



Information on economic trends

May 2017

Summary

The beginning of 2017 was marked by the continuation of an economic growth almost as intense as at the end of the previous year. The unemployment rate decreased additionally in the first three months of the current year, while employment and gross wages increased relative to the previous quarter. In March, consumer prices increased by 0.3% at a monthly level, mostly because of the seasonal growth of the prices of clothing and footwear, while at an annual level inflation slowed down, mostly driven by the prices of energy and unprocessed food. The CNB continued to pursue an expansionary monetary policy while maintaining the stability of the kuna exchange rate against the euro, and the liquidity of the domestic financial system remained at a high level in April. Net external debt increased moderately in the first two months of 2017. The Excessive Deficit Procedure Report confirmed the strong fiscal consolidation achieved in 2016, and available data suggest that favourable fiscal developments continued at the beginning of 2017.

The GDP nowcasting model shows that real economic activity increased by 0.6% in the first quarter of 2017 relative to the previous three months, which was almost identical to the growth recorded at the end of 2016.¹ The beginning of the year was marked by a sharp decline in industrial production on a quarterly basis (down 4.0%), since the increase in production in March was not robust enough to offset the decrease recorded in the first two months. In the period from January to March, production fell in all of the main industrial groupings except intermediate goods (Figures 3 and 4). By contrast, in January and February, construction was up by 1.3% from the average for the last quarter of 2016 (Figures 5 and 6). In a trend noticeable from the beginning of 2014, the real retail trade turnover continued climb in the first quarter of the current year, growing by 1.5% at a quarterly level (Figure 7).

The results of the Consumer Confidence Survey from April 2017 point to a notable worsening in household expectations (consumer confidence index dropped to the level recorded in mid-2016). The deterioration in consumer confidence is primarily the consequence of unfavourable expectations of households concerning the economic and financial situation for the following year, which is probably the reflection of fears concerning the financial problems in the Agrokor Group. With regard to business confidence, the results of the survey on the expectations of business entities show a continuation in April 2017 of the upward trend in confidence in the construction activity noticeable since early 2014. A continuation of the growth of confidence in industry was also evident. Expectations in trade did not change much from the beginning of the year, but optimism in service activities continued to deteriorate moderately (Figure 8).

The favourable labour market developments that marked 2016 continued in the first three months of 2017. The number of employed persons at a quarterly level grew at a similar pace as at the end of the previous year, or up by almost 2% from the same period in 2016. There was a notable acceleration of the growth in the number of employed persons in industry and construction activities (Figure 14). The number of unemployed persons continued to decrease, in particular reflecting the outflows based on employment. As a result, the registered unemployment rate (seasonally adjusted) dropped to 13.2% in March, a level last recorded in 2008, i.e. the last year before the beginning of the crisis (Figure 15). However, it is worth noting that the level of employment was considerably lower than it was before the crisis, so that the above decrease in the unemployment rate reflects the shrinking in the labour force. With respect to the current trend in wages, at the beginning of 2017 gross wages continued to grow across the board (Figure 16). The acceleration in

the growth of gross wages in construction and service activities is notable, and may probably be linked to the problem of labour shortages in specific types of occupations.

In March, consumer prices rose by 0.3% from February (Table 1), primarily as a result of the seasonal increase in the prices of clothing and footwear. The price increase was offset by a significant decrease in the prices of vegetables and energy (refined petroleum products, solid fuels and gas). The annual rate of consumer price inflation slowed down, from 1.4% in February to 1.1% in March, primarily due to the prices of energy and unprocessed food (Figure 18). The contribution of energy prices to overall inflation decreased primarily because of lower prices of refined petroleum products, which was reflected by the fall in the prices of crude oil in the world market (Figure 19), but also because of the base period effect (the growth of prices in the same month of 2016). The decrease in the prices of unprocessed food was mostly the result of a notable deceleration of the annual growth of the prices of vegetables. On the other hand, core inflation accelerated moderately in March to 1.4% (from 1.3% in February), mostly because of the increase in the annual rate of change of processed food (mainly milk, oil and meat) and non-durable household goods.

After a notable strengthening in the trade in goods in the last quarter of 2016, the beginning of 2017 was marked by a slight increase in goods exports and the decline in imports. Total goods exports increased by 0.8% in January and February relative to the average of the previous quarter, the main factor being the exports of the narrow aggregate, which excludes ships and oil (Figure 10). The largest contribution to their growth (7.2%) came from the more robust exports of electricity and chemical products, notably medical and pharmaceutical products, some of which had been imported earlier for finishing or distribution to the markets of third countries. The decrease in total imports of goods by 1.3% in January and February relative to the average of the previous quarter was due to the decline in the imports of oil and refined petroleum products, as well as ships (Figure 11). If those goods divisions are excluded, the imports of the narrow aggregate continued to grow (1.1%), with the strengthening of the growth of imports of electricity, natural and manufactured gas, and capital equipment (Figure 12), while imports of medical and pharmaceutical products decreased after growing strongly at the end of 2016.

The exchange rate of the kuna against the euro was predominantly stable in April. The exchange rate of the domestic currency against the euro depreciated slightly towards the end of April and at the end of the month stood at EUR/HRK 7.47, or up by 0.4% from the end of March (Figure 21). In April, the kuna depreciated significantly against the pound sterling. By contrast, the domestic currency appreciated moderately against the yuan renminbi and the US dollar, primarily as a result of the strengthening of the euro against these currencies on the global foreign

¹ For details, see Kunovac, D., and B. Špalat: Nowcasting GDP Using Available Monthly Indicators (WP-39, October 2014).

exchange market. Thus the index of the nominal effective exchange rate of the kuna at the end of April was only 0.2% higher than at the end of March (Figure 22).

Short-term interest rates on the European money market remained in negative territory in April, which was the effect of the expansionary monetary policy of the ECB and high euro area banking system liquidity. The overnight interest rate, EONIA, ended the month of April at -0.35% , and the six-month EURIBOR at -0.25% (Figure 24). The risk premiums for European emerging market economies decreased slightly from the end of 2016. Although the risk premium for Croatia (51 basis points) witnessed the largest fall, it was still high relative to that of peer countries (Figure 25).

The liquidity of the domestic financial market held steady at a high level, influenced by the expansionary monetary policy of the CNB. Relative to the first three months of 2017, the average surplus liquidity slightly decreased and stood at HRK 15.6bn in April, while the average weighted interest rate in interbank trade on the overnight market increased from 0.02% in March to 0.05% in April (Figure 54). At the same time, the interest rate on one-year kuna T-bills without a currency clause remained unchanged at the level of 0.45% (Figure 28).

Bank interest rates on loans to non-financial corporations and households declined in March 2017 (Figures 28 and 29). In the corporate sector, this was contributed to by loans above HRK 7.5m (Figure 30). If original new corporate loans are observed, the decline is noticeable in the interest rates on loans for working capital, contrary to kuna investment loans indexed to foreign currency, the interest rate of which has increased since the beginning of the year (Figure 31). The interest rates on original new household loans decreased in March (Figures 32 and 33). The interest rates on total household and corporate time deposits increased moderately in March to 0.63% and 0.47% respectively, although still at low levels (Figures 34 and 35). As a result of the movements in interest rates on total new loans and deposits, their spread fell to six percentage points in March from 6.54 percentage points in February, while the gap between interest rate spreads on loans and deposits remained almost unchanged from the previous month, at a level slightly below five percentage points (Figure 37).

Monetary developments in March 2017 were marked by a moderate increase in the net foreign assets (NFA) and a significant decrease in the net domestic assets (NDA) of the monetary system; combined, they led to a fall in total liquid assets (M4). Net foreign assets of the CNB underwent a sharp rise generated by the inflow of funds from the foreign bond issue into the government's foreign currency deposit with the central bank, while net foreign assets of credit institutions decreased. The increase in the government's foreign currency deposit also resulted in a fall in net monetary institutions' claims on the central government, which resulted in a notable decrease in net domestic assets. Despite a monthly fall in total liquid assets, this monetary aggregate grew noticeably on an annual level (4.2%, exchange rate changes excluded) (Figure 49). In the structure of M4, such developments were still mostly driven by an increase in money (M1), which reached 21.1% at the end of March (Figure 48), in particular demand deposits of households and non-financial corporations. By contrast, the decline in foreign currency deposits continued on both monthly and annual levels (Figure 52).

Credit institutions' placements to domestic sectors (except

the government) rose by 0.7% in March (transaction-based). The growth in placements slowed down slightly at an annual level, so that at the end of March it stood at 0.8%, while at the end of 2016 it stood at 1.0% (Figure 40). This was mostly due to a slowdown in the growth of placements to non-financial corporations (to 0.7%), while in households, the annual growth of placements continued to strengthen, standing at 1.4% at the end of March (Figures 41 and 42). The growth of kuna placements to households was particularly strong (Figure 43). The nominal stock of placements was 1.7% lower at the end of March 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, the sale of banks' non-performing placements and the strengthening of the kuna against the euro. As for lending to the government, bank placements to the central government increased by 3.5% at the end of March 2017 relative to the same month of the previous year (Figure 46).

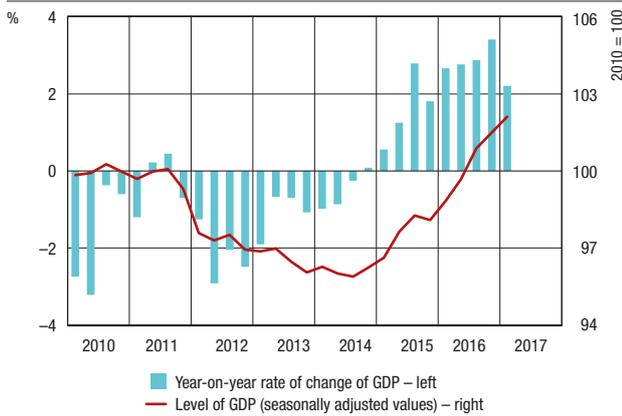
Gross international reserves of the CNB stood at EUR 14.4bn at the end of April, having decreased by EUR 1.7bn during the month, which was mostly the result of the decrease in the foreign exchange of the government deposited with the CNB in the amount of EUR 1.1bn and EUR 0.4bn in the agreed foreign repo transactions (Figure 56). The foreign currency inflow from a foreign eurobond issue in March was used to settle the liability on the foreign bond, which matured at the end of April. Net usable reserves decreased moderately during April, standing at EUR 12.1bn, down by 0.4% from the end of the previous year.

Following stagnation at the end of 2016, net external debt rose by EUR 0.5bn in the first two months of 2017 (Figure 60). This was mostly contributed to by banks, which, as in the same period of the previous year, increased their net liabilities by EUR 0.3bn. In addition, non-financial corporations also saw their net debt position worsen by EUR 0.2bn, mostly to affiliated enterprises abroad. Net financial positions of the central government and the CNB with respect to the rest of the world remained almost unchanged. Total gross external debt of the Republic of Croatia increased in the same period (Figure 61).

The Excessive Deficit Procedure Report from April confirmed the continuation of a strong fiscal consolidation in 2016. The general government deficit stood at 0.8% of GDP in 2016, or down by 2.6 percentage points from 2015. The fall in the deficit is reflected by favourable cyclical movements, resulting in a robust growth in tax revenues, but also an increase in other revenues (after correction for absorbed EU funds, which have no impact on the budget deficit), with the share of total revenues in GDP increasing from 45.2% in 2015 to 47.6% in 2016. At the same time, the growth in the majority of expenditure categories was limited (so that the share of expenditures in GDP decreased from 0.2 percentage points to 48.4% of GDP). This strong decrease in fiscal deficit, in the circumstances of favourable economic and foreign exchange movements, also caused the first annual decrease in the share of public debt in GDP after 2007.

According to Ministry of Finance data, in the first two months of 2017 the deficit at the central government level stood at HRK 1.6bn (HRK 0.9bn in the same period of the previous year), probably mostly as a result of a much earlier disbursement of state budget subsidies. At the end of January 2017, public debt stood at HRK 286.3bn, a reduction of HRK 2.7bn from the previous month, which partly mirrors the appreciation of the kuna exchange rate.

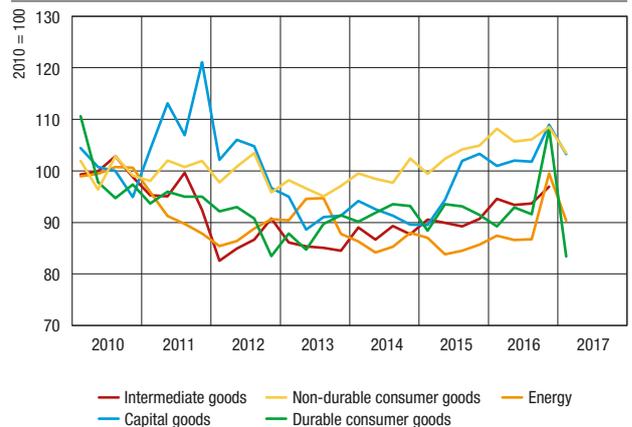
Figure 1 Quarterly gross domestic product seasonally adjusted real values



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 28 April 2017.

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

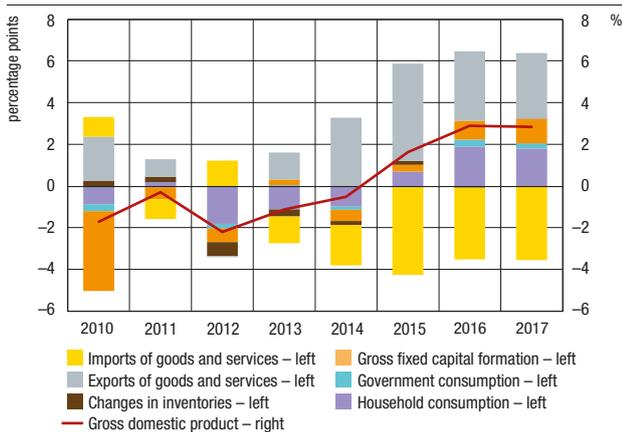
Figure 4 Industrial production by main industrial groupings seasonally adjusted indices



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

Source: CBS data seasonally adjusted by the CNB.

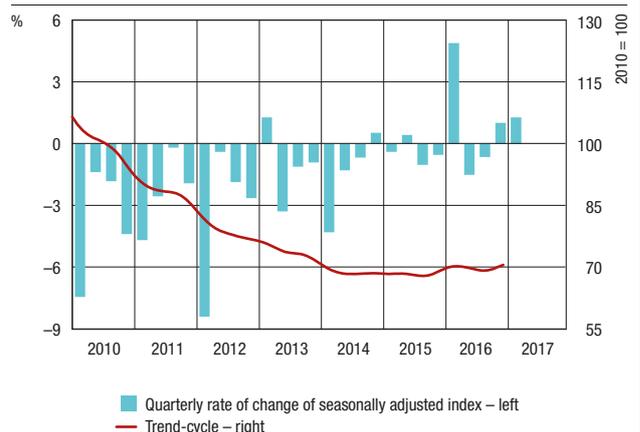
Figure 2 GDP rate of change contribution by components



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

Source: CBS.

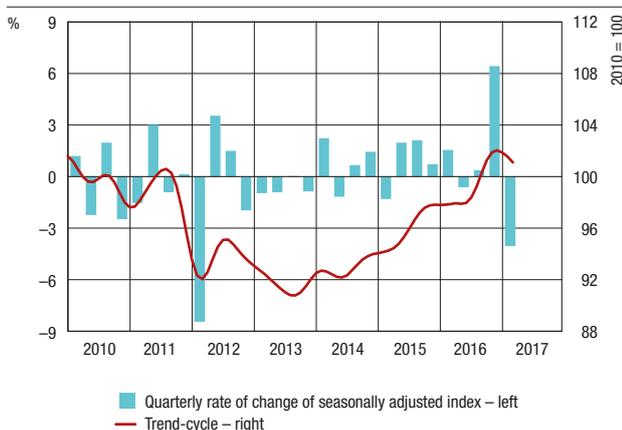
Figure 5 Total volume of construction works



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

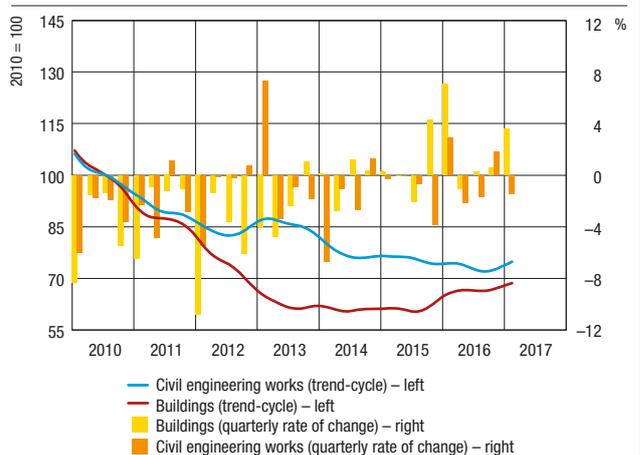
Source: CBS data seasonally adjusted by the CNB.

Figure 3 Industrial production



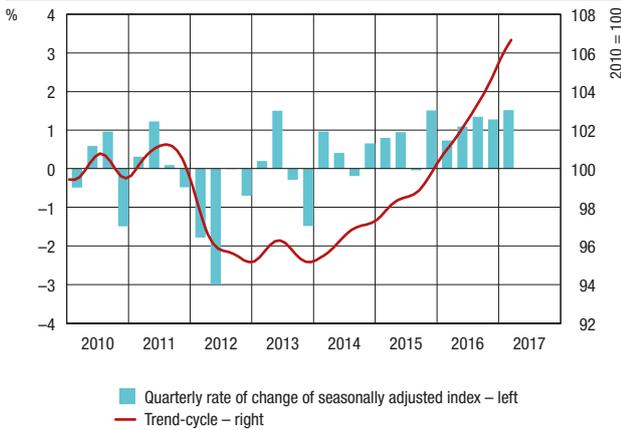
Source: CBS data seasonally adjusted by the CNB.

Figure 6 Buildings and civil engineering works



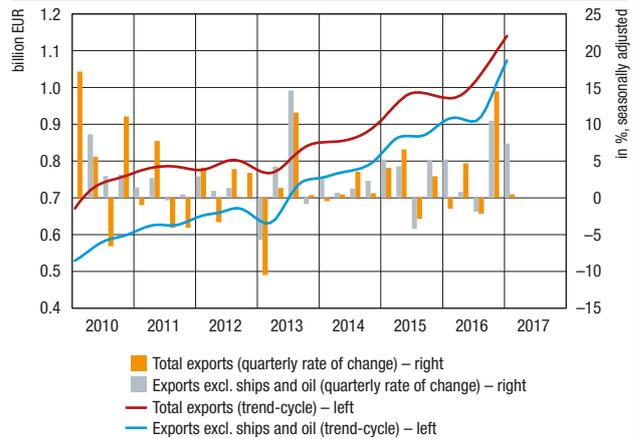
Source: CBS data seasonally adjusted by the CNB.

Figure 7 Real retail trade turnover



Source: CBS data seasonally adjusted by the CNB.

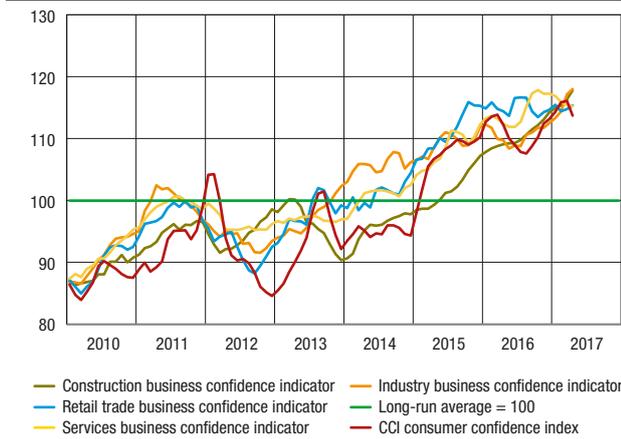
Figure 10 Goods exports (f.o.b.)



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

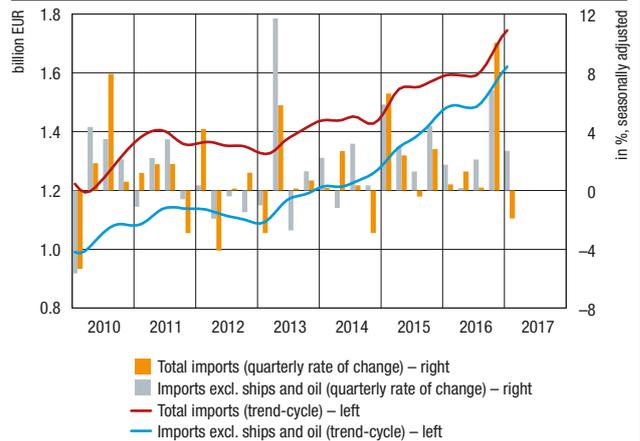
Source: CBS data seasonally adjusted by the CNB.

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



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

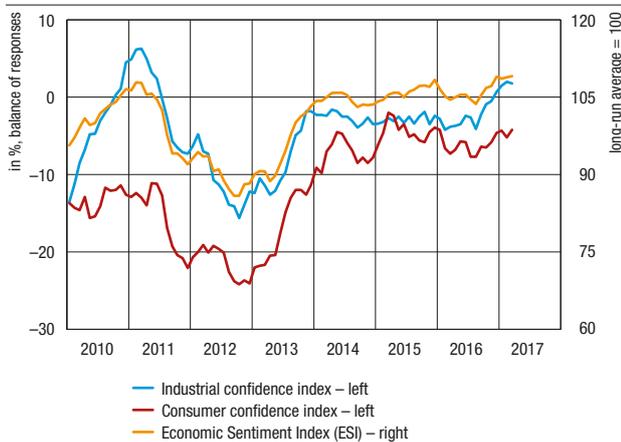
Figure 11 Goods imports (c.i.f.)



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

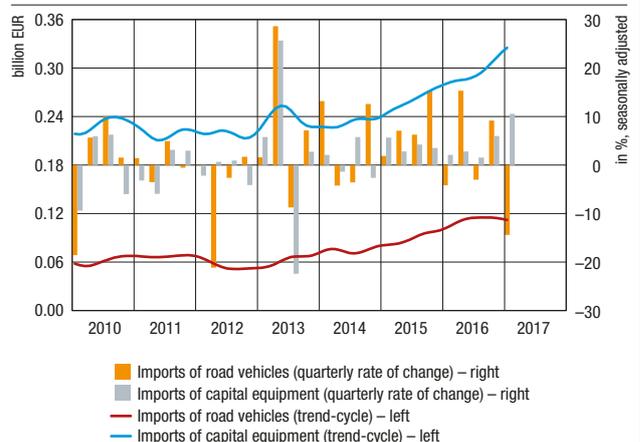
Source: CBS data seasonally adjusted by the CNB.

Figure 9 EU confidence indices
seasonally adjusted series



Source: Eurostat.

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

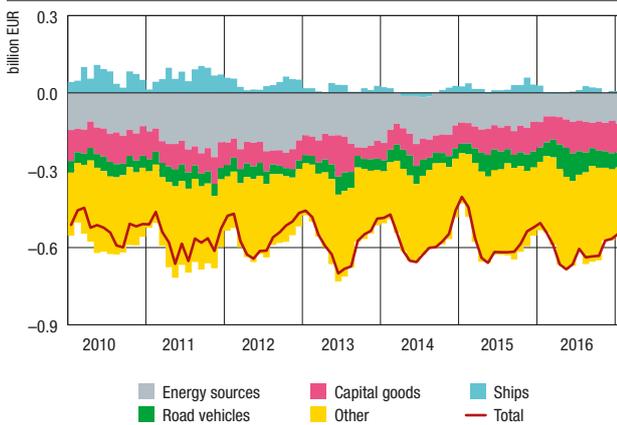


Note: Data for the first quarter of 2017 refer to January.

Imports of capital equipment (SITC divisions 71 - 77).

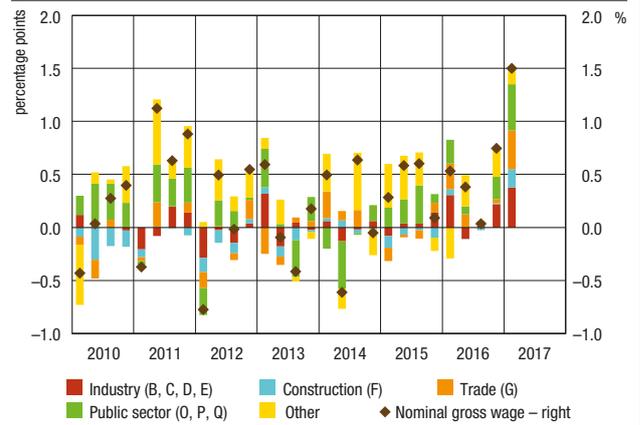
Source: CBS data seasonally adjusted by the CNB.

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



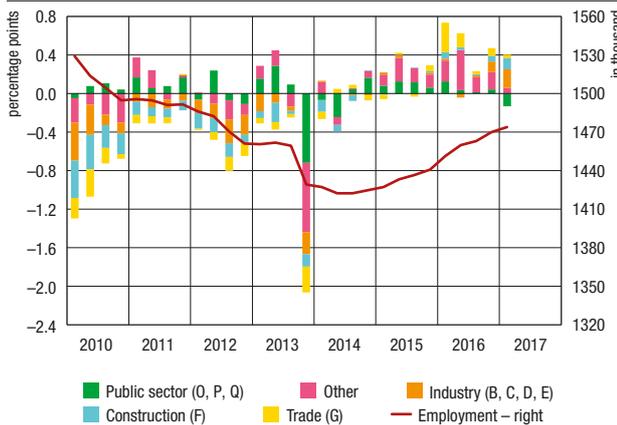
Source: CBS.

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



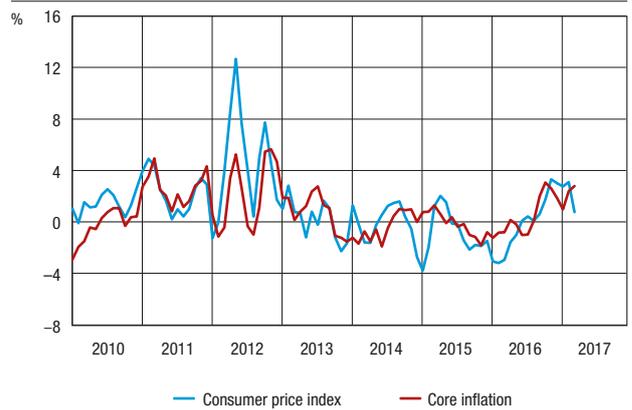
Note: Data on the average nominal gross wage by activity refer to data from the RAD-1 form, and from January 2016 to data from the JOPPD form.
Sources: CBS and CNB calculations (seasonally adjusted by the CNB).

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



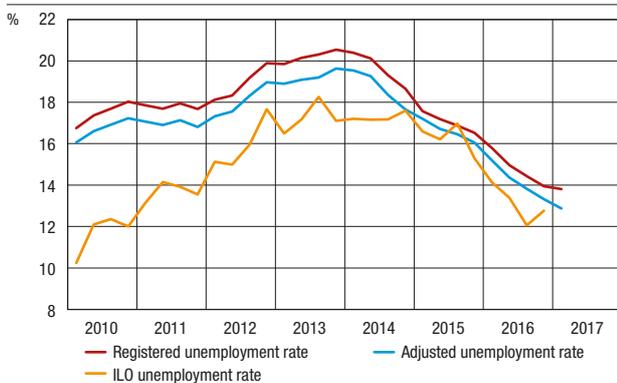
Source: CPIA data seasonally adjusted by the CNB.

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



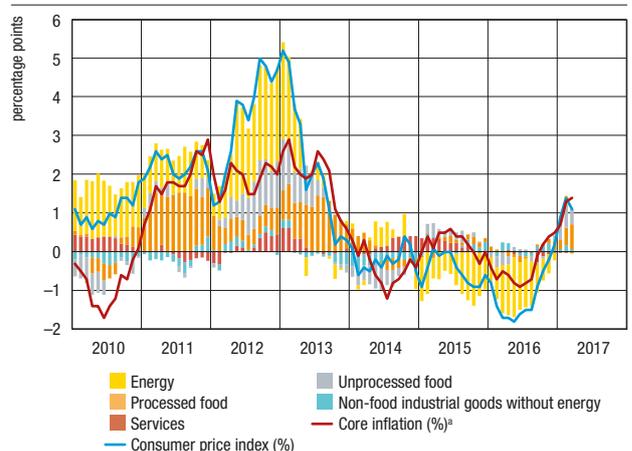
^a The month-on-month rate of change is calculated based on the quarterly moving average of seasonally adjusted consumer price indices.
Sources: CBS and CNB calculations.

Figure 15 Unemployment rates
seasonally adjusted data



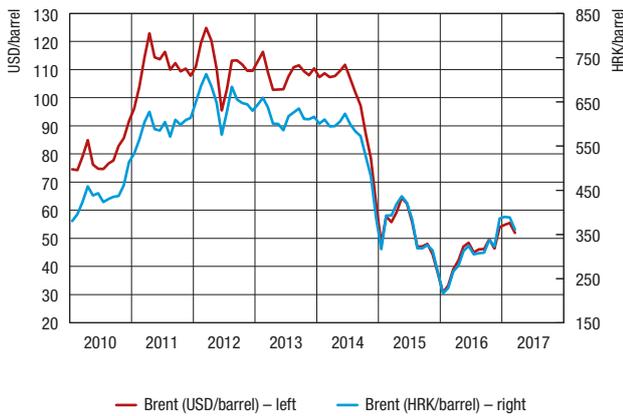
Note: Since January 2015, the calculation of the registered unemployed rate has been made using the data on employed persons from the JOPPD form. The adjusted unemployment rate is the CNB estimate and is calculated as the share of the number of registered unemployed persons in the working age population (unemployed persons and persons insured with the CPIA).
Sources: CBS and CNB calculations (seasonally adjusted by the CNB).

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



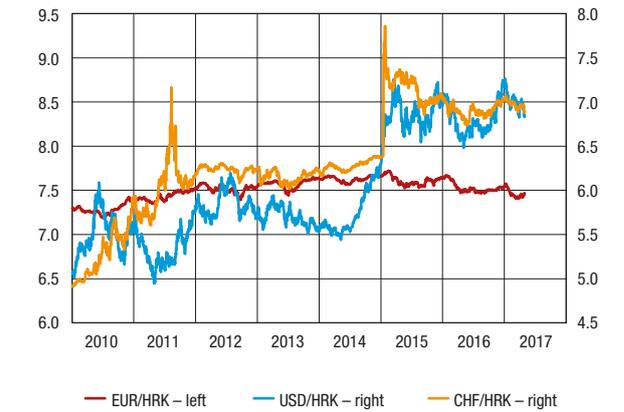
^a Core inflation does not include agricultural product prices and administrative prices.
Sources: CBS and CNB calculations.

Figure 19 Crude oil prices (Brent)



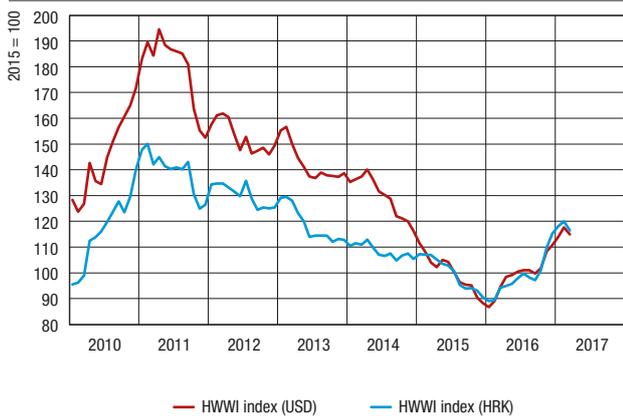
Sources: Bloomberg and CNB calculations.

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



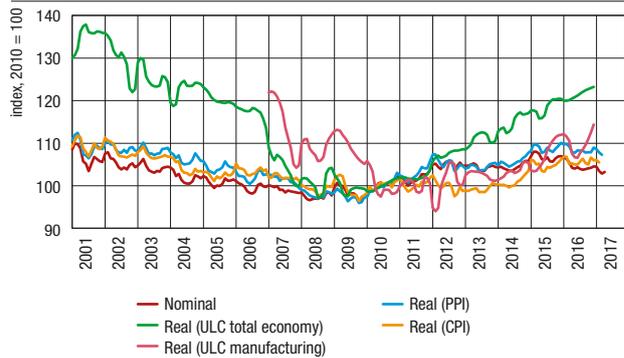
Source: CNB.

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 total market. 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.

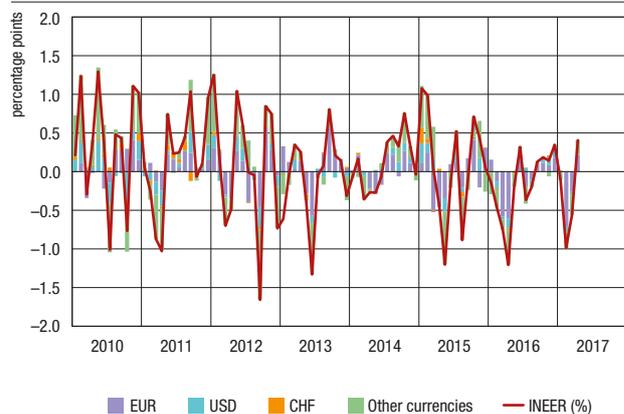
Table 1 Price indicators

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

	Year-on-year rates		Month-on-month rates	
	2/17	3/17	3/16	3/17
Consumer price index and its components				
Total index	1.4	1.1	0.7	0.3
Energy	1.4	-0.1	0.6	-0.9
Unprocessed food	6.3	4.2	-0.5	-2.4
Processed food	2.0	2.8	-0.7	0.1
Non-food industrial goods without energy	0.7	0.3	3.4	3.0
Services	-0.1	-0.1	-0.1	-0.1
Other price indicators				
Core inflation	1.3	1.4	0.8	1.0
Index of industrial producer prices on the domestic market	2.6	1.1	1.1	-0.3
Brent crude oil price (USD)	67.2	33.0	17.7	-6.4
HWWI index (excl. energy, USD)	32.1	21.6	6.3	-2.2

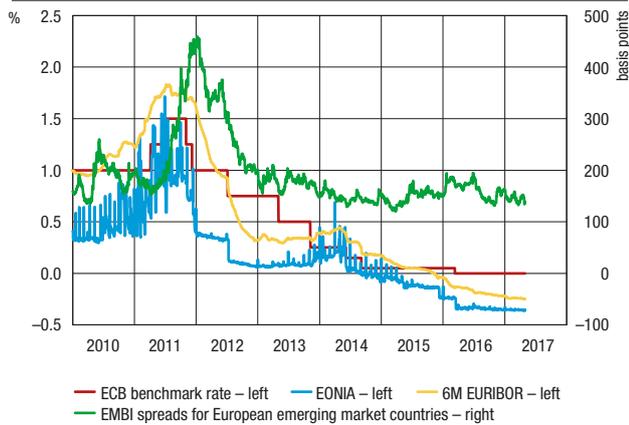
Note: Processed food includes alcoholic beverages and tobacco.
Sources: CBS, Bloomberg and HWWI.

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.

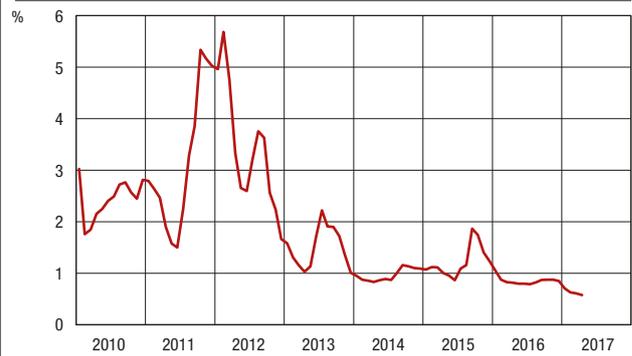
Figure 24 Interest rates on the euro and the average yield spread on bonds of European emerging market countries



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

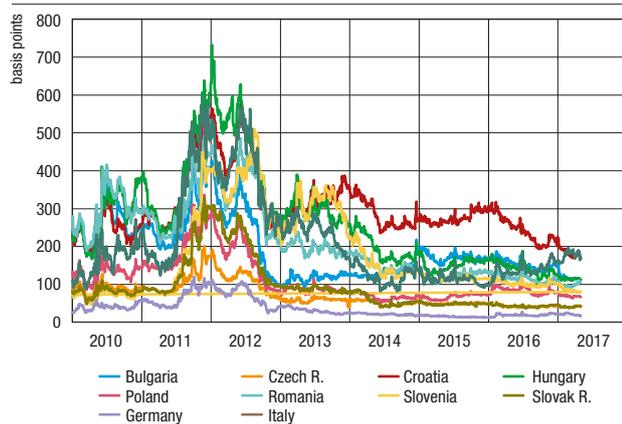
Figure 27 Interest rates quoted on the interbank market (3-month ZIBOR)

monthly averages of simply daily averages of bank quotations



Source: CNB.

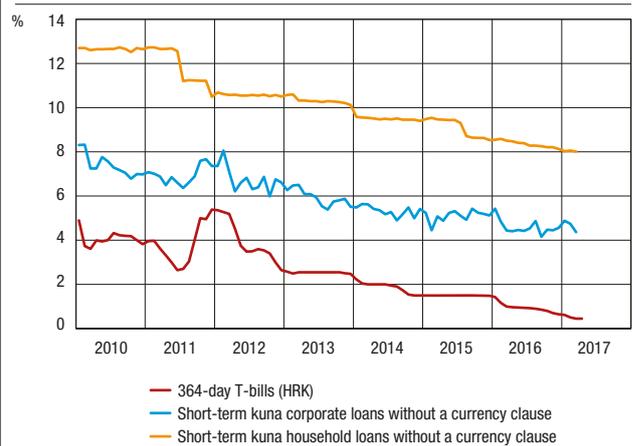
Figure 25 CDS spreads for 5-year government bonds of selected countries



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.

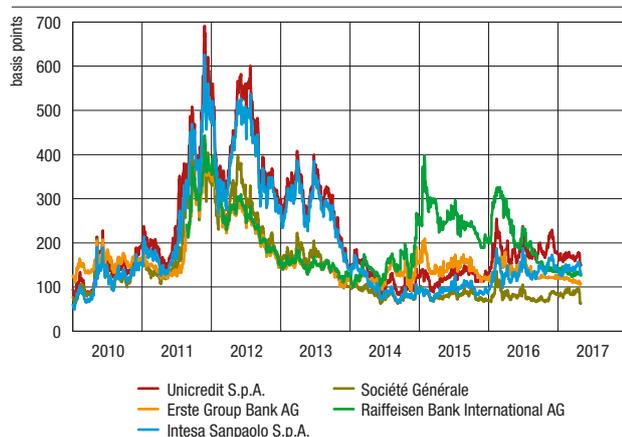
Source: S&P Capital IQ.

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



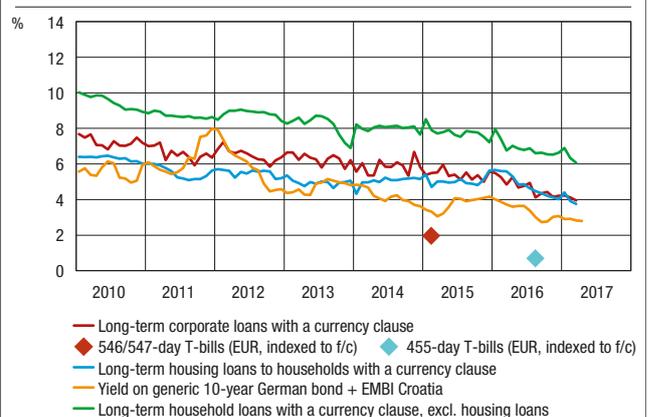
Sources: MoF and CNB.

Figure 26 CDS spreads for selected parent banks of domestic banks



Source: S&P Capital IQ.

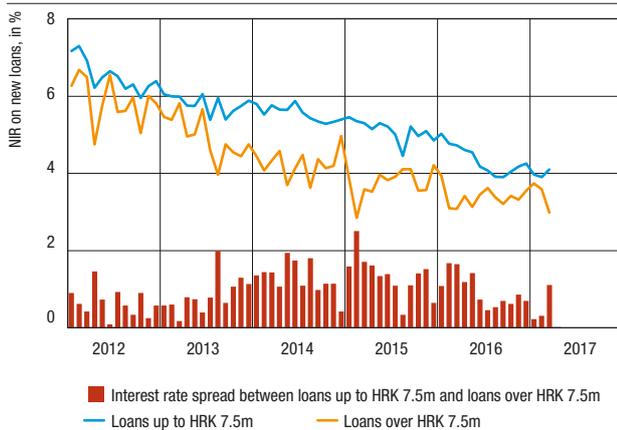
Figure 29 Long-term financing costs in kuna with a currency clause and in foreign currency



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.

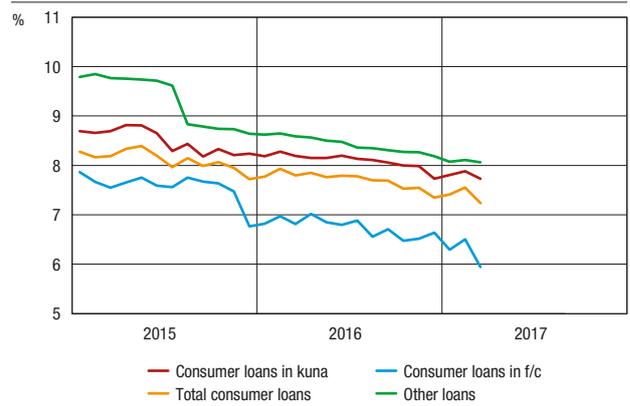
Sources: MoF, Bloomberg and CNB.

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



Source: CNB.

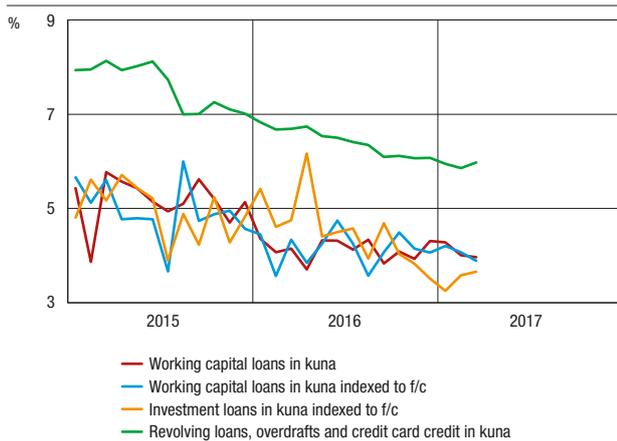
Figure 33 Interest rates on original new consumer and other loans to households



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.

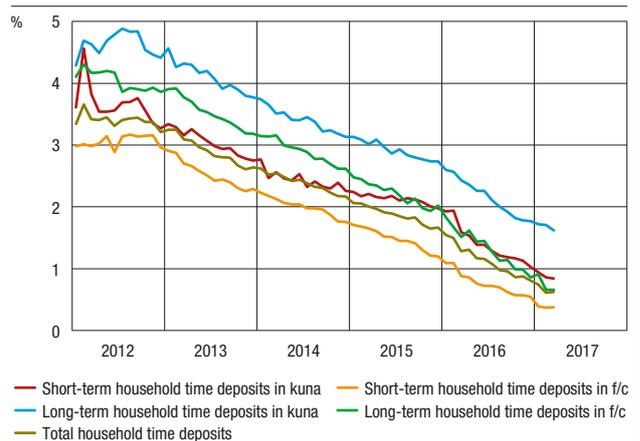
Source: CNB.

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



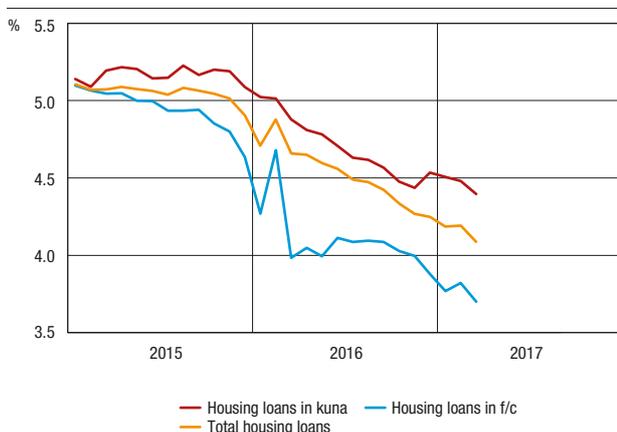
Source: CNB.

Figure 34 Interest rates on household time deposits



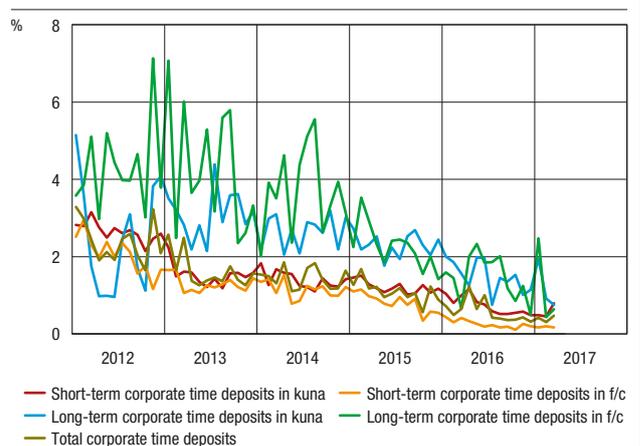
Source: CNB.

Figure 32 Interest rates on original new housing loans to households



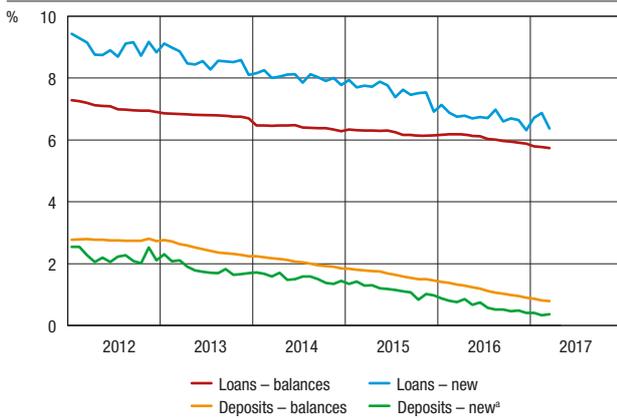
Source: CNB.

Figure 35 Interest rates on corporate time deposits



Source: CNB.

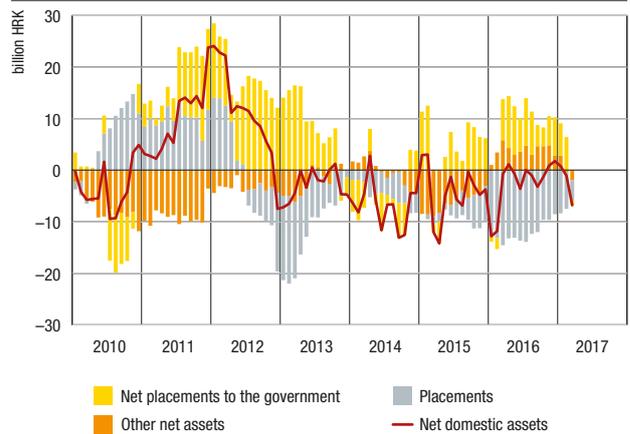
Figure 36 Average interest rates on loans (excl. revolving loans) and deposits



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

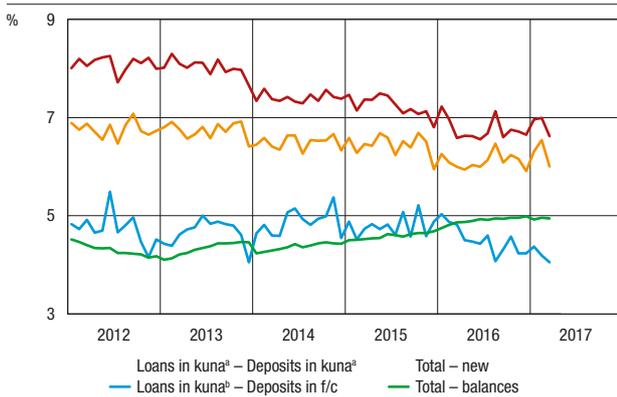
Source: CNB.

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

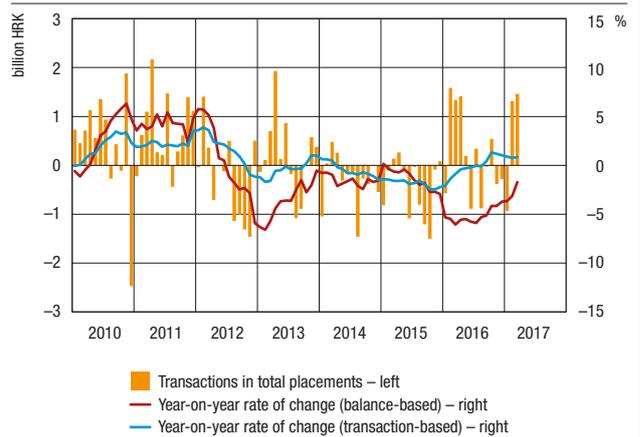


^a Non-indexed to f/c. ^b Indexed to f/c.

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).

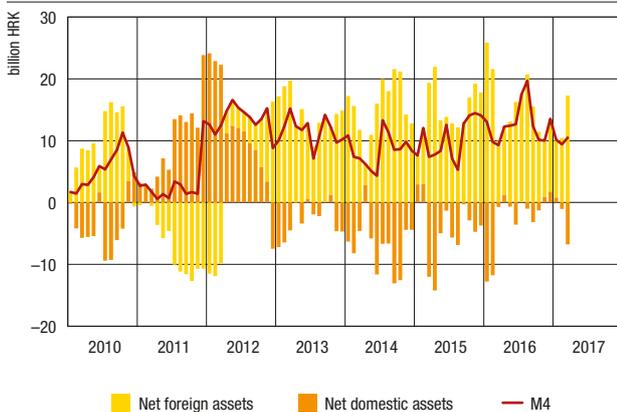
Source: CNB.

Figure 40 Placements



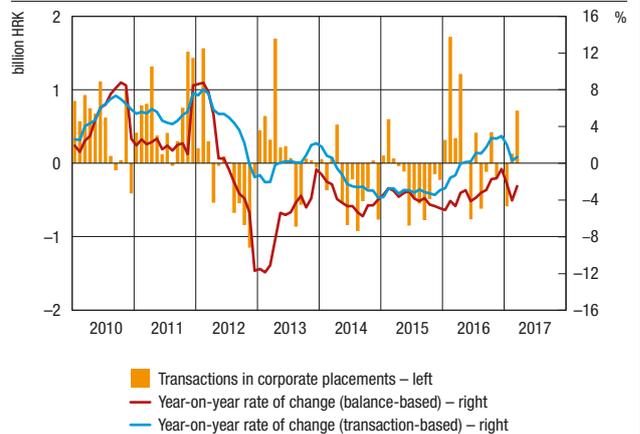
Source: CNB.

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



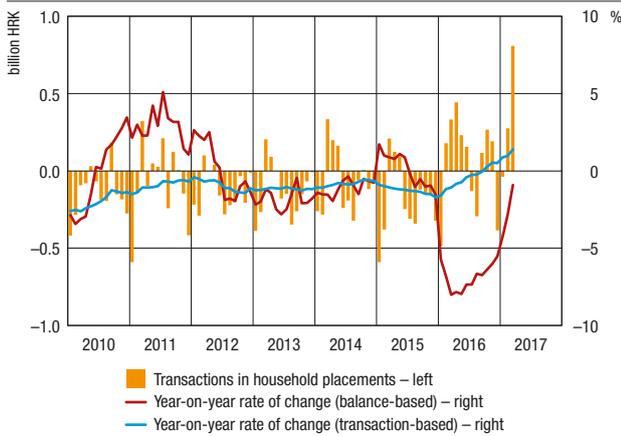
Source: CNB.

Figure 41 Placements to corporates



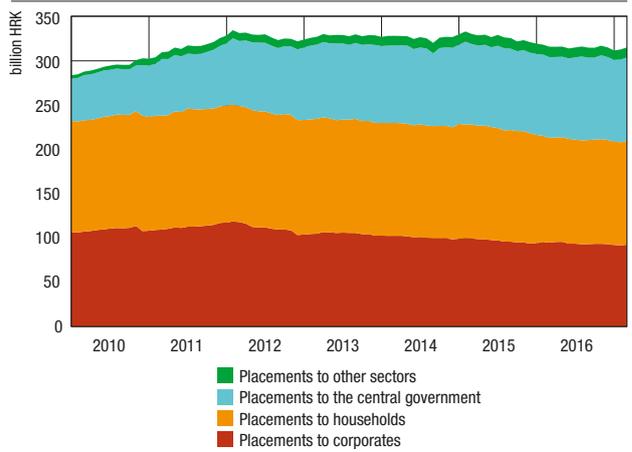
Source: CNB.

Figure 42 Placements to households



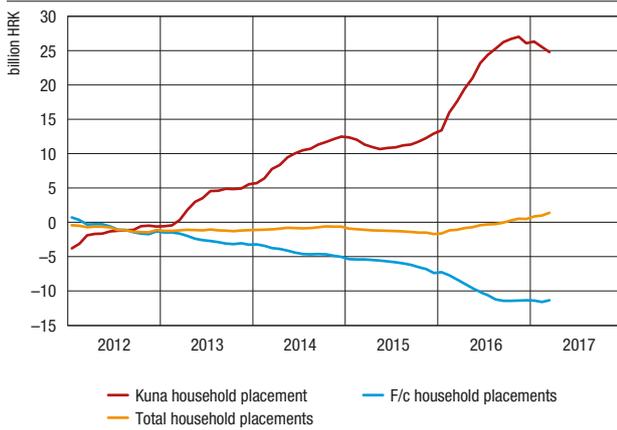
Source: CNB.

Figure 45 Structure of credit institution placements



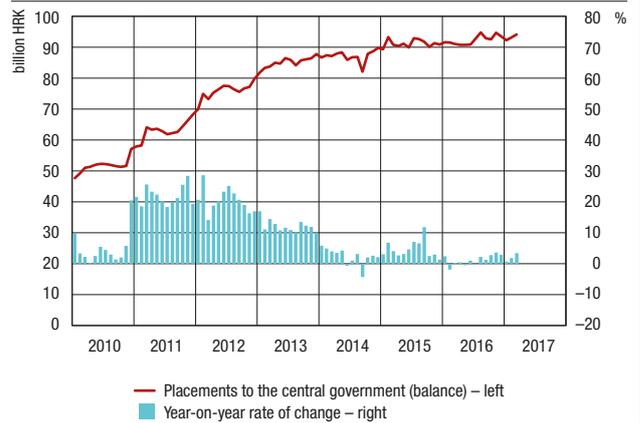
Source: CNB.

Figure 43 Annual rate of change in household placements transaction-based



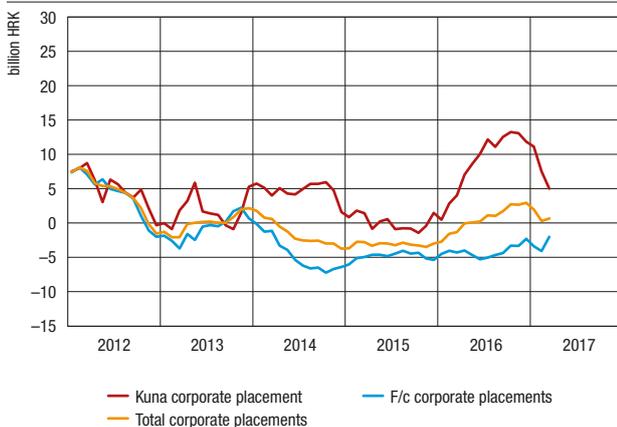
Source: CNB.

Figure 46 Credit institution and MMF placements to the central government



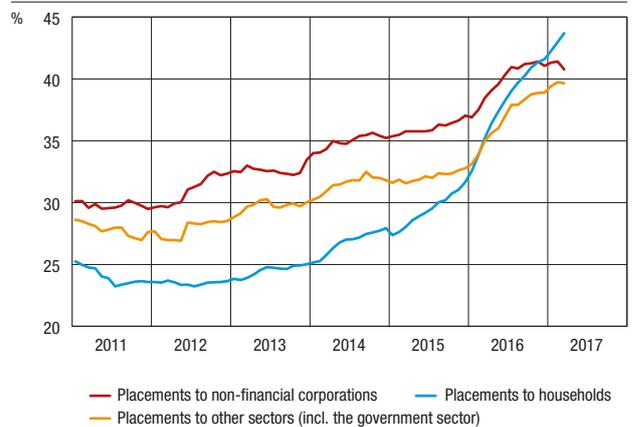
Source: CNB.

Figure 44 Annual rate of change in corporate placements transaction-based



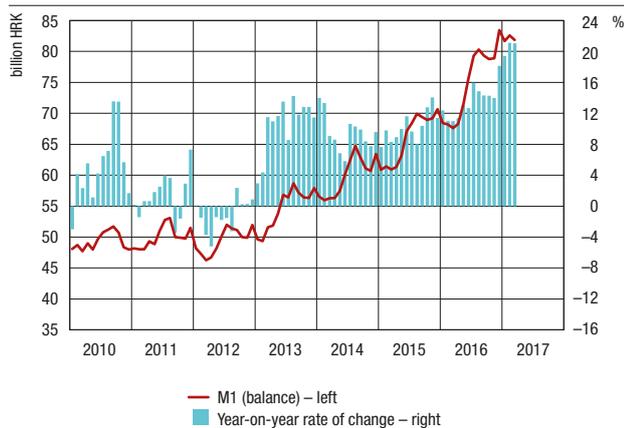
Source: CNB.

Figure 47 Share of kuna placements in total sector placements



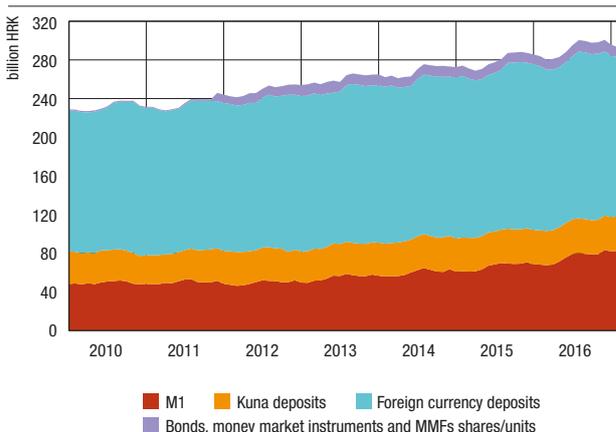
Source: CNB.

Figure 48 Money (M1)



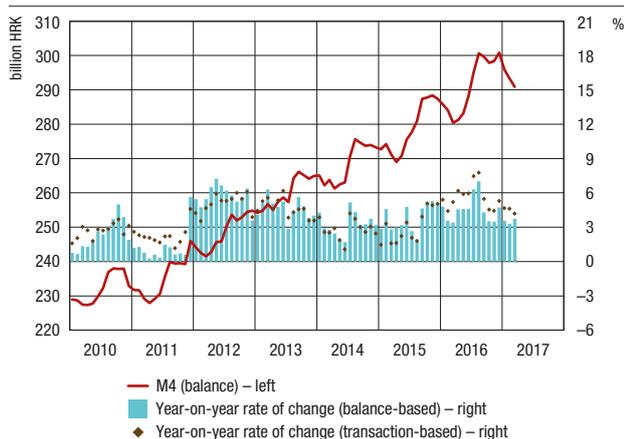
Source: CNB.

Figure 50 Structure of M4 monetary aggregate



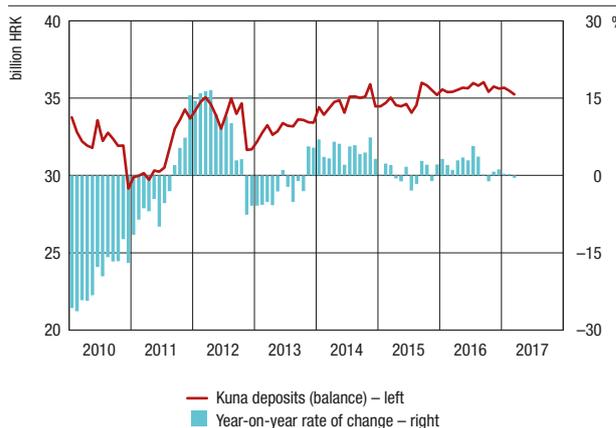
Source: CNB.

Figure 49 Total liquid assets (M4)



Source: CNB.

Figure 51 Kuna savings and time deposits



Source: CNB.

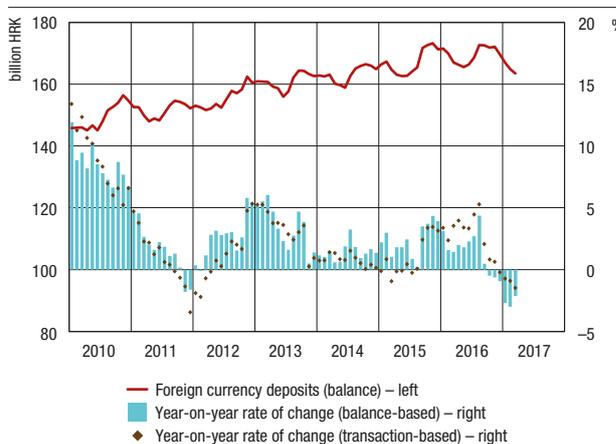
Table 2 Balance of payments^a
preliminary data, in million EUR

	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).

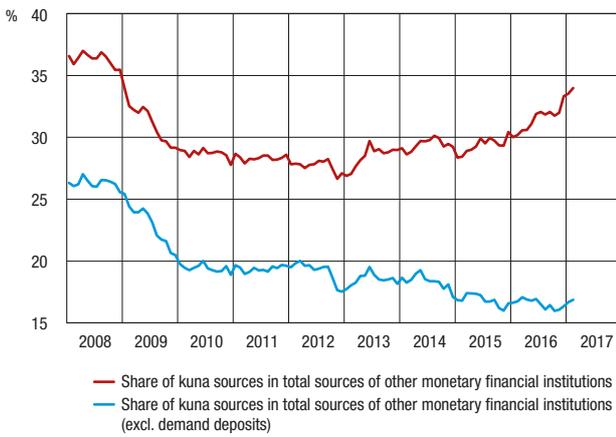
Source: CNB.

Figure 52 Foreign currency deposits



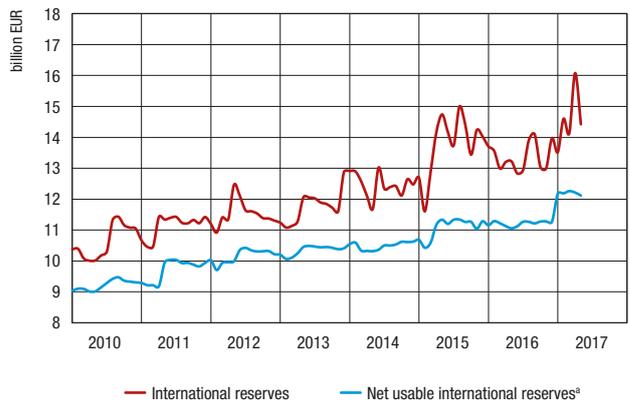
Source: CNB.

Figure 53 Share of kuna sources



Source: CNB.

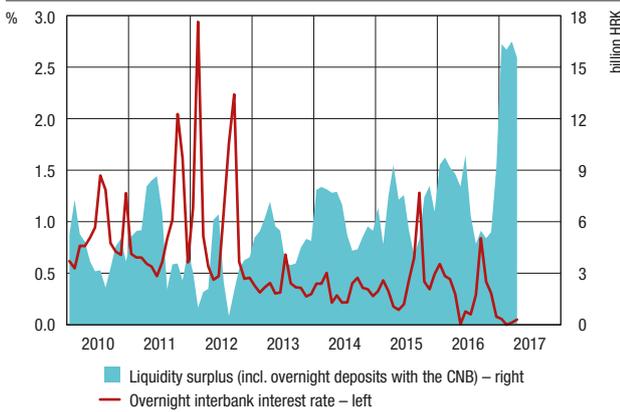
Figure 56 International reserves of the CNB at current rate of exchange



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

Source: CNB.

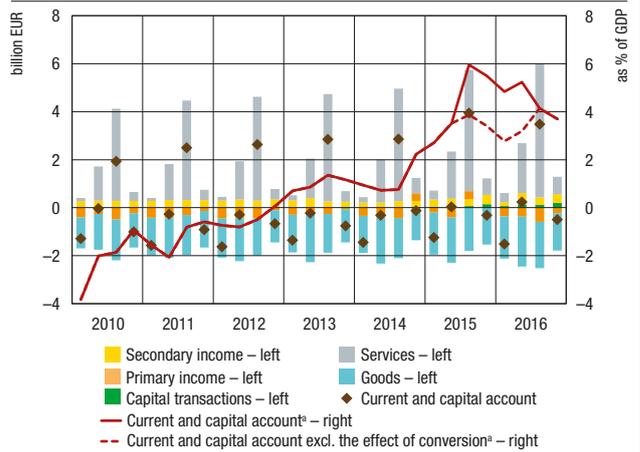
Figure 54 Bank liquidity and overnight interbank interest rate



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.

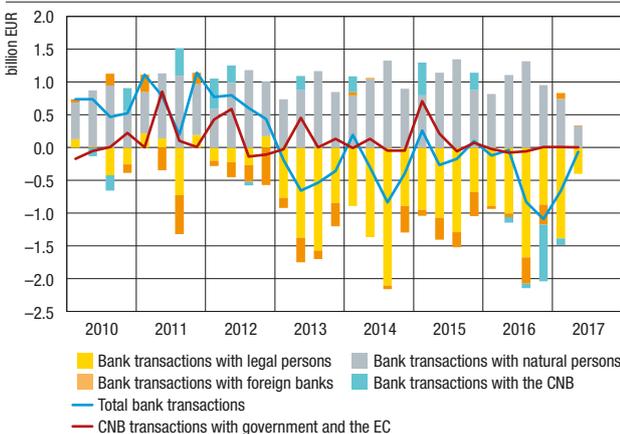
Figure 57 Current and capital account flows



^a Sum of the last four quarters.

Source: CNB.

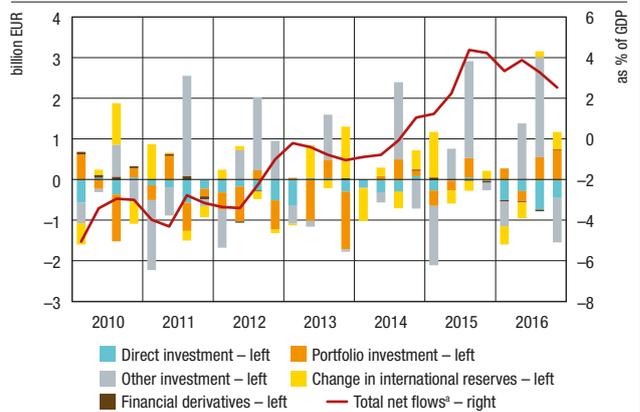
Figure 55 Spot transactions in the foreign exchange market (net turnover)



Note: Positive values indicate net purchases and negative values indicate net sales. Legal persons include the government. Data for the second quarter of 2017 refer to April.

Source: CNB.

Figure 58 Financial account flows by type of investment

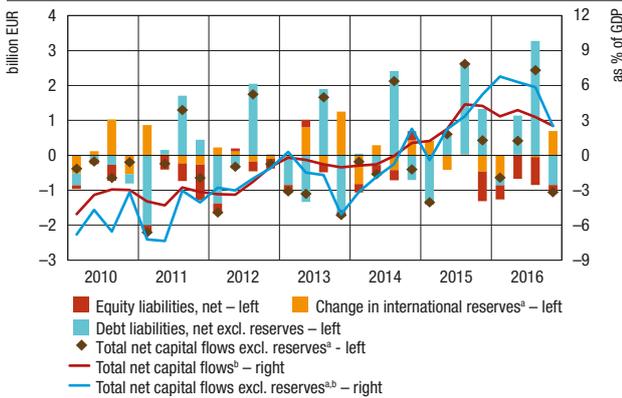


^a Sum of the last four quarters.

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

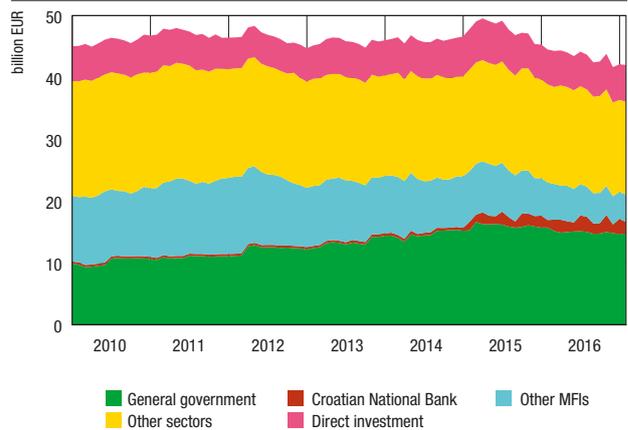
Source: CNB.

Figure 59 Financial account flows by capital structure



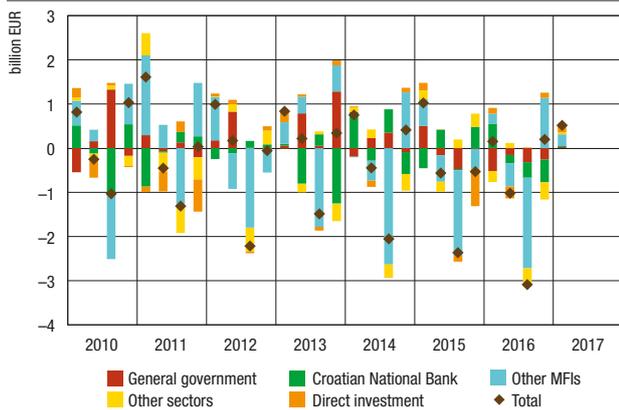
^a The change in gross international reserves is reported net of the liabilities of the CNB.
^b Sum of the last four quarters.
 Note: A positive value indicates net outflow of equity abroad. Net flows represent the difference between the change in assets and the change in liabilities.
 Source: CNB.

Figure 62 Gross external debt end of period



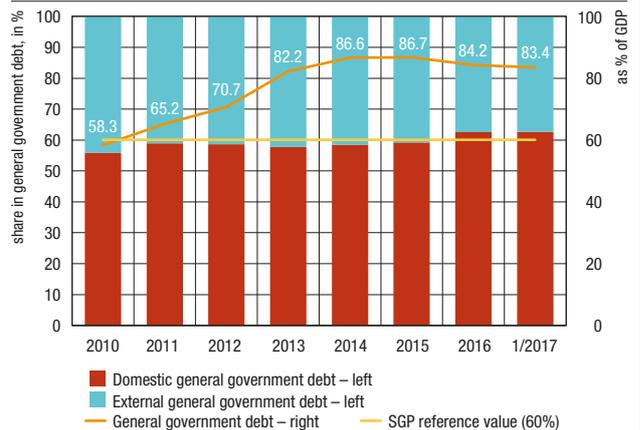
Source: CNB.

Figure 60 Net external debt transactions



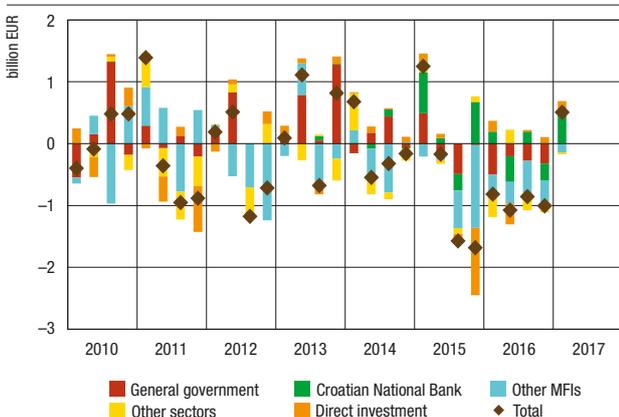
Note: Transactions refer to the change in debt excl. cross-currency changes and other adjustments. Net external debt is calculated as gross external debt stock net of foreign debt claims. Data for the first quarter of 2017 refer to January and February.
 Source: CNB.

Figure 63 General government debt



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

Figure 61 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 and February.
 Source: CNB.

Table 3 Consolidated general government balance

ESA 2010, in million HRK

	Jan. – Dec. 2015	Jan. – Dec. 2016
Total revenue	150,891	163,232
Direct taxes	19,969	21,739
Indirect taxes	65,482	69,589
Social contributions	39,778	40,807
Other	25,662	31,096
Total expenditure	162,237	166,014
Social benefits	55,896	55,942
Subsidies	5,916	5,386
Interest	11,925	11,162
Compensation of employees	40,099	41,106
Intermediate consumption	26,967	27,478
Investment	10,297	10,913
Other	11,137	14,028
Net lending (+)/borrowing (-)	-11,346	-2,783

Sources: Eurostat and CBS.

Table 4 Consolidated central government net borrowing

GFS 2001, in million HRK

	Jan. – Nov. 2015	Jan. – Nov. 2016
1 Revenue	116,719	124,046
2 Disposal of non-financial assets	447	375
3 Expenditure	119,607	121,269
4 Acquisition of non-financial assets	3,975	3,552
5 Net borrowing (1 + 2 – 3 – 4)	-6,416	-400

Sources: MoF and CNB calculations.

Table 5 General government debt

in million HRK

	Jan. 2016	Jan. 2017
Change in total debt stock	1,491	-2,733
Change in domestic debt stock	2,106	-1,365
– Securities other than shares, short-term	851	192
– Securities other than shares, long-term	1,134	-338
– Loans	120	-1,219
Change in external debt stock	-614	-1,369
– Securities other than shares, short-term	94	100
– Securities other than shares, long-term	-828	-1,090
– Loans	119	-379
Memo item:		
Change in total guarantees issued	72	4

Source: CNB.

Abbreviations and symbols

Abbreviations

BIS	– Bank for International Settlements
bn	– billion
b.p.	– basis points
BOP	– balance of payments
c.i.f.	– cost, insurance and freight
CBRD	– Croatian Bank for Reconstruction and Development
CBS	– Central Bureau of Statistics
CCI	– consumer confidence index
CDCC	– Central Depository and Clearing Company Inc.
CDS	– credit default swap
CEE	– Central and Eastern European
CEFTA	– Central European Free Trade Agreement
CEI	– consumer expectations index
CES	– Croatian Employment Service
CM	– Croatian Motorways
CIHI	– Croatian Institute for Health Insurance
CLVPS	– Croatian Large Value Payment System
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

NCS	– National Clearing System
n.e.c.	– not elsewhere classified
OECD	– Organisation for Economic Co-Operation and Development
OG	– Official Gazette
R	– Republic
o/w	– of which
PPI	– producer price index
RTGS	– Real-Time Gross Settlement
Q	– quarterly
RR	– reserve requirement
SDR	– special drawing rights
SITC	– Standard International Trade Classification
SGP	– Stability and Growth Pact
VAT	– value added tax
WTO	– World Trade Organization
ZMM	– Zagreb Money Market
ZSE	– Zagreb Stock Exchange

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