



A New Creative Impulse for the Sustainable Development of Industry and the Economy

We are living in a challenging and globally complex economic moment. In such an environment, we are creating good business and investment conditions in Croatia. We are creating a more competitive economy, dynamic and adjustable to global trends and requirements, as well as a knowledge-based economy and industry, all the while ensuring equal business conditions throughout the Republic of Croatia.

Our priorities are also clear - to re-industrialise the country, create a more favourable business and investment environment, achieve full energy security and self-sufficiency, apply measures which will enable the industrial structure to change and increase employment and productivity and, in particular, increase the share of highly educated persons in overall employment.

In regard to industrial development, by 2020 we plan to: achieve a growth of industrial production amounting to an average annual rate of 3%, significantly alter the

employment structure towards a minimum 30% share of highly educated persons in overall employment, increase labour force productivity by nearly 70%, alter the production structure towards the export of high added value products, and increase exports by 30%. The global economic crisis has demonstrated how important industry is for economic stability. In regard to the development of sustainable economy, Croatia unequivocally follows the European industrial policy by participating in the development of new technologies, producing equipment and applying it by using the most efficient methods, with minimal greenhouse gas emissions.

The energy sector is the finest proof of the swiftness and efficiency of our performance. Until a little more than a year ago, Croatia was not even featured on the European and global oil and gas maps. In just one year, we have expeditiously and comprehensively amended the legislation and absolutely everything required by the sector, thereby making Croatia a real hit among investors, as well as an important energy node in the region and for Central and Eastern Europe. Moreover, these improvements will help us provide safe distribution and most favourably priced energy resources for the Croatian citizens and industry.

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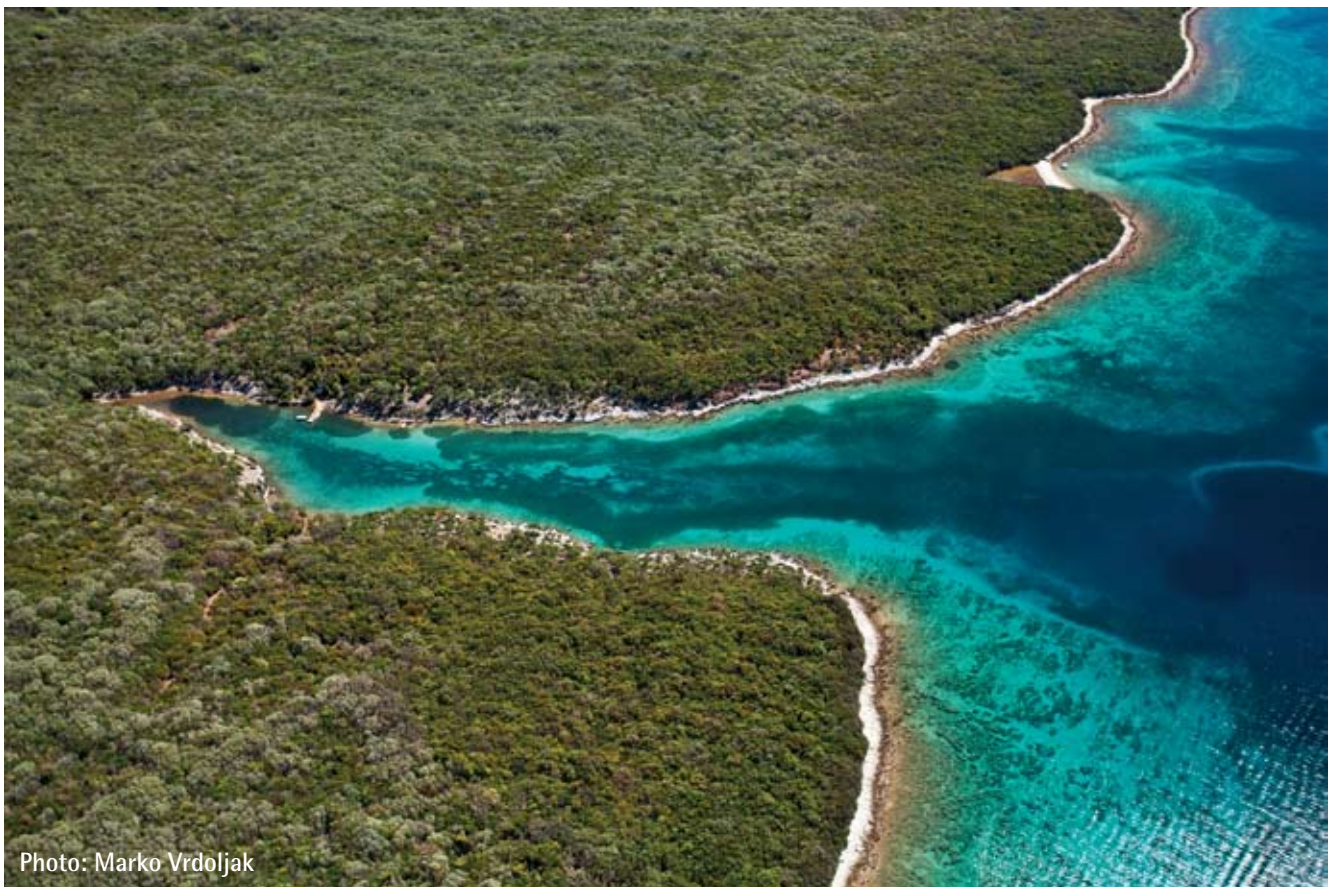


Photo: Marko Vrdoljak





Investments are prominently featured within the framework of the primary objectives of the economic policy adopted by the Government and the Ministry of Economy, and they are of great importance for the future development of Croatia. It is an indisputable fact that it is easier to invest in Croatia today than it was merely one year ago. In addition to amending the legislative framework, incentives and investment tax credit, adopting the Act on Strategic Investment Projects, we have also changed the investment environment and the country's competitiveness. The result of our efforts is the improved business climate in our country, which has already been recognised not only by the companies that have been operating in Croatia for years, but also the ones which are only starting to invest.

In addition to providing a good legislative framework and a stable macroeconomic policy, creating a positive investment climate and improving the competitiveness of potential investment locations in the Republic of Croatia, we are also active in a number of other areas - from the development of regional infrastructure, education, research activities, commercialising innovations and strengthening entrepreneurship, to providing support for the development of sectors which, due to their territorial capital, have the potential to be competitive on the global market.

In addition to all the aforementioned, I must also emphasise the importance of human capital which we believe to be among the pivotal factors in an investor's decision to invest in a country. An efficient, innovative and multilingual labour force is the basis for the successful business activities and development of a company, and the investors who are already successfully operating in the Republic of Croatia can testify to the qualities of the human resources in our country.

Creating and utilising knowledge, or human creativity, innovations and ideas, plays a key role in the creation of national and individual wealth, as well as economic development. Today, non-material factors such as research and development, education or human capital, are significant drivers of development and basic economic resources. Knowledge creates higher added value products in which the quantity of the featured intellectual capital far outweighs the raw materials.

We have identified all of the aforementioned as crucial for achieving sustainable economic growth and development of the country, and we have incorporated the said factors in the Industrial Strategy. This strategy, together with the Innovation Strategy, the Education, Science and Technology Strategy, and the Tourism

Development Strategy, is an integral part of the Smart Specialisation Strategy which will be one of the cornerstones for the future design of the Economic Development Strategy.

I would like to emphasise that the integration of the Croatian economy into the European single market has opened up additional possibilities of faster development, which we plan to utilise fully. On the other hand, through legislation, stable macroeconomic policy, but also through actions in a series of areas - from the development of regional infrastructure, education, research activities, commercialising innovations and strengthening entrepreneurship, to providing support for the development of sectors which have the potential to be competitive on the global market - we create a positive investment climate and competitiveness. It is all part of the mosaic we are crafting in order to transform Croatia into an economically more successful country, a country of real business possibilities and a good, sustainable standard of living.

Ivan Vrdoljak,
Minister of Economy



Photo: Marko Vrdoljak

