



Albania

Bosnia and Herzegovina

Bulgaria

→ Croatia

Republic of Macedonia

Moldova

Romania

Serbia and Montenegro
Montenegro

Serbia and Montenegro
Serbia

Serbia and Montenegro



CROATIA



1.	Preamble	3
2.	Brief chronology of Croatian History	4
3.	General Country Information	6
4.	Politics	8
4.1.	Political Panorama	8
4.2.	EU Relationship	9
4.3.	Relationship with the International Environment	10
5.	Economics	11
5.1.	Economic Panorama	11
5.1.1.	GDP Indicators	11
5.1.2.	Trade Indicators	11
5.1.3.	FDI Indicators	11
5.1.4.	Credit Ratings	12
5.1.5.	Miscellaneous	12
5.2.	Comparative Macro Economic Data	13
5.2.1.	GDP Indicators	13
5.2.2.	FDI Indicators	13
5.2.3.	Demographic Indicators	14
6.	Key Achievements in improving the Investment Environment	15
7.	Success Stories for FDI	17
7.1.	Calzedonia	18
7.2.	Ina Industrija Nafta d.d. Croatia	19
7.3.	Valoviti Papir Dunapack D.O.O.	20
8.	Main Actors	21
8.1.	Public Sector	21
8.2.	Private Sector	24
8.3.	Public and Private sector	26
9.	Key Contact list	27



1

PREAMBLE

South East Europe (SEE) is increasingly becoming a key location for global investors seeking business opportunities and growth in market share. SEE continues to make significant progress on improving its business and economic environment. It has a dynamic market of 55 million people and has room for considerable growth. Situated at the crossroads between the major markets of the European Union, Central Europe, Western Asia, Ukraine and the western part of Russia, SEE is primed to become a leading economic actor.

SEE's recent economic performance is very positive and has the highest growth levels in Europe. Regional real GDP grew by approximately 5 %¹ in 2004 and by 4-5 % over the past 5 years compared to approximately 3.6 % in Central and Eastern Europe (Slovenia, Hungary, Poland, Czech Republic, Slovak Republic). The FDI levels exceeded an annual record of € 8 bn in 2004.

The OECD Investment Compact has developed Fact Sheets for all SEE countries (Albania, Bosnia Herzegovina, Bulgaria, Croatia, FYR Macedonia, Moldova, Romania, Serbia and Montenegro). The objective is to provide investors with a snapshot of important information and the latest investment reform progress in each country. The Fact Sheets are based on numerous primary and secondary sources (i.e. OECD, UN, EBRD, EIU, local consultants, ...) and are updated on a regular basis.

1. Annual average growth

2

BRIEF CHRONOLOGY OF CROATIAN HISTORY

Chronology of Croatian History

600	Croatian tribes begin to settle on the territory of the Roman regions of Dalmatia, Pannonia and Histria.
925	Mention of the first Croatian king Tomislav, who united Dalmatian and Pannonian Croatia.
1527	Due to danger of Turkish invasions the dynasty of Habsburg comes to the Croatian throne.
1699	Croatia is largely liberated of Turkish rule.
1815	Almost the whole of present-day Croatia enters into the Habsburg Monarchy.
1848	Ban Josip Jelčić unites all Croatian provinces.
1918	Croatia becomes part of the Kingdom of Serbs, Croats and Slovenes.
1929	The Kingdom becomes Yugoslavia.
1941	German and Italian forces occupy Yugoslavia; the organised partisan resistance starts, led by Croatian anti-fascists under the guidance of Josip Broz Tito.

The Yugoslav Federation

1945	The Federative Socialist Republic of Yugoslavia is proclaimed.
1980	Tito dies. The slow disintegration of Yugoslavia begins.
1990	The first democratic local and parliamentary elections. Non-communist party Croatian Democratic Union wins. Dr. Franjo Tuđman becomes the first President of the Republic of Croatia. Croatia constitutes its first multiparty parliament.

Independence and war

1991	Croatia proclaims independence; the Serbian rebellion supported by the Yugoslav National Army from Belgrade results in the occupation of one third of Croatian territory; Croatia gets its first international recognition from Island, Lithuania, Ukraine, Slovenia, Sweden, Latvia and Estonia.
1992	The Holy See and members of the EU recognise Croatia as a sovereign and independent state. The Republic of Croatia becomes a member of the United Nations.
1994	Agreement about normalisation of relations between Croatia and FR Yugoslavia is fulfilled.
1995	Croatian Government and the Serbs from the remaining occupied areas sign an agreement stipulating that western Srijem, eastern Slavonia and Baranja will be gradually and peacefully reintegrated with the rest of Croatia.

2. BRIEF CHRONOLOGY OF CROATIAN HISTORY

Post-war Croatia

- 1996** Croatia joins the Council of Europe. Relations between Croatia and the FR Yugoslavia are normalised. By agreeing to normalising relations Serbia has virtually acknowledged the failure of its expansionist plans.
- 1997** Presidential elections are held in Croatia. Dr. Franjo Tuđman wins with 61,41% of votes.
- 1998** The reintegration of the Croatian Danubian area into the Croatian constitutional and legal system is completed.
- 1999** Dr. Franjo Tuđman, the first President of the Republic of Croatia, dies.
- 2000** Parliamentary and presidential elections are held. Ivica Račan, Social Democratic Party leader, becomes Prime Minister and Stipe Mesić becomes the second Croatian President.
- 2001** Croatia signs Stabilisation and Association Agreement with the EU.
- 2003 February** Croatia submits formal application for EU membership.
- 2003 November** Parliamentary elections are held. Dr. Ivo Sanader, Croatian Democratic Union leader, becomes Prime Minister.
- 2004 April** The European Commission recommends opening full membership negotiations.
- 2004 June** The European Council decides to promote Croatia to the status of an official candidate for membership in the EU.
- 2005 January** Incumbent President Stjepan Mesić wins second term.
- 2005 October** Entry talks between the Republic of Croatia and EU officially launched.

Source: news.bbc.uk.co, APIU Trade and Investment Agency Croatia



Source:
CIA Fact Book

3

GENERAL COUNTRY INFORMATION

Population	
Total	4,495,904 (2005)
Zagreb (capital)	779,145 (2001)
Split	188,694 (2001)
Rijeka	144,043 (2001)
Osijek	114,616 (2001)

Source: Economist Intelligence Unit and CIA Factbook, APIU Trade and Investment Agency Croatia

Languages (2001)	% of total
Croatian	96.1
Serbian	1
Other (including Italian, Hungarian, Czech, Slovak and German)	2.9

Source: Economist Intelligence Unit and CIA Factbook

Ethnic Groups (2001)	% of total
Croat	89.6
Serb	4.5
Other (including Bosniak, Hungarian, Slovene, Czech and Roma)	5.9

Source: Economist Intelligence Unit and CIA Factbook

Religions (2001)	% of total
Roman Catholic	87.8
Orthodox	4.4
Muslim	1.3
Other and unspecified	1.3
None	5.2

Source: Economist Intelligence Unit and CIA Factbook

3. GENERAL COUNTRY INFORMATION

Public Holidays 2005	Occasion
January 1st	New Year's Day
January 6th	The Epiphany
April 16th	Easter (2006)
May 1st	Labour Day
June 15th	Corpus Christi (2006)
June 22nd	Anti-Fascist Resistance Day
June 25th	Croatian National Day
August 5th	Victory Day and National Thanksgiving Day
August 15th	Assumption
October 8th	Independence Day
November 1st	All Saints Day
December 25th-26th	Christmas

Source: Economist Intelligence Unit and CIA Factbook, APIU Trade and Investment Agency Croatia

Miscellaneous	
Currency	Kuna (HRK).
Exchange Rate	6.0848 per \$1 (Sept 2005)
Land Area	56,542 sq km
Climate	Mediterranean and continental
Time	GMT+1 (Standard Time)
	GMT+2 (Daylight Savings Time)
Country Access Code	+ 385
Fiscal Year	Calendar Year

Source: Economist Intelligence Unit and CIA Factbook

4

POLITICS

4.1. POLITICAL PANORAMA

Institutional Information	
Institutional Form	Republic of Croatia
President	Mr. Stjepan (Stipe) MESIC
Date of Election	January 2005 (Next election 2010)
Party	Croatian People's Party (liberal/democratic)

Source: www.vlada.hr, CIA Factbook, Economist Intelligence Unit

Party	Acronym	Positioning	% 2003 election
Croatian Democratic Union	HDZ	Center	33.9
Social Democratic Party	SDP	Left	22.6
Croatian People Party	HNS	Liberal	8
Croatian Peasant Party	HSS	Left	7.1
Croatian Party of Rights	HSP	Right	6.4

Source: <http://www.parlament.ro>

Different ministers in the Republic of Croatia	Name
Prime Minister	Mr. Ivo SANADER
Deputy Prime Minister for Economy	Mr. Damir POLANCEC
Minister of Agriculture and Forestry	Mr. Petar COBANKOVIC
Minister of Economy, Labour and Entrepreneurship	Mr. Branko VUKELIC
Ministry of Environmental Protection, Physical Planning and Construction	Ms. Marina Matulovic DROPULIC
Minister of Finance	Mr. Ivan SUKER
Minister of Foreign Affairs and European Integration	Ms. Kolinda GRABAR-KITAROVIC
Minister of the Interior	Mr. Ivica KIRIN
Minister of the Sea, Tourism, Transport and Development	Mr. Bozidar KALMETA
Minister of Family, Veteran's Affairs and Intergenerational Solidarity	Ms. Jadranska KOSOR
Minister of Culture	Mr. Bozo BISKUPIC
Minister of Defence	Mr. Berislav RONCEVIC
Minister of Health and Social Welfare	Mr. Neven LJUBICIC
Minister of Justice	Ms. Vesna Skare OZBOLT
Minister of Science, Education and Sport	Mr. Dragan PRIMORAC
Central Bank Governor	Mr. Zeljko ROHATINSKI

Source: www.vlada.hr, CIA Factbook, Economist Intelligence Unit, APIU Trade and Investment Agency Croatia

4.2. EU RELATIONSHIP

Key Events in EU-Croatian Relationship

29 October 2001	Stabilisation and Association Agreement (SAA) signed in Luxembourg.
21 February 2003	Croatia submits application for EU membership.
June 2003	Thessaloniki summit confirms accession perspective of Western Balkans countries, including Croatia.
20 April 2004	European Commission issues positive opinion on Croatia's application for EU membership.
17-18 June 2004	European Council confirms Croatia as candidate country.
16-17 December 2004	European Council sets 17 March 2005 as start date for negotiations.
19 January 2005	Croatian Parliament adopts the Negotiating Framework for negotiations with the Republic of Croatia, but does not reach agreement on the start of accession talks.
1 February 2005	Stabilisation and Association Agreement enters into force.
16 March 2005	European Council adopts Negotiating Framework for negotiations but does not reach agreement on start of accession talks.
26 April 2005	First meeting of Stabilisation and Association Council.
3 October 2005	Accession Negotiations between Republic of Croatia and the EU open in Luxembourg.

Source: <http://europa.eu.int/comm/enlargement>

4.3. RELATIONSHIP WITH THE INTERNATIONAL ENVIRONMENT

WTO	Membership since 30 November 2000
CEFTA	Membership since July 2001
SEE Countries	Signed Memorandum of Understanding on Trade Liberalisation and Facilitation in South East Europe (2004)
IMF	Despite the failure to complete the stand-by agreement with the IMF in August 2004, the IMF approved a new agreement, worth US\$141m and running to 2006. The precautionary arrangement, like the previous one, imposed strict fiscal targets in order to narrow the current account deficit and curtail the high level of external debt (which stood at around 80% of GDP in 2004).
World Bank	Discussion by WB Board of second Country Assistance Strategy in December 2004 to support successful accession and integration into EU. Proposed 4-year base case lending volume: \$ 1 bn (increase compared to previous lending level to improve structural reform and institution building efforts).

Source: Economist Intelligence Unit, www.worldbank.org, www.imf.org, www.wto.org, www.cefta.org

5

ECONOMICS

5.1. ROMANIAN ECONOMIC PANORAMA

5.1.1. GDP Indicators

GDP Indicators	2001	2002	2003	2004
GDP (mn €)	22,173	24,209	25,009	27,629
GDP Growth (%)	4.4	5.2	4.3	3.8
GDP per capita PPP (€)	8,600	9,260	9,373	10,290

Source: EBRD Transition Report 2004, Economist Intelligence Unit, APIU Trade and Investment Agency Croatia

GDP Composition by Sector (2003) in %

Services	63
Industry	28.8
Agriculture	8.2

Source: Economist Intelligence Unit

5.1.2. Trade Indicators

Balance of Payment Indicators

Trade Balance 2003 (mn €)	-6,980
Real % Change of Exports *	29.7
Real % Change of Imports *	16.7
Exports % of GDP *	47.5
Imports % of GDP *	52.9
Current Account Balance 2004 (mn €)	-1,446.7
Stock of External Debt 2004 (mn €)	2,267.5

Note: * % change from 2003 – 2004

Source: EBRD Transition Report 2004, Economist Intelligence Unit, APIU Trade and Investment Agency Croatia

5.1.3. FDI Indicators 2004

FDI Indicators 2004

FDI Inflow (mn €)	979
FDI Inflow Forecast 2005 (mn €)	1,000
FDI Inward Stock (mn €)	10,441

Source: wiiw database incorporating national statistics, APIU Trade and Investment Agency Croatia

Top 5 Investor Countries FDI Inward Stock 2003 (mn €)

1	Australia	2,145
2	Germany	1,811
3	USA	1,346
4	Hungary	521
5	Netherlands	456

Source: Economist Intelligence Unit

5.1.4. Credit Ratings

Country Credit Ratings

Standard & Poor's	BBB (stable)
Moody's	Baa3 (stable)
FITCH IBCA	BBB - (stable)
COFACE Risk Category	A4
OECD Credit Rating	4

Source: www.standard&poors.com, www.moodys.com, <http://www.fitchratings.com>, www.coface.com, www.oecd.org

5.1.5. Miscellaneous

Other Economic Indicators

Labour Force 2004 (mn)	1.4
Unemployment 2004 (% of Labour Force)	18.2
Inflation Consumer Prices 2004 (%)	2.1
Private Consumption 2003 (% of GDP)	61.03
Remittances 2001 (mn €)	812.17

Source: EBRD Transition Report 2004, Economist Intelligence Unit

5.2. GENERAL MACRO ECONOMIC DATA

5.2.1. GDP Indicators

General GDP Indicators 2003	GDP (mn €)	GDP per capita PPP (€)
Albania	5,391	3,619 ¹
Bosnia and Herzegovina	6,194	5,825 ¹
Bulgaria	17,529	6,575
Croatia	25,009	9,373
FYR Macedonia	4,116	6,002
Moldova	1,728	2,410
Romania	50,266	6,478
Serbia and Montenegro ²	17,272	4,113
SEEC-8³	127,505	44,395

PPP=Purchasing power parity.

Note: 1) Estimate; 2) Excluding Kosovo; 3) wiiw estimate

Source: National Banks, National Statistics Institutes of SEE countries and estimate by the Vienna Institute for International Economic Studies (wiiw)

Real GDP Growth (%) (annual average growth)	2003*	2004*	Forecast 2005
Albania	6.0	6.0	6.0
Bosnia and Herzegovina	3.5	5.0	5.2
Bulgaria	4.3	4.5	5.0
Croatia	4.3	3.2	4.1
FYR Macedonia	3.1	3.0	3.3
Moldova	6.3	7	6.5
Romania	4.9	5.0	5.4
Serbia and Montenegro ²	2.0	3.0	4.0
SEEC-8³	4.3	4.5	4.7

Note: 1) Estimate; 2) Excluding Kosovo; 3) wiiw estimate

Source: World Bank, 2005 World Development indicators - 2004 EBRD Transition report - INSTST Albania

*Source: National Banks, National Statistics Institutes of SEE countries and estimate by the Vienna Institute for International Economic Studies (wiiw)

5.2.2. FDI Indicators

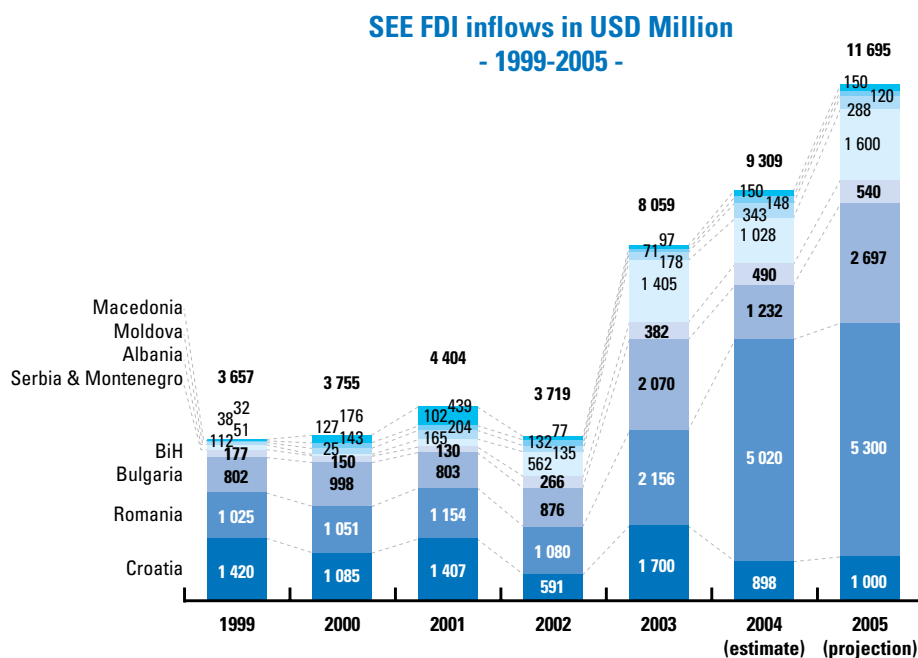
FDI Inflows (mn €)	2004*	Forecast 2005
Albania	201	400
Bosnia and Herzegovina	306	400
Bulgaria	1,958	1,800
Croatia	979	1,000
FYR Macedonia	121	100
Moldova	121	100
Romania	4,098	3,500
Serbia and Montenegro	804	800
SEEC-8	8,588	8,100

*Source: National Bank, BA-CA Konzernvolkswirtschaft, *2004 figure for Moldova is a projection by 2004 EBRD Transition Report.

Source: WIIW Database on FDI 2005

FDI Stock end 2004 (mn €)	
Albania	1,165
Bosnia and Herzegovina	1,328
Bulgaria	6,592
Croatia	10,815
FYR Macedonia	945
Moldova	725*
Romania	14,471
Serbia and Montenegro	3,361
SEEC-8	39,402

Source: National Bank, BA-CA Konzernvolkswirtschaft, *2004 figure for Moldova is a projection by 2004 EBRD Transition Report.



Source: National Bank, BA-CA Konzernvolkswirtschaft, *2004 figure for Moldova is a projection by 2004 EBRD Transition Report.

5.2.3. Demographic Indicators

Population vs Labour Force 2004	Population (mn)	Labour Force (mn)
Albania	3.1	1.1
Bosnia and Herzegovina	3.9	0.6
Bulgaria	7.8 (2015 – 7.2)	3.3
Croatia	4.5	1.4
FYR Macedonia	2.0 (2015 – 2.1)	0.8
Moldova	3.8 (2015 – 4.2)	1.4
Romania	21.9 (2015 – 20.9)	10
Serbia and Montenegro	10.6	23
SEEC-8	57	20.9

Source: UN Reference Centre; Human Development Report 2005 International cooperation at a Crossroads: Aid, trade and security in an unequal world



KEY ACHIEVEMENTS IN IMPROVING THE INVESTMENT ENVIRONMENT

Investment Promotion

- Establishment of Trade and Investment Agency APIU (2005)
- Ministry of economy, labour and entrepreneurship has issued a tender to provide grants to promote clustering activities (2004)
- Establishment of Central Electronic Craftsmen Register (2003)
- Investment Promotion Law (2000)
- HITRO.HR service for quick communication between private and public sector
- E-Judiciary: land registration digitalisation service

Investment Policy

- Enforcement of new Construction Law (2004)
- Law on Free Zones designed to unify special regulations applying in these areas within one single legal act (2002)
- Law on Fund for the Stimulation of Job Creation and Re-training (2002)
- "Construction Guide" brochure and "How to start a Business" brochure (2001)

Competition Policy

- Competition Council (part of Croatian Competition Agency) established by new Law on Protection of Market competition (2003)
- Enactment of Competition Act by Croatian Parliament (on 15 July 2003)
- Creation of National Competitiveness Council (supported by USAID)

SME Support

- Incentives Programme for Small and Medium Enterprises (May 2004)
- Establishment of Association of Exporters and Entrepreneurs (April 2004)
- Croatia signed the EU Charter for Small Business (in 2003)
- Creation of HAMAG (Croatian Agency for SMEs) (14/01/03)
- Creation of favourable credit environment for entrepreneurship development (2003)
- Law on Stimulating the Development of Small Enterprises (March 2002)
- Participation in CARDS 2001 and CARDS 2002 programming process
- Subsidies to business centres/incubators/zones (2002)

Tax Policy

- Elimination of tax on dividends (beginning 2005)
- Reducing tax burden via Incentives Programme for Small and Medium Entrepreneurship (May 2004)

6. KEY ACHIEVEMENTS IN IMPROVING THE INVESTMENT ENVIRONMENT

Corporate governance

- “Real property registration and cadastre reform” project, co-financed by World Bank and CARDS (2003-2008)
- Enforcement of new Construction Law (2004)
- Enforcement of new Aliens Law (2004)
- Adoption of State Aid Act (2003)

Anti-Corruption

- Adoption of Law on the Changes of the Law on the Office for the Prevention of Corruption and Organised Crime (14/03/05)
- Enforcement of National Programme for the Fight Against Corruption (2004)
- Enforcement of Law on the Office for the Prevention of Corruption and Organised Crime (2004)
- Adoption of Law on Changes of the Law on Prevention of Conflict of Interest in Pursuance of Public Offices (2004)
- Adoption of Law on Prevention of Conflict of Interest in Pursuance of Public Offices (Oct 2003)
- Adoption of Law on the Office for the Prevention of Corruption and Organised Crime (Oct 2001)

Public Governance

- Adoption of Consumer Protection Law (29/05/03)



SUCCESS STORIES FOR FDI

Company	Sector	Origin	FDI	Type	Year
Calzedonia	Textile	Italy/Luxemburg	€ 15 mn	Greenfield	1995
INA Industrija	Oil Industry	Hungary	€ 451 mn	Privatisation	2003
Valoviti Papir Dunapack	Paper Industry	Hungary	€ 15 mn	Greenfield	2002

7.1. Calzedonia

TOTAL INVESTMENT in 2004:	€ 15 mn
KIND OF INVESTMENT:	Greenfield
ESTIMATED ANNUAL REVENUE 2004:	€ 30 mn
EMPLOYMENT CREATD IN 2004:	147 new jobs
FOREIGN PARENT COMPANY:	Calzedonia S.P.A., Italy and Calzedonia Finanziaria S.A., Luxemburg
OTHER SEE COUNTRIES WHERE FOREIGN COMPANY HAS INVESTED:	Romania, Bulgaria
LOCATION OF INVESTMENT:	Turcin, Donji Kneginec

Date of Establishment:	1995
Sector of Industry:	Textile

Ytres d.o.o.
 Chief Executive: Mr. Dubravko Hoic
 42204 Turcin, Donji Kneginec,
 Ulica grada Verone 3, Croatia
 Phone: + 385 42 379 379/389
 E-Mail: info@ytres.com.hr

CALZEDONIA

intimissimi

tezenis

Calzedonia is a clothing and footwear company first established in Italy in 1987. It counts over 1,800 franchised stores worldwide, including those in Spain, Portugal, Austria, Croatia, Greece, Poland, Turkey, Mexico, Hungary, Cyprus, Lebanon, Russia, Slovenia, the USA and the Czech Republic. It has production units in Italy, Croatia, Bulgaria, Romania, and Sri Lanka. The Calzedonia Group entered Croatia in 1995, and in 2003 the subsidiary company Ytres d.o.o. was established. In May 2004, the Calzedonia Group opened a second factory in Croatia, which produces women's stockings.

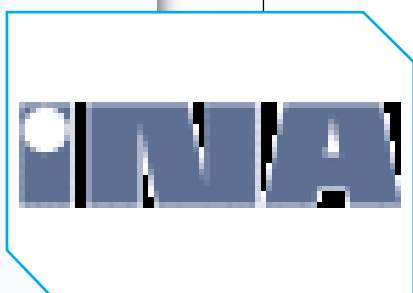
The factory has a surface area of 12,500 sq meters, and consists of a sewing and colouring department, an ironing and packing room, a final products warehouse, and office space. The factory is both environmentally friendly and equipped with high-tech machinery. Calzedonia employs 150 workers in Croatia, but that number is expected to increase to 300 shortly. Projected final production at the factory will reach 20 million pairs of stockings annually, which will be almost entirely exported. Estimated annual revenue is €30 million.

7.2. Ina Industrija Nafte D.D. Croatia

TOTAL INVESTMENT IN 2003:	€ 451 mn
KIND OF INVESTMENT:	Privatisation
FOREIGN PARENT COMPANY:	MOL - Hungary
OTHER SEE COUNTRIES WHERE FOREIGN COMPANY INVESTED:	Bosnia & Herzegovina

Date of Establishment:	2003
Sector of Industry:	Oil Industry

Av. Veceslava Holjevcica 10
HR – 10000 Zagreb
Tel: + 385 1 64 50 000
Fax: + 385 1 64 52 100
ina@ina.hr
www.ina.hr



“INA is well positioned in the Central European oil products market with strong market positions in Croatia, Bosnia and Herzegovina, Slovenia and exports to the Mediterranean market.

The strategic partnership with MOL will help INA strengthen its position in the region and to exploit synergies in all businesses, coordination of marketing activities, the exchange of knowledge and the implementation of joint projects that will help the realisation of growth targets.”

President of the Management Board, DR. SC. TOMISLAV DRAGICEVIC

INA was founded in 1964 when the operations of Naftaplin (oil and gas exploration and production) were merged with those of the refineries in Rijeka and Sisak. By the end of that decade INA had expanded to include the Zagreb lubricant plant, Trgovina (marketing and distribution of oil products), the OKI and DINA petrochemical operations and the Kutina fertiliser plant. In 1990 INA became a public company and in 1993 it was transformed into a joint stock company.

In the context of consolidation of the oil industry in the world and liberalisation of the energy market in EU countries and Croatia, the Croatian Government decided to privatise INA. In 2003, following a public bidding, the Hungarian oil and gas company MOL was selected as a strategic partner to INA. MOL signed a Share Sale Agreement and Shareholders Agreement with the Croatian Government for the acquisition of 25% plus one share, and the Cooperation Agreement with INA d.d.

INA's main activities are: exploration and production of oil and gas in Croatia and abroad; processing of crude oil through fuel refineries located in Rijeka (Urinj) and Sisak and the Maziva Rijeka lubricant plant; distribution of fuels and associated products through a chain of 410 retail outlets currently in operation throughout Croatia; trading in oil, derivatives and other products; wholesale and retail of LPG in Croatia (subsidiary Proplin d.o.o.); providing onshore and offshore oil related services through its drilling and oilfield services (subsidiary Crosco d.o.o.).

INA is aware that the nature of its activities can affect the health of the people and the environment by emissions and disposal of waste during oil and gas production, processing and marketing. Therefore, protecting the environment and safeguarding the health and safety of the people is one of the top priorities of the INA Group.

The Republic of Croatia still remains the majority owner. It is likely that the Croatian Government will commence the second stage of INA's privatisation in 2005.

7.3. Valoviti Papir Dunapack D.O.O

TOTAL INVESTMENT IN 2003:	€ 15 mn
KIND OF INVESTMENT:	Greenfield
EMPLOYMENT CREATED IN 2003:	123 new jobs
FOREIGN PARENT COMPANY:	Dunapack Ltd - Hungaria
OTHER SEE COUNTRIES WHERE	Bosnia Herzegovina, Bulgaria,
FOREIGN COMPANY INVESTED:	Serbia Montenegro, Romania
LOCATION OF INVESTMENT:	Zabok (close to Zagreb)

Date of Establishment:	2002
Sector of Industry:	paper industry

Trebez 2, HR – 49210 Zabok
 Tel : + 385 49 200 000
 Fax : + 385 49 200 020
v.p.dunapack@dunapack.hr
www.dunapack.hu



“Dunapack, a manufacturer of paper and packing material, established a new plant in Zabok: Corrugated Cardboard – Dunapack d.o.o., which manufactures and processes corrugated cardboard, the total investment amounting to € 23 mn. The new plant produces cardboard plates, boxes with or without printed text, boxes for food industry and chemical industry, transport packing and reproduction material for manufacturers.

The employment projections for the forthcoming period provide for hiring additional 40 workers. The anticipated production of 50,000 tonnes will account for 20% of the market share in Croatia, half of the production being distributed on the domestic market and the other half in Slovenia, Hungary, Bosnia and Herzegovina, Austria, and Serbia and Montenegro. In the medium run it is envisaged to establish other plants in Slovenia, Serbia, Montenegro, and Bosnia and Herzegovina.”

Chief Executive, MR. ZVONIMIR CULJAK

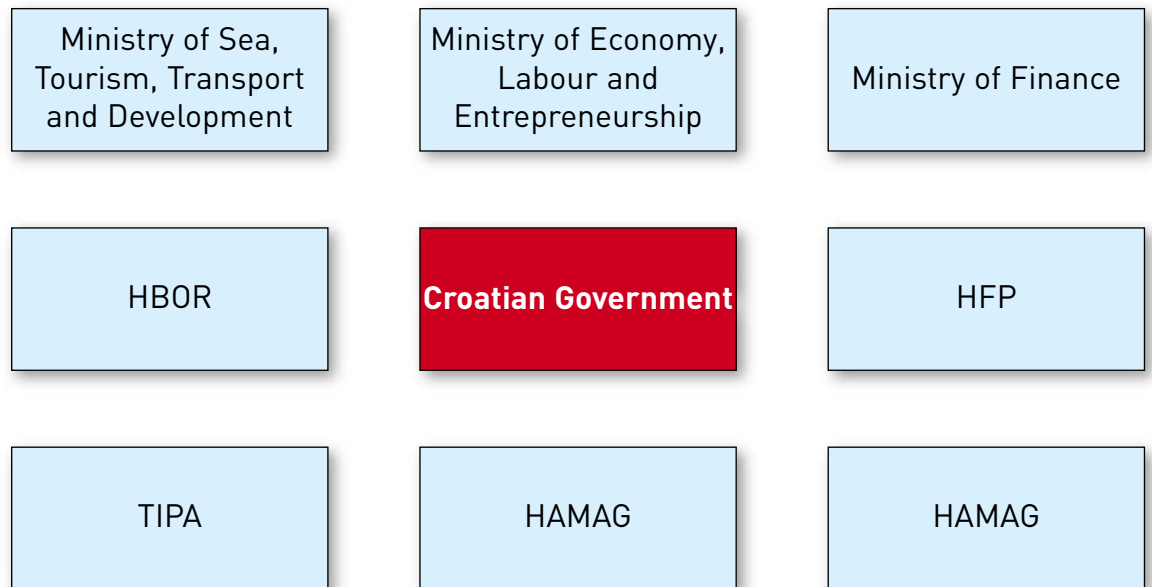
Valoviti Papir Dunapack d.o.o. was established as a limited liability company in January 2002 in Croatia. The company is 100% owned by Hungarian DUNAPACK Ltd, member of Hamburger/Mosburger/ Dunapack Group which was established 150 years ago.

The owner of the company is the Hamburger Group, managed by the Austrian industrial entrepreneur Thomas Prinzhorn. Having played a decisive role in the Hungarian paper manufacturing and converting industry through several decades of experience, an austrohungarian joint venture was established in 1990 and privatised in 1995. The company with a new organisational structure, an international background and a paper making and converting base operates a modern management system capable of meeting market challenges at the highest level. Dunapack Ltd is one of the largest manufacturers of paper-based packaging materials in Central and Eastern Europe. Dunapack Ltd. produces 245,000 tonnes of paper and 142,000 tonnes of packaging material annually, and operates in a divisional system. In addition to its Hungarian plants, the company has several East European subsidiaries. Production facilities exist in Romania, Poland, Bulgaria, Ukraine and Croatia and Valoviti Papir Dunapack d.o.o., which started its operations in 2003.

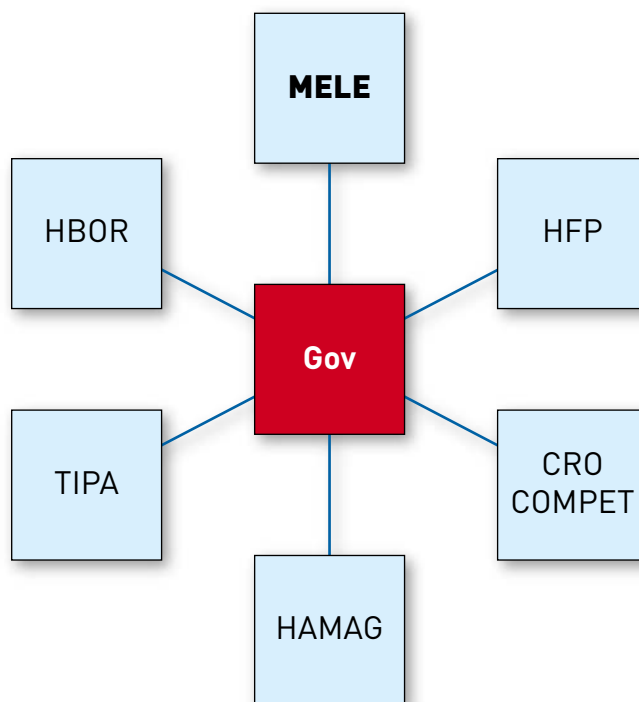
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MAIN ACTORS AND INTERACTION

8.1. PUBLIC SECTOR



Ministry of Economy, Labour and Entrepreneurship (MELE)

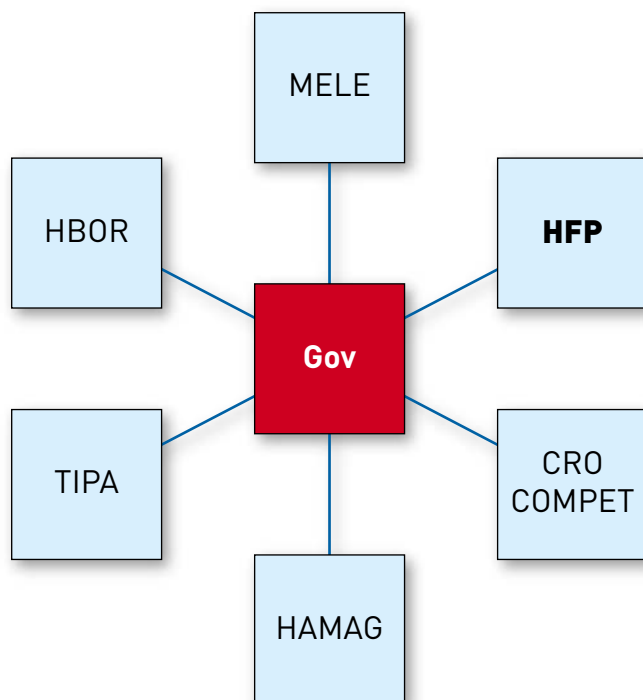


- Created from the merger of three separate ministries: the Ministry of Economy, Ministry of Labour and Social Care and the Ministry of Crafts and Small and Medium Entrepreneurship

www.mingorp.hr
info@mingorp.hr

8. MAIN ACTORS AND INTERACTION

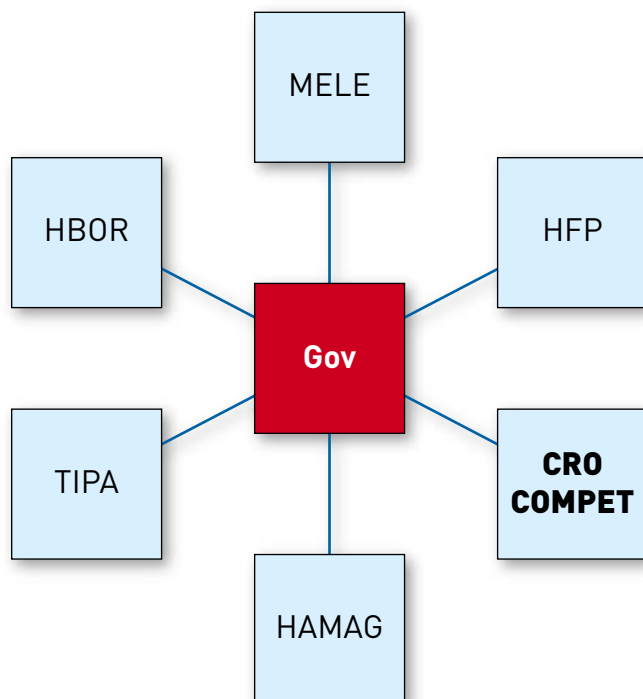
Croatian Privatisation Fund (HFP)



- Transformation of socially-owned enterprises into public companies
- Privatisation of shares, interests, property rights
- Management of legal entities in which state institutions hold shares and interests

www.hfp.hr
investcroatia@hfp.hr

Croatian Competition Agency (CROCOMPET)

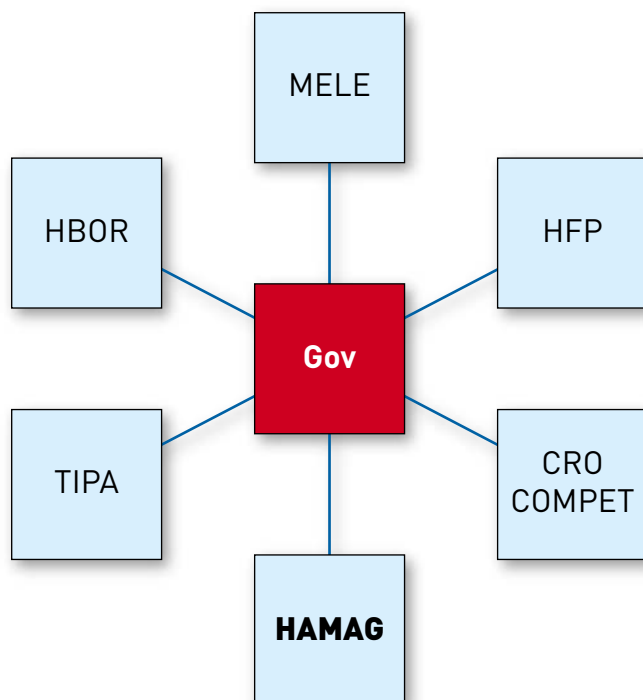


- Administrative and professional activities relating to competition, in the area of anti-trust and state aid

www.crocompet.hr
Agencija.ztn@crocompet.hr

8. MAIN ACTORS AND INTERACTION

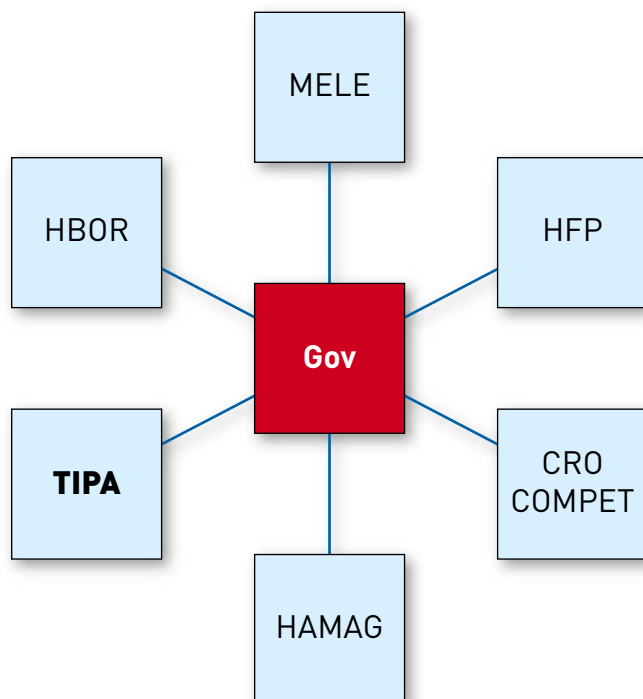
Croatian Agency for Small Business (HAMAG)



- Encouragement of small business development
- Creation of stimulating environment:
 - by developing efficient support infrastructure
 - by providing business incentives

www.hamag.hr
hamag@hamag.hr

Trade and Investment Promotion Agency (TIPA)

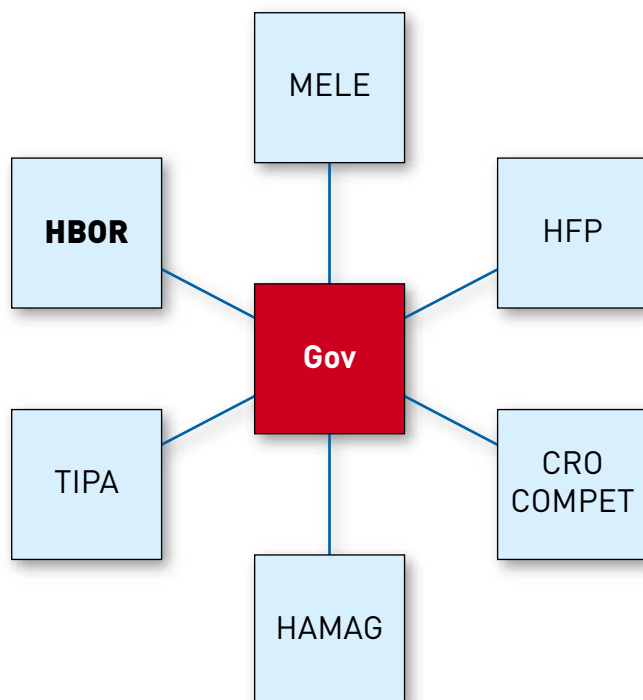


- Information on economic and legal investment environment
- Investment facilitation through cooperation with national, regional and local institutions
- Assistance in investment projects
- After-care services for investors

www.apiu.hr
info@apiu.org

8. MAIN ACTORS AND INTERACTION

Croatian Bank for Reconstruction and Development (HBOR)



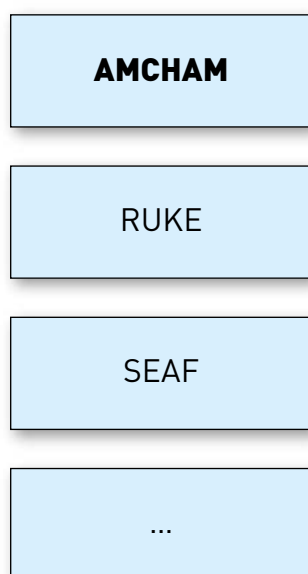
- Promotion of exports
- Financial support for the development of economic activities
- Provision of business services
- Promotion of SMEs
- Financial support for the infrastructure projects

www.hbor.hr

kperutka@hbor.hr

8.2. PRIVATE SECTOR

American Chamber of Commerce (AMCHAM)



- Promotion of the interests of US and other foreign businesses in Croatia and of Croatian businesses abroad
- Improvement of the business environment in Croatia
- Promotion of high standards of commercial practice

www.amcham.hr

info@amcham.hr

8. MAIN ACTORS AND INTERACTION

Association for SME Development (RUKE)

AMCHAM

RUKE

SEAF

...

- Provision of training, consulting and investment for socially-responsible businesses
- Provision of micro-finance and entrepreneurship training for socially-excluded and at-risk groups
- Provision of tools, training, advocacy and consulting to tackle corruption

www.integrausa.org

ruke@zg.hinet.hr

Small enterprise assistance fund (SEAF)

AMCHAM

RUKE

SEAF

...

- Provision of risk capital to local small and medium sized enterprises in underserved markets

www.seaf.hr

info@seaf.hr

8.3. PUBLIC AND PRIVATE SECTOR

National Competitiveness Council (NCC)

NCC

HGK

- Four different interest groups involved: the economy, the government, trade unions, and science and education
- Promotion of ideas and principles that enable long-term sustainable economic development

<http://nvk.multilink.hr>

mira.lenardic@hup.hr (general secretary)

Croatian Chamber of Economy (HGK)

NCC

HGK

- Representation of its member companies
- Promotion of Croatian economy abroad
- Establishment of contacts between domestic and foreign business entities
- Promotion of fair trade practices and ethics, protection of consumers

www.hgk.hr

hgk@hgk.hr



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