



TIME TO INVEST IN CROATIA

INVESTMENT GUIDE



REPUBLIC OF CROATIA



TRADE AND INVESTMENT
PROMOTION AGENCY



TABLE OF CONTENTS

Introductory Letters	4
1. ABOUT CROATIA	
1.1. Basic Indicators	9
1.2. Economic Stability	9
1.3. Joining the European Union	11
1.4. Trade Exchange	11
1.5. Free Trade Agreements	12
1.6. Foreign Direct Investments	13
1.7. Bilateral Investment Agreements	15
2. INFRASTRUCTURE	
2.1. Transport Infrastructure	17
2.2. Utilities Infrastructure	24
2.3. ICT Infrastructure	25
3. BUSINESS ZONES	
3.1. Larger Business Zones in Croatia	27
3.2. Land Acquisition	28
3.3. Location Permit	29
3.4. Construction Permit	30
3.5. Usage Permit	31
4. HUMAN CAPITAL	
4.1. Education System	33
4.2. Educational Structure of the Labour Force	35
4.3. Labour Productivity	36
5. COSTS OF DOING BUSINESS	
5.1. Salaries	39
5.2. Real Estate	41
5.3. Telephony	42
5.4. Utilities	42
6. LEGAL ENVIRONMENT	
6.1. Foreign Investors' Status	47
6.2. Intellectual Ownership Rights	47
6.3. Concessions	48
6.4. Establishing a Company	48
6.5. Setting up a Branch Office	52
6.6. Opening a Representative Office	54
6.7. Legal Validation / Verification of Documents in the International Legal Traffic	55
6.8. Employment of Foreign Citizens	55
7. TAX SYSTEM	
7.1. Profit Tax	61
7.2. Income Tax and Surtax	61
7.3. Value Added Tax	61
7.4. Real Estate Transfer Tax	61
7.5. Double Taxation Treaties	62
8. INVESTMENT INCENTIVES	
8.1. Tax Incentives	65
8.2. Employment Incentives	66
8.3. Incentives for Eligible Training and Re-training costs	66
8.4. Support for the Projects on Technology Innovation and Development Centres	66
8.5. Incentives for Large Investment Projects	67
8.6. Scientific Activities and Higher Education Act	68
8.7. Regional Aid Map	69
8.8. Incentives Concerning the Hill and Mountain Areas	70
8.9. Incentives Concerning the City of Vukovar	70
8.10. Areas of Special National Concern	71
9. CROATIAN TRADE AND INVESTMENT PROMOTION AGENCY	
9.1. About Us	75
9.2. Our Services	75
10. RELEVANT INSTITUTIONS	
10.1. Government Ministries	79
10.2. Business Support Institutions	80
10.3. Other Relevant Public Institutions	80
10.4. Chambers of Commerce and Associations	81
10.5. Regional and Local Development Agencies	82

1. ABOUT CROATIA

1.1. Basic Indicators	9
1.2. Economic Stability	9
1.3. Joining the European Union	11
1.4. Trade Exchange	11
1.5. Free Trade Agreements	12
1.6. Foreign Direct Investments	13
1.7. Bilateral Investment Agreements	15

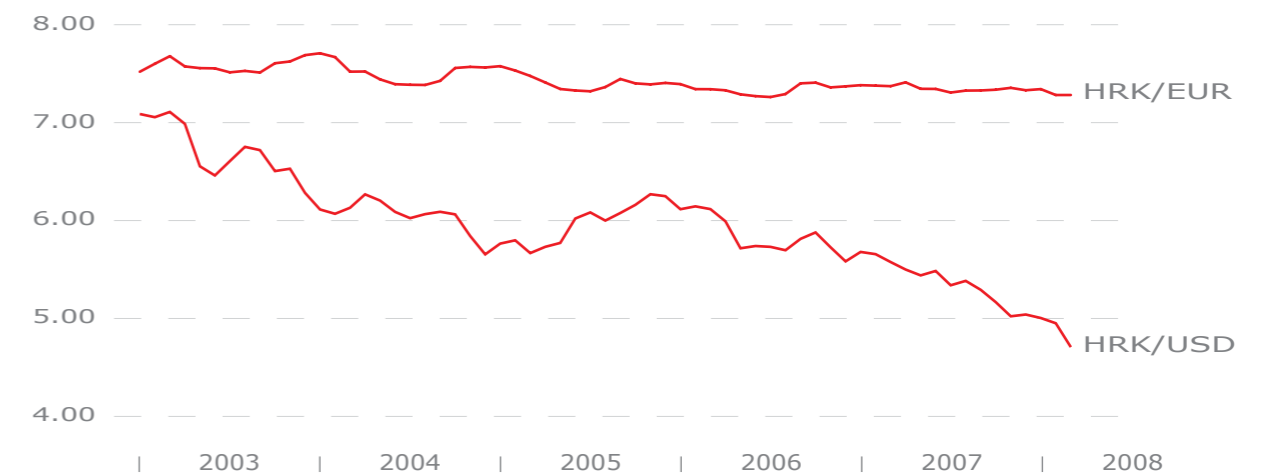
1.1. Basic Indicators

Land area	56 594 km ²
Population	4.4 million
Political System	Parliamentary democracy
Territorial Organization	20 counties and the City of Zagreb
Capital	Zagreb
Official Language	Croatian
Currency	Kuna (HRK)
Average Exchange Rate (2007)	1 EUR = 7.34 HRK 1 USD = 5.36 HRK
International Telephone Code	00 385
Internet Country Code	.hr
Time Zone	Central European Time (CET)
Climate	Continental and Mediterranean

1.2. Economic Stability

The Croatian macroeconomic environment is stable, which is first of all, reflected in the low inflation rate. Furthermore, the average Croatian Kuna/Euro exchange rate oscillations have been very low.

Average Exchange Rates HRK/EUR and HRK/USD



Source: Croatian National Bank



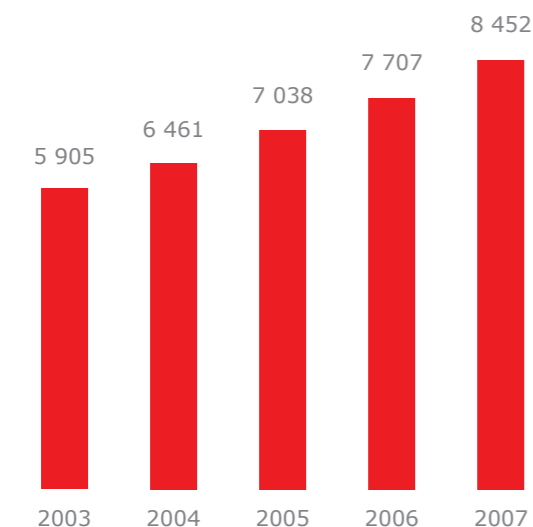
During the last six years, Croatian economy has shown a real GDP growth rate of more than 4%, with the unemployment rate constantly declining. Croatian economic stability is additionally confirmed by the long-term credit rating assigned by renowned international agencies.

Croatia's Long-Term Credit Rating

Moody's	Baa3
Standard&Poor's	BBB
FitchRatings	BBB-

Main Macroeconomic Indicators	2004	2005	2006	2007
GDP (million EUR, current prices)	28 681	31 263	34 220	37 497
GDP growth rates (constant prices) %	4.3	4.3	4.8	5.6
GDP per capita, current prices (EUR)	6 461	7 038	7 707	8 452
Export of goods (EUR million)	6 454	7 069	8 251	9 002
Import of goods (EUR million)	13 342	14 949	17 094	18 827
Unemployment Rate (ILO) %	13.8	12.7	11.2	9.6
Inflation (Year Average) %	2.1	3.3	3.2	2.9

GDP per capita (EUR)



Source: Central Bureau of Statistics, Croatian National Bank

1.3. Joining the European Union

Contractual relations between the Republic of Croatia and the European Union were established for the first time by signing the Stabilization and Association Agreement in 2001. This Agreement enabled the beginning of the negotiations for full EU membership in 2005. According to the President of the European Commission, Croatia should complete the membership negotiations by the end of 2009.

1.4. Trade Exchange

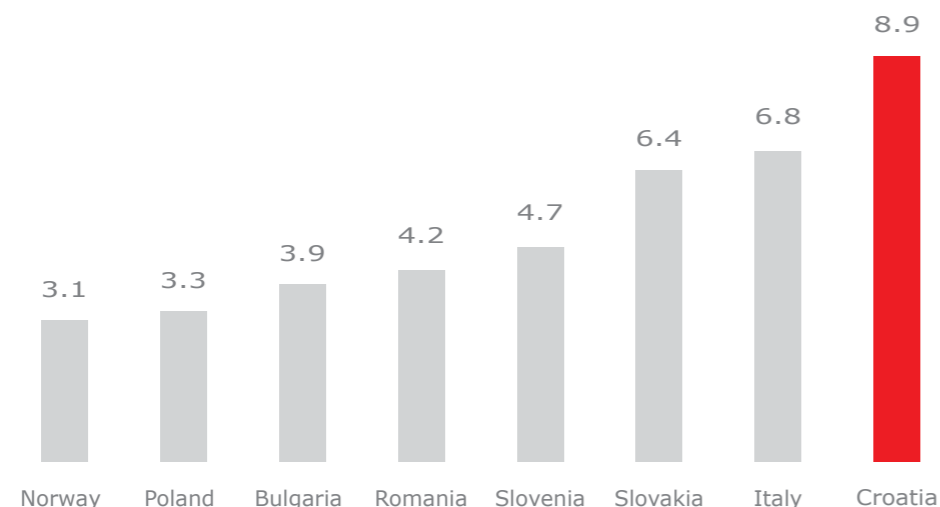
With regard to foreign trade exchange, more than half of it occurs with EU countries. Croatia's most important Croatian foreign trade partners are Italy, Germany, Slovenia, Austria and Bosnia and Herzegovina.



EXPORT PRODUCTS	%	IMPORT PRODUCTS	%
Other transport equipment (ships)	11.59	Petroleum and petroleum products	11.69
Petroleum and petroleum products	9.29	Road vehicles	9.30
Electrical machines, devices and tools	7.39	Row iron and steel	5.05
Clothing	4.75	Electrical machines, devices and tools	4.85
Non-metal mineral products	3.61	General-purpose industrial machines	4.60
Metal products, n.e.s.	3.56	Metal products, n.e.s.	3.99
Other ready-made products, n.e.s.	3.21	Other ready-made products, n.e.s.	3.64
Household furnishing	3.07	Other machines and transport equipment	3.47
Cork and timber	3.02	Special machines for specific industries	3.25
Gas, natural or industrial	2.91	Telecommunication apparatus	3.25
Other	47.60	Other	46.90
TOTAL	100.00	TOTAL	100.00

Source: Central Bureau of Statistics

Share of High-tech Products in Total Exports in %



Source: Eurostat

1.5. Free Trade Agreements

Croatia is applying free trade agreements with the following countries:

COUNTRY	APPLIED SINCE
EU 15 THE 10 NEW MEMBERS BULGARIA AND ROMANIA	January 2002 May 2004 January 2007
EFTA Switzerland, Liechtenstein Norway Iceland	January 2002 April 2002 August 2002
CEFTA Albania, Macedonia, Moldova, Montenegro, UNMIK/Kosovo Serbia Bosnia & Herzegovina	July 2007 October 2007 November 2007
Turkey	July 2003

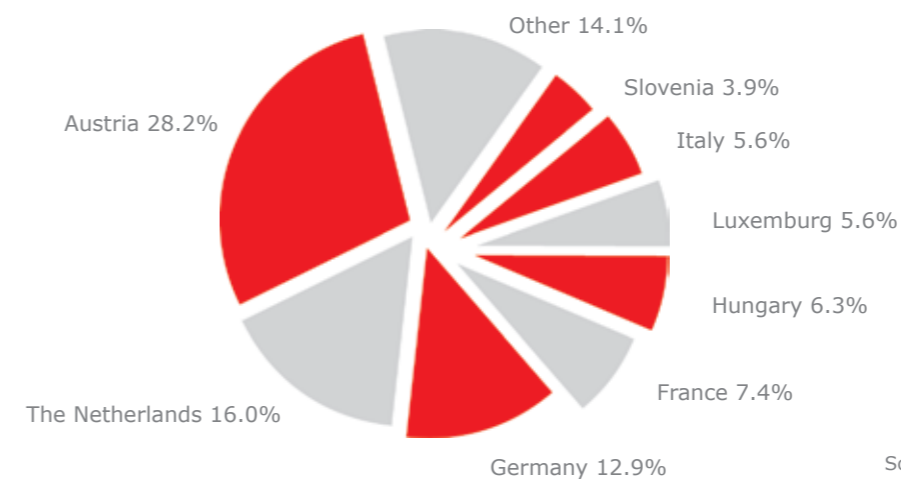
Source: Central Bureau of Statistics

A new Central European Free Trade Agreement (CEFTA), signed by Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia and UNMIK/Kosovo in 2007 replaced the 32 bilateral free trade agreements.

1.6. Foreign Direct Investments

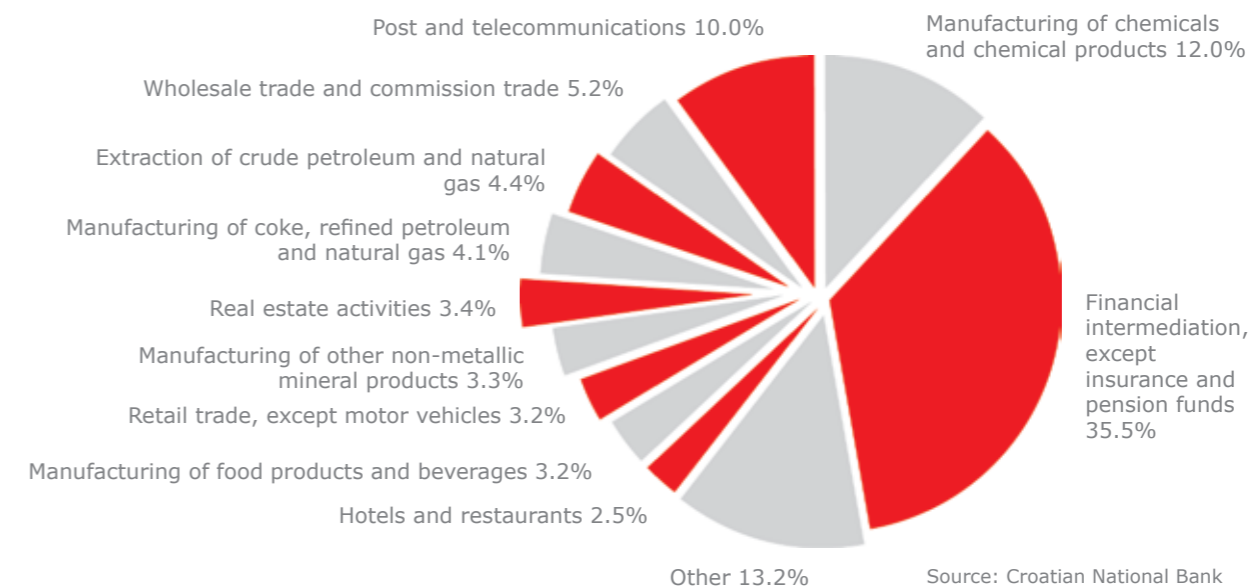
From 1993 to 2007, Croatia received foreign direct investments in the total amount of 17.63 billion EUR.

FDI in Croatia by countries, 1993-2007



Source: Croatian National Bank

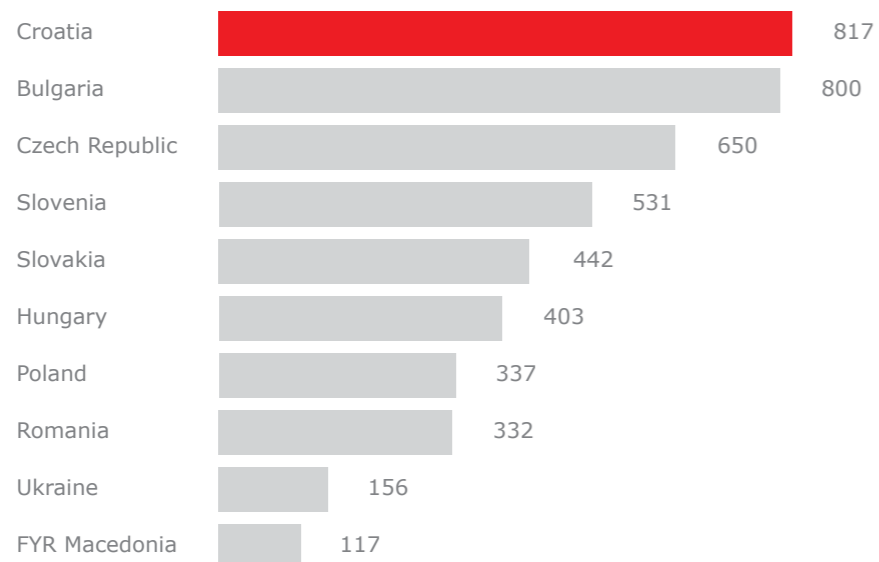
FDI in Croatia by industrial branches, 1993-2007



Source: Croatian National Bank

Regarding the FDI per capita for the year 2007, Croatia is the leader compared to the following countries.

FDI per capita (EUR)



Source: Vienna Institute for International Economic Studies

These are only some of the well-known investors who recognized the potential of the Croatian market.



1.7. Bilateral Investment Agreements

Croatia has signed bilateral investment agreements with the following 55 countries:

Albania	Kuwait
Argentina	Latvia
Austria	Libya
Azerbaijan	Lithuania
The Republic of Belarus	FYR Macedonia
The Belgian-Luxembourg Economic Union	Malaysia
Bosnia and Herzegovina	Malta
Bulgaria	Moldavia
Cambodia	The Netherlands
Canada	Northern Ireland
Chile	Oman
China	Poland
Cuba	Portugal
Czech Republic	Qatar
Denmark	Romania
Egypt	The Russian Federation
Finland	Serbia & Montenegro*
France	Slovakia
Germany	Slovenia
Great Britain	Spain
Greece	Sweden
Hungary	Switzerland
India	Thailand
Indonesia	Turkey
Iran	Ukraine
Israel	The United States of America
Italy	Zimbabwe
Jordan	

*the Agreement came into force on 31 January 2002, with Serbia as the legal successor.

2. INFRASTRUCTURE

2.1. Transport Infrastructure	17
2.1.1. Roads	
2.1.2. Railways	
2.1.3. Harbours	
2.1.4. Airports	
2.2. Utilities Infrastructure	24
2.3. ICT Infrastructure	25

2.1. Transport Infrastructure

Three Pan-European corridors pass through the Croatian territory enabling quick and easy market access:



Pan-European Transport Corridors

V.	Venice – Trieste/Koper - Ljubljana – Budapest – Lvov
V/b branch	Rijeka – Zagreb – Goričan – Budapest
V/c branch	Ploče – Sarajevo – Osijek – Budapest
X	Salzburg – Ljubljana – Zagreb – Belgrade – Skopje – Thessaloniki
X/a branch	Graz – Maribor – Macelj – Zagreb
VII	The Danube river



2.1.1. Roads

Roads in Croatia

- Constructed Highways
- - - Highways planned until 2012
- County and local roads



Source: Croatian Roads

Quick and easy access is one of the main characteristics of Croatia. The total length of the roads in the Republic of Croatia is 29,016 km (1,065 km are motorways, 6,812 km are state roads, 10,604 km are county and 10,535 km are local roads).

Total length of Croatian railroads is 2,772 km (2,468 km are single-track, and 253 km are double-track, and 980 km, or 36%, is electrified). Croatian rail network is a part of the European rail network, which proves excellent geographic position of the country.

2.1.2. Railways

Railways in Croatia

- +++++ Class 1 and 2 railways
- High-speed, high-capacity Railway Rijeka - Botovo under construction
- - - Planned construction of high-speed, high-capacity railways in the future



Source: Croatian Railroads

At the moment, the lowland railroad Botovo-Zagreb-Rijeka is under development, which will be a part of the international corridor VB. The project is worth 8 billion Kuna and includes the construction of 269 km of tracks. Project planning started a year ago, and the whole section will be double-tracked, allowing for the speed of 160 km/h. Therefore, instead of the current 3 hours and 45 minutes from Zagreb to Rijeka, the future journey will last 59 minutes, and the tracks will be 61 km shorter.

This project could increase the port capacity of Rijeka from present 15 million tons to more than 30 million tons a year. It will also connect it directly to Vukovar port. This could make the port of Rijeka the main port for Central and Eastern Europe as the journey from Rijeka to Vukovar, and further by the Danube, the Rhine, and the Main towards the Central Europe, could be shortened by 7 days. Furthermore, the distance from Rijeka to Vukovar is three times shorter than the distance from the port of Constance on the Black Sea to Vukovar.

2.1.3. Harbours

Croatian seaports are the most convenient ports for the naval transport from the Central, East and South Asia, Australia and Oceania to Europe (through the Suez Canal), shortening the shipping time of goods by at least 5 to 8 days. The Croatian ports also connect the Central and the Eastern Europe with the North and South America and Africa.

Croatia has 6 international seaports in the following cities: Rijeka, Zadar, Split, Šibenik, Ploče and Dubrovnik.

Inland waterways (river ports) open for the international transport are in the following cities: Sisak, Slavonski Brod, Osijek and Vukovar.

Sea Port Location	Yearly cargo traffic (tons)	Dock depth (m)	Capabilities
Rijeka	13 000 000	28	Cargo, Passenger, Customs available, Storage available, Container storage available
Ploče	4 800 000	13	Cargo, Passenger, Customs available, Storage available, Container storage available
Split	3 400 000	10	Cargo, Passenger, Customs available, Storage available, Container storage available
Šibenik	1 200 000	10	Cargo, Passenger, Customs available, Storage available, Container storage available
Pula	750 000	8	Cargo, Passenger, Customs available, Storage available, Container storage available
Zadar	550 000	7	Cargo, Passenger, Customs available, Storage available, Container storage available
Dubrovnik		11	Cargo, Passenger, Customs available, Storage available, Container storage available

Cargo ■ Passenger ■ Customs available ■ Storage available ■ Container storage available ■

Source: Port Authorities

Distance from the Port of Rijeka to Other European Countries



Riverports and Major Seaports in Croatia

- Major sea ports
- Cargo river ports



Source: Port Authorities

River Port Location	Yearly cargo traffic (tons)	Dock depth (m)	Capabilities
Vukovar	1 000 000	3	Cargo, Passenger, Customs available, Storage available, Container storage available
Osijek	600 000	3-4	Cargo, Passenger, Customs available, Storage available, Container storage available
Sisak	250 000	3	Cargo, Passenger, Customs available, Storage available, Container storage available
Slavonski Brod	160 000	3	Cargo, Passenger, Customs available, Storage available, Container storage available

Cargo ■ Passenger ■ Customs available ■ Storage available ■ Container storage available ■

Croatia's inland waterway network equals 804 km, 287 km of which is a part of an international waterway network.

Source: Port Authorities

2.1.4. Airports

Airports in Croatia



Source: Airport Authorities

Approximately 4 million passengers are transported through the Croatian airports every year.

There are seven international airports in Croatia, in the following cities:

Zagreb, Split, Dubrovnik, Zadar, Rijeka, Pula, Osijek

There are also four landing grounds for arrivals and departures of smaller aircrafts:

Brač, Mali Lošinj, Varaždin, Vrsar

Airport location	Yearly cargo traffic (tons)	Local	International	Passenger	Cargo	Customs available	Storage available
Zagreb	11 000	■	■	■	■	■	■
Split	1 300	■	■	■	■	■	■
Dubrovnik	846	■	■	■	■	■	■
Osijek	270	■	■	■	■	■	■
Rijeka	38	■	■	■	■	■	■
Zadar	13	■	■	■	■	■	■
Pula	10	■	■	■	■	■	■
Borovo		■	■				
Brač			■	■	■	■	■
Čakovec		■	■		■	■	
Grobnik		■	■				
Lučko		■	■				
Mali Lošinj			■	■	■	■	■
Medulin		■	■				
Otočac		■	■				
Sinj		■	■				
Unije		■	■				
Varaždin		■	■				
Vrsar			■	■	■	■	■

Local ■ International ■ Passenger ■ Cargo ■ Customs available ■ Storage available ■

Source: Airport Authorities

2.2. Utilities Infrastructure

Croatia is a land with great natural resources – with one of the largest drinking water reserves in the world, gas fields sufficient for the domestic consumption and large energy potentials through conventional (thermal and hydro power plants) and the alternative energy sources.

Natural Gas Infrastructure, Pipelines and Plans for Future Development

- Existing gas pipeline network
- - - Planned network extension in the near future
- - - - Planned network extension after 2011
- Underground storage



Source: Plinacro

The energy market in Croatia is based on the Croatian power supplier, public company HEP. The energy market has been largely liberalized during the past years by numerous changes in the legal framework and it is now fully in accordance with the market principles. Croatian Regulatory Energy Agency (www.hera.hr) is the authorized body for the regulation of all energy-related activities.

There is a strong trend regarding the alternative electric power sources, subsidised by the state. HEP is legally obliged to buy all of such production from the remaining private or legal entities.

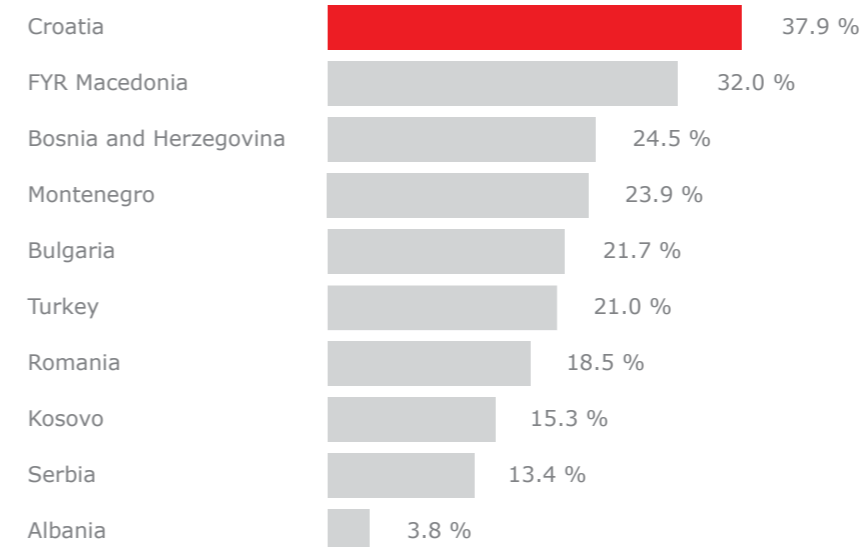
The production of natural gas in Croatia meets the requirements of approximately 60% of the domestic market, and PLINACRO, a Croatian company, provides the transport. Regarding the gas network projects in the next few years Croatia will be at the very top among Western European countries.

2.3. ICT Infrastructure

Croatian fixed telecommunication network is 100% digitalized, and is the most modern of the Central and Eastern European countries' networks. The telecommunication market is fully liberalized, and there is a large number of operators in fixed and mobile telephony, as well as numerous Internet service providers.

In the last few years, the number of Internet users has increased significantly. There is also a large increase in the number of broadband Internet users, and the higher availability of service due to the use of WiMax wireless connectivity technology.

Percentage of Internet users



Source: Cullen International, 2007

Croatia has developed a broadband Internet development strategy, which facilitates investments in Croatian economy. The strategy is focused on supporting development and competitiveness in broadband access services. That enables quicker and generally more accessible broadband Internet at competitive prices, encouraging development of new services and contents. Furthermore, local communities are encouraged to take part in the development of broadband data transfer through public and private partnerships, as well as through financing the development of the broadband Internet infrastructure.

Croatia is a leader in the introducing new technologies, especially in the field of data transfer and data mobility. It should be stressed that Croatia is also a leader in the implementation and commercialisation of such technologies. Apart from the already mentioned WiMax (for which Croatia is also a pioneer in this part of Europe), modern technologies like Triple play and 3G are already in use as well.

3. BUSINESS ZONES

3.1. Larger Business Zones in Croatia	27
3.2. Land Acquisition	28
3.3. Location Permit	29
3.4. Construction Permit	30
3.5. Usage Permit	31

3.1. Larger Business Zones in Croatia

Business zones are specially marked areas owned by the Republic of Croatia and the local government. There are more than three hundred zones with ready infrastructure ranging in size from ten thousand square meters to several million square meters. Mentioned below and displayed on the map are a few of the largest, investment-ready zones.

Some of Larger Business Zones in Croatia

- Constructed motorways
 - - - Motorways planned until 2012
1. PODI-Šibenik
 2. Crno
 3. Sv. Helena
 4. Ploče Harbour
 5. Kukuzovac
 6. Nova Gradiška
 7. ZIB, Rajevo Selo
- Posavci podgajci
 8. Ambarine, Gradište
 9. Industrial Zone south - Sisak



Zone Name	Zone Size (m ²)	Available Area (m ²)	County
PODI-Šibenik	5 500 000	4 300 000	Šibensko-kninska
Crno	4 000 000	4 000 000	Zadarska
Sv. Helena	1 260 000	760 000	Zagrebačka
Ploče Harbour	2 145 892	700 000	Dubrovačko-neretvanska
Kukuzovac	1 560 000	700 000	Splitsko-dalmatinska
Nova Gradiška	820 000	650 000	Brodsko-posavska
ZIB, Rajevo Selo - Posavski Podgajci	753 453	563 949	Vukovarsko-srijemska
Ambarine, Gradište	475 698	432 623	Vukovarsko-srijemska
Industrial Zone South - Sisak	411 283	331 263	Sisačko-moslavačka



Land belonging to business zones is ready for investment projects:

- Legal issues have been settled
- Zoning documentation has been adopted
- Land is equipped with the utilities, transport and ICT infrastructure

Each of these business zones offers numerous benefits to the potential investors:

- full or partial exemption from the utilities compensation
- full or partial exemption from the utilities contributions
- participation in the costs connected to the utilities infrastructure
- low price of land
- developed infrastructure
- direct and indirect state incentives

Business zones are an ideal infrastructure basis for quick and successful realization of business activities. Apart from the land, completed business premises, as well as premises created in accordance with the requirements of space, are also at investors' disposal.

The database of the business zones in Croatia is available online at the Trade and Investment Promotion Agency web site www.croinvest.org or directly at <http://zone.apiu.hr>

3.2. Land Acquisition

Foreign person can acquire the ownership of real estate in Croatia only if there is also a reciprocal opportunity for a Croatian person in the country of that foreign person.

The ownership and possession status of the real estate can be determined by accessing the Land Registry and Cadastre at the Municipal Court. It is necessary to check the zoning documentation in order to determine the land allocation (for example, construction, tourism, agriculture). This is followed by the real estate purchase procedure and the signing of the contract.

After the purchase contract has been signed, it is necessary to register the ownership in the land registry. In order to do this, it is necessary to submit an application form together with the necessary documentation (original or verified copy) to the land registry department of the Municipal Court,. After the registry has been carried out, the owner will receive the ownership deed.

3.3. Location Permit

The investor has to obtain a location permit for each and every construction. The location permit is an official decree granted according to the zoning documentation. Its contents and granting procedure are regulated by the Spatial Plan Act (Official Gazette No.: 76/07).

The application for the location permit is submitted by the investor to the County Office of Administration, Department for Physical Planning, Environmental Protection, Construction and Legal Matters, or to the Office of the City of Zagreb (authorized for physical planning), or associated Branch offices in the area of planned construction. Exceptionally, if certain buildings are of importance for the Republic of Croatia, or the constructions extend to the areas of two or more counties, the location permit is granted by the Ministry of Environmental Protection, Physical Planning and Construction.

Location permit contains the excerpt from the zoning documentation (on the grounds of which it was granted), depending on the type of intervention. Location permit determines:

- the form and size of the construction lot, i.e. the extent of the intervention
- allocation of the construction
- size of the building
- location of one or more buildings on the construction lot
- the shape of the building
- construction lot arrangement
- methods and conditions regarding the connection of the lot, i.e. the building, to the public traffic surface and the municipal utilities infrastructure
- means of prevention of bad environmental impact
- other elements important for construction, according to special regulations

Location permit application should also contain:

- cadastral extract
- description and the design concerning the intended intervention

If a building permit is not necessary for that type of a building, the application should contain:

- design in the sense of special regulations
- evidence that the investor has the right to build under Art. 89 of the Construction Act (Official Gazette No. 175/03 and 100/04)

3.4. Construction Permit

After obtaining the location permit, it is necessary to draw up the main design, and to obtain the necessary approvals for the infrastructural connections and the approvals concerning relevant inspection services (in order to obtain the construction permit enabling the beginning of the constructions). The procedure concerning the granting of the construction permit is determined by the Construction Act (Official Gazette No. 76/07).

The construction permit is granted by the State Administration Office, or Office of the City of Zagreb, authorized for the construction affairs in the area where the construction is built, unless determined otherwise by the Construction Act or any other special act. Ministry of Environmental Protection, Physical Planning and Construction is authorized to grant the construction permit for the following constructions: traffic facilities, power buildings, waterworks, industrial buildings and all other constructions that include waste management facilities, buildings in national parks, buildings of special importance for the defence of the country, buildings in the state boundary area etc.

In certain cases, an approval is necessary for complex interventions. The law also regulates the cases in which it is not necessary to obtain a construction permit.

When applying for the construction permit, the investor should also submit:

- evidence of the right to build on a certain real estate
- location permit or detailed physical planning excerpt
- three copies of the general design
- written report on the general design inspection, if such inspection is necessary
- nostrification certificate, if the design has been executed pursuant to foreign regulations
- elaboration on geotechnical and other research works

The procedure of granting the construction permit is determined by the Construction Act (Official Gazette No. 175/03 and 100/04).

3.5. Usage Permit

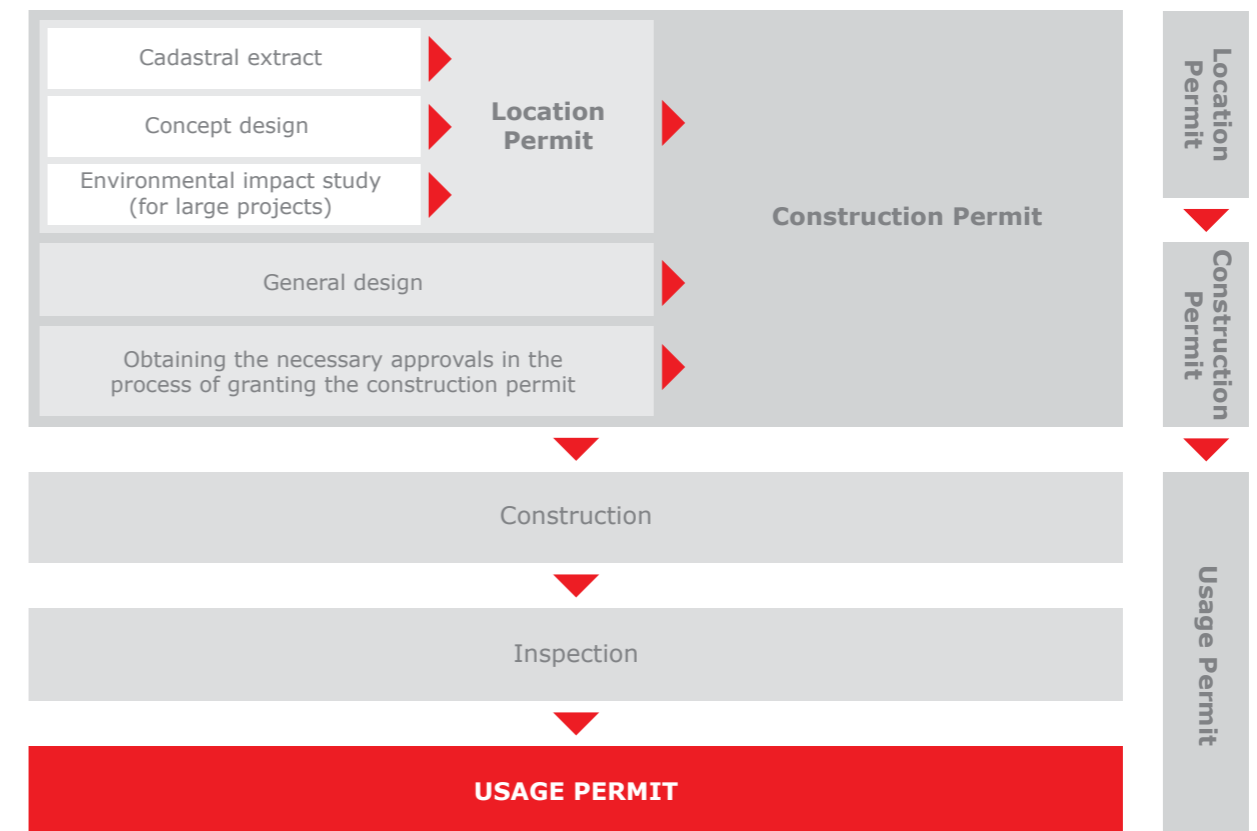
The building can only be used, i.e. put in operation, after the Usage Permit has been granted.

The Usage Permit for the building is granted after the technical survey had been carried out. The investor submits the application for the Usage Permit to the same competent national authority that granted the building permit.

In special cases, a building for which no building permit is necessary can be put in operation after delivering a written statement of the Contractor stating the works have been executed, and after delivery of the final report of the supervisory engineer concerning the construction to the building body.

The application for the Usage Permit should contain:

- a copy of the building permit
- data on the construction participants
- written statement of the Contractor on the works executed and the maintenance conditions
- final report of the supervisory engineer on the construction of the building



4. HUMAN CAPITAL

4.1. Education System	33
4.2. Educational Structure of the Labour Force	35
4.3. Labour Productivity	36
4.3.1. Labour Market Monitor	

4.1. Education System

There are 1.130 institutions of pre-school, 2.146 institutions of elementary school, 693 of secondary school and 110 institutions of higher education in Croatia.

By signing the Bologna Declaration, Croatia undertook the obligation to become a member of the uniform European system of higher education. The first generation of students enrolled in line with the Bologna system in the academic year 2005/2006.

The total number of graduated students in 2006 in Croatia amounted to 19.566. In the period between 2001 and 2006 there was an increase of more than 40% in the number of students.

Institutions of Higher Education in Croatia

- University Centre
- University Branch
- School of Professional Higher Education
- Polytechnic

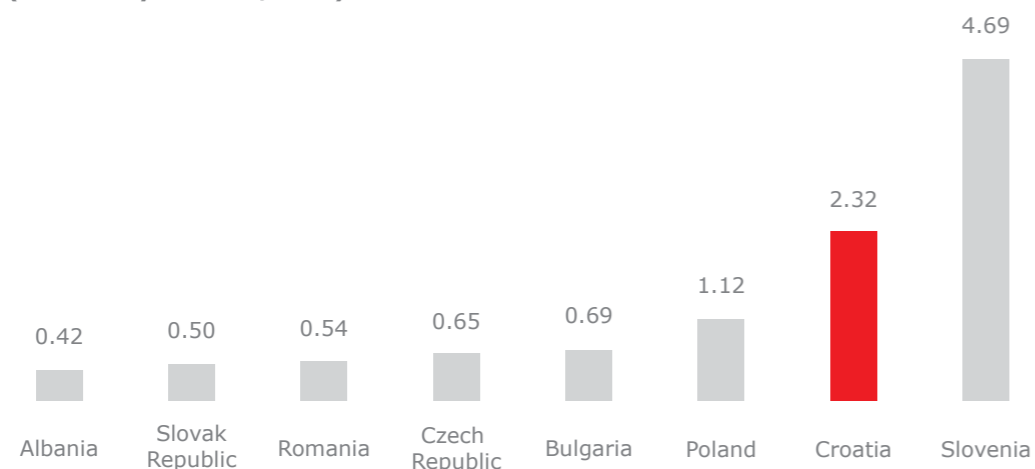


Source: Ministry of Science Education and Sports



According to the number of institutions of higher education per 100.000 inhabitants, Croatia is placed behind Slovenia and surpasses Central and Eastern European countries.

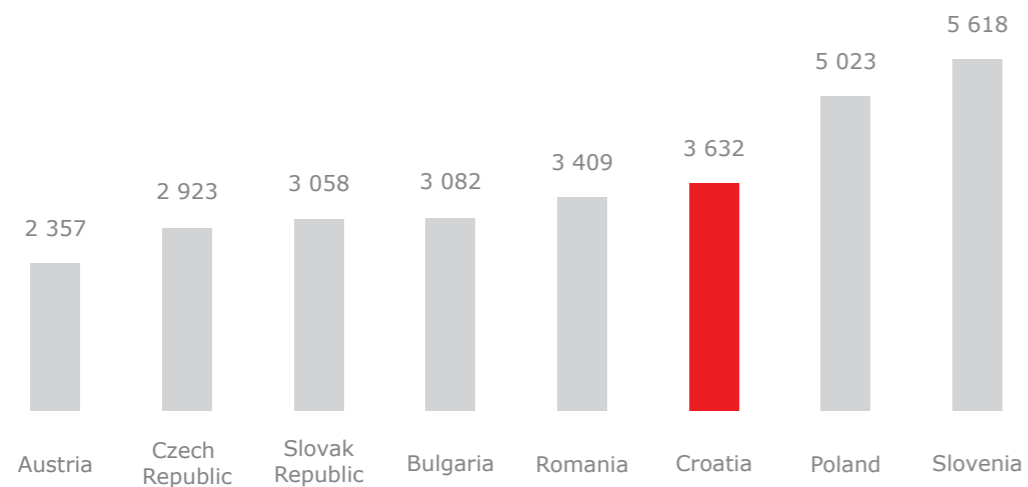
Number of institutions of higher education per 100.000 inhabitants (academic year 2004/2005)



Source: UNESCO

The following graph compares the number of students per 100,000 inhabitants in Croatia and other countries in the region.

Number of students per 100.000 inhabitants (academic year 2004/2005)

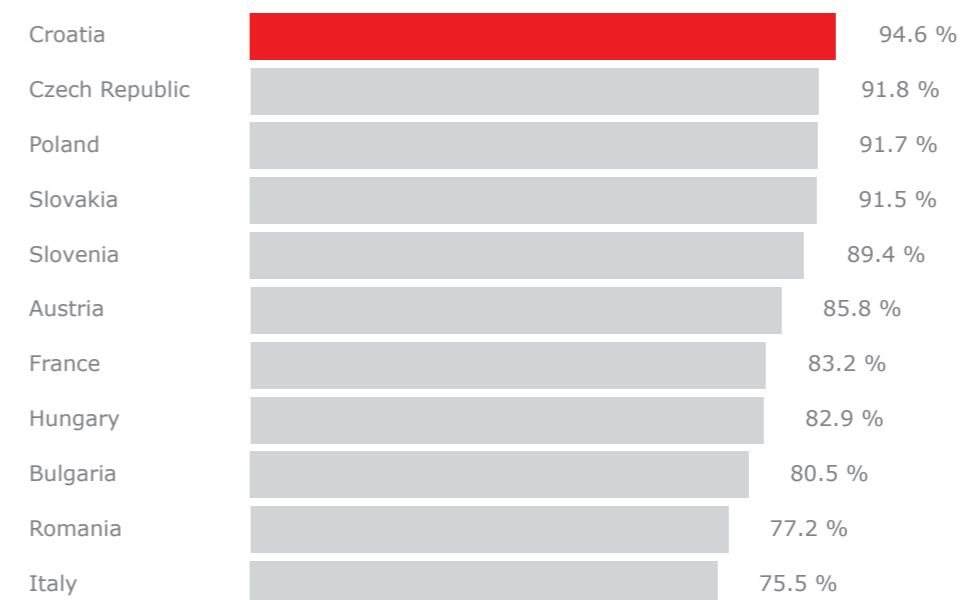


Source: UNESCO

4.2. Educational Structure of the Labour Force

In order to become a knowledge based economy, Croatia makes considerable efforts to improve educational and qualification structure of the labour force. It is systematically increasing the percentage of the young people with higher education. The share of the population with secondary education for ages 20 - 24 is higher in Croatia than in the European Union. That reflects the high level of education and quality of future labour force in Croatia.

Percentage of population with secondary education for ages between 20 and 24 (youth education attainment level in percentages, 2006)



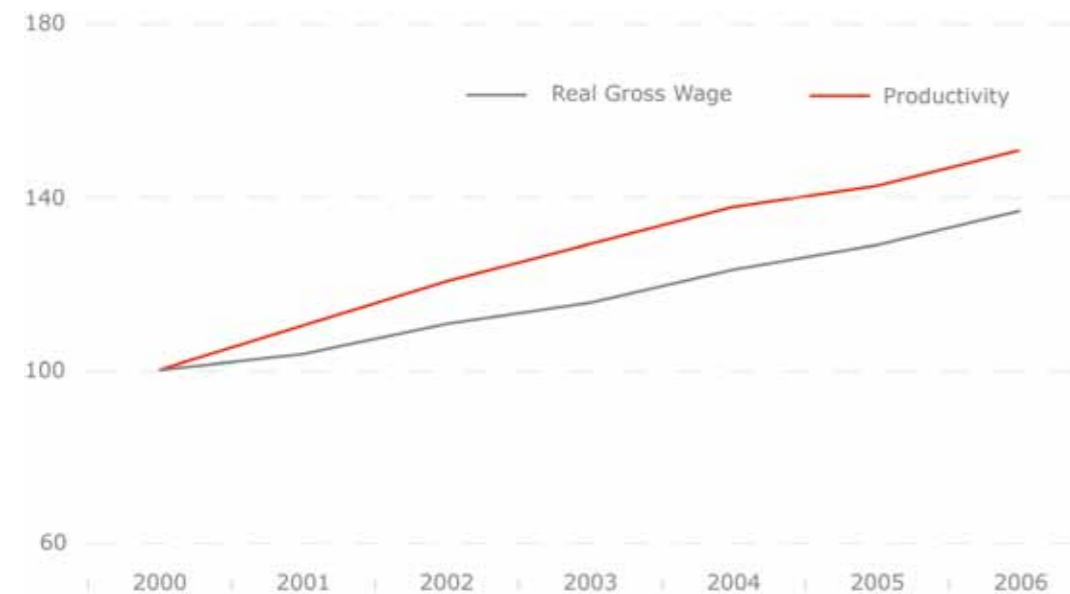
Source: EUROSTAT, 2006

In the year 2007, according to the Croatian Employment Agency, the number of unemployed persons amounted to 264,448 in average. A total of 105,598 unemployed persons were people under 34 years of age, which is equal to 40% of the total number of the unemployed. This clearly indicates the availability of young labour force.

4.3. Labour Productivity

In 2006, the labour productivity in Croatia continued to grow faster than labour costs. The competitiveness of Croatian labour force is constantly increasing, which is reflected by the fact that the productivity growth rate in the industry by far surpasses the real growth rate of gross wages in the industry.

Productivity and Real Gross Wages Trend, 2000 – 2006



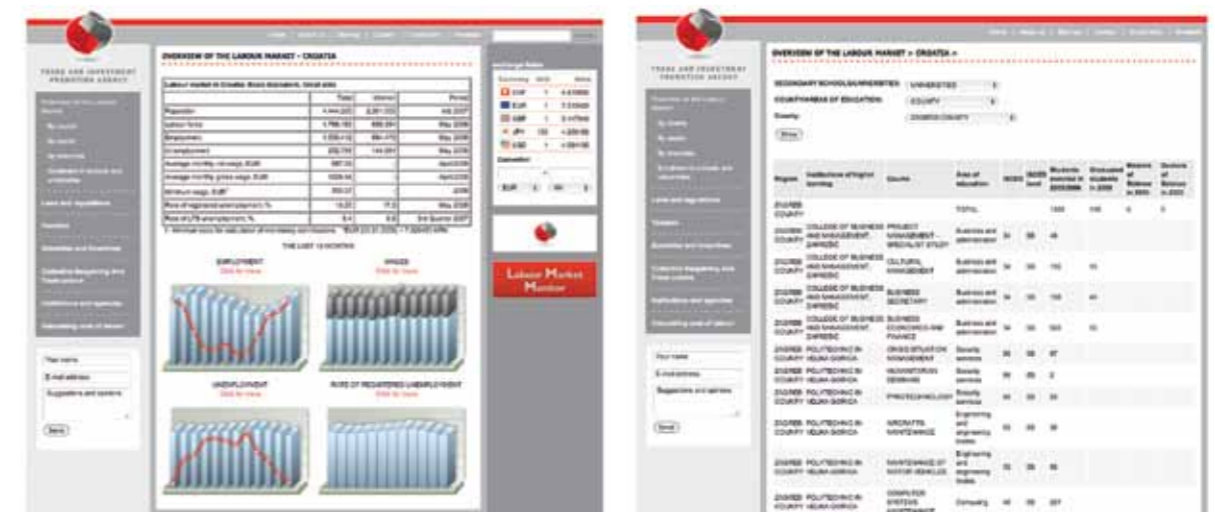
Source: Central Bureau of Statistics

4.3.1. Labour Market Monitor

Trade and Investment Promotion Agency identified the need for unique place of information on Labour Market in Croatia. As a result a Labour Market Monitor Portal was developed and it's available for use.

It is a unique hub for investors, employers, researchers or public servants interested in labour markets and labour regulation in Croatia. Using this web service will provide:

- extensive labour market information including employment, unemployment, wages and education by region, sector of economic activity as well as age and gender
- relevant information about legislation and the wider regulatory environment
- labour relations and collective bargaining
- types of incentives for investors and employers
- a comprehensive wage calculator



Visit www.croinvest.org/labourmonitor ...

5. COSTS OF DOING BUSINESS

5.1. Salaries	39
5.2. Real Estate	41
5.3. Telephony	42
5.4. Utilities	42
5.4.1. Electricity	
5.4.2. Natural Gas	
5.4.3. Water	

Costs of doing business in Croatia are significantly lower than those in the European Union. The prices of electricity, natural gas and telephone prices are among the lowest in the region.

5.1. Salaries

Contributions (social taxes) from and to the salaries are paid at the rate of 37.2% where 20% is paid by the employee and 17.2% is paid by the employer.

Here is an example of a 1000 EUR gross salary, earned in Zagreb* where the local surtax rate equals 18%. The taxpayer is entitled to a personal allowance calculated on the basis of factor 1. which equals 246.58 EUR (exchange rate used for this calculation 1 EUR = 7.3 HRK) .

	Liability
Total Cost to the Employer	1172.00 EUR
Mandatory contribution paid by the Employer 17.2%	172.00 EUR
Gross Salary	1000.00 EUR
Obligatory contributions paid by the employee (Pension insurance pillar I 15% and pension insurance pillar II 5%)	200.00 EUR
Income	800.00 EUR
Personal allowance (1)	246.58 EUR
Tax base	553.42 EUR
Tax (15%) for salary amounts below 493.15 EUR	73.97 EUR
Tax (25%) for salary amounts between 493.15 and 1232.88 EUR	15.07 EUR
Tax (35%) for salary amounts between 1232.88 and 3452.05 EUR	0.00 EUR
Tax (45%) for salary amounts above 3452.05 EUR	0.00 EUR
Total tax amount	89.04 EUR
Surtax - 18% of total tax amount	16.03 EUR
Total income after tax and surtax	448.36 EUR
NET SALARY - personal allowance + income after taxation (EUR)	694.94 EUR

*Zagreb is the most expensive city in Croatia regarding salaries and surtax rate



Average Wages in Croatian Counties	Net wage (EUR)	Gross wage (EUR)
Republic of Croatia *	629	906
Bjelovar-Bilogora County	536	745
Brod-Posavina County	544	749
City of Zagreb	732	1,100
Dubrovnik-Neretva County	612	869
Istra County	628	895
Karlovac County	585	821
Koprivnica-Krizevci County	580	815
Krapina-Zagorje County	523	723
Lika-Senj County	572	789
Međimurje County	500	692
Osijek-Baranja County	551	768
Požega-Slavonia County	533	735
Primorje-Gorski Kotar County	627	891
Sisak-Moslavina County	585	829
Split-Dalmatia County	600	849
Šibenik-Knin County	578	811
Varaždin County	524	732
Virovitica-Podravina County	525	720
Vukovar-Syrmia County	547	753
Zadar County	604	842
Zagreb County	624	898

Source: Central Bureau of Statics, 2006

5.2. Real Estate

	Industrial land price (EUR/m ²)
Republic of Croatia *	-
Bjelovar-Bilogora County	6 - 7
Brod-Posavina County	0.12 - 6
City of Zagreb	-
Dubrovnik Neretva County	5 - 500
Istria County	5 - 150
Karlovac County	4 - 9
Koprivnica-Krizevci County	0.12 - 30
Krapina-Zagorje County	5 - 120
Lika-Senj County	4 - 30
Međimurje County	1.5 - 50
Osijek-Baranja County	0 - 9
Požega-Slavonija County	0.2 - 8
Primorje-Gorski Kotar County	27 - 85
Sisak-Moslavina County	0.5 - 40
Split-Dalmatia County	12 - 13
Šibenik-Knin County	0.2 - 5
Varaždin County	3 - 20
Virovitica-Podravina County	0.2 - 7
Vukovar-Syrmia County	0.2 - 10
Zadar County	1 - 35
Zagreb County	5 - 30

Source: Central Bureau of Statistics

Office space	Purchase (EUR/m ²)	Rent (monthly, EUR/m ²)
Croatia	791 avg.	5 - 17
Zagreb	1.510 avg.	12 - 20
Living space		
Croatia	2.127 avg.	
Zagreb	2.241 avg.	10 - 18
Warehouse space	Building (without land, EUR/m ²)	
Croatia	350 - 750	0.12 - 5
Zagreb	400 - 1100	5 - 8

Source: King Sturge, First Quarter 2008 estimate

5.3. Telephony

Fixed Telephony			
Telephone Connection Costs		82.43 EUR	
Monthly Telephone Subscription		Private parties	8.21 EUR
		Companies	9.58 EUR
Local Calls		0.01 – 0.03 EUR/minute	
International Telephone Calls from Croatia		Europe	0.28 – 0.37 EUR/minute
		World	1.64 – 6.02 EUR/minute
Mobile Telephony			
Local calls		0.16 – 0.34 EUR/minute	
SMS		0.03 – 0.06 EUR/message	
MMS		0.27 EUR/message	
International Telephone Calls		Europe	0.31 – 0.91 EUR/minute
		World	0.91 – 2.42 EUR/minute
INMARSAT		7.5 – 9.89 EUR/minute	

Source: Croatian Telecom

5.4. Utilities

Utilities fee is paid monthly by the physical and legal entities in a specific city or municipality. It is used for financing of the utilities system, which includes: potable water supply, wastewater disposal and purification, public passenger transport, municipal waste disposal, maintenance of public surfaces, etc. The amount of municipal fee is set by the city or municipality authorities according to built infrastructure, location of the object (by zones) and the purpose of the object. Municipal fee is charged per square meter.

Utilities contribution is a one-time charge, which is paid for construction or reconstruction of objects. It is calculated for newly developed cubic meters, before a construction permit is issued. It is set by municipalities or cities. It can vary depending on volume of the building (m³) and it's location.

	Utilities Compensation (Average)		Utilities Contribution (Average)	
	Living space	Office space	Living space	Office space
Zagreb	0.04 EUR/m ²	0.46 EUR/m ²	17.46 EUR/m ³	17.46 EUR/m ³
Osijek	0.06 EUR/m ²	0.41 EUR/m ²	8.80 EUR/m ³	10.17 EUR/m ³
Rijeka	0.07 EUR/m ²	0.54 EUR/m ²	14.02 EUR/m ³	23.73 EUR/m ³
Split	0.06 EUR/m ²	0.54 EUR/m ²	19.01 EUR/m ³	19.01 EUR/m ³

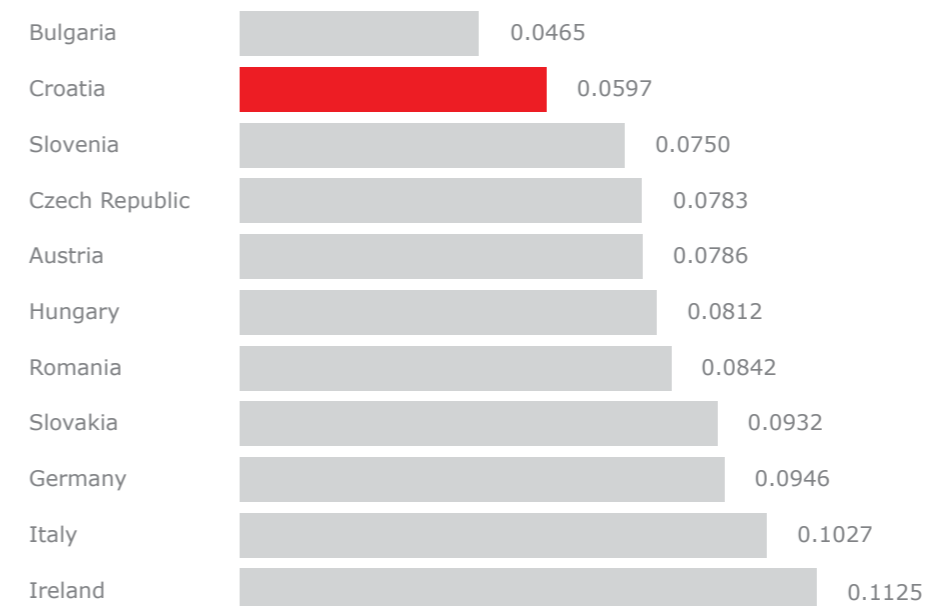
Source: Ministry of Environmental Protection, Physical Planning and Construction

5.4.1. Electricity

Electricity	Connection Price	Price for Large Industrial Users
Croatia	222.57 (EUR/kW)	0.02 – 0.14 EUR/kWh
Zagreb	280.27 (EUR/kW)	0.02 – 0.14 EUR/kWh

Source: HEP d.d.

Electricity prices – Industry (EUR, kWh), 2007



Annual consumption of 41 860 GJ, and load factor of 200 days (1 600 hours). Prices are given in Euro (without taxes) per GJ corresponding to prices applicable on 1 January each year.

Source: Eurostat

5.4.2. Natural Gas

Natural gas	Industry / Household (EUR/m ³)
Zagreb	0.21
Osijek	0.21
Rijeka	N/A
Split	N/A

Source: Ministry of Environmental Protection, Physical Planning and Construction, HEP

Gas prices - Industry (EUR, Gigajoule), 2007

Bulgaria	5.2173
Czech Republic	6.5632
Croatia	6.5770
Romania	7.3193
Slovenia	7.3300
Poland	7.5448
Portugal	7.7600
Slovakia	7.9998
Italy	8.4580
Austria	8.9100
Hungary	9.4769

Annual consumption of 41 860 GJ, and load factor of 200 days (1 600 hours). Prices are given in Euro (without taxes) per GJ corresponding to prices applicable on 1 January each year.

Source: Eurostat

5.4.3. Water

Water Contribution (Average)	
Office space, except production plants	8.56 EUR/m ³
Production plants	2.03 EUR/m ³
Open business buildings	4.05 EUR/m ²
Other open buildings (sports and recreational activities)	2.03 EUR/m ²

Source: The Water Act (articles 107/95, 150/2005) and The Water Management Financing Act (107/95, 19/96, 88/98, 150/2005)

Water Consumption Price	Industry / Household (EUR/m ³)
Zagreb	1.33
Osijek	1.43
Rijeka	0.94
Split	0.94

Source: Ministry of Environmental Protection, Physical Planning and Construction

6. LEGAL ENVIRONMENT

6.1. Foreign Investors' Status	47
6.2. Intellectual Ownership Rights	47
6.3. Concessions	48
6.4. Establishing a company	48
6.4.1. Step One	
6.4.2. Step Two	
6.4.3. Step Three	
6.4.4. Step Four	
6.5. Setting up a Branch Office	52
6.6. Opening a Representative Office	54
6.7. Legal Validation / Verification of Documents in the International Legal Traffic	55
6.8. Employment of Foreign Citizens	55
6.8.1. Work Permit	
6.8.2. Business Permit	
6.8.3. Temporary Stay	

6.1. Foreign Investors' Status

According to the Company Law, domestic and foreign companies conduct their business activities under equal conditions. A foreign investor may establish, or participate in the establishment of a company and may acquire rights and/or obligations as any other domestic investor. Foreign investors, with the headquarters or residence in a non - WTO member country, need to meet the reciprocity condition.

The national treatment is applied to all forms of foreign investments, which means that the foreign investors, when executing their business activities, are considered to be domestic legal entities with all rights and obligations as applies to domestic investors.

The Constitution of the Republic of Croatia provides several guarantees for foreign investors. It is specially stipulates that all rights acquired by the investment of capital can not be restricted by law or any other legal act, and that the foreign investors are guaranteed free transfer and repatriation of the profit and invested capital.

A foreign party who wishes to purchase real estate in Croatia can be granted such a right only subject to the condition that the same right is granted to Croatian citizens in the domicile of such foreign party. A foreign party may establish a company in Croatia which can, as a domestic legal entity, purchase real estate without any restrictions.

6.2. Intellectual Ownership Rights

Croatia is a member of the World Intellectual Property Organization (WIPO) and is a signatory of all basic international instruments in the field of intellectual property. At the end of 2003, the Croatian Parliament enacted a number of acts in the field of intellectual property, including copyright and similar rights, trademarks, patents, industrial design, denotations of geographic origin and others, harmonising the domestic legal rules with the European and international standards. The official body for the registration of intellectual rights is the State Office for Intellectual Property (www.dziv.hr).



6.3. Concessions

In accordance with the Law on Concessions, concessions may be granted for the use of the natural resources, for the execution of business activities of exceptional importance for the Republic of Croatia and for the construction and use of the buildings necessary for such activities. Concessions may be granted for a maximum period of 99 years, to domestic and foreign physical and legal entities.

The decision concerning the concession allocation is taken by the Parliament, the Government or an authorized Ministry, depending on the nature of investment, after a public collection of bids, public tender or after submitting a corresponding application.

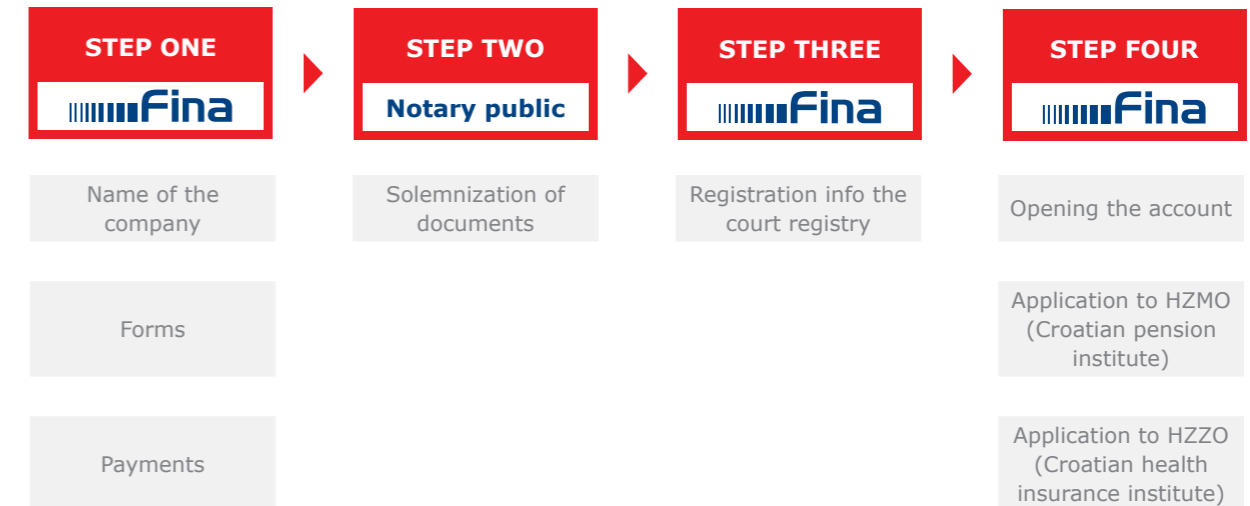
All concessions agreements are recorded at the unified register of concessions kept by the Ministry of Finance. The concessions agreements concerning real estate are recorded at the land registries.

6.4. Establishing a company

In order to speed up and simplify the procedure of establishing a company, the government service HITRO.HR was established which, with its more than 20 offices, fully covers Croatian territory. HITRO.HR accelerates the procedure, making the state administration activity more efficient, flexible and transparent, enabling the investor to establish a company within 8 working days.

Company	Short Description
Limited Liability Company (d.o.o.)	Minimal founding capital amounts to approximately 2,700 EUR (20,000 HRK) whereof at least 1,350 EUR (10,000 HRK) must be paid in before the entry into the register.
Joint Stock Company (d.d.)	Minimal founding capital amounts to approximately 27,000 EUR (200,000 HRK) with the minimal share par value of approximately 1.35 EUR (10 HRK).
Public Limited Company (j.t.d.)	Represents two or more joined physical or legal entities, where the members are liable in solidarity, with their full assets for all Company obligations.
Limited Partnership Company (k.d.)	At least one member is liable in solidarity with their full assets for the company obligations, and at least one member answers up to the amount of their share in the company.

Company Establishment Organization Scheme



All the information about the required documentation, as well as the forms and money orders can be found at the HITRO.HR counter.

The presence of all founders and other persons whose signatures should be notarized is obligatory.

After the registration into the court registry, the the company seal should be created.

All the required documentation can be found at the HITRO.HR counter.

6.4.1. Step One

By coming to the HITRO.HR counter in FINA, you initiate the process of establishing a Limited Liability Company. First step is to name your company. Besides the suggested name for the company, the customers should prepare alternative names, because there is a possibility that a company with the same or similar name already exists in the database. The Internet site of the Ministry of Justice <http://sudreg.pravosudje.hr> is available for consulting when selecting a name.

All the information about the required documentation, as well as the forms and money orders, can be found at the HITRO.HR counter or the Internet site www.hitro.hr.

6.4.2. Step Two

The application for registration in the court registry (Form Po) and some of its enclosures should be notarized by the notary public. When going to the notary public, you should take your ID or passport (obligatory for the foreign citizens). The presence of all founders and other persons whose signatures should be notarized is obligatory. All documents except the application and the statement of the establishment may also be verified by a notary public outside the Republic of Croatia. All documents may be signed pursuant a power of attorney, except the ones where the personal signature is necessary (member of the board).

The Following documents should be notarized or solemnized by the notary public

- Application for registration in the court registry (Form Po)
- Inaugural act - public contract (has to be signed by all founders) or the statement about the establishment of the Limited Liability Company (if the company is being founded by a single person)
- Statement of acceptance by the members authorized for representing the Limited Liability Company
- Decision about the naming of the management board members
- Signature of the director or the management board members
- Signatures of the supervisory board members (if the Limited Liability Company has a supervisory board)
- Decision about the naming of the procurator (if the Limited Liability Company has a procurator)
- Signature of the procurator (if the Limited Liability Company has a procurator)
- Decision about the Limited Liability Company address

6.4.3. Step Three

The application for the registration into the court registry, with all the other necessary documentation, should be submitted on the HITRO.HR counter in FINA. After the registration into the court registry, the decision will be send to you by the Commercial court.

After the registration into the court registry, you should have the company seal made.

The documentation necessary for the entry is available at the HITRO.HR counter or on the website www.hitro.hr.

6.4.4. Step Four

After the passing of the Notice of classification of the business entity according to the National classification of activities of the National Institute for Statistics, you can acquire the above mentioned Notice on the HITRO.HR counter in FINA.

After acquiring the Notice of classification, you can open the bank account at the HITRO.HR counter or in the bank.

The following documents are necessary:

- Decision about the registration into the court registry (submit the copy, the original should be presented for inspection)
- Notice of classification from the National Institute for Statistics (submit the copy, the original should be presented for inspection)
- Seal
- ID

The application for commencing the business of the contribution (social tax) payer (Form M-11P) and Application for commencing of the insurance (Form M-1P) can be submitted on the counter of **Croatian Institute for Pension Insurance (HZMO) in FINA**, within 15 days from the opening of the business.

The following items should be presented for inspection along with the M-11P application:

- Decision about the registration into the court registry (for the company branches too, if there are branches)
- Notice of classification from the National Institute for Statistics
- Signature card
- Seal

The following items should be presented for inspection along with the M-1P application:

- Work contract
- Employment record
- ID
- Work permit (if the employee is a foreign citizen)

continued on page 52 >

Application of the contribution payer (Form 1), Application for the basic health insurance for the insured person (Form 2) and Application for the basic health insurance of a family member (Form 3) can be submitted on the counter of **Croatian Institute for Health Insurance (HZZO) in FINA**, within 15 days from the opening of the business.

The following documents are necessary:

- Decision about the registration into the court registry (submit the copy, the original should be presented for inspection)
- Notice of classification from the National Institute for Statistics (submit the copy, the original should be presented for inspection)
- Application to HZMO (copy of the Forms M-11P and M-1P)
- Proof about place of residence (certification from Ministry of Internal Affairs or ID)
- Work contract

After the registration into the court registry and the registry of the National Institute for Statistics, it is necessary to register the company in the authorized tax administration office (jurisdiction according to the main office of the Limited Liability Company), because the registration into the registry of the income tax payers and the value added tax (The decision about the registration into the court registry, the notice of classification and the signature card should be presented for inspection).

6.5. Setting up a Branch Office

A branch office is not a legal entity, but takes over, in the execution of its activities, the rights and obligations for the account of its foreign founder. The branch office executes its activity under the company of the founder, who should also have the headquarters in Croatia.

The branch office is set up:

- by a special decision brought by the craftsman/the owner of the company in accordance with the statement about the establishment of the company

or

- by a special decision brought by a relevant body of the company in accordance with the statement about the establishment of the company, public contract or company statute

The statement about the establishment of the branch office shall be notarised by a notary public and it should contain:

- company and headquarters of the founder and the headquarters of the branch office
- business subject of the founder and the branch office activity
- the amount of the founding capital and the amount of the shares paid, if the founder is a limited liability or a joint stock company
- names of the company members personally liable for the obligations of a company or a craft, if the founder is a public limited or limited partnership company
- name, or names and the residence of the persons with the branch office authorized to represent the founder in business activities

The branch office is registered in the Court registry in accordance with the address of the branch office headquarters.

Apart from the application, it is necessary to submit the following documents in the native language and the notarised translation into Croatian for the registration of the branch office:

- Registry excerpt containing information on the founder, the legal form and the time of the establishing of the foreign company (whose branch office is being established in Croatia)
- decision of the founder on establishing the branch office
- certified transcript of the statement about the establishment of the company in accordance with the rules of the country the founder has registered headquarters in (public contract or company statute)
- certified short version of the financial report for the founder's previous business year

6.6. Opening a Representative Office

A representative office is not a legal entity and its purpose is limited to the activities concerning market research and the representation of the founder. Representative office carries its activities under the founder's company. Any foreign party executing a business activity or a national or international business association may open a representative office in Croatia.

The representative office is registered in the Foreign Party Representative Registry in Croatia (with the Ministry of Economy, Labour and Entrepreneurship). A representative office may start its activities only after the registration.

The application for the entry, submitted by a foreign party or their authorized representative, shall contain:

- company name, headquarters and business activity of the founder
- headquarters of the representative office in Croatia
- basic data concerning the party responsible for the representative office activity (name, surname, Social Registration Number -JMBG for Croatian citizens and, for foreign citizens, passport number and the country that issued it)

Apart from the application, the following documentation shall be submitted as well:

- decision of the founder concerning the establishment of a representative office
- document on the registration of the foreign citizen in the Registry of the country of origin or any other valid document on establishment under the regulations of the country where the founder's headquarters is (the legal form and the time of the establishing of the foreign company should be clear from the document)
- description of the representative office activities
- decision on the appointment of the person responsible for the representative office activities (executive)
- evidence on paid administration tax

The documents shall be submitted in the original language and in the certified translation into Croatian. The Ministry of Economy, Labour and Entrepreneurship shall register the representative office in the corresponding Register within 30 days of application and documentation submission.

6.7. Legal Validation / Verification of Documents in the International Legal Traffic

In order to use foreign public documents in the international legal traffic, it is necessary to undergo the procedure of their legal validation. Private documents, after being certified by an authorized body of the country that issued them, shall be submitted to the procedure of legal validation as well, in order to acquire the status of a valid public document. By such verification only the seal and the official's signature on the document are certified, without certifying its contents.

Public documents issued abroad may be used in the Republic of Croatia, if the legal validation was executed in the country that issued them, and certified accordingly with the Croatian diplomatic mission or consular office in that country (provided they are translated into Croatian) or, if such documents are, after legalization in accordance with the rules of the domicile country, validated by the diplomatic/consular representation of such a country in the Republic of Croatia and are validated, subsequently, by the Ministry of Foreign Affairs of the Republic of Croatia.

In case that the Republic of Croatia has no diplomatic/consular representation in the country where the documents were issued, nor is there a diplomatic/consular representation of the country that issued them in the Republic of Croatia, the validation shall be executed in a third country, where both of these countries have their diplomatic/consular representation. After the document has been certified by authorized bodies of the domicile country, it shall be verified by a diplomatic/consular representation in the third country, thereafter with the Ministry of Foreign Affairs of that third country and, finally, by the diplomatic/consular representation of the Republic of Croatia in that third country.

6.8. Employment of Foreign Citizens

Foreign citizens can work in Croatia on basis of the work or business permit and, in exceptional cases as regulated by the Aliens Act, a foreign citizen can work without a work permit. The Croatian Government brings the decision on annual quota of the work permits to be issued, following the recommendation of the Ministry of Economy, Labour and Entrepreneurship.

The Aliens Act (Official Gazette 79/07) prescribes the provisions related to the entry, stay and work of nationals of EEA member states and their family members (Title XI of the Act), as well as the provisions related to the stay and work of third-country nationals who have been granted permanent stay in another EEA member state and their family members (Title XII of the Act). These provisions shall enter into force on the day of accession of the Republic of Croatia to the European Union.

The Aliens Act prescribes the following categories of aliens that shall be exempted from the work or business permit requirement, provided that they do not reside in the Republic of Croatia for more than 30 days during a year:

1. Aliens who, in line with specific regulations, provide services in tourism on behalf of foreign employers
2. Procurators, management and supervisory board members of companies who perform certain work for a company, not being employed by the company
3. Representatives of religious communities while performing work exclusively related to the religious service
4. Artists and technical staff participating in opera, ballet, theatre, concert, visual arts and other cultural events
5. Authors and film, television, musical, stage, dancing and ballet performers, as well as accompanying reporting, organisational and technical staff
6. Persons participating in sports events and competitions in the Republic of Croatia
7. Experts for cultural heritage protection, library and archives science
8. Aliens engaged in activities related to the delivery, assembly or services of machinery and equipment, whose work is included as a condition in warranty rights, or is related to the delivery of machinery or equipment
9. Aliens participating at fairs or exhibitions at which their employers exhibit
10. Aliens participating at organised professional gatherings and seminars
11. Aliens employed in circuses or amusement parks
12. Aliens performing professional education and training of persons employed with legal entities and natural persons in the Republic of Croatia
13. Aliens attending professional training in a legal entity having seat in the Republic of Croatia which is linked to the foreign employer in organisational terms
14. University professors, native speakers of foreign languages, foreign-language instructors and other lecturers invited by Croatian universities, scientists participating in scientific and professional training, scientists – representatives of international organisations, as well as scientists who will participate in scientific and research projects important for the Republic of Croatia
15. Administrative staff, experts, teachers and lecturers from foreign cultural and educational institutions, performing their work in the Republic of Croatia as part of cultural and educational co-operation programmes
16. Civil and military government officials from other countries, working in the Republic of Croatia on the basis of co-operation agreements with the Government of the Republic of Croatia,
17. Members of international missions doing scientific research in the Republic of Croatia approved by the Government of the Republic of Croatia
18. Foreign correspondents accredited in the Republic of Croatia or foreign media reporters
19. Aliens performing activities or professional training pertaining to defence and home affairs on the basis of international treaties

The mentioned categories of aliens shall not start working prior to having obtained a **certificate of the acknowledgment of work without work or business permit** issued by the competent local police administration or police station depending on the location on which business is being carried out (Article 139 of the said Act).

6.8.1. Work Permit

An application for the issuing a work permit is submitted by the employer to the authorized police administration or police station, according to the employer's headquarters.

In addition to the application for the issuing of work permit (the form is available on the Ministry of Interior web site www.mup.hr) the employer should submit the following:

- An employment contract or a written confirmation about a concluded employment contract, or another appropriate contract
- Job description or type of work and working conditions
- Evidence on the alien's professional qualifications and skills
- Certificate of company, branch office, representative office, craft, association or institution registration in the Republic of Croatia
- Certificate of the settled tax obligations and contributions
- A statement substantiating employment of an alien

In case of an **extension of the work permit**, in addition to the above mentioned documentation, the employer should submit the following:

- A copy of the previously issued work permit
- A copy of the signed employment contract or other relevant contract
- A copy of the Foreigner's employment record

The employer should sign the employment contract, or other relevant contract, with the mentioned foreign party in a written form, before the beginning of actual work. In case of an employer and employee dislocation or impossibility to sign the contract due to medical reasons, it should be signed at the latest within 15 days following the day of the issuing of the work permit. If the contract is not signed in writing, the employer should submit, before the beginning of the work and at the latest within 15 days following the issuing of the work permit, a written confirmation of the signed contract.

The work permit is granted for a limited period of time, with the validity period identical to the employment contract (or any other relevant contract), but for two years at the longest.

The foreigners who were granted a work permit should report their temporary stay, with the purpose of working in Croatia, to the competent authority or police station.

The employer should submit the application for the extension of the work permit at the latest 45 days before it expires.

6.8.2. Business Permit

The novelty of the new Act is also that business permit is no longer defined as residence and work permit, but only as a permission to work in the Republic of Croatia.

Business permit shall be issued to:

1. Private founders of companies entered into the Court Register, who carry out business in the Republic of Croatia
2. Sole proprietors who have registered their business in the Republic of Croatia
3. Persons engaged in freelancing, in line with the regulations of the Republic of Croatia
4. Aliens providing services on behalf of a foreign employer (Article 132(1) of the said Act)

Business permit may be issued to private founders of companies and sole proprietors only on the basis of **approval by the state administrative office responsible for economic affairs** (Article 132(4) of the said Act).

Business permit may be issued to persons engaged in freelancing only on the basis of **approval by the state administrative office responsible for businesses carried out by aliens** (Article 132(5) of the said Act).

Business permit may be issued to aliens providing services on behalf of a foreign employer only on the basis of **approval by the state administrative office responsible for the respective services** (Article 133(3) of the said Act).

Aliens who have been granted business permit on the basis of the Aliens Act (Official Gazette 109/03) shall fulfill the prerequisites for obtaining business permit set out in the Aliens Act (Official Gazette 79/07) within 10 months from its entry into force (Article 217(6) of the said Act).

6.8.3. Temporary Stay

The novelty in the Aliens Act is that the **FIRST TEMPORARY STAY PERMIT** should be requested at the **competent** diplomatic mission or consular post of the Republic of Croatia (**Article 48(1) of the said Act**).

An alien may apply for the first temporary stay permit at a local police administration or a police station in the following cases:

- Serious humanitarian reasons
- Request for the family reunification with an asylee
- Where the person concerned is the holder of a scholarship within the framework of a programme approved by the ministry responsible for education and science matters
- Where the matters concern aliens referred to in Article 132(1)(1) and (2) of the Aliens Act (private founders of companies and sole proprietors)

Temporary stay shall be granted on the following grounds:

- Family reunification
- Work
- Secondary school education and university-level studies
- Scientific researches
- Humanitarian grounds

Exceptionally, an alien may be granted temporary stay for other purposes, for a maximum period of 6 months within a single year (Article 51 of the Aliens Act).

Autonomous stay – a type of temporary stay which shall be granted to aliens who have been granted temporary stay for the purpose of family reunification for an uninterrupted four-year period at least, provided that they meet the conditions for granting temporary stay in the Republic of Croatia (Article 61(1) of the said Act).

7. TAX SYSTEM

7.1. Profit Tax	61
7.2. Income Tax and Surtax	61
7.3. Value Added Tax	61
7.4. Real Estate Transfer Tax	61
7.5. Double Taxation Treaties	62

7.1. Profit Tax

The profit tax rate is 20%.

Withholding tax is paid at the rate of 15% for interest paid to foreign legal persons, and for copy right and other intellectual property rights, for market research services, tax consultancy and audit services, as well as business consultancy services paid to foreign persons. As of 2005 there is no withholding tax on dividends.

7.2. Income Tax and Surtax

Income tax rates are progressive rates, ranging from 15% to 45%

Tax Rates	The Monthly Tax Base	The Annual Tax Base
15%	up to HRK 3 600.00	up to HRK 43 200.00
25%	HRK 3 600.00 to HRK 9 000.00	HRK 43 200.00 to HRK 108 000.00
35%	HRK 9 000.00 to HRK 25 200.00	HRK 108 000.00 to HRK 302 400.00
45%	over HRK 25 200.00	over HRK 302 400.00

In addition to the income tax, the taxpayer also pays the surtax on income tax, levied by municipalities and cities. The basis for the surtax calculation is the amount of income tax. The surtax rates range from 1% to 18%, the highest rate being applied only in Zagreb (18%).

7.3. Value Added Tax

When calculating the VAT, three rates are applied. The general rate is **22%**. The rate of **10%** is imposed on the following tourist services: accommodation service or bed and breakfast accommodation, half board or full board in all types of commercial catering premises as well as the agency fees for such service. The rate of **0%** is applied to all types of bread and milk, books and scientific magazines (printed and published on the CV/DVD media, video-cassettes and audio cassettes), schoolbooks, certain medicals and orthopaedic aids and public displaying of movies.

7.4. Real Estate Transfer Tax

Real estate Transfer tax rate is 5% for acquiring existing real estates and 22% for obtaining newly built real estates. Real estate Transfer tax is paid by the buyer.



7.5. Double Taxation Treaties

All treaties signed by the Republic of Croatia are based on the Model for Double Taxation Treaties, harmonized with the model of the Organization for Economy Cooperation and Development (OECD).

State	Subject of the Agreement	Applying from
Albania	Income and capital	1 January 1998
Austria	Income and capital	1 January 2002
Belgium	Income and capital	1 January 2005
Belarus	Income and capital	1 January 2005
Bosnia and Herzegovina	Income and capital	1 January 2006
Bulgaria	Income and capital	1 January 1999
Canada	Income and capital	1 January 2000
Chile	Income	1 January 2005
China	Income	1 January 2002
Czech Republic	Income and capital	1 January 2000
Denmark	Income and capital	8 October 1991
Estonia	Income	1 January 2005
Finland	Income and capital	8 October 1991
France	Income	1 January 2006
Germany	Income and capital	1 January 2007
Greece	Income and capital	1 January 1999
Hungary	Income and capital	1 January 1999
Ireland	Income and capital	1 January 2004
Italy	Income and capital	8 October 1991
Jordan	Income	1 January 2007
Korea	Income and capital	1 January 2007
Latvia	Income	1 January 2002
Lithuania	Income	1 January 2002
FYR Macedonia	Income and capital	1 January 1997
Malaysia	Income	1 January 2005
Malta	Income	1 January 2000
Mauritius	Income	1 January 2004
Moldova	Income and capital	1 January 2007
Montenegro	Income and capital	22 April 2004
Netherlands	Income and capital	1 January 2002
Norway	Income and capital	8 October 1991
Poland	Income and capital	1 January 1997
Romania	Income and capital	1 January 1997

continued on the next page

State	Subject of the Agreement	Applying from
Russia	Income and capital	1 January 1998
San Marino	Income	1 January 2006
Serbia	Income and capital	22 April 2004
South Africa	Income	1 January 1998
Slovakia	Income and capital	1 January 1997
Slovenia	Income and capital	1 January 2006
Spain	Income and capital	1 January 2007
Sweden	Income and capital	8 October 1991
Switzerland	Income and capital	1 January 2000
Turkey	Income	1 January 2001
Ukraine	Income and capital	1 January 2000
United Kingdom	Income and capital	8 October 1991

Source: Ministry of Foreign Affairs and European Integration

8. INVESTMENT INCENTIVES

8.1. Tax Incentives	65
8.2. Employment Incentives	66
8.3. Incentives for Eligible Training and Re-training Costs	66
8.4. Support for the Projects on Technology Innovation and Development Centres	66
8.5. Incentives for Large Investment Projects	67
8.6. Scientific Activities and Higher Education Act	68
8.7. Regional Aid Map	69
8.8. Incentives Concerning the Hill and Mountain Areas	70
8.9. Incentives Concerning the City of Vukovar	70
8.10. Areas of Special National Concern	71

Investors can benefit from various types of incentives as defined by the Investment Promotion Act:

- Tax and Customs benefits
- Support for opening new workplaces
- Support for the training and re-training of employees
- Support for the development of Technology and innovation centres
- Support for the strategic business support activities
- Special incentives for large investment projects

The above mentioned incentives may be used by foreign and domestic investors investing at least 300,000 EUR.

Incentives defined by the new Investment Promotion Act relate to:

- Business activities in production and processing
- Technology and innovation centres
- Strategic business support activities

The minimum investment period and the related opening of new work places, connected to the investment, should be 5 years. It means that the period in which the incentives are used cannot be shorter than the investment period itself.

The application for the incentives approval should be submitted to the Ministry of Economy, Labour and Entrepreneurship before investing.

8.1. Tax Incentives

Investment Value (million EUR)	Min. New Workplaces	Max. Period of Use (years)	Beneficial Profit Tax Rate
0.3 - 1.5	10	10	10%
1.5 - 4	30	10	7%
4 - 8	50	10	3%
> 8	75	10	0%

Regular Profit Tax rate in Croatia is 20%



8.2. Employment Incentives

County Unemployment Rate	Max. Amount of Support Regarding Eligible Costs for Opening New WorkPlaces	Increase for the Technology and Innovation Centres	Increase for the Strategic Business Support Activities
< 10%	10% (1,500 EUR)	+50% (750 EUR)	+25% (375 EUR)
10 - 20%	15% (2,000 EUR)	+50% (1,000 EUR)	+25% (500 EUR)
> 20%	20% (3,000 EUR)	+50% (1,500 EUR)	+25% (750 EUR)

8.3. Incentives for Eligible Training and Re-training Costs

The investor who is opening new workplaces will be approved a non-refundable financial support for eligible costs regarding the training and re-training of employees.

	Special Training	General Training
Large Entrepreneurs (more than 250 employees)	up to 35% of eligible costs	up to 60% of eligible costs
SMEs (up to 250 employees)	up to 45% of eligible costs	up to 80% of eligible costs

Eligible costs concerning the training and re-training could be the tutoring costs, travel expenses, other operating expenses, write-off costs of equipment and devices according to their use for the purposes of training, costs of counselling in connection with the project of the improvement of knowledge and costs concerning the participants in such project.

8.4. Support for the Projects on Technology Innovation and Development Centres

A grant is provided for R&D high technology equipment to be used in the Technology and innovation centre in the amount of up to 5% of the justified high-tech equipment costs. The maximum amount of the grant is EUR 500,000.

8.5. Incentives for Large Investment Projects

Large investment projects are those considered to have a great economic impact. Large investment projects are the ones where the amount of the investment in long-term assets is at least 15 million EUR and that are creating at least 100 new jobs associated with investment, starting with the expiry of the first investment year.

County Unemployment Rate	Non-Refundable Financial Support			
	Assets (factory, plant or equipment)		Infrastructure	
< 20%	-	-	Up to 5% eligible costs	Up to 0.5 mil. EUR
> 20%	Up to 5% eligible costs	Max. 1 mil. EUR*	Up to 5% eligible costs	Up to 0.5 mil. EUR

* Subject to the condition that one part of the investment in machines or production equipment must amount to at least 40% of the total investment, and the minimum of 50% of the purchased machines or production equipment must be high technology.

8.6. Scientific Activities and Higher Education Act

Scientific Activities and Higher Education Act regulate the state subsidies and tax incentives in respect of scientific research, basic research, applied research and development research. According to the Act, applicants for scientific project tenders can be scientific organisations, centres of scientific excellence, scientists and groups of scientists.

Type of research	Enterprise	% of eligible costs covered by a state subsidy	Additional corporate income tax base decrease (based on costs)*
Basic research	-	100%	150%
Applied research	-	50%	125%
	medium	60%	
Development research	small	70%	100%
	big	25%	
Technical feasibility of applied research	small / medium	75%	-
	big	65%	-
Technical feasibility of development research	small / medium	50%	-
	big	40%	-

*Corporate income tax decrease is granted up to the amount of percentage of costs covered by state subsidy

The eligible costs of a research:

- Employee salaries and fees paid to persons directly involved in the research
- Material costs of a research: raw materials and materials, including packaging and inventory, energy consumed, spare parts used or spent during the research, materials and parts for current and investment maintenance of objects and equipment used directly for the research
- Costs of services used during the research, such as intellectual services related to research and other services required for the research to be completed
- Depreciation costs of property, plant and equipment, in proportion of usage for the research. This applies only to taxpayers who perform researches for their purposes and determine depreciation expenditures prescribed by Article 12 of the Corporate income tax Act
- Depreciation costs of patents and licenses, if they are used for the research, and depreciation cost is determined as prescribed by Article 12 of the Corporate income tax Act
- Common costs, being only those necessary for research and those which can be reasonably and consistently allocated to research, such as process, responsibility and equipment insurance premium, and rentals and membership fees for scientific organisations related to the research activity
- Incentives Concerning the Areas of Special National Concern

8.7. Regional Aid Map



In the process of adjustment to the EU regional policy regulations Croatia has adopted the Decree on the Regional aid map (National Gazette, No. 52/2008). According to the Decree the maximum aid intensity established for three Croatian statistical regions (Northwest Croatia, Continental Croatia and Adriatic Croatia) is calculated on the basis of, so called, gross aid equivalent, i.e. aid percentage in relation to eligible costs. Thereby, gross aid equivalent for Northwest Croatia equals 40%, and for the other 2 regions 50%. Maximum aid intensity is also calculated according to the size of the company receiving mentioned support. Large companies can only apply for the above stated gross aid equivalent, while this equivalent is higher for SME's. Thus, in the case of a small company gross aid equivalent is 20% higher and for medium-sized companies 10% accordingly.

8.8. Incentives Concerning the Hill and Mountain Areas

According to the Hill and Mountain Areas Act, taxpayers executing activities in agriculture or fisheries in those areas who permanently employ more than 5 employees, with more than 50% of the employees having domicile and habitual residence in the hill and mountain area or an area of special national concern in a business year, pay profit tax in the amount of 75% of the prescribed tax rate until Croatia joins the European Union.

Taxpayers executing activities, other than in agriculture or fisheries, under the same conditions as stated above shall pay the profit tax in the amount of 75% of the prescribed tax rate in the period from the year 2008 till 2010.

Starting from the year 2011, taxpayers executing activities, other than agriculture or fisheries shall pay 100 % of the prescribed tax rate.

8.9. Incentives Concerning the City of Vukovar

Law on Reconstruction and Development of the City of Vukovar defines the incentives to be used for business subjects doing their business activities in the City of Vukovar.

Taxpayers executing activities in agriculture or fisheries in the area of the City of Vukovar and who employ more than 5 employees, with more than 50% of the employees having domicile and habitual residence in the City of Vukovar, or in the hill and mountain area, or an area of special national concern, are exempted in full from the profit tax payment until Croatia joins the European Union.

Taxpayers executing activities, other than in agriculture or fisheries, under the same conditions as stated above shall pay the profit tax as follows:

Full exemption from profit tax payment from the year 2008 till 2010

25% of profit tax rate in the period from 2011 till 2013

75% of profit tax rate in the period from 2014 till 2016




From 2017 onwards 100 % of the prescribed profit tax rate

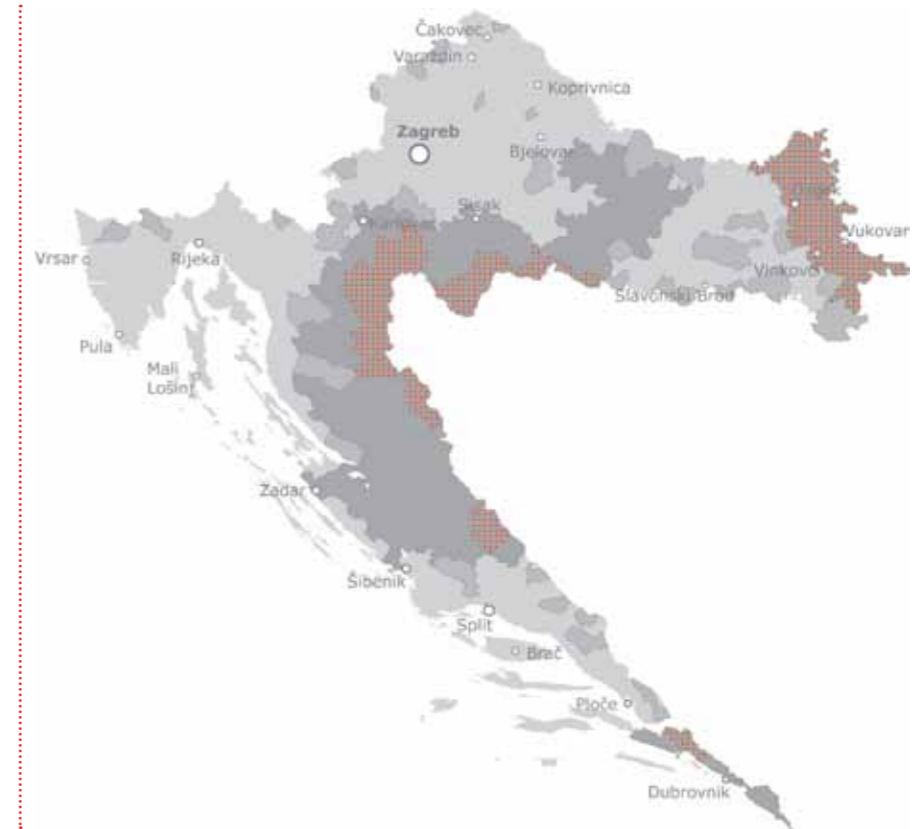
8.10. Areas of Special National Concern

Taxpayers who execute their activities in the areas of special national concern and permanently employ more than 5 employees, with more than 50% of the employees having domicile and habitual residence in an area of special national concern for at least 9 months, pay profit tax at the following rates:

Areas of Special National Concern	Time Period	Profit Tax Rate
GROUP 1	2005 - 2014	No profit tax is paid
GROUP 2	2005 - 2014	25% of the prescribed rate
GROUP 3	2005 - 2014	75% of the prescribed rate

Areas of Special National Concern in Croatia

-  Group 1
-  Group 2
-  Group 3



Source: Ministry of Regional Development, Forestry and Water Management

A listing of municipalities according to groups on page 72 >

The following municipalities fall into the first special national concern group:

Antunovac, Beli Manastir, Bilje, Bogdanovci, Borovo, Cetingrad, Civljane, Čeminac, Darda, Donji Kukuzari, Donji Lapac, Draž, Dubrovačko primorje, Dragalić, Dvor, Erdut, Ernestinovo, Gvozd, Hrvatska Dubica, Hrvatska Kostajnica, Ilok, Jagodnjak, Jasenovac, Kijevo, Kneževi Vinogradi, Lovas, Majur, Markušica, Negoslavci, Nijemci, Nuštar, Petlovac, Plitvička Jezera, Popovac, Rakovica, Slunj, Stara Gradiška, Stari Jankovci, Šodolovci, Tompojevci, Topusko, Tordinci, Tovarnik, Trpinja, Vojnić, Vrljika, Vukovar, Župa dubrovačka.

Settlements within the following cities also fall into the first national concern group:

- OSIJEK: Klisa, Nemetin, Sarvaš, Tenja
- VINKOVCI: Mirkovci

The following municipalities fall into the second special national concern group:

Barilović, Benkovac, Biskupija, Brestovac, Čačinci, Drniš, Đulovac, Ervenik, Glina, Gornji Bogičevci, Gospić, Gračac, Grubišno Polje, Hrvace, Jasenice, Josipdol, Kistanje, Knin, Konavle, Krnjak, Lasinja, Lipik, Lišane Ostrovičke, Lovinac, Mikleuš, Novigrad, Novska, Obrovac, Okučani, Otočac, Pakrac, Petrinja, Plaški, Polača, Poličnik, Posedarje, Promina, Ružić, Saborsko, Sirač, Skradin, Stankovci, Ston, Sunja, Škabrnja, Tounj, Udbina, Velika, Velika Pisanica, Veliki Grđevac, Voćin, Vrhovine i Zemunik Donji.

Settlements within the following cities also fall into the second national concern group:

- DARUVAR: Markovac, Vrbovac
- DUBROVNIK: Bosanka, Brsečine, Dubravica, Donje Obuljeno, Čajkovića, Čajkovići, Gornje Obuljeno, Gromača, Kliševo, Knežica, Komolac, Ljubač, Mokošica, Mravinjac, Mrčevo, Nova Mokošica, Orašac, Osojnik, Petrovo Selo, Prijevoj, Pobrežje, Rožat, Šumet, Trsteno, Zaton
- KARLOVAC: Banska Selnica, Banski Moravci, Blatnica Pokupska, Brezova Glava, Brežani, Brođani, Cerovac Vukmanički, Donja Trebinja, Donji Sjeničak, Gornja Trebinja, Gornji Sjeničak, Ivanković Sela, Ivošević Selo, Kablar, Kamensko, Karlovac – dijelovi Gornje Mekušje, Sajevec i Turanj, Klipino Brdo, Kljaić Brdo, Knez Gorica, Lipje, Manjerovići, Okić, Popović Brdo, Ribari, Skakavac, Slunjska Selnica, Slunjski Moravci, Tušilović, Udbinja, Utinja, Vukmanić
- SISAK: Blinjski Kut, Klobučak, Letovanci, Madžari, Staro Selo
- SLATINA: Golenić, Ivanbrijeg, Lukavac
- VIROVITICA: Jasenaš
- VODICE: Čista Mala, Čista Velika, Grabovci
- ZADAR: Babindub, Crno

The following municipalities fall into the third special national concern group:

Babina Greda, Bebrina, Bednja, Berek, Bosiljevo, Brinje, Brod Moravice, Cernik, Cestica, Cista Provo, Crnac, Čađavica, Čaglin, Dekanovec, Donja Voća, Drenovci, Galovac, Generalski Stol, Gornja Rijeka, Gradina, Grožnjan, Gundinci, Gunja, Ivanska, Klakar, Kraljevec na Sutli, Kula Norinska, Lanišće, Lečevica, Levanjska Varoš, Lokvičići, Netretići, Oprisavci, Oprtalj, Oriovac, Otok (Splitsko-dalmatinska county), Otok (Vukovarsko-srijemska county), Pakoštane, Perušić, Pissarovina, Podgorač, Podravska Moslavina, Podturen, Pojezerje, Pokupsko, Prgomet, Proložac, Punitovci, Ribnik, Ruževići, Satnica Đakovačka, Semeljci, Sikirevci, Slavonski Šamac, Sopje, Starigrad, Suhopolje, Trnava, Unešić, Velika Kapanica, Vođinci, Vladislavci, Vrbanja, Vrbje, Zagorska Sela, Zagvozd, Zažablje Zrinski Topolovac, Žumberak



9. CROATIAN TRADE AND INVESTMENT PROMOTION AGENCY

9.1. About Us	75
9.2. Our Services	75

9.1. About Us

Trade and Investment Promotion Agency (APIU) is a Croatian Governmental agency whose aim is to provide foreign and domestic investors with the needed assistance at every step of the investment process. Our services also include providing assistance to Croatian exporters. Apart from these activities APIU is also involved in the development and implementation of the public-private partnership model in the Republic of Croatia.

Established in 2002 by the Government of the Republic of Croatia, APIU places a strong emphasis on being a responsible member of the society and will continuously work on the improvement of the business environment while seeking the highest quality and practice policies. We encourage the investors to take advantage of our services which are free of charge.

The Agency is directed by the the Steering Committee whose President is the Deputy Prime Minister of the Croatian Government. The members are 6 ministers and 2 representatives of the business community.

9.2. Our Services

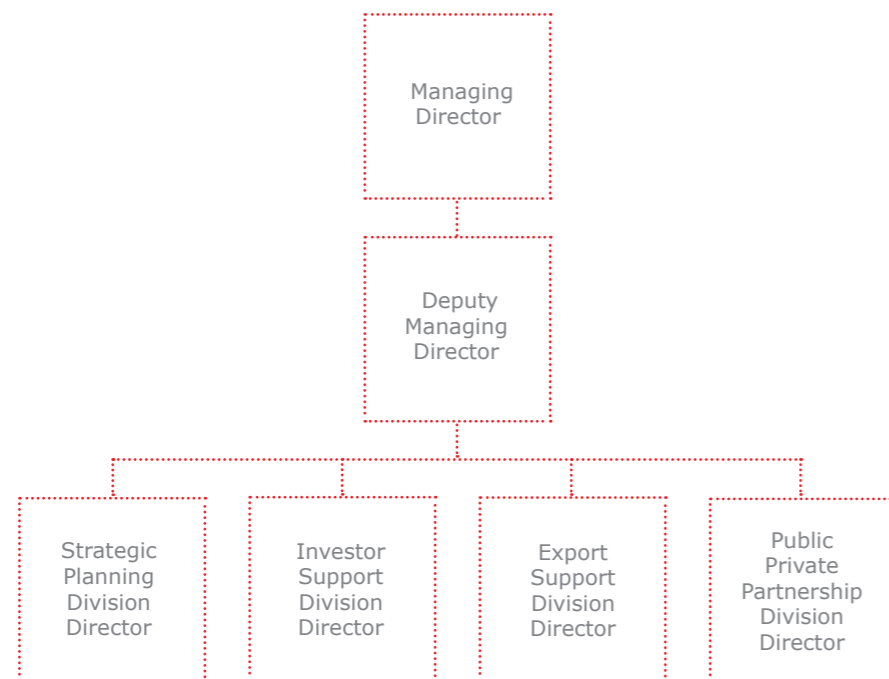
- Over 40 professionals are at your disposal 24/7
- Providing the investor with all the details on economic and legal investment environment
- Organizing site visits to the best investment locations
- Assisting in getting all administrative licenses needed
- Ensuring the access to state and local incentives
- Connecting the investor with relevant government and local bodies
- Matchmaking with Joint Venture partners and linking with local suppliers

The best investor oriented approach – tailor made solutions for your business

Let us help you grow your business in Croatia!



Trade and Investment Promotion Agency (APIU) Organizational Structure



You may contact us directly or through the Croatian Embassy in your country

Address: Andrije Hebranga 34/ 10000 Zagreb / Croatia
Telephone: +385 (0)1 4866 000, +385 (0)1 4866 001
FAX: +385 (0)1 4866 009
e-mail: info@croinvest.org
www.croinvest.org

The Croatian Trade and Investment Promotion Agency functions in accordance with the HRN EN **ISO 9001:2002 standard**



10. RELEVANT INSTITUTIONS

10.1. Government Ministries	79
10.2. Business Support Institutions	80
10.3. Other Relevant Public Institutions	80
10.4. Chambers of Commerce and Associations	81
10.5. Regional and Local Development Agencies	82

10.1. Government Ministries

MINISTRY OF AGRICULTURE, FISHERIES AND RURAL DEVELOPMENT

Vukovarska 78, 10000 Zagreb
Phone: +385 (0)1 61 06 111
Fax: +385 (0)1 6109 201
www.mps.hr

MINISTRY OF ECONOMY, LABOUR AND ENTREPRENEURSHIP

Vukovarska 78, 10000 Zagreb
Phone: +385 (0)1 61 06 111
Fax: +385 (0)1 61 09 110
www.mingorp.hr

MINISTRY OF FOREIGN AFFAIRS AND EUROPEAN INTEGRATION – A NETWORK OF DIPLOMATIC AND CONSULAR REPRESENTATIONS, DIPLOMATIC MISSIONS AND CONSULAR OFFICES OF THE REPUBLIC OF CROATIA IN THE WORLD

www.mvpei.hr

MINISTRY OF ENVIRONMENTAL PROTECTION, PHYSICAL PLANNING AND CONSTRUCTION

Republike Austrije 20, 10000 Zagreb
Phone: +385 (0)1 37 82 444
Fax: +385 (0)1 37 72 822
www.mzopu.hr

MINISTRY OF FINANCE – TAX AND CUSTOMS ADMINISTRATION

Katančičeva 5, 10000 Zagreb
Phone: +385 (0)1 45 91 333
Fax: +385 (0)1 49 22 583
www.mfin.hr

MINISTRY OF INTERIOR

Savska 39, 10000 Zagreb
Phone: +385 (0)1 61 22 111
Fax: +385 (0)1 61 22 452
www.mup.hr

MINISTRY OF REGIONAL DEVELOPMENT, FORESTRY AND WATER MANAGEMENT

Bobanićeva 121, 10000 Zagreb
Phone: +385 (0)1 64 00 600
www.mrrsvg.hr

MINISTRY OF SEA, TRANSPORT AND INFRASTRUCTURE

Prisavlje 14, 10000 Zagreb
Phone: +385 (0)1 61 69 111
www.mmpi.hr



MINISTRY OF SCIENCE, EDUCATION AND SPORTS

Donje Svetice 38, 10000 Zagreb
Phone: +385 (0)1 45 69 000
Fax: +385 (0)1 46 17 962
www.mzos.hr

10.2. Business Support Institutions

HITRO.HR service

Phone: +385 0800 0080
www.hitro.hr

CROATIAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Trg J. J. Strossmayera 9, 10000 Zagreb
Phone: +385 (0)1 45 91 666
Fax: +385 (0)1 45 91 791
www.hbor.hr

CROATIAN AGENCY FOR SMALL BUSINESS

Prilaz Gjure Deželića 7, 10000 Zagreb
Phone: +385 (0)1 48 81 000
Fax: +385 (0)1 48 41 009
www.hamag.hr

CROATIAN EMPLOYMENT SERVICE

Radnička cesta 1, 10000 Zagreb
Phone: +385 (0)1 61 26 000
Fax: +385 (0)1 61 26 039
www.hzz.hr

10.3. Other Relevant Public Institutions

CROATIAN NATIONAL BANK

Trg hrvatskih velikana 3, 10002 Zagreb
Phone: +385 (0)1 45 64 555
Fax: +385 (0)1 46 10 551
www.hnb.hr

CROATIAN BUREAU OF STATISTICS

Ilica 3, 10000 Zagreb
Phone: +385 (0)1 48 06 111
www.dzs.hr

10.4. Chambers of Commerce and Associations

CROATIAN CHAMBER OF COMMERCE

Rooseveltova Trg 2, 10000 Zagreb
Phone: +385 (0)1 45 61 555
Fax: +385 (0)1 48 28 380
www.hgk.hr

CROATIAN EMPLOYERS' ASSOCIATION

Pavla Hatza 12, 10 000 Zagreb
Phone: +385 (0)1 48 97 555
Fax: +385 (0)1 48 97 556
www.hup.hr

CROATIAN CHAMBER OF TRADES AND CRAFTS

Ilica 49/II, p.p.166, 10 000 Zagreb
Phone: +385 (0)1 48 06 666
Fax: +385 (0)1 48 46 610
www.hok.hr

AUSTRIAN FOREIGN TRADE OFFICE

Ilica 12/III, p.p. 25, 10 000 Zagreb
Phone: +385 (0)1 48 81 900
Fax: +385 (0)1 48 81 912
www.advantageaustria.org/hr

CZECH TRADE OFFICE

Zrinjevac 10/I, 10 000 Zagreb
Phone: +385 (0)1 49 20 946
Fax: +385 (0)1 49 20 946
www.czechtradeoffices.com/hr

ITALIAN INSTITUTE FOR FOREIGN TRADE

Massarykova 24, 10 000 Zagreb
Phone: +385 (0)1 48 30 711
Fax: +385 (0)1 48 30 740
www.ice.gov.it

KOREA TRADE CENTER

Gundulićeva 22a, 10 000 Zagreb
Phone: +385 (0)1 48 15 101
Fax: +385 (0)1 48 18 821
www.kotra.org.kr

GERMAN-CROATIAN CHAMBER OF INDUSTRY AND COMMERCE

Zamenhoffova 2, 10 000 Zagreb
Phone: +385 (0)1 63 11 600
Fax: +385 (0)1 63 11 630
www.ahk.hr



AMERICAN CHAMBER OF COMMERCE

Radnička 47, 10 000 Zagreb
Phone: +385 (0)1 48 36 777
Fax: +385 (0)1 48 36 776
www.amcham.hr

NORDIC CHAMBER OF COMMERCE

Zagreb tower, Radnička 80, 10 000 Zagreb
Phone: +385 (0)1 53 93 751
Fax: +385 (0)1 53 93 754
www.nordicchamber.hr

10.5. Regional and Local Development Agencies

BJELOVAR-BILOGORA COUNTY REGIONAL DEVELOPMENT AGENCY

Dr. Ante Starčevića 8, 43000 Bjelovar
Phone: +385 (0)43 225 999
Fax: +385 (0)43 225 998
www.rerabbz.hr

ČAKOVEC MUNICIPALITY DEVELOPMENT AGENCY – ČakRa

Ruđera Boškovića 10, 40000 Čakovec
Phone/Fax: +385 (0)40 311 230
www.cakra.hr

DEVELOPMENT AGENCY NORTH - DAN

Zagrebačka 94, 42000 Varaždin
Phone: +385 (0)42 213 700
Fax: +385 (0)42 200 720
www.dan.hr

DUBROVNIK - NERETVA COUNTY REGIONAL DEVELOPMENT AGENCY - DUNEA

Branitelja Dubrovnika 41, Branitelja Dubrovnika 41 p.p. 358, 20000 Dubrovnik
Phone: +385 (0)20 312 714
Fax: +385 (0)20 312 715
www.dunea.hr

ISTRIAN DEVELOPMENT AGENCY - IDA

Mletačka 12/IV, 52100 Pula
Phone: +385 (0)52 381 900
Fax: +385 (0)52 381 905
www.ida.hr

MEĐIMURJE REGIONAL DEVELOPMENT AGENCY - REDEA

Ruđera Boškovića 2, 40000 Čakovec
Phone: +385 (0)40 374 090
Fax: +385 (0)40 374 340
www.redea.hr

OSIJEK - BARANJA COUNTY DEVELOPMENT AGENCY

Stjepana Radića 4, 31000 Osijek
Phone: +385 (0)31 221 501
Fax: +385 (0)31 221 509
www.obz.hr

PODRAVINA AND PRIGORJE DEVELOPMENT AGENCY - PORA

Braće Radića 2, pp 125, 48000 Koprivnica
Phone: +385 (0)48 621 978
Fax: +385 (0)48 621 957
www.pora.com.hr

POŽEGA-SLAVONIA COUNTY DEVELOPMENT AGENCY - VALLIS AUREA

Županijska 7, 34 000 Požega
Phone: +385 (0)34 290 241
Fax: +385 (0) 34 290 215
www.razvitakpsz.info

PRIMORJE-GORSKI KOTAR COUNTY REGIONAL DEVELOPMENT AGENCY - PORIN

Lužine bb, 51000 Rijeka
Phone: +385 (0)51 675 187
Fax: +385 (0)51 675 158
www.porin.hr

SISAK-MOSLAVINA COUNTY DEVELOPMENT AGENCY - SIMORA

Stjepana i Antuna Radića 8/a, 44000 Sisak
Phone: +385 (0)44 544 204
Fax: +385 (0)44 544 206
www.simora.hr

SLAVONIA AND BARANJA REGIONAL DEVELOPMENT AGENCY

S. Radića 4, 31000 Osijek
Phone: +385 (0)31 221 840
Fax: +385 (0)31 221 841
www.slavonija.hr

SLAVONSKI BROD LOCAL DEVELOPMENT AGENCY - CTR

Nas. Slavonija i neboder 2, p. o. box 216, 35000 Slavonski brod
Phone: +385 (0)35 441 604
Fax: +385 (0)35 400 130
www.ctr.hr

SPLIT - DALMATIA COUNTY DEVELOPMENT AGENCY

Domovinskog rata 2, 21000 Split
Phone: +385 (0)21 330 074
Fax: +385 (0)21 330 085

ŠIBENIK – KNIN COUNTY REGIONAL DEVELOPMENT AGENCY

Prilaz Tvornici 39, 22000 Šibenik
Phone: +385 (0)22 217 113
Fax: +385 (0)22 217 114
www.rra-sibenik.hr

VARAŽDIN COUNTY DEVELOPMENT AGENCY - AZRA

Franjevački trg 7, 42000 Varaždin
Phone: +385 (0)42 422 200
Fax: +385 (0)42 390 571
www.azra.hr

VIROVITICA – PODRAVINA COUNTY DEVELOPMENT AGENCY

Trg Ljudevita Patačića 1, 33 000 Virovitica
Phone: +385 (0)33 800 207
Fax: +385 (0) 33 743 141
www.ravpz.com

VUKOVAR - SRIJEM COUNTY DEVELOPMENT AGENCY - HRAST

Županijska 9, 32000 Vukovar
Trg Vinkovačkih jeseni 1, 32100 Vinkovci
Phone: +385 (0)32 339 993
Fax: +385 (0)32 339 997
www.leda-es.hr

ZADAR COUNTY DEVELOPMENT AGENCY

Grgura Budislavića 99, 23000 Zadar
Phone: + 385 (0)23 312 245
Fax: + 385 (0)23 312 246
www.zadra.hr

ZAGORJE DEVELOPMENT AGENCY - ZARA

Magistratska 1, 49000 Krapina
Phone: +385 (0)49 373 161
Fax: +385 (0)49 373 171
www.zara.hr

ZAGREB COUNTY REGIONAL DEVELOPMENT AGENCY - ZACORDA

Remetinečka cesta 75b, 10000 Zagreb
Phone: +385 (0)1 65 56 051
Fax: +385 (0)1 65 56 053
www.zacorda.hr

