



**REPUBLIC OF CROATIA
MINISTRY OF FINANCE**

**CLASS: 910-01/16-01/142
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Zagreb, 2nd May 2016

**Mr Pierre Moscovici
Commissioner
European Commission**

Subject: Addendum to the Convergence Programme of the Republic of Croatia for the period 2016-2019

Dear Commissioner,

I am contacting you regarding the follow-up to the Convergence Programme for the period 2016-2019, which was adopted by the Croatian Government on the 28th of April and subsequently submitted to the European Commission services.

As you are probably aware of, in March 2016 the Economic and Financial Committee agreed that the minimum MTO (Medium-Term Objective) for Croatia to ensure compliance with the Stability and Growth Pact Code of Conduct is -1.75% of GDP.

Following the submission of the above mentioned Convergence Programme, I would like to confirm that as from 2017, Croatia sets its Medium-Term Objective as a structural deficit of -1.75% of GDP, expressed in ESA 2010 terms. This level of MTO, together with the fiscal projections and planned activation of inactive Government assets (as described in the Convergence Programme) should ensure the movement of public debt towards the sustainable level, in accordance with the Stability and Growth Pact.

Sincerely,

MINISTER OF FINANCE

Zdravko Marić, PhD
