (26 percent), miscellaneous and unidentified revenues (24.7 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 4.1 billion (annual growth of 30.2 percent), 94.8 percent of which refers to administrative fees mostly realized by extrabudgetary funds and agencies. Property income stood at HRK 2.4 billion which makes an annual growth of high 92 percent. Miscellaneous and unidentified revenues were realized in the amount of HRK 2.3 billion, representing an annual rise of 12.3 percent, while fines, penalties and forfeits amounted to HRK 396.4 million with an annual growth of 10.5 percent.

EXPENSE

Total expense of consolidated central government in January - November 2007 period amounted to HRK 97.6 billion which represents an annual increase of 10.8 percent. Observing consolidated central government according to government level, HRK 92.5 billion refers to budgetary central government and HRK 5.1 billion refers to extrabudgetary funds and agencies.

The largest share of total expense of consolidated central government (44.8 percent) refers to social benefits, followed by compensation of employees (26.2 percent), use of goods and services (9.2 percent), subsidies (6 percent), other expense (5.9 percent), interest (5.1 percent) and grants (2.9 percent).

Social benefits stood at HRK 43.7 billion, representing an annual increase of 9.1 percent. Observing the structure of social benefits, 70.9 percent refers to social security benefits, 28.7 percent refers to social assistance benefits, while the remaining 0.4 percent refers to employer social benefits. Social benefits are mostly related to the following categories: expenses for pensions, health care system, maternity leave allowances, child allowance, expenses for unemployment etc. Expenses for pensions stood at HRK 27.2 billion, whereat HRK 11.8 billion refers to expenses for old age pensions, HRK 4.2 billion refers to pensions for disabled persons, HRK 3.7 billion refers to veterans' pensions and HRK 3.2 billion refers to family pensions.

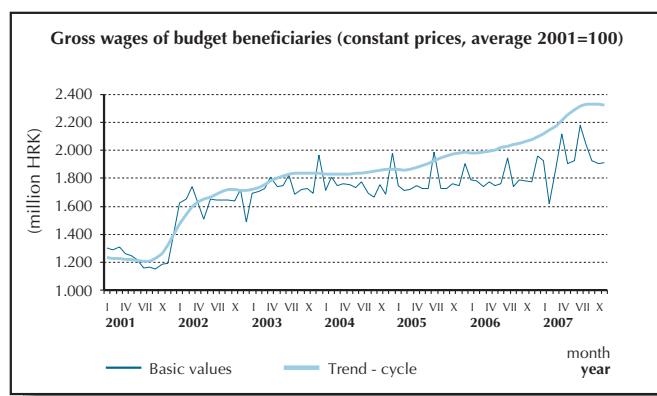
Expenses for healthcare system amounted to HRK 15 billion. Within their structure, expenses for hospital health care amounted to HRK 6.8 billion, for primary health care to HRK 2.7 billion and expenses for medicaments on prescription amounted to HRK 2.1 billion. Among other social benefits, the important items are child allowance (HRK 1.7 billion), expenses for additional maternity leave (HRK 795.3 million) and expenses for unemployment (HRK 679.6 million).

Compensation of employees stood at HRK 25.5 billion which represents an annual rise of 10.2 percent. This is the result of an increase in both wages and salaries (annual rise of 9.2 percent) and social contributions (annual rise of 15.9 percent). In absolute terms, wages and salaries amounted to 21.5 billion and social contributions to HRK 4 billion.

Expense for use of goods and services amounted to HRK 9 billion representing an annual increase of 18.7 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 5.8 billion which makes 6 percent of total expenses. Subsidies to public corporations make 47 percent of total subsidies (in the amount of HRK 2.7 billion) and their largest part refers to subsidies to Croatian Railways (in the amount of HRK 1.5 billion). Subsidies to private enterprises make the remaining 53 percent of total subsidies (in the amount of HRK 3.1 billion).

Expense for interest payments amounted to HRK 4.9 billion. 58.1 percent of expense for interest payments refers to interests to residents other than general government, and the remaining 41.9 percent to interests to nonresidents. In absolute terms, interests to residents other than general government stood at HRK 2.9 billion and interests to nonresidents at HRK 2.1 billion.



Grants amounted to HRK 2.9 billion. The largest part of that amount (HRK 1.9 billion or 66.1 percent) refers to current grants to other general government units, 28.9 percent refers to capital grants to other general government units, 3.1 percent to grants to foreign governments and the remaining 1.9 percent refers to current grants to international organizations.

Other expenses stood at HRK 5.7 billion which represents 5.9 percent of total expenses and 85.1 percent of the planned amount for 2007. Among other expenses, capital expenses amounted to HRK 3.2 billion, current expenses to HRK 2.5 billion and the rest of the sum (HRK 2 million) refers to property expense other than interest.

TRANSACTION IN NON-FINANCIAL ASSETS

Net acquisition of non-financial assets of consolidated central government amounted to HRK 6.4 billion as the acquisition of non-financial assets (HRK 6.9 billion) surpassed the disposal of non-financial assets (HRK 501.5 million). This amount accounts for 71.1 percent of the planned amount for 2007. The acquisition of non-financial assets refers mostly (93.7 percent) to acquisition of fixed assets, mainly buildings and structures. According to government level, 66.5 percent of total acquisition refers to extrabudgetary funds and agencies and the rest to budgetary central government. On the other hand, the disposal of non-financial assets refers mostly to disposals of fixed assets and disposals of inventories 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 -450.8 million as a result of a decrease in domestic financial assets of HRK 464.1 million and an increase in foreign financial assets of HRK 13.4 million. Currency and deposits of consolidated central government reached HRK 1.6 billion. According to government level, currency and deposits of budgetary central government amounted to HRK 1.5 billion and currency and deposits of extrabudgetary funds and agencies to HRK 182.2 million.

Net loans recorded an increase of HRK 731.8 million as a result of greater acquisition (HRK 969.8 million) than disposal (HRK 238 million). According to government level, net loans of budgetary central government amounted to HRK 567.1 million and net loans of extrabudgetary funds and agencies to HRK 164.7 million. Furthermore, net domestic shares

and other equity amounted to HRK -2.8 billion as a result of greater disposal (HRK 3 billion) than acquisition (HRK 184.2 million).

Foreign financial assets stood at the level of HRK 13.4 million, solely as a result of acquisition of shares and other equity at the budgetary central government level.

TRANSACTIONS IN LIABILITIES

Net incurrence of liabilities of consolidated central government amounted to HRK 449.2 million. Net domestic liabilities amounted to HRK 2.3 billion as a result of a greater increase in net incurrence of liabilities on the basis of securities other than shares than a decrease in net incurrence of liabilities on the basis of loans. Domestic incurrence of liabilities on the basis of securities other than shares amounted to HRK 7 billion and entirely refers to budgetary central government. Repayments on the same basis, also at the level of budgetary central government, amounted to HRK 3.5 billion. Net domestic incurrence of liabilities on the basis of loans amounted to HRK -1.2 billion as a result of repayments in the amount of HRK 1.1 billion and incurrence of liabilities in the amount of HRK -93 million.

Net foreign liabilities were realized at the level of HRK -1.8 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 -60.9 million as a result of greater repayments (HRK 2.3 billion) than incurrence of liabilities (HRK 2.2 billion).

NET LENDING/BORROWING

Net operating balance of consolidated central government, defined as the difference between total revenue and total expense, stood at the level of HRK 5.5 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 -899.9 million. This amount is financed by above described transactions in liabilities and financial assets, i.e. by the difference between net liabilities (HRK 449.2 million) and net acquisition of financial assets (HRK -450.8 million).

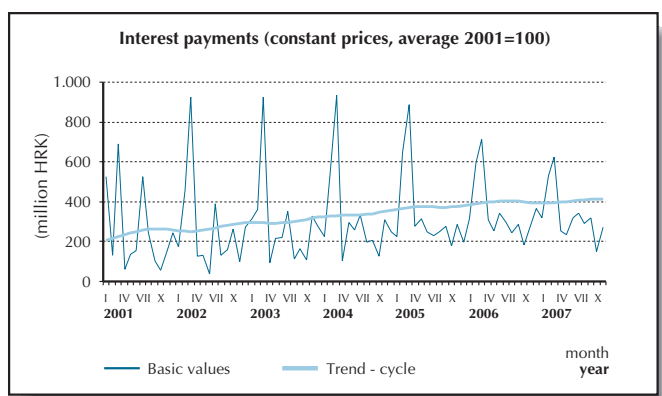


TABLE 2: BUDGETARY CENTRAL GOVERNMENT REVENUE

(000 HRK)	2004	2005	2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1 REVENUE (11+12+13+14)	80 463 518	85 653 010	95 235 557	25 132 226	108 501 515	23 851 140	27 711 935	28 742 434	98 550 466	9 034 618	90,83
11 Taxes (111+113+114+115+116)	47 149 862	50 687 564	58 469 091	15 345 731	64 148 604	14 017 755	17 286 246	17 074 213	59 558 700	5 524 627	92,84
111 Taxes of income and profits and capital gains (1111+1112)	6 259 713	7 057 112	8 515 615	2 179 950	10 078 339	2 188 372	3 729 640	2 392 630	9 969 962	790 251	98,92
1111 Payable by individuals	3 128 273	3 106 476	3 459 649	1 073 829	1 650 551	543 857	100 460	512 363	1 542 888	193 322	93,48
1112 Payable by corporations and other enterprises	3 131 440	3 950 636	5 055 966	1 106 121	8 427 788	1 644 515	3 629 180	1 880 267	8 427 074	596 929	99,99
113 Taxes on property	355 823	375 501	482 331	151 774	533 685	126 963	135 671	136 652	517 326	55 419	96,93
114 Taxes on goods and services (1141+...+1146)	38 602 221	41 323 002	47 546 223	12 485 941	51 584 380	11 263 242	12 906 488	14 045 023	47 245 409	4 510 416	91,59
1141 General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	9 308 224	38 387 622	8 440 180	9 622 975	10 264 706	35 155 455	3 487 727	91,58
11411 Value-added taxes	29 864 905	32 243 372	34 931 750	9 268 244	38 212 839	8 399 864	9 578 712	10 221 678	34 998 453	3 473 331	91,59
11412 Sales taxes	148 757	156 580	159 631	39 980	174 784	40 316	44 264	43 027	157 003	14 396	89,83
1142 Excises (11421+11422+11423+11424+11425+11426+11427+11428)	7 941 554	8 177 659	11 564 709	2 916 506	12 208 771	2 620 967	3 037 455	3 518 737	11 215 761	939 075	91,87
11421 - on cars, other motor vehicles, boats and planes	945 209	1 080 926	1 270 422	319 623	1 453 306	336 254	405 715	347 942	1 318 919	110 504	90,75
11422 - on petroleum products	3 325 659	3 337 501	6 316 440	1 645 220	6 512 945	1 389 712	1 574 308	1 872 154	5 978 793	494 786	91,80
11423 - on alcohol	230 796	228 386	230 178	62 501	230 978	47 732	57 159	81 958	214 953	11 614	93,06
11424 - on beer	718 278	702 386	716 167	156 524	755 407	126 630	187 928	274 121	699 422	51 190	92,59
11425 - on nonalcoholic beverages	132 984	141 905	140 404	31 021	145 274	26 679	33 921	50 582	131 565	10 063	90,56
11426 - on tobacco products	2 430 843	2 518 801	2 710 348	654 136	2 921 855	649 797	734 127	841 391	2 698 818	245 558	92,37
11427 - on coffee	135 437	145 334	156 666	41 579	163 147	37 237	38 574	42 120	147 750	13 202	90,56
11428 - on luxury goods	22 348	22 420	24 084	5 902	25 859	6 927	5 724	8 468	25 542	2 159	98,77
115 Taxes on international trade and transactions	1 590 727	1 562 930	1 588 456	439 962	1 615 059	357 299	430 257	426 464	1 527 752	140 051	94,59
116 Other taxes	341 377	369 019	336 466	88 104	337 141	81 879	84 192	73 444	298 250	28 490	88,46
12 Social contributions	29 477 597	31 301 340	33 877 148	8 916 196	37 115 946	8 741 858	9 302 667	9 612 662	33 993 824	3 164 049	91,59
121 Social security contributions (1211+1212+1213+1214)	29 477 597	31 301 340	33 877 148	8 916 196	37 115 946	8 741 858	9 302 667	9 612 662	33 993 824	3 164 049	91,59
1211 Employee contributions	13 139 274	13 857 360	15 084 349	3 942 085	16 502 518	3 897 464	4 140 993	4 278 086	15 133 845	1 408 109	91,71
1212 Employer contributions	15 737 707	16 695 492	18 051 382	4 754 269	18 707 820	4 669 683	4 968 661	5 127 825	18 143 301	1 684 771	96,98
1213 Self-employed or unemployed contributions	600 616	748 487	741 418	219 842	1 905 609	174 712	193 013	206 751	716 679	71 170	37,61
1214 Unallocable contributions	0	0	0	0	0	0	0	0	0	0	
13 Grants	10 122	27 505	195 984	177 761	863 561	12 330	102 253	83 696	325 214	53 153	37,66
14 Other revenue (141+142+143+144+145)	3 825 938	3 636 601	2 693 335	692 539	6 373 403	1 079 197	1 020 769	1 971 863	4 672 728	292 789	73,32
141 Property income (1411+1412+1413+1415)	2 667 701	2 226 647	832 400	247 887	3 440 079	207 803	310 753	1 246 882	1 897 905	66 224	55,17
1411 Interest	35 752	62 784	108 232	20 820	116 374	65 872	26 931	21 802	150 289	10 561	129,14
1412 Dividends	1 868 841	1 123 346	17 835	3 051	976 938	16	86 916	1 079 977	1 172 855	5 178	120,05
1413 Withdrawals from income of quasi-corporations	146 820	192 516	288 113	77 707	180 552	0	104 840	12 523	117 443	50	65,05
1415 Rent	616 289	848 001	418 220	146 309	2 166 215	141 916	92 066	132 581	457 318	50 436	21,11
142 Sales of goods and services (1422+1423)	676 951	782 428	1 209 296	290 563	1 527 298	401 891	391 403	396 422	1 457 852	137 092	95,45
1421 Sales of market establishments	0	0	0	0	0	0	0	0	0	0	
1422 Administrative fees	312 994	397 066	821 741	234 166	1 420 002	342 440	341 192	353 916	1 271 572	119 899	89,55
1423 Incidental sales by nonmarket establishments	363 957	385 362	387 555	56 397	107 296	59 451	50 211	42 506	186 280	17 913	173,61
143 Fines, penalties, and forfeits	342 371	360 707	391 616	101 876	421 307	107 144	107 640	109 270	396 357	33 305	94,08
144 Voluntary transfers other than grants	249	5 653	6 737	2 013	4 316	5 644	-184	1 451	8 256	1 319	191,29
145 Miscellaneous and unidentified revenue	138 667	261 166	253 286	50 200	980 404	356 716	211 157	217 838	912 358	54 849	93,06

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 3: BUDGETARY CENTRAL GOVERNMENT EXPENSE

(000 HRK)		2004	2005	2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
2	EXPENSE (21+22+24+25+26+27+28)	83 131 114	87 857 465	95 949 951	26 151 642	108 447 435	24 963 473	24 738 509	27 048 355	95 679 549	9 774 376	88,23
21	Compensation of employees (211+212)	22 268 287	23 182 586	24 313 867	6 217 675	27 477 952	6 507 526	6 875 961	7 110 217	24 990 117	2 261 220	90,95
211	Wages and salaries	18 888 605	19 699 216	20 663 890	5 283 304	23 113 401	5 509 421	5 867 563	5 853 724	21 044 039	1 915 364	91,05
212	Social contributions	3 379 682	3 483 370	3 649 977	934 371	4 364 550	998 105	1 008 397	1 256 493	3 946 078	345 856	90,41
22	Use of goods and services	4 358 721	4 951 917	6 069 116	2 259 303	7 702 325	1 450 705	1 584 541	1 649 811	6 074 710	737 742	78,87
24	Interest (241+242+243)	3 972 466	4 387 010	4 713 615	935 215	4 586 817	1 680 283	936 070	1 099 955	4 215 653	324 737	91,91
241	To nonresidents	1 976 502	2 053 588	1 863 999	158 394	1 686 209	966 120	355 550	190 488	1 576 127	15 170	93,47
242	To residents other than general government	1 995 964	2 333 422	2 849 616	776 820	2 900 608	714 163	580 520	909 467	2 639 525	309 568	91,00
25	Subsidies (251+252)	4 968 069	5 248 744	5 670 789	1 582 148	6 017 759	1 652 902	1 265 675	1 561 834	5 829 270	703 124	96,87
251	To public corporations	2 783 462	2 784 825	2 692 785	705 855	2 827 516	768 664	598 057	753 682	2 744 956	306 902	97,08
252	To private enterprises	2 184 606	2 463 919	2 978 004	876 293	3 190 243	884 238	667 618	808 152	3 084 314	396 222	96,68
26	Grants (261+262+263)	3 420 327	3 796 847	6 652 994	2 181 858	8 513 643	1 217 303	1 432 151	1 713 360	5 934 017	846 207	69,70
261	To foreign governments (2611+2612)	76 464	73 639	64 795	31 759	93 950	685	12 753	37 956	87 443	22 461	93,07
2611	Current	46 500	49 174	37 760	15 381	69 650	685	7 650	35 378	66 118	13 468	94,93
2612	Capital	29 964	24 465	27 035	16 378	24 300	0	5 103	2 578	21 324	8 993	87,75
262	To international organizations (2621+2622)	83 434	93 832	89 619	3 202	73 440	28 625	12 463	10 410	55 064	1 935	74,98
2621	Current	83 434	93 832	89 619	3 202	73 440	28 625	12 463	10 410	55 064	1 935	74,98
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	2 146 897	8 346 253	1 187 993	1 406 936	1 664 994	5 791 511	821 810	69,39
2631	Current	2 498 598	2 623 246	2 663 156	855 149	2 451 058	455 959	501 945	483 278	1 888 632	230 330	77,05
2632	Capital	761 831	1 006 130	3 835 425	1 291 748	5 895 195	732 035	904 991	1 181 716	3 902 879	591 480	66,20
27	Social benefits (271+272+273)	39 730 887	41 358 455	43 444 589	11 180 892	48 538 710	11 556 319	11 410 432	12 723 374	43 701 755	3 899 213	90,03
271	Social security benefits	28 189 472	29 308 716	30 535 396	7 810 670	34 499 553	8 143 186	8 057 629	9 242 698	30 978 393	2 733 186	89,79
272	Social assistance benefits	11 177 315	11 792 075	12 786 632	3 331 241	13 919 090	3 345 735	3 312 140	3 441 643	12 547 304	1 153 697	90,14
273	Employer social benefits	364 100	257 663	122 561	38 982	120 067	67 397	40 663	39 033	176 058	12 329	146,63
28	Other expense (281+282)	4 412 359	4 931 907	5 084 980	1 794 553	5 610 231	898 437	1 233 678	1 189 805	4 934 027	1 002 133	87,95
281	Property expense other than interest	3 955	4 920	7 600	3 504	0	1 226	676	578	1 987	-452	
282	Miscellaneous other expense (2821+2822)	4 408 404	4 926 987	5 077 381	1 791 049	5 610 231	897 211	1 233 003	1 189 228	4 932 041	1 002 584	87,91
2821	Current	1 842 516	2 154 806	2 304 214	657 548	2 618 498	474 697	657 747	663 904	2 494 268	452 395	95,26
2822	Capital	2 565 888	2 772 181	2 773 167	1 133 500	2 991 733	422 514	575 255	525 324	2 437 773	550 190	81,48

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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1 419 467	1 553 668	1 555 792	829 004	2 954 080	84 367	352 807	720 258	1 880 148	338 170	63,65
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 663 868	1 828 818	1 908 482	924 386	3 436 026	332 408	430 381	785 850	2 326 302	369 947	67,70
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	244 401	275 149	352 690	95 381	481 947	248 041	77 574	65 591	446 153	31 777	92,57
311	Fixed assets (3111+3112+3113)	1 384 609	1 516 968	1 595 121	822 767	2 999 099	249 141	333 946	705 830	1 975 259	324 341	65,86
311,1	Acquisitions: fixed assets (3111,1+3112,1+3113,1)	1 624 051	1 781 347	1 844 783	891 815	3 271 645	319 581	401 007	766 866	2 221 792	351 806	67,91
311,2	Disposals: fixed assets (3111,2+3112,2+3113,2)	239 442	264 379	249 663	69 048	272 547	70 440	67 061	61 036	246 533	27 465	90,46
3111	Buildings and structures (3111,1-3111,2)	811 477	867 663	831 377	407 273	1 385 069	105 825	179 963	232 802	862 752	162 675	62,29
3111,1	Acquisitions: buildings and structures	1 050 315	1 131 302	1 080 074	476 074	1 654 965	175 062	246 166	293 633	1 106 839	189 998	66,88
3111,2	Disposals: buildings and structures	238 838	263 639	248 698	68 801	269 897	69 237	66 203	60 830	244 088	27 324	90,44
3112	Machinery and equipment (3112,1-3112,2)	518 941	557 320	656 733	359 602	1 395 879	131 215	133 891	453 292	1 041 795	153 753	74,63
3112,1	Acquisitions: machinery and equipment	519 545	558 060	657 696	359 848	1 398 529	132 418	134 748	453 497	1 044 241	153 894	74,67
3112,2	Disposals: machinery and equipment	604	740	964	246	2 650	1 203	858	205	2 445	142	92,28
3113	Other fixed assets (3113,1-3113,2)	54 191	91 986	107 011	55 893	218 151	12 101	20 093	19 736	70 712	7 914	32,41
3113,1	Acquisitions: other fixed assets	54 191	91 986	107 012	55 894	218 151	12 101	20 093	19 736	70 712	7 914	32,41
3113,2	Disposals: other fixed assets	0	0	1	1	0	0	0	0	0	0	
312	Inventories	0	0	-80 226	-19 519	-168 139	-173 789	-1 891	-1 900	-154 211	8 846	
312,1	Acquisitions: inventories	0	0	1 048	551	21 861	601	1 694	530	27 994	9 161	128,06
312,2	Disposals: inventories	0	0	81 274	20 070	190 000	174 390	3 586	2 429	182 205	315	95,90
313	Valuables (313,1-313,2)	7 518	7 220	7 826	3 217	7 704	1 256	4 416	1 387	9 027	883	117,17
313,1	Acquisitions: valuables	7 518	7 220	7 826	3 217	7 704	1 256	4 416	1 387	9 027	883	117,17
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	22 539	115 416	7 759	16 336	14 941	50 074	4 100	43,39
314,1	Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	32 299	40 251	54 826	28 803	134 816	10 970	23 264	17 068	67 489	8 096	50,06
314,2	Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	4 959	10 771	21 754	6 264	19 400	3 211	6 928	2 127	17 415	3 996	89,77
3141	Land (3141,1-3141,2)	7 062	-10 282	-21 650	-6 264	-16 310	-3 183	-6 890	-2 127	-17 350	-3 996	106,37
3141,1	Acquisitions: land	12 021	489	81	0	3 090	28	29	0	58	0	1,86
3141,2	Disposals: land	4 959	10 771	21 732	6 264	19 400	3 211	6 919	2 127	17 407	3 996	89,73
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	28 803	131 726	10 942	23 227	17 068	67 423	8 096	51,18
3144,1	Acquisitions: intangible nonproduced assets	20 278	39 762	54 744	28 803	131 726	10 942	23 235	17 068	67 431	8 096	51,19
3144,2	Disposals: intangible nonproduced assets	0	0	0	0	0	0	8	0	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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	221 977	1 752 825	-3 047 174	-2 813 142	-595 028	345 952	897 297	574 909	-731 291	-1 371 972
32,1 Acquisition of financial assets (321,1+322,1)	1 787 080	1 264 131	1 285 738	385 159	1 206 107	247 097	213 744	165 651	892 030	196 297
32,2 Disposals of financial assets (321,2+322,2)	450 839	199 491	2 883 242	2 734 733	1 801 135	124 318	54 886	38 541	3 078 458	872 674
Currency and deposits (3212+3222)	-1 114 264	688 185	-1 449 670	-463 568	0	223 173	738 439	447 799	1 455 138	-695 594
321 Domestic (3212+3213+3214+3215+3216+3217+3218)	212 192	1 757 681	-3 063 855	-2 827 142	-608 456	345 952	889 264	574 909	-744 654	-1 377 302
321,1 Acquisition of domestic financial assets (3213,1+...+3218,1)	1 777 294	1 261 432	1 269 058	371 159	1 192 679	247 097	205 711	165 651	878 667	190 967
321,2 Disposals of domestic financial assets (3213,2+...+3218,2)	450 839	191 935	2 883 242	2 734 733	1 801 135	124 318	54 886	38 541	3 078 458	872 674
3212 Currency and deposits	-1 114 264	688 185	-1 449 670	-463 568	0	223 173	738 439	447 799	1 455 138	-695 594
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	247 251	675 244	169 587	96 882	116 120	567 088	126 503
3214,1 Acquisition: Loans	1 328 794	1 026 367	1 037 701	308 949	966 379	202 097	151 701	154 661	714 167	136 467
3214,2 Disposals: Loans	325 839	178 776	205 380	61 698	291 135	32 510	54 819	38 541	147 079	9 964
3215 Shares and other equity (3215,1-3215,2)	323 500	221 906	-2 446 505	-2 610 825	-1 283 700	-46 808	53 943	10 990	-2 766 879	-808 210
3215,1 Acquisition: Shares and other equity	448 500	235 065	231 357	62 210	226 300	45 000	54 010	10 990	164 500	54 500
3215,2 Disposals: Shares and other equity	125 000	13 159	2 677 862	2 673 035	1 510 000	91 808	67	0	2 931 379	862 710
322 Foreign (3222+3223+3224+3225+3226+3227+3228)	9 786	-4 857	16 681	14 000	13 428	0	8 033	0	13 363	5 330
322,1 Acquisition of foreign financial assets (3223,1+...+3228,1)	9 786	2 699	16 681	14 000	13 428	0	8 033	0	13 363	5 330
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	14 000	13 428	0	8 033	0	13 363	5 330
3225,1 Acquisition: Shares and other equity	9 786	2 699	16 681	14 000	13 428	0	8 033	0	13 363	5 330
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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007
33 NET INCURRENCE OF LIABILITIES (331+332)	4 309 040	5 510 948	-776 988	-964 721	2 304 972	1 542 653	-1 723 323	-398 912	-1 722 060	-294 044
33,1 Repayments (331,1+332,1)	13 717 082	10 253 489	10 056 697	1 978 123	8 677 243	821 372	1 129 621	5 489 404	7 986 757	328 603
33,2 Incurrences (331,2+332,2)	18 026 122	15 764 437	9 279 708	1 013 402	10 982 215	2 364 024	-593 702	5 090 492	6 264 697	34 559
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	-903 376	4 245 541	2 114 689	-1 429 551	1 717 456	1 284 736	-269 691
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	1 572 942	4 740 993	249 335	651 967	3 174 155	4 481 443	275 908
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	669 566	8 986 534	2 364 024	-777 584	4 891 611	5 766 179	6 217
3312 Currency and deposits	0	0	0	0	0	0	0	0	0	0
3313 Securities other than shares (3313,2-3313,1)	6 357 476	9 636 343	5 648 934	1 732 333	5 430 740	3 256 264	-747 209	-817 313	3 452 152	-174 310
3313,1 Repayments: Securities other than shares	5 025 194	2 844 601	550 859	167 186	3 555 794	118 211	172 524	3 043 639	3 513 172	178 798
3313,2 Incurrences: Securities other than shares	11 382 670	12 480 944	6 199 793	1 899 519	8 986 534	3 374 475	-574 686	2 226 326	6 965 323	4 488
3314 Loans (3314,2-3314,1)	-2 318 771	955 217	-2 482 674	-2 635 709	-1 185 199	-1 141 575	-682 342	2 534 768	-2 167 416	-95 381
3314,1 Repayments: Loans	3 984 511	1 544 722	3 699 325	1 405 756	1 185 199	131 124	479 443	130 516	968 271	97 110
3314,2 Incurrences: Loans	1 665 740	2 499 938	1 216 651	-1 229 952	0	-1 010 451	-202 899	2 665 285	-1 199 145	1 729
332 Foreign (3322+3323+3324+3326+3327+3328)	270 335	-5 080 612	-3 943 248	-61 345	-1 940 569	-572 037	-293 772	-2 116 367	-3 006 796	-24 353
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	405 181	3 936 250	572 037	477 654	2 315 249	3 505 314	52 695
332,2 Foreign incurrences (3323,2+3324,2+3325,2+3326,2+3327,2+3328,2)	4 977 712	783 554	1 863 264	343 836	1 995 681	0	183 882	198 881	498 518	28 342
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	-1 850 000	0	0	-1 757 723	-1 757 723	0
3323,1 Repayments: Securities other than shares	2 526 876	3 713 935	3 480 781	0	1 850 000	0	0	1 757 723	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	-61 345	-90 569	-572 037	-293 772	-358 644	-1 249 073	-24 353
3324,1 Repayments: Loans	2 180 501	2 150 232	2 325 732	405 181	2 086 250	572 037	477 654	557 525	1 747 591	52 695
3324,2 Incurrences: Loans	1 235 397	783 554	1 863 264	343 836	1 995 681	0	183 882	198 881	498 518	28 342

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 - XI 2007		
	Budgetary Central Government	Extrabudgetary funds	Consolidated Central Government
82 (=32) NET ACQUISITION OF FINANCIAL ASSETS	-731 291	280 504	-450 787
Acquisition of financial assets	2 549 686	457 478	3 007 164
Disposals of financial assets	3 280 976	176 974	3 457 950
821 (=321) Domestic	-744 654	280 504	-464 150
Acquisition of domestic financial assets	2 536 323	457 478	2 993 801
Disposals of domestic financial assets	3 280 976	176 974	3 457 950
8211 General government	1 000	295	1 295
Acquisitions: General Government	1 000	295	1 295
Disposals: General Government	0	0	0
8212 Central bank	1 302 939	0	1 302 939
Acquisitions: Central bank	1 360 002	0	1 360 002
Disposals: Central bank	57 063	0	57 063
8213 Other depositary institutions	314 198	182 196	496 394
Acquisitions: Other depositary institutions	459 654	182 196	641 850
Disposals: Other depositary institutions	145 455	0	145 455
8215 Nonfinancial institutions	-2 404 015	98 013	-2 306 002
Acquisitions: Nonfinancial institutions	633 355	274 987	908 342
Disposals: Nonfinancial institutions	3 037 369	176 974	3 214 343
8216 Households and nonprofit institutions serving households	41 223	0	41 223
Acquisitions: Hholds and nonprofit institutions serving hholds	82 312	0	82 312
Disposals: Hholds and nonprofit institutions serving hholds	41 089	0	41 089
822 (=322) Foreign	13 363	0	13 363
Acquisition of foreign financial assets	13 363	0	13 363
Disposals of foreign financial assets	0	0	0
8227 International organizations	13 363	0	13 363
Acquisitions: International organizations	13 363	0	13 363
Disposals: International organizations	0	0	0
8229 Other nonresidents	0	0	0
Acquisitions: Other nonresidents	0	0	0
Disposals: Other nonresidents	0	0	0
83 (=33) NET INCURRENCE OF LIABILITIES	-1 722 060	2 171 213	449 153
Repayments: liabilities	7 986 757	671 355	8 658 112
Incurrences: liabilities	6 264 697	2 842 568	9 107 265
831 (=331) Domestic	1 284 736	983 059	2 267 795
Repayments: domestic liabilities	4 481 443	123 084	4 604 527
Incurrences: domestic liabilities	5 766 179	1 106 143	6 872 322
8311 General government	0	0	0
Repayments: General Government	0	0	0
Incurrences: General Government	0	0	0
8313 Other depositary institutions	1 266 664	983 059	2 249 723
Repayments: Other depositary institutions	4 478 563	123 084	4 601 647
Incurrences: Other depositary institutions	5 745 227	1 106 143	6 851 370
8314 Financial institutions not elsewhere classified	20 952	0	20 952
Repayments: Financial institutions not elsewhere classified	0	0	0
Incurrences: Financial institutions not elsewhere classified	20 952	0	20 952
8315 Nonfinancial institutions	-2 880	0	-2 880
Repayments: Nonfinancial institutions	2 880	0	2 880
Incurrences: Nonfinancial institutions	0	0	0
832 (=332) Foreign	-3 006 796	1 188 154	-1 818 642
Repayments: foreign liabilities	3 505 314	548 271	4 053 585
Incurrences: foreign liabilities	498 518	1 736 425	2 234 943
8321 General government	-375 225	0	-375 225
Repayments: General Government	375 225	0	375 225
Incurrences: General Government	0	0	0
8327 International organizations	-243 411	0	-243 411
Repayments: International organizations	687 121	0	687 121
Incurrences: International organizations	443 710	0	443 710
8328 Financial institutions other than international organizations	-2 388 161	1 188 154	-1 200 007
Repayments: Financial institutions other than international organizations	2 442 969	548 271	2 991 240
Incurrences: Financial institutions other than international organizations	54 808	1 736 425	1 791 233
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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007
TRANSACTIONS AFFECTING NET WORTH										
1 REVENUE (11+12+13+14)	80 463 518	85 653 010	95 235 557	25 132 226	108 501 515	23 851 140	27 711 935	28 742 434	98 550 466	9 034 618
11 Taxes	47 149 862	50 687 564	58 469 091	15 345 731	64 148 604	14 017 755	17 286 246	17 074 213	59 558 700	5 524 627
12 Social contributions	29 477 597	31 301 340	33 877 148	8 916 196	37 115 946	8 741 858	9 302 667	9 612 662	33 993 824	3 164 049
13 Grants	10 122	27 505	195 984	177 761	863 561	12 330	102 253	83 696	325 214	53 153
14 Other revenue	3 825 938	3 636 601	2 693 335	692 539	6 373 403	1 079 197	1 020 769	1 971 863	4 672 728	292 789
2 EXPENSE (21+22+24+25+26+27+28)	83 131 114	87 857 465	95 949 951	26 151 642	108 447 435	24 963 473	24 738 509	27 048 355	95 679 549	9 774 376
21 Compensation of employees	22 268 287	23 182 586	24 313 867	6 217 675	27 477 952	6 507 526	6 875 961	7 110 217	24 990 117	2 261 220
22 Use of goods and services	4 358 721	4 951 917	6 069 116	2 259 303	7 702 325	1 450 705	1 584 541	1 649 811	6 074 710	737 742
24 Interest	3 972 466	4 387 010	4 713 615	935 215	4 586 817	1 680 283	936 070	1 099 955	4 215 653	324 737
25 Subsidies	4 968 069	5 248 744	5 670 789	1 582 148	6 017 759	1 652 902	1 265 675	1 561 834	5 829 270	703 124
26 Grants	3 420 327	3 796 847	6 652 994	2 181 858	8 513 643	1 217 303	1 432 151	1 713 360	5 934 017	846 207
27 Social benefits	39 730 887	41 358 455	43 444 589	11 180 892	48 538 710	11 556 319	11 410 432	12 723 374	43 701 755	3 899 213
28 Other expense	4 412 359	4 931 907	5 084 980	1 794 553	5 610 231	898 437	1 233 678	1 189 805	4 934 027	1 002 133
NET-GROSS OPERATING BALANCE (1-2)	-2 667 596	-2 204 455	-714 394	-1 019 416	54 080	-1 112 333	2 973 426	1 694 079	2 870 918	-739 758
CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	-2 667 596	-2 204 455	-714 394	-1 019 416	54 080	-1 112 333	2 973 426	1 694 079	2 870 918	-739 758
TRANSACTIONS IN NONFINANCIAL ASSETS										
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1 419 467	1 553 668	1 555 792	829 004	2 954 080	84 367	352 807	720 258	1 880 148	338 170
311 Fixed assets	1 384 609	1 516 968	1 595 121	822 767	2 999 099	249 141	333 946	705 830	1 975 259	324 341
312 Change in inventories	0	0	-80 226	-19 519	-168 139	-173 789	-1 891	-1 900	-154 211	8 846
313 Valuables	7 518	7 220	7 826	3 217	7 704	1 256	4 416	1 387	9 027	883
314 Nonproduced assets	27 340	29 480	33 072	22 539	115 416	7 759	16 336	14 941	50 074	4 100
NET LENDING-BORROWING (1-2-31)	-4 087 063	-3 758 123	-2 270 186	-1 848 421	-2 900 000	-1 196 700	2 620 619	973 821	990 769	-1 077 928
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	-2 813 142	-595 028	345 952	897 297	574 909	-731 291	-1 371 972
321 Domestic	212 192	1 757 681	-3 063 855	-2 827 142	-608 456	345 952	889 264	574 909	-744 654	-1 377 302
322 Foreign	9 786	-4 857	16 681	14 000	13 428	0	8 033	0	13 363	5 330
33 NET INCURRENCE OF LIABILITIES (331+332)	4 309 040	5 510 948	-776 988	-964 721	2 304 972	1 542 653	-1 723 323	-398 912	-1 722 060	-294 044
331 Domestic	4 038 705	10 591 560	3 166 260	-903 376	4 245 541	2 114 689	-1 429 551	1 717 456	1 284 736	-269 691
332 Foreign	270 335	-5 080 612	-3 943 248	-61 345	-1 940 569	-572 037	-293 772	-2 116 367	-3 006 796	-24 353

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

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

	Revenues (1)	Expenditures (2)	Operating balance	Interest payments	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
XI 2005	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
IX	9 702 758	9 007 136	695 622	373 651	1 069 273
X	9 210 339	9 154 836	55 504	174 608	230 111
XI	9 034 618	9 774 376	-739 758	324 737	-415 021
I-XI 2007	98 550 466	95 679 549	2 870 918	4 215 653	7 086 570

Note: See notes on methodology

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

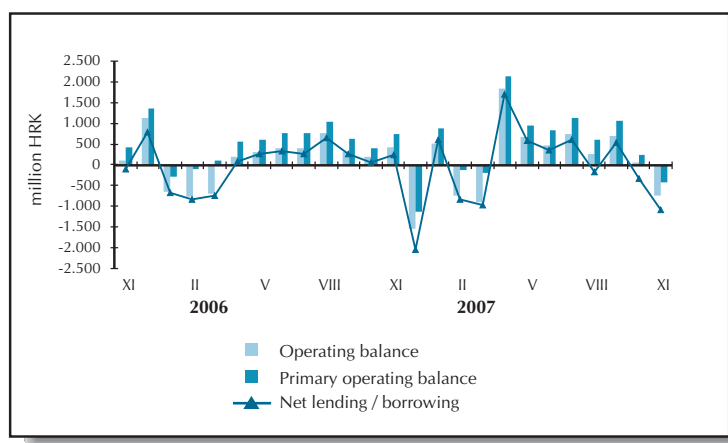


TABLE 8B: NET LENDING / BORROWING (000 HRK)

	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)
XI 2005	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
IX	695 622	168 015	527 607	-527 607	690 402	162 795
X	55 504	384 546	-329 042	329 042	-1 177 477	-848 434
XI	-739 758	338 170	-1 077 928	1 077 928	-1 371 972	-294 044
I-XI 2007	2 870 918	1 880 148	990 769	-990 769	-731 291	-1 722 060

* GFS 2001

Note: See notes on methodology

TABLE 9: THE CROATIAN WATERS TRANSACTIONS

(000 HRK)		2004	2005	2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1	REVENUE (11+12+13+14)	1 658 435	1 715 607	1 971 613	797 616	2 447 990	430 742	494 590	657 402	2 144 962	266 168	87,62
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	209 197	577 990	39 575	41 090	141 550	439 644	122 681	76,06
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	39 500	0	3 501	6 965	12 801	2 011	32,41
133	From other general government units (1331+1332)	434 004	487 813	444 762	209 197	538 490	39 575	37 589	134 585	426 843	120 670	79,27
1331	Current	105 340	203 499	89 259	7 162	3 000	0	0	0	2 999	2 999	99,97
1332	Capital	328 664	284 314	355 503	202 035	535 490	39 575	37 589	134 585	423 844	117 671	79,15
14	Other revenue	1 224 431	1 227 794	1 526 851	588 419	1 870 000	391 167	453 500	515 852	1 705 318	143 487	91,19
2	EXPENSE (21+22+24+25+26+27+28)	1 426 283	1 489 465	1 779 088	695 834	2 138 990	332 546	378 906	554 351	1 729 438	275 773	80,85
21	Compensation of employees (211+212)	93 675	99 418	111 293	35 750	126 750	27 911	29 523	28 583	111 977	17 133	88,34
211	Wages and salaries	80 618	85 524	96 298	31 321	109 050	24 167	25 295	24 488	96 329	14 803	88,33
212	Social contributions	13 057	13 894	14 995	4 429	17 700	3 744	4 228	4 095	15 648	2 330	88,41
22	Use of goods and services	743 383	790 683	1 072 478	366 614	1 169 902	163 653	286 905	353 350	1 015 096	113 948	86,77
24	Interest	37 907	33 734	31 692	8 590	32 560	8 214	7 700	9 119	27 469	1	84,36
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	53 751	28 072	60 500	2 977	3 556	17 512	39 897	10 433	65,95
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	551 318	565 630	509 874	256 808	749 278	129 791	51 222	145 787	534 999	134 258	71,40
Net-gross operating balance (1-2)		232 152	226 142	192 525	101 782	309 000	98 196	115 684	103 051	415 524	-9 605	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	282 527	230 292	223 123	165 886	279 000	60 510	25 509	75 465	224 305	32 033	80,40
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	282 797	230 588	224 983	166 907	281 500	62 235	25 978	75 501	227 847	33 009	80,94
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	270	296	1 860	1 021	2 500	1 725	469	36	3 542	976	141,68
311	Fixed assets (311,1-311,2-311,3)	277 053	224 415	208 532	158 468	271 000	59 582	22 244	58 420	188 073	30 627	69,40
311,1	Acquisitions: fixed assets	277 323	224 711	210 392	159 489	273 500	61 307	22 713	58 456	191 615	31 603	70,06
311,2	Disposals: fixed assets	270	296	1 860	1 021	2 500	1 725	469	36	3 542	976	141,68
314	Nonproduced assets (314,1-314,2-314,3-314,4)	5 474	5 877	14 591	7 418	8 000	928	3 265	17 045	36 232	1 406	248,32
314,1	Acquisitions: nonproduced assets	5 474	5 877	14 591	7 418	8 000	928	3 265	17 045	36 232	1 406	248,32
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	-64 104	30 000	37 686	90 175	27 586	191 219	-41 638	
Financing (33-32)		50 375	4 150	30 598	64 104	-30 000	-37 686	-90 175	-27 586	-191 219	41 638	
32	Net acquisition of financial assets (321+322)	-11 385	5 284	-32 316	11 723	70 000	21 936	68 061	19 224	193 807	15 094	
321	Domestic	-11 385	5 284	-32 316	11 723	70 000	21 936	68 061	19 224	193 807	15 094	
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	75 827	40 000	-15 750	-22 114	-8 362	2 588	56 732	
331	Domestic	42 859	-26 179	12 778	74 619	-8 000	-19 010	-25 335	-21 973	-28 236	46 000	
332	Foreign	-3 869	35 613	-14 496	1 208	48 000	3 260	3 221	13 611	30 824	10 732	

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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1	REVENUE (11+12+13+14)	172 273	214 737	660 190	268 398	965 400	174 533	241 675	299 453	983 633	163 465	101,89
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	350	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)	1 525	0	350	350	0	0	0	0	0	0	
1331	Current	1 525	0	350	350	0	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	268 048	965 400	174 533	241 675	299 453	983 633	163 465	101,89
2	EXPENSE (21+22+24+25+26+27+28)	32 443	172 045	734 764	274 515	888 271	194 299	222 644	264 728	967 994	161 076	108,98
21	Compensation of employees (211+212)	1 905	3 966	6 843	2 396	12 941	2 450	3 048	3 004	11 513	1 517	88,97
211	Wages and salaries	1 633	3 407	5 864	2 041	11 085	2 103	2 633	2 570	9 836	1 252	88,73
212	Social contributions	272	559	979	355	1 856	347	415	434	1 677	265	90,38
22	Use of goods and services	2 734	12 162	608 913	216 588	695 260	171 623	206 089	220 881	855 996	141 619	123,12
24	Interest	0	0	0	0	0	0	0	0	0	0	
25	Subsidies	0	5 189	13 803	303	45 300	3 672	2 629	5 524	15 784	3 777	34,84
26	Grants	0	149 780	102 355	53 471	120 900	15 902	10 126	34 009	79 297	12 641	65,59
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	27 804	948	2 850	1 757	13 871	652	752	1 310	5 404	1 522	38,96
Net-gross operating balance (1-2)		139 830	42 692	-74 574	-6 117	77 129	-19 766	19 031	34 725	15 639	2 389	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	1 786	12 917	14 151	12 063	27 563	13 505	2 252	3 808	20 023	220	72,64
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1 786	12 917	14 287	12 063	27 563	13 522	2 302	3 808	20 090	220	72,89
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	136	0	0	17	50	0	67	0	
311	Fixed assets (311,1-311,2-311,3)	1 553	12 742	2 520	1 585	15 550	5 322	1 590	847	7 764	5	49,93
311,1	Acquisitions: fixed assets	1 553	12 742	2 656	1 585	15 550	5 339	1 640	847	7 831	5	50,36
311,2	Disposals: fixed assets	0	0	136	0	0	17	50	0	67	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	233	175	11 631	10 478	12 013	8 183	662	2 961	12 259	215	102,05
314,1	Acquisitions: nonproduced assets	233	175	11 631	10 478	12 013	8 183	662	2 961	12 259	215	102,05
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	-18 180	49 566	-33 271	16 779	30 917	-4 384	2 169	
Financing (33-32)		-138 044	-29 775	88 725	18 180	-49 566	33 271	-16 779	-30 917	4 384	-2 169	
32	Net acquisition of financial assets (321+322)	138 044	29 775	-88 725	-18 180	109 566	-33 271	16 779	30 917	-4 384	2 169	
321	Domestic	138 044	29 775	-88 725	-18 180	109 566	-33 271	16 779	30 917	-4 384	2 169	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	Net incurrence of liabilities (331+332)	0	0	0	0	60 000	0	0	0	0	0	
331	Domestic	0	0	0	0	30 000	0	0	0	0	0	
332	Foreign	0	0	0	0	30 000	0	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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII -IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1	REVENUE (11+12+13+14)	2 295 423	2 547 003	2 721 483	672 928	4 304 065	554 476	729 978	981 840	2 755 925	224 237	64,03
11	Taxes	1 341 683	1 380 753	0	0	0	0	0	0	0	0	
1142	Excises	1 341 683	1 380 753	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	0	
13	Grants (131+132+133)	0	0	1 450 358	379 589	3 025 107	316 773	374 169	450 041	1 414 153	127 912	46,75
131	From foreign governments	0	0	0	0	0	0	0	0	0	0	
132	From international organizations	0	0	0	0	0	0	0	0	0	0	
133	From other general government units (1331+1332)	0	0	1 450 358	379 589	3 025 107	316 773	374 169	450 041	1 414 153	127 912	46,75
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 450 358	379 589	3 025 107	316 773	374 169	450 041	1 414 153	127 912	46,75
14	Other revenue	953 740	1 166 250	1 271 125	293 339	1 278 958	237 703	355 809	531 799	1 341 772	96 325	104,91
2	EXPENSE (21+22+24+25+26+27+28)	756 796	1 088 687	1 574 490	535 714	1 793 580	343 052	514 269	343 805	1 534 933	175 279	85,58
21	Compensation of employees (211+212)	236 353	289 866	320 097	84 287	363 418	82 595	83 694	98 706	319 786	28 598	87,99
211	Wages and salaries	203 955	250 374	276 180	72 520	314 257	71 317	72 044	84 598	274 878	24 446	87,47
212	Social contributions	32 398	39 492	43 917	11 767	49 161	11 278	11 650	14 108	44 908	4 152	91,35
22	Use of goods and services	258 509	314 534	301 452	93 961	266 109	63 067	100 011	82 947	303 747	20 888	114,14
24	Interest	191 132	445 185	589 173	237 175	811 028	116 150	280 254	74 985	637 932	96 161	78,66
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	4 542	3 610	301 777	87 805	282 555	68 562	48 620	82 062	242 110	23 777	85,69
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	66 260	35 492	61 991	32 486	70 471	12 678	1 690	5 105	31 358	5 855	44,50
	Net-gross operating balance (1-2)	1 538 627	1 458 316	1 146 993	137 214	2 510 485	211 424	215 709	638 035	1 220 992	48 958	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	5 778 694	3 942 727	2 949 761	769 336	4 547 325	582 659	823 712	1 003 657	2 931 791	247 959	64,47
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	5 778 694	3 942 727	3 249 761	1 069 336	4 547 325	595 911	823 712	1 003 657	2 945 043	247 959	64,76
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	0	300 000	300 000	0	13 252	0	0	13 252	0	
311	Fixed assets (311,1-311,2-311,3)	5 697 892	3 825 950	2 748 525	745 447	4 217 962	548 763	787 927	915 816	2 820 041	241 111	66,86
311,1	Acquisitions: fixed assets	5 697 892	3 825 950	3 048 525	1 045 447	4 217 962	562 015	787 927	915 816	2 833 293	241 111	67,17
311,2	Disposals: fixed assets	0	0	300 000	300 000	0	13 252	0	0	13 252	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	80 802	116 777	201 236	23 889	329 363	33 896	35 785	87 841	111 750	6 848	33,93
314,1	Acquisitions: nonproduced assets	80 802	116 777	201 236	23 889	329 363	33 896	35 785	87 841	111 750	6 848	33,93
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
	Net lending - borrowing (1-2-31)	-4 240 067	-2 484 411	-1 802 768	-632 122	-2 036 840	-371 235	-608 003	-365 622	-1 710 799	-199 001	
	Financing (33-32)	4 240 067	2 484 411	1 802 768	632 122	2 036 840	371 235	608 003	365 622	1 710 799	199 001	
32	Net acquisition of financial assets (321+322)	-162 274	-42 758	248 366	48 562	9 880	-234 657	101 490	-43 950	-240 246	-43 280	
321	Domestic	-162 274	-42 758	248 366	48 562	9 880	-234 657	101 490	-43 950	-240 246	-43 280	
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	680 684	2 046 720	136 578	709 493	321 672	1 470 553	155 721	
331	Domestic	379 709	1 698 272	1 758 422	662 262	325 256	220 507	221 496	0	442 003	0	
332	Foreign	3 698 084	743 381	292 712	18 422	1 721 464	-83 929	487 997	321 672	1 028 550	155 721	

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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1	REVENUE (11+12+13+14)	1 417 787	1 474 714	1 804 019	494 235	1 883 282	390 128	458 531	558 460	1 732 857	151 551	92,01
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	474 764	1 805 107	378 314	414 852	532 658	1 642 483	145 781	90,99
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	474 764	1 805 107	378 314	414 852	532 658	1 642 483	145 781	90,99
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	0	0	1 739 270	474 764	1 805 107	378 314	414 852	532 658	1 642 483	145 781	90,99
14	Other revenue	75 666	93 982	64 749	19 471	78 175	11 814	43 679	25 802	90 374	5 770	115,61
2	EXPENSE (21+22+24+25+26+27+28)	934 630	1 062 405	1 226 934	379 965	1 446 960	225 415	253 328	347 133	1 030 830	78 346	71,24
21	Compensation of employees (211+212)	51 590	61 054	70 786	17 535	81 511	16 892	19 162	22 252	70 858	6 437	86,93
211	Wages and salaries	44 349	52 452	60 787	15 112	70 107	14 483	16 482	19 057	60 780	5 515	86,70
212	Social contributions	7 241	8 602	9 999	2 423	11 404	2 409	2 680	3 195	10 078	922	88,38
22	Use of goods and services	696 421	726 456	850 772	230 867	1 038 521	155 946	159 113	260 528	710 476	56 571	68,41
24	Interest	4 306	16 060	43 374	22 492	70 868	5 315	28 204	5 460	53 198	1	75,07
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	0	0	0	0	9 300	0	1 300	2 801	7 607	2 146	81,80
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	182 313	258 835	262 002	109 071	246 760	47 262	45 549	56 092	188 691	13 191	76,47
Net-gross operating balance (1-2)		483 157	412 309	577 085	114 270	436 322	164 713	205 203	211 327	702 027	73 205	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	834 631	923 171	1 350 834	260 260	1 278 246	202 981	328 829	713 392	1 416 143	58 389	110,79
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	835 907	926 359	1 351 622	260 454	1 278 506	203 226	329 009	713 722	1 417 033	58 471	110,84
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	1 276	3 188	788	194	260	245	180	330	890	82	342,31
311	Fixed assets (311,1-311,2-311,3)	742 582	833 817	1 227 447	229 215	1 164 842	165 761	262 943	679 761	1 242 581	43 025	106,67
311,1	Acquisitions: fixed assets	743 858	837 005	1 228 235	229 409	1 165 102	166 006	263 123	680 091	1 243 471	43 107	106,73
311,2	Disposals: fixed assets	1 276	3 188	788	194	260	245	180	330	890	82	342,31
314	Nonproduced assets (314,1-314,2-314,3-314,4)	92 049	89 354	123 387	31 045	113 404	37 220	65 886	33 631	173 562	15 364	153,05
314,1	Acquisitions: nonproduced assets	92 049	89 354	123 387	31 045	113 404	37 220	65 886	33 631	173 562	15 364	153,05
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	-145 990	-841 924	-38 268	-123 626	-502 065	-714 116	14 816	
Financing (33-32)		351 474	510 862	773 749	145 990	841 924	38 268	123 626	502 065	714 116	-14 816	
32	Net acquisition of financial assets (321+322)	296	50 297	-29 083	44 762	0	-41 091	-96 066	98 966	-88 348	14 816	
321	Domestic	296	50 297	-29 083	44 762	0	-41 091	-96 066	98 966	-88 348	14 816	
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	190 752	841 924	-2 823	27 560	601 031	625 768	0	
331	Domestic	100 000	302 376	471 685	69 451	526 454	-7 033	0	491 270	484 237	0	
332	Foreign	251 770	258 783	272 981	121 301	315 470	4 210	27 560	109 761	141 531	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

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

(000 HRK)		2004	2005	2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1	REVENUE (11+12+13+14)	575 893	367 438	409 581	126 133	771 585	91 675	99 803	98 018	386 853	69 241	50,14
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	126 133	771 585	91 675	99 803	98 018	386 853	69 241	50,14
2	EXPENSE (21+22+24+25+26+27+28)	314 474	182 993	27 354	7 432	57 079	22 070	14 328	6 820	46 470	1 640	81,41
21	Compensation of employees (211+212)	4 678	5 621	5 713	1 536	7 511	1 306	1 393	1 699	5 376	504	71,58
211	Wages and salaries	4 010	4 821	4 896	1 315	6 420	1 118	1 192	1 461	4 608	431	71,78
212	Social contributions	668	800	817	221	1 091	188	201	238	768	73	70,39
22	Use of goods and services	10 664	21 092	12 472	5 235	24 368	5 734	10 777	1 896	19 955	677	81,89
24	Interest	136 971	121 940	239	0	500	0	320	12	345	13	69,00
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	376	2 000	118	186	14	422	103	21,10
28	Other expense	0	32 829	7 573	285	22 700	14 912	1 652	3 199	20 372	343	89,74
Net-gross operating balance (1-2)		261 419	184 445	382 227	118 701	714 506	69 605	85 475	91 198	340 383	67 601	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	27 624	14 131	493	31	-14 935	-19 998	74	961	-18 962	1	126,96
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	27 624	14 232	565	31	6 665	102	74	1 022	1 199	1	17,99
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	101	72	0	21 600	20 100	0	61	20 161	0	93,34
311	Fixed assets (311,1-311,2-311,3)	27 624	11 115	493	31	5 065	-19 998	74	961	-18 962	1	
311,1	Acquisitions: fixed assets	27 624	11 216	565	31	6 665	102	74	1 022	1 199	1	17,99
311,2	Disposals: fixed assets	0	101	72	0	1 600	20 100	0	61	20 161	0	1 260,06
Net lending - borrowing (1-2-31)		233 795	170 314	381 734	118 670	729 441	89 603	85 401	90 237	359 345	67 600	
Financing (33-32)		-233 795	-170 314	-381 734	-118 670	-729 441	-89 603	-85 401	-90 237	-359 345	-67 600	
32	Net acquisition of financial assets (321+322)	-134 228	-349 252	381 734	118 670	729 441	89 603	85 401	90 237	359 345	67 600	
321	Domestic	-134 228	-349 252	381 734	118 670	729 441	89 603	85 401	90 237	359 345	67 600	
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	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1	REVENUE (11+12+13+14)	62 946	237 044	65 871	10 276	44 400	12 623	9 660	7 760	49 937	15 506	112,47
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	10 276	44 400	12 623	9 660	7 760	49 937	15 506	112,47
2	EXPENSE (21+22+24+25+26+27+28)	60 141	182 119	78 375	22 877	86 720	17 416	25 200	19 708	77 373	8 242	89,22
21	Compensation of employees (211+212)	31 044	35 996	31 920	6 793	38 965	7 772	10 438	8 769	32 449	2 790	83,28
211	Wages and salaries	26 721	31 273	27 508	5 605	34 038	6 689	9 031	7 634	27 932	2 387	82,06
212	Social contributions	4 323	4 723	4 412	1 188	4 927	1 083	1 407	1 135	4 517	403	91,68
22	Use of goods and services	29 097	33 545	30 039	11 408	33 239	8 282	8 453	6 794	31 431	4 859	94,56
24	Interest	0	0	16 416	4 676	14 516	1 362	6 309	4 145	13 493	593	92,95
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	-12 601	-42 320	-4 793	-15 540	-11 948	-27 436	7 264	
31	Net acquisition of nonfinancial assets (31,1 - 31,2)	-24 444	-40 272	-51 175	6 197	-15 413	-12 730	1 414	-2 354	-15 462	43	100,32
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	725	2 061	2 907	1 325	83 287	325	1 556	20	1 985	76	2,38
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	25 169	42 333	54 082	-4 872	98 700	13 055	142	2 374	17 447	33	17,68
311	Fixed assets (311,1-311,2-311,3)	-24 444	-40 272	-51 175	6 197	-15 413	-12 730	1 414	-2 354	-15 462	43	100,32
311,1	Acquisitions: fixed assets	725	2 061	2 907	1 325	83 287	325	1 556	20	1 985	76	2,38
311,2	Disposals: fixed assets	25 169	42 333	54 082	-4 872	98 700	13 055	142	2 374	17 447	33	17,68
Net lending - borrowing (1-2-31)		27 249	95 197	38 671	-18 798	-26 907	7 937	-16 954	-9 594	-11 974	7 221	
Financing (33-32)		-27 249	-95 197	-38 671	18 798	26 907	-7 937	16 954	9 594	11 974	-7 221	
32	Net acquisition of financial assets (321+322)	15 293	100 403	-87 682	-24 904	-133 392	-246	-4 087	14 947	60 330	37 800	
321	Domestic	15 293	100 403	-87 682	-24 904	-133 392	-246	-4 087	14 947	60 330	37 800	
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	-6 106	-106 485	-8 183	12 867	24 541	72 304	30 579	
331	Domestic	-11 956	5 206	-126 353	-6 106	-88 779	-8 183	18 081	32 078	85 055	30 579	
332	Foreign	0	0	0	0	-17 707	0	-5 214	-7 537	-12 751	0	

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

TABLE 15: CONSOLIDATED CENTRAL GOVERNMENT BY ECONOMIC CATEGORY

(000 HRK)	2004	2005	2006	X - XII 2006	New Plan 2007	I - III 2007	IV - VI 2007	VII - IX 2007	I - XI 2007	XI 2007	I - XI 2007 New Plan 2007
1 REVENUE (11+12+13+14)	87 019 284	92 642 473	100 392 605	26 909 367	113 587 978	24 768 255	28 917 282	30 248 790	103 152 937	9 538 870	90,81
11 Taxes (111+113+114+115+116)	49 833 666	53 449 049	58 469 091	15 345 731	64 148 605	14 017 755	17 286 246	17 074 213	59 558 700	5 524 627	92,84
111 Taxes of income and profits and capital gains	6 259 713	7 057 112	8 515 615	2 179 950	10 078 339	2 188 372	3 729 640	2 392 630	9 969 962	790 251	98,92
113 Taxes on property	355 823	375 501	482 331	151 774	533 685	126 963	135 671	136 652	517 326	55 419	96,93
114 Taxes on goods and services (1141+1142+1144+1145+1146)	41 286 025	44 084 487	47 546 223	12 485 941	51 584 380	11 263 242	12 906 488	14 045 023	47 245 409	4 510 416	91,59
1141 General taxes on goods and services (11411+11412)	30 013 661	32 399 952	35 091 381	9 308 224	38 387 622	8 440 180	9 622 975	10 264 706	35 155 455	3 487 727	91,58
11411 Value-added taxes	29 864 905	32 243 372	34 931 750	9 268 244	38 212 839	8 399 864	9 578 712	10 221 678	34 998 453	3 473 331	91,59
11412 Sales taxes	148 757	156 580	159 631	39 980	174 784	40 316	44 264	43 027	157 003	14 396	89,83
1142 Excises	10 625 358	10 939 144	11 564 709	2 916 506	12 208 771	2 620 967	3 037 455	3 518 737	11 215 761	939 075	91,87
115 Taxes on international trade and transactions	1 590 727	1 562 930	1 588 456	439 962	1 615 059	357 299	430 257	426 464	1 527 752	140 051	94,59
116 Other taxes	341 377	369 019	336 466	88 104	337 141	81 879	84 192	73 444	298 250	28 490	88,46
12 Social contributions	29 477 597	31 301 340	33 877 148	8 916 196	37 115 946	8 741 858	9 302 667	9 612 662	33 993 824	3 164 049	91,59
13 Grants	10 122	27 505	194 484	177 761	941 506	9 930	103 474	111 368	369 798	63 611	39,28
14 Other revenue	7 697 900	7 864 579	7 851 883	2 469 680	11 381 921	1 998 712	2 224 895	3 450 547	9 230 615	786 583	81,10
2 EXPENSE (21+22+24+25+26+27+28)	86 941 437	92 332 140	98 751 408	27 386 050	109 528 777	25 361 209	25 318 294	27 488 323	97 614 891	10 088 816	89,12
21 Compensation of employees (211+212)	23 265 724	24 300 115	25 512 962	6 533 483	28 109 046	6 646 452	7 023 219	7 273 230	25 542 076	2 318 199	90,87
211 Wages and salaries	19 750 868	20 665 832	21 699 724	5 556 715	23 658 358	5 629 298	5 994 240	5 993 532	21 518 402	1 964 198	90,95
212 Social contributions	3 514 856	3 634 283	3 813 238	976 768	4 450 688	1 017 154	1 028 978	1 279 698	4 023 674	354 001	90,41
22 Use of goods and services	6 327 741	7 100 232	9 193 481	3 259 160	10 929 724	2 019 010	2 355 889	2 576 207	9 011 411	1 076 304	82,45
24 Interest	4 343 680	5 004 650	5 397 046	1 208 954	5 516 288	1 811 324	1 258 857	1 193 676	4 948 090	421 506	89,70
25 Subsidies	4 968 069	5 253 933	5 684 592	1 582 451	6 063 059	1 656 574	1 268 304	1 567 358	5 845 054	706 901	96,40
26 Grants	2 162 993	2 804 760	2 838 842	1 117 694	3 656 639	567 682	666 863	753 167	2 851 232	509 288	77,97
27 Social benefits	40 645 794	41 930 232	44 192 851	11 489 318	48 540 710	11 556 437	11 410 618	12 723 388	43 702 177	3 899 316	90,03
28 Other expense	5 227 438	5 938 219	5 931 633	2 194 992	6 713 311	1 103 733	1 334 543	1 401 298	5 714 851	1 157 302	85,13
NET-GROSS OPERATING BALANCE (1-2)	77 847	310 333	1 641 197	-476 683	4 059 202	-592 954	3 598 988	2 760 467	5 538 047	-549 946	
3 CHANGE IN NET WORTH: TRANSACTIONS (31+32-33)	77 847	310 333	1 641 197	-476 683	4 059 202	-592 954	3 598 988	2 760 467	5 538 047	-549 946	
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	8 373 463	6 699 416	6 108 627	2 090 019	9 055 866	911 294	1 534 597	2 515 187	6 437 986	676 815	71,09
311 Fixed assets	8 158 064	6 439 709	5 788 654	2 005 430	8 658 105	995 841	1 410 138	2 359 281	6 199 294	639 153	71,60
312 Inventories	0	0	-80 226	-19 519	-168 139	-173 789	-1 892	-1 900	-154 211	8 846	
313 Valuables	7 518	7 220	7 826	3 217	7 704	1 256	4 416	1 387	9 027	883	117,17
314 Nonproduced assets	207 881	252 487	392 374	100 891	558 196	87 986	121 934	156 419	383 877	27 933	68,77
NET LENDING-BORROWING (1-2-31)	-8 295 616	-6 389 083	-4 467 430	-2 566 703	-4 996 665	-1 504 248	2 064 391	245 280	-899 940	-1 226 761	
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (32-33)	8 295 616	6 389 083	4 467 430	2 566 703	4 996 665	1 504 248	-2 064 391	-245 280	899 940	1 226 761	
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	28 384	1 609 760	-2 576 689	-2 590 267	190 466	148 226	1 068 875	785 250	-450 787	-1 277 773	
321 Domestic	18 598	1 614 616	-2 593 370	-2 604 267	177 039	148 226	1 060 842	785 250	-464 150	-1 283 103	
322 Foreign	9 786	-4 857	16 681	14 000	13 428	0	8 033	0	13 363	5 330	
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	-23 564	5 187 131	1 652 475	-995 517	539 970	449 153	-51 012	
331 Domestic	4 107 680	12 041 678	5 282 792	-103 150	5 030 473	2 300 970	-1 215 309	2 218 831	2 267 795	-193 112	
332 Foreign	4 216 320	-4 042 835	-3 392 051	79 586	156 658	-648 496	219 792	-1 678 860	-1 818 642	142 100	

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
XI 2005	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
IX	10 133 794	9 172 363	961 431	393 719	1 355 150
X	9 679 740	9 358 249	321 492	262 727	584 218
XI	9 538 870	10 088 816	-549 946	421 506	-128 440
I-XI 2007	103 152 937	97 614 891	5 538 047	4 948 090	10 486 136

Note: See notes on methodology

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT / SURPLUS

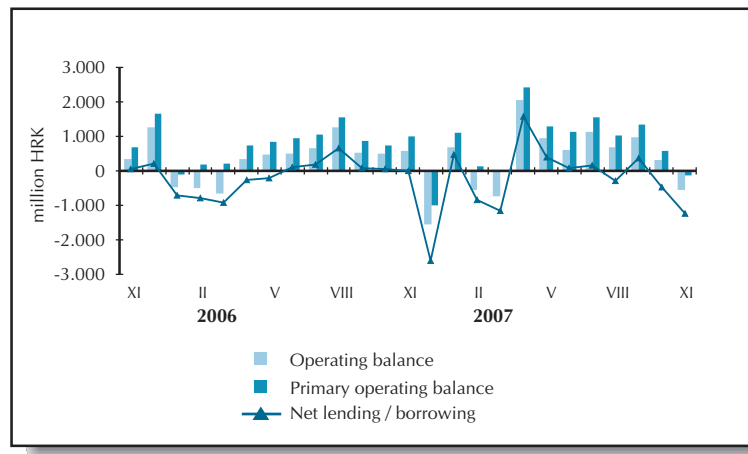


TABLE 16B: NET LENDING / BORROWING (000 HRK)

	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)
XI 2005	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	-288 462	288 462	771 378	1 059 840
IX	961 431	590 651	370 780	-370 780	560 398	189 618
X	321 492	800 093	-478 601	478 601	-1 175 365	-696 763
XI	-549 946	676 815	-1 226 761	1 226 761	-1 277 773	-51 012
I-XI 2007	5 538 047	6 437 986	-899 940	899 940	-450 787	449 153

* 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 [§]		30.9. 2007 [§]		31.10. 2007 [§]		30.11. 2007 [§]	
	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP
A. Foreign debt (A1+A2+A3)	40 240,4	22,2	45 676,4	23,0	50 240,7	23,4	45 363,6	19,6	41 635,6	16,6	40 749,2	14,9	40 536,7	14,8	38 652,7	14,1	39 158,3	14,3	39 096,1	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	32 556,6	13,0	31 798,4	11,6	31 218,7	11,4	29 031,0	10,6	29 347,4	10,7	29 210,4	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	8 913,3	3,6	8 885,7	3,2	9 249,4	3,4	9 567,6	3,5	9 756,8	3,6	9 831,7	3,6
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	54,1	0,0	54,1	0,0	54,1	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	65 534,5	23,9	64 134,5	23,4	63 913,1	23,3
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	58 174,9	21,3	56 675,2	20,7	56 352,0	20,6
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	6 029,5	2,2	6 129,2	2,2	6 231,1	2,3
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	1 330,1	0,5	1 330,1	0,5	1 330,1	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	102 184,6	40,8	104 068,4	38,0	104 086,6	38,0	104 187,2	38,1	103 292,8	37,7	103 009,2	37,6
1. Central Government total debt (A1+B1)	60 752,1	33,5	69 202,7	34,9	79 454,9	37,0	86 974,1	37,6	86 773,3	34,6	88 352,0	32,3	87 835,0	32,1	87 205,9	31,9	86 022,6	31,4	85 562,3	31,3
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	14 081,5	5,6	14 257,6	5,2	14 790,0	5,4	15 597,1	5,7	15 886,1	5,8	16 062,7	5,9
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	1 384,2	0,5	1 384,2	0,5	1 384,2	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	14 194,0	5,7	15 048,3	5,5	14 994,8	5,5	15 156,3	5,5	15 334,5	5,6	15 270,9	5,6
Foreign guarantees	8 655,3	4,8	8 622,7	4,3	7 710,4	3,6	7 186,7	3,1	6 941,7	2,8	6 890,4	2,5	6 943,9	2,5	7 144,8	2,6	7 194,1	2,6	7 302,3	2,7
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	8 011,4	2,9	8 140,3	3,0	7 968,6	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	7 632,3	2,8	9 133,7	3,3	9 056,8	3,3	9 141,2	3,3	9 039,7	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	7 338,8	2,9	7 265,2	2,7	8 853,1	3,2	8 776,9	3,2	8 858,7	3,2	8 752,0	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	279,9	0,1	282,4	0,1	287,7	0,1

Note: See notes on methodology

Source: Ministry of Finance, CBS for GDP

PUBLIC DEBT AT THE END OF NOVEMBER 2007

The total public debt of the Republic of Croatia amounted to HRK 118.3 billion at the end of November 2007, thus reaching 43.2 percent of the expected GDP for the year 2007. In comparison with October 2007, public debt decreased by HRK 347.1 million. Total general government debt amounted to HRK 103 billion (87.1 percent of total public debt) and total guarantees amounted to HRK 15.3 billion (12.9 percent of total public debt).

Total general government debt recorded a decrease of HRK 283.6 million in November 2007 compared to the stock of the previous month. Foreign general government debt component recorded a decrease compared to the previous month in the amount of HRK 62.1 million due to larger decrease of central government foreign debt than the increase of the foreign debt of the extrabudgetary funds and agencies. Domestic component of total general government debt also recorded a decline compared to the stock of the previous month in the amount of HRK 221.4 million due to the larger decrease of central government domestic debt than the increase of the domestic debt of the extrabudgetary funds and agencies.

According to government level, the largest part of public debt refers to central government (HRK 85.6 billion), while the debt of extrabudgetary funds and agencies amounted to HRK 16.1 billion and the debt of local government to HRK 1.4 billion. Central government kept the trend of more pronounced domestic borrowing; 65.9 percent of total central government debt was created by domestic borrowing, while 61.2 percent of extrabudgetary funds and agencies' debt resulted from foreign borrowing.

Total guarantees issued by the Republic of Croatia levelled 5.6 percent of GDP and have decreased by HRK 63.5 million in comparison with the previous month as a result of a larger decrease in domestic guarantees than the increase foreign guarantees. Domestic guarantees account for 52.2 percent of the total guarantees of the Republic of Croatia.

Total debt of HBOR amounted to HRK 9 billion in November 2007 and recorded a decrease of HRK 101.5 million compared to October 2007 as a result of the decline in foreign component of the debt. Total debt of HBOR was almost entirely (96.8 percent) created by foreign borrowings.

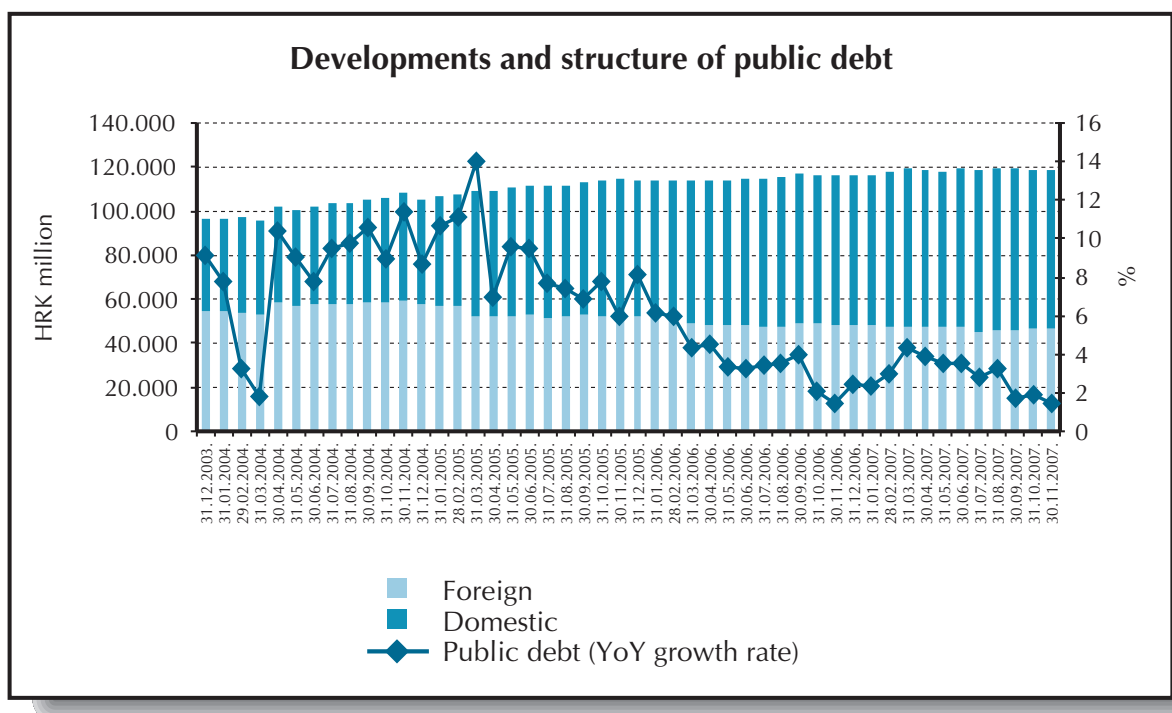


TABLE 21: CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT
DOMESTIC DEBT STOCK IN 000 (30 NOVEMBER 2007)

Debt item:	Currency	Stock	Stock / HRK:	Maturity:	Interest rate:
Big Bonds - Series I	HRK	1 964 084	1 964 084	2011	5,00%
Big Bonds - Series II	EUR	41 637	304 518	2011	7,20%
Big Bonds - Series III	EUR	43 682	319 473	2012	7,20%
Bonds - Series 02 D-08	EUR	200 000	1 462 733	2008	6,875%
Bonds - Series 03 D-12	EUR	500 000	3 656 833	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	4 753 883	2014	5,50%
Bonds - Series 07 D-19	EUR	500 000	3 656 833	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	2 559 783	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 II	EUR	16 832	123 106	2012	5,00%
BRA Bonds III	EUR	45 294	331 268	2012	7,20%
BRA Bonds IV	EUR	23 041	168 513	2012	5,00%
BRA Bonds V-B	EUR	29 018	212 228	2008	7,00%
Syndicated FX loan	EUR	500 000	3 656 833	2010	4,38%
Medium and long term debt			42 170 088		
Treasury Bills	HRK	11 598 000	11 598 000		
	EUR	41 700	304 980		
Other short-term debt	HRK	723 465	723 465		
Short-term debt			12 626 445		
Total debt			54 796 533		

Note: On the cash principle. See notes on methodology

Source: Ministry of Finance

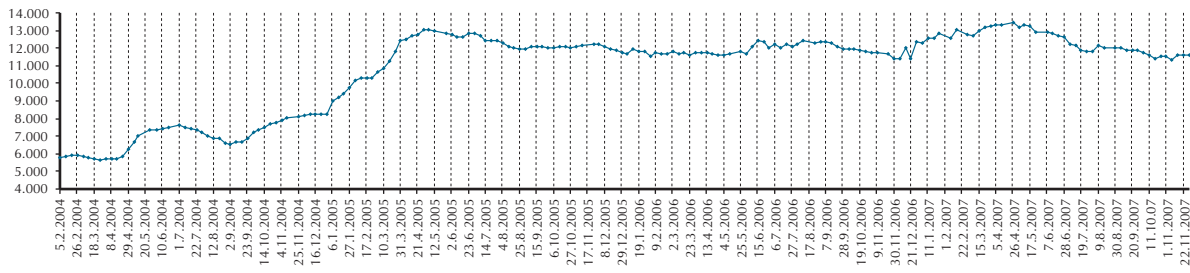
TABLE 22: RESULTS OF THE TREASURY BILL'S AUCTIONS HELD BY THE MINISTRY OF FINANCE

(000 HRK)	91 days				182 days				364 days				
	Day of Auction	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)	Size (HRK)	Total bids received (HRK)	Weighted average of the bids received (HRK) / Yielding (%)	Uniform price allocation per 100 HRK (HRK) / Yielding (%)
	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%
	4.9.2007.	20 000	30 000	99,168 / 3,37%	99,172 / 3,35%	30 000	30 000	98,309 / 3,45%	98,309 / 3,45%	300 000	450 000	96,021 / 4,16%	95,980 / 4,20%
	11.9.2007.					50 000	130 000	98,260 / 3,55%	98,381 / 3,30%	271 000	322 000	96,061 / 4,11%	96,026 / 4,15%
	18.9.2007.	30 000	50 000	99,179 / 3,32%	99,209 / 3,20%		25 000	98,247 / 3,58%		275 000	500 000	96,022 / 4,15%	96,118 / 4,05%
	25.9.2007.	20 000	30 000	99,151 / 3,43%	99,172 / 3,35%	40 000	50 000	98,304 / 3,46%	98,285 / 3,50%	265 000	295 000	96,050 / 4,12%	96,026 / 4,15%
	2.10.2007.	10 000	10 000	99,123 / 3,55%	99,123 / 3,55%					350 000	415 000	96,027 / 4,15%	95,705 / 4,50%
	9.10.2007.	10 000	10 000	99,110 / 3,60%	99,110 / 3,60%	10 000	10 000	98,092 / 3,90%	98,092 / 3,90%	255 000	255 000	95,721 / 4,48%	95,705 / 4,50%
	16.10.2007.	5 000	5 000	99,098 / 3,65%	99,098 / 3,65%	5 000	25 000	97,954 / 4,19%	98,068 / 3,95%	288 000	333 000	95,743 / 4,46%	95,705 / 4,50%
	23.10.2007.	55 000	60 000	99,107 / 3,61%	99,098 / 3,65%	50 000	105 000	98,033 / 4,02%	98,092 / 3,90%	530 000	620 000	95,749 / 4,45%	95,705 / 4,50%
	30.10.2007.	55 000	60 000	99,107 / 3,61%	99,098 / 3,65%	100 000	110 000	98,120 / 3,84%	98,116 / 3,85%	261 000	536 000	95,633 / 4,58%	95,705 / 4,50%
	6.11.2007.	50 000	50 000	99,110 / 3,60%	99,110 / 3,60%	7 000	7 000	98,116 / 3,85%	98,116 / 3,85%	76 000	76 000	95,497 / 4,73%	95,477 / 4,75%
	13.11.2007.	50 000	60 000	99,098 / 3,65%	99,110 / 3,60%	50 000	60 000	98,092 / 3,90%	98,116 / 3,85%	172 000	247 000	95,494 / 4,73%	95,523 / 4,70%
	20.11.2007.					10 000	10 000	98,164 / 3,75%	98,164 / 3,75%	222 000	232 000	95,494 / 4,73%	95,341 / 4,90%
	27.11.2007.									10 000	22 000	95,231 / 5,02%	95,342 / 4,90%

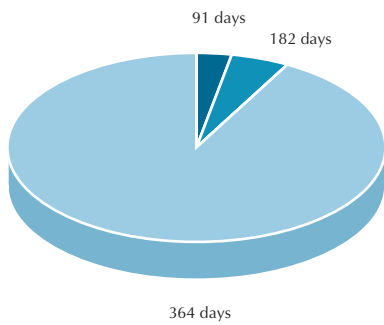
Note: See notes on methodology

Source: Ministry of Finance

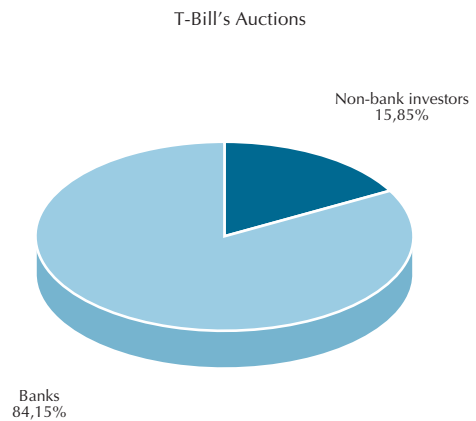
T-Bill's Outstanding Debt



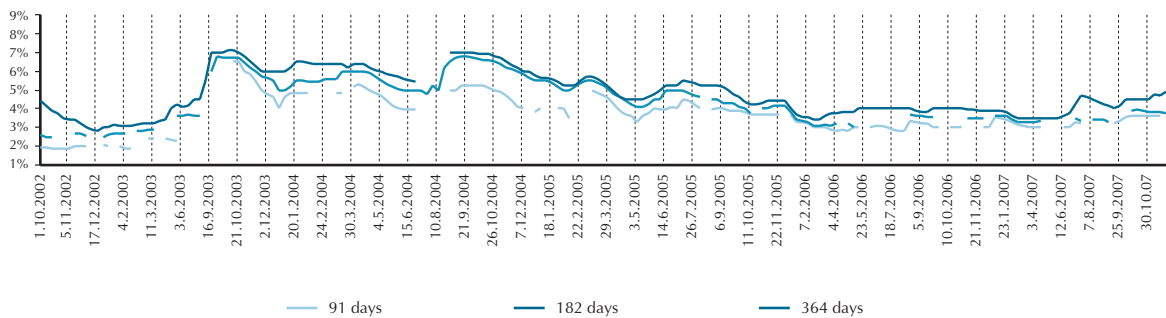
Structure of outstanding T-Bill's on 30 November 2007



Structure of bids accepted according to buyers



Annual yield on T-Bills



NOTES ON METHODOLOGY

CROLEI Index

Based on the so-called leading indicators, the Economic Institute in Zagreb and the Ministry of Finance compile the **CROLEI (CROatian Leading Economic Indicator)**, a composite forecast index created in accordance with the methodology of the National Bureau of Economic Research in the United States. The index predicts standard economic cycles as well as economic growth cycles in Croatia using the industrial production volume index as the reference series. In November of 2007, a thorough revision of the system of indicators, methodological procedures and CROLEI index itself took place.

The new revised index combines seven best-performing leading indicators, whose average prognostic power has increased significantly compared to the previous index, with an average prediction time of eight months in relation to the referent series. The revised index includes three components of the previous prognostic measure indicating the reliability of the method of indicators. According to the standards of the method, this represents a very stable and highly significant relation between the indicator and the referent series, which greatly helps the overall economic activity forecasting. The seven leading indicators included in the calculation of the new CROLEI index are: unemployment benefits beneficiaries, retail trade turnover, producers' price indices in the EU-25, unconsolidated budget revenues, total cash of participants in the payment system, loans to households and cash market interest rate on kuna credits not indexed to foreign currency.

In addition to CROLEI, the diffusive index is compiled as well and it is compatible with CROLEI. Its trend efficiently predicts changes in the trend of the economy.

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 physical deterioration, normal obsolescence or normal accidental damage. Namely, consumption of fixed capital is not included in budgetary reports because such data are still not available for the report purposes, according to the GFS 2001 methodology.

Interest (24) is an expense 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>

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ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review number	Notes	Release			
		February 08	March 08	April 08	May 08
		147	148	149	150
SDDS Data Category		February 08	March 08	April 08	May 08
General Government operations	1)	(12/07)			(03/08)
Central Government operations	2)	(12/07)	(01/08)	(02/08)	(03/08)
Internal Central Government Debt	3)	(12/07)	(01/08)	(02/08)	(03/08)

- 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

