Table 1a. Macroeconomic Prospects

	ESA Code	Year X-1 Level 2017 (level)	Year X-1 rate of change 2017 (rate of change)	Year X rate of change 2018 (rate of change)	Year X+1 rate of change 2019 (rate of change)	Year X+2 rate of change 2020 (rate of change)	Year X+3 rate of change 2021 (rate of change)
1. Real GDP	B1*g	359.118	2,8	2,8	2,7	2,5	2,5
2. Nominal GDP	B1*g	363.310	4,0	4,3	4,4	4,1	4,0
Components of real GDP							
3. Private consumption expenditure[1]	P.3	207.432	3,6	2,9	2,8	2,6	2,5
4. Government consumption expenditure	P.3	70.234	2,0	2,2	2,2	1,8	1,5
5. Gross fixed capital formation	P.51	71.883	3,4	6,7	6,3	5,6	5,2
6. Changes in inventories and net acquisition of valuables (% of GDP)	P.52 + P.53	2.400	0,7	0,8	0,9	0,9	1,0
7. Exports of goods and services	P.6	181.638	6,1	5,3	5,2	4,9	4,7
- of which goods	P.61	86.089	8,7	7,3	7,1	6,4	6,1
- of which services	P.62	95.549	3,8	3,6	3,5	3,5	3,4
8. Imports of goods and services	P.7	174.469	8,1	7,4	6,8	6,0	5,7
- of which goods	P.71	144.486	7,5	7,0	6,7	6,0	5,7
- of which services	P.72	29.983	11,2	9,1	7,4	6,1	5,7
Contribution to real GDP growth							
9. Final domestic demand	P.3 + P.51	349.548	3,1	3,5	3,3	3,0	2,9
10. Changes in inventories and net acquisition of valuables	P.52 + P.53	2.400	0,4	0,1	0,1	0,0	0,1
11. External balance of goods and services	B.11	7.170	-0,8	-0,9	-0,8	-0,6	-0,5

Note: GDP and all of its components expressed in real terms are in constant previous year prices, HRK million.

[1] Includes final consumption expenditure of non-profit institutions serving households.

Source: CBS, Ministry of Finance

Table 1b. Price developments

	Year X-1 rate of change 2017 (rate of change)	Year X rate of change 2018 (rate of change)	Year X+1 rate of change 2019 (rate of change)	Year X+2 rate of change 2020 (rate of change)	Year X+3 rate of change 2021 (rate of change)
1. GDP deflator	1,2	1,6	1,6	1,5	1,5
2. Private consumption deflator[1]	1,0	1,3	1,2	1,4	1,5
3. CPI[2]	1,1	1,4	1,4	1,5	1,6
4. Public consumption deflator	1,8	2,7	2,2	1,6	1,4
5. Investment deflator	0,4	1,5	1,7	1,8	1,7
6. Export price deflator (goods and services)	2,5	2,0	1,9	1,8	1,7
- of which goods	1,2	1,0	1,8	1,7	1,6
- of which services	3,7	3,0	2,0	1,8	1,8
7. Import price deflator (goods and services)	2,2	2,1	1,7	1,7	1,7
- of which goods	2,5	2,1	1,7	1,7	1,7
- of which services	0,8	1,6	1,6	1,7	1,8

[1] Includes final consumption expenditure of non-profit institutions serving households.

[2] Inflation as measured by consumer price index.

Source: CBS, Ministry of Finance

Table 1c. Labour market developments

	ESA Code	Year X-1 Level 2017 (level)	Year X-1 rate of change 2017 (rate of change)	Year X rate of change 2018 (rate of change)	Year X+1 rate of change 2019 (rate of change)	Year X+2 rate of change 2020 (rate of change)	Year X+3 rate of change 2021 (rate of change)
1. Employment, persons[1]		1.634	2,2	1,8	1,6	1,4	1,3
- of which, employees		1.424	4,0	2,4	1,6	1,3	1,2
- of which, self-employed		210	-8,7	-2,3	1,2	2,1	2,1
2. Employment, hours worked		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3. Unemployment rate (%)[2]			11,2	10,0	9,1	8,2	7,3
4. Labour productivity, persons[3]			0,6	1,0	1,1	1,1	1,1
5. Labour productivity, hours worked		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6. Unit labour cost			-1,7	1,6	1,4	1,4	1,3
7. Compensation of employees[4]	D.1	165.446	2,9	5,1	4,2	3,8	3,7
8. Compensation per employee[5]		9.682	-1,1	2,6	2,5	2,4	2,4

[1] Domestic concept national accounts definition.

[2] According to ILO methodology.

[3] Real GDP in constant previous year prices (2010=100) per person employed.

[4] Data for 2017 level is in HRK million.

[5] Data for 2017 level is the average monthly compensation per employee in HRK.

Note: Preliminary data for 2017.

Source: CBS, Ministry of Finance

Table 1d. Sectoral balances

	ESA Code	Year X-1 2017 (% of GDP)	Year X 2018 (% of GDP)	Year X+1 2019 (% of GDP)	Year X+2 2020 (% of GDP)
1. Net lending/borrowing vis-a-vis the rest of the world	B.9	4,3	4,1	3,1	2,3
of which:					
- Balance on goods and services		2,3	1,3	0,6	0,1
- Balance of primary incomes and transfers		1,6	1,5	1,2	0,9
- Capital account		0,5	1,2	1,3	1,3
2. Net lending/borrowing of the private sector	B.9	2,9	4,7	3,5	2,4
3. Net lending/borrowing of general government	EDP B.9	0,8	-0,5	-0,4	0,0
4. Statistical discrepancy		0,7	0,0	0,0	0,0

Note: Forecasts of transfers and capital account are more conservative than fiscal projections.
Source: CNB, Ministry of Finance

Year X+3
2021 (% of GDP)
1,5
-0,4
0,7
1,2
1,0
0,5
0,0

Table 2a. General government budgetary prospects

	ESA Code	Year X-1 Level 2017 (level, HRK billion)	Year X-1 % of GDP 2017 (% of GDP)	Year X % of GDP 2018 (% of GDP)	Year X+1 % of GDP 2019 (% of GDP)	Year X+2 % of GDP 2020 (% of GDP)	Year X+3 % of GDP 2021 (% of GDP)
Net lending (EDP B.9) by sub-sector							
1. General government	S.13	2,8	0,8	-0,5	-0,4	0,0	0,5
2. Central government	S.1311	2,5	0,7	-0,7	-0,4	-0,1	0,4
3. State government	S.1312	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4. Local government	S.1313	-0,1	0,0	0,1	0,0	0,0	0,0
5. Social security funds	S.1314	0,4	0,1	0,0	0,0	0,0	0,0
General government (S13)							
6. Total revenue	TR[1]	167,2	46,0	46,0	45,2	45,1	44,6
7. Total expenditure	TE[1]	164,4	45,3	46,5	45,6	45,1	44,1
8. Net lending/borrowing	EDP B.9	2,8	0,8	-0,5	-0,4	0,0	0,5
9. Interest expenditure	EDP D.41	9,8	2,7	2,5	2,1	1,5	1,4
10. Primary balance[2]			12,5	3,4	2,0	1,7	1,5	1,9
11. One-off and other temporary measures[3]			0,0	0,0	0,0	0,0	0,0	0,0
Selected components of revenue							
12. Total taxes (12=12a+12b+12c)		94,6	26,0	26,0	25,3	25,2	25,1
12a. Taxes on production and imports	D.2	71,6	19,7	19,8	19,1	19,1	19,0
12b. Current taxes on income, wealth, etc	D.5	23,0	6,3	6,2	6,2	6,1	6,1
12c. Capital taxes	D.91	0,0	0,0	0,0	0,0	0,0	0,0
13. Social contributions	D.61	43,3	11,9	12,0	12,0	12,0	11,9
14. Property income	D.4	4,5	1,2	1,1	1,0	1,0	0,9
15. Other[4]		24,8	6,8	6,9	6,9	6,9	6,7
16=6. Total revenue	TR	167,2	46,0	46,0	45,2	45,1	44,6
p.m.: Tax burden (D.2+D.5+D.61+D.91-D.995)[5]		137,9	38,0	38,0	37,3	37,2	37,0
Selected components of expenditure							
17. Compensation of employees + intermediate consumption	D.1+P.2	70,2	19,3	19,4	19,4	19,2	18,9
17a. Compensation of employees	D.1	41,4	11,4	11,5	11,4	11,3	11,1
17b. Intermediate consumption	P.2	28,8	7,9	7,9	7,9	7,9	7,8
18. Social payments (18=18a+18b)		57,2	15,7	15,6	15,5	15,3	15,1
of which Unemployment benefits[6]		0,8	0,2	0,2	0,2	0,2	0,2
18a. Social transfers in kind supplied via market producers	D632	8,4	2,3	2,2	2,2	2,2	2,3
18b. Social transfers other than in kind	D.62	48,8	13,4	13,4	13,3	13,1	12,8
19=9. Interest expenditure	EDP D.41	9,8	2,7	2,5	2,1	1,5	1,4
20. Subsidies	D.3	6,2	1,7	2,0	1,8	1,7	1,6
21. Gross fixed capital formation	P.51	9,8	2,7	3,5	3,5	3,7	3,6
22. Capital transfers	D.9	4,8	1,3	1,6	1,6	1,8	1,8
23. Other[7]		6,4	1,8	1,8	1,7	1,8	1,8
24=7. Total expenditure	TE[1]	164,4	45,3	46,5	45,6	45,1	44,1
p.m.: Government consumption (nominal)	P.3	71,3	19,6	19,7	19,7	19,6	19,3

Note:

[1] Adjusted for the net flow of swap-related flows, so that TR-TE=EDP B.9.

[2] The primary balance is calculated as (EDP B.9, item 8) plus (EDP D.41, item 9)

[3] A plus sign means deficit-reducing one-off measures.

[4] P.11+P.12+P.131+D.39+D.7+D.9 (other than D.91).

[5] Including those collected by the EU and including an adjustment for uncollected taxes and social contributions (D.995), if appropriate.

[6] Includes cash benefits (D.621 and D.624) and in kind benefits (D.631) related to unemployment benefits.

[7] D.29+D4 (other than D.41) + D.5+D.7+P.52+P.53+K.2+D.8.

Source: CBS, Ministry of Finance

Table 2b. No-policy change projections [1]

	Year X-1	Year X-1	Year X	Year X+1	Year X+2	Year X+3
	Level	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
	2017 (level, HRK billion)	2017 (% of GDP)	2018 (% of GDP)	2019 (% of GDP)	2020 (% of GDP)	2021 (% of GDP)
1. Total revenue at unchanged policies	167,2	46,0	46,3	46,0	45,8	45,4
2. Total expenditure at unchanged policies	164,4	45,3	46,5	45,6	45,1	44,1

Note: The cut-off date is January 2018.

[1] The projections shall start at the time when the Stability or Convergence Programme is drafted (please indicate the cut-off date) and show revenue

Source: CBS, Ministry of Finance

Table 2c. Amounts to be excluded from the expenditure benchmark

	Year X-1	Year X-1	Year X	Year X+1	Year X+2	Year X+3
	Level	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
	2017 (level, HRK billion)	2017 (% of GDP)	2018 (% of GDP)	2019 (% of GDP)	2020 (% of GDP)	2021 (% of GDP)
1. Expenditure on EU programmes fully matched by EU funds revenue	2,5	0,7	1,9	2,0	2,3	2,1
1.a Of which investment (GFCF) fully matched by EU funds revenue	1,3	0,4	1,1	1,1	1,2	1,1
2. Cyclical unemployment benefit expenditure[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3. Effect of discretionary revenue measures [2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4. Revenue increases mandated by law	0,2	0,1	0,04	n.a.	n.a.	n.a.

[1] Please detail the methodology used to obtain the cyclical component of unemployment benefit expenditure. It should build on unemployment benefit expenditure as defined in COFOG under the code 10.5

[2] Revenue increases mandated by law should not be included in the effect of discretionary revenue measures: data reported in rows 3 and 4 should be mutually exclusive.

Source: Ministry of Finance

Table 3. General government expenditure by function

	COFOG Code	Year X-2	Year X+3
	COFOG Code	2016 (% of GDP)	2021 (% of GDP)
1. General public services	1	8,8	n.a.
2. Defence	2	1,2	n.a.
3. Public order and safety	3	2,3	n.a.
4. Economic affairs	4	5,3	n.a.
5. Environmental protection	5	0,6	n.a.
6. Housing and community amenities	6	1,1	n.a.
7. Health	7	6,5	n.a.
8. Recreation, culture and religion	8	1,8	n.a.
9. Education	9	4,8	n.a.
10. Social protection	10	14,7	n.a.
11. Total expenditure (=item 7=23 in Table 2)	TE[1]	47,2	44,1

[1]Adjusted for the net flow of swap-related flows, so that TR-TE=EDP B.9

Source: Ministry of Finance

Table 4. General government debt developments

% of GDP	ESA Code	Year X-1	Year X	Year X+1	Year X+2	Year X+3
	ESA Code	2017 (% of GDP)	2018 (% of GDP)	2019 (% of GDP)	2020 (% of GDP)	2021 (% of GDP)
1. Gross debt[1]		78,0	75,1	72,1	69,1	65,9
2. Change in gross debt ratio		-2,7	-2,9	-3,0	-3,0	-3,2
Contributions to changes in gross debt						
3. Primary balance[2]		3,4	2,0	1,7	1,5	1,9
4. Interest expenditure[3]	EDP D.41	2,7	2,5	2,1	1,5	1,4
5. Stock-flow adjustment*		-1,9	-3,4	-3,3	-3,1	-2,6
of which:						
- Differences between cash and accruals[4]						
- Net accumulation of financial assets[5]		0,4	0,3	0,3	0,2	0,0
of which:						
- privatisation proceeds		0,1	0,3	0,3	0,2	0,0
- Valuation effects and other[6] *		0,3				
p.m.: Implicit interest rate on debt[7]		3,5	3,3	2,9	2,2	2,1
Other relevant variables						
6. Liquid financial assets[8]						
7. Net financial debt (7=1-6)		78,0	75,1	72,1	69,1	65,9
8. Debt amortization (existing bonds) since the end of the previous year		5,0	3,1	4,6	4,7	3,3
9. Percentage of debt denominated in foreign currency		75,4				
10. Average maturity		-	-	-	-	-

*Change in stock of deposits in 2017

[1] As defined in Regulation 479/2009 (not an ESA concept)

[2] Cf. item 10 in Table 2.

[3] Cf. item 9 in Table 2.

[4] The differences concerning interest expenditure, other expenditure and revenue could be distinguished when relevant or in case the debt-to-GDP ratio is above the reference value.

[5] Liquid assets (currency), government securities, assets on third countries, government controlled enterprises and the difference between quoted and non-quoted assets could be

[6] Changes due to exchange rate movements, and operation in secondary market could be distinguished when relevant or in case the debt-to-GDP ratio is above the reference value.

[7] Proxied by interest expenditure divided by the debt level of the previous year.

[8] AF1, AF2, AF3 (consolidated at market value), AF5 (if quoted in stock exchange; including mutual fund shares).

Table 5. Cyclical developments

% of GDP	ESA Code	Year X-1 2017 (% of GDP)	Year X 2018 (% of GDP)	Year X+1 2019 (% of GDP)	Year X+2 2020 (% of GDP)	Year X+3 2021 (% of GDP)
1. Real GDP Growth (%)		2,8	2,8	2,7	2,5	2,5
2. Net Lending of general government	EDP B.9	0,8	-0,5	-0,4	0,0	0,5
3. Interest expenditure	EDP D.41	2,7	2,5	2,1	1,5	1,4
4. One-off and other temporary measures[1]						
Of which:						
On the revenue side: general government						
On the expenditure side: general government						
5. Potential GDP growth (%)		1,2	1,8	2,1	2,1	2,1
contributions:						
- labour		0,0	0,2	0,4	0,3	0,2
- capital		0,7	0,8	1,0	1,1	1,2
- total factor productivity		0,6	0,7	0,7	0,8	0,8
6. Output gap		-0,4	0,6	1,2	1,6	1,9
7. Cyclical budgetary component		-0,2	0,3	0,6	0,8	0,9
8. Cyclically-adjusted balance (2 - 7)		0,9	-0,8	-0,9	-0,8	-0,4
9. Cyclically-adjusted primary balance (8 + 3)		3,6	1,7	1,1	0,7	1,0
10. Structural balance (8 - 4)		0,9	-0,8	-0,9	-0,8	-0,4

[1] A plus sign means deficit-reducing one-off measures.

Source: CBS, Ministry of Finance

Table 6. Divergence from previous update*

	ESA Code	Year X-1	Year X	Year X+1	Year X+2	Year X+3
	ESA Code	**2017**	**2018**	**2019**	**2020**	**2021**
Real GDP growth (%)						
Previous update		3,2	2,8	2,6	2,5	n.a.
Current update		2,8	2,8	2,7	2,5	2,5
Difference		-0,4	0,0	0,2	0,1	n.a.
General government net lending (% of GDP)	B.9					
Previous update		-1,3	-0,8	-0,3	0,5	n.a.
Current update		0,8	-0,5	-0,4	0,0	0,5
Difference		2,1	0,3	-0,1	-0,5	n.a.
General government gross debt (% of GDP)						
Previous update		81,2	78,4	75,4	72,1	n.a.
Current update		78,0	75,1	72,1	69,1	65,9
Difference		-3,2	-3,3	-3,3	-3,0	n.a.

Note:

* Previous update is 2017 Convergence Programme

Source: CBS, Ministry of Finance

Table 7. Long-term sustainability of public finances

	2016 (% BDP-a)	2020 (% of GDP)	2030 (% of GDP)	2040 (% of GDP)	2050 (% of GDP)	2060 (% of GDP)	2070 (% of GDP)
Total expenditure							
Of which: **age-related expenditures**							
Pension expenditure	10,6	10,4	10,0	8,3	7,4	7,0	6,8
Social security pension							
Old-age and early pensions	6,9	6,9	6,9	5,6	5,1	4,9	4,8
Other pensions (disability, survivors)	3,7	3,5	3,1	2,7	2,3	2,2	2,0
Occupational pensions (if in general government)							
Health care	5,2	5,4	5,5	5,7	5,8	5,9	5,9
Long-term care (*this was earlier included in the health care*)	0,9	0,9	1,0	1,1	1,1	1,2	1,2
Education expenditure	3,7	3,5	3,3	3,1	3,0	3,1	3,2
Other age-related expenditures							
Interest expenditure							
Total revenue							
Of which: property income							
Of which: from pensions contributions (or social contributions if appropriate)	5,8	5,8	5,6	5,6	5,6	5,6	5,6
Pension reserve fund assets							
Of which: consolidated public pension fund assets (assets other than government liabilities)							
Systemic pension reforms[1]							
Social contributions diverted to mandatory private scheme[2]	1,5	1,6	1,8	1,8	1,8	1,8	1,8
Pension expenditure paid by mandatory private scheme[3]	0,0	0,0	0,3	0,8	1,2	1,4	1,6
Assumptions							
Labour productivity growth	0,9	1,5	1,1	1,8	2,1	1,8	1,5
Real GDP growth	1,1	1,0	1,0	1,6	1,6	1,2	1,0
Participation rate males (aged 15-64)	70,3	71,5	71,8	73,0	73,4	73,2	73,2
Participation rates females (aged 15-64)	61,1	63,0	65,6	67,4	67,9	67,9	67,8
Total participation rates (aged 15-64)	65,7	67,2	68,8	70,2	70,7	70,6	70,6
Unemployment rate (aged 15-64)	13,2	11,6	11,7	9,8	7,9	7,9	7,9
Population aged 65+ over total population	19,4	21,1	24,8	26,9	29,1	30,3	31,2

[1] Systemic pension reforms refer to pension reforms that introduce a multi-pillar system that includes a mandatory fully funded pillar.

[2] Social contributions or other revenue received by the mandatory fully funded pillar to cover for the pension obligations it acquired in conjunction with the systemic reform

[3] Pension expenditure or other social benefits paid by the mandatory fully funded pillar linked to the pension obligations it acquired in conjunction with the systemic pension reform

Source: Ministry of Labour and Pension System, Croatian Health Insurance Fund, AWG

Table 7a. Contingent liabilities

% of GDP	Year X-1	Year X
	2017 (% of GDP)	2018 (% of GDP)
Public guarantees	2,7	n.a.
Of which: linked to the financial sector	n.a.	n.a.

Source: Ministry of Finance

Table 8. Basic assumptions

This table should preferably be included in the programme itself; if not, these assumptions should be transmitted to the Council and the Commission together with the programme.

	Year X-1	Year X	Year X+1	Year X+2	Year X+3
	2017	2018	2019	2020	2021
Short-term interest rate (annual average)	n.a	n.a	n.a	n.a	n.a
Long-term interest rate (annual average)	n.a	n.a	n.a	n.a	n.a
USD/€ exchange rate (annual average) (euro area and ERM II countries)	1,13	1,23	1,23	1,23	1,23
Nominal effective exchange rate, % change	-1,8	-1,2	0,0	0,0	0,0
(for countries not in euro area or ERM II) exchange rate vis-vis the € (annual average)	7,46	7,43	7,43	7,43	7,43
World, GDP growth	3,8	3,9	3,9	3,8	3,8
EU GDP growth	2,4	2,3	2,0	n.a.	n.a.
Growth of relevant foreign markets[1]	6,2	6,2	5,1	4,5	4,2
World import volumes	4,8	5,4	4,9	4,5	4,0
Oil prices (USD/barrel)[2]	54,4	66,5	62,8	60,0	63,0

[1] Goods.

[2] Brent.

Source: EC, IMF, EIU, CNB, Ministry of Finance