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TABLE 1: BASIC MACROECONOMIC INDICATORS FOR THE CROATIAN ECONOMY

	2004	2005	2006	2007	2008	2009	2009	2010			2010						
							Q4	Q1	Q2	Q3	V	VI	VII	VIII	IX	X	XI
GDP, current prices (mil. HRK)	245,550	264,367	286,341	314,223	342,159	333,063	81,194	76,504	83,305	90,521	-	-	-	-	-	-	-
GDP, real growth rates	4.1	4.3	4.9	5.1	2.4	-5.8	-4.5	-2.5	-2.5	0.2	-	-	-	-	-	-	-
Total volume of industrial production, growth rate as %	3.2	4.6	4.1	4.9	1.2	-9.2	-7.7	-0.5	-3.3	0.1	-1.9	-2.6	-3.3	0.8	3.1	-6.0	0.2
Retail sales turnover, real growth rate as %	2.6	2.8	2.1	5.3	-0.5	-15.3	-14.4	-6.4	-4.4	1.7	-3.7	-1.5	0.7	3.9	0.4	0.3	2.5
Total volume of construction projects, growth rate as %	2.0	-0.8	9.3	2.4	11.8	-6.5	-13.0	-18.6	-16.8	-15.2	-16.1	-17.2	-19.2	-11.7	-14.3	-14.9	-12.1
Nights spent by tourists, growth rate as %	2.0	7.6	3.1	5.6	2.0	-1.4	-7.7	-3.5	-3.5	4.5	3.9	-6.2	5.2	4.5	2.8	0.2	1.8
Producer's prices, period average, %	3.5	3.0	2.7	3.4	8.3	-0.4	0.1	3.5	4.7	3.8	4.9	4.4	3.8	4.0	4.4	5.0	4.7
Consumer prices, period average, %	2.1	3.3	3.2	2.9	6.1	2.4	1.6	0.9	0.7	1.1	0.8	0.7	1.0	0.9	1.4	1.4	1.2
Total persons in employment, end of period	1,397,416	1,417,158	1,467,398	1,515,647	1,543,878	1,450,039	1,450,039	1,412,245	1,435,341	1,422,536	1,425,201	1,435,341	1,443,851	1,440,603	1,422,536	1,405,923	1,395,438
Unemployed persons, end of period	317,577	307,851	293,153	254,484	240,455	291,545	291,545	318,658	285,840	289,503	296,438	285,840	282,792	283,330	289,503	304,479	312,350
Unemployment rate, end of period	18.5	17.8	16.7	14.4	13.5	16.7	16.7	18.4	16.6	16.9	17.2	16.6	16.4	16.4	16.9	17.8	18.3
Unemployment rate - ILO comparable, period average, %	13.8	12.7	11.1	9.6	8.4	9.1	9.2	11.2	12.4	11.5	-	-	-	-	-	-	-
Average monthly gross wages and salaries, growth rate as %	6.4	4.4	6.2	6.2	7.1	2.2	-0.4	-0.9	-1.0	-0.2	-1.1	-0.6	-1.4	1.0	-0.3	0.1	1.1
Average monthly gross wages and salaries paid off in HRK	5,985	6,248	6,634	7,047	7,544	7,711	7,745	7,637	7,677	7,620	7,662	7,763	7,608	7,707	7,546	7,650	7,892
Exchange rate HRK/USD, period average	6.03	5.95	5.84	5.37	4.93	5.28	4.92	5.26	5.69	5.62	5.75	5.92	5.67	5.61	5.59	5.27	5.38
Exchange rate HRK/EUR, period average	7.50	7.40	7.32	7.34	7.22	7.34	7.27	7.29	7.25	7.25	7.26	7.23	7.21	7.25	7.28	7.32	7.37
Trade Balance (mil. USD)	-8,565	-9,788	-11,126	-13,475	-16,603	-10,713	-2,795	-1,845	-2,013	-2,322	-565	-682	-797	-771	-754	-486	-860
Exports (mil.USD)	8,024	8,773	10,377	12,364	14,124	10,492	2,867	2,769	2,899	2,799	1,061	918	913	874	1,012	1,255	1,057
Imports (mil. USD)	16,589	18,560	21,503	25,839	30,727	21,205	5,662	4,614	4,912	5,121	1,626	1,601	1,710	1,645	1,765	1,740	1,917
Current Account Balance (mil. EUR)	-1,434	-1,976	-2,726	-3,236	-4,338	-2,477	-1,531	-1,393	-182	1,849	-	-	-	-	-	-	-
Current Account Balance (as % of GDP)	-4.3	-5.5	-6.9	-7.5	-9.2	-5.5	-13.7	-13.3	-1.6	14.8	-	-	-	-	-	-	-
International reserves of CNB, end of period (mil. EUR)	6,436	7,438	8,725	9,307	9,121	10,376	10,376	10,008	10,305	11,154	10,177	10,305	11,325	11,428	11,154	11,077	11,044
Total outstanding external debt, end of period (mil. EUR)	22,933	25,761	29,274	32,929	39,950	44,605	44,605	44,063	45,024	44,678	44,518	45,024	45,125	44,977	44,678	44,339	-
Internal debt of Consolidated Central Government, eop. (mil. HRK)	35,789	47,243	52,290	54,655	62,126	72,261	72,261	76,042	78,434	83,161	77,902	78,434	82,980	83,075	83,161	82,745	84,751
Commercial bank's loans, growth rate as %	13.1	20.3	22.7	13.3	14.4	2.3	2.3	-0.1	4.0	5.3	2.0	4.1	4.1	4.7	5.4	5.7	7.0
Interest rates on treasury bills of 91 days maturity, end of period, %	3.80	3.70	3.00	3.60	6.00	4.70	4.70	2.50	2.25	1.95	2.50	2.25	2.00	1.98	1.95	2.00	1.95
ZIBOR (3 m), average, %	7.35	6.19	4.46	5.63	7.20	8.96	6.22	2.16	2.27	2.66	2.25	2.41	2.49	2.72	2.77	2.57	2.45

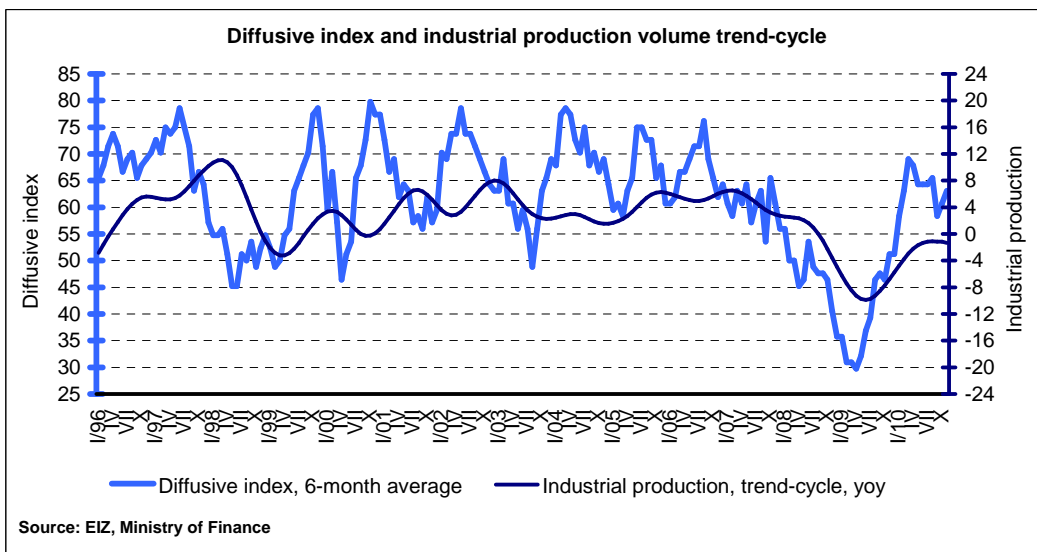
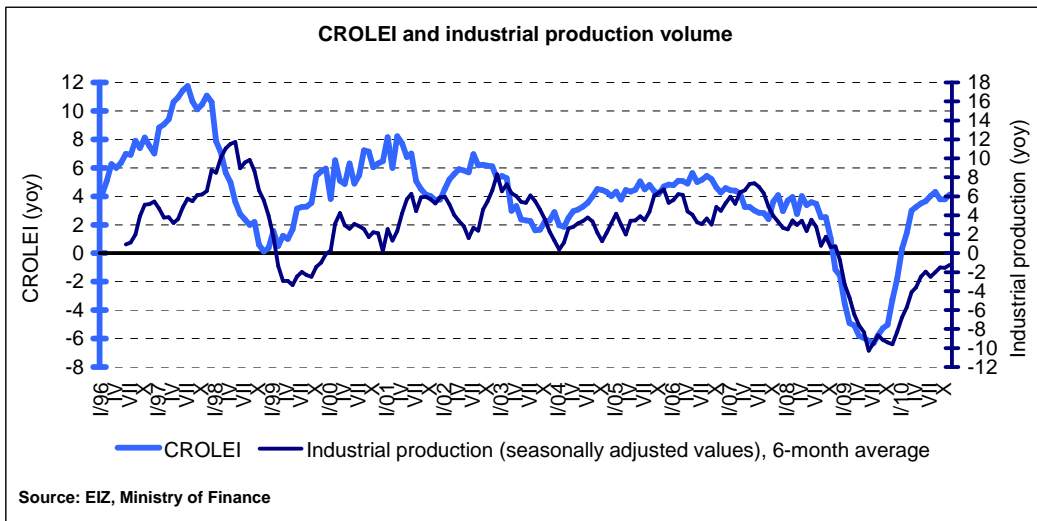
Source: Croatian Bureau of Statistics, Croatian National Bank, Ministry of Finance

MACROECONOMIC TRENDS

CROLEI - THE LEADING INDICATOR OF INDUSTRIAL PRODUCTION

In November 2010 the CROLEI index recorded strong acceleration of growth on the monthly level in the amount of 0.9 index points. It thus continued a trend of increasing values of the index, which was temporarily interrupted in September and October when the index recorded a slight decrease in value. In November 2010 CROLEI index also recorded strong acceleration of growth on the year-on-year level. The year-on-year growth rate of 4.1 recorded in November is the highest growth rate since March 2007. Considering movements of CROLEI index during the August – November period, we can conclude that in the first half of 2011 a moderate strengthening of economic activity can be expected.

The diffusive index, a supplementary measure representing the share of components that have contributed to the change in CROLEI in total number of components, shows similar trends. After September, when the diffusive index dropped to its lowest level in the last year and a half and amounted to only 29 percent, in the next two months, its value increased and in November the index reached the level of 69 percent. The average value of the diffusive index during the June – November 2010 did not change significantly and it amounted to 63 percent. This value is slightly less than in March, when it recorded its highest six month average value of 69 percent. Recorded value of the diffusive index suggests recovery of real economic activity and intensifying of activity in a large number of economic sectors in first half of 2011.



REAL SECTOR

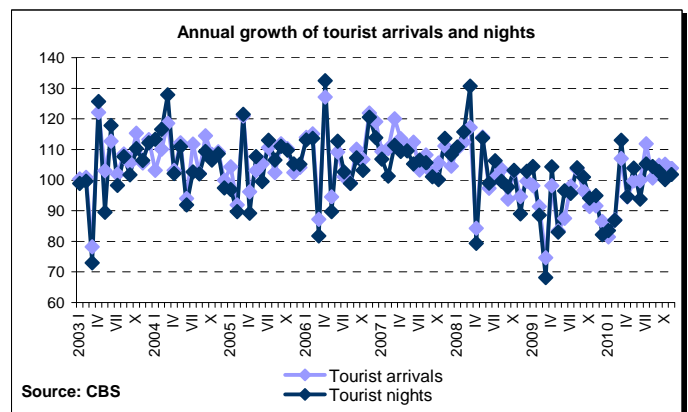
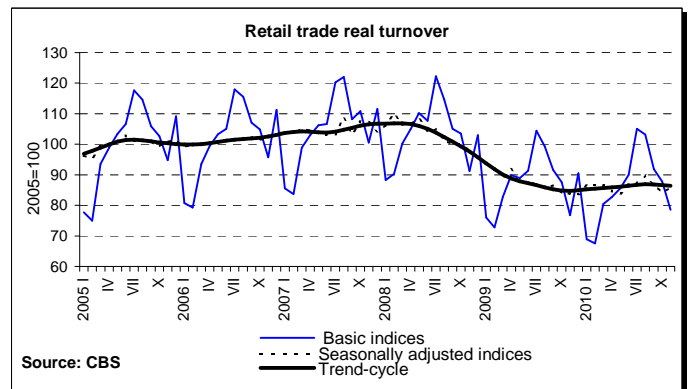
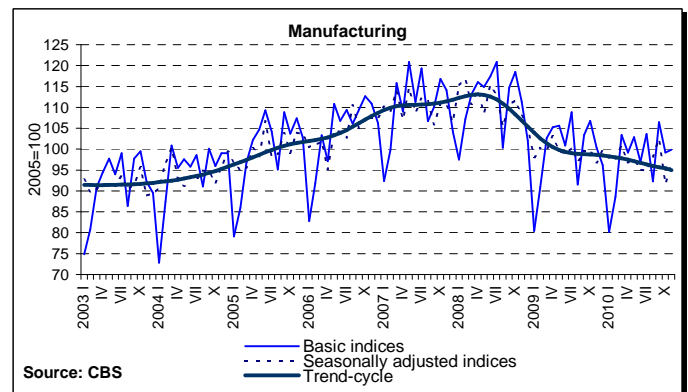
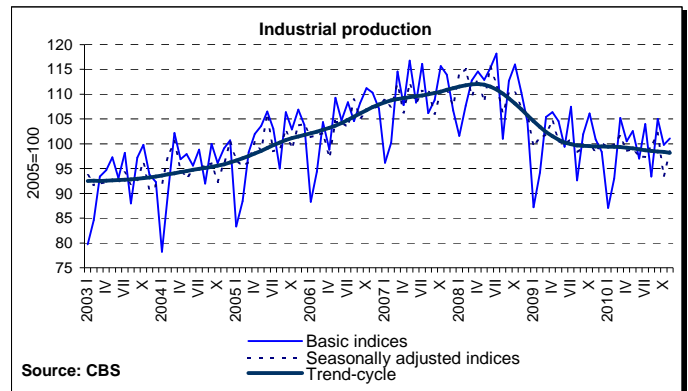
Industrial production recorded year on year increase of 0.2 percent in November 2010, while in the first eleven months of 2010 industrial production decreased by 1.6 percent on year on year basis. Working-day adjusted index of industrial production also indicates a year on year increase of 0.2 percent in November and decrease of 1.6 percent in the first eleven months. The trend-index of industrial production was 0.1 percent lower in November compared to October 2010.

When observed by main industrial groupings, the year on year growth of industrial production in the first eleven months of 2010 was recorded by the production of energy (2.0 percent) and consumer non-durables (1.9 percent). The production of intermediate goods decreased by 6.7 percent, production of capital goods by 2.0 percent and production of consumer durables 1.1 percent on year on year basis.

Observed by activities, mining and quarrying decreased by 9.9 percent in the first eleven months of 2010, while the electricity, gas, steam and air conditioning supply recorded a growth of 5.5 percent on year on year basis. Manufacturing, the activity with the highest share in total industrial production (82.82 percent), decreased by 2.2 percent on year on year basis in the first eleven months of 2010. The highest contribution to the manufacturing decrease in first eleven months of 2010 came from the manufacture of other non-metallic mineral products which decreased by 20.5 percent, manufacture of fabricated metal products, except machinery and equipment (-13.6 percent), manufacture of other transport equipment (-22.2 percent) and manufacture of beverages (-9.4 percent) while the highest positive contribution to manufacturing change came from the repair and installation of machinery and equipment (an increase of 13.8 percent), manufacture of paper and paper products (17.0 percent), manufacture of basic pharmaceutical products and pharmaceutical preparations (31.6 percent) and manufacture of tobacco products (21.6 percent).

Retail trade turnover recorded a nominal annual increase of 3.8 percent in November 2010, while the real turnover went up by 2.5 percent. Regarding the developments of indicators potentially influencing retail trade, the number of employed persons was reduced by 69.5 thousands at annual level in November, loans to households (excluding housing loans) went down by 0.9 percent and the number of tourist nights increased by 1.8 percent. In the first eleven months of 2010 the retail trade turnover recorded a nominal annual decrease of 1.5 percent and a real decrease of 2.1 percent. Observed by branches, the most significant contribution to the nominal retail trade turnover annual decline in the first eleven months came from textile, clothing, footwear and leather goods (year on year decrease of 8.9 percent) and motor vehicles (-20.4 percent).

Total number of tourist arrivals increased by 4.0 percent year on year in November 2010, while the total number of tourist nights went up by 1.8 percent. Domestic tourists' arrivals fell by 2.5 percent while foreign tourists' arrivals went up by 10.0 percent in November on year on year basis. The number of domestic tourists' nights decreased by 9.4 percent and the number of foreign tourists' nights increased by 11.6 percent in November. In the first eleven months of 2010 the total number of tourist arrivals was 3.3 percent higher at year on year basis, while the total number of tourist nights increased by 2.6 percent. The foreign tourists' arrivals went up by 4.8 percent in the first ten months of 2010 and the domestic tourists' arrivals declined by 5.5 percent, while the number of foreign tourists' nights increased by 3.6 percent and the number of domestic tourists' nights decreased by 6.0 percent in the same period.



MONETARY TRENDS

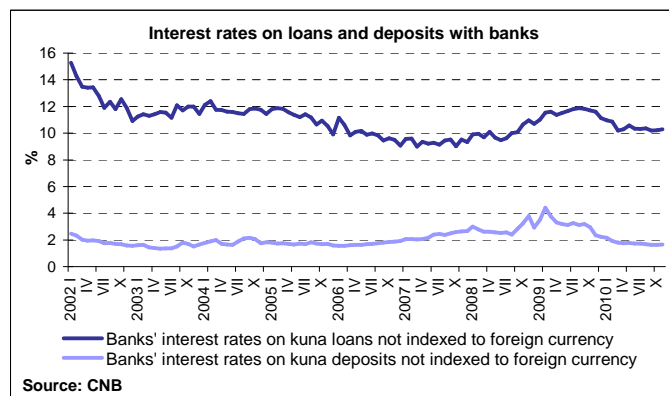
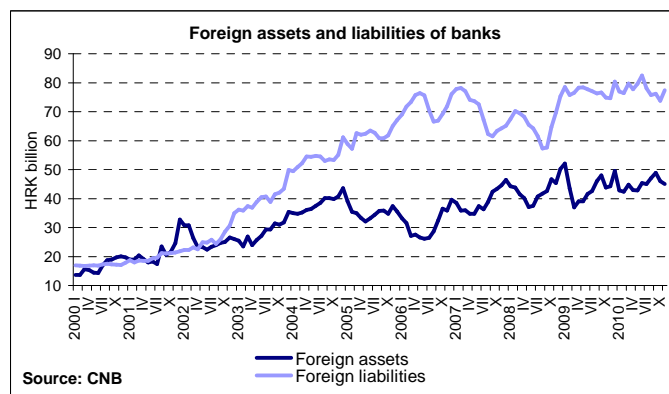
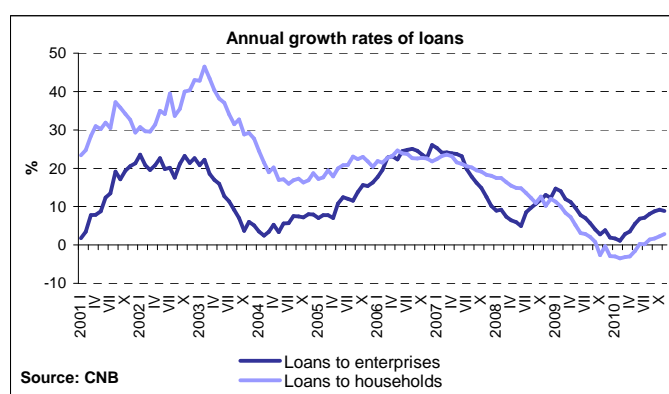
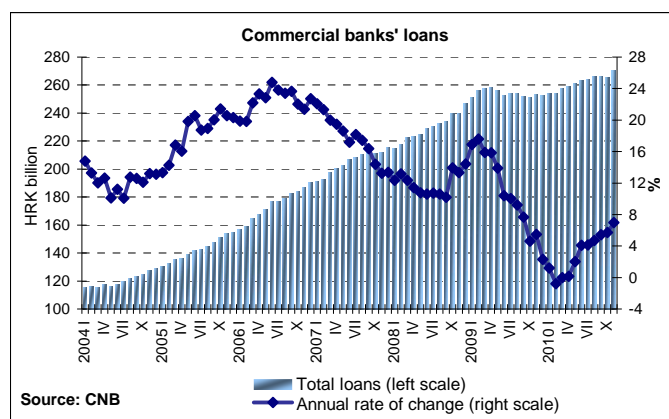
Money (M1) decreased by HRK 2.4 billion in November 2010 in comparison with October 2010, amounting to HRK 48.3 billion at the end of the month. This decrease was the result of a decrease in demand deposits by HRK 1.6 billion and a decrease in currency outside banks by HRK 745.9 million. At annual level, the growth of money decelerated to 5.7 percent in October.

Total loans of commercial banks amounted to HRK 270.6 billion at the end of November 2010, increasing by HRK 5.2 billion compared to October 2010. The annual growth of total loans stood at 7.0 percent in November, which is an increase of 1.3 percentage points as compared with October. Kuna loans went up in November compared to October by HRK 3.9 billion while foreign currency loans grew by HRK 1.3 billion. Loans to households increased by HRK 1.8 billion in November compared to October, while loans to enterprises increased by HRK 2.2 billion. The annual increase of loans to households amounted to 2.8 percent in November, while the annual growth of loans to enterprises stood at 8.9 percent. Housing loans, which make 44.9 percent of total loans to households, recorded an annual growth rate of 7.7 percent in November. Loans to central government increased by 11.5 percent in November 2010 compared to the same month of the previous year.

Total deposits with commercial banks stood at the level of HRK 182.9 billion at the end of November, increasing by HRK 2.3 billion in comparison with October. At annual level, total deposits recorded a growth rate of 3.8 percent. Foreign currency deposits increased by HRK 2.3 billion while kuna deposits went up by HRK 21.1 million in November at monthly level. The highest contribution to the increase in kuna deposits came from the deposits of enterprises which increased by 355.3 million. The increase in foreign currency deposits was primarily the result of the rise in deposits of households by HRK 2.5 billion. The annual growth of foreign currency deposits amounted to 8.6 percent in November, while kuna deposits went down by 12.4 percent at annual level.

Foreign assets of commercial banks amounted to HRK 45.1 billion at the end of November, decreasing by HRK 983.0 million at monthly level. Observing the annual change, foreign assets recorded an increase of HRK 780.7 million or 1.8 percent in November. Foreign liabilities of commercial banks stood at the level of HRK 77.4 billion at the end of November, increasing by HRK 3.7 billion compared to October. At annual level, foreign liabilities recorded an increase of HRK 2.8 billion or 3.8 percent. Net foreign assets stood at the level of HRK -32.4 billion at the end of November.

The average bank interest rates on kuna credits not indexed to foreign currency increased from 10.23 percent in October to 10.28 percent in November. At the same time, the average bank interest rates on kuna deposits not indexed to foreign currency went up from 1.64 percent to 1.65 percent. Thereby, the difference between the active and the passive interest rates not indexed to foreign currency amounted to 8.63 percentage points in November.



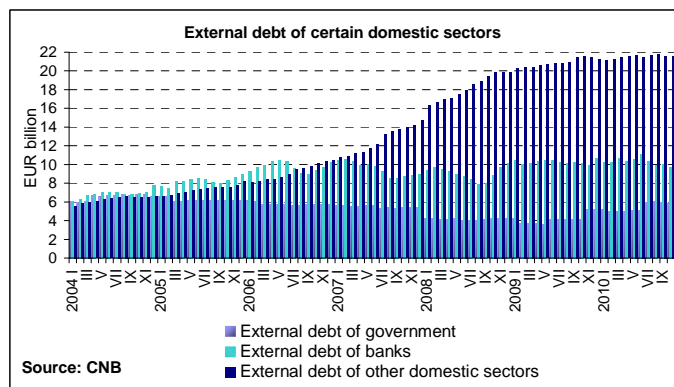
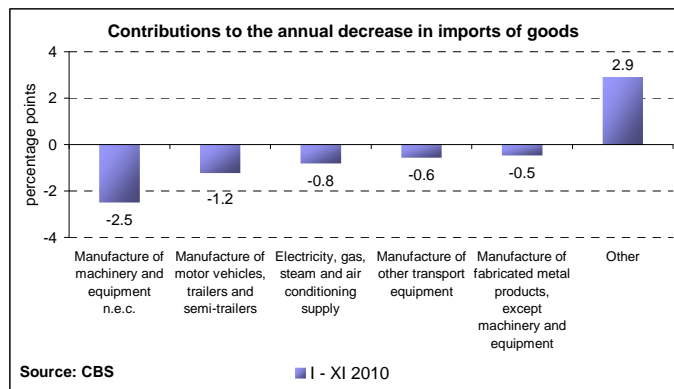
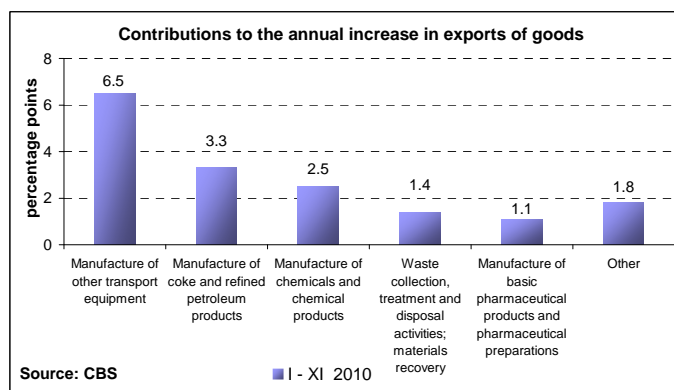
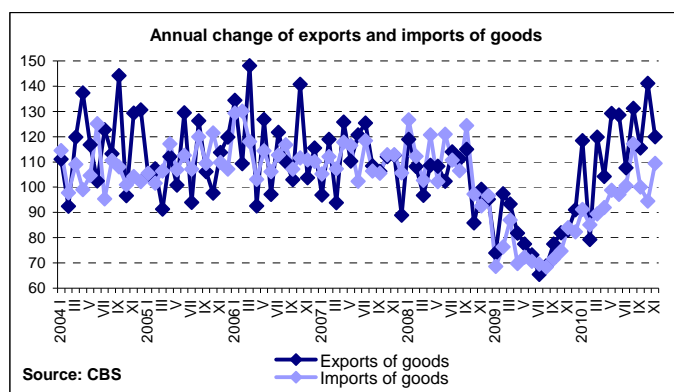
INTERNATIONAL SECTOR

Total merchandise exports expressed in HRK recorded a growth rate of 18.4 percent, while merchandise imports went up by 9.2 percent on year on year basis in November 2010. In the first eleven months of 2010 the annual increase in exports of goods amounted to 16.6 percent and the decrease in imports to 2.6 percent. If the category of other transport equipment is excluded from the foreign trade, exports went up by 11.2 percent and imports decreased by 2.1 percent in the first eleven months. The coverage of merchandise imports by merchandise exports was at the level of 58.8 percent in the first eleven months of 2010, increasing by 9.7 percentage points compared to the same period of 2009.

The highest contribution to the increase in merchandise exports in the first eleven months of 2010 came from the manufacture of other transport equipment whose exports recorded an annual increase of 68.7 percent, manufacture of coke and refined petroleum products (38.1 percent), manufacture of chemicals and chemical products (41.6 percent) and water supply; sewerage, waste management and remediation activities (78.9 percent). Categories which contributed the most to the decline of merchandise imports in the first eleven months were the manufacture of machinery and equipment (year on year decrease of 24.1 percent), manufacture of motor vehicles, trailers and semi-trailers (-20.4 percent), electricity, gas, steam and air conditioning supply (-30.2 percent), manufacture of other transport equipment (-19.9 percent).

Observing the structure of Croatian merchandise exports by countries, the largest share in the first eleven months of 2010 had exports to Italy (19.1 percent of total exports), followed by exports to Bosnia and Herzegovina (11.5 percent), Germany (10.5 percent), Slovenia (7.8 percent) and Austria (5.3 percent). Compared to the first eleven months of 2009, exports to Slovenia increased by 22.5 percent, exports to Austria by 15.2 percent, to Italy by 14.7 percent, Germany by 10.0 and to Bosnia and Herzegovina by 3.4 percent. Observing the foreign trade expressed in USD, exports recorded an annual increase of 12.7 percent, while imports decreased by 5.9 percent in the first eleven months of 2010.

Total external debt amounted to EUR 44.3 billion at the end of October 2010, decreasing by EUR 340 million compared to September 2010. The annual growth of external debt amounted to 3.6 percent in October 2010, decelerating by 0.6 percentage points compared to September. During the first ten months of 2010 external debt decreased by EUR 267 million. The increase of external debt in first ten months was recorded by the external debt of the government in the amount of EUR 693 million and by the external debt of other domestic sectors in the amount of EUR 294 million. External debt of enterprises connected through ownership by foreign direct investments decreased in the amount of EUR 255 million and the external debt of the banks in the amount of EUR 999 million in first ten months of 2010. Observing the external debt structure, the share of government debt in total external debt went up from 9.6 percent in October 2009 to 13.2 percent in October 2010, the external debt on the basis of foreign direct investments went down from 16.5 percent to 16.2 percent, the external debt of banks decreased from 23.5 percent to 21.8 percent and the external debt of other domestic sectors decreased from 50.4 percent in October 2009 to 48.7 percent of total external debt in October 2010.



CONSOLIDATED CENTRAL GOVERNMENT IN THE JANUARY - NOVEMBER 2010 PERIOD

REVENUES

Total revenues of the Consolidated Central Government amounted to HRK 101.4 billion in the January – November 2010 period. Observing the Consolidated Central Government according to government level, it can be seen that 97.0 percent of total revenues refer to the Budgetary Central Government and 3.0 percent to Extrabudgetary Users. Among Extrabudgetary Users, the highest level of revenues was recorded by the Croatian Waters (HRK 1.5 billion) and the Environment Protection Fund (HRK 940.7 million).

Within the structure of total revenues the most important category, with the share of 57.2 percent, relates to tax revenues, collected in the amount of HRK 58.0 billion. Thereat the largest amount is generated through value added tax, in the amount of HRK 34.7 billion. Revenues from excises amounted to HRK 11.2 billion, whereat the highest share was recorded by excises on oil derivatives in the amount of HRK 6.4 billion. Profit tax revenues were realized in the amount of HRK 5.9 billion, and revenues from income tax in the amount of HRK 1.1 billion. The realization of this tax was affected by reduction of number of rates in the personal income tax from four to three rates (12.0 percent, 25.0 percent and 40.0 percent) and change in income range for which they are applied. Within the structure of other tax revenues we should also mention revenues from the special tax on salaries, pensions and other receivables for which on July 1, 2010 the lower rate of 2.0 percent and on November 1, 2010 the higher rate of 4.0 percent were abolished. These revenues amounted to HRK 1.9 billion in eleven months of 2010.

Social contributions are the second most important revenue category with the share of 34.7 percent in total generated revenues. They amounted to HRK 35.2 billion.

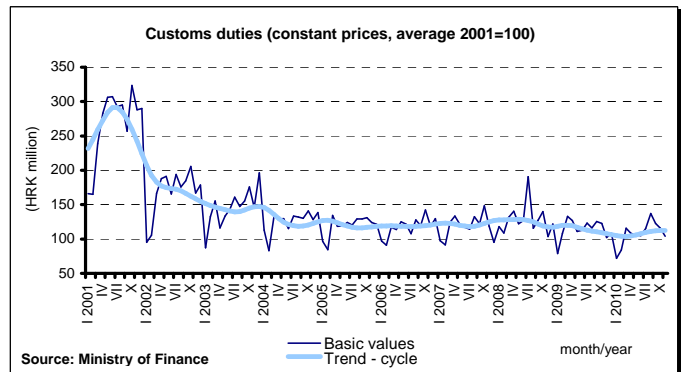
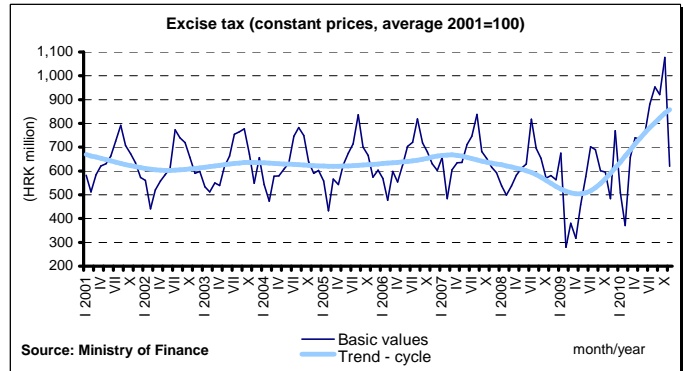
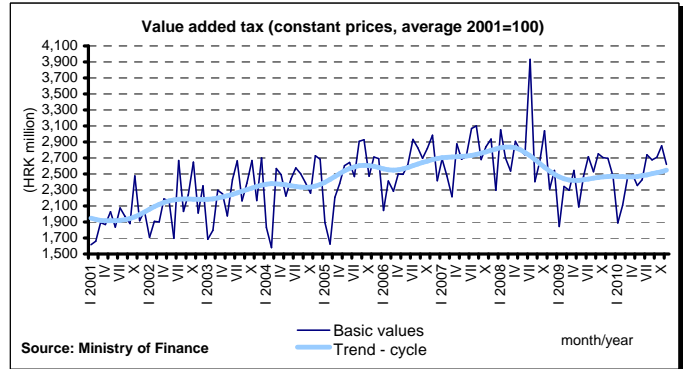
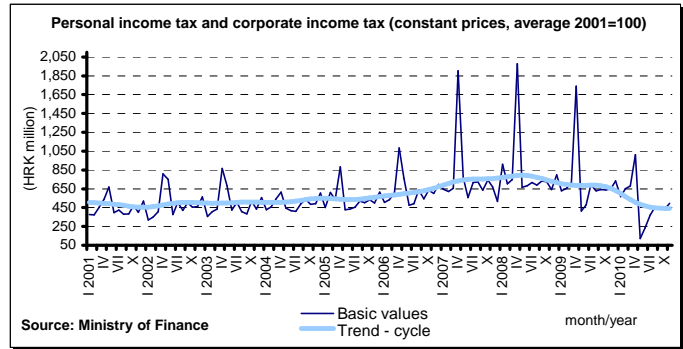
EXPENSE

Total expense of the Consolidated Central Government amounted to HRK 110.1 billion in the January - November 2010 period. According to government level, HRK 106.5 billion refer to the Budgetary Central Government and HRK 3.6 billion to Extrabudgetary Users.

The largest share of total expense refers to social benefits, which were realized in the amount of HRK 51.5 billion. Social benefits are mostly related to expenses for pensions, expenses for the healthcare system, social welfare, maternity leave allowances, child allowance and expenses for unemployment. Expenses for pensions amounted to HRK 31.9 billion, expenses for the healthcare system to HRK 11.2 billion, social welfare to HRK 2.0 billion, maternity leave allowances to HRK 2.0 billion, child allowance to HRK 1.6 billion and unemployment benefits to HRK 1.4 billion.

Compensation of employees amounted to HRK 28.7 billion, out of which wages and salaries amounted to HRK 24.3 billion and social contributions to HRK 4.3 billion.

Expense for use of goods and services contributed to realization of total expenses in the amount of HRK 8.8 billion, expense for subsidies in the amount of HRK 6.0 billion, expense for interest payments in the amount of HRK 6.0 billion, other expenses in the amount of HRK 5.7 billion and grants in the amount of HRK 3.4 billion.



TRANSACTION IN NONFINANCIAL ASSETS

Net acquisition of nonfinancial assets of the Consolidated Central Government amounted to HRK 2.0 billion with the acquisition of nonfinancial assets (HRK 2.3 billion) surpassing the disposal of nonfinancial assets (HRK 283.8 million).

The acquisition of nonfinancial assets refers mostly to acquisition of fixed assets, mainly buildings and structures (73.5 percent). The disposal of nonfinancial assets refers also mainly to disposals of buildings and structures within fixed assets (84.3 percent).

TRANSACTIONS IN FINANCIAL ASSETS

Net acquisition of financial assets amounted to HRK 6.5 billion mostly as a result of domestic financial assets. Currency and deposits amounted to HRK 5.9 billion. Net domestic loans amounted to HRK 453.3 million and net domestic shares and other equity to HRK 204.8 million.

Foreign financial assets amounted to HRK 2.2 million as a result of acquisition of loans.

TRANSACTIONS IN LIABILITIES

Total net incurrence of liabilities amounted to HRK 17.2 billion. Within net liabilities, net domestic liabilities amounted to HRK 12.9 billion as a result of transactions in net incurrence of liabilities on the basis of securities other than shares (in the amount of HRK 12.3 billion) and in net incurrence of liabilities on the basis of loans (in the amount of HRK 554.0 million).

On the other hand, net foreign liabilities amounted to HRK 4.3 billion, also as the result of transactions in net incurrence of liabilities on the basis of securities other than shares (in the amount of HRK 3.5 billion) and net incurrence of liabilities on the basis of loans (in the amount of HRK 778.9 million).

NET LENDING/BORROWING

Net operating balance of the Consolidated Central Government, defined as the difference between the total revenue and the total expense, in the January - November 2010 period was realized in the amount of HRK -8.6 billion. By subtracting net acquisition of nonfinancial assets from net operating balance, a category of net lending/borrowing is obtained in the amount of HRK -10.6 billion.

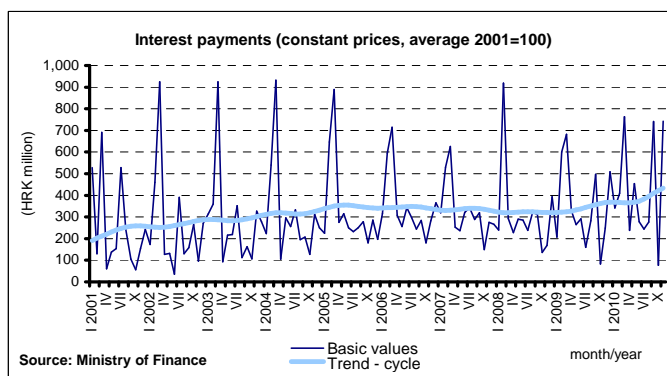
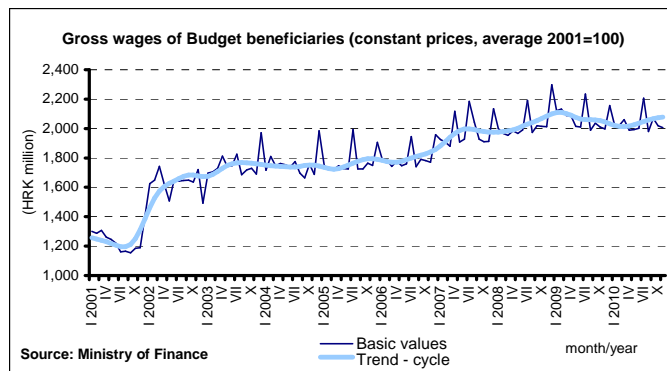


TABLE 3: BUDGETARY CENTRAL GOVERNMENT EXPENSE

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010	I - XI 2010 Plan 2010
2	EXPENSE (21+22+24+25+26+27+28)	108,007,605	115,292,426	117,923,992	30,153,571	120,292,449	30,517,629	28,589,754	29,924,286	108,289,204	10,009,045	90.02
21	Compensation of employees (211+212)	27,545,141	29,948,535	31,289,325	7,745,453	31,529,192	7,717,557	7,628,563	7,945,021	28,420,984	2,560,528	90.14
211	Wages and salaries	23,237,088	25,453,436	26,555,399	6,599,679	26,757,637	6,545,368	6,464,815	6,756,637	24,115,015	2,167,141	90.12
212	Social contributions	4,308,053	4,495,099	4,733,926	1,145,774	4,771,555	1,172,189	1,163,748	1,188,384	4,305,969	393,387	90.24
22	Use of goods and services	7,162,402	8,113,694	7,363,814	1,840,130	7,955,615	1,885,368	1,639,479	1,819,022	6,529,716	636,554	82.08
24	Interest (241+242+243)	4,535,008	4,683,219	5,225,174	1,056,052	5,762,284	1,915,569	1,238,174	1,603,713	5,804,039	948,135	100.72
241	To nonresidents	1,672,563	1,542,146	1,391,408	88,814	1,710,265	799,384	533,926	48,730	1,699,914	296,131	99.39
242	To residents other than general government	2,862,444	3,141,074	3,833,767	967,238	4,052,020	1,116,185	704,248	1,554,983	4,104,125	652,004	101.29
25	Subsidies (251+252)	6,492,010	6,859,512	6,710,033	1,480,256	6,452,241	1,880,398	1,589,910	1,589,596	5,937,253	367,323	92.02
251	To public corporations	3,007,099	3,199,114	3,134,258	727,934	3,072,070	849,926	773,657	769,543	2,895,549	243,584	94.25
252	To private enterprises	3,484,912	3,660,398	3,575,775	752,322	3,380,171	1,030,472	816,254	820,053	3,041,704	123,739	89.99
26	Grants (261+262+263)	8,363,202	5,783,063	5,559,586	1,606,208	5,483,833	1,619,714	1,195,171	1,463,486	5,029,287	309,509	91.71
261	To foreign governments (2611+2612)	103,410	89,446	78,184	20,137	56,890	22,343	4,442	15,830	46,458	346	81.66
2611	Current	75,261	60,246	68,150	19,181	48,100	21,131	3,513	12,604	41,084	339	85.41
2612	Capital	28,149	29,200	10,034	957	8,790	1,212	929	3,226	5,374	7	61.14
262	To international organizations (2621+2622)	73,941	96,503	134,031	21,290	169,506	62,755	38,336	41,111	155,481	4,163	91.73
2621	Current	73,941	96,503	133,061	21,290	169,506	62,755	38,336	41,111	155,481	4,163	91.73
2622	Capital	0	0	970	0	0	0	0	0	0	0	
263	To other general government units (2631+2632)	8,185,852	5,597,115	5,347,372	1,564,781	5,257,436	1,534,616	1,152,394	1,406,546	4,827,349	305,001	91.82
2631	Current	2,305,125	2,291,490	2,598,678	526,016	2,826,801	787,983	566,849	610,501	2,300,152	97,148	81.37
2632	Capital	5,880,726	3,305,625	2,748,694	1,038,766	2,430,635	746,633	585,544	796,045	2,527,197	207,853	103.97
27	Social benefits (271+272+273)	48,175,989	52,593,214	56,148,498	14,711,344	57,218,742	13,926,989	14,052,687	14,058,237	51,510,385	4,777,284	90.02
271	Social security benefits	34,167,894	37,600,722	40,605,352	10,715,344	43,086,753	10,487,736	10,560,777	10,568,264	38,814,808	3,639,118	90.09
272	Social assistance benefits	13,815,777	14,745,264	15,258,436	3,954,158	13,975,325	3,386,818	3,457,059	3,445,865	12,540,712	1,126,527	89.73
273	Employer social benefits	192,318	247,228	284,709	41,843	156,665	52,435	34,850	44,108	154,865	11,639	98.85
28	Other expense (281+282)	5,733,853	7,311,189	5,627,561	1,714,128	5,890,542	1,572,034	1,245,771	1,445,211	5,057,539	409,712	85.86
281	Property expense other than interest	1,132	16,015	7,730	60	7,924	294	1,050	110	7	-1,742	0.09
282	Miscellaneous other expense (2821+2822)	5,732,721	7,295,174	5,619,832	1,714,067	5,882,618	1,571,740	1,244,720	1,445,101	5,057,532	411,454	85.97
2821	Current	2,837,557	2,626,644	2,174,864	488,472	2,336,059	408,383	420,083	532,244	1,670,357	153,786	71.50
2822	Capital	2,895,164	4,668,530	3,444,968	1,225,596	3,546,559	1,163,358	824,638	912,857	3,387,175	257,668	95.51

Source: Ministry of Finance

TABLE 4: TRANSACTIONS IN NONFINANCIAL ASSETS OF BUDGETARY CENTRAL GOVERNMENT

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010	I - XI 2010 Plan 2010
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	2,545,220	2,988,129	1,963,401	636,384	1,780,470	271,168	155,077	196,176	878,534	131,655	49.34
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	3,043,906	3,291,549	2,267,406	714,506	2,047,717	339,990	225,607	279,743	1,154,526	155,459	56.38
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	498,685	303,419	304,005	78,122	267,247	68,822	70,530	83,568	275,991	23,804	103.27
311	Fixed assets (3111+3112+3113)	2,625,692	2,719,479	1,839,720	628,380	1,705,658	257,399	133,086	200,726	849,548	132,447	49.81
311,1	Acquisitions: fixed assets (3111,1+3112,1+3113,1)	2,906,863	2,973,830	2,097,601	697,908	1,944,786	316,712	196,417	272,605	1,089,613	153,328	56.03
311,2	Disposals: fixed assets (3111,2+3112,2+3113,2)	281,171	254,352	257,881	69,528	239,129	59,313	63,331	71,879	240,066	20,881	100.39
3111	Buildings and structures (3111,1-3111,2)	1,154,132	1,109,578	824,283	315,885	836,444	101,027	78,514	114,027	470,225	90,157	56.22
3111,1	Acquisitions: buildings and structures	1,423,340	1,357,524	1,076,215	383,565	1,069,682	159,984	141,541	185,004	708,645	111,034	66.25
3111,2	Disposals: buildings and structures	269,208	247,947	251,932	67,681	233,238	58,957	63,027	70,977	238,420	20,877	102.22
3112	Machinery and equipment (3112,1-3112,2)	1,338,275	1,505,694	931,108	273,575	732,471	146,689	45,231	78,092	347,999	39,963	47.51
3112,1	Acquisitions: machinery and equipment	1,350,238	1,512,098	937,057	275,422	738,361	147,046	45,535	78,994	349,645	39,967	47.35
3112,2	Disposals: machinery and equipment	11,963	6,404	5,949	1,847	5,890	357	304	902	1,646	4	27.94
3113	Other fixed assets (3113,1-3113,2)	133,285	104,208	84,330	38,920	136,743	9,683	9,342	8,607	31,324	2,328	22.91
3113,1	Acquisitions: other fixed assets	133,285	104,209	84,330	38,920	136,743	9,683	9,342	8,607	31,324	2,328	22.91
3113,2	Disposals: other fixed assets	0	1	0	0	0	0	0	0	0	0	
312	Inventories	-161,383	79,444	35,412	-94	10,500	-83	13,207	-3,688	8,354	-458	79.56
312,1	Acquisitions: inventories	36,574	86,829	43,144	0	14,500	17	14,236	0	14,252	0	98.29
312,2	Disposals: inventories	197,957	7,385	7,732	94	4,000	99	1,029	3,688	5,898	458	147.46
313	Valuables (313,1-313,2)	9,620	10,126	8,929	1,906	3,397	1,730	1,678	985	5,215	447	153.52
313,1	Acquisitions: valuables	9,620	10,126	8,929	1,906	3,397	1,730	1,678	985	5,215	447	153.52
313,2	Disposals: valuables	0	0	0	0	0	0	0	0	0	0	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	71,291	179,081	79,340	6,192	60,915	12,122	7,106	-1,846	15,417	-781	25.31
314,1	Acquisitions: nonproduced assets (3141,1+3142,1+3143,1+3144,1)	90,848	220,764	117,733	14,693	85,033	21,531	13,276	6,154	45,445	1,684	53.44
314,2	Disposals: nonproduced assets (3141,2+3142,2+3143,2+3144,2)	19,557	41,683	38,392	8,501	24,118	9,409	6,170	8,001	30,028	2,465	124.50
3141	Land (3141,1-3141,2)	-19,492	-41,626	-38,175	-8,459	-22,928	-9,381	-6,082	-7,772	-29,667	-2,465	
3141,1	Acquisitions: land	58	56	125	42	1,190	28	89	228	361	0	30.33
3141,2	Disposals: land	19,549	41,683	38,300	8,501	24,118	9,409	6,170	8,001	30,028	2,465	124.50
3142	Subsoil assets	0	0	-93	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	93	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)	90,782	220,707	117,608	14,651	83,843	21,503	13,187	5,926	45,084	1,684	53.77
3144,1	Acquisitions: intangible nonproduced assets	90,790	220,707	117,608	14,651	83,843	21,503	13,187	5,926	45,084	1,684	53.77
3144,2	Disposals: intangible nonproduced assets	8	0	0	0	0	0	0	0	0	0	

Source: Ministry of Finance

TABLE 5: TRANSACTIONS IN FINANCIAL ASSETS OF BUDGETARY CENTRAL GOVERNMENT

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010
32	NET ACQUISITION OF FINANCIAL ASSETS (321+322+323)	-3,734,781	1,702,947	6,825,544	4,531,046	1,482,823	-3,895,004	375,882	9,198,461	5,548,514	274,704
32,1	Acquisition of financial assets (321,1+322,1)	1,081,740	1,417,274	2,848,304	1,210,580	2,216,563	350,554	420,665	409,028	1,424,310	43,232
32,2	Disposals of financial assets (321,2+322,2)	3,094,930	1,154,915	150,560	38,630	733,740	628,857	24,112	31,395	703,883	7,830
	Currency and deposits (3212+3222)	-1,721,591	1,440,588	4,127,800	3,359,096	0	-3,616,701	-20,671	8,820,828	4,828,087	239,301
321	Domestic (3212+3213+3214+3215+3216+3217+3218)	-3,752,817	1,690,502	6,823,196	4,529,599	1,482,823	-3,895,004	375,071	9,198,072	5,546,314	274,704
321,1	Acquisition of domestic financial assets (3213,1+...+3218,1)	1,063,704	1,404,830	2,845,956	1,209,133	2,216,563	350,554	419,854	408,639	1,422,110	43,232
321,2	Disposals of domestic financial assets (3213,2+...+3218,2)	3,094,930	1,154,915	150,560	38,630	733,740	628,857	24,112	31,395	703,883	7,830
3212	Currency and deposits	-1,721,591	1,440,588	4,127,800	3,359,096	0	-3,616,701	-20,671	8,820,828	4,828,087	239,301
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)	674,350	384,361	2,316,757	997,942	678,768	-322,671	345,861	283,958	497,602	35,403
3214,1	Acquisition: Loans	837,699	852,673	2,458,939	1,029,895	1,412,508	305,266	369,581	309,614	1,194,435	43,232
3214,2	Disposals: Loans	163,350	468,312	142,181	31,953	733,740	627,937	23,720	25,656	696,833	7,829
3215	Shares and other equity (3215,1-3215,2)	-2,705,576	-134,447	378,639	172,562	804,055	44,368	49,881	93,286	220,625	0
3215,1	Acquisition: Shares and other equity	226,005	552,156	387,017	179,239	804,055	45,288	50,273	99,025	227,675	0
3215,2	Disposals: Shares and other equity	2,931,581	686,603	8,378	6,677	0	919	392	5,739	7,050	0
322	Foreign (3222+3223+3224+3225+3226+3227+3228)	18,036	12,445	2,348	1,447	0	0	811	390	2,200	0
322,1	Acquisition of foreign financial assets (3223,1+...+3228,1)	18,036	12,445	2,348	1,447	0	0	811	390	2,200	0
322,2	Disposals of foreign financial assets (3223,2+...+3228,2)	0	0	0	0	0	0	0	0	0	0
3222	Currency and deposits	0	0	0	0	0	0	0	0	0	0
3224	Loans (3224,1-3224,2)	0	0	1,447	1,447	0	0	811	390	2,200	0
3224,1	Acquisition: Loans	0	0	1,447	1,447	0	0	811	390	2,200	0
3224,2	Disposals: Loans	0	0	0	0	0	0	0	0	0	0
3225	Shares and other equity (3225,1-3225,2)	18,036	12,445	901	0	0	0	0	0	0	0
3225,1	Acquisition: Shares and other equity	18,036	12,445	901	0	0	0	0	0	0	0
3225,2	Disposals: Shares and other equity	0	0	0	0	0	0	0	0	0	0
323	Monetary gold and SDRs	0	0	0	0	0	0	0	0	0	0

Source: Ministry of Finance

TABLE 6: TRANSACTIONS IN LIABILITIES OF BUDGETARY CENTRAL GOVERNMENT

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010
33	NET INCURRENCE OF LIABILITIES (331+332)	-1,502,551	4,210,848	16,454,990	6,058,573	15,540,527	1,602,510	2,557,876	11,210,994	16,325,670	1,668,057
33,1	Repayments (331,1+332,1)	8,333,537	6,922,174	9,700,319	660,949	19,087,041	10,788,677	548,508	578,358	17,661,493	177,192
33,2	Incurrences (331,2+332,2)	6,830,986	11,133,022	26,155,309	6,719,522	34,627,568	12,391,187	3,106,384	11,789,352	33,987,163	1,845,249
	Currency and deposits (3312+3322)	0	0	0	0	0	0	0	0	0	0
331	Domestic (3312+3313+3314+3316+3317+3318)	1,477,615	5,656,636	9,576,610	-1,067,428	7,933,159	3,971,829	2,742,618	4,168,921	11,979,198	1,746,910
331,1	Domestic repayments (3313,1+3314,1+3315,1+3316,1+3317,1+3318,1)	4,604,573	3,871,657	2,704,283	212,003	13,799,341	6,834,769	149,351	206,376	12,755,973	90,169
331,2	Domestic incurrences (3313,2+3314,2+3315,2+3316,2+3317,2+3318,2)	6,082,188	9,528,293	12,280,893	-855,425	21,732,500	10,806,598	2,891,969	4,375,297	24,735,171	1,837,078
3312	Currency and deposits	0	0	0	0	0	0	0	0	0	0
3313	Securities other than shares (3313,2-3313,1)	3,520,136	1,089,917	4,855,440	2,040,798	8,160,631	3,972,704	1,108,469	5,315,773	12,314,633	1,840,203
3313,1	Repayments: Securities other than shares	3,513,172	2,897,430	273,892	0	4,059,369	3,142,763	0	146,503	3,289,266	0
3313,2	Incurrences: Securities other than shares	7,033,308	3,987,347	5,129,332	2,040,798	12,220,000	7,115,467	1,108,469	5,462,276	15,603,899	1,840,203
3314	Loans (3314,2-3314,1)	-2,042,521	4,566,719	4,721,170	-3,108,227	-227,472	-875	1,634,149	-1,146,852	-335,435	-93,294
3314,1	Repayments: Loans	1,091,402	974,227	2,430,391	212,003	9,739,972	3,692,006	149,351	59,873	9,466,707	90,169
3314,2	Incurrences: Loans	-951,119	5,540,946	7,151,562	-2,896,224	9,512,500	3,691,131	1,783,500	-1,086,979	9,131,272	-3,125
332	Foreign (3322+3323+3324+3326+3327+3328)	-2,980,166	-1,445,788	6,878,380	7,126,002	7,607,368	-2,369,319	-184,742	7,042,073	4,346,472	-78,853
332,1	Foreign repayments (3323,1+3324,1+3325,1+3326,1+3327,1+3328,1)	3,728,963	3,050,517	6,996,036	448,946	5,287,700	3,953,908	399,157	371,982	4,905,520	87,024
332,2	Foreign incurrences (3323,2+3324,2+3325,2+3326,2+3327,2+3328,2)	748,798	1,604,729	13,874,416	7,574,948	12,895,068	1,584,589	214,415	7,414,055	9,251,992	8,171
3322	Currency and deposits	0	0	0	0	0	0	0	0	0	0
3323	Securities other than shares (3323,2-3323,1)	-1,757,723	-1,112,673	7,801,073	7,357,905	7,075,000	-3,655,005	0	7,172,538	3,517,533	0
3323,1	Repayments: Securities other than shares	1,757,723	1,112,673	5,054,565	0	3,725,000	3,655,005	0	0	3,655,005	0
3323,2	Incurrences: Securities other than shares	0	0	12,855,638	7,357,905	10,800,000	0	0	7,172,538	7,172,538	0
3324	Loans (3324,2-3324,1)	-1,222,442	-333,116	-922,693	-231,903	532,368	1,285,686	-184,742	-130,464	828,939	-78,853
3324,1	Repayments: Loans	1,971,240	1,937,845	1,941,471	448,946	1,562,700	298,903	399,157	371,982	1,250,515	87,024
3324,2	Incurrences: Loans	748,798	1,604,729	1,018,778	217,043	2,095,068	1,584,589	214,415	241,518	2,079,454	8,171

Source: Ministry of Finance

TABLE 7: TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES, BY SECTORS

	(000 HRK)	I - XI 2010		
		Budgetary Central Government	Extrabudgetary Users	Consolidated Central Government
82 (=32)	NET ACQUISITION OF FINANCIAL ASSETS	5,548,514	1,046,719	6,531,544
	Acquisition of financial assets	6,874,661	1,292,445	8,103,417
	Disposals of financial assets	1,326,147	245,726	1,571,873
821 (=321)	Domestic	5,546,314	1,046,719	6,529,344
	Acquisition of domestic financial assets	6,872,461	1,292,445	8,101,217
	Disposals of domestic financial assets	1,326,147	245,726	1,571,873
8211	General government	62,789	0	-900
	Acquisitions: General Government	65,153	0	1,464
	Disposals: General Government	2,364	0	2,364
8212	Central bank	4,495,031	0	4,495,031
	Acquisitions: Central bank	4,495,031	0	4,495,031
	Disposals: Central bank	0	0	0
8213	Other depositary institutions	428,056	1,043,197	1,471,253
	Acquisitions: Other depositary institutions	1,050,320	1,043,197	2,093,517
	Disposals: Other depositary institutions	622,264	0	622,264
8215	Nonfinancial institutions	539,387	3,522	542,909
	Acquisitions: Nonfinancial institutions	1,191,645	249,248	1,440,893
	Disposals: Nonfinancial institutions	652,258	245,726	897,984
8216	Households and nonprofit institutions serving households	21,051	0	21,051
	Acquisitions: Hholds and nonprofit institutions serving hholds	70,312	0	70,312
	Disposals: Hholds and nonprofit institutions serving hholds	49,261	0	49,261
822 (=322)	Foreign	2,200	0	2,200
	Acquisition of foreign financial assets	2,200	0	2,200
	Disposals of foreign financial assets	0	0	0
8227	International organizations	0	0	0
	Acquisitions: International organizations	0	0	0
	Disposals: International organizations	0	0	0
8229	Other nonresidents	2,200	0	2,200
	Acquisitions: Other nonresidents	2,200	0	2,200
	Disposals: Other nonresidents	0	0	0
83 (=33)	NET INCURRENCE OF LIABILITIES	16,325,670	903,111	17,165,092
	Repayments: liabilities	17,661,493	421,941	18,083,434
	Incurrences: liabilities	33,987,163	1,325,052	35,248,526
831 (=331)	Domestic	11,979,198	953,151	12,868,660
	Repayments: domestic liabilities	12,755,973	348,738	13,104,711
	Incurrences: domestic liabilities	24,735,171	1,301,889	25,973,371
8311	General government	0	63,689	0
	Repayments: General Government	0	0	0
	Incurrences: General Government	0	63,689	0
8313	Other depositary institutions	11,940,879	889,462	12,830,341
	Repayments: Other depositary institutions	12,755,770	348,738	13,104,508
	Incurrences: Other depositary institutions	24,696,648	1,238,200	25,934,848
8314	Financial institutions not elsewhere classified	38,523	0	38,523
	Repayments: Financial institutions not elsewhere classified	0	0	0
	Incurrences: Financial institutions not elsewhere classified	38,523	0	38,523
8315	Nonfinancial institutions	-203	0	-203
	Repayments: Nonfinancial institutions	203	0	203
	Incurrences: Nonfinancial institutions	0	0	0
832 (=332)	Foreign	4,346,472	-50,040	4,296,432
	Repayments: foreign liabilities	4,905,520	73,203	4,978,723
	Incurrences: foreign liabilities	9,251,992	23,163	9,275,155
8321	General government	-11,710	0	-11,710
	Repayments: General Government	11,710	0	11,710
	Incurrences: General Government	0	0	0
8327	International organizations	1,418,414	0	1,418,414
	Repayments: International organizations	661,040	0	661,040
	Incurrences: International organizations	2,079,454	0	2,079,454
8328	Financial institutions other than international organizations	2,939,767	-50,040	2,889,727
	Repayments: Financial institutions other than international organizations	4,232,770	73,203	4,305,973
	Incurrences: Financial institutions other than international organizations	7,172,538	23,163	7,195,701
8329	Other nonresidents	0	0	0
	Repayments: Other nonresidents	0	0	0
	Incurrences: Other nonresidents	0	0	0

Source: Ministry of Finance

TABLE 8: STATEMENT OF BUDGETARY CENTRAL GOVERNMENT OPERATIONS

(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010
TRANSACTIONS AFFECTING NET WORTH										
1 REVENUE (11+12+13+14)	108,320,595	115,772,655	110,257,947	29,262,428	108,015,215	25,291,283	26,562,837	28,107,928	98,390,582	8,747,346
11 Taxes	64,234,530	69,572,699	63,678,926	17,762,487	63,053,916	14,641,970	15,425,089	16,823,552	57,976,661	5,082,710
12 Social contributions	37,203,486	40,703,484	39,994,739	9,982,575	38,774,090	9,352,762	9,564,239	9,863,444	35,232,275	3,227,583
13 Grants	428,038	468,634	616,307	188,138	965,153	101,313	106,458	118,772	397,790	43,254
14 Other revenue	6,454,541	5,027,838	5,967,975	1,329,229	5,222,056	1,195,238	1,467,051	1,302,160	4,783,857	393,800
2 EXPENSE (21+22+24+25+26+27+28)	108,007,605	115,292,426	117,923,992	30,153,571	120,292,449	30,517,629	28,589,754	29,924,286	108,289,204	10,009,045
21 Compensation of employees	27,545,141	29,948,535	31,289,325	7,745,453	31,529,192	7,717,557	7,628,563	7,945,021	28,420,984	2,560,528
22 Use of goods and services	7,162,402	8,113,694	7,363,814	1,840,130	7,955,615	1,885,368	1,639,479	1,819,022	6,529,716	636,554
24 Interest	4,535,008	4,683,219	5,225,174	1,056,052	5,762,284	1,915,569	1,238,174	1,603,713	5,804,039	948,135
25 Subsidies	6,492,010	6,859,512	6,710,033	1,480,256	6,452,241	1,880,398	1,589,910	1,589,596	5,937,253	367,323
26 Grants	8,363,202	5,783,063	5,559,586	1,606,208	5,483,833	1,619,714	1,195,171	1,463,486	5,029,287	309,509
27 Social benefits	48,175,989	52,593,214	56,148,498	14,711,344	57,218,742	13,926,989	14,052,687	14,058,237	51,510,385	4,777,284
28 Other expense	5,733,853	7,311,189	5,627,561	1,714,128	5,890,542	1,572,034	1,245,771	1,445,211	5,057,539	409,712
NET-GROSS OPERATING BALANCE (1-2)	312,990	480,229	-7,666,045	-891,143	-12,277,235	-5,226,346	-2,026,917	-1,816,357	-9,898,622	-1,261,698
TRANSACTIONS IN NONFINANCIAL ASSETS										
31 NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	2,545,220	2,988,129	1,963,401	636,384	1,780,470	271,168	155,077	196,176	878,534	131,655
311 Fixed assets	2,625,692	2,719,479	1,839,720	628,380	1,705,658	257,399	133,086	200,726	849,548	132,447
312 Change in inventories	-161,383	79,444	35,412	-94	10,500	-83	13,207	-3,688	8,354	-458
313 Valuables	9,620	10,126	8,929	1,906	3,397	1,730	1,678	985	5,215	447
314 Nonproduced assets	71,291	179,081	79,340	6,192	60,915	12,122	7,106	-1,846	15,417	-781
NET LENDING-BORROWING (1-2-31)	-2,232,230	-2,507,901	-9,629,446	-1,527,527	-14,057,704	-5,497,514	-2,181,994	-2,012,533	-10,777,156	-1,393,353
FINANCING (33-32)										
32 NET ACQUISITION OF FINANCIAL ASSETS (321+322)	-3,734,781	1,702,947	6,825,544	4,531,046	1,482,823	-3,895,004	375,882	9,198,461	5,548,514	274,704
321 Domestic	-3,752,817	1,690,502	6,823,196	4,529,599	1,482,823	-3,895,004	375,071	9,198,072	5,546,314	274,704
322 Foreign	18,036	12,445	2,348	1,447	0	0	811	390	2,200	0
33 NET INCURRENCE OF LIABILITIES (331+332)	-1,502,551	4,210,848	16,454,990	6,058,573	15,540,527	1,602,510	2,557,876	11,210,994	16,325,670	1,668,057
331 Domestic	1,477,615	5,656,636	9,576,610	-1,067,428	7,933,159	3,971,829	2,742,618	4,168,921	11,979,198	1,746,910
332 Foreign	-2,980,166	-1,445,788	6,878,380	7,126,002	7,607,368	-2,369,319	-184,742	7,042,073	4,346,472	-78,853

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

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

	Revenues (1)	Expense (2)	Operating balance	Interest payments (24)	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
X	10,079,271	9,330,904	748,367	169,275	917,642
XI	8,588,035	9,060,765	-472,730	208,418	-264,313
XII	9,757,756	14,032,845	-4,275,089	484,190	-3,790,898
I-XII 2008	115,772,655	115,292,426	480,229	4,683,219	5,163,448
I 2009	7,979,589	8,716,051	-736,462	257,753	-478,709
II	8,146,941	9,591,547	-1,444,606	752,778	-691,828
III	9,894,368	10,533,639	-639,271	856,427	217,156
IV	10,258,545	10,639,802	-381,258	416,869	35,611
V	7,616,694	9,124,896	-1,508,202	334,293	-1,173,909
VI	8,723,171	9,721,639	-998,468	369,443	-629,025
VII	9,604,421	9,934,591	-330,170	201,395	-128,775
VIII	9,220,249	9,370,649	-150,400	355,792	205,392
IX	9,551,541	10,137,607	-586,066	624,372	38,306
X	9,429,982	9,036,658	393,325	104,524	497,848
XI	9,186,726	9,674,380	-487,654	314,169	-173,485
XII	10,645,720	11,442,534	-796,814	637,359	-159,455
I-XII 2009	110,257,947	117,923,992	-7,666,045	5,225,174	-2,440,871
I 2010	7,726,936	9,510,157	-1,783,222	430,397	-1,352,825
II	8,348,252	9,964,292	-1,616,040	517,290	-1,098,750
III	9,216,096	11,043,180	-1,827,084	967,882	-859,202
IV	9,854,563	9,856,800	-2,237	303,118	300,881
V	8,262,786	9,586,358	-1,323,572	579,429	-744,143
VI	8,445,489	9,146,596	-701,108	355,627	-345,481
VII	9,452,915	10,198,568	-745,652	310,375	-435,278
VIII	9,356,601	9,435,211	-78,610	351,201	272,591
IX	9,298,412	10,290,508	-992,095	942,138	-49,958
X	9,681,187	9,248,490	432,697	98,449	531,145
XI	8,747,346	10,009,045	-1,261,698	948,135	-313,564
I-XI 2010	98,390,582	108,289,204	-9,898,622	5,804,039	-4,094,583

MEASURES OF BUDGETARY CENTRAL GOVERNMENT DEFICIT/SURPLUS

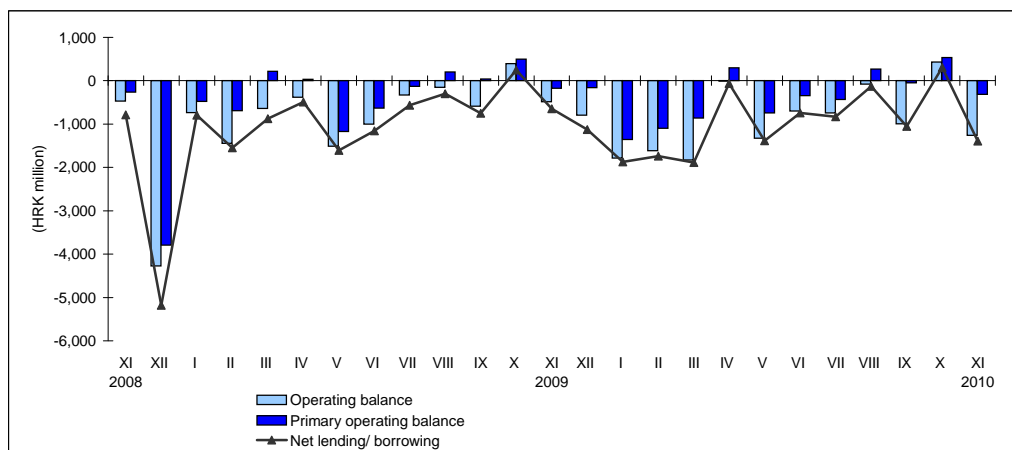


TABLE 8B: NET LENDING/BORROWING (000 HRK)

	Operating balance	Net acquisition of nonfinancial assets (31)	Net lending/ borrowing*	Financing (33-32)	Net acquisition of financial assets (32)	Net incurrence of liabilities (33)
	(1)	(2)	(3) 1-2	(4) 6-5	(5)	(6)
X	748,367	218,684	529,683	-529,683	565,633	35,951
XI	-472,730	312,903	-785,633	785,633	1,024,270	1,809,903
XII	-4,275,089	905,271	-5,180,360	5,180,360	-1,806,724	3,373,636
I-XII 2008	480,229	2,988,129	-2,507,901	2,507,901	1,702,947	4,210,848
I 2009	-736,462	60,948	-797,409	797,409	1,550,083	2,347,492
II	-1,444,606	106,094	-1,550,700	1,550,700	-1,395,438	155,262
III	-639,271	236,634	-875,905	875,905	829,251	1,705,156
IV	-381,258	111,710	-492,968	492,968	1,309,823	1,802,791
V	-1,508,202	100,507	-1,608,709	1,608,709	-1,572,538	36,171
VI	-998,468	158,914	-1,157,381	1,157,381	1,496,027	2,653,408
VII	-330,170	236,905	-567,075	567,075	-323,737	243,338
VIII	-150,400	152,066	-302,466	302,466	71,727	374,193
IX	-586,066	163,240	-749,306	749,306	329,300	1,078,607
X	393,325	149,001	244,323	-244,323	447,019	202,696
XI	-487,654	157,581	-645,234	645,234	4,197,372	4,842,606
XII	-796,814	329,802	-1,126,616	1,126,616	-113,345	1,013,271
I-XII 2009	-7,666,045	1,963,401	-9,629,446	9,629,446	6,825,544	16,454,990
I 2010	-1,783,222	88,959	-1,872,180	1,872,180	-2,020,720	-148,539
II	-1,616,040	123,018	-1,739,058	1,739,058	-2,416,840	-677,783
III	-1,827,084	59,191	-1,886,276	1,886,276	542,556	2,428,832
IV	-2,237	57,628	-59,865	59,865	927,787	987,651
V	-1,323,572	58,845	-1,382,417	1,382,417	-551,131	831,286
VI	-701,108	38,604	-739,712	739,712	-774	738,938
VII	-745,652	83,860	-829,513	829,513	10,345,877	11,175,390
VIII	-78,610	48,662	-127,272	127,272	-85,328	41,944
IX	-992,095	63,653	-1,055,748	1,055,748	-1,062,088	-6,339
X	432,697	124,459	308,237	-308,237	-405,530	-713,768
XI	-1,261,698	131,655	-1,393,353	1,393,353	274,704	1,668,057
I-XI 2010	-9,898,622	878,534	-10,777,156	10,777,156	5,548,514	16,325,670

* Deficit/surplus according to the GFS 2001 methodology

Source: Ministry of Finance

TABLE 9: THE CROATIAN WATERS TRANSACTIONS

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010	I - XI 2010 Plan 2010
1	REVENUE (11+12+13+14)	2,507,327	2,618,977	2,253,976	604,641	2,021,368	388,582	454,421	545,291	1,734,537	156,524	85.81
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)	542,884	588,928	342,007	94,017	353,932	30,993	44,252	98,439	230,648	35,731	65.17
131	From foreign governments	0	19,044	0	0	0	0	0	0	0	0	
132	From international organizations	18,197	0	3,397	1,145	3,500	0	273	1,224	1,772	0	50.63
133	From other general government units (1331+1332)	524,687	569,884	338,610	92,872	350,432	30,993	43,979	97,215	228,876	35,731	65.31
1331	Current	3,643	34,848	15,364	6,355	8,900	1,376	1,000	250	4,076	700	45.80
1332	Capital	521,044	535,036	323,246	86,517	341,532	29,617	42,979	96,965	224,800	35,031	65.82
14	Other revenue	1,964,443	2,030,049	1,911,969	510,624	1,667,436	357,589	410,169	446,852	1,503,889	120,793	90.19
2	EXPENSE (21+22+24+25+26+27+28)	2,108,778	2,339,024	1,748,448	392,673	1,844,960	103,068	464,930	363,820	1,447,493	275,612	78.46
21	Compensation of employees (211+212)	121,767	135,222	129,458	31,895	136,435	30,939	29,272	32,567	112,369	10,067	82.36
211	Wages and salaries	104,720	116,482	111,542	27,579	117,835	26,829	25,145	28,204	97,007	8,648	82.32
212	Social contributions	17,047	18,740	17,916	4,316	18,600	4,110	4,127	4,363	15,362	1,419	82.59
22	Use of goods and services	1,208,936	1,331,786	1,060,458	254,331	1,134,947	37,394	313,272	251,954	907,606	165,804	79.97
24	Interest	34,639	35,525	29,863	6,532	28,075	4,872	4,877	4,108	13,858	2	49.36
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	82,301	120,094	76,101	12,930	55,500	3,799	13,249	15,457	44,723	8,127	80.58
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	661,135	716,397	452,568	86,985	490,003	26,064	104,260	59,734	368,937	91,612	75.29
	NET-GROSS OPERATING BALANCE (1-2)	398,549	279,953	505,528	211,968	176,408	285,514	-10,509	181,471	287,044	-119,088	
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	315,004	245,968	274,314	84,015	568,512	31,963	39,836	68,043	191,338	27,261	33.66
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	318,780	246,965	275,598	84,031	569,512	31,981	39,852	68,084	191,425	27,267	33.61
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	3,776	997	1,284	16	1,000	18	16	41	87	6	8.70
311	Fixed assets (311,1-311,2-311,3)	278,730	223,907	262,282	79,896	552,612	29,543	35,433	66,656	177,979	25,502	32.21
311,1	Acquisitions: fixed assets	282,506	224,904	263,566	79,912	553,612	29,561	35,449	66,697	178,066	25,508	32.16
311,2	Disposals: fixed assets	3,776	997	1,284	16	1,000	18	16	41	87	6	8.70
314	Nonproduced assets (314,1-314,2-314,3-314,4)	36,274	22,061	12,032	4,119	15,900	2,420	4,403	1,387	13,359	1,759	84.02
314	Acquisitions: nonproduced assets	36,274	22,061	12,032	4,119	15,900	2,420	4,403	1,387	13,359	1,759	84.02
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
	NET LENDING-BORROWING (1-2-31)	83,545	33,985	231,214	127,953	-392,104	253,551	-50,345	113,428	95,706	-146,349	
	FINANCING (33-32)	-83,545	-33,985	-231,214	-127,953	392,104	-253,551	50,345	-113,428	-95,706	146,349	
32	NET ACQUISITION OF FINANCIAL ASSETS (321+322)	116,100	32,151	222,116	120,916	-172,094	252,550	-87,185	110,946	62,405	-142,756	
321	Domestic	116,100	32,151	222,116	120,916	-172,094	252,550	-87,185	110,946	62,405	-142,756	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	NET INCURRENCE OF LIABILITIES (331+332)	32,555	-1,834	-9,098	-7,037	220,010	-1,001	-36,840	-2,482	-33,301	3,593	
331	Domestic	-2,259	-49,781	-115,831	-36,844	89,900	3,850	-33,002	2,327	-19,803	3,593	
332	Foreign	34,814	47,947	106,733	29,807	130,110	-4,851	-3,838	-4,809	-13,498	0	

Source: Ministry of Finance

TABLE 11: THE CROATIAN MOTORWAYS Ltd. TRANSACTIONS

	(000 HRK)	2005	2006	2007	I - III 2007	IV - VI 2007	VII - IX 2007	X - XII 2007
1	REVENUE (11+12+13+14)	2,547,003	2,721,483	4,391,205	554,476	729,978	981,840	2,124,911
11	Taxes	1,380,753	0	0	0	0	0	0
1142	Excises	1,380,753	0	0	0	0	0	0
12	Social security contributions	0	0	0	0	0	0	0
13	Grants (131+132+133)	0	1,450,358	3,015,869	316,773	374,169	450,041	1,874,886
131	From foreign governments	0	0	0	0	0	0	0
132	From international organizations	0	0	0	0	0	0	0
133	From other general government units (1331+1332)	0	1,450,358	3,015,869	316,773	374,169	450,041	1,874,886
1331	Current	0	0	0	0	0	0	0
1332	Capital	0	1,450,358	3,015,869	316,773	374,169	450,041	1,874,886
14	Other revenue	1,166,250	1,271,125	1,375,336	237,703	355,809	531,799	250,025
2	EXPENSE (21+22+24+25+26+27+28)	1,088,687	1,574,490	1,982,632	343,052	514,269	343,805	781,506
21	Compensation of employees (211+212)	289,866	320,097	354,412	82,595	83,694	98,706	89,417
211	Wages and salaries	250,374	276,180	305,329	71,317	72,044	84,598	77,370
212	Social contributions	39,492	43,917	49,083	11,278	11,650	14,108	12,047
22	Use of goods and services	314,534	301,452	326,437	63,067	100,011	82,947	80,412
24	Interest	445,185	589,173	787,824	116,150	280,254	74,985	316,435
25	Subsidies	0	0	0	0	0	0	0
26	Grants	3,610	301,777	474,244	68,562	48,620	82,062	275,000
27	Social benefits	0	0	0	0	0	0	0
28	Other expense	35,492	61,991	39,715	12,678	1,690	5,105	20,242
	NET-GROSS OPERATING BALANCE (1-2)	1,458,316	1,146,993	2,408,573	211,424	215,709	638,035	1,343,405
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	3,942,727	2,949,761	3,369,269	582,659	823,712	1,003,657	959,241
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	3,942,727	3,249,761	3,386,216	595,911	823,712	1,003,657	962,936
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	0	300,000	16,947	13,252	0	0	3,695
311	Fixed assets (311,1-311,2-311,3)	3,825,950	2,748,525	3,240,471	548,763	787,927	915,816	987,965
311,1	Acquisitions: fixed assets	3,825,950	3,048,525	3,257,418	562,015	787,927	915,816	991,660
311,2	Disposals: fixed assets	0	300,000	16,947	13,252	0	0	3,695
314	Nonproduced assets (314,1-314,2-314,3-314,4)	116,777	201,236	128,798	33,896	35,785	87,841	-28,724
314,1	Acquisitions: nonproduced assets	116,777	201,236	128,798	33,896	35,785	87,841	-28,724
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0
	NET LENDING-BORROWING (1-2-31)	-2,484,411	-1,802,768	-960,696	-371,235	-608,003	-365,622	384,164
	FINANCING (33-32)	2,484,411	1,802,768	960,696	371,235	608,003	365,622	-384,164
32	NET ACQUISITION OF FINANCIAL ASSETS (321+322)	-42,758	248,366	289,126	-234,657	101,490	-43,950	466,243
321	Domestic	-42,758	248,366	289,126	-234,657	101,490	-43,950	466,243
322	Foreign	0	0	0	0	0	0	0
33	NET INCURRENCE OF LIABILITIES (331+332)	2,441,653	2,051,134	1,249,822	136,578	709,493	321,672	82,079
331	Domestic	1,698,272	1,758,422	-87,997	220,507	221,496	0	-530,000
332	Foreign	743,381	292,712	1,337,819	-83,929	487,997	321,672	612,079

Source: Ministry of Finance

TABLE 10: THE ENVIRONMENT PROTECTION FUND TRANSACTIONS

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010	I - XI 2010 Plan 2010
1	REVENUE (11+12+13+14)	1,102,946	1,221,187	1,168,578	341,915	1,060,350	232,932	236,010	292,450	940,733	93,561	88.72
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	1,102,946	1,221,187	1,168,578	341,915	1,060,350	232,932	236,010	292,450	940,733	93,561	88.72
2	EXPENSE (21+22+24+25+26+27+28)	1,092,568	1,109,258	1,159,521	397,791	1,041,127	226,275	205,911	233,370	866,236	90,128	83.20
21	Compensation of employees (211+212)	12,939	18,600	21,331	5,701	24,550	4,739	4,856	5,207	18,282	1,711	74.47
211	Wages and salaries	11,071	15,942	18,310	4,833	20,850	4,095	4,173	4,500	15,754	1,461	75.56
212	Social contributions	1,868	2,658	3,021	868	3,700	644	683	707	2,528	250	68.32
22	Use of goods and services	945,697	883,628	874,856	284,661	707,244	166,693	164,264	201,333	694,879	73,316	98.25
24	Interest	0	0	32	2	2	0	3	498	501	0	
25	Subsidies	18,553	39,318	89,673	47,483	48,050	4,197	2,732	2,286	20,223	9,040	42.09
26	Grants	108,582	149,644	157,329	57,517	235,281	45,120	24,203	17,340	109,662	5,752	46.61
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	6,797	18,068	16,300	2,427	26,000	5,526	9,853	6,706	22,689	309	87.27
	NET-GROSS OPERATING BALANCE (1-2)	10,378	111,929	9,057	-55,876	19,223	6,657	30,099	59,080	74,497	3,433	
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	20,189	3,926	6,656	1,704	2,500	38	6	1,370	1,499	148	59.96
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	20,256	3,926	6,656	1,704	2,500	38	9	1,393	1,525	149	61.00
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	67	0	0	0	0	0	3	23	26	1	
311	Fixed assets (311,1-311,2-311,3)	7,741	3,375	6,656	1,704	2,500	38	6	1,370	1,436	85	57.44
311,1	Acquisitions: fixed assets	7,808	3,375	6,656	1,704	2,500	38	9	1,393	1,462	86	58.48
311,2	Disposals: fixed assets	67	0	0	0	0	0	3	23	26	1	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	12,448	551	0	0	0	0	0	0	63	63	
314,1	Acquisitions: nonproduced assets	12,448	551	0	0	0	0	0	0	63	63	
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
	NET LENDING-BORROWING (1-2-31)	-9,811	108,003	2,401	-57,580	16,723	6,619	30,093	57,710	72,998	3,285	
	FINANCING (33-32)	9,811	-108,003	-2,401	57,580	-16,723	-6,619	-30,093	-57,710	-72,998	-3,285	
32	NET ACQUISITION OF FINANCIAL ASSETS (321+322)	-9,811	108,003	2,401	-57,580	16,723	6,619	30,093	57,710	72,998	3,285	
321	Domestic	-9,811	108,003	2,401	-57,580	16,723	6,619	30,093	57,710	72,998	3,285	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	NET INCURRENCE OF LIABILITIES (331+332)	0	0	0	0	0	0	0	0	0	0	
331	Domestic	0	0	0	0	0	0	0	0	0	0	
332	Foreign	0	0	0	0	0	0	0	0	0	0	

Source: Ministry of Finance

TABLE 12: THE CROATIAN ROADS Ltd. TRANSACTIONS

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010	I - XI 2010 Plan 2010
1	REVENUE (11+12+13+14)	2,110,381	1,549,929	1,481,919	724,525	1,410,190	467,817	438,242	491,743	1,663,128	127,340	117.94
11	Taxes	0	0	0	0	0	0	0	0	0	0	
1142	Excises	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)	1,990,435	1,468,959	1,369,079	673,346	1,350,597	426,240	429,048	475,802	1,588,507	124,125	117.62
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)	1,990,435	1,468,959	1,369,079	673,346	1,350,597	426,240	429,048	475,802	1,588,507	124,125	117.62
1331	Current	0	0	0	0	0	0	0	0	0	0	
1332	Capital	1,990,435	1,468,959	1,369,079	673,346	1,350,597	426,240	429,048	475,802	1,588,507	124,125	117.62
14	Other revenue	119,946	80,970	112,840	51,179	59,593	41,577	9,194	15,941	74,621	3,215	125.22
2	EXPENSE (21+22+24+25+26+27+28)	1,243,399	1,592,627	1,048,486	12,816	1,274,497	352,818	238,190	467,407	1,183,761	62,810	92.88
21	Compensation of employees (211+212)	78,005	86,547	93,383	22,296	95,361	23,671	21,022	21,869	80,228	6,742	84.13
211	Wages and salaries	67,035	74,359	80,372	19,248	82,041	20,306	18,034	18,896	68,926	5,757	84.01
212	Social contributions	10,970	12,188	13,011	3,048	13,320	3,365	2,988	2,973	11,302	985	84.85
22	Use of goods and services	819,311	1,107,252	524,661	-191,007	533,022	198,114	134,024	255,224	635,309	29,103	119.19
24	Interest	85,641	142,396	221,474	58,531	389,806	62,322	40,628	74,752	197,843	1,478	50.75
25	Subsidies	0	0	0	0	0	0	0	0	0	0	
26	Grants	7,607	3,884	508	50	0	0	0	0	0	0	
27	Social benefits	0	0	0	0	0	0	0	0	0	0	
28	Other expense	252,835	252,548	208,460	122,946	256,308	68,711	42,516	115,562	270,381	25,487	105.49
	NET-GROSS OPERATING BALANCE (1-2)	866,982	-42,698	433,433	711,709	135,693	114,999	200,052	24,336	479,367	64,530	
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	1,603,747	1,142,207	1,371,041	733,132	1,163,640	202,594	179,652	414,209	945,403	101,027	81.25
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1,604,733	1,143,098	1,376,092	733,264	1,163,640	202,769	179,791	414,328	946,276	101,073	81.32
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	986	891	5,051	132	0	175	139	119	873	46	
311	Fixed assets (311,1-311,2-311,3)	1,416,639	932,682	1,128,989	700,378	1,061,340	160,205	142,885	382,841	813,532	87,402	76.65
311,1	Acquisitions: fixed assets	1,417,625	933,573	1,134,040	700,510	1,061,340	160,380	143,024	382,960	814,405	87,448	76.73
311,2	Disposals: fixed assets	986	891	5,051	132	0	175	139	119	873	46	
314	Nonproduced assets (314,1-314,2-314,3-314,4)	187,108	209,525	242,052	32,754	102,300	42,389	36,767	31,368	131,871	13,625	128.91
314,1	Acquisitions: nonproduced assets	187,108	209,525	242,052	32,754	102,300	42,389	36,767	31,368	131,871	13,625	128.91
314,2	Disposals: nonproduced assets	0	0	0	0	0	0	0	0	0	0	
	NET LENDING-BORROWING (1-2-31)	-736,765	-1,184,905	-937,608	-21,423	-1,027,947	-87,595	20,400	-389,873	-466,036	-36,497	
	FINANCING (33-32)	736,765	1,184,905	937,608	21,423	1,027,947	87,595	-20,400	389,873	466,036	36,497	
32	NET ACQUISITION OF FINANCIAL ASSETS (321+322)	-45,061	217,802	41,652	36,062	0	26,067	-29,846	421,049	393,708	-36,496	
321	Domestic	-45,061	217,802	41,652	36,062	0	26,067	-29,846	421,049	393,708	-36,496	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	NET INCURRENCE OF LIABILITIES (331+332)	691,704	1,402,707	979,260	57,485	1,027,947	113,662	-50,246	810,922	859,744	1	
331	Domestic	523,681	1,128,764	696,394	-13,846	771,817	96,906	-19,145	814,889	877,095	0	
332	Foreign	168,023	273,943	282,866	71,331	256,130	16,756	-31,101	-3,967	-17,351	1	

Source: Ministry of Finance

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

	(000 HRK)	2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010	I - XI 2010 Plan 2010
1	REVENUE (11+12+13+14)	391,441	808,342	566,470	152,959	651,794	120,128	123,250	137,831	495,569	9,306	76.03
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	391,441	808,342	566,470	152,959	651,794	120,128	123,250	137,831	495,569	9,306	76.03
2	EXPENSE (21+22+24+25+26+27+28)	47,820	254,706	267,167	60,947	42,693	3,031	4,946	4,925	15,728	1,288	36.84
21	Compensation of employees (211+212)	6,076	6,966	7,159	1,774	7,570	1,782	1,727	1,857	6,617	671	87.41
211	Wages and salaries	5,208	5,972	6,134	1,520	6,564	1,528	1,478	1,593	5,672	577	86.41
212	Social contributions	868	994	1,025	254	1,006	254	249	264	945	94	93.94
22	Use of goods and services	20,359	10,274	5,493	957	11,258	1,228	1,411	1,239	4,925	581	43.75
24	Interest	345	8,886	736	0	200	0	184	51	272	0	136.00
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	523	704	218	101	2,000	1	8	78	110	0	5.50
28	Other expense	20,517	227,876	253,561	58,115	21,665	20	1,616	1,700	3,804	36	17.56
	NET-GROSS OPERATING BALANCE (1-2)	343,621	553,636	299,303	92,012	609,101	117,097	118,304	132,906	479,841	8,018	
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	-18,959	-10,262	258	130	1,012	85	20	28	2,657	1,261	262.55
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	1,202	25,070	258	130	1,012	85	20	28	2,657	1,261	262.55
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	20,161	35,332	0	0	0	0	0	0	0	0	
311	Fixed assets (311,1-311,2-311,3)	-18,959	11,540	258	130	1,012	85	20	28	2,657	1,261	262.55
311,1	Acquisitions: fixed assets	1,202	25,070	258	130	1,012	85	20	28	2,657	1,261	262.55
311,2	Disposals: fixed assets	20,161	13,530	0	0	0	0	0	0	0	0	
	NET LENDING-BORROWING (1-2-31)	362,580	563,898	299,045	91,882	608,089	117,012	118,284	132,878	477,184	6,757	
	FINANCING (33-32)	-362,580	-563,898	-299,045	-91,882	-608,089	-117,012	-118,284	-132,878	-477,184	-6,757	
32	NET ACQUISITION OF FINANCIAL ASSETS (321+322)	362,580	563,898	299,045	91,882	608,089	117,012	118,284	132,878	477,184	6,757	
321	Domestic	362,580	563,898	299,045	91,882	608,089	117,012	118,284	132,878	477,184	6,757	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	NET INCURRENCE OF LIABILITIES (331+332)	0	0	0	0	0	0	0	0	0	0	
331	Domestic	0	0	0	0	0	0	0	0	0	0	
332	Foreign	0	0	0	0	0	0	0	0	0	0	

Source: Ministry of Finance

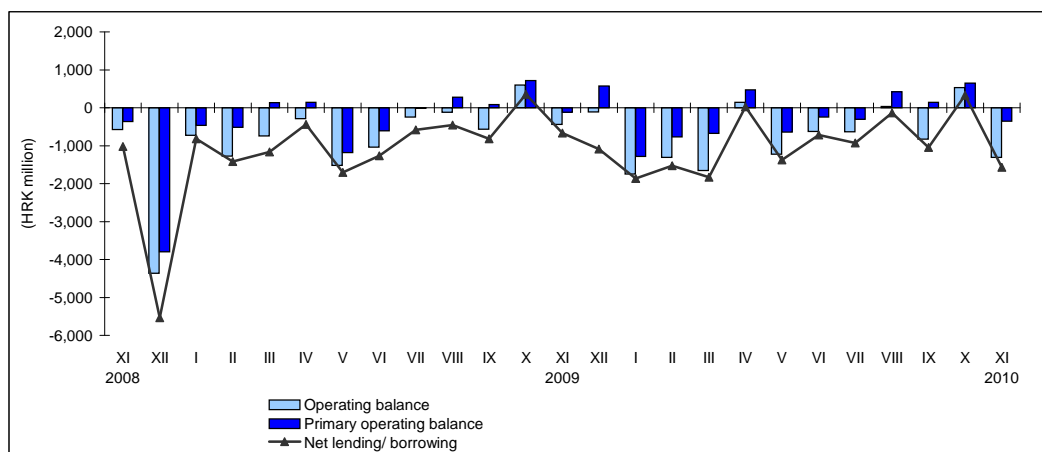
TABLE 14: THE CROATIAN PRIVATIZATION FUND TRANSACTIONS

(000 HRK)		2007	2008	2009	X - XII 2009	Plan 2010	I - III 2010	IV - VI 2010	VII - IX 2010	I - XI 2010	XI 2010	I - XI 2010 Plan 2010
1	REVENUE (11+12+13+14)	58,324	54,661	33,540	4,432	40,782	9,830	6,515	4,947	22,820	1,145	55.96
11	Taxes	0	0	0	0	0	0	0	0	0	0	
12	Social security contributions	0	0	0	0	0	0	0	0	0	0	
13	Grants (131+132+133)	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	58,324	54,661	33,540	4,432	40,782	9,830	6,515	4,947	22,820	1,145	55.96
2	EXPENSE (21+22+24+25+26+27+28)	88,241	87,036	81,841	22,198	78,324	18,164	17,306	19,638	65,019	4,595	83.01
21	Compensation of employees (211+212)	36,285	34,453	34,265	8,568	32,094	8,391	8,409	8,434	30,512	2,620	95.07
211	Wages and salaries	31,233	29,814	29,442	7,366	27,726	7,188	7,220	7,254	26,188	2,248	94.45
212	Social contributions	5,052	4,639	4,823	1,202	4,368	1,203	1,189	1,180	4,324	372	99.00
22	Use of goods and services	34,173	21,771	15,041	5,138	16,208	3,034	2,737	2,511	9,854	899	60.80
24	Interest	17,783	30,812	32,535	8,492	30,023	6,739	6,160	8,693	24,653	1,076	82.12
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	0	0	0	0	0	0	0	0	0	
NET-GROSS OPERATING BALANCE (1-2)		-29,917	-32,375	-48,301	-17,766	-37,542	-8,334	-10,791	-14,691	-42,199	-3,450	
31	NET ACQUISITION OF NONFINANCIAL ASSETS (311+312+313+314)	-23,514	-141,769	-14,531	177	-47,840	-373	-6,324	-59	-5,955	-15	
31,1	Acquisition of nonfinancial assets (311,1+312,1+313,1+314,1)	3,553	2,621	839	535	2,160	45	0	0	885	4	40.97
31,2	Disposal of nonfinancial assets (311,2+312,2+313,2+314,2)	27,067	144,390	15,370	358	50,000	418	6,324	59	6,840	19	13.68
311	Fixed assets (311,1-311,2-311,3)	-23,514	-7,358	-7,240	1,093	-17,840	-14	-58	-59	670	-15	
311,1	Acquisitions: fixed assets	3,553	2,621	800	708	2,160	45	0	0	885	4	40.97
311,2	Disposals: fixed assets	27,067	9,979	8,040	-385	20,000	59	58	59	215	19	1.08
NET LENDING-BORROWING (1-2-31)		-6,403	109,394	-33,770	-17,943	10,298	-7,961	-4,467	-14,632	-36,244	-3,435	
FINANCING (33-32)		6,403	-109,394	33,770	17,943	-10,298	7,961	4,467	14,632	36,244	3,435	
32	NET ACQUISITION OF FINANCIAL ASSETS (321+322)	82,691	151,763	-26,890	-42,881	-38,000	-28,206	10,850	-34,410	40,424	39,197	
321	Domestic	82,691	151,763	-26,890	-42,881	-38,000	-28,206	10,850	-34,410	40,424	39,197	
322	Foreign	0	0	0	0	0	0	0	0	0	0	
33	NET INCURRENCE OF LIABILITIES (331+332)	89,094	42,369	6,880	-24,938	-48,298	-20,245	15,317	-19,778	76,668	42,632	
331	Domestic	106,055	60,128	-26,934	-18,888	-32,498	-14,048	17,108	-9,098	95,859	42,897	
332	Foreign	-16,961	-17,759	33,814	-6,050	-15,800	-6,197	-1,791	-10,680	-19,191	-265	

Source: Ministry of Finance

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT/SURPLUS
TABLE 16A: OPERATING BALANCE AND PRIMARY OPERATING BALANCE (000 HRK)

	Revenues (1)	Expense (2)	Operating balance	Interest payments (24)	Primary operating balance
	(1)	(2)	(3) 1-2	(4)	(5) 3+4
X	10,407,904	9,575,840	832,064	183,998	1,016,062
XI	8,939,276	9,513,498	-574,222	214,600	-359,623
XII	10,507,077	14,868,769	-4,361,692	566,709	-3,794,982
I-XII 2008	120,036,687	118,686,014	1,350,674	4,900,838	6,251,512
I 2009	8,177,225	8,905,751	-728,525	261,966	-466,559
II	8,458,789	9,731,253	-1,272,464	757,692	-514,772
III	10,185,620	10,927,800	-742,180	876,340	134,160
IV	10,633,564	10,923,844	-290,281	435,957	145,676
V	7,875,330	9,394,401	-1,519,071	337,534	-1,181,537
VI	9,003,741	10,038,290	-1,034,549	430,055	-604,493
VII	10,024,156	10,271,810	-247,654	237,419	-10,235
VIII	9,536,933	9,655,884	-118,951	395,009	276,058
IX	9,860,239	10,424,493	-564,254	648,233	83,979
X	9,874,437	9,276,889	597,548	122,697	720,244
XI	9,459,528	9,900,133	-440,605	324,523	-116,081
XII	10,997,328	11,103,367	-106,039	682,389	576,350
I-XII 2009	114,086,889	120,553,914	-6,467,025	5,509,814	-957,211
I 2010	7,884,406	9,628,811	-1,744,406	459,356	-1,285,050
II	8,697,746	10,009,447	-1,311,701	546,831	-764,870
III	9,476,605	11,130,911	-1,654,306	983,315	-670,991
IV	10,173,252	10,026,227	147,025	325,449	472,474
V	8,519,059	9,742,717	-1,223,658	582,415	-641,243
VI	8,659,392	9,282,520	-623,129	382,162	-240,967
VII	9,797,279	10,433,480	-636,200	336,482	-299,719
VIII	9,645,485	9,615,055	30,430	387,934	418,364
IX	9,563,334	10,390,820	-827,485	967,400	139,914
X	10,048,082	9,516,468	531,614	119,133	650,746
XI	8,977,797	10,286,052	-1,308,255	950,691	-357,565
I-XI 2010	101,442,436	110,062,508	-8,620,072	6,041,166	-2,578,906

MEASURES OF CONSOLIDATED CENTRAL GOVERNMENT DEFICIT/SURPLUS

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

	Operating balance	Net acquisition of nonfinancial assets (31)	Net lending/ borrowing*	Financing (33-32)	Net acquisition of financial assets (32)	Net incurrence of liabilities (33)
	(1)	(2)	(3) 1-2	(4) 6-5	(5)	(6)
X	832,064	310,220	521,844	-521,844	617,710	95,867
XI	-574,222	445,740	-1,019,962	1,019,962	980,730	2,000,692
XII	-4,361,692	1,176,232	-5,537,924	5,537,924	-1,762,834	3,775,090
I-XII 2008	1,350,674	4,228,199	-2,877,526	2,877,526	2,776,564	5,654,090
I 2009	-728,525	90,270	-818,795	818,795	1,598,685	2,417,480
II	-1,272,464	145,728	-1,418,192	1,418,192	-1,253,610	164,582
III	-742,180	422,009	-1,164,189	1,164,189	1,101,335	2,265,524
IV	-290,281	152,704	-442,985	442,985	1,425,819	1,868,804
V	-1,519,071	182,532	-1,701,603	1,701,603	-1,664,866	36,737
VI	-1,034,549	232,406	-1,266,954	1,266,954	1,414,411	2,681,365
VII	-247,654	330,408	-578,062	578,062	-342,097	235,965
VIII	-118,951	334,943	-453,894	453,894	162,747	616,641
IX	-564,254	254,598	-818,852	818,852	241,999	1,060,852
X	597,548	240,774	356,773	-356,773	563,348	206,575
XI	-440,605	228,849	-669,453	669,453	4,228,630	4,898,083
XII	-106,039	985,919	-1,091,958	1,091,958	-112,533	979,425
I-XII 2009	-6,467,025	3,601,139	-10,068,164	10,068,164	7,363,868	17,432,032
I 2010	-1,744,406	119,653	-1,864,058	1,864,058	-2,034,242	-170,183
II	-1,311,701	211,702	-1,523,403	1,523,403	-2,194,748	-671,346
III	-1,654,306	174,120	-1,828,427	1,828,427	683,995	2,512,422
IV	147,025	122,261	24,764	-24,764	974,382	949,617
V	-1,223,658	151,538	-1,375,196	1,375,196	-544,166	831,030
VI	-623,129	94,468	-717,597	717,597	-11,982	705,615
VII	-636,200	292,378	-928,579	928,579	11,069,338	11,997,917
VIII	30,430	165,352	-134,921	134,921	-99,929	34,992
IX	-827,485	222,037	-1,049,522	1,049,522	-1,103,949	-54,426
X	531,614	198,631	332,982	-332,982	-348,254	-681,237
XI	-1,308,255	261,337	-1,569,592	1,569,592	141,098	1,710,690
I-XI 2010	-8,620,072	2,013,476	-10,633,548	10,633,548	6,531,544	17,165,092

* Deficit/surplus according to the GFS 2001 methodology

TABLE 20: GENERAL GOVERNMENT DEBT STOCK

	31.12. 2002		31.12. 2003		31.12.2004		31.12.2005		31.12.2006		31.12.2007		31.12.2008		31.03.2009		30.06.2009		30.09.2009		31.12.2009 \$		31.03.2010 \$		30.06.2010 \$		30.09.2010 \$		
	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	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK	% GDP	mil. HRK
A. Foreign debt (A1+A2+A3)	40,240.4	19.3	45,676.4	20.0	50,240.7	20.3	45,363.6	17.0	41,660.5	14.3	39,658.2	12.5	30,286.8	8.9	27,089.4	8.1	29,710.3	8.9	29,817.2	9.0	37,510.1	11.3	35,859.0	10.9	36,152.5	11.0	42,450.2	12.9	
1. Central Government foreign debt	37,432.1	17.9	41,041.9	17.9	42,231.2	17.1	36,414.5	13.7	32,556.6	11.2	29,424.0	9.2	28,459.4	8.3	25,287.0	7.6	27,917.8	8.4	28,104.7	8.4	35,785.8	10.7	34,127.2	10.4	34,472.8	10.5	40,761.5	12.4	
2. Foreign debt of Extrabudgetary Users	2,585.1	1.2	4,285.6	1.9	7,747.0	3.1	8,749.8	3.3	8,938.2	3.1	10,186.7	3.2	1,800.3	0.5	1,779.7	0.5	1,774.2	0.5	1,698.8	0.5	1,715.3	0.5	1,724.6	0.5	1,663.5	0.5	1,683.3	0.5	
3. Local Government foreign debt	223.3	0.1	348.9	0.2	262.5	0.1	199.2	0.1	165.7	0.1	47.5	0.0	27.1	0.0	22.6	0.0	18.2	0.0	13.8	0.0	9.0	0.0	7.2	0.0	16.2	0.0	5.4	0.0	
B. Domestic debt (B1+B2+B3)	32,391.1	15.5	35,697.0	15.6	42,714.7	17.3	56,121.2	21.0	60,852.4	20.9	64,812.6	20.4	69,859.3	20.4	78,808.2	23.7	79,374.4	23.8	80,749.1	24.2	80,334.7	24.1	84,402.8	25.6	86,680.6	26.3	91,455.6	27.8	
1. Central Government domestic debt	23,426.7	11.2	28,242.9	12.3	37,364.0	15.1	50,840.7	19.1	54,490.4	18.7	56,883.1	17.9	64,961.8	19.0	72,876.9	21.9	73,517.0	22.1	75,075.8	22.5	74,473.7	22.4	78,555.9	23.9	80,968.9	24.6	85,123.2	25.9	
2. Domestic debt of Extrabudgetary Users	7,729.5	3.7	6,317.1	2.8	3,931.2	1.6	3,953.5	1.5	5,198.0	1.8	6,357.8	2.0	3,035.0	0.9	4,055.7	1.2	3,916.8	1.2	3,752.9	1.1	3,794.4	1.1	3,809.1	1.2	3,717.6	1.1	4,385.8	1.3	
3. Local Government domestic debt	1,234.8	0.6	1,137.0	0.5	1,419.6	0.6	1,327.1	0.5	1,164.1	0.4	1,571.7	0.5	1,862.5	0.5	1,875.6	0.6	1,940.5	0.6	1,920.4	0.6	2,066.6	0.6	2,037.9	0.6	1,994.2	0.6	1,946.5	0.6	
C. General Government total debt (C1+C2+C3)*	72,631.5	34.8	81,373.4	35.5	92,955.4	37.6	101,484.8	38.1	102,512.9	35.2	104,470.8	32.8	100,146.2	29.3	105,897.6	31.8	109,084.6	32.8	110,566.4	33.2	117,844.8	35.4	120,261.9	36.5	122,833.1	37.3	133,905.8	40.7	
1. Central Government total debt (A1+B1)	60,858.8	29.1	69,284.8	30.3	79,595.1	32.2	87,255.2	32.7	87,047.0	29.9	86,307.1	27.1	93,421.2	27.3	98,163.9	29.5	101,434.8	30.5	103,180.5	31.0	110,259.5	33.1	112,683.1	34.2	115,441.7	35.1	125,884.7	38.2	
2. Total debt of Extrabudgetary Users (A2+B2)	10,314.6	4.9	10,602.7		11,678.2	4.7	12,703.2	4.8	14,136.1	4.9	16,544.5	5.2	4,835.4	1.4	5,835.5	1.8	5,691.1	1.7	5,451.7	1.6	5,509.7	1.7	5,533.7	1.7	5,381.0	1.6	6,069.1	1.8	
3. Local Government total debt (A3+B3)	1,458.1	0.7	1,485.9	0.6	1,682.1	0.7	1,526.3	0.6	1,329.8	0.5	1,619.3	0.5	1,889.6	0.6	1,898.3	0.6	1,958.7	0.6	1,934.2	0.6	2,075.6	0.6	2,045.1	0.6	2,010.4	0.6	1,951.9	0.6	
Total guarantees of the Republic of Croatia	16,079.2	7.7	15,419.2	6.7	12,262.3	5.0	12,455.1	4.7	14,188.2	4.9	17,399.0	5.5	33,835.5	9.9	34,958.6	10.5	34,810.7	10.5	37,110.4	11.1	38,209.2	11.5	40,781.0	12.4	41,389.3	12.6	43,358.5	13.2	
Foreign guarantees	8,655.3	4.1	8,622.7	3.8	7,710.4	3.1	7,186.7	2.7	6,935.9	2.4	9,531.2	3.0	21,388.3	6.3	21,681.3	6.5	21,632.3	6.5	23,511.8	7.1	22,597.8	6.8	24,296.5	7.4	24,432.9	7.4	26,190.4	8.0	
Domestic guarantees	7,423.8	3.6	6,796.5	3.0	4,551.9	1.8	5,268.5	2.0	7,252.3	2.5	7,867.8	2.5	12,447.2	3.6	13,277.3	4.0	13,178.4	4.0	13,598.6	4.1	15,611.4	4.7	16,484.5	5.0	16,956.4	5.2	17,168.2	5.2	
Total debt of HBOR	3,824.8	1.8	4,925.3	2.2	5,841.5	2.4	7,139.4	2.7	7,686.3	2.6	9,662.3	3.0	10,813.0	3.2	11,128.8	3.3	11,676.3	3.5	13,723.9	4.1	12,347.1	3.7	13,191.1	4.0	13,214.5	4.0	13,740.6	4.2	
Foreign debt of HBOR	3,382.5	1.6	4,597.3	2.0	5,459.3	2.2	6,605.1	2.5	7,338.8	2.5	9,471.5	3.0	10,005.1	2.9	10,466.0	3.1	11,032.4	3.3	13,077.0	3.9	12,305.6	3.7	11,150.0	3.4	11,164.0	3.4	11,689.0	3.6	
Domestic debt of HBOR	442.3	0.2	328.1	0.1	382.2	0.2	534.2	0.2	347.5	0.1	190.7	0.1	807.9	0.2	662.8	0.2	643.9	0.2	646.8	0.2	41.4	0.0	2,041.1	0.6	2,050.6	0.6	2,051.6	0.6	

*According to the new Budget Act (Official Gazette, No. 87/2008), public debt is defined as the debt of the General budget.

Source: Ministry of Finance, CBS for GDP

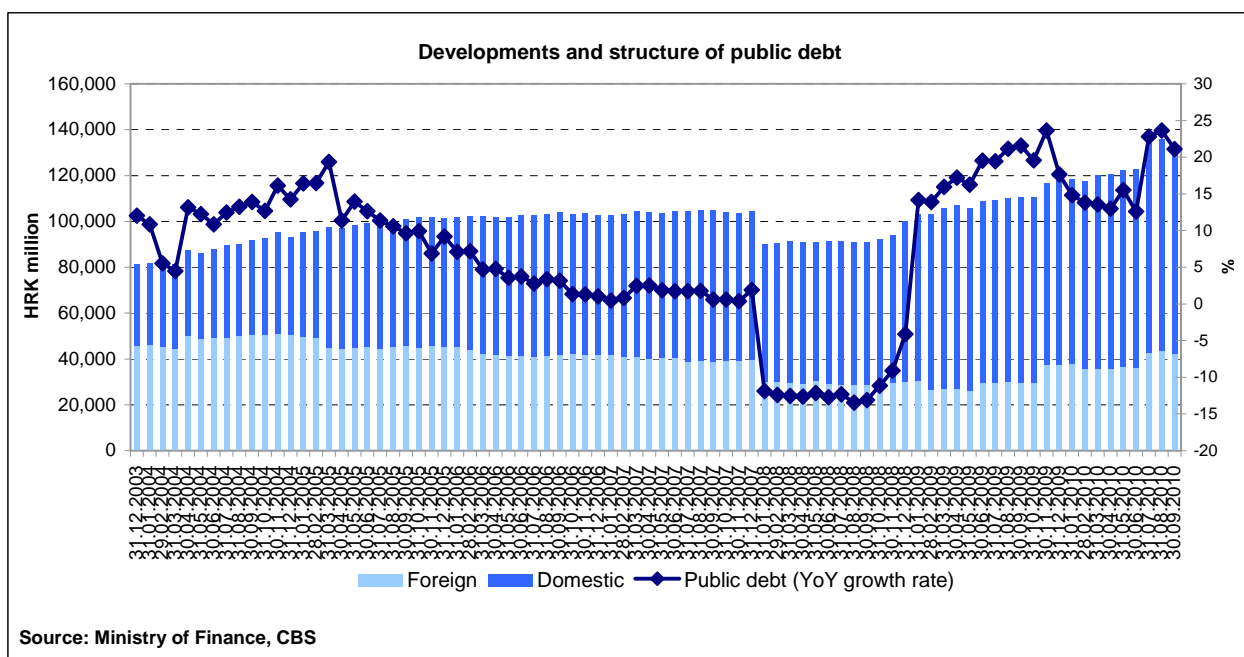
PUBLIC DEBT* AT THE END OF SEPTEMBER 2010

Public debt of the Republic of Croatia decreased by HRK 2 billion in September 2010 in comparison to August 2010. The share of public debt in GDP stood at the level of 40.7 percent at the end of September 2010. In comparison to August 2010, the foreign component of public debt decreased by HRK 941.3 million due to the decrease of the foreign debt of all government levels. The domestic component of the total public debt also recorded the decrease compared to the previous month's stock in the amount of HRK 1.1 billion as a result of the decrease of the domestic debt of all government levels.

As per government level, the largest part of the public debt refers to the Central Government (HRK 125.9 billion), the debt of Extrabudgetary Users amounted to HRK 6.1 billion while the debt of the Local Government amounted to HRK 2 billion. The Central Government is mostly financed on the domestic market. Therefore, its domestic component recorded a share of 67.6 percent in the total Central Government debt. The Local Government has also been mostly financed domestically, recording a 99.7 percent of its domestic component in the total Local Government debt. Also, domestic component, with a share of 72.3 percent prevails in the debt of Extrabudgetary Users.

Total guarantees issued by the Republic of Croatia at the end of September 2010 decreased by HRK 157.1 million in comparison to August 2010, as a result of the decrease of foreign guarantees, and recorded a level of 13.2 percent of GDP. Foreign guarantees account for 60.4 percent of total guarantees of the Republic of Croatia.

The total debt of the Croatian Bank for Reconstruction and Development (CBRD) at the end of September 2010 amounted to HRK 13.7 billion and 4.2 percent of GDP. This is almost entirely the result of foreign borrowings, since 85.1 percent of the total debt of the CBRD refers to its foreign component. In comparison to August 2010, the total debt of the HBOR increased by HRK 186.3 million, as a result of an increase in its foreign component.



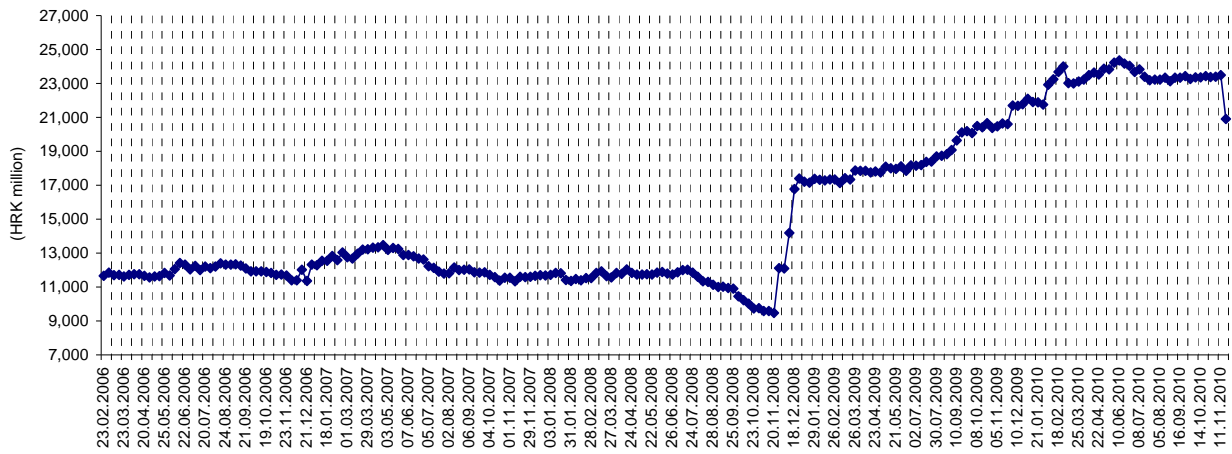
*According to the new Budget Act (Official Gazette, No. 87/2008), public debt is defined as the debt of the General budget.

CONSOLIDATED CENTRAL GOVERNMENT DOMESTIC DEBT

DOMESTIC DEBT STOCK IN 000 (30 NOVEMBER 2010)

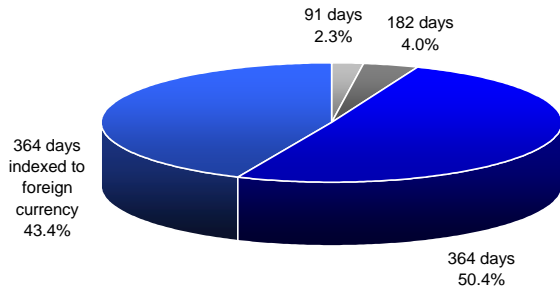
Debt item	Currency	Stock	Stock / HRK	Maturity	Interest rate
Big Bonds - Series I	HRK	2,209,572	2,209,572	2011	5.00%
Big Bonds - Series II	EUR	11,537	85,608	2011	7.20%
Big Bonds - Series III	EUR	16,144	119,793	2012	7.20%
Bonds - Series 03 D-12	EUR	500,000	3,710,163	2012	6.875%
Bonds - Series 05 D-14	EUR	650,000	4,823,211	2014	5.50%
Bonds - Series 07 D-19	EUR	500,000	3,710,163	2019	5.375%
Bonds - Series 09 D-15	EUR	350,000	2,597,114	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%
Bonds - Series 13 D-20	HRK	5,000,000	5,000,000	2020	6.75%
Bonds - Series 14 D-20	EUR	1,000,000	7,420,325	2020	6.50%
Bonds - Series 15 D-17	HRK	4,000,000	4,000,000	2017	6.25%
BRA Bonds II	EUR	6,028	44,732	2012	5.00%
BRA Bonds III	EUR	16,740	124,216	2012	7.20%
BRA Bonds IV	EUR	8,252	61,232	2012	5.00%
Syndicated FX loan I	EUR	500,000	3,710,163	2014	5.45%
Syndicated FX loan II	EUR	760,000	5,639,447	2013	5.10%
Syndicated FX loan III	EUR	750,000	5,565,244	2014	5.35%
Medium and long term debt			63,820,981		
Treasury Bills	HRK	11,850,000	11,850,000		
	EUR	1,223,619	9,079,651		
Other short-term debt			0		
Short-term debt			20,929,651		
Total debt			84,750,632		

T-Bill's outstanding debt



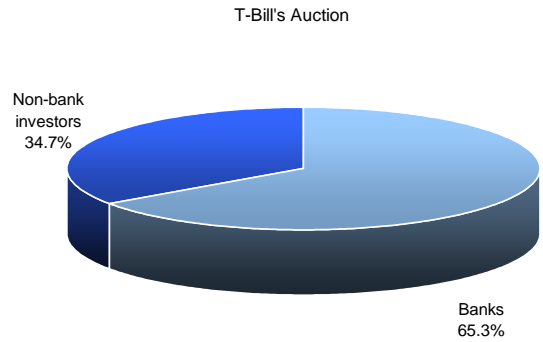
Source: Ministry of Finance

Structure of outstanding T-Bill's on 30 November 2010



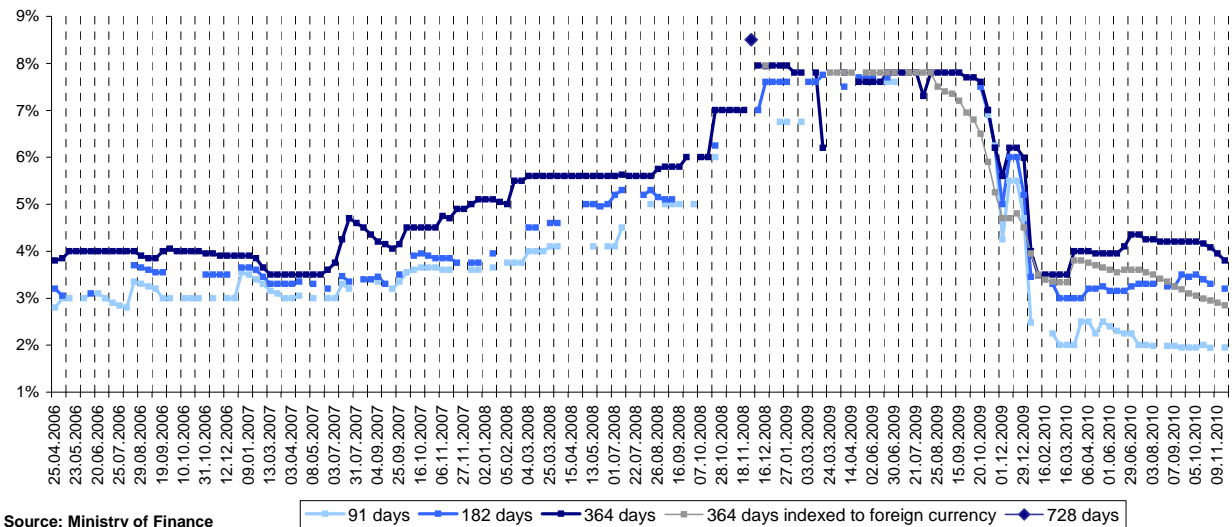
Source: Ministry of Finance

Structure of bids accepted according to buyers



Source: Ministry of Finance

Annual yield on T-Bills



Source: Ministry of Finance

NOTES ON METHODOLOGY

CROLEI Index

Based on the so-called leading indicators, the Economic Institute in Zagreb and the Ministry of Finance compile the **CROLEI (CROatian Leading Economic Indicator)**, a composite forecast index created in accordance with the 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.

General note for the tables from 2 to 19:

The data are on the cash basis.

Table 2: Budgetary Central Government Revenues

Budgetary Central Government according to the GFS 2001 methodology is equivalent to the **State Budget** in terms of the Budget Act which entered into force on January 1, 2009. (Official Gazette No. 87/2008).

Budgetary Central Government 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, Budgetary Central Government 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 Budgetary Central Government 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 Budgetary Central Government 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, Budgetary Central Government 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 Budgetary Central Government. All mentioned revenues are classified according to the GFS 2001 methodology.

By the end of 2001, two new extrabudgetary funds were founded: the Regional Development Fund as well as the Development and Employment Fund. They took over some of the Budgetary Central Government 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 Budgetary Central Government.

Since 2007 all the transactions of the Croatian Institute for Pension Insurance, the Croatian Health Insurance Institute and the Croatian Employment Service) have been included in the Budgetary Central Government.

Table 3: Budgetary Central Government Expense

Budgetary Central Government 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, Budgetary Central Government 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, Budgetary Central Government 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, Budgetary Central Government 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, Budgetary Central Government 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 Budgetary Central Government 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 Budgetary Central Government.

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, not all the data needed to produce classifications 4, 5 and 6 are 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 77, point (3) of the Budget Accounting and Chart of Accounts Ordinance (Official Gazette Nos. 27/2005 and 127/2007), 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 Users 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" 87/2008), 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 users 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 Budgetary Central Government activities resulting in an expansion of the coverage of extrabudgetary users since the 1st of January 2002. As of the 1st of January 2003, these funds ceased being extrabudgetary funds and have been included in the coverage of the Budgetary Central Government 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 Budgetary Central Government. The largest share of pension payments (domestic pensions) was paid directly through the State Treasury, while the remaining payments were 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 Budgetary Central Government (through the State Treasury system). Currently, contributions for pension insurance amount to 20 percent of the salary (persons that participate in the second pillar of the pension insurance system pay 15 percent for the first pillar plus 5 percent for the second pillar). Contributions paid by employers include special contributions for the insurance against work injuries and professional diseases in the amount of 0.5 percent on salaries, health insurance contributions amounting 15 percent on salaries as well as employment contributions in the amount of 1.7 percent 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 were performed directly through the State Treasury and no longer by transfer to the Croatian Institute for Pension Insurance.

As of the 1st of January 2007, all the transactions of the Croatian Institute for Pension Insurance, the Croatian Health Insurance Institute and the Croatian Employment Service have been included in the Budgetary Central Government.

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 user.

With the budget 2008 revision (July 2008), in order to align with the European statistical methodology ESA 95, the Croatian Motorways has been classified into the public non-financial corporations subsector and its transactions are not recorded within the general government sector any more. Regarding this, the data for the year 2008 have been recalculated and presented in that way as of No 154. The said change, besides the changes in the extrabudgetary users' tables, implies also the recalculation in the tables 3, 8, 15, 16, 16A, 16B, 18 and 19.

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 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 70 to 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, 147/03, 132/06, 26/07 and 73/08) 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 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 Budgetary Central Government and local and regional self-government units are: property sales tax (the share of municipalities and cities is 60 percent and that of the Budgetary Central Government 40 percent), personal income tax (municipalities and cities receive 55 percent increased by share of decentralised functions, counties 15.5 percent also increased by share of decentralised functions, the share of grants for adjustment for decentralized functions is 17.5 percent and the share for decentralised functions is 12 percent. The City of Zagreb receives 70.5 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 17.5 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 Budgetary Central Government 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 – Budgetary Central Government, 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: Budgetary Central Government, 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 gives an overview of the foreign and domestic debt of the Central Government, Extrabudgetary Users and Local Government. According to the Budget Act (Official Gazette no. 87/2008), public debt is defined as the debt of the General Budget.

In December of 2003, debt of HAC, HC, DAB and HFP was classified from Central Government sector to Extrabudgetary Users 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 a member of 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 has been 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, Nos. 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 5 percent.

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 6.875 percent 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 6.875 percent (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 the maturity of 91, 182, 364 and 728 days.

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 maturity of 91, 182, 364 and 728 days.

Table 22 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, No. 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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State Secretary

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ADVANCE RELEASE CALENDAR

Ministry of Finance Monthly Statistical Review	Notes	Release			
		April 11	April 11	May 11	May 11
Number		183	184	185	186
SDDS Data Category		April 11	April 11	May 11	May 11
General Government operations	1)	(12/10)			(03/11)
Central Government operations	2)	(12/10)	(01/11)	(02/11)	(03/11)
Internal Central Government Debt	3)	(12/10)	(01/11)	(02/11)	(03/11)

- 1) Consolidated central government, extrabudgetary users and local government according to GFS 2001
- 2) Consolidated central government and extrabudgetary users according to GFS 2001
- 3) Stock of central government domestic debt

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