



P/5255297

REPUBLIKA HRVATSKA
MINISTARSTVO FINANCIJA

KLASA: 956-01/24-01/3
URBROJ: 513-09-01-24-7

Zagreb, 21 November 2024

EUROPEAN COMMISSION
Office: CHAR 15/107
B-1049 Brussels, Belgium
Mr Maarten Verwey
Director General Economic and Financial Affairs

**SUBJECT: REVISED NET PRIMARY EXPENDITURE PATH
RELATED TO CROATIA'S MEDIUM-TERM
FISCAL-STRUCTURAL PLAN 2025 - 2028**

Dear Mr Verwey,

After technical meetings held with the European Commission services on 19th and 20th November and internal discussions in the Ministry of Finance, I would like to take this opportunity to inform you that, following technical exchanges with the European Commission, the Republic of Croatia would like to adjust the growth rate of net primary expenditure.

The National Medium-Term Fiscal-Structural Plan's envisaged time frame of 14 years looks at long-term perspective, which is underpinned by uncertainty and risks. Consequently, we are deeply aware of the necessity to apply conservative approach in fiscal (expenditure) policy planning over that period, to ensure that by the end of adjustment period, the projected general government debt remains plausibly at prudent levels below 60% of GDP and the projected general government deficit is maintained below 3% of GDP over the medium-term, assuming that there are no further budgetary measures. This way of policy planning and implementation should contribute to the long-term sustainability of Croatia's fiscal position.

Our adjusted net primary expenditure path averages 4.8% growth and is attached below:

	2025	2026	2027	2028
Net nationally financed primary expenditure growth (%)	6,4%	4,9%	4,1%	3,7%

In procedural terms, we would like this to be considered as an Addendum to the original Medium-Term Fiscal-Structural Plan, submitted by the Republic of Croatia to the European Commission on 14th November 2024.

Let me point out that we remain committed to the creation and implementation of appropriate policy measures in order to comply with the requirements defined by this revised net primary expenditure path, in continuous cooperation with European Commission services.

Sincerely yours,

**DEPUTY PRIME MINISTER AND MINISTER OF
FINANCE OF REPUBLIC OF CROATIA**



Marko Primorac
Marko Primorac