



Information on economic trends

April 2017

Summary

Economic developments in early 2017 were somewhat slower than at the end of the previous year. The volume of industrial production and construction works declined while trade held steady. Nevertheless, the labour market continued to recover and consumer confidence and business optimism held steady at relatively high levels. The upward trend in the annual inflation rate in consumer prices continued, having increased to 1.4% in February. While maintaining the stability of the kuna exchange rate against the euro, the CNB continued to pursue an expansionary monetary policy in the first quarter of 2017, and the average surplus liquidity reached historical highs in March. Despite deterioration of the balance in the last quarter, in 2016 as a whole, the current and capital account of the balance of payments recorded a significant surplus and external debt continued to fall. Strong fiscal consolidation and growth in real activity were reflected in a noticeable fall in the public debt to GDP ratio at the end of the last year, while available data also point to favourable fiscal developments at the beginning of 2017.

Early 2017 was marked by a fall in industrial production and construction activity from the last quarter of 2016 as well as by stagnation in retail trade¹. In January and February, industrial production thus fell by 4.3% on average, witnessing a fall in all main industrial groupings except intermediate goods (Figures 3 and 4). After strong growth towards the end of the previous year, January also witnessed a fall in the volume of construction works, probably due to bad weather conditions (Figure 5). Particularly sharp was the decline in civil engineering works and infrastructure facilities although the volume of works on buildings also shrank (Figure 6). By contrast, after falling in January, the retail trade turnover recovered in February, thus holding steady on a quarterly level (Figure 7).

The results of the survey on business expectations for the first quarter of this year suggest a further improvement in optimism in most of the observed activities. Business confidence in the construction activity continued to show the upward trend noticeable since early 2015. In addition, there was a rise in optimism in industry, mainly due to favourable expectations regarding production over the next three months. While optimism in trade did not change much in the first quarter of this year from the end of 2016, the expectations in service activities deteriorated. As regards household expectations, the results of the Consumer Confidence Survey show continued improvement in consumer optimism indices since mid-2016. The rise in the consumer confidence index in the first quarter of 2017 is primarily the consequence of expectations concerning the financial situation in the household for the following year that are more upbeat than at the present moment and the probability of a rise in household savings over the next period is higher than today (Figure 8).

At the beginning of 2017, the labour market was marked by relatively favourable developments. Employment continued to grow, though at a slightly slower pace than in the last quarter of 2016, mainly reflecting a slower rise in the number of employees in most private sector service activities and their small fall in the public sector. By contrast, the number of employed persons in industry and construction activities rose considerably (Figure 14). Favourable employment trends led to a further fall in unemployment in January and February. The fall in unemployment continued to be largely driven by net outflows due to clearings from the records for other reasons (mainly clearings from the records due to non-compliance with legal provisions and registration cancellation), which can probably be associated with the continued emigration of the working age population. In

February 2017, the registered unemployment rate (Figure 15) fell to 13.7% from 14% in the fourth quarter of 2016.² With respect to wages, early 2017 was marked by an increase in nominal wages, with net wages growth being much faster than gross wages growth due to changes in income taxation (Figure 16). At the same time, owing to a current rise in consumer prices, the growth in real wages was slightly less pronounced.

In February consumer prices rose by 0.2% from the previous month, mostly driven by increased prices of milk, fruit, clothing and hotel and restaurant services (Table 1). In early 2017, the annual consumer price inflation continued to accelerate, mostly as a result of stronger import inflationary pressures, i.e. a rise in crude oil prices (Figure 19) and food raw material prices in the world market and unfavourable weather conditions at the beginning of the year, and, to a lesser extent, to rising inflation in the euro area and stronger domestic demand. The annual growth rate of consumer prices accelerated from 0.9% in January to 1.4% in February (Figure 18). The prices of refined petroleum products made the biggest contribution to this increase, as a result of the base period effect (the fall in these prices in the same period of the previous year) and food prices. The annual rate of change of core inflation rose from 0.7% in January to 1.3% in February, mostly driven by increased annual rate of change in the prices of milk, meat, clothing and hotel and restaurant services.

In the last quarter of 2016, the current and capital account of the balance of payments ran a bigger deficit than in the same period of the previous year (EUR 0.5bn compared to EUR 0.3bn) (Figure 53). The balance in the primary income account deteriorated the most, mainly as a result of growing expenditures from direct investment, i.e. increased profit of domestic economic entities in foreign ownership, particularly pronounced in financial activity, the manufacture of oil and refined petroleum products and the pharmaceutical industry. The foreign trade deficit also rose slightly, despite faster growth in goods exports (7.1%) than in imports (5.1%), while the surplus in the foreign trade in services rose, fuelled mostly by a fast growth in net income from telecommunication, computer and information services. The surplus in the secondary income account declined as a result of slightly bigger payments into the EU budget, although the use of EU funds also rose slightly. At the entire-2016 level, the surplus in the current and capital account of the balance of payments stood at 3.7% of GDP (5.5% of GDP in 2015) (of which approximately 2% of GDP was associated with the effect of conversion of loans in Swiss francs into the euro).

1 The GDP nowcasting model points to further economic growth at the beginning of the year, though slightly slower than in the previous year (Figure 1). The model estimate is primarily the result of favourable developments in business and consumer expectations and employment growth, while the indicators of economic activity in industry, trade and construction are considerably poorer than in the previous quarters.

2 The adjusted unemployment rate, which uses the data on the number of persons insured with the CPIA instead of the data from the JOPPD form in the calculation, also continued to decrease and stood at 12.7% on average in January and February.

The nominal exchange rate of the kuna against the euro remained stable in March, moving within a range of -0.2% to $+0.3\%$, around the average value of EUR/HRK 7.42. The exchange rate started depreciating slightly towards the end of March and at the end of the month stood at EUR/HRK 7.44, having depreciated by 0.1% from the end of February (Figure 24). By contrast, the index of the nominal effective exchange rate of the kuna appreciated by 0.3% from the end of February, mostly due to the strengthening of the kuna against the yuan renminbi and the American dollar, reflecting the strengthening of the euro against these currencies on the global foreign exchange market.

Influenced by the expansionary monetary policy of the ECB and high euro area banking system liquidity, short-term interest rates on the European money market remained in negative territory in March 2017. The overnight interest rate, EONIA, ended the month of March at -0.36% , and the six-month EURIBOR at -0.24% (Figure 24). The risk premiums for European emerging market economies remained relatively stable during March (Figure 25), with the risk premium for Croatia witnessing very favourable developments, having decreased by 44 basis points from the end of 2016. In such conditions, a ten-year EUR 1.25bn government bond was issued on 20 March with a coupon of 3.0% and total yield of 3.2% .

The liquidity of the domestic financial market held steady at a record high level, influenced by the expansionary monetary policy of the CNB. The average surplus liquidity thus stood at HRK 16.5bn in March (Figure 50), and the average weighted interest rate in inter-bank trade on the overnight market at 0.02% (Figure 50). At the same time, the interest rate on one-year kuna T-bills without a currency clause dropped to its all-time low of 0.45% (Figure 28).

The interest rates on new business volume of loans, which include original new loans and renegotiated loans fell in February for all groups of corporate and household loans (Figures 28, 29, and 30). The developments in interest rates on original new corporate loans were also favourable, except those on kuna investment loans with a currency clause (Figure 31). By contrast, the interest rates on original new household loans rose slightly during February, with the exception of those on kuna housing loans (Figures 32 and 33). The interest rates on household and corporate time deposits continued the downward trend present for several years, having fallen in February to their lowest levels ever (Figures 34 and 35). The spread between interest rates on total new loans and deposits rose in February to 6.54 percentage points, while the gap between interest rate spreads on loans and deposits rose slightly from the previous month, holding steady at a level below five percentage points (Figure 37).

Monetary developments in February 2017 were marked by a decrease in net foreign assets (NFA) and net domestic assets (NDA) of the monetary system; combined, they led to a fall in total liquid assets (M4). Despite a monthly fall in the monetary aggregate M4, on an annual level, this broadest monetary aggregate continued to grow noticeably (4.6% , exchange rate changes excluded) (Figure 46). In the structure of M4, such developments were mostly driven by an increase in money, which reached 21.1% at the end of February (Figure 45), in particular demand deposits of households and non-financial corporations. By contrast, foreign currency deposits fell on both monthly and annual levels, and their nominal stock in kuna equivalent also fell as a result of kuna appreciation (Figure 49).

Credit institutions' placements to domestic sectors (except the government) rose by 0.6% in February. Lending continued to recover slowly on an annual level (if observed on the basis of transactions); however, its growth slowed down slightly to 0.8%

at the end of February from 1.0% in 2016 (Figure 40). This was mostly due to a sharp slowdown in the growth of placements to non-financial corporations (0.3%), mainly due to the effect of the base period, in contrast with the faster annual growth in household placements (1.0%) (Figures 41 and 42). By contrast, the nominal stock of placements was 3.1% lower at the end of February 2017 than at the end of the same month of the previous year, reflecting a partial write-off of loans to households indexed to the Swiss franc, sale of banks' non-performing placements and the strengthening of the kuna against the euro, diminishing the kuna equivalent of placements indexed to the euro. As for lending to the government, bank placements to the central government increased by 1.8% in February 2017 on an annual level.

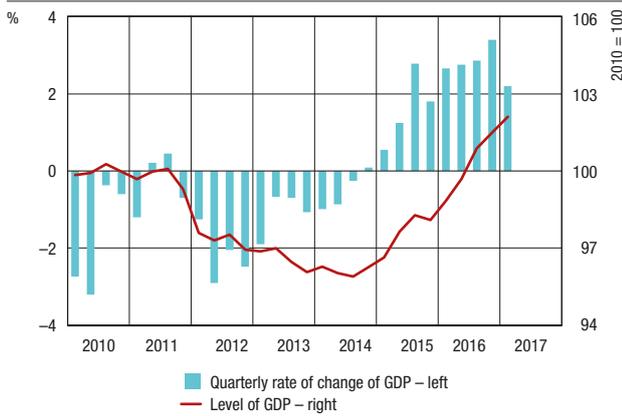
Gross international reserves of the CNB reached EUR 16.1bn at the end of March, having increased by EUR 2.6bn or 18.9% from the end of 2016 (Figure 52). In addition to the inflow of foreign currency from government foreign borrowing of EUR 1.25bn, the growth was also due to the investment of a part of international reserves in repo agreements. At the same time, net usable reserves remained almost unchanged and stood at EUR 12.2bn at the end of March.

The net foreign financial liabilities of domestic sectors rose by EUR 1.1bn in the last quarter of 2016 (excluding the change in gross international reserves and CNB liabilities). Net debt liabilities rose by EUR 0.9bn and net foreign equity investment by EUR 0.2bn (Figure 55). As regards the structure of net debt liabilities, commercial banks reported the biggest changes, with their foreign assets falling by a high EUR 1.5bn. However, over one half of these funds were purchased by the central bank in foreign exchange interventions, thus increasing international reserves (Figure 54). By contrast, net debt liabilities of the central government and other domestic sectors fell slightly and this trend continued into January 2017 (Figure 56). As regards equity investment, the increase in net liabilities was mostly due to re-invested earnings of foreign-owned entities, while direct equity investment was very modest and mainly involved investment in real estate, accommodation capacities and information service activities.

The general government deficit in 2016 could be about 1.0% of GDP, a decline of 2.3 percentage points from 2015 (statistical data should be released in the second half of April). The fall in the deficit reflects favourable economic developments that resulted in a fast growth in income, while expenditure growth was kept limited. According to Ministry of Finance data (GFS 2001 methodology), the consolidated central government deficit stood at HRK 3.6bn or 1.1% of GDP last year, having decreased by HRK 5.3bn (1.6% percentage points of GDP) from 2015. In January 2017, the central government ran a surplus of HRK 0.5bn, in contrast with the deficit of HRK 0.5bn it ran in the same period of the previous year, as a result of an increase in revenues from taxes and social contributions and reduced expenditures at the state budget level.

The share of general government debt in GDP during the year fell from 86.7% at the end of 2015 to 84.2% in December 2016. The structure of debt also changed visibly with the share of domestic general government debt rising by over three percentage points and reaching 62.5% . The government continued to refinance under more favourable terms on the domestic and international markets. The improvement in macroeconomic fundamentals was recognised by rating agencies, with the result that one more agency revised the outlook for Croatia from negative to stable. Owing to strong fiscal adjustment efforts launched in 2015 and public debt reduction, this year Croatia should exit the excessive deficit procedure.

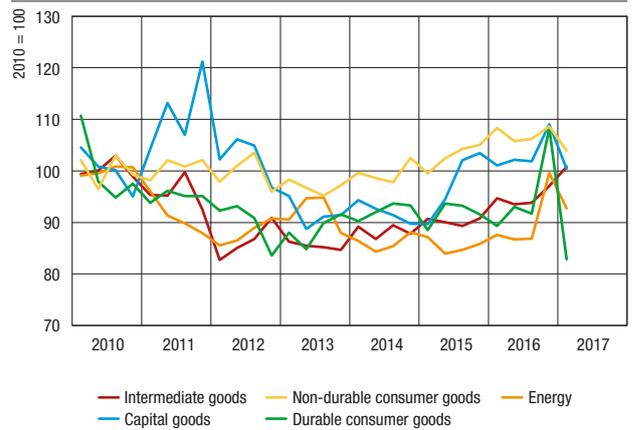
Figure 1 Quarterly gross domestic product seasonally adjusted real values



Note: Data for the first quarter of 2017 is the estimate derived using the CNB's Monthly indicator of real economic activity, on the basis of data published until 31 March 2017.

Sources: CBS data seasonally adjusted by the CNB and CNB calculations.

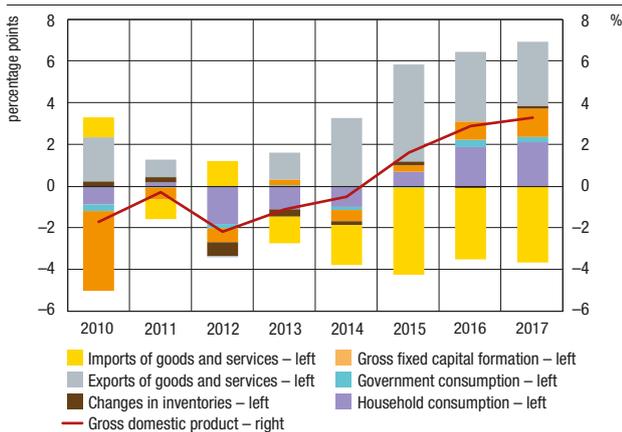
Figure 4 Industrial production by main industrial groupings seasonally adjusted indices



Note: Quarterly data are calculated as the average of monthly data.

Source: CBS data seasonally adjusted by the CNB.

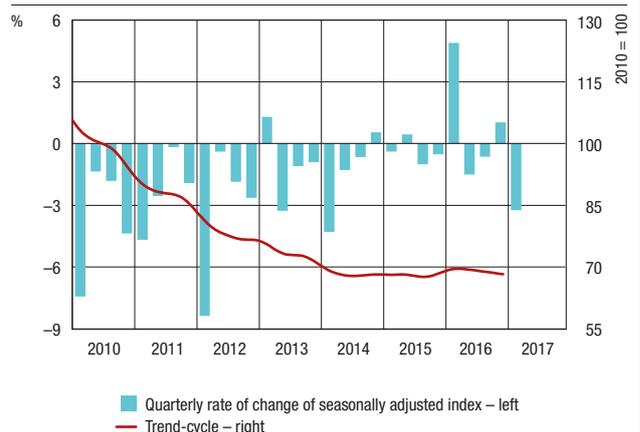
Figure 2 GDP rate of change contribution by components



Note: The projection for 2017 refers to the official projection of the CNB from March 2017.

Source: CBS.

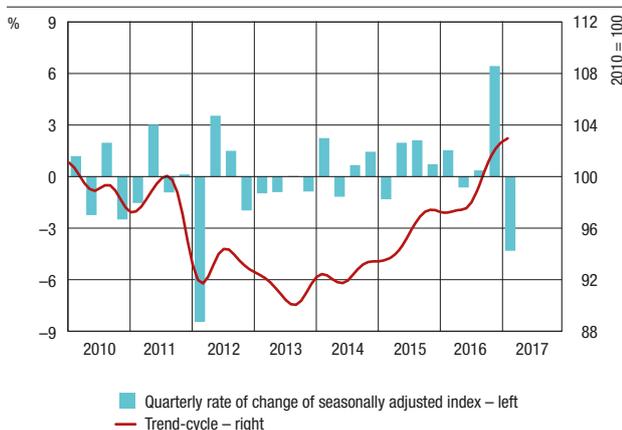
Figure 5 Total volume of construction works



Note: Data for the first quarter 2017 refer to January.

Source: CBS data seasonally adjusted by the CNB.

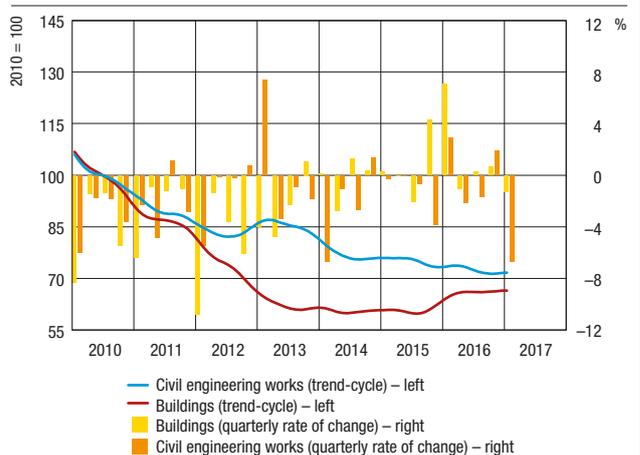
Figure 3 Industrial production



Note: Data for the first quarter of 2017 refer to January and February.

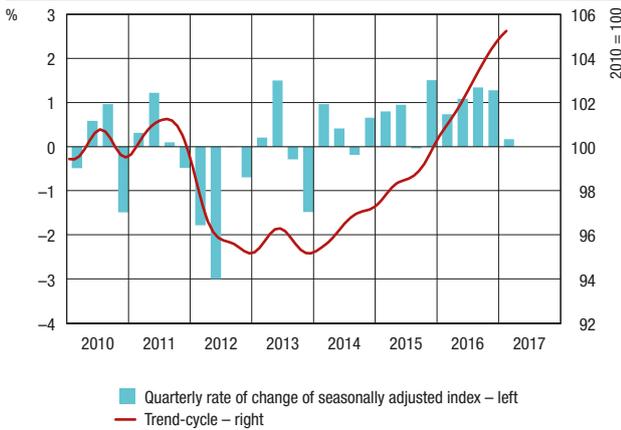
Source: CBS data seasonally adjusted by the CNB.

Figure 6 Buildings and civil engineering works



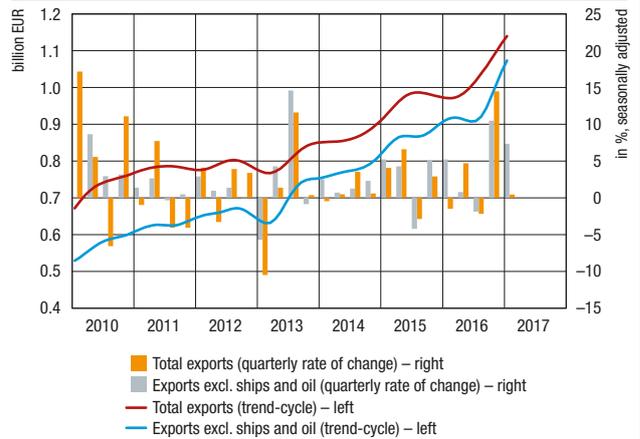
Source: CBS data seasonally adjusted by the CNB.

Figure 7 Real retail trade turnover



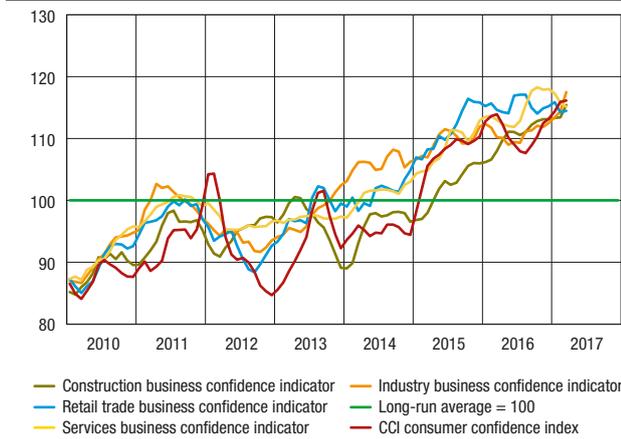
Note: Data for the first quarter of 2017 refer to January and February.
Source: CBS data seasonally adjusted by the CNB.

Figure 10 Goods exports (f.o.b.)



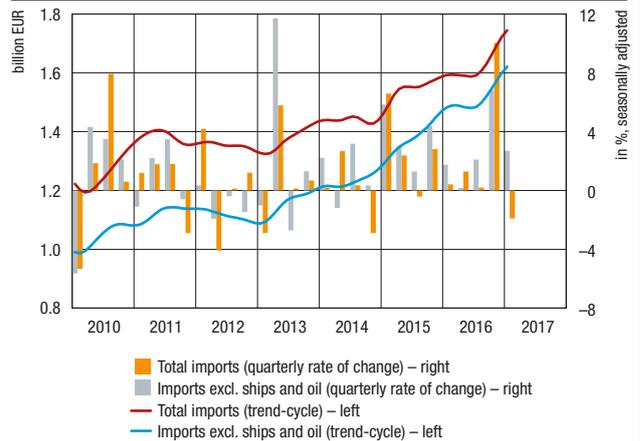
Note: Data for the first quarter of 2017 refer to January.
Source: CBS data seasonally adjusted by the CNB.

Figure 8 Business confidence indicators
standardised and seasonally adjusted values, three-member moving averages



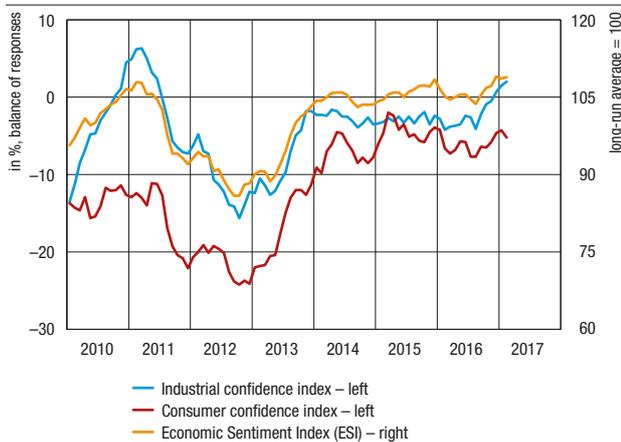
Sources: Ipsos and CNB data seasonally adjusted by the CNB.

Figure 11 Goods imports (c.i.f.)



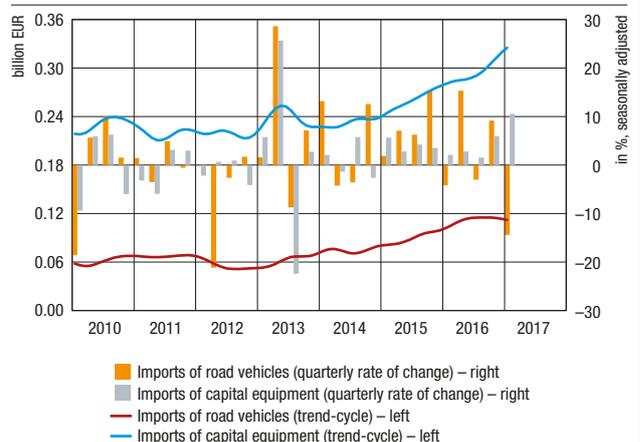
Note: Data for the first quarter of 2017 refer to January.
Source: CBS data seasonally adjusted by the CNB.

Figure 9 EU confidence indices
seasonally adjusted series



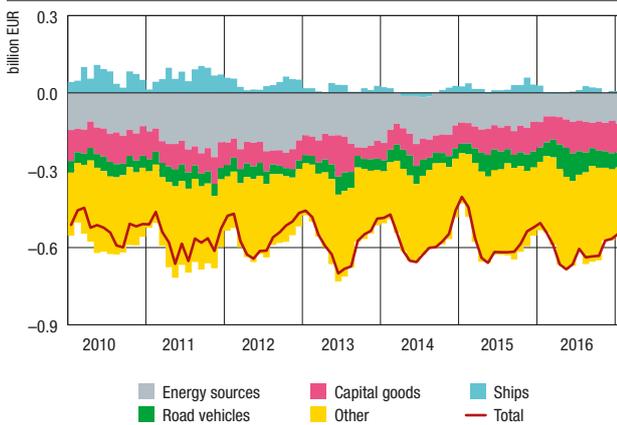
Source: Eurostat.

Figure 12 Imports of capital equipment and road vehicles (c.i.f.)



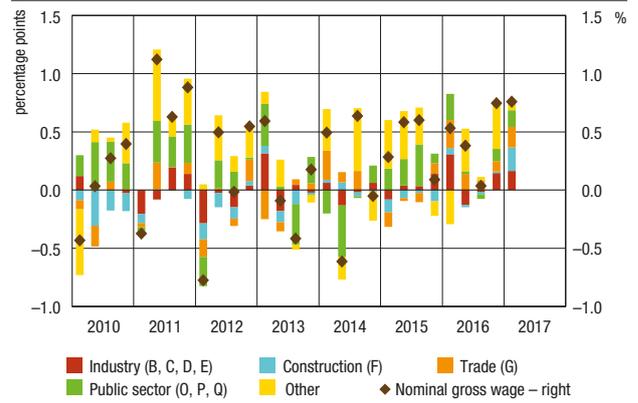
Note: Data for the first quarter of 2017 refer to January.
Imports of capital equipment (SITC divisions 71 - 77).
Source: CBS data seasonally adjusted by the CNB.

Figure 13 Trade in goods balance
three-member moving averages of monthly data



Source: CBS.

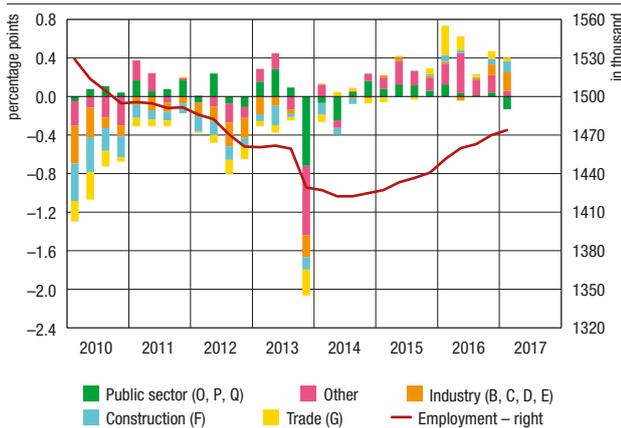
Figure 16 Average nominal gross wage by NCA activities
seasonally adjusted data, contributions to the quarterly rate of change



Note: Data on the average nominal gross wage by activity refer to data from the RAD-1 form, and from January 2016 to data from the JOPPD form. Data for the first quarter of 2017 refer to January and February.

Sources: CBS and CNB calculations (seasonally adjusted by the CNB).

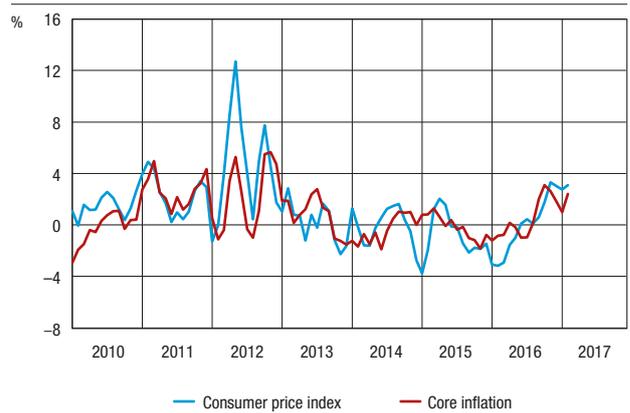
Figure 14 Employment by NCA activities
seasonally adjusted data, contributions to the quarterly rate of change



Note: Data for the first quarter of 2017 refer to January and February.

Source: CPIA data seasonally adjusted by the CNB.

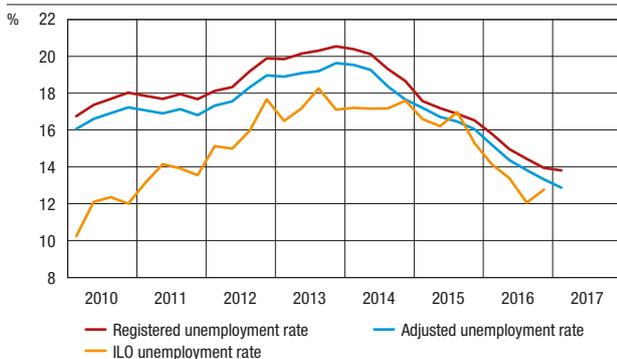
Figure 17 Consumer price index and core inflation
annualised month-on-month rate of change^a



^a The month-on-month rate of change is calculated based on the quarterly moving average of seasonally adjusted consumer price indices.

Sources: CBS and CNB calculations.

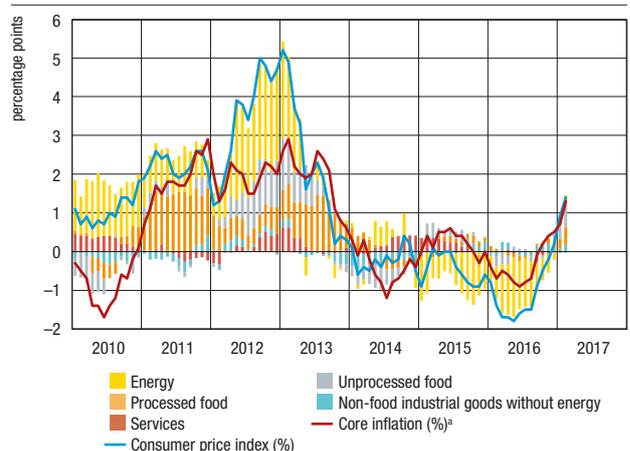
Figure 15 Unemployment rates
seasonally adjusted data



Note: Since January 2015, the calculation of the registered unemployed rate has been made using the data on employed persons from the JOPPD form. The adjusted unemployment rate is the CNB estimate and is calculated as the share of the number of registered unemployed persons in the working age population (unemployed persons and persons insured with the CPIA). Data on the registered unemployed rate in the first quarter of 2017 refer to January and February.

Sources: CBS and CNB calculations (seasonally adjusted by the CNB).

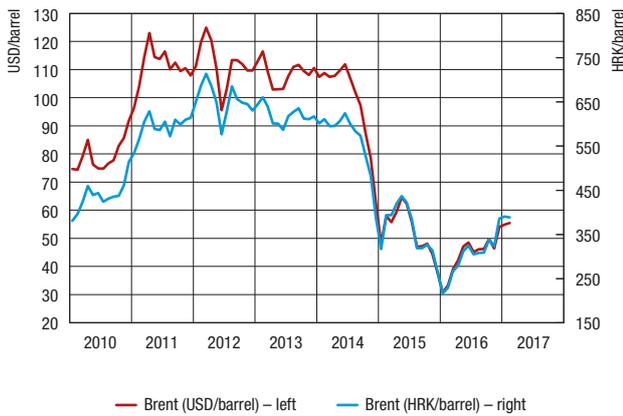
Figure 18 Year-on-year inflation rates and components' contribution to consumer price inflation



^a Core inflation does not include agricultural product prices and administrative prices.

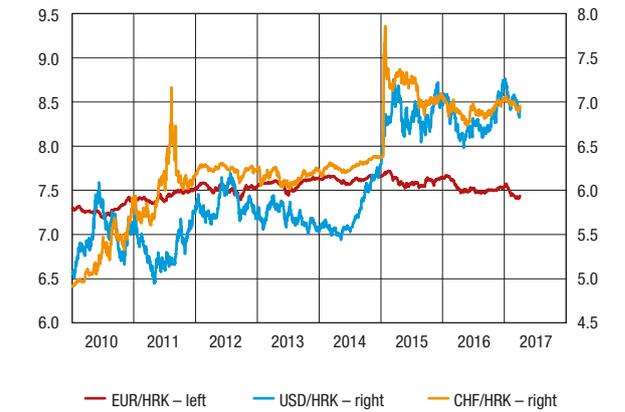
Sources: CBS and CNB calculations.

Figure 19 Crude oil prices (Brent)



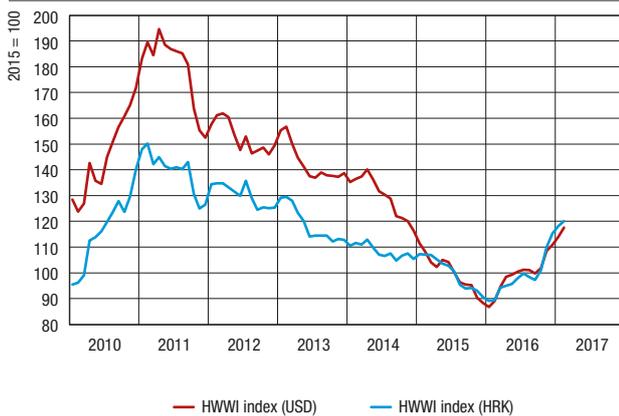
Sources: Bloomberg and CNB calculations.

Figure 21 Daily nominal exchange rate – HRK vs. EUR, USD and CHF
CNB midpoint exchange rate



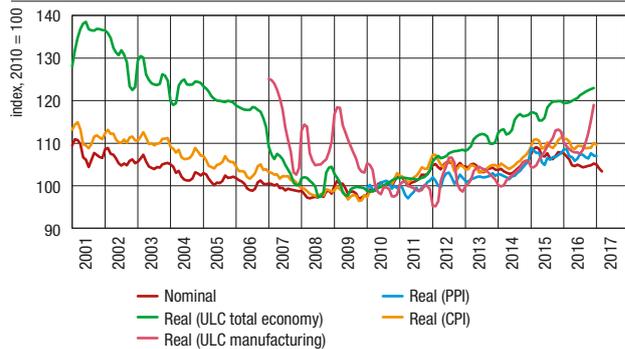
Source: CNB.

Figure 20 HWWI index (excl. energy)



Sources: HWWI and CNB calculations.

Figure 22 Nominal and real effective exchange rates of the kuna



Note: The real effective exchange rate of the kuna deflated by producer prices includes the Croatian index of industrial producer prices on the non-domestic market, which is available from January 2010. The unit labour cost is calculated as the ratio between compensation per employee and labour productivity (defined as GDP per person employed), while the real effective exchange rate of the kuna deflated by unit labour costs is the result of the interpolation of quarterly values. A fall in the index indicates an effective appreciation of the kuna.

Source: CNB.

Table 1 Price indicators

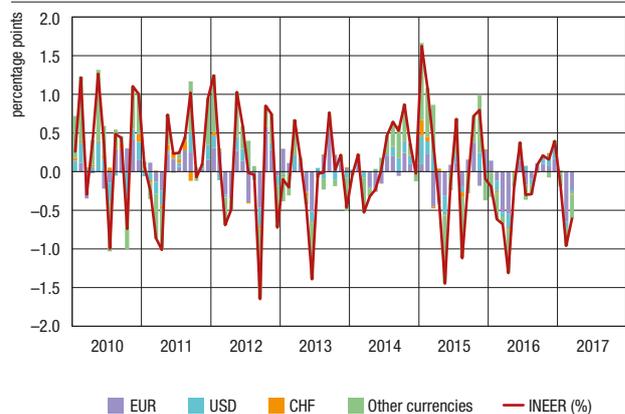
year-on-year and month-on-month rates of change

	Year-on-year rates		Month-on-month rates	
	1/17	2/17	2/16	2/17
Consumer price index and its components				
Total index	0.9	1.4	-0.3	0.2
Energy	0.1	1.4	-1.1	0.2
Unprocessed food	5.9	6.3	0.2	0.6
Processed food (incl. alcoholic drinks and tobacco)	1.1	2.0	-0.2	0.7
Non-food industrial goods without energy	0.3	0.7	-0.4	-0.1
Services	-0.1	-0.1	0.0	0.0
Other price indicators				
Core inflation	0.7	1.3	-0.3	0.2
Index of industrial producer prices on the domestic market	1.8	2.6	-0.7	0.0
Brent crude oil price (USD)	78.2	67.2	7.8	1.1
HWWI index (excl. energy) ^a	31.5	32.1	2.7	3.2

^a The index is calculated on the basis of raw materials prices expressed in US dollars.

Sources: CBS, Bloomberg and HWWI.

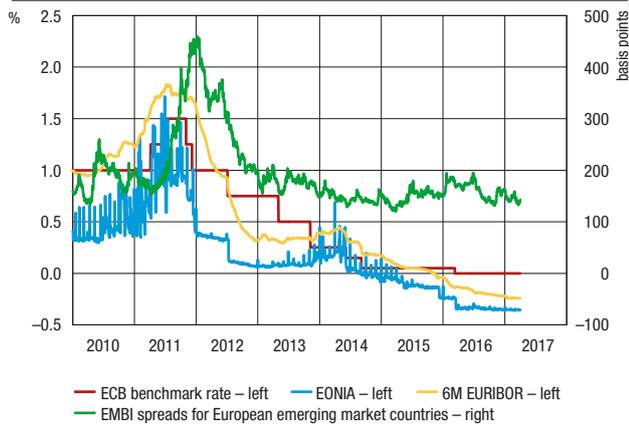
Figure 23 Contributions^a of individual currencies to the monthly rate of change of the average index of the nominal effective kuna exchange rate (INEER)



^a Negative values indicate contributions to the appreciation of the INEER.

Source: CNB.

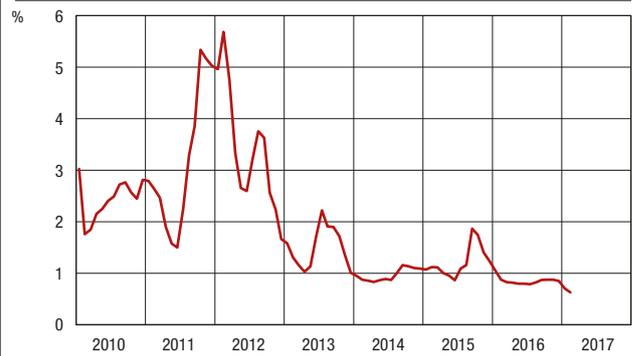
Figure 24 Interest rates on the euro and the average yield spread on bonds of European emerging market countries



Sources: ECB, Bloomberg and J. P. Morgan.

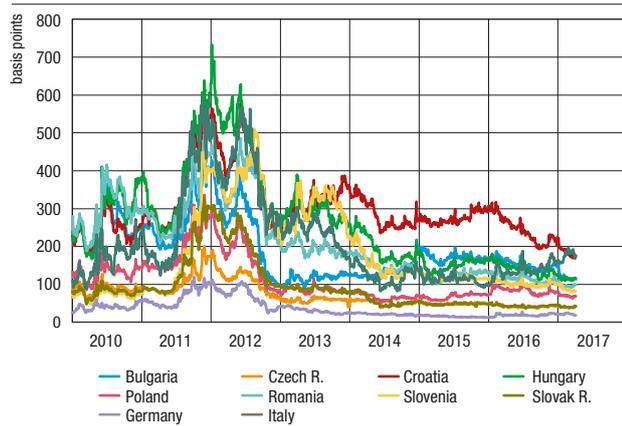
Figure 27 Interest rates quoted on the interbank market (3 month ZIBOR)

monthly averages of simply daily averages of bank quotations



Source: CNB.

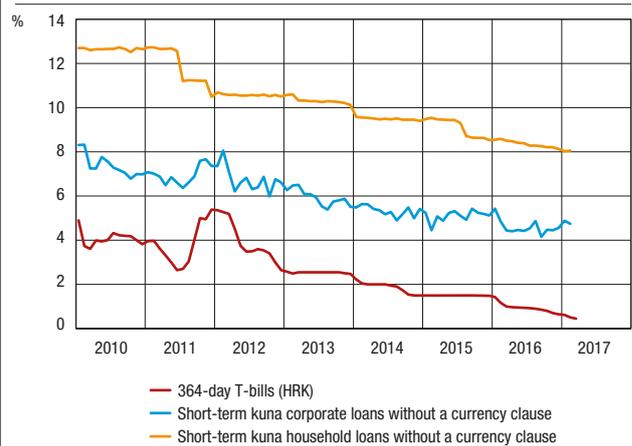
Figure 25 CDS spreads for 5-year government bonds of selected countries



Note: Credit default swaps (CDS) spread is an annual premium that a CDS buyer pays for protection against credit risk associated with an issuer of an instrument.

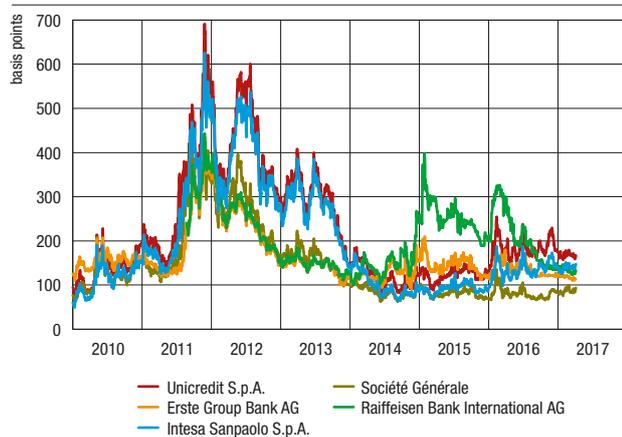
Source: S&P Capital IQ.

Figure 28 Short-term financing costs in kuna without a currency clause



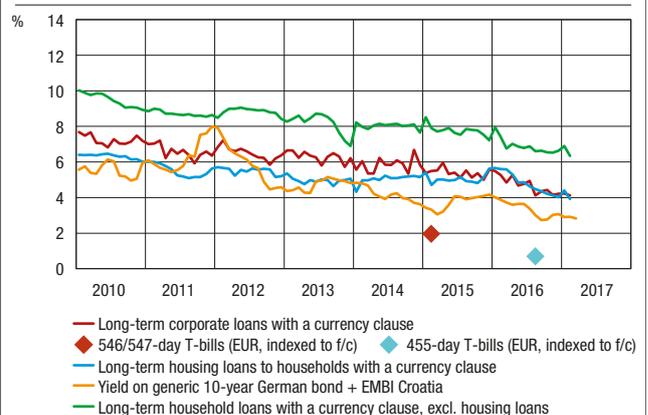
Sources: MoF and CNB.

Figure 26 CDS spreads for selected parent banks of domestic banks



Source: S&P Capital IQ.

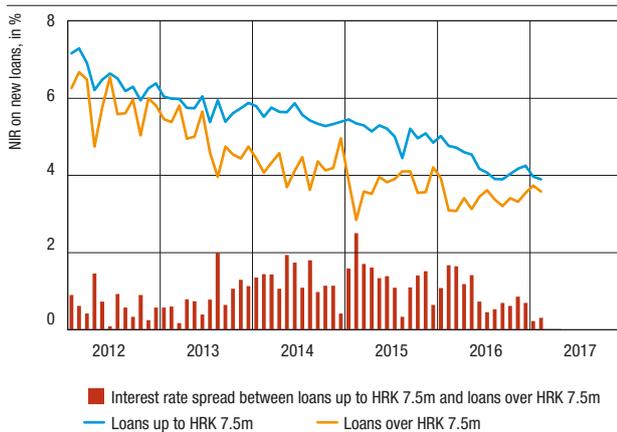
Figure 29 Long-term financing costs in kuna with a currency clause and in foreign currency



Note: EMBI, or the Emerging Market Bond Index, shows the spread between yields on government securities of emerging market economies, Croatia included, and risk-free securities issued by developed countries.

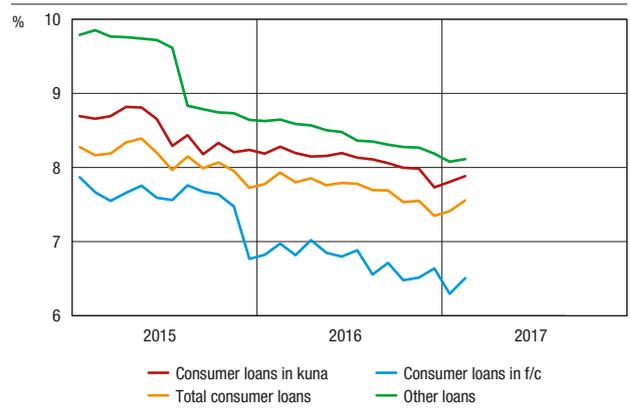
Sources: MoF, Bloomberg and CNB.

Figure 30 Bank interest rates on loans to non-financial corporations by volume



Source: CNB.

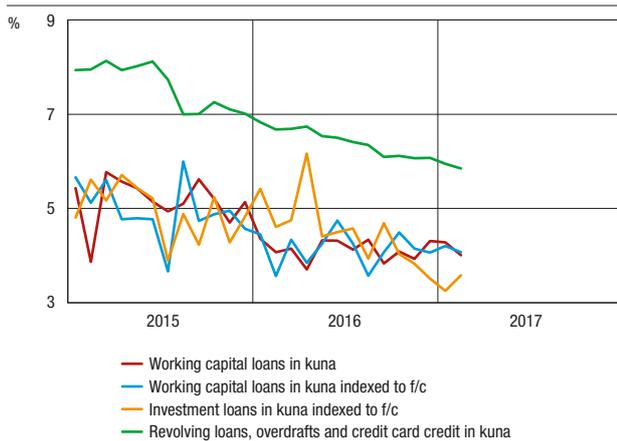
Figure 33 Interest rates on original new consumer and other loans to households



Note: Consumer loans include total loans to households excl. housing and other loans. Other loans to households (denominated almost exclusively in kuna) include credit card loans, overdrafts, revolving loans and receivables on charge cards.

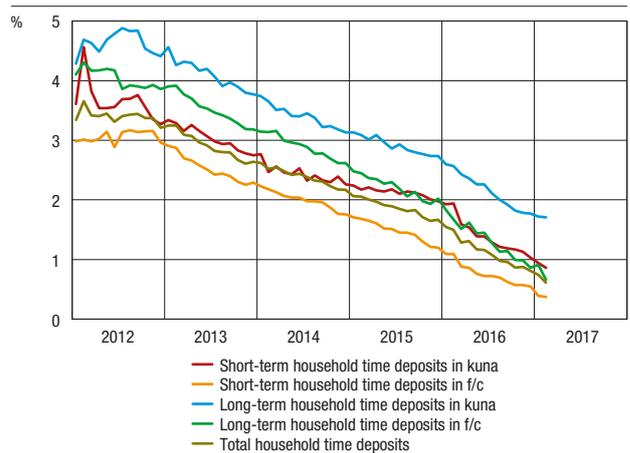
Source: CNB.

Figure 31 Interest rates on original new loans to non-financial corporations



Source: CNB.

Figure 34 Interest rates on household time deposits



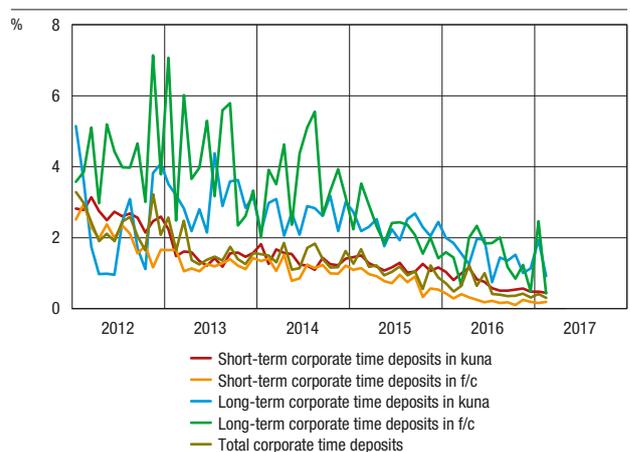
Source: CNB.

Figure 32 Interest rates on original new housing loans to households



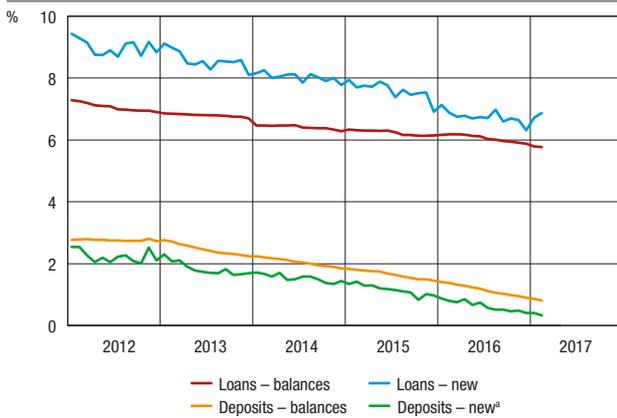
Source: CNB.

Figure 35 Interest rates on corporate time deposits



Source: CNB.

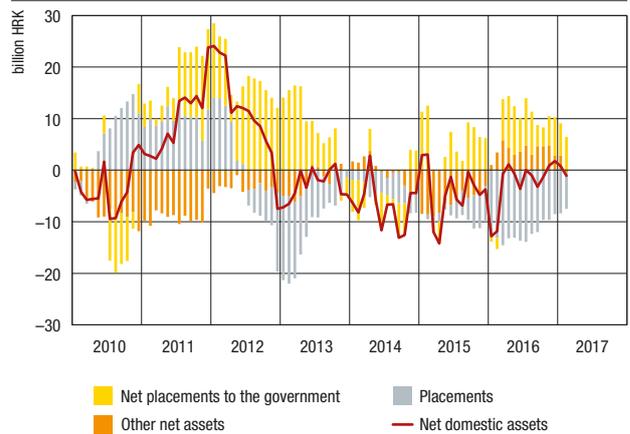
Figure 36 Average interest rates on loans (excl. revolving loans) and deposits



^a For time deposits, interest rates on newly received deposits are weighted by their balances.

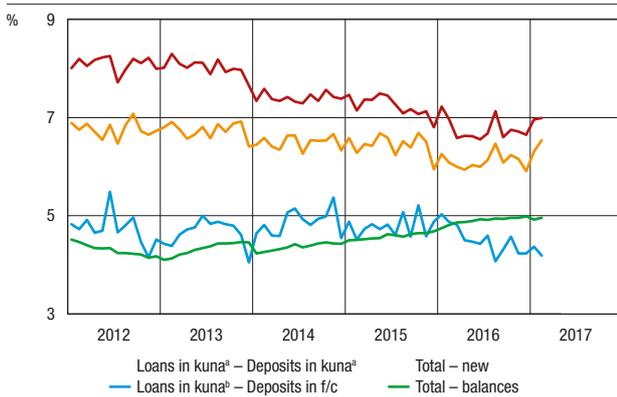
Source: CNB.

Figure 39 Net domestic assets, structure absolute change in the last 12 months



Source: CNB.

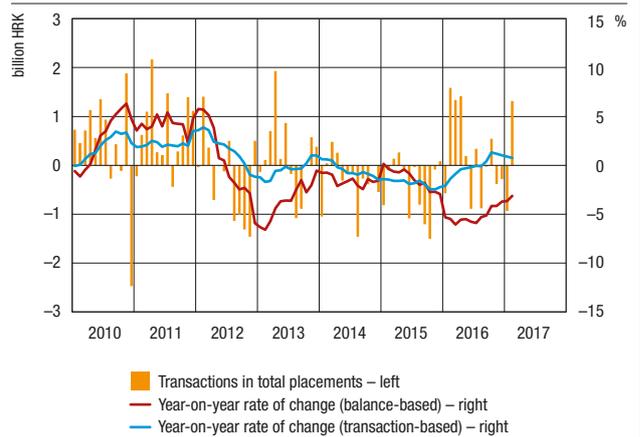
Figure 37 Spread between interest rates on loans (excl. revolving loans) and interest rates on deposits



^a Non-indexed to f/c. ^b Indexed to f/c.
Note: Spread between average interest rates on loans and average interest rates on deposits should be differentiated from net interest margin (the ratio of the difference between interest income and interest expenses to total assets of credit institutions).

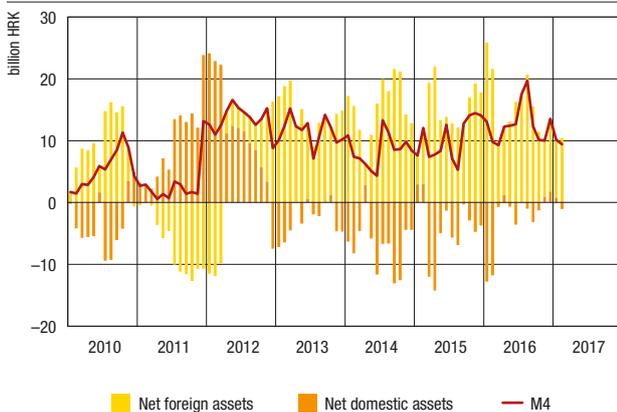
Source: CNB.

Figure 40 Placements



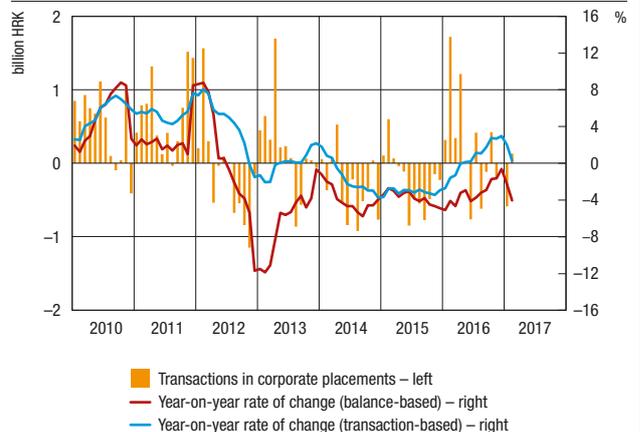
Source: CNB.

Figure 38 Net foreign assets, net domestic assets and total liquid assets (M4) absolute change in the last 12 months



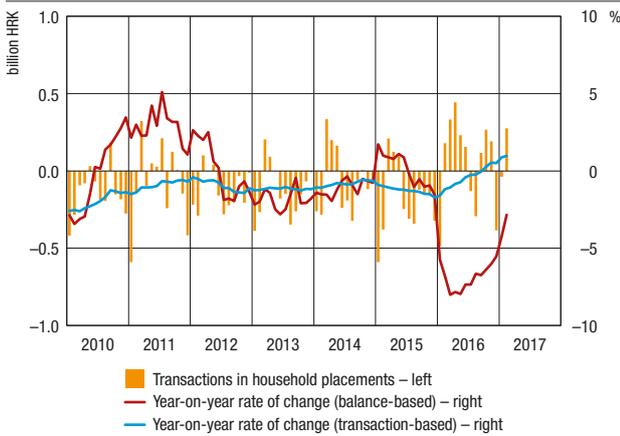
Source: CNB.

Figure 41 Placements to corporates



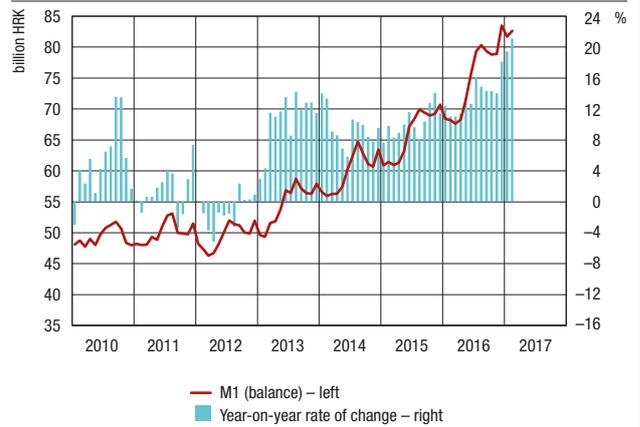
Source: CNB.

Figure 42 Placements to households



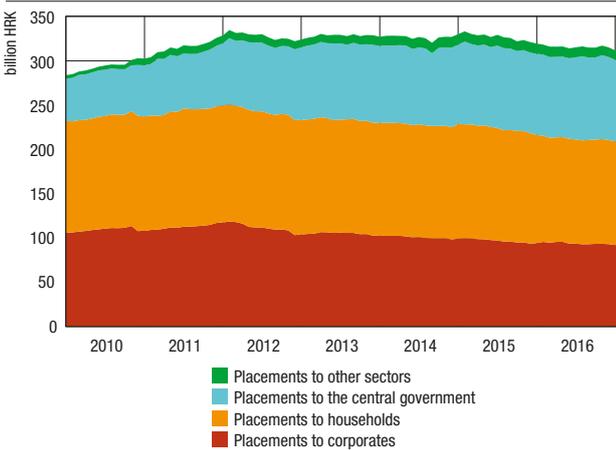
Source: CNB.

Figure 45 Money (M1)



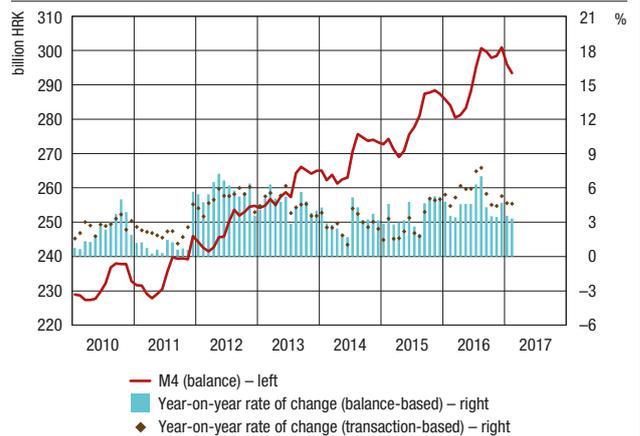
Source: CNB.

Figure 43 Structure of credit institution placements



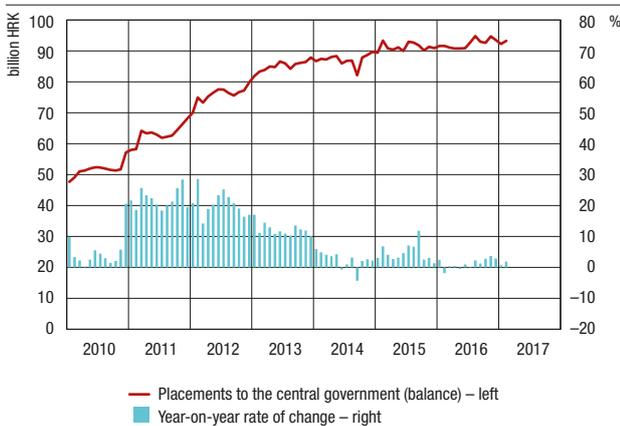
Source: CNB.

Figure 46 Total liquid assets (M4)



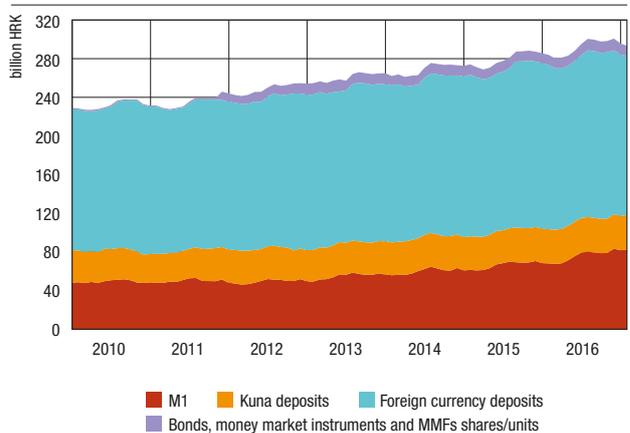
Source: CNB.

Figure 44 Credit institution and MMF placements to the central government



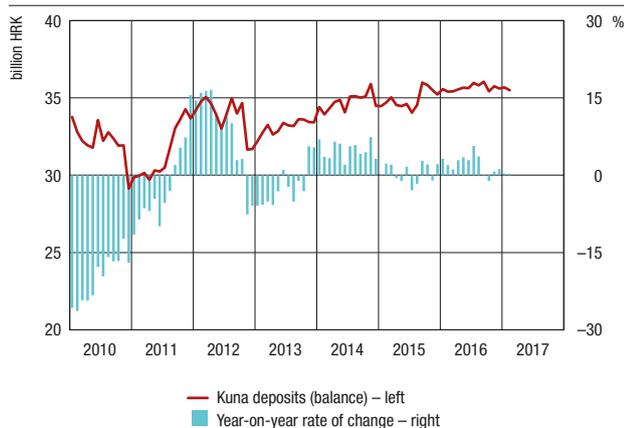
Source: CNB.

Figure 47 Structure of M4 monetary aggregate



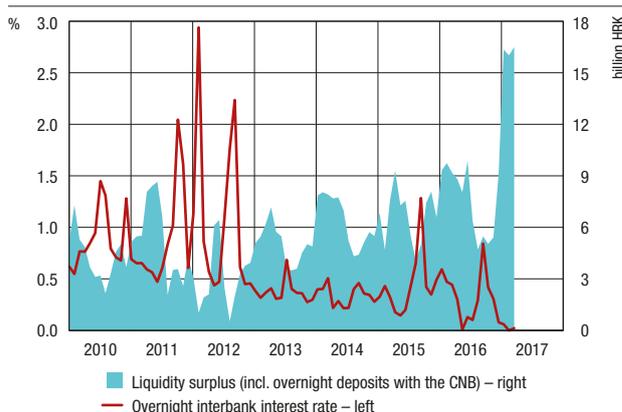
Source: CNB.

Figure 48 Kuna savings and time deposits



Source: CNB.

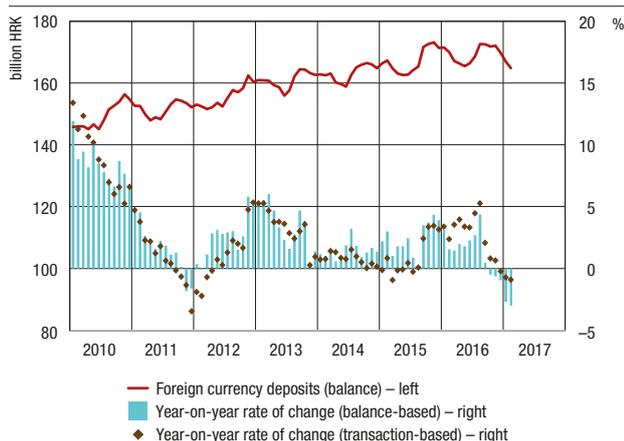
Figure 50 Bank liquidity and overnight interbank interest rate



Note: Liquidity surplus is the difference between the balance in bank settlement accounts with the CNB and the amount that banks are required to hold in their accounts after the calculation of reserve requirements.

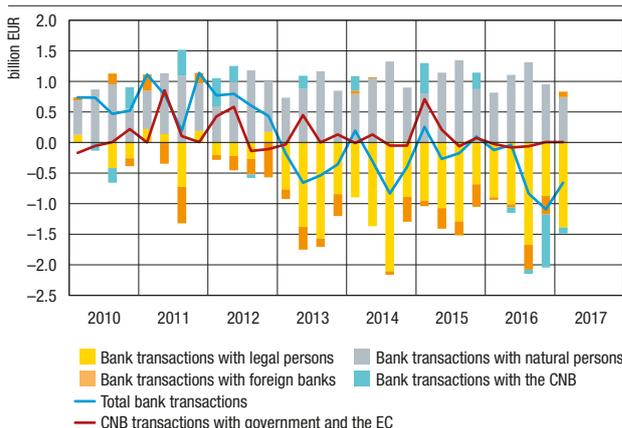
Source: CNB.

Figure 49 Foreign currency deposits



Source: CNB.

Figure 51 Spot transactions in the foreign exchange market (net turnover)



Note: Positive values indicate net purchases and negative values indicate net sales. Legal persons include the government.

Source: CNB.

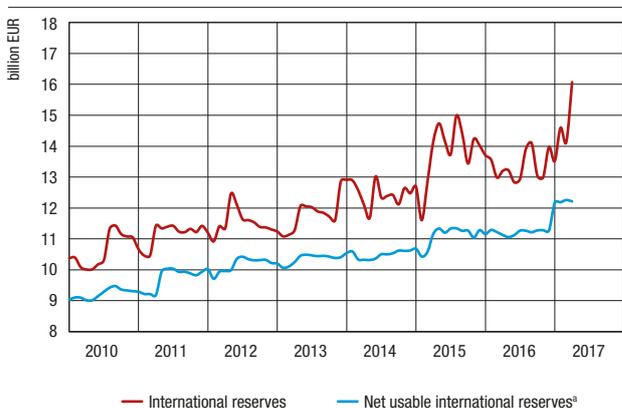
Table 2 Balance of payments^a
preliminary data, in million EUR

	2015	2016	Indices	
			2015/ 2014	2016/ 2015
Current account	2,098.8	1,168.8	236.6	55.7
Capital account	307.7	515.0	437.9	167.4
Financial account (excl. reserves)	1,113.7	1,419.8	113.2	127.5
International reserves	745.3	-264.7	-	-
Net errors and omissions	-547.5	-528.7	108.7	96.6

^a In line with the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6).

Source: CNB.

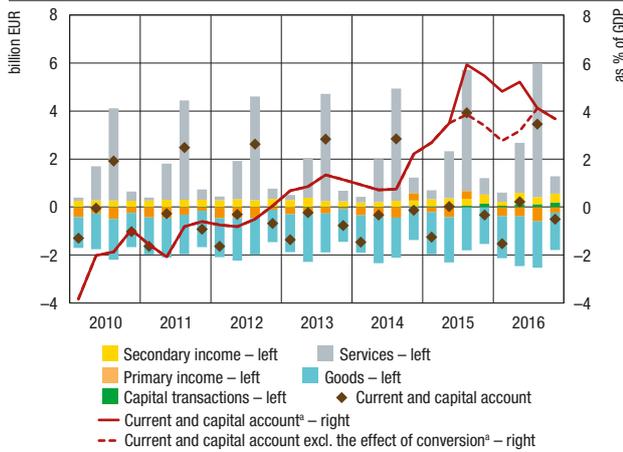
Figure 52 International reserves of the CNB
at current rate of exchange



^a NUIR = international reserves – foreign liabilities – reserve requirements in f/c – foreign currency government deposits.

Source: CNB.

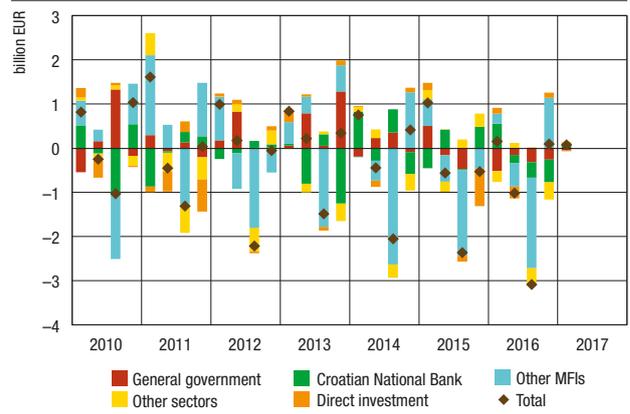
Figure 53 Current and capital account flows



^a Sum of the last four quarters.

Source: CNB.

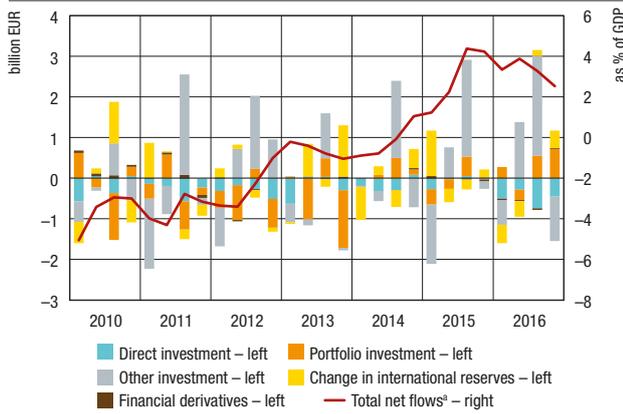
Figure 56 Net external debt transactions



Note: Transactions refer to the change in debt excl. cross-currency changes and other adjustments. Net external debt is calculated as gross external debt stock net of foreign debt claims. Data for the first quarter of 2017 refer to January.

Source: CNB.

Figure 54 Financial account flows by type of investment

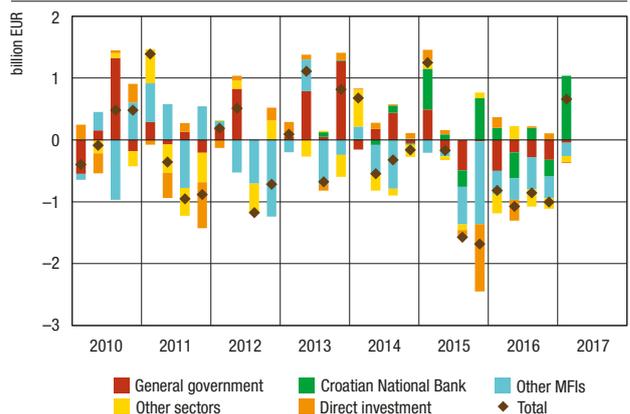


^a Sum of the last four quarters.

Note: A positive value indicates net outflow of equity abroad (including on the basis of the growth in international reserves).

Source: CNB.

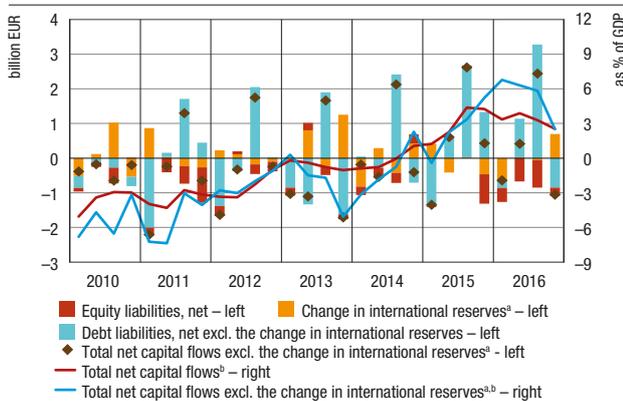
Figure 57 Gross external debt transactions



Note: Transactions refer to the change in debt excl. cross-currency changes and other adjustments. Data for the first quarter 2017 refer to January.

Source: CNB.

Figure 55 Financial account flows by capital structure

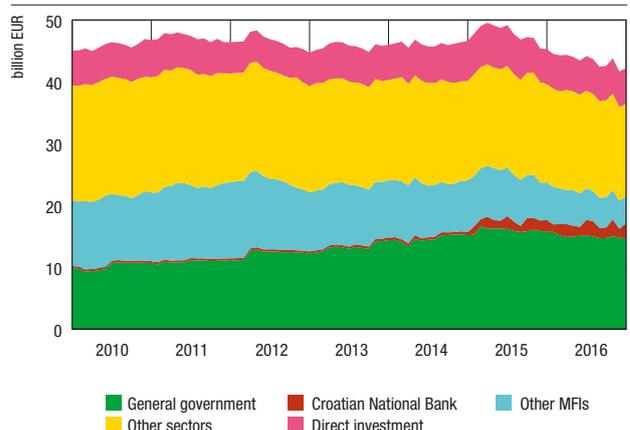


^a The change in gross international reserves is reported net of the liabilities of the CNB.
^b Sum of the last four quarters.

Note: A positive value indicates net outflow of equity abroad. Net flows represent the difference between the change in assets and the change in liabilities.

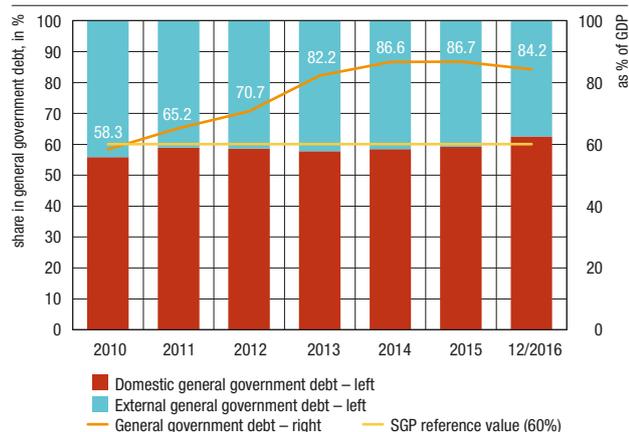
Source: CNB.

Figure 58 Gross external debt end of period



Source: CNB.

Figure 59 General government debt



Note: Nominal GDP for the last four available quarters was used for the calculation of the relative indicator.

Source: CNB.

Table 3 Consolidated general government balance

ESA 2010, in million HRK

	Jan. – Sep. 2015	Jan. – Sep. 2016
Total revenue	108,293	118,822
Direct taxes	13,745	15,624
Indirect taxes	49,588	53,223
Social contributions	29,642	30,430
Other	15,318	19,545
Total expenditure	116,876	118,872
Social benefits	40,772	41,116
Subsidies	4,437	5,425
Interest	8,921	8,701
Compensation of employees	28,247	29,072
Intermediate consumption	20,039	19,094
Investment	7,861	7,980
Other	6,600	7,483
Net lending (+)/borrowing (-)	-8,583	-51

Sources: Eurostat and CBS.

Table 4 Consolidated central government net borrowing

GFS 2001, in million HRK

	Jan. – Dec. 2015	Jan. – Dec. 2016
1 Revenue	128,675	135,824
2 Disposal of non-financial assets	648	454
3 Expenditure	132,963	135,256
4 Acquisition of non-financial assets	5,277	4,637
5 Net borrowing (1 + 2 – 3 – 4)	-8,917	-3,616

Sources: MoF and CNB calculations.

Table 5 General government debt

in million HRK

	Jan. – Dec. 2015	Jan. – Dec. 2016
Change in total debt stock	5,467	-440
Change in domestic debt stock	5,665	9,191
– Securities other than shares, short-term	-5,440	-1,211
– Securities other than shares, long-term	10,454	16,979
– Loans	651	-6,577
Change in external debt stock	-199	-9,631
– Securities other than shares, short-term	-580	-49
– Securities other than shares, long-term	3,368	-9,709
– Loans	-2,987	127
Memo item:		
Change in total guarantees issued	-1,009	1,667

Source: CNB.

Abbreviations and symbols

Abbreviations

BIS	– Bank for International Settlements	NCS	– National Clearing System
bn	– billion	n.e.c.	– not elsewhere classified
b.p.	– basis points	OECD	– Organisation for Economic Co-Operation and Development
BOP	– balance of payments	OG	– Official Gazette
c.i.f.	– cost, insurance and freight	R	– Republic
CBRD	– Croatian Bank for Reconstruction and Development	o/w	– of which
CBS	– Central Bureau of Statistics	PPI	– producer price index
CCI	– consumer confidence index	RTGS	– Real-Time Gross Settlement
CDCC	– Central Depository and Clearing Company Inc.	Q	– quarterly
CDS	– credit default swap	RR	– reserve requirement
CEE	– Central and Eastern European	SDR	– special drawing rights
CEFTA	– Central European Free Trade Agreement	SITC	– Standard International Trade Classification
CEI	– consumer expectations index	SGP	– Stability and Growth Pact
CES	– Croatian Employment Service	VAT	– value added tax
CM	– Croatian Motorways	WTO	– World Trade Organization
CIHI	– Croatian Institute for Health Insurance	ZMM	– Zagreb Money Market
CLVPS	– Croatian Large Value Payment System	ZSE	– Zagreb Stock Exchange
CNB	– Croatian National Bank		
CPF	– Croatian Privatisation Fund		
CPI	– consumer price index		
CPIA	– Croatian Pension Insurance Administration		
CR	– Croatian Roads		
CSI	– consumer sentiment index		
DAB	– State Agency for Deposit Insurance and Bank Resolution		
dep.	– deposit		
DVP	– delivery versus payment		
EC	– European Commission		
ECB	– European Central Bank		
EFTA	– European Free Trade Association		
EMU	– Economic and Monetary Union		
ESI	– economic sentiment index		
EU	– European Union		
excl.	– excluding		
f/c	– foreign currency		
FDI	– foreign direct investment		
Fed	– Federal Reserve System		
FINA	– Financial Agency		
FISIM	– financial intermediation services indirectly measured		
f.o.b.	– free on board		
GDP	– gross domestic product		
GVA	– gross value added		
HANFA	– Croatian Financial Services Supervisory Agency		
HICP	– harmonised index of consumer prices		
ILO	– International Labour Organization		
IMF	– International Monetary Fund		
incl.	– including		
IPO	– initial public offering		
m	– million		
MIGs	– main industrial groupings		
MM	– monthly maturity		
MoF	– Ministry of Finance		
NCA	– National Classification of Activities		
NCB	– national central bank		

Three-letter currency codes

ATS	– Austrian schilling
CHF	– Swiss franc
CNY	– Yuan Renminbi
DEM	– German mark
EUR	– euro
FRF	– French franc
GBP	– pound sterling
HRK	– Croatian kuna
ITL	– Italian lira
JPY	– Japanese yen
USD	– US dollar

Two-letter country codes

BG	– Bulgaria
CZ	– Czech R.
EE	– Estonia
HR	– Croatia
HU	– Hungary
LV	– Latvia
LT	– Lithuania
PL	– Poland
RO	– Romania
SK	– Slovak R.
SI	– Slovenia

Symbols

–	– no entry
....	– data not available
0	– value is less than 0.5 of the unit of measure being used
∅	– average
a, b, c,...	– indicates a note beneath the table and figure
*	– corrected data
()	– incomplete or insufficiently verified data