

## **CROATIA ECONOMY REPORT**

Q4 2020

## CONTENTS

MACROECONOMIC SNAPSHOT .....	3
1. NATIONAL ACCOUNTS.....	3
1.1. GROSS DOMESTIC PRODUCT .....	3
1.2. GDP PER CAPITA.....	5
1.3. GROSS VALUE ADDED.....	5
1.4. BUDGET BALANCE .....	7
2. OUTPUT AND CONSUMPTION .....	7
2.1. INDUSTRIAL PRODUCTION.....	7
2.2. INDUSTRIAL SALES.....	8
2.3. NEW CAR REGISTRATIONS.....	9
2.4. BUSINESS CONFIDENCE INDICATOR.....	10
3. LABOUR MARKET .....	10
3.1. LABOUR FORCE, EMPLOYMENT AND REAL LABOUR PRODUCTIVITY.....	10
4. HOUSEHOLDS.....	13
4.1. CONSUMER CONFIDENCE INDICATOR.....	13
4.2. WHOLESALE AND RETAIL .....	14
5. PRICES.....	15
5.1. INFLATION.....	15
5.2. PRODUCER PRICE INDEX.....	16
6. CONSTRUCTION AND REAL ESTATE .....	17
6.1. NEW BUILDING PERMITS .....	17
7. MONEY .....	18
7.1. MONETARY AGGREGATES .....	18
7.2. EXCHANGE RATE .....	19
7.3. BANKS' CAPITAL RATIOS .....	20
7.4. CENTRAL BANK'S INTEREST RATE.....	20
7.5. LOANS TO COMPANIES AND HOUSEHOLDS .....	20
7.6. DEPOSITS .....	21
8. EXTERNAL SECTOR .....	22
8.1. DEBT .....	22
8.2. CURRENT ACCOUNT .....	23
8.3. TRADE BALANCE.....	24

## MACROECONOMIC SNAPSHOT

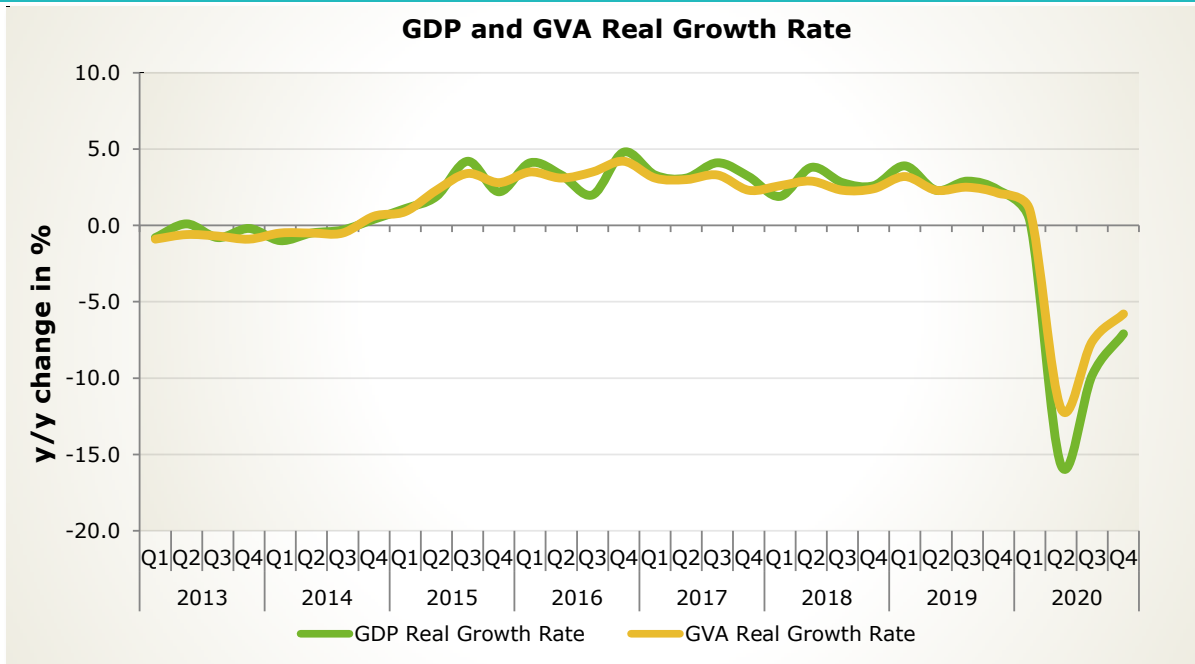
CROATIA – MACROECONOMIC SNAPSHOT AS OF Q4 2020	
<b>GDP Growth</b>	-7.1% y/y
<b>Business confidence indicator</b>	88.8
<b>Industrial output</b>	0.3% y/y
<b>Industrial sales</b>	-4.5% y/y
<b>Wholesale</b>	0.2% y/y
<b>Retail sales</b>	-1.5% y/y
<b>Average annual inflation</b>	0.0%
<b>Unemployment rate</b>	9.2%
<b>Number of building permits</b>	5.3% y/y
<b>Money supply growth</b>	11.4% y/y
<b>Household loans</b>	2.3% y/y
<b>Gross external debt</b>	EUR 40.6 bln
<b>Current account deficit</b>	EUR 370.8 mln
<b>FDI inflow</b>	EUR 160.1 mln
<b>Foreign trade deficit</b>	EUR 1.7 bln

## 1. NATIONAL ACCOUNTS

## 1.1. GROSS DOMESTIC PRODUCT

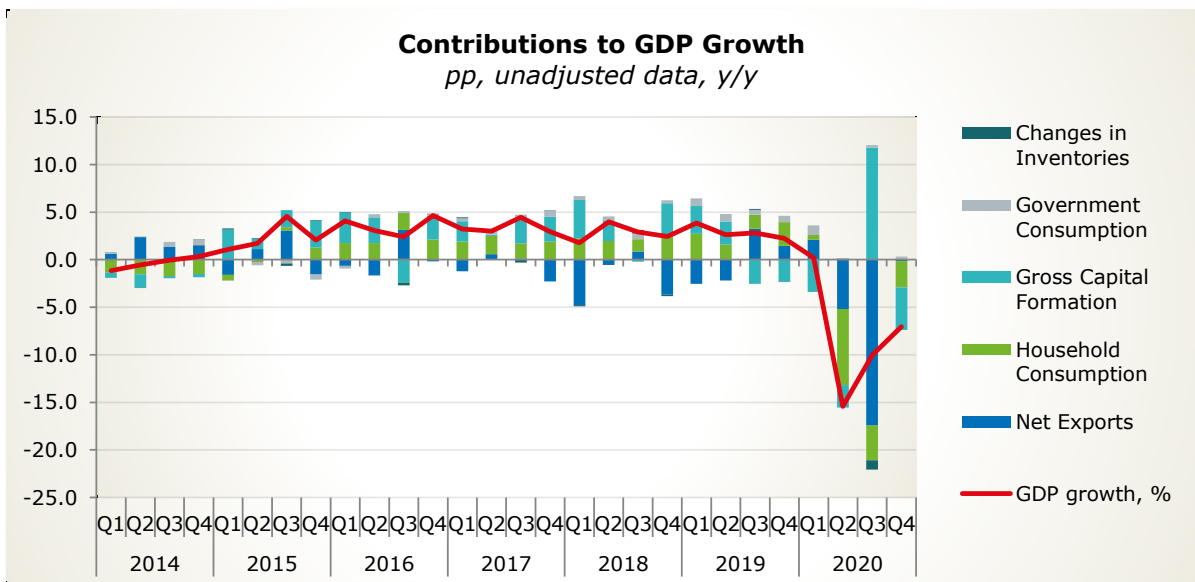
**GDP plunged by 7.1% y/y in Q4 2020**

The Croatian economy contracted by 7.1% y/y in Q4 2020, Croatian Bureau of Statistics (DZS) reported. This was the third worst seasonally and calendar adjusted growth rate in a single quarter in modern Croatia's history, the record being set in Q2 2020 during the unprecedented restrictions brought about by the COVID-19 pandemic and followed by another grim performance in Q3 2020 amid almost non-existent summer tourist season. The second wave of restrictions starting from November was the reason for the third consecutive contraction of the local economy. The drop in Q4 2020 is estimated as one of the sharpest in SEE. As a result, Croatia reported close to a double-digit full-year GDP decrease, of 8.4. The level of uncertainty in the global economic conditions continues to be very high, especially in the light of problematic vaccination process in the first quarter of 2021.



Source: Eurostat

The main contributor to the negative movement of GDP was gross capital formation, which took away 4.4 pp from the real GDP in Q4 2020. Lingering household consumption took away further 2.8 pp, followed by net exports with negative 0.1 pp. Changes in inventories was this quarter's neutral contributor to the GDP. Government consumption, fuelled by anti-crisis expenditure in health and economic support, continued to mitigate partially the drop in the other components, contributing to the real growth by 0.3 pp.



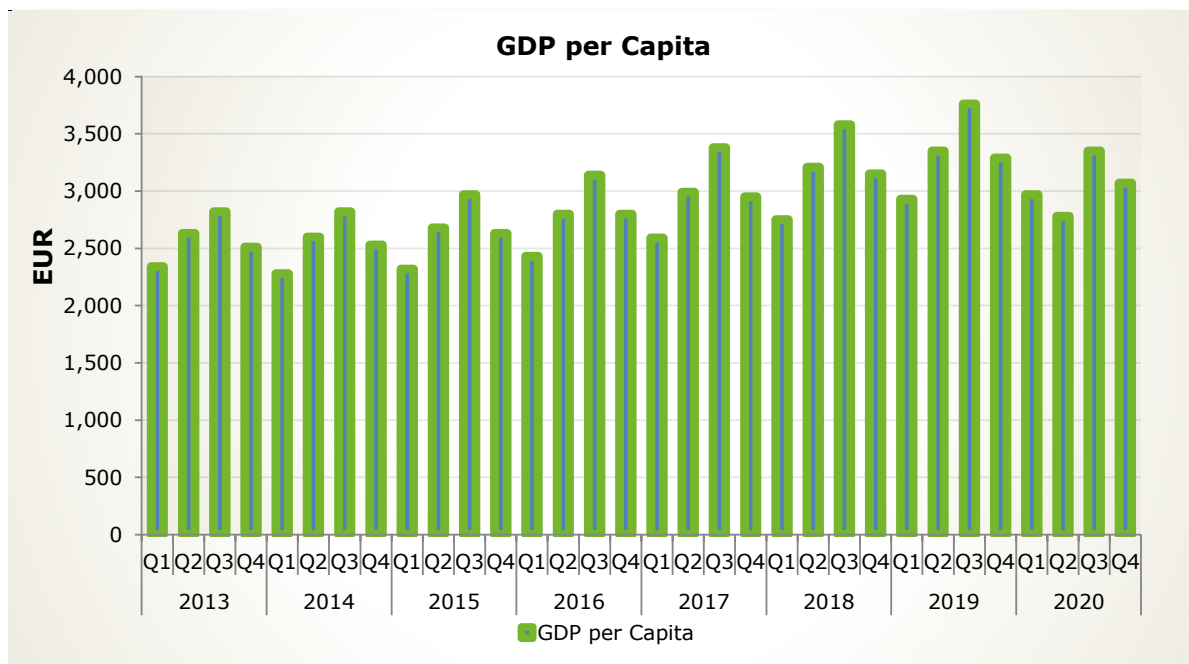
Source: SeeNews calculations; Eurostat

Note: Non-additive data due to direct chain-linking of GDP and its components. Contribution of changes in inventories has been derived as a residual.

## 1.2. GDP PER CAPITA

### GDP per capita down 6.7% in Q4 2020

GDP per capita amounted to EUR 3,070 in Q4 2020, down by 6.7% from the same period of the previous year. The indicator lost 8.4% on quarterly basis, but this was caused by the end of the summer tourism when the GDP per capita is the strongest. In regional context Croatia recorded the worst drop in GDP per capita at a rate more than twice faster than the EU average.

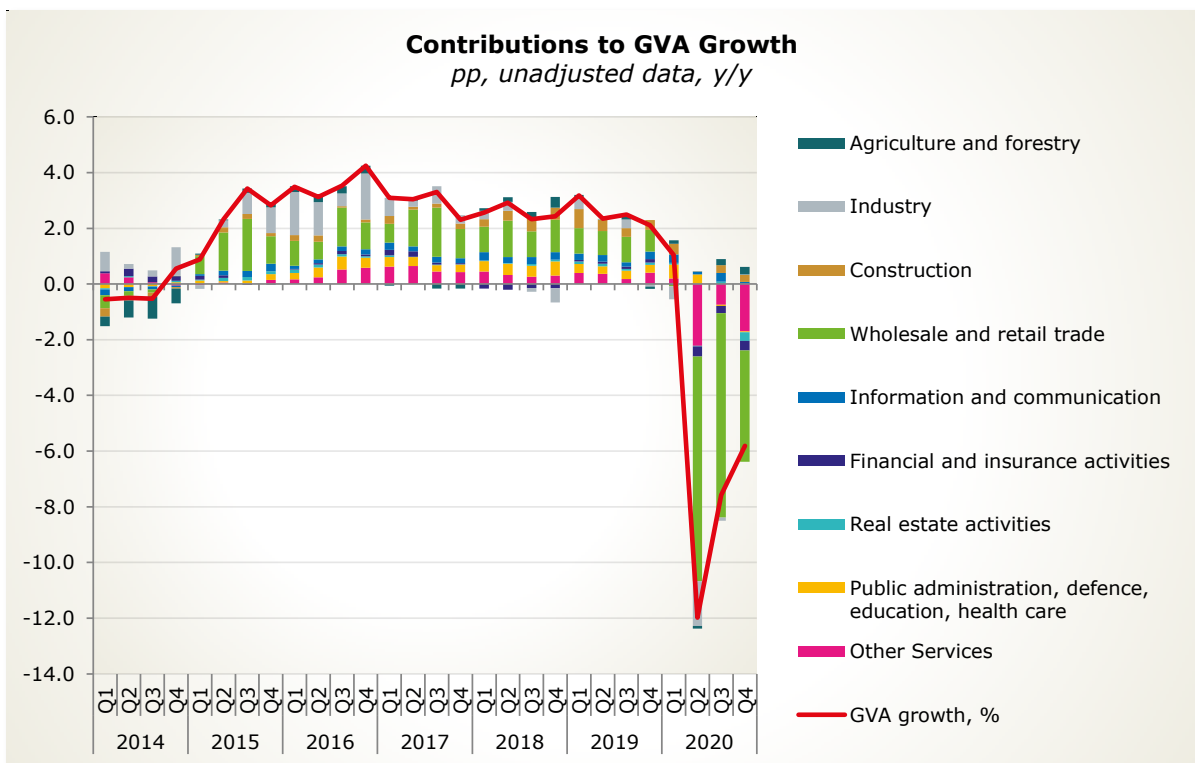
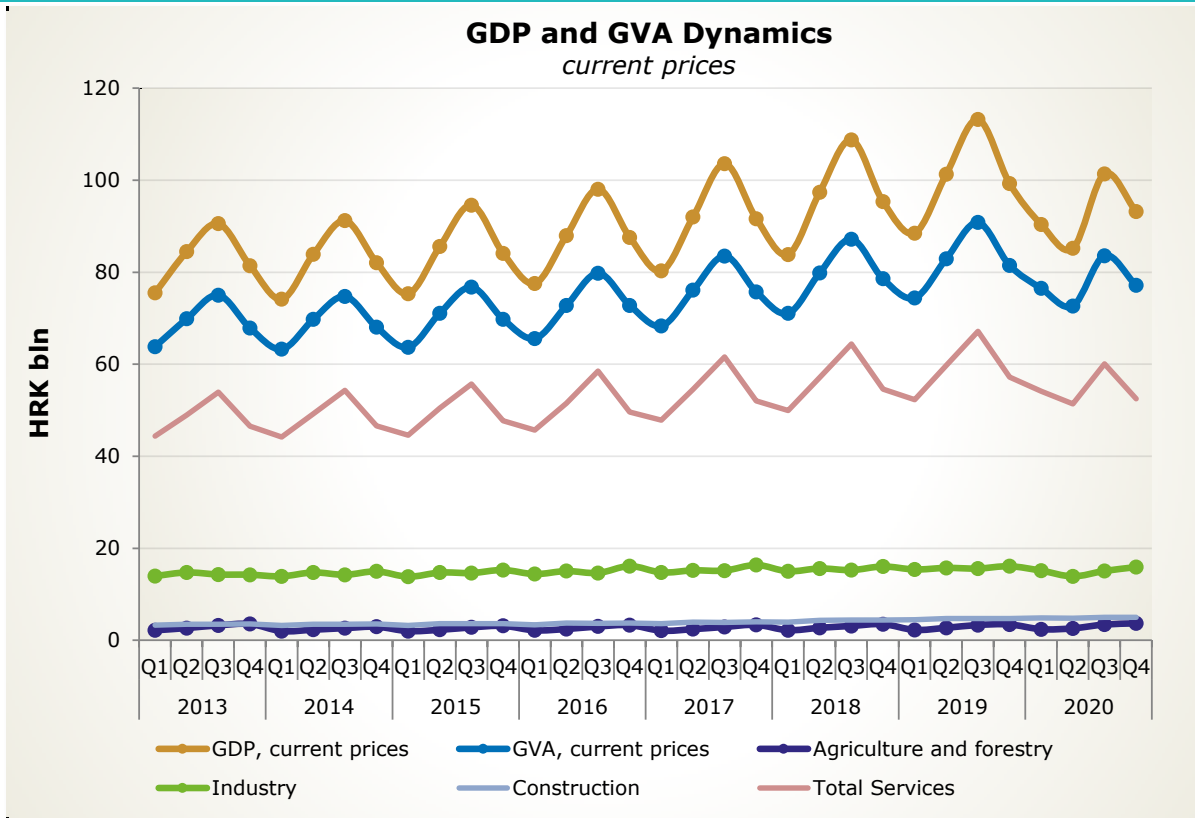


Source: Eurostat

## 1.3. GROSS VALUE ADDED

### GVA decreased by 5.8% y/y, dragged down by services

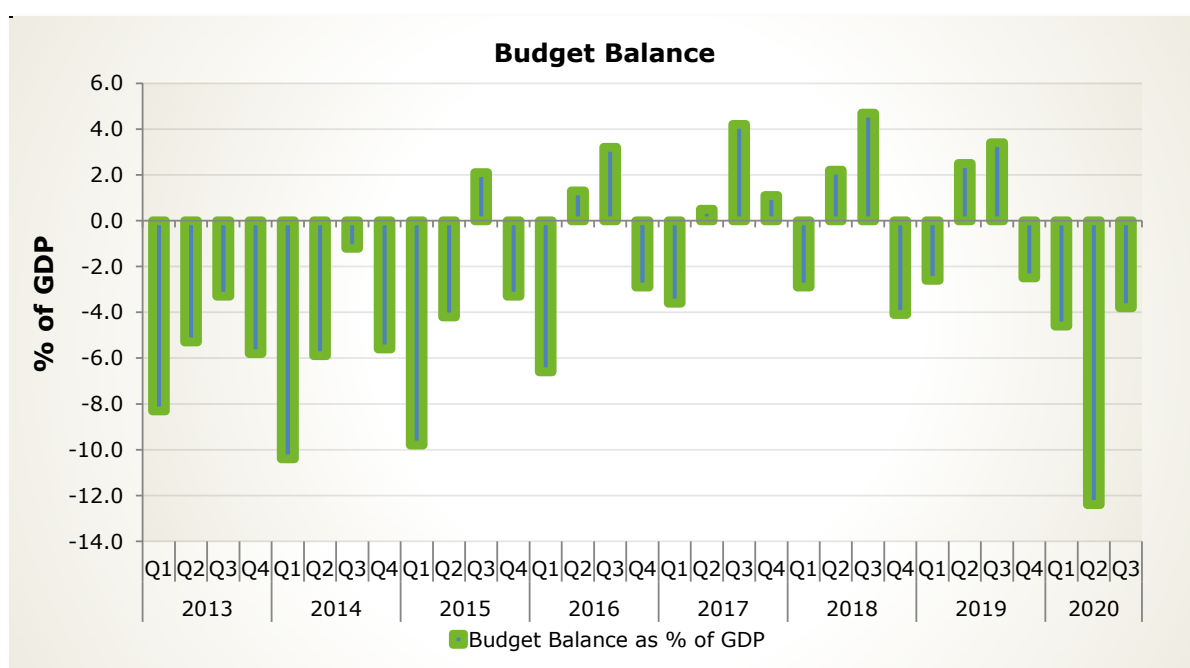
The unadjusted gross value added (GVA) of the Croatian economy went down by 5.8% y/y in real terms in Q4 2020 and totalled HRK 77.149 bln in current prices. The services sector narrowed by 8.2% y/y in value terms, taking away 6.4 pp from the annual GVA growth. Agriculture and construction were the only growing sectors with annual growth rates of 6.9% and 5.5%, respectively, and had positive contributions of 0.3 pp and 0.2 pp. Although the industry sector contracted by 1.1% y/y in current prices, it had a neutral contribution to Croatia's GVA in the last quarter of 2020. Within the services sector, wholesale and retail continued to suffer the most and took out alone 4.0 pp from the overall GVA growth, while information and communication was the only segment to contribute positively, by 0.1 pp.



## 1.4. BUDGET BALANCE

### *Budget deficit at 3.8% of GDP in Q3 2020<sup>1</sup>*

The budget balance of the Croatian government in Q3 2020 stayed negative, at 3.8% of GDP, in a stark contrast to the same quarter of the previous year, when there was a surplus of 3.4% of GDP. Additional government spending in the form of economic incentive packages and social payments to combat the negative impact of the coronavirus crisis, paired with diminishing tax revenues resulting from weak economic activity and regulatory changes delaying tax payment deadlines, were the major driver of the rise of deficit and will further deepen it for the rest of the year.



Source: Eurostat

## 2. OUTPUT AND CONSUMPTION

### 2.1. INDUSTRIAL PRODUCTION

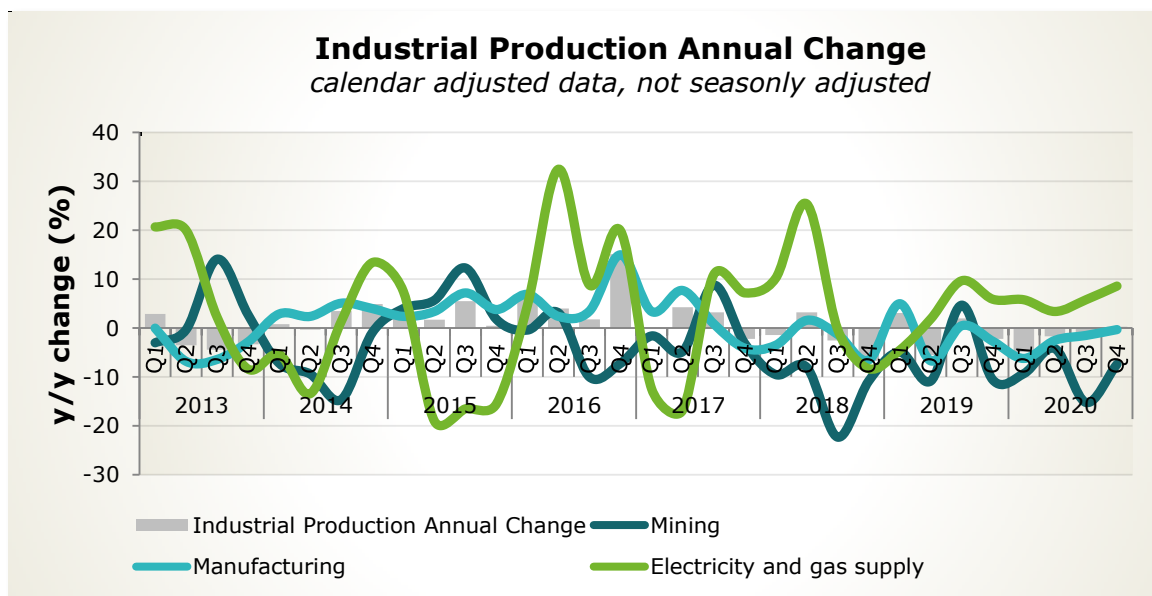
#### *Industrial production with positive outcome in Q4 2020*

In October-December 2020, industrial production in Croatia notched up by 0.3% y/y, according to Eurostat. After the continued drop caused by the COVID-19 furlough, which established a downward trend in Croatia's industry throughout the year, Q4 2020 was the first quarter to break this tendency.

<sup>1</sup> Data for Q4 2020 was not available at the time of preparation of this report.

The electricity and gas supply sector was the only one to record an annual growth in Q4 2020, by 8.6%.

Mining and manufacturing continued their downward movement, with declines of 7.4% and 0.3%, respectively, on an annual basis. The losses were significantly smaller than during the previous quarter, which indicates a gradual recovery of the sectors.



Source: Eurostat

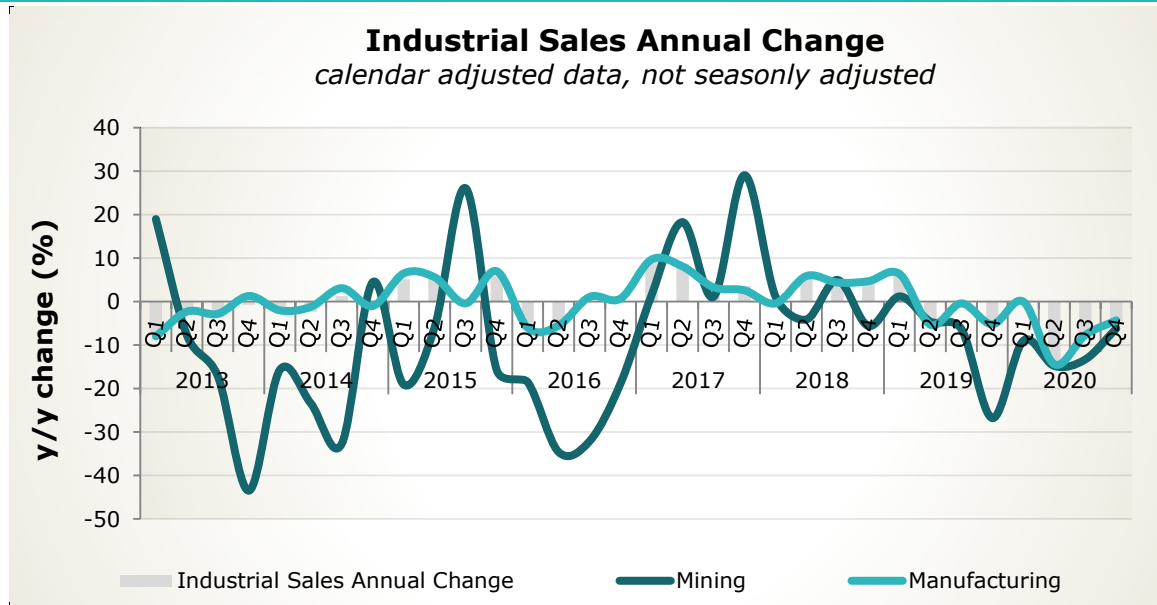
## 2.2. INDUSTRIAL SALES

### Industrial sales down by 4.5% y/y in Q4 2020

Industrial sales dropped by 4.5% y/y in the fourth quarter of 2020, according to Eurostat, for the seventh consecutive quarter. The decline was in line with the weaker industrial sector in Croatia even prior to the onset of the COVID-19 pandemic. Croatia's industrial sales contracted at a higher rate than the rest of SEE and the EU average drop of 3.2% y/y, only better than Bulgaria's.

The two major sub-sectors, mining and manufacturing, contributed to the decrease in Q4 2020, falling by 6.2% and 4.3% on the year, respectively. Since the bulk of the lockdown burden was in the second quarter, industrial sales began to recover in Q3 2020 and the indicator improved further during the last quarter of 2020, as expected.



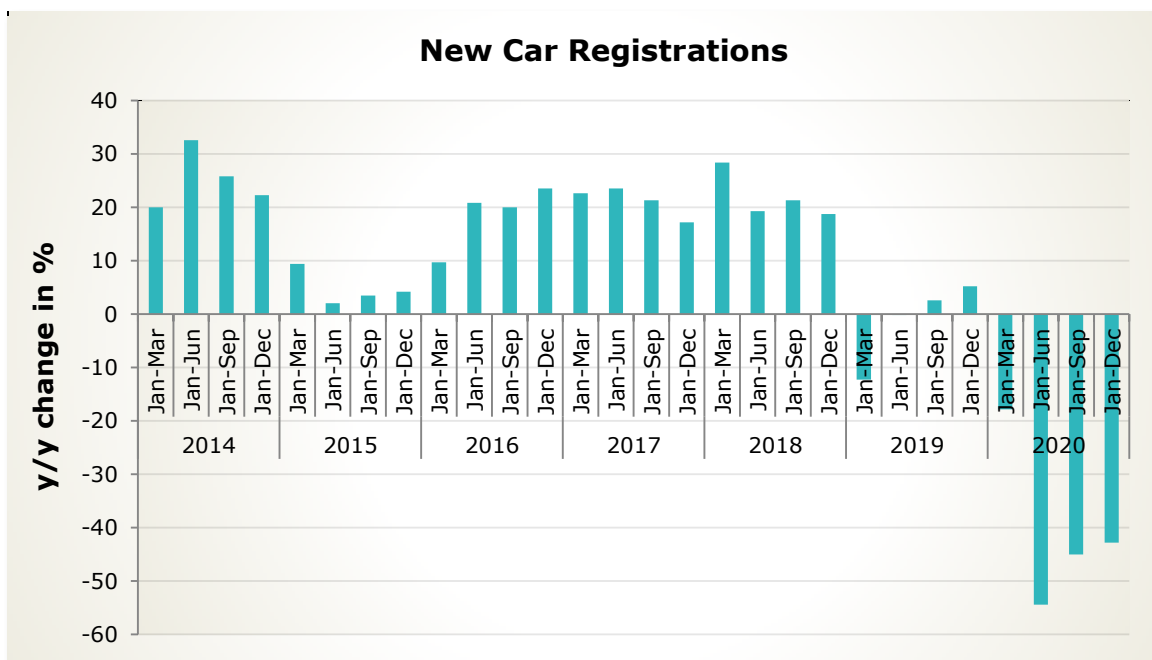


Source: Eurostat

## 2.3. NEW CAR REGISTRATIONS

### *New car registrations dived in 2020 at a record rate*

In 2020 new car registrations in Croatia plunged by 42.8% y/y, according to ACEA. Croatia's new cars market was the heaviest hit by the COVID-19 crisis not only among the EU members in SEE, but at continental level as well. Even before the onset of the pandemic in March 2020, the slowdown was already evident in 2019, which saw growth rates much lower than in the years until 2018. The standstill in new car registrations persisted throughout the whole year, aggravated by the simultaneous shocks in both supply and demand, but the extent of the decline gradually waned.



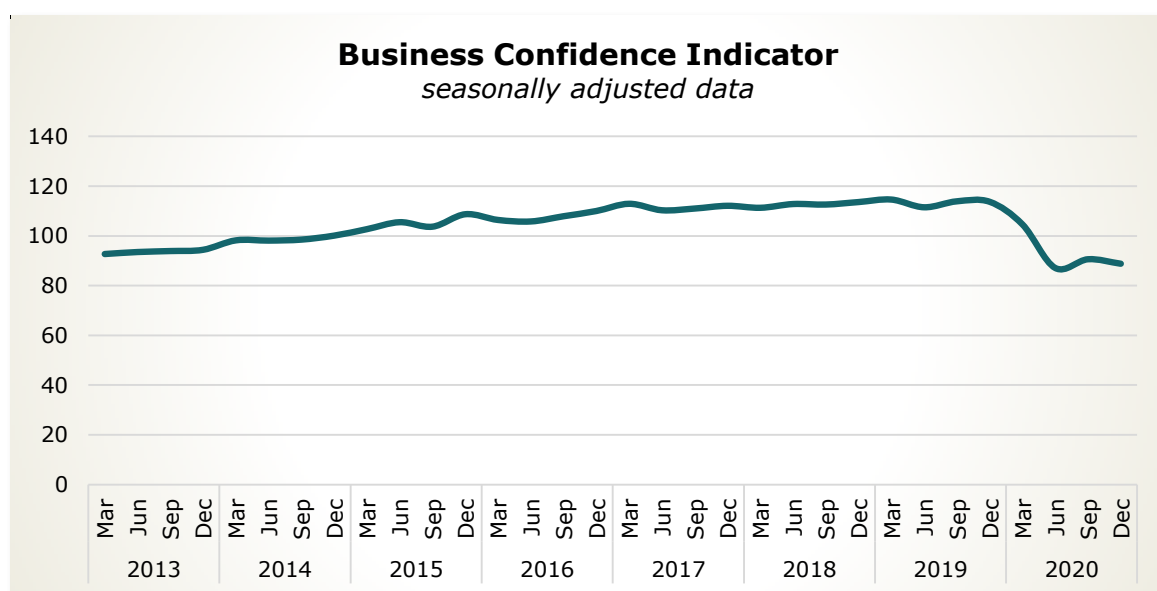
Source: ACEA

## 2.4. BUSINESS CONFIDENCE INDICATOR

### *Business confidence indicator once again close to the bottom in Q4 2020*

The business confidence level among investors in Croatia reached its lowest point in the last eight years in Q2 2020, and in Q4 2020 was again close to this threshold. The value of the Economic Sentiment Index by the European Commission was 88.8 in December 2020, down from 90.6 in September 2020 and 113.7 in December 2019. However, a negative trend was observed within the quarter, with figures steadily decreasing.

Compared with the rest of the region, the economic sentiment in Croatia in the end of Q4 2020 was the second highest, after Slovenia and before Serbia and Romania, but slightly below the EU average of 91.7. Unlike the other major economies in SEE which had historically lower business confidence due to their tighter integration with the Eurozone, Croatia still benefitted from a more optimistic sentiment prior to the global coronavirus crisis.



Source: Eurostat

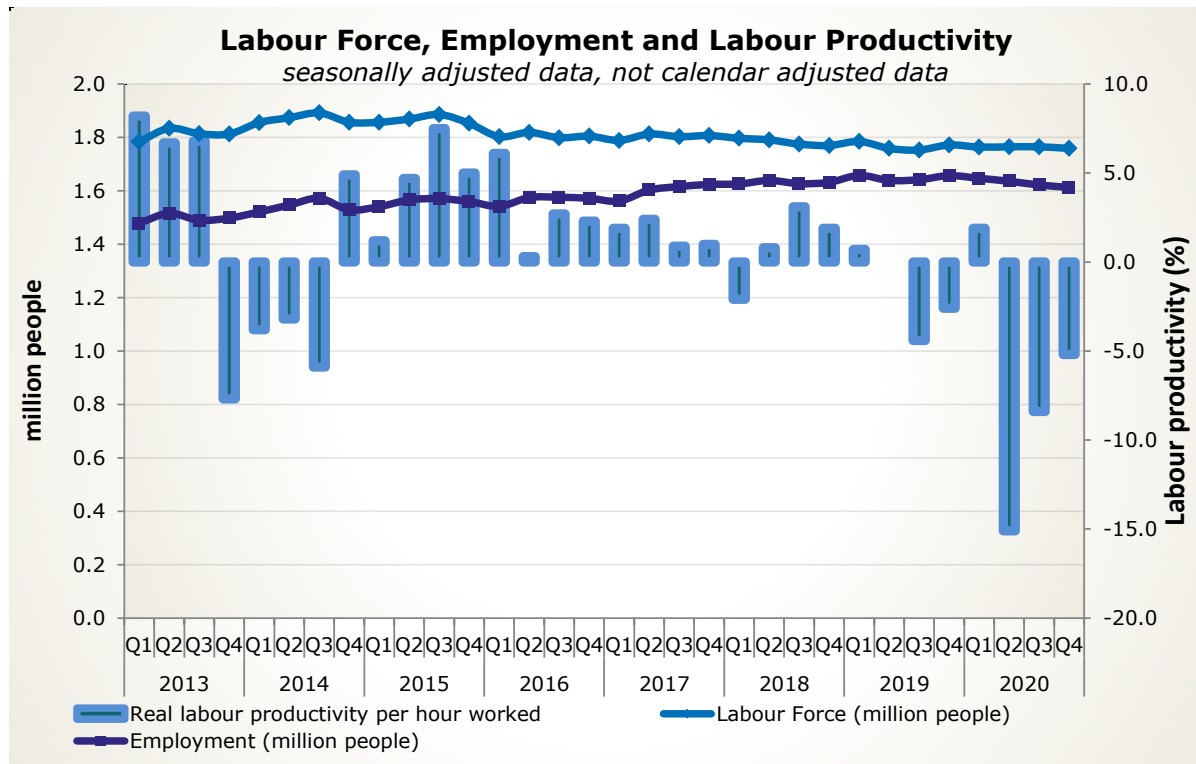
## 3. LABOUR MARKET

### 3.1. LABOUR FORCE, EMPLOYMENT AND REAL LABOUR PRODUCTIVITY

#### *Labour force narrowed by 0.7% in Q4 2020, real labour productivity slumped by 5.2%*

The labour force in Croatia counted 1.759 million people in Q4 2020, by 0.7% y/y less than in the corresponding quarter of the previous year, Eurostat data shows. The employed population aged 15 years and older was 1.613 million, down by 2.7% y/y, indicating a decline in activity rate. Employment and labour force numbers continued to go down on annual basis in the fourth quarter of 2020, as a consequence of the renewed partial lockdown and closure of entire service subsectors.

Real labour productivity per hour worked in Croatia deteriorated according to Eurostat by an annual rate of 5.2% in Q4 2020, slightly milder than in the previous quarter. In regional aspect, the productivity drop of Croatia was by far the worst, being heavier and not even close to the -0.4% of Romania and Bulgaria and way below the EU average - 0.7%.



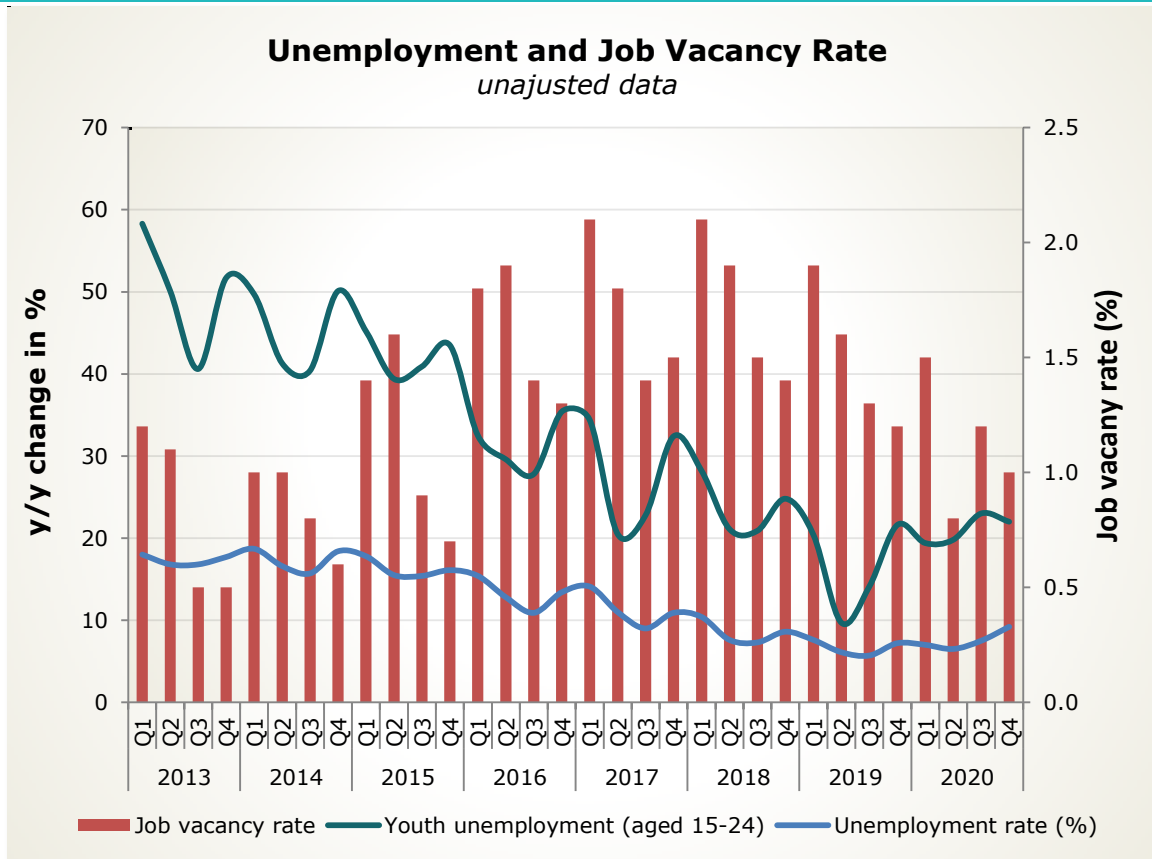
Source: Eurostat

### 3.2. UNEMPLOYMENT RATE AND JOB VACANCIES

#### Unemployment rate hit three-year peak in Q4 2020

The unemployment rate in Croatia in Q4 2020 stood at 9.2%, up from 7.2% in the same quarter of the previous year and 7.5% in Q3 2020. The negative effect of the COVID-19 pandemic on employment through the stagnation in transport, tourism and hospitality sectors spread in Q4 2020 as well. The unemployment rate is expected to exceed 9.0% on average in 2020 and even rise to 9.4% in 2021, according to the spring IMF global economic outlook. Thus, Croatia will be among the SEE countries with labour market worst hit by the crisis in the medium term, due to its over-exposure to troubled sectors, especially international tourism. Youth (population aged 15-24) unemployment rate stabilised at 22.0%, compared to 21.6% in the corresponding quarter of the previous year and 23.0% in the previous quarter.

The job vacancy rate in Q4 2020 stood at 1.0%, down from 1.2% in the corresponding quarter of the previous year. In 2020 the job openings, especially in the sectors creating the highest employment in the country, fell considerably as a result of the weakening economic activity during the pandemic. The unclear COVID-19 situation presupposes the job vacancy rate to decrease further.

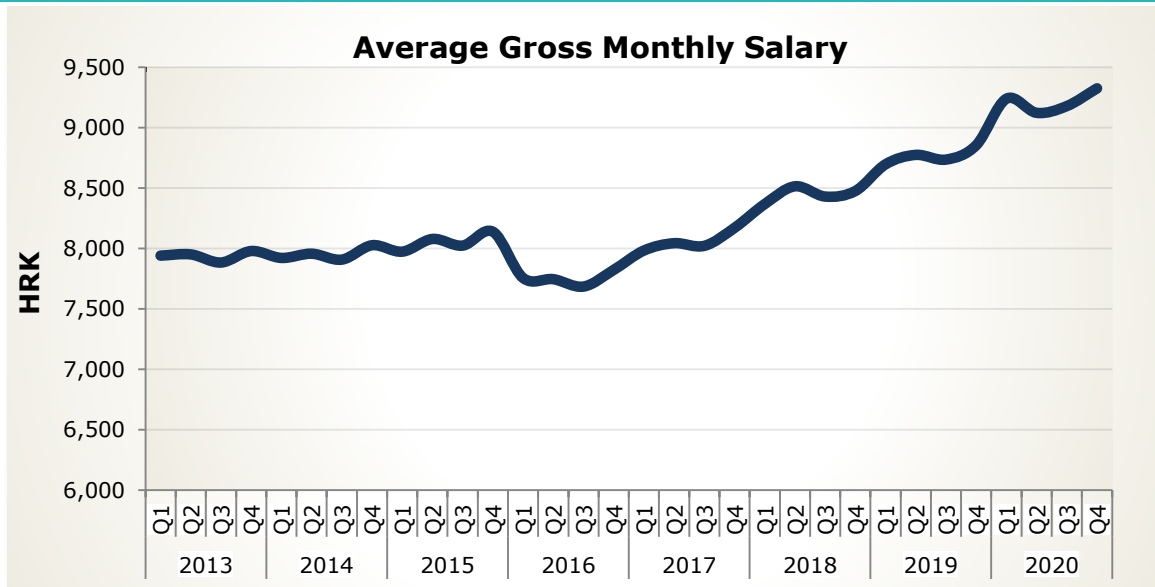


Source: Eurostat

### 3.3 AVERAGE MONTHLY SALARY

#### Average gross monthly salary up by 5.3% in Q4 2020

The average gross monthly salary in Q4 2020 grew by 5.3% y/y to HRK 9,326, according to DZS data. Employees in IT and communication were the highest paid with average gross monthly salary of HRK 13,301, followed by financial and insurance activities with HRK 13,236 and energy with HRK 11,976. At the other end of the ranking stood administrative and support service activities and accommodation and food service. The employees in the latter, which was the lowest paid sector, earned HRK 6,756 on average, which is nearly the half of the highest earning sector. This illustrates the much more uniform average income distribution than in other SEE countries, such as Bulgaria and Romania, where the difference between lowest and highest paid sectors exceeds four times. The highest annual rise in gross salary in Q4 2020 was recorded in the human health and social activities sector, of 10.7%, followed by education, while wages dropped the most, by 6.1%, in accommodation and food service activities.



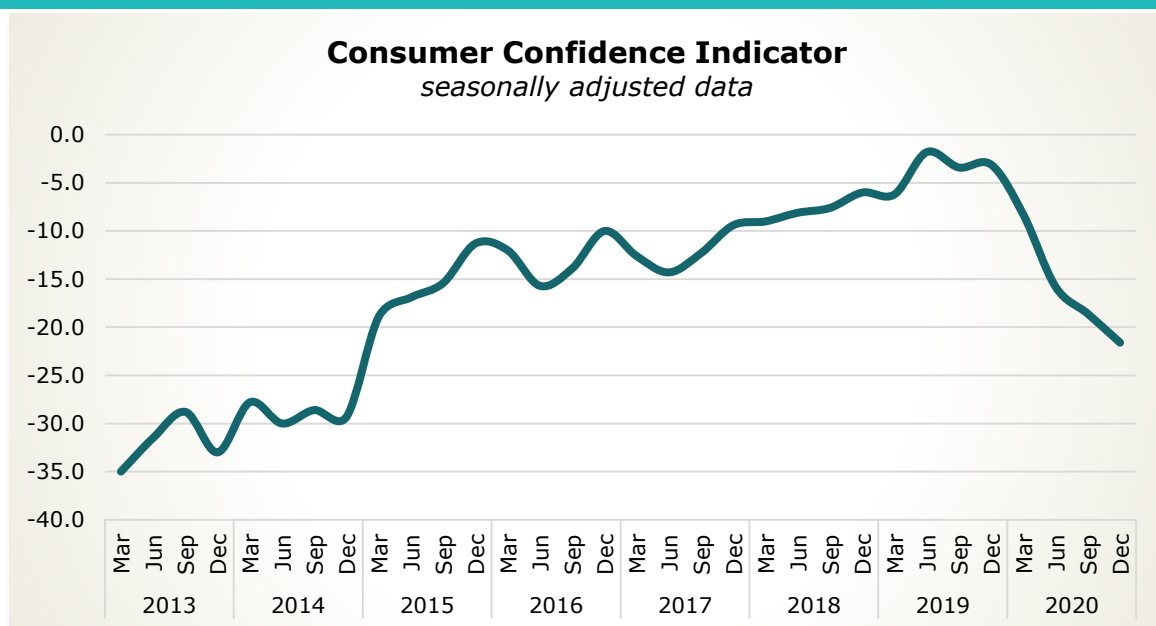
Source: DZS

## 4. HOUSEHOLDS

### 4.1. CONSUMER CONFIDENCE INDICATOR

#### *Consumer confidence indicator sinking to -21.6 points in Q4 2020*

The consumer confidence in Croatia deteriorated in Q4 2020 as a result of the second wave of the COVID-19 pandemic and stood at -21.6 points in December, according to the European Commission. The indicator hit a five-year bottom, but even before the onset of the pandemic and the shutdown in mid-March its value was consistently negative in the last seven years. In December 2020 the index stood even below the June and March values, as disappointment with the lack of fast return to normal after the lockdown and the very limited tourist season increased the pessimism among businesses.



Source: European Commission

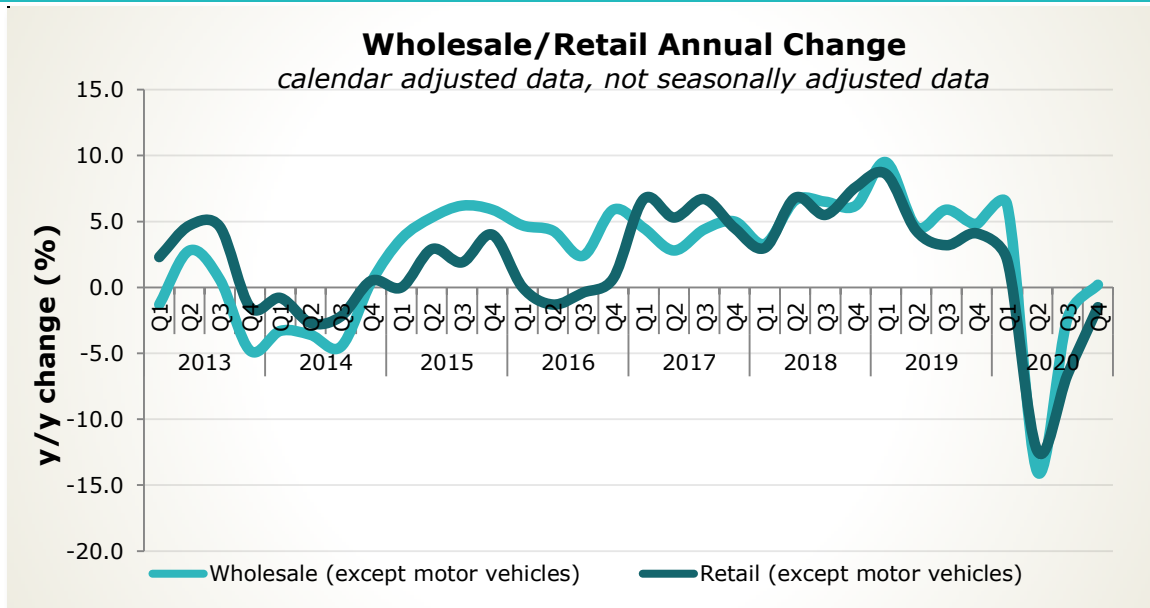
## 4.2. WHOLESALE AND RETAIL

### *Wholesale and retail contracted again in Q4 2020, but at a slower pace*

In the fourth quarter of 2020, wholesale and retail sales registered a 2.6% annual decrease, according to Eurostat. The effect of curbed consumption and investment since the previous period caused a significant distress in the growth rate. In the corresponding quarter of 2019 wholesale and retail sales had climbed by 5.3%.

Retail sales, except motor vehicles, faced a drop of 1.5% y/y, while wholesale gained 0.2% y/y, compared with the growth of 4.8% in Q4 2019. Wholesale, retail and repair of motor vehicles, however, experienced the second worst decline of the decade, of 22.9%, as a continuation of the slump in the second quarter of 2020 of 44.0%.

In regional context Croatia performed close to the average, avoiding the heavy slump in sales in the fourth quarter of 2020, which happened in Bulgaria and Slovenia, but still suffered a heavier blow than the EU average drop of 1.2% y/y.



Source: Eurostat

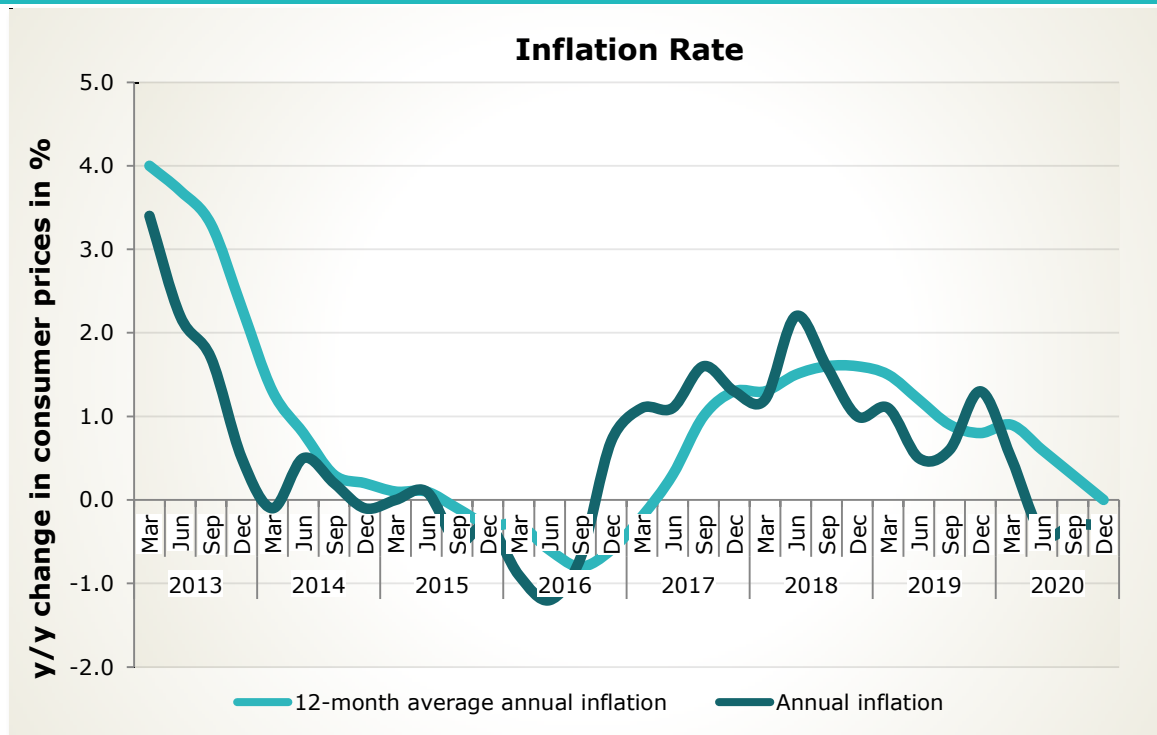
## 5. PRICES

### 5.1. INFLATION

#### *Inflation neutral in Q4 2020*

In Q4 2020, the moving twelve-month average inflation in Croatia stayed neutral, according to Eurostat, down from 0.8% in the fourth quarter of the previous year. In regional aspect, Croatia kept the lowest inflation in SEE in Q4 2020, only higher than the deflation in Slovenia.

Annual inflation also came down from 1.3% in Q4 2019 and turned into deflation of 0.3% y/y. With the sharp cut of all kinds of non-essential expenditures caused by the uncertainty around the duration and future intensity of the coronavirus crisis, consumer prices will continue their slowdown and deflation is highly probable in the next quarters.



Source: Eurostat

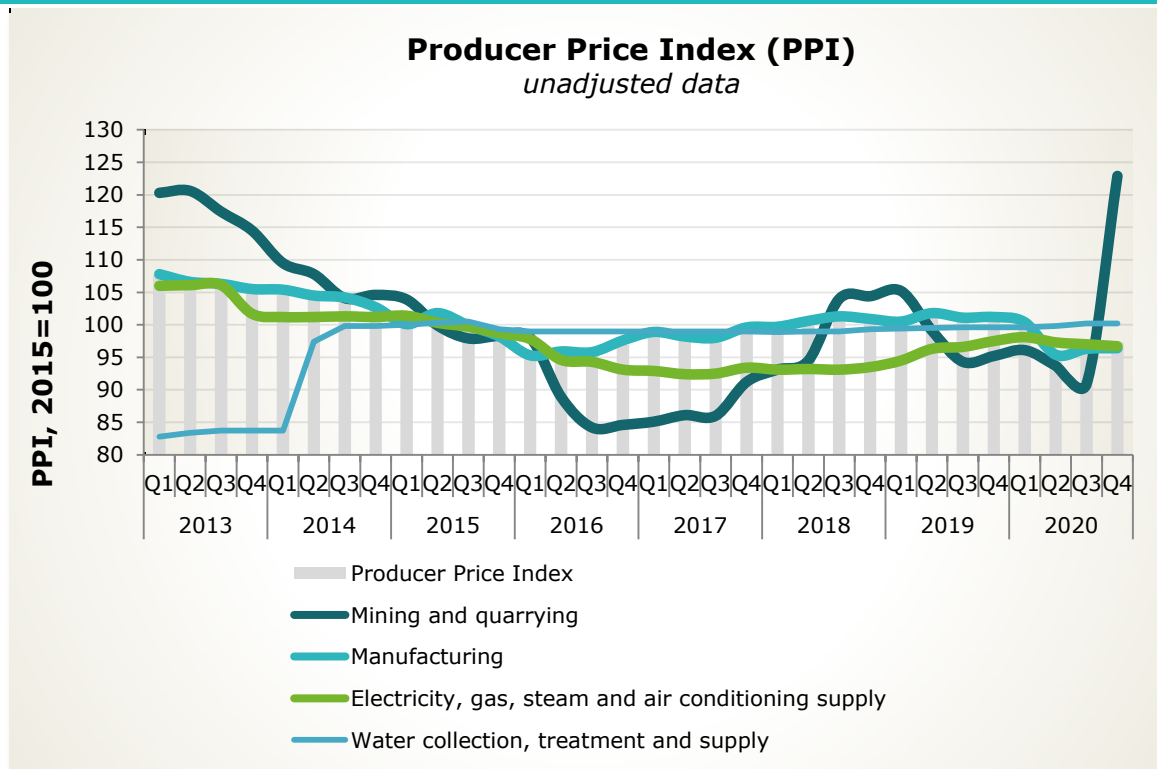
## 5.2. PRODUCER PRICE INDEX

### *Producer price index lingering again in Q4 2020, the mining sector surged*

Eurostat's unadjusted producer price index in Croatia came in at 97.3 points in Q4 2020, up by 1.0 pp compared to Q3 2020, but still down by 3.5 pp on the year.

Mining and quarrying was the only sector to register a jump in producer prices in Q4 2020 on both annual and quarterly basis. The producer price index in mining and quarrying gained 27.7 pp compared with the year-ago quarter and even more compared to Q3 2020 – up by 32.0 pp. Manufacturing declined by 4.8 pp y/y, while electricity, gas and steam supply producer prices lost a notch of 0.8 pp y/y. Water collection, treatment and supply stayed unchanged on the quarter but went up by 0.6 pp compared to Q4 2019.





Source: Eurostat

## 6. CONSTRUCTION AND REAL ESTATE

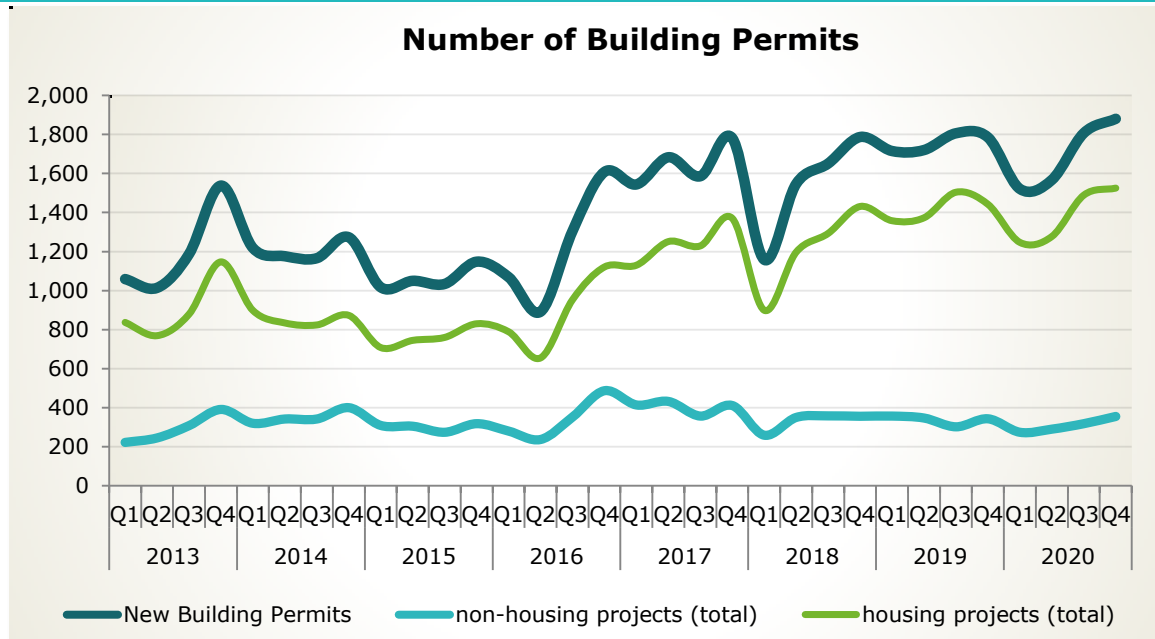
### 6.1. NEW BUILDING PERMITS

#### *New building permits on the rise by 5.3% y/y in Q4 2020*

The number of building permits issued in Croatia in the period October - December 2020 accelerated by 5.3% y/y and totalled 1,880, according to DZS data. Housing projects rebounded by 5.8% y/y and permits for non-housing and administrative buildings went up by 3.5% y/y to 355, compared with 343 a year earlier.

The total built-up area of both residential and non-residential units took an upturn in Q4 2020 compared to the last quarter of the previous year. The built-up area covered by new non-residential permits advanced by 9.1% to 399,047 sq m, while the total built-up area of the residential space increased by 3.0% to 510,298 sq m.

Construction activity in Croatia is expected to recover slowly to its pre-crisis levels in spite of the surging pessimism during the pandemic both among investors and consumers. The office segment will be hit harder by the continuous work from home policy adopted by most tenants of high-end office space.



Source: DZS

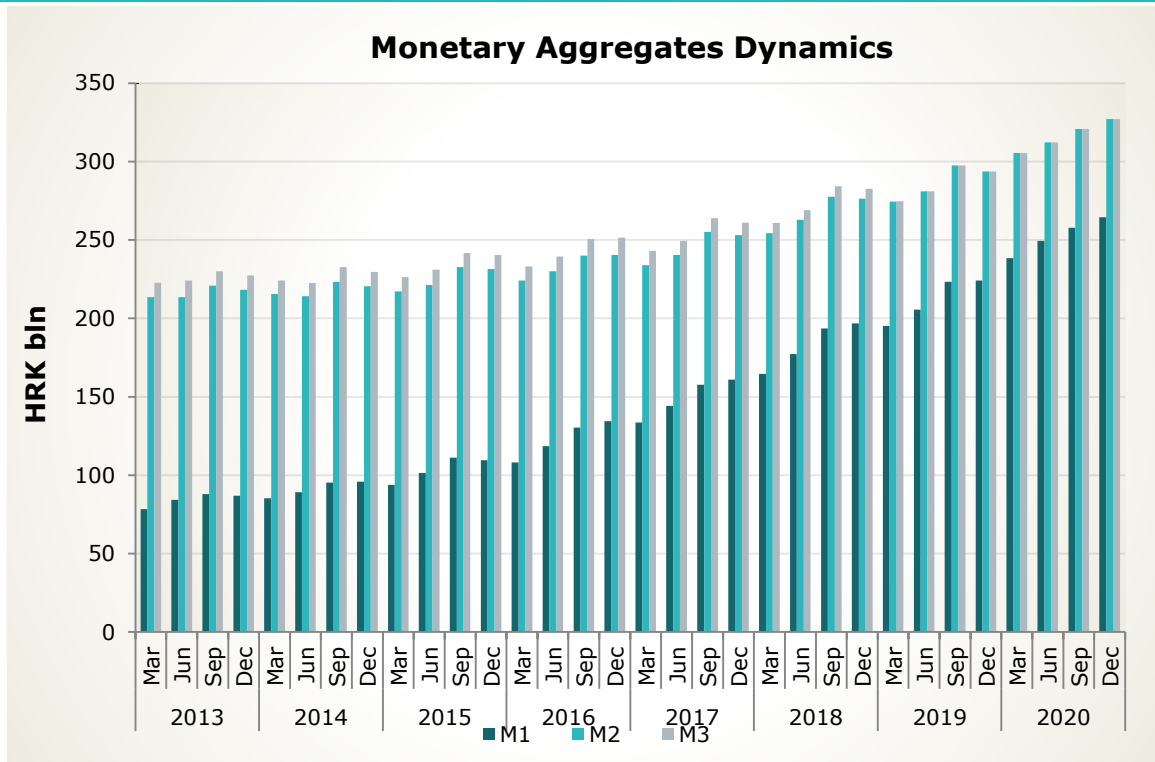
## 7. MONEY

### 7.1. MONETARY AGGREGATES

#### *Money supply and narrow money expanded by more than 10.0% y/y each in Q4 2020*

At the end of Q4 2020 the broad monetary aggregate M3 rose by 11.4% on an annual basis and the total money supply in the Croatian economy reached HRK 327.1 bln.

The M2 money supply registered an equal values as the M3 aggregate and also climbed by 11.4% y/y. The monetary aggregate M1, or narrow money, expanded by 18.0% to HRK 264.4 bln.

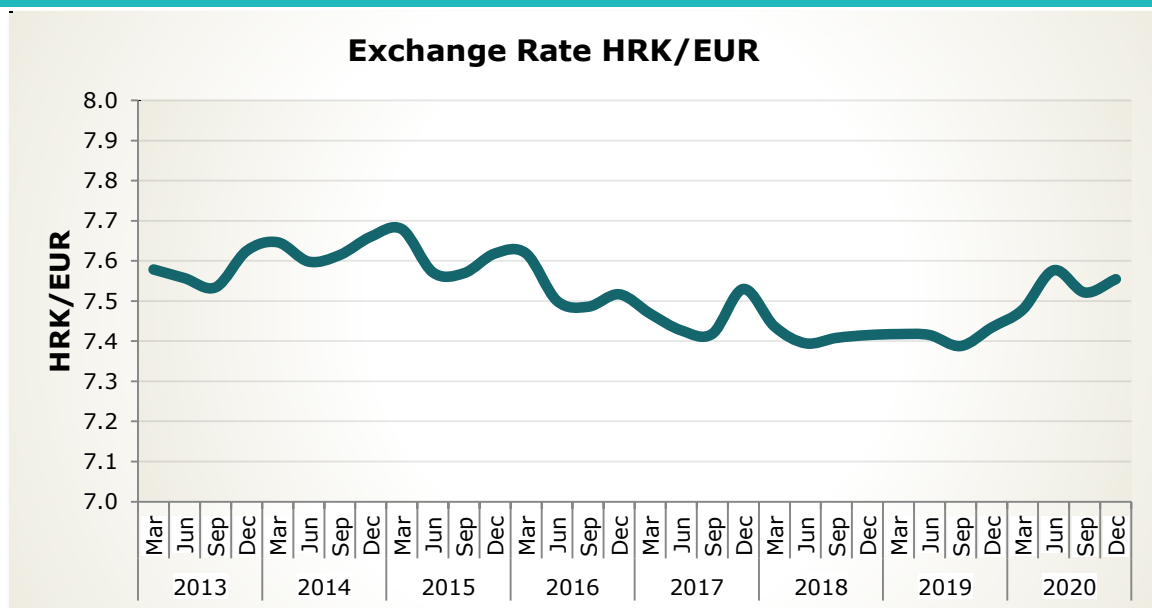


Source: HNB

## 7.2. EXCHANGE RATE

### *Croatian kuna (HRK) depreciated against the euro on quarterly basis*

The HRK depreciated against the euro in Q4 2020, reaching an average quarterly rate of HRK 7.5545, compared with HRK 7.5213 in the previous quarter and HRK 7.4340 in Q4 2019. In order to mitigate strong depreciation pressures on the local currency, caused by the global economic developments since the start of the year, the Croatian National Bank has intervened by selling forex.



Source: HNB

### 7.3. BANKS' CAPITAL RATIOS

*Financial soundness indicators of the banking system remained above regulatory requirements in Q4 2020*

As of end-December 2020, the banking system's common equity Tier 1 capital ratio, determined by the Croatian National Bank, stood at 4.5%. In order to ensure the stability of the Croatian banks in the period of economic turmoil associated with the coronavirus pandemic, HNB has required all commercial banks to retain their profits from the previous year.

### 7.4. CENTRAL BANK'S INTEREST RATE

*HNB base interest rate still unchanged*

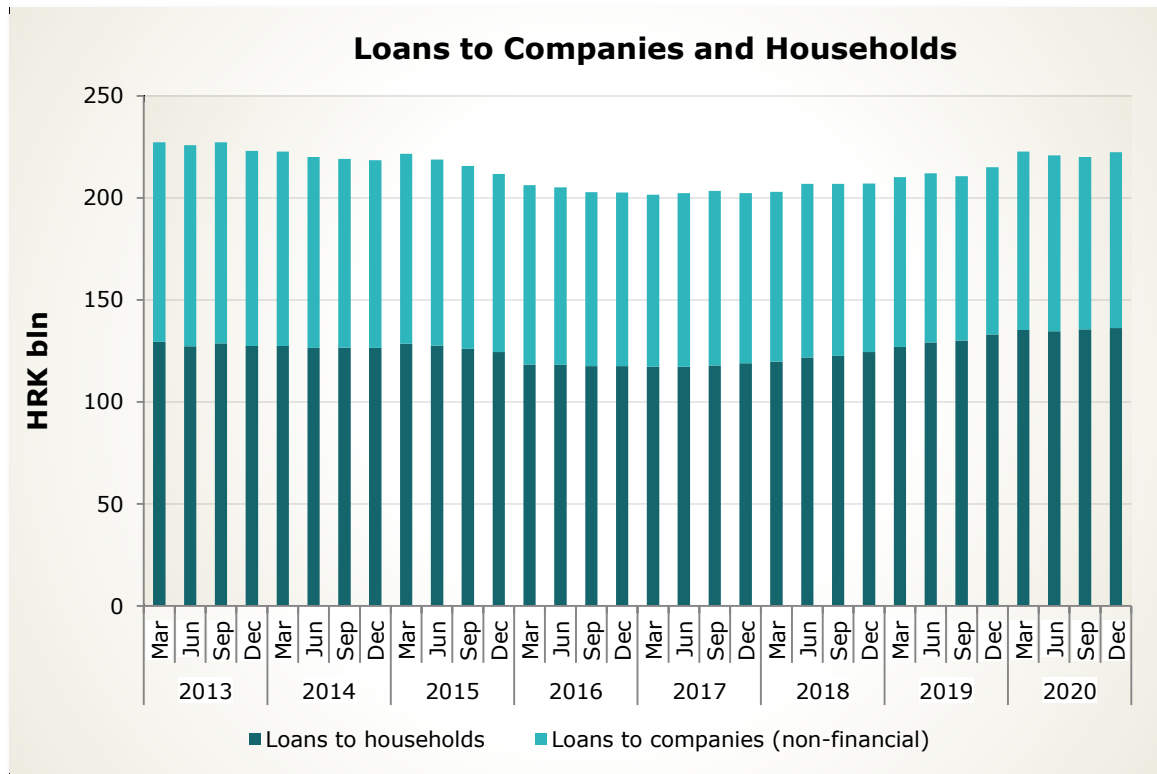
In Q4 2020 the discount rate of HNB remained at 3.0%, unchanged since the beginning of 2017. Although considerably higher than in its regional peers, the unchanged discount rate in Croatia indicates the intent of the central bank to stimulate investment and consumer spending in order to boost economic activity as a counter measure to the global slowdown.

### 7.5. LOANS TO COMPANIES AND HOUSEHOLDS

*Loans to companies continued to climb, household loans increased by 2.3% y/y in Q4 2020*

In December 2020 the loans to non-financial corporations increased by 5.3% on the year to HRK 86.3 bln. The annual growth of loans to households was weaker, at 2.3% and they totalled HRK 136.2 bln. The rise was supported mostly by loans for house purchase, which grew at a

rate of 8.2% y/y. Consumer loans on the other hand contracted by 18.1% on the year. Corporate and consumer loans are expected to slow down their growth in the following quarters as a result of the stagnating economic activity and increased preference to saving over spending by individual consumers.

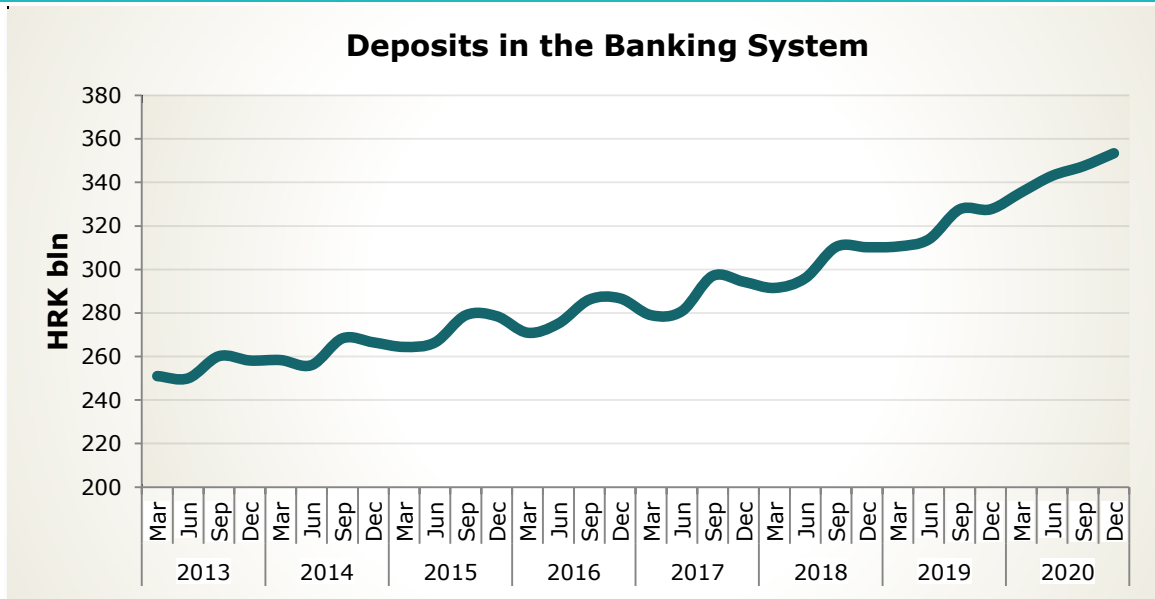


Source: HNB

## 7.6. DEPOSITS

### Deposits increased by 7.9% y/y in Q4 2020

The total amount of deposits in the banking system, as of end-December 2020, increased by 7.9% y/y and stood at HRK 353.4 bln, compared with HRK 327.6 bln in the same month of the previous year. The growth was supported by the increased savings rate in Croatia linked with the high uncertainty associated with the coronavirus crisis.



Source: HNB

## 8. EXTERNAL SECTOR

### 8.1. DEBT

#### Gross external debt narrowed in Q4 2020

The gross external debt inched down by 0.6% y/y, totalling EUR 40.6 bln as of end-December 2020, according to HNB. It accounted for 82.9% of the country's latest annual GDP. This makes Croatia well positioned in regional and global aspect in the group of countries with low risk for additional indebtedness as a result of the fiscal measures packages introduced by the governments to combat the negative economic effects of the COVID-19 pandemic.

Government debt registered a positive upturn on an annual basis in Q4 2020, increasing by 5.0% to EUR 14.8 bln at the end of the period. Long-term liabilities went down by 3.2% y/y and amounted to EUR 26.8 bln, or 66.1% of the total debt, and short-term liabilities totalled EUR 7.4 bln, following a 6.4% annual rise and equalled 18.3% of the total debt.

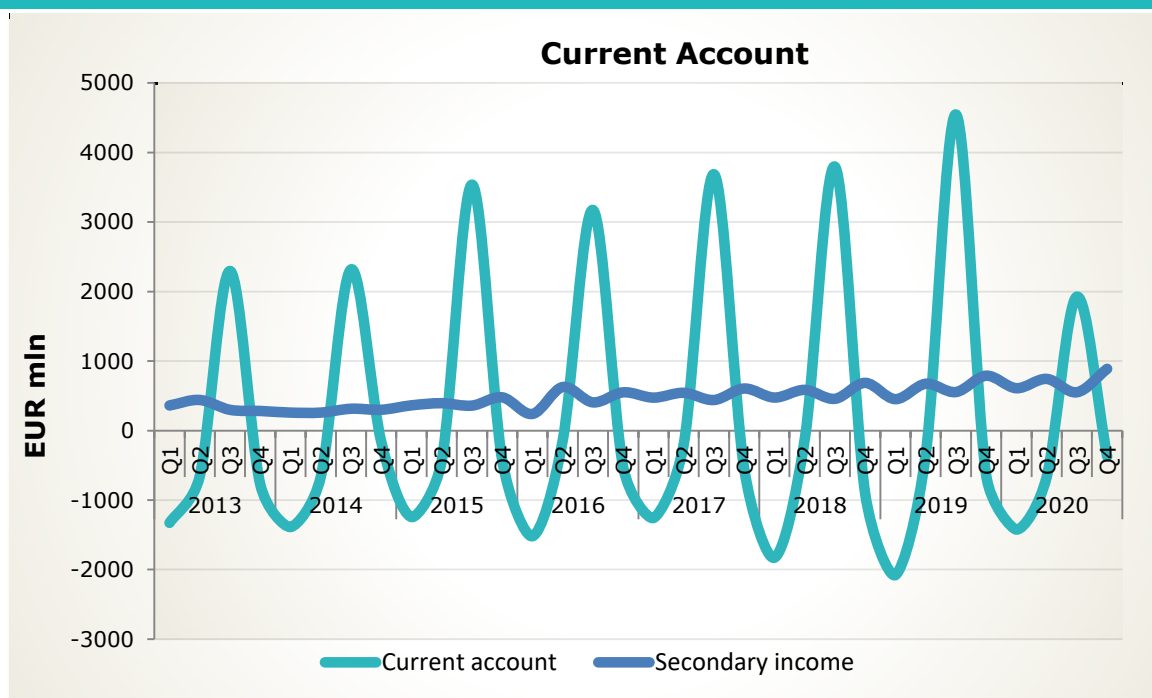


Source: HNB

## 8.2. CURRENT ACCOUNT

### Current account halved its deficit in Q4 2020

Given Croatia's dependence on international summer tourism, the country's current account, which is traditionally positive only in the third quarter, marked a deficit in Q4 2020. However, it stood at EUR 370.8 mln which was 42.2% down from the last year's fourth quarter – EUR 641.5 mln. As a share of Croatia's GDP, the current account deficit amounted to 3.0% versus 4.8% in Q4 2019. Secondary income in Q4 2020 stood at EUR 888.6 mln, surging by 12.6% y/y.



Source: Eurostat

### 8.3. TRADE BALANCE

#### Foreign trade deficit tightened by 20.5% y/y in Q4 2020

Exports performed better than imports in annual growth terms in Q4 2020, which resulted in a 20.5% contraction of the foreign trade gap to EUR 1.731 bln, according to DZS data. In the period October - December 2020, exports rose by 7.6% and reached EUR 4.178 bln. Imports came in at EUR 5.909 bln, or by 2.5% less than in the corresponding quarter of the previous year. Exports and imports are expected to recover slowly throughout 2021 in line with the gradual stabilisation and reopening of economies and international trade.

In the fourth quarter of 2020, Croatia's top exported goods included machinery, miscellaneous manufactured goods and chemical products. The only product groups which saw an increase y/y, included not classified commodities with 65.4%, followed by food and live animals and animal and vegetable oils and fats. All other product groups decreased in exports, with machinery and transport equipment losing the most on annual basis with 9.5% y/y.

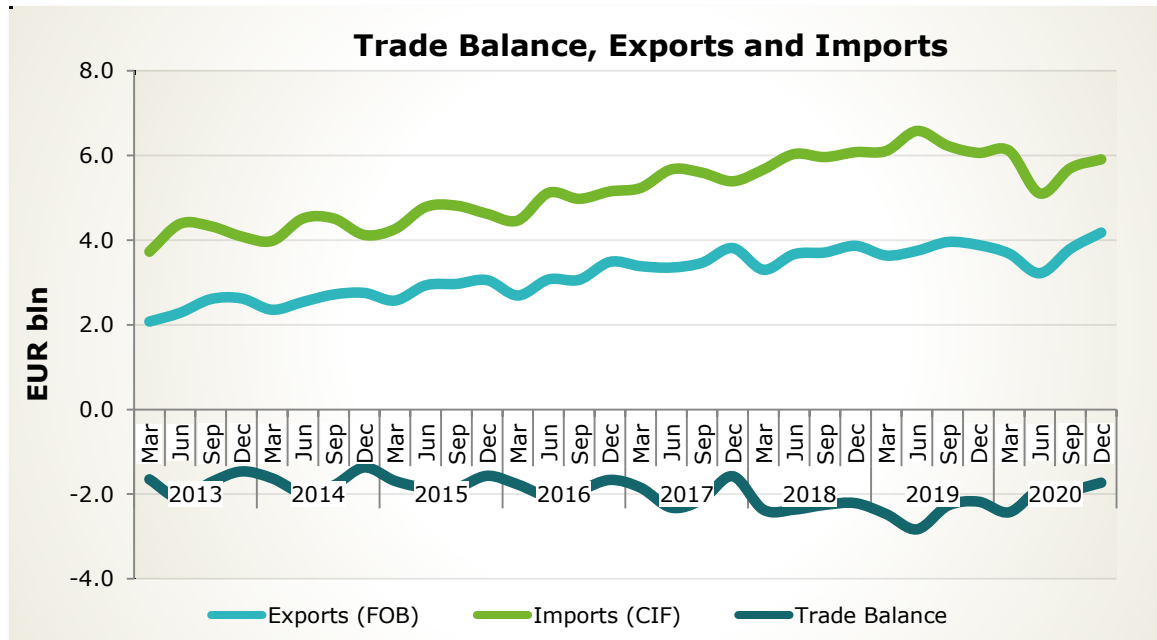
Machinery and transport vehicles were the leading product group for a consecutive quarter in Croatia's imports, slicing a 26.6% share of the total in Q4 2020. The highest rise in imports was recorded by not classified commodities and transactions, which more than doubled, while imports of mineral fuels and lubricants shrank the most, by 35.9%, followed by machinery and transport equipment.

The main export markets for Croatian goods and services in the fourth quarter of 2020 were Italy, Germany and Slovenia. The European Union accounted for 69.7% of the total exports of Croatia. In terms of exports risk exposure during the coronavirus crisis in Q4 2020, Croatia was



in comparatively favourable position, with most of its major partners being European countries.

The main trading partners of Croatia in terms of imports in Q4 2020 were Germany, Italy and Slovenia. Imports from all these countries slumped due to the COVID-19 pandemic, most notably from Italy, by 19.9% y/y.



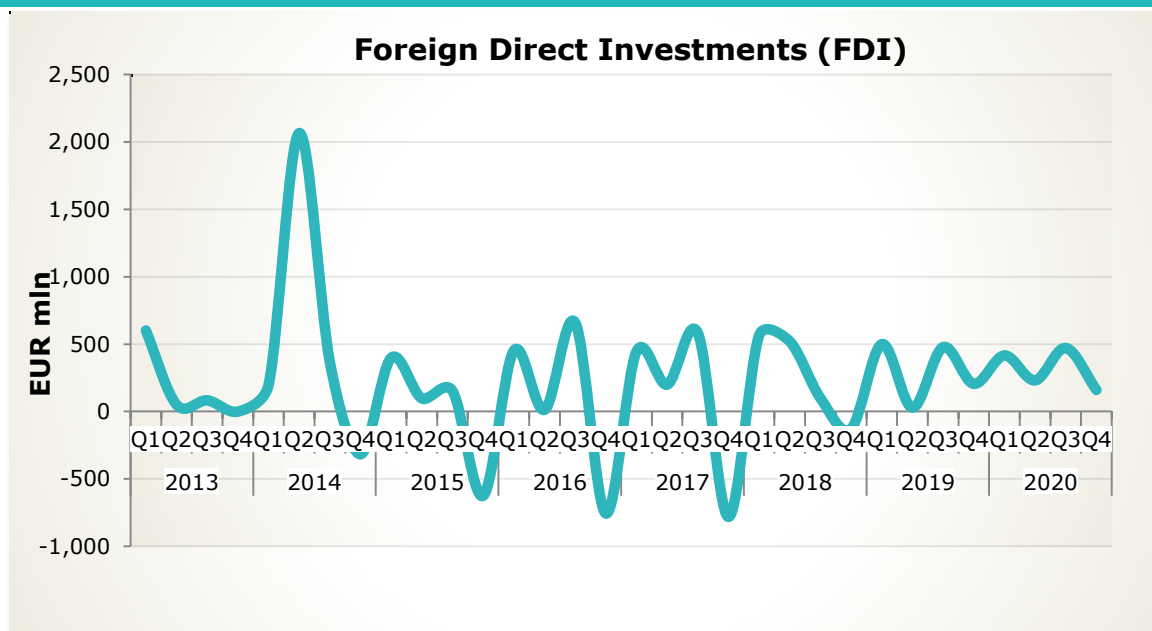
Source: HNB

## 8.4. FDI

### FDIs collapsed by 22.1% y/y in Q4 2020

Net FDI flow in Croatia amounted to EUR 160.1 mln in Q4 2020, down by 22.1% y/y, according to HNB data. For the period October - December 2020 FDIs accounted for 1.3% of the country's GDP, compared with 1.5% in Q4 2019.

FDI inflow is expected to pick up in 2021, reflecting the expected upturn in global economic activity facilitated by fiscal support measures and mass vaccine rollout.



Source: HNB

## FORECAST AND ANALYSIS

Croatia was one of the biggest losers from the COVID-19 pandemic in SEE in terms of GDP growth. In their spring economic outlooks, the IMF and the World Bank point out Croatia as the worst positioned country in the region as far as prospects for economic recovery to pre-coronavirus levels are concerned. According to the IMF, Croatia's GDP full year contraction in 2020 stood at 9.0%, reflecting lower domestic and external demand, and in particular, more than halving of tourism volumes. This represented the second worst drop in the EU after Spain, due to the strong reliance on tourism – the sector most damaged by the crisis. In 2021 a sound, but still inadequate growth of 4.7% will follow, provided a full-scale summer tourist season is possible. In 2022 the annual growth rate is expected to accelerate to 5.0%, still not sufficient to raise GDP above its usual pre-crisis levels.

The World Bank is slightly less pessimistic about Croatia's 2020 full year GDP, expecting an 8.4% decline, better than Montenegro, but still considerably below all other countries in the region. The rebound is to take place in 2023, a result of insufficient 4.7% and 4.9% growth rates in the next two years. A huge question mark concerning the rebound is the probability of unhampered summer season in 2021, without which the projected growth is hardly possible.

The European Commission also projects comparatively slow and uneven recovery of Croatia's economy across the next two years. In 2021 domestic demand should be the first component to launch the upward movement of the economy, once enough people are vaccinated and the pandemic containment measures are phased out. External demand and gross capital formation will probably pick up at a later stage of the recovery process. The travel and hospitality industry will remain subdued for the next several years, which will be the major impediment for Croatia's economic recovery.

## MAJOR DEVELOPMENTS

## **EC oks redirection of 361 mln euro in Cohesion funds to Croatia's SMEs**

Dec 22, 2020

The European Commission said it approved the redirection of EUR 361 mln from the Cohesion Fund to support coronavirus-hit small and medium-sized enterprises (SMEs) in Croatia.

[Read the full story here](#)

## **Croatian airports traffic plunges 90% y/y in Oct**

Dec 17, 2020

Passenger numbers at Croatia's airports fell by an annual 89.5% to 106,000 in October due to the Covid-19 pandemic, the country's statistical office said.

[Read the full story here](#)

## **Croatian c-bank buys 130 mln euro to support kuna's stability**

Dec 16, 2020

Croatia's central bank said it bought EUR 130 mln from local banks on December 15 in order to support the stability of the kuna currency amidst the ongoing second wave of coronavirus crisis.

[Read the full story here](#)

## **Croatia approves EUR 80 mln state aid to flag carrier**

Dec 15, 2020

Croatia's government said it approved an additional state aid of EUR 80 mln to flag carrier Croatia Airlines [ZSE:CRAL], in line with the European Union rules for helping the economy offset the impact of the coronavirus crisis.

[Read the full story here](#)

## **Croatia plans new EUR 278 mln support for coronavirus-hit businesses**

Dec 1, 2020

Croatia's government will adopt new measures worth EUR 278 mln to protect jobs and help local businesses survive during the second wave of the Covid-19 pandemic.

[Read the full story here](#)

## **EIB lending EUR 142.5 mln to support Croatian SMEs hit by Covid-19**

Nov 23, 2020

The European Investment Bank (EIB) said it is extending a EUR 142.5 mln credit line to Croatia to support the faster recovery of local small and medium-sized enterprises (SMEs) from the Covid-19 crisis.

[Read the full story here](#)

## **EU Commission approves EUR 150 mln for school education digitalization project in Croatia**

Nov 18, 2020

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The European Commission said on Wednesday it has approved an investment worth more than EUR 150 mln in a project for integration of innovative digital technologies in Croatia's education system.

[Read the full story here](#)

***EC proposes EUR 684 mln aid to Croatia for Zagreb earthquake recovery***

*Oct 9, 2020*

The European Commission is proposing to provide EUR 683.7 mln aid to help Croatia deal with the devastating effects of the earthquake that hit the capital Zagreb and its surroundings in March.

[Read the full story here](#)

***EIB to invest EUR 100 mln to support Croatian coronavirus-hit SMEs, mid-caps***

*Oct 1, 2020*

The European Investment Bank (EIB) will invest EUR 100 mln in Croatia to assist in the recovery of the country's small and medium enterprises (SMEs) and mid-caps in sectors most affected by the coronavirus pandemic.

[Read the full story here](#)

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