



CROATIA

State of Play – Winter 2017



MACROECONOMIC SITUATION

- Broad-based economic recovery in 2016

Excessive imbalances

- Government debt started declining, but medium-term sustainability risks are high
- Private debt and external liabilities are decreasing; yet high share of liabilities are denominated in euro and exposed to currency risk
- Stock of non-performing loans is on a declining path but remains high
- Slow productivity growth; labour market recovery continues but youth and long-term unemployment remains high, activity rates are low and labour force is shrinking



PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

Some progress

- in reforming recurrent property taxation and improving debt management
- in reducing non-performing loans

Limited progress

- in reinforcing the fiscal framework
- in providing up- and re-skilling measures
- in reforming public administration and reinforcing the governance of state-owned enterprises
- in reducing para-fiscal charges, administrative burden on businesses, and removing regulatory restrictions
- in improving the quality and efficiency of the judicial system

No progress

- in reforming pension and social protection systems
- in harmonising wage-setting frameworks across public administration and services



FISCAL SITUATION

- Deadline for correction of excessive deficit by 2016
- Public debt above the 60% of GDP reference value

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>