

## U.S. Country Commercial Guides



# Croatia

2018

## Table of Contents

<b><i>Doing Business in Croatia</i></b> _____	<b>5</b>
Market Overview _____	5
Market Challenges _____	5
Market Opportunities _____	6
Market Entry Strategy _____	7
<b><i>Political Environment</i></b> _____	<b>8</b>
Political Environment _____	8
<b><i>Selling US Products &amp; Services</i></b> _____	<b>9</b>
Using an Agent to Sell US Products and Services _____	9
Establishing an Office _____	9
Franchising _____	10
Direct Marketing _____	10
Joint Ventures/Licensing _____	11
Selling to the Government _____	11
Distribution & Sales Channels _____	12
Express Delivery _____	12
Selling Factors & Techniques _____	12
eCommerce _____	13
Trade Promotion & Advertising _____	15
Pricing _____	16
Sales Service/Customer Support _____	16
Protecting Intellectual Property _____	17
Due Diligence _____	17
Local Professional Services _____	18
Principle Business Associations _____	18
Limitations on Selling US Products and Services _____	18
Web Resources _____	18
<b><i>Leading Sectors for US Exports &amp; Investments</i></b> _____	<b>20</b>
Distributed Energy Resources _____	20
Smart Technologies _____	22

Medical Tourism _____	25
Advanced Manufacturing _____	27
Agricultural Sector _____	29
<b>Customs, Regulations &amp; Standards _____</b>	<b>34</b>
Trade Barriers _____	34
Import Tariff _____	34
Import Requirements & Documentation _____	34
Labeling/Marking Requirements _____	34
U.S. Export Controls _____	35
Temporary Entry _____	35
Prohibited & Restricted Imports _____	35
Customs Regulations _____	36
Standards for Trade _____	36
Trade Agreements _____	38
Licensing Requirements for Professional Services _____	38
Web Resources _____	38
<b>Investment Climate Statement _____</b>	<b>40</b>
Executive Summary _____	40
<b>Trade &amp; Project Financing _____</b>	<b>41</b>
Methods of Payment _____	41
Banking Systems _____	41
Foreign Exchange Controls _____	43
US Banks & Local Correspondent Banks _____	43
Project Financing _____	43
Financing Web Resources _____	46
<b>Business Travel _____</b>	<b>47</b>
Business Customs _____	47
Travel Advisory _____	47
Visa Requirements _____	47
Currency _____	48
Telecommunications/Electric _____	48
Transportation _____	49
Language _____	50

**Health \_\_\_\_\_ 50**  
**Local Time, Business Hours and Holidays \_\_\_\_\_ 50**  
**Temporary Entry of Materials or Personal Belongings \_\_\_\_\_ 51**  
**Travel Related Web Resources \_\_\_\_\_ 51**

**INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S.  
DEPARTMENT OF STATE, 2017. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.**

## Doing Business in Croatia

### Market Overview

Croatia is a small and complex market, but plays an important role in the economic and political stability of Southeast Europe. This region, the size of Texas in area, represents a market of roughly 60 million people and over \$600 billion in GDP. It has significant growth potential, as its integration process into the European Union continues and as local populations strive to achieve the lifestyle of the more developed Western European countries that have three-four times higher GDP per capita.

Croatia has been a member of NATO since 2009 and joined the European Union in 2013. Croatia enjoys an excellent geographic position that could allow it to serve as a regional hub for U.S. companies. Zagreb, its capital, is only about a four-hour drive away to Vienna, Venice, Budapest, or Belgrade, and only a two-hour drive from the beautiful Adriatic coast. Croatia has excellent roads, sound ICT infrastructure, and a competitive white-collar workforce. The Croatian government has announced significant investments to improve its poorly developed rail system during the next few years. The quality of life in Croatia is very high: it is a safe country, with good food, well-preserved nature, a mild climate, and abundant historical sites and other tourist attractions.

Unfortunately, Croatia has not fully completed the transition to a market economy. A socialist mindset still prevails in parts of Croatian society. The income of the majority of Croatians still comes from the government budget, social insurance, or public monopolies, not from revenues of truly competitive companies that operate strictly on market-based principles. So, any reforms that address public overspending, corruption, or bureaucratic and judicial inefficiency usually face strong resistance from the privileged majority, and can take a long time to implement.

Fortunately, there are also a growing number of vibrant, innovative entrepreneurs leading small-and-medium-sized, sophisticated, and internationally-competitive companies across many industry sectors in Croatia. These companies have strong potential to grow, and could become the locomotive of the Croatian economy and catalyst in the transformation of Croatian society. As they tend to buy state-of-the-art, cost-effective equipment and technology, they also represent excellent potential partners for U.S. suppliers already present in the European market, adjusted to the EU technical and safety standards and providing after-sales services from locations in or near Croatia.

### Market Challenges

Croatia is a developing economy and, despite significant progress in economic and administrative reforms since its independence in 1991, problems remain. These include a judiciary plagued by case backlogs and a lack of expertise in commercial affairs, an overly complex and sometimes non-transparent bureaucracy, the country's relatively high costs, and both real and perceived issues of corruption. Employment taxes are high and there is a lack of good real estate title records. Companies that face court disputes in Croatia often need many

years to reach a final resolution. They also complain about a lack of enforcement and dubious court rulings.

Despite the Regulation Impact Assessment Law adopted in 2011 and substantially revised in 2017, many government agencies still avoid or do a poor job when consulting with the public or preparing impact assessment studies prior to proposing any new legislation or changes to legislation. These changes are frequent, making long-term business planning a major challenge.

The current Croatian government, elected in October 2016, announced a comprehensive program of planned reforms to address the complaints and suggestions from the business community. Unfortunately, its implementation has been slow. Overall, the business and investment climate in Croatia is still considered difficult, requiring caution and patience for success by foreign companies.

U.S. firms entering this market must contend with a typically mature market with well established, mainly European, competition. The Croatian consumer is discriminating and will consider many factors beyond brand loyalty in purchasing decisions.

### **Market Opportunities**

As it endeavors to fully integrate into NATO and the European Union, Croatia primarily needs technologically advanced, cost-effective U.S. goods and services that will help modernize its defense capabilities, increase energy independence, and improve governance and production. In particular, Croatia's defense, energy, information and communication, and medical industry sectors would benefit from U.S. exports and investment for Croatia to remain a safe, democratic, and prosperous country that serves as an example for others in the Western Balkans that are yet to join the EU or NATO.

Croatia is replacing its outdated fighter jets, helicopters, and defense infrastructure with modern, NATO-compatible equipment (although the fighter jets being acquired are used F16s from Israel, rather than new). It is also looking to become a regional import hub of LNG, and plans to build a floating LNG terminal at Krk Island, supported by EU funds. Croatia's mild, Mediterranean climate with high solar coverage, as well as its strong tourism industry makes it attractive to U.S. firms supplying Distributed Energy Resource technologies (such as photovoltaic units and advanced batteries located in households and businesses behind the meter, connected to a smart grid).

U.S. firms can also leverage their expertise with advanced information and communication technologies such as in the Internet of Things, Artificial Intelligence, and Blockchain. The Croatian government is digitalizing administration, and Croatian cities seek smart solutions to better manage their resources. EU development funds abundantly support investments in smart governance, mobility, and production. A total of \$300 million of EU funds has been allocated to support advanced manufacturing in Croatia.

Croatia's privately-owned clinics and hospitals are steadily increasing in number and size, providing a sound alternative to the struggling public healthcare system. This trend could be further boosted by the development of medical tourism, an area in which Croatia has excellent potential, given the high quality of its physicians, their relatively low wages, and the attractiveness of the country as a destination for tourists and retirees.

### Market Entry Strategy

Because the Croatian market is fairly sophisticated, businesses considering entry should plan well and consider:

- The price sensitive nature of consumer demand in Croatia;
- A judicious selection of one of three low-risk entry strategies: representation; agency or distributorship. (Note that, if possible, a Croatian agent or distributor is still preferable to a "European office" due to the difficulty of the language and other idiosyncratic market factors);
- After-sales service, follow-up and training are essential;
- The entrenched bias of a conservative market that sticks to known suppliers and therefore requires sustained market development; and
- Croatia's position as the pre-eminent stepping-stone for developing most sectors in southeast Europe.

Thorough due diligence of potential partners and specific business opportunities (especially in the real-estate sector) significantly reduces the risk of failure or long-lasting commercial and investment disputes. The U.S. Commercial Service in Croatia offers to U.S. exporters a number of cost-effective business facilitation services, including counseling, information on key local contacts, appointment setting, background checks on potential business partners, and organizing single and multi-company promotion events. For a full list of the services offered please visit: [Export.gov/Croatia](https://www.export.gov/Croatia).

## Political Environment

### Political Environment

For background information on the political and economic environment of the country, please click on the link below to the [U.S. Department of State Background Notes](#)



## Selling US Products & Services

### Using an Agent to Sell US Products and Services

When appointing a Croatian distributor, U.S. exporters should take care to find out if the distributor handles a competing product. In Croatia's competitive marketplace, it is essential that the U.S. exporter provide adequate servicing, spare parts, and components, as well as qualified personnel capable of handling service inquiries. In most cases, after-sales service should be available locally since potential delays often lead purchasers to seek alternative suppliers. Often funds for product marketing need to be provided by the U.S. company in order to ensure wide promotion and distribution of goods.

The U.S. Commercial Service has found that the most successful ventures by U.S. companies in Croatia are those where there has been thorough market research prior to engaging in a search for agents or distributors. U.S. exporters should carefully investigate the reputation and financial references of a potential agent or distributor and establish a clear agreement delineating the responsibilities of both the exporter and the agent.

For additional information, please e-mail the U.S. Commercial Service office at: [office.zagreb@trade.gov](mailto:office.zagreb@trade.gov).

### Establishing an Office

An excellent first stop for information on establishing a Croatian company is the "Hitro" office ([HITRO](#)), established by the Croatian government to assist citizens and businesses in communicating with government entities. The Croatian Companies Act regulates the establishment and organization of business entities in Croatia. All firms must register according to the Court Register Act and the Rules of Court Register Entry Procedures. The most common types of companies in Croatia include:

#### **Private Limited Company (d.o.o.)**

Private limited companies are the most common type of company in Croatia. It is one in which one or more legal entities or natural persons invest in initial authorized stakes, with which they participate in the total authorized capital. Owners may be domestic or foreign legal entities and natural persons. Company assets are strictly separated from the personal property of the owners. The company is liable for its debts with all its assets. The initial authorized capital of a private limited company must be shown in Croatian currency - Kuna (HRK). The minimum amount of initial authorized capital may not be below HRK 20,000.

#### **Public Limited Company (d.d.)**

A public limited company is based on capital, with owners (shareholders) investing in authorized capital divided into shares. The company is liable for its debts with all its assets. Shareholders are not liable for the debts of the company. The basic document for a public limited company is the articles of association, as it specifies the internal organization of the company. Authorized capital and shares must show par value in Croatian currency. The

minimum amount of authorized capital is HRK 200,000. The Companies Act provides for a simultaneous and successive establishment of a public limited company. Company founders are the shareholders who have adopted the articles of association.

### **Branch Office**

Under Croatian legislation, foreign companies and sole traders may conduct business in Croatia by setting up a branch office. The start-up and operation of branch offices owned by foreign companies are governed by the same regulations that apply to the establishment of branches by domestic companies.

A branch office is not a legal entity. The liabilities and rights stemming from its operation do not belong to the branch office but to the founder. The founder legally holds all rights and obligations of branch offices. In case of a dispute with third parties, the branch is not a party to it, but the company or sole trader that owns the branch. The branch office operates under its own name. The name should indicate both the branch's and the founder's registered office. If the same founder intends to establish several branch offices, the establishment procedure is carried out separately for each branch.

### **Franchising**

Franchising is a relatively new business concept in Croatia. There are between 120 and 150, mostly foreign, franchisors operating in the Croatian market. McDonald's has been present in Croatia since 1996 and has a total of 25 restaurants in 10 cities. The more recent U.S. franchises to enter the market include SIGNARAMA, RE/MAX, Kentucky Fried Chicken, and Burger King. Tourism and hospitality are considered to be the most promising sectors for franchise development. The typical prospective franchisee knows little about franchising and needs to be educated by the franchisor on how he/she could benefit from the concept. Numerous opportunities for advertising exist in the local daily press and specialized magazines.

### **Direct Marketing**

Although direct marketing is becoming more common in Croatia, it is still in its early stages compared with developed Western countries. An average potential customer is unlikely to get more than a few phone calls or messages a year to his home or cell phone number made by companies to market their services or products. Currently, local banks, insurance and telecommunication services companies make such solicitations. Nevertheless, in 2017, the Croatian Regulatory Authority for Network Industries (HAKOM) introduced a possibility for telecom service consumers to opt-out from receiving direct marketing type of calls and messages by registering their phone number in the NE ZOVI (Do Not Call) register.

Direct marketing by mail is quite common, and households receive such mail on a daily basis, typically from local supermarket chains, restaurants and personal services providers. Credit

card companies regularly include in their bills special offerings of various consumer goods in partnership with other companies. Also, use of the internet for direct marketing is becoming increasingly popular.

### **Joint Ventures/Licensing**

The Law on Companies regulates the establishment of joint-ventures, investment in companies with mixed ownership, as well as other types of foreign or domestic investment. This law, adopted in 1994, is very similar to the German Company Law. Establishment procedures require a Croatian lawyer, a notary public, and registration with the local Commercial Court.

There are no specific laws regulating licensing other than the Law on Obligations ("Commercial Code") which addresses contract law. The licensing contract should also cover intellectual property rights issues (trademark, model, patent or copyright), payments/royalties, the term of the contract, restrictions on using trademarks, etc. A Croatian lawyer should be consulted to ensure that provisions of the contract do not contravene Croatian law, making the agreement null and void.

### **Selling to the Government**

As an EU member, Croatia is part of the WTO Government Procurement Agreement. The new Croatian Public Procurement Law entered into force in December 2016. The Law is based on the latest EU procurement directives and provides for the most economically advantageous tender ("MEAT") as the sole award criterion. The Law applies to all purchases made by government bodies including those of the local government and majority state-owned companies and institutions. These institutions (which include some of the key utility and transportation companies, most hospitals, schools, some banks and insurance companies) are obliged by law to perform most of their procurement by public tender. Because these tenders are often written only in the Croatian language and are not automatically available on company websites, interested U.S. bidders are advised to engage a local Croatian-speaking representative to monitor the Official Gazette on a daily basis. The representative can purchase the tender documentation on behalf of the U.S. firm, discuss issues with the buyer, deliver the U.S. exporter's bid, etc. The U.S. Commercial Service is also available to assist with obtaining tender documentation.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to the "Project *Financing*" section in "*Trade and Project Financing*" for more information.

## **Distribution & Sales Channels**

Croatia's distribution system is formalized by the Law on Trade which regulates the activities of wholesalers and retailers.

With over twenty percent of the nation's population and its central location, the capital city of Zagreb is the primary distribution center for the country. The port cities of Split and Rijeka are also important distribution points, and the eastern city of Osijek is the largest and most important distribution point in that region of the country. Croatia's geographic location, access to seaports, and well developed road (but not rail) transportation system give the country distinct advantages as a regional distribution point, particularly to countries located within the geographic area of the former Yugoslavia.

There are an estimated 7,500 retail outlets in Croatia (including kiosks, small shops, and open markets). In recent years newly developed shopping centers (such as Importantne, King Cross, Kaptol Centar, Avenue Mall, City Centar One, West Gate, Garden Mall, and Arena Centar in Zagreb), modernized or newly-established domestic supermarket and retail chains (such as Konzum, Dinova-Diona, Prehrana, Plodine), and foreign chains (such as Billa, DM, Mercatone, Metro, Bauhaus, Baumax, Kaufland, Lidl, and Interspar) have become dominant players in the marketplace. When the most important domestic retail chain Konzum and its parent company Agrokor faced severe financial difficulties in early 2017, the Croatian government intervened to prevent bankruptcy and appointed a commissioner to help the creditors restructure the company. The company is currently undergoing restructuring that could affect its distribution channels and footprint in the region.

## **Express Delivery**

The most well-known express delivery firms present in Croatia include Fedex, DHL, UPS, and TNT. The usual time needed for shipping documents from/to the United States is two days. If customs procedures are required, at least one more day should be added, providing that all the necessary documents are enclosed in the shipment. Shipments valued less than \$20 need do not to be processed by customs. Croatia is part of the EU customs zone, and no customs procedures are needed for shipments from/to EU countries.

## **Selling Factors & Techniques**

Factors/techniques critical to success in Croatia are not different from most other countries: a product/service that offers value for the money, close and frequent contact with buyers, motivated and trained middlemen, aggressive market promotion, and, for technical products, a professional and customer friendly after-sales service network in place. Often, the ability to provide financing is also important.

New products entering the market require extensive market research and mass advertising to identify potential customers' buying patterns and preferences. This applies particularly to unknown brand names, as Croatians are very brand conscious.

Due to the size of the Croatian and neighboring markets, highly specialized products might be best marketed through a regional representative.

## **eCommerce**

### **Overview**

E-commerce in Croatia has been growing since the country joined the EU in 2013. According to recent research by the Croatian daily Poslovni Dnevnik, there were approximately 1.75 million online-buyers in Croatia at the end of 2017 (Croatia's population is 4 million). In 2017, the growth rate was 18% with 250,000 new online shoppers. Reportedly, 60% of internet users in Croatia purchase online, and 6-10% of internet users purchase at least once a month (a 9% increase from the previous year). Only 6% of online users have never purchased online. Market research agencies estimate that the value of the e-commerce market in Croatia is \$446 million, and that Croatian retail chains generate approximately \$30 million in revenue through online transactions per year.

### **Current Market Trends**

The estimated annual growth rate of e-commerce in Croatia during the next few years is 8%. Adjusting to EU legislation will likely be the major challenge for Croatian companies engaged in e-commerce. In February 2014, the Croatian Electronic Commerce Act was harmonized with the EU Directive 2000/31/EC.

### **Domestic B2C eCommerce**

An estimated 20% of Croatian businesses are active in e-commerce, and retailers are increasing their use of new technologies and business models (such as voice-driven purchasing, or requiring customer subscriptions to access certain products or services). Online shopping is heavily promoted in the media.

### **Cross-Border eCommerce**

An estimated 40% of Croatian online shoppers order from stores outside of Croatia, mostly from China and the EU. The main focus is on the media and electronics sectors, with a market value of \$181 million in 2018. Online shoppers also buy clothing, shoes, fashion accessories and food. About 40% of Croatian online retailers serve exclusively the Croatian market, while another 40% are open to global markets.

Since Croatia is a relatively new EU member and a small market, many European online retailers have blocked deliveries to Croatia. However, according to an announcement released by the European Commission on Dec 23<sup>rd</sup>, 2017, this unfair practice that made e-shopping difficult for Croatians and some other EU nationals will be abolished in December 2018. Once this barrier is removed, the Croatian online market will have greater potential for growth.

## **B2B eCommerce**

An estimated 20% of Croatian enterprises are active in eCommerce and most of the B2B eCommerce happens in the ICT sector.

## **eCommerce Services**

Croatia has a sound ICT infrastructure and plenty of innovative startups, as well as talented programmers and designers. Sufficient high-quality service providers exist to support further development of eCommerce.

## **eCommerce Intellectual Property Rights**

Croatia is a member of the World Intellectual Property Organization (WIPO). As an EU member, it has effective enforcement instruments in the field of intellectual property rights protection.

## **Popular eCommerce Sites**

Amazon, eBay, and Extreme Digital are the most popular sites in Croatia, along with locally-developed platforms [eKupi](#) and [Abrakadabra](#).

## **Online Payment**

When it comes to online shopping, 21% of buyers use credit cards to pay for their online orders. PayPal and other similar services are used by only 10% of buyers. A growing trend is the use of smart phone payment applications issued by banks (currently used by 13% of buyers). However, many consumers still prefer to use direct bank transfers (31%) or Cash on Delivery (25%). The delivery is typically done through shipping companies, such as the Croatian Post (20%), Overseas (18%), GLS (21%), and 12% is a personal delivery. The most popular payment gateways are: WSpay (38%) T-Com (32%) and CorVus (22%).

## **Mobile eCommerce**

Devices used for shopping include all kinds of smart devices from smart phones through to tablets and laptops. However, desktop computers remain the most popular for online shopping.

## **Digital Marketing**

Digital marketing is becoming increasingly popular in Croatia. Also, there is an annual growth of 3-4% in leasing outdoor advertising of digital screens in public places, especially in and around shopping centers. As about 85% of Croatians regularly visit shopping centers where the annual consumption is around \$3 billion, it is expected that this sector will grow about 20%-30% by 2020.

Market research in 2017 indicated that more than 95% of young people in Croatia access the internet through smartphones. Native advertising -- adds integrated with the content and style of the web page -- is increasingly popular. An estimated 70% of Croatian companies advertise by e-mail, while 80% of online retailers use Facebook as their advertising channel.

### **Major Buying Holidays**

The major consumer “buying holidays” in Croatia are St. Nicholas, Christmas, New Years’, and Valentine’s Day.

### **Social Media**

Most internet users (more than 74%) in Croatia use the internet for social media. 81% goes to researching data, 81% for entertainment, 63% online assignments, 18% online content and 42% for helping others to explain how to do something. The most popular social networking site is Facebook. In a 2015 study, Facebook Croatia had 1.8 million users: 50.6% male and 49.4% female, and 40% of users were 25 or younger. Younger Facebook users use the platform as a source of information while older users tend to use it for personal or other communication. Twitter is the second most popular platform used mostly by politicians and journalists. LinkedIn is third. Snapchat and YouTube also have a lot of active, younger users.

### **Trade Promotion & Advertising**

Trade events and fairs continue to be popular in Croatia. The single largest event in Croatia is the annual Zagreb Fall Fair (September), which attracts nationwide attention and includes numerous foreign exhibitors. The Zagreb Fair Authority organizes a number of industry-focused or specialty exhibitions during the year in sectors such as consumer goods, food processing, environmental technology, medical equipment, pharmaceuticals, automobiles and automotive parts, information technology, textiles and apparel, wine, etc. For more information on these events, contact:

Zagreb Fair  
Avenija Dubrovnik 15  
10 020 Zagreb, Croatia  
Tel: (385)(1) 650-3111  
Fax: (385)(1) 652-0643  
E-mail: zagvel@zv.hr  
Internet: [Zagreb Fair](#)

Several annual trade events organized by the [Split Fair](#) and other private organizers throughout Croatia have become increasingly popular in recent years. The list of all trade events in Croatia is available online at [SAJMOVI](#).

The U.S. Commercial Service can assist U.S. exporters to organize a tailored company or product presentation to a selected audience. The standard Single Company Promotion fee-based service includes room and equipment rental, invitation list preparation, invitation

mailing, event organization and follow up. For additional information, please e-mail the U.S. Commercial Service office at: [office.zagreb@trade.gov](mailto:office.zagreb@trade.gov).

## **Advertising**

While the number of publications is growing, television (which reaches 90% of the market) is the most important media in Croatia for advertising. Outdoor advertising is also growing. By distribution, about 60% of advertising expenditure goes to TV, 15% to newspapers, 10% to magazines, and 5% to outdoor billboards. Radio is experiencing growing interest, currently receiving about 10% of advertising expenditures.

Croatia has four state-owned and five private TV channels as well as five regional and six local channels; satellite and cable TV bring dozens of other channels into the market. The most advertised products are telecommunications, vehicles, financial institutions, beverages and newspapers. Croatian regulations prohibit television advertisement of tobacco, alcohol, and spirits.

The six national daily newspapers account for 60% of advertising expenditures for print periodicals.

More than 6,000 billboards populate Croatia. Prices range from \$140 per month to \$265 per two-week period depending on frequency and category. It is recommended that 150-200 billboards be used for a nationwide launch campaign.

Key TV stations include state-owned Croatia Radio Television, and privately-owned RTL and Nova TV (the latter being acquired by KKR, a large U.S. private investment firm, via its portfolio company United Group). Key Internet service providers include T-Com, Iskon, VipNet, Amis, Optima, and Metronet. There are many international advertising firms with offices in Croatia and a substantial number of Croatian advertising agencies. Public relations agencies are also available. Contact details are available from the U.S. Commercial Service.

## **Pricing**

The level of prices in Croatia is generally high, even compared to prices of similar products/services in Western European countries and the United States, thus making imported products price competitive. The Croatian currency, the Kuna is tied to the Euro and the standard Value Added Tax (VAT) in Croatia is 25% (since 2016, there are also reduced rates of 13% and 5% for selected products and services).

## **Sales Service/Customer Support**

In the Croatian consumer market, after-sales service is extremely important, especially in terms of providing technical and spare part services to prospective clients. Many Croatian consumers will base purchasing decisions on the prospective after-sales service for their products, especially in high-end luxury goods such as electronic equipment. Appointing a



central distributor that stocks spare parts and provides maintenance and repair service is recommended for both existing brands and new brands breaking into the market. Foreign companies that bring strong customer support systems to the market will find themselves with a competitive edge.

## Protecting Intellectual Property

In March 2004, the Croatian Parliament ratified a comprehensive bilateral Memorandum of Understanding between the United States and Croatia on the Protection of Intellectual Property Rights. In general, intellectual property is well-protected in Croatia and there are several highly capable local law offices specialised in IPR protection available to U.S. exporters. For contact details, please e-mail the U.S. Commercial Service office at: [office.zagreb@trade.gov](mailto:office.zagreb@trade.gov).

The following is the contact information for the key Croatian IPR institution:

State Intellectual Property Office

Ms. Ljiljana Kuterovac  
Managing Director  
Ulica grada Vukovara 78  
10000 Zagreb, Croatia  
Phone: 385/1/610-6100  
E-mail: [kabinettravnatelj@dziv.hr](mailto:kabinettravnatelj@dziv.hr)  
[dziv.hr](http://dziv.hr)

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on [Protecting Intellectual Property](#) and also [Corruption](#).

**IP Attaché Contact for European Union, European Commission, and Turkey:**

Ms. Susan F. Wilson  
U.S. Mission to the European Union  
Boulevard du Régent 27  
BE-1000  
Brussels, Belgium  
Telephone: +32 2-811-5308  
E-mail: [Susan.Wilson@trade.gov](mailto:Susan.Wilson@trade.gov)

## Due Diligence

Detailed due diligence using utmost caution and assistance from experienced and well-connected local professionals is strongly recommended. One of the standard programs of the U.S. Commercial Service is the International Company Profile (ICP), designed to assist U.S.

companies to enter international business relationships with greater confidence by providing background information on a prospective business partner. For additional information, please e-mail the U.S. Commercial Service office at: [office.zagreb@trade.gov](mailto:office.zagreb@trade.gov).

### **Local Professional Services**

Croatia offers a wide variety of high-quality professional services, including freight-forwarders, laboratories for technical/medical/sanitary testing, translators, lawyers, public relation agencies, lobbyists, etc. Most of the key international tax and accounting companies and advertising agencies also have offices in Croatia. For additional information, please e-mail the U.S. Commercial Service office at: [office.zagreb@trade.gov](mailto:office.zagreb@trade.gov).

### **Principle Business Associations**

The key U.S. business association in Croatia is the very active and well-organized [American Chamber of Commerce](#). It has a total of 195 members, of which about 70 are U.S. companies and the rest are Croatian or international companies and non-profit associations. Most of the U.S. companies present in Croatia are AmCham members. AmCham Croatia is an accredited affiliate of the U.S. Chamber of Commerce in Washington and the AmChams in Europe (ACE) network. The key Croatian business associations are the - [Croatian Employers Association](#) (a private association of about 6,000 prominent Croatian companies) and the [Croatian Chamber of Economy](#) (membership is mandatory for all companies registered in Croatia).

### **Limitations on Selling US Products and Services**

Any company registered in Croatia is considered a Croatian legal entity, which has no limits to own assets or sell in Croatia. We are not aware of any restrictions on foreign ownership of companies in Croatia.

### **Web Resources**

[American Chamber of Commerce in Croatia](#)

[Authorized Court Translators](#)

[Croatia National Bank](#)

[Croatiabiz \(business directory\)](#)

[Croatian Agency for Investments and Competitiveness](#)

[Croatian Bar Association](#)

[Croatian Chamber of Economy](#)

[Croatian Radio-Television](#)

[Croatian Telecom](#)

[Central Bureau of Statistics](#)

[Deloitte \(tax consultants/accountants\)](#)

[Embassy of the Republic of Croatia, Washington, DC](#)  
[Embassy of the United States of America](#)  
[Ernst & Young \(tax consultants/accountants\)](#)  
[Franchising Portal](#)  
[Hitro \(one-stop-shop for dealing with state administration\)](#)  
[Index \(Internet portal\)](#)  
[Iskon \(Internet provider\)](#)  
[Kompass \(business directory\)](#)  
[KPMG \(tax consultants/accountants\)](#)  
[Legal 500 Recommended Law Firms](#)  
[Ministry of Economy](#)  
[Ministry of Interior](#)  
[Ministry of Interior](#)  
[Office of the U.S. Trade Representative](#)  
[Official Gazette](#)  
[Official Gazette \(public procurement notices\)](#)  
[Poslovna Hrvatska \(business directory\)](#)  
[PricewaterhouseCoopers: \(tax consultants/accountants\)](#)  
[Public Notaries](#)  
[Public Procurement Portal](#)  
[RTL TV](#)  
[Scientific and Technical Translators](#)  
[Split Fair](#)  
[State Intellectual Property Office](#)  
[The Croatian Homepage \(portal\)](#)  
[U.S. Commercial Service Zagreb](#)  
[VIPnet \(Internet provider\)](#)  
[Zagreb Fair](#)

# Leading Sectors for US Exports & Investments

## Distributed Energy Resources

### Overview

Croatia imports about 50% of the total of about 350 PJ (petajoules) of energy consumed annually. It imports 80% of its oil needs, 40% of its gas, 35% of its electricity, and 100% of its coal needs. As a member of the European Union (EU) since July 1, 2013, Croatia has adjusted its energy sector regulations and development plans to enable smooth integration into the European energy market and to ensure a diversified and sustainable supply of energy resources and improved energy efficiency.

The Croatian government plans to update its Energy Strategy, adopted in 2009, by the end of 2018. It has not implemented the old strategy, primarily due to the 2009-2015 economic recession in Croatia. The new strategy is supposed to focus on renewable energy and on Distributed Energy Resources (DER) -- physical and virtual energy assets that are deployed across the distribution grid at or near the end user, behind the meter. The government has already been working on the regulatory framework to develop a smart grid that would enable the small scale units operated by households or businesses to sell their electricity surplus to the grid, based on a sustainable business model.

While there are eleven active electricity suppliers in Croatia, the state-owned Croatian Electricity Company (HEP) is still the key market player. Since Croatia joined the EU, the Croatian Electric Energy Transmission Operator (HOPS) operates as a the state-owned company, independent from HEP. These companies will play an important role in the development of DER in Croatia. According to a recent analysis prepared by [The Boston Consulting Group \(BCG\)](#), a U.S. based global management consulting firm, local DER are mostly limited to reselling imported solar heating equipment to households and businesses, with little local production. Only a few DER suppliers offer integrated solutions with cost-benefit analysis, permit acquisition, installation, and maintenance. Almost no one offers full end-to-end services including financing, an insurance package, local network intergration, and energy trading.

	2015	2016	2017	2018 (Estimated)
Total Local Production	7	9	9	10
Total Exports	1	1	2	2
Total Imports	15	18	18	20
Imports from the US	1	1	2	2

	2015	2016	2017	2018 (Estimated)
<b><u>Total Market Size</u></b>	21	26	25	28
Exchange Rates (1USD:HRK)	6.86	6.81	6.63	6.1

USD million (*total market size = (total local production + imports) - exports*)  
*All figures are unofficial estimates.*

**Leading Sub-Sectors**

According to BCG, Croatia has great potential for solar energy usage in the form of DER. Croatia has one of the highest amounts of solar radiation in Europe (3.4-5.2 kWh/m<sup>2</sup>day), but one of the lowest photovoltaic capacity per capita (12 Wp -- lower than Sweden and 40 times lower than Germany). The largest opportunity lies along the Croatian coast that is flooded by tourists who overload the local infrastructure capacity during the summer (in 2017, 18.5 million foreign tourists visited Croatia - a country of 4 million inhabitants).

**Opportunities**

According to BCG, the following are the seven key technologies that are needed to support the development of DER in Croatia:

- Battery Storage: Captures electricity for use at a later time
- Photovoltaic: PV panels for conversion of sunlight to electricity
- Combined Heat & Power: CH&P plants with various feedstocks
- Energy Efficiency: A way of managing and restraining the growth of energy consumption
- EMS/VPP (Environmental Management System/Voluntary Protection Program): A digital ecosystem of hardware, software, and services for monitoring and controlling the energy flow
- Demand Response: Services that help better match the power demand with supply
- Grid Integration: Not a specific technology, but solutions that help integrate DER into the grid

**Web Resources**

- [Ministry of Environmental Protection and Energy](#)
- [Croatian Electricity Company](#)
- [Croatian Electric Energy Transmission Operator](#)
- [Croatian Energy Regulatory Agency](#)
- [Croatian Energy Market Operator](#)
- [Energy Institute Hrvoje Pozar](#)

U.S. Embassy - U.S. Commercial Service

Damjan Bencic, Senior Commercial Specialist  
 Zagreb, Croatia  
 Tel: +385 (0)1 661 2186; Fax: +385 (0)1 661 2446  
 Email: [Damjan.Bencic@trade.gov](mailto:Damjan.Bencic@trade.gov)  
 Website: [export.gov/croatia/](http://export.gov/croatia/)

## Smart Technologies

### Overview

According to the European Union (EU) Digital Economy and Society Index (DESI) 2018, Croatia ranks 22<sup>nd</sup> out of the 28 member states. Despite this overall low performance in Digital Economy, there are dozens of highly technologically advanced companies in Croatia. For example, the most powerful supercomputer in the Adriatic region is located at the University of Rijeka; the fastest electric hypercar Concept Two is developed and manufactured in Croatia by [Rimac Automobili](#); and the most used multifunctional demining robotic system is produced by the Croatian company [Dok-Ing](#).

In 2016, 71% of Croatia's population used the Internet and 55% had at least basic digital skills, placing Croatia in 11<sup>th</sup> place in the European Union. The use of internet services in Croatia is well above the EU average, with news, video calls, music, videos and games being the most used services.

On the contrary, Croatian businesses are slow in the integration of digital technology, ranking 21<sup>st</sup> in the EU. The use of cloud technologies, at 21.7%, is above the EU average, but regarding electronic information sharing, it is in the bottom five EU countries. Use of eInvoices is slowly growing, with accelerated growth expected after November 2018, when Croatia is expected to fully implement the EU eInvoices Directive and will only use eInvoices in public procurements.

	2015	2016	2017	2018 (Estimated)
Total Local Production	1500	1550	1600	1700
Total Exports	690	715	730	760
Total Imports	2080	2145	2200	2275
Imports from the US	115	120	130	140
<b><u>Total Market Size</u></b>	2890	2980	3070	3215
Exchange Rates (1USD:HRK)	6.86	6.81	6.63	6.1

USD million (*total market size = (total local production + imports) - exports*)  
*All figures are unofficial estimates.*

## **Human Capital**

The public perception in Croatia is that it has high-quality ICT specialists with competitive wages that are attractive for outsourcing by foreign companies. However, the percentage of ICT specialists in Croatia (3.3%) is below the EU average, and the Croatian government intends to increase the percentage through the [e-Schools project](#). The project is funded by European Structural and Investment Funds to increase information technology use and integration in primary and secondary schools. The first \$51 million phase of the project ran from 2015-2018, and has equipped 10% of Croatian schools with laptops, tablets, wireless networks and other ICT equipment. The second phase is scheduled for 2019-2022, and will cover the remaining 90% of schools. Besides the ICT equipment, this phase will include the development of curricula, teaching and learning models, and professional training for teachers and school management personnel.

## **Broadband Connectivity**

The fixed broadband coverage of households in Croatia is 99%, which is above the EU average. Adversely, fast (67%) and ultrafast (34%) broadband coverage is among the worst in the EU, but costs the most. It is encouraging that investments in ultrafast broadband connections peaked in 2017, with over 70 announced new fiber access networks for 2018. Furthermore, the European Commission approved a \$127 million infrastructure project to develop New Generation Network in rural areas and other regions in Croatia that are not economical for private operators. The project is run by the Croatian state-owned company [Odasiljaci i Veze](#) and should provide symmetrical speeds of 100 Mbps in these areas by the end of 2023.

## **eGovernment Service**

The eCitizen platform was launched in 2014 to unite all eGovernment services. In 2017, the platform offered 43 eServices and 66% of Internet users used it to submit forms. The eBusiness services platform has not been implemented yet. In the [eCroatia 2020 strategy](#) adopted in May 2017, the Croatian government outlined its Action Plan to implement additional eServices for citizens and businesses to speed up communication with the public administration, and to increase transparency of the public sector. The planned projects include the establishment of a Shared Service Center, a Government Cloud and an Information Security Management System, as well as further developments of eServices.

The best performance within eGovernment in Croatia is in the use of eHealth services. An estimated 22% of citizens use these services, which is above the EU average of 18%. The National Healthcare Information System (CEZIH) offers ePrescription, eReferral, eBooking, Electronic Health Record (EHR), and a Patient Portal. New services are planned for 2018, including eSickLeave and eMedicalAids, as well as eHealthcare and eWorkInjury services for employers.

## Smart City

The development of Smart City infrastructure in Croatia is at an initial level, but is progressing fast. About 50% of Croatian cities have already started the process of implementing one or more smart solution projects. The Association of Cities promotes the development of Smart City concepts and an increase in the use of EU funds for Smart City projects.

Dubrovnik is the leading Smart City in Croatia, with a smart city strategy project called [Smart City Dubrovnik 2020](#). The local development agency, DURA, coordinates the strategy that suggests the use of smart technologies in mobility and infrastructure, economic development, public administration management, and quality of life. Dubrovnik also has the first smart street in Croatia, developed in partnership with T-Com. The street has a multifunctional sensor network installed with public lighting, wireless high-speed Internet connection, cameras that monitor traffic violations, smart parking with contactless payments, and environmental conditions control.

Zagreb, Croatia's capital, also has a strong Smart City initiative. Some of the announced projects include: an LED lighting project for converting city lights into smart LED technology that should be implemented by 2020; the establishment of an open data portal to consolidate local city services with municipality and public services; and the implementation of a national ePolice project, which involves the establishment of an operations communication center in every Croatian city and equipping police officers with cameras.

## Blockchain

Blockchain technologies in Croatia are in the early adoption stages with a strong focus on cryptocurrencies. [The Association for Blockchain and Cryptocurrencies](#) is the main market developer and it provides a [list of companies working with blockchain technology](#). The Croatian government is participating in public discussions about implementation of blockchain technology in healthcare, urban planning, and other areas, but no specific projects have been created yet.

## Cybersecurity

Croatia is in the process of transposing the EU Directive on the Security of Network and Information Systems (NIS Directive) that is expected to boost demand for cybersecurity solutions. The Ministries of Defense and Interior are developing cybersecurity capabilities with a government-wide plan to establish a cybersecurity intelligence center in Zagreb by 2020.

## Web Resources

[Digital Economy and Society Index 2018 - Country Report Croatia](#)

[eCroatia 2020 strategy](#)

[Croatian Academic and Research Network - CARNet](#)



[e-Schools project](#)  
[Ministry of the Sea, Transport and Infrastructure](#)  
[The Association of Cities](#)

U.S. Embassy - U.S. Commercial Service  
Nina Cerkez, Commercial Assistant  
Zagreb, Croatia  
Tel: +385 (0)1 661 2090; Fax: +385 (0)1 661 2446  
Email: [Nina.Cekez@trade.gov](mailto:Nina.Cekez@trade.gov)  
Website: [export.gov/croatia](http://export.gov/croatia)

## Medical Tourism

### Overview

Croatia is an attractive and increasingly popular tourist destination with over 18 million tourist visits per year (Croatia's population is 4 million). Currently, summer leisure tourism is predominant and the Ministry of Tourism is working to prolong the season through the development of different segments of tourism, including medical tourism. Croatia has a strong starting position to develop as a medical tourism destination: it has safe, high quality, and affordable treatments in dental and cosmetic surgery, physical therapy, and medical rehabilitation.

In January 2018, the Ministry of Tourism passed the new Law on Providing Services in Tourism that recognizes medical tourism services for the first time. With its implementation on July 1 2018, the law provided the regulatory framework a total of \$350 million in pending medical tourism projects. The key projects include the development of [the orthopedic hospital in Lovran](#), and the development of special hospitals for medical rehabilitation collocated with well-known thermal baths at [Krapinske Toplice](#) and [Daruvarske Toplice](#). The European Union announced that new funds will be made available for tourism in 2020, which will additionally boost medical tourism infrastructure projects in Croatia.

The growth of medical tourism in Croatia will increase the demand for high quality medical devices, consumables, and equipment. Additionally, medical tourism creates a demand for hospitality services in the healthcare sector, healthcare software, telemedicine, and accreditation institutions.

	2015	2016	2017	2018 (Estimated)
Total Local Production	112.41	123.25	154.1	207.8
Total Exports	62.33	91.12	115	145

	2015	2016	2017	2018 (Estimated)
Total Imports	270.12	329.37	400	600
Imports from the US	30	33	40	60
<b><u>Total Market Size</u></b>	320.2	361.5	439.1	662.8
Exchange Rates (1USD:HRK)	6.86	6.81	6.63	6.1

USD million (*total market size = (total local production + imports) - exports*)

*All figures are unofficial estimates.*

### Leading Sub-Sectors

Private healthcare institutions are driving the Croatian medical tourism market. The capital city, Zagreb, recognized the benefits of medical tourism and is actively working on its promotion through the [Zagreb Cluster of Health Tourism](#). The [Association of the Medical Tourism Development](#) is the most active non-governmental institution, while the [Health Tourism Industry](#) (HTI) has been one of the leading conference organizers for the health tourism industry in Europe. These associations gather private healthcare providers and organize the key local medical tourism events (see Key Events).

Dental tourism attracts the highest number of medical tourists in Croatia, mainly from Italy, Germany, Austria, and the United Kingdom. Materials and techniques used by dentists in Croatia conform to the highest standards of quality, keeping up with the latest global trends set by world renowned manufacturers of equipment and supplies. Dental implants and dentures are the most used services, with about 50% lower prices compared to Western Europe. The largest clinic engaged in dental tourism is [Rident](#), which served about 50,000 foreign patients in 2017.

The leading clinics for medical tourism are: the eye clinic [Svjetlost](#), [St. Catherine's Special Hospital for Orthopedy](#), and the aesthetic [Policlinic Bagatin](#). These clinics are the main buyers of medical equipment and are most likely to experiment with new medical techniques or devices.

Wellness tourism in Croatia is mainly conducted in thermal and medical rehabilitation hospitals through a network of over 20 rehabilitation and wellness centers. This segment of medical tourism has the highest number of announced infrastructure projects, including a \$25 million Chinese investment in [Krapinske Toplice](#).

The medical equipment market in Croatia is dominated by imports, mainly from EU countries, supplied through local distributors. Some of the leading Croatian distributors include [Medika](#), [Medical Intertrade](#) and [Stoma Medical](#). In 2016, Croatia imported \$285 million in medical devices, with a 2.1% U.S. market share. However, the U.S. market share is much higher than the official statistics indicate since they do not account for U.S. equipment that is imported into Croatia via subsidiaries and distributors based in major EU countries.

### Key Events

The largest medical tourism conference in Croatia is the [Health Tourism Industry \(HTI\)](#), an annual conference held in Zagreb in early March. In 2018, the conference gathered over 400 participants from more than 40 countries, with the most relevant world-wide experts from the health tourism field. Another key event is the [Adriatic Health and Investment Forum](#), which will be held in Zagreb, from October 10-12, 2018.

### Web Resources

[Croatian Ministry of Health](#)

[Croatian Institute for Health Insurance](#)

[Croatian Agency for Medicinal Products and Medical Devices](#)

[Zagreb Cluster of Health Tourism](#)

[Association of the Medical Tourism Development](#)

[Health Tourism Industry](#)

[U.S. Embassy - U.S. Commercial Service](#)

Nina Cerkez, Commercial Assistant

Zagreb, Croatia

Tel: +385 (0)1 661 2090; Fax: +385 (0)1 661 2446

Email: [Nina.Cerkez@trade.gov](mailto:Nina.Cerkez@trade.gov)

Website: [export.gov/croatia/](http://export.gov/croatia/)

## Advanced Manufacturing

### Overview

Industrial production accounts for about 21% of the Croatian GDP. Croatia was among the top countries in the European Union (EU) for industrial production growth in 2016 and 2017, with 5% and 1.7% growth rates, respectively. In 2018, industrial production declined, recording an approximate 1.5% monthly drop, and the single (among EU-highest) 3.3% growth in February. Energy-generating products and capital goods are the main drivers of the decline.

The fastest growing sectors within the processing industry are also the largest: food and beverage (24% of the processing industry), pharmaceutical and chemical products manufacturing (11%), electrical machinery and equipment manufacturers (9%), and rubber,

plastic, leather and paper products products (9%). The processing industry generates 15.5% of the Gross Added Value, a little below the EU average. Over 21,000 enterprises in Croatia are registered in the manufacturing industry; they employ almost 300,000 people and generate about \$20 billion of turnover a year.

	2015	2016	2017	2018 (Estimated)
Total Local Production	2,454	2,508	2,740	3,000
Total Exports	1,227	1,254	1,370	1500
Total Imports	1,895	2,155	2,393	2700
Imports from the US	36.2	37.9	34.1	40
<b>Total Market Size</b>	3,122	3,409	3,763	4,200
Exchange Rates (1USD:HRK)	6.86	6.81	6.63	6.1

USD million (*total market size = (total local production + imports) - exports*)

*All figures are unofficial estimates.*

### **Key Sector Opportunities**

The average industrial maturity level in Croatia in 2015 was an estimated 2.15 out of 4, which is the level of the 2<sup>nd</sup> industrial generation in the middle of 20<sup>th</sup> century. According to local academic sources, the industrial maturity level grew significantly in the past few years, reaching 2.5 by the end of 2017. Pharmaceutical and electronic manufacturing ,and optical products are the most technologically advanced sectors in Croatia. They generate over 50% of their revenues from exports.

In 2015, Croatian companies had a total of 263 robots -- 13 robots per 10,000 employees. 18% of all companies in Croatia used industrial robots for heavy industry, while 17% used robots for handling processes. Despite the generally low level of robots and digital technology use in industrial production, there are a number of export oriented companies that are fully digitized, and are using top technologies. For example, the beverage industry in Croatia is the most advanced among EU member states.

### **Government Initiatives and Funding Sources**

The Croatian government understands the value of smart technologies in industrial production, which has been outlined in the eCroatia 2020 strategy. The government intends to transform the economy, and improve productivity through the use of \$3.3. billion in EU funds for competitiveness, research and development, and information and communication technologies. Additionally, the Croatian government plans to offer \$10,000 vouchers to small and medium-sized manufacturing companies for research and development.

**Digitizing Impulse 2020** - Digitizing Impulse 2020 is the National Platform for Industry Transformation run by the Croatian Government. It is related to the EU Digital Agenda 2020. The platform is a basis for the use of 300 million euros from EU funds for the creation of smart, digitized companies and public institutions (these projects are typically 50% funded by the company, 25% by the local government, and 25% by EU funds).

## Web Resources

[eCroatia 2020 Strategy](#)

[Ministry of Economy, Entrepreneurship and Crafts](#)

[Croatian Chamber of Economy, Sector for Industry and IT](#)

U.S. Embassy - U.S. Commercial Service

Nina Radicevic, Commercial Assistant

Zagreb, Croatia

Tel: +385 (0)1 661 2090; Fax: +385 (0)1 661 2446

Email: [Nina.Radicevic@trade.gov](mailto:Nina.Radicevic@trade.gov)

Website: [export.gov/croatia/](http://export.gov/croatia/)

## Agricultural Sector

### Overview

Croatia has 1.3 million hectares (ha) of agricultural land. In addition, Croatia has about 2.2 million ha of forests. Croatia is self-sufficient in the production of wheat, corn, poultry, eggs, and wine, while still having favorable conditions for the production of many other agricultural products. Nevertheless, imports of agricultural and food products continue to grow. Although agriculture only contributes 4 percent to GDP, the importance of agricultural production is higher than its GDP share indicates. The vast majority of Croatia is rural territory (92 percent) and about half of Croatia's population lives in rural areas.

Given the small average farm size and the fractured nature of the farms, restructuring policies in Croatia are particularly important. As many as 63.1 percent of all registered farms have fewer than three hectares, while the average commercial farm is 8.5 hectares. Currently Croatian agriculture struggles with land ownership, the size of farms (which are small due to family inheritance laws), and outdated land registry books.

In 2017, Croatia imported \$3.5 billion in agriculture and related products. Imports of agricultural products from the United States were valued at approximately \$20 million in 2016 and 2017. However, unrecorded transshipments from Western European suppliers likely make the actual figures much higher. U.S. products with good prospects include seafood, animal feed ingredients, animal genetics, wine, pork, fruits and vegetables, pet food and a range of

snack and convenience foods. The Croatian market for imported food products is dominated by European suppliers, and the market continues to grow, with high-value food items as the single largest segment.

#### Agriculture and Related

	2015	2016	2017	2018 (Estimated)
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	2,491,918	2,801,446	2,881,855	2,900,000
Total Imports	3,035,495	3,179,848	3,489,783	3,500,000
Imports from the US	25,473	20,119	19,123	19,500
Total Market Size	n/a	n/a	n/a	n/a
Exchange Rates	6.86	6.80	6.62	n/a

USD thousands (*total market size = (total local production + imports) - exports*)

#### Miscellaneous Consumer Foods

	2015	2016	2017	2018 (Estimated)
Local Production	800,000	800,000	800,000	800,000
Exports	799,418	898,063	973,725	975,000
Imports	1,823,209	1,903,960	2,134,766	2,500,000
Imports from the US	12,921	12,508	11,706	12,000
Total Market Size	1,823,791	1,805,897	1,961,041	2,325,000

USD thousands (*total market size = (total local production + imports) - exports*)

*Local production is unofficial estimate.*

#### Fish and Seafood

	2015	2016	2017	2018 (Estimated)
Local Production	183,610	185,000	185,000	185,000
Exports	196,067	195,911	195,000	209,017
Imports	125,153	136,120	156,334	160,000
Imports from the US	1,061	1,672	435	1,000
Total Market Size	112,696	125,209	146,334	135,983

USD thousands (*total market size = (total local production + imports) - exports*)

*Local production is unofficial estimate.*

## Soybeans and Soybean Meal

	2015	2016	2017	2018 (Estimated)
Local Production	70,000	80,000	85,000	85,000
Exports	90,167	77,985	109,990	110,000
Imports	83,808	72,502	83,246	85,000
Imports from the US	5,683	0	0	0
Total Market Size	63,641	74,517	58,256	60,000

USD thousands (*total market size = (total local production + imports) - exports*)

*Local production is unofficial estimate.*

### **Leading Sub-Sectors**

Croatia's total imports in Consumer Food vary around \$2 billion. In the last few years flourishing tourism along the Dalmatian coast and rebounding consumer demand in urban areas has fueled demand for consumer foods as evidenced by the growth in the number of supermarkets. However, the persistent global economic crisis has somewhat dampened growth. Trade statistics on American exports to Croatia in this category are severely understated due to trans-shipment via the EU. Imports of fresh fruits and vegetables together with juices and processed fruits and vegetables were approximately \$345 million in 2017. However, US exports of these products to Croatia were valued at only \$0.4 million due to lower prices from other suppliers and the fact that many U.S. imports are trans-shipped from hubs like Rotterdam and thus are not registered as a U.S. import. This sector has high prospects because Croatia is not self-sufficient in fruit production and will always import exotic fruits.

Furthermore, Croatia is a large pork importer. In 2017, pork imports reached \$259 million, mostly from the EU (Germany and Spain). The U.S. is still only a minor supplier to the Croatian market as U.S. pork exports were constrained for many years by trichina testing requirements. However, with the adoption of EU standards in 2008, this is no longer a problem.

Croatia's 2017 beef imports were valued at \$96 million, comprised mainly of fresh/chilled or frozen product. During the last six years, beef imports have shown steady growth, tripling from \$30.4 million in 2010 to \$96 million in 2017. Currently, the United States exports negligible amounts of beef to Croatia due to EU related hormone ban, although there is a potential to expand exports of non-hormone treated beef that could find Croatian consumers willing to pay for the premium.

In addition, Croatia does not have a domestic pet food manufacturing industry and imports all of its consumption. In 2017, imports of dog and cat food were valued at approximately \$55 million. While direct exports from the United States account for only a small portion of the pet food market, U.S. exporters are advised to keep a keen eye on Croatia's economic growth

as an indicator of potential sales for U.S. pet food products. One good prospect for U.S. dog and cat food exporters is the niche market for premium pet foods.

Moreover, Croatia provides a unique opportunity for U.S. wine exporters to position their product in the market that in 2017 imported over \$28 million in wine. U.S. wine exporters should focus their market entry efforts on Zagreb, the nation's capital, where niches exist for medium and higher quality wines.

Another interesting sector is tree nuts. Croatia imported tree nuts valued at \$33 million, of which approximately \$6 million came from the United States. As Croatia's almond production satisfies about half of domestic demand, there remains good market potential for U.S. almonds.

Although Croatia is a net-exporter of fish and seafood products, it imports a significant quantity as well. Annually, Croatia imports over \$150 million in fish and seafood. In 2017, Croatia imported fish mostly from Spain and Italy. The demand for fresh-water fish and seafood is expected to increase with modern changes in nutritional habits and increased demand from tourism.

Croatian dairy, poultry and swine industries stimulate demand for soybeans and soybean meal. Price and credit availability are the major determinants for sourcing. At the moment, for human consumption, only GMO-free soybeans are acceptable for the Croatian market.

### **Opportunities**

Demand for medium to high quality consumer foods will continue to rise along with Croatia's standard of living.

Croatia is also an excellent market for U.S. fish and seafood exports. Croatia's fishing industry cannot meet rising demand for seafood as the country becomes a more popular tourist destination. Croatia's fish processing industry and fish breeding is also expanding and consequently demands more feed for tuna breeding. Promising areas for U.S. exporters include fish feed for tuna production, fish for the local fish processing industry, sardines, and mackerel. The small blue fish is the most consumed fish on the national market. However, due to changing nutritional habits, consumer demand has increased significantly for salted fish production, including anchovies, frozen fish, smoked fish (smoked sea bass, eel, and freshwater fish), fish pâté, marinated fish, and others.

Soybean meal is an import sector with higher financial potential. Opportunities lay in the feed segment and non-GMO soy.

### **Web Resources**

[Foreign Agricultural Service Zagreb](#)

[Foreign Agricultural Service](#)

[Ministry of Agriculture](#)

[Ministry of Health](#)



[Food and Healthy Living Fair Zagreb Fair](#)

[U.S. Embassy - Foreign Agricultural Service](#)

Andreja Misir, Agricultural Specialist

Zagreb, Croatia

Tel: +385 (0)1 661 2467

Email: [AgZagreb@state.gov](mailto:AgZagreb@state.gov)

## Customs, Regulations & Standards

### Trade Barriers

While the Croatian market is relatively free of overt trade barriers, several realities of the market pose challenges for U.S. exporters to Croatia. Of primary concern is the lack of efficiency in the Croatian judicial system. With a multi-year case backlog, the prosecution of IPR infringements and resolution of commercial disputes is time-consuming and costly.

### Import Tariff

On July 1, 2013, Croatia joined the EU customs union with common trade tariffs, policies and procedures. Once cleared by customs authorities in any EU member state, imported goods can move freely among EU member states without any additional customs procedure. The duties for importing a specific product into the EU, including Croatia, are found on the following websites:

- [European Commission Market Access Database/ EU Tariffs](#)
- [European Commission Taxation and Customs Union/ Business](#)

More detailed information on EU customs is available from the [U.S. Commercial Service at the U.S. Mission to the EU in Brussels](#).

### Import Requirements & Documentation

A Croatian importer is responsible for providing the required import documentation, which consists of common trade, transport, and customs documents, as well as certificates required for quality control and licenses where appropriate. The Single Administrative Document (SAD) that is used by European Union and most other countries is the key customs document in Croatia as well.

### Labeling/Marking Requirements

The following labeling information must be in Croatian on the original package of products subject to quality control: name of the product; full address of the producer or full address of the importer; net quantity, weight, or volume; ingredients; usage and storage particulars; and any important warnings about the product for the consumer. Technically complicated products must include instructions for use, the manufacturer's specifications, a list of authorized maintenance offices, warranty, and other applicable data.

Every certified product must carry a CE certification mark indicating that the product has undergone appropriate testing and that it conforms to the provisions of the relevant regulations. Foreign labels, including the U.S. standard label, are not acceptable; stick-on labels that meet local requirements are allowed for products that contain a foreign label.

More detailed information on this topic is available from the [U.S. Commercial Service at the U.S. Mission to the EU in Brussels](#).

## U.S. Export Controls

The Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of most U.S. commercial items. The items that BIS regulates are often referred to as "dual-use" items (i.e., items that have both commercial and military or proliferation applications) but purely commercial items without an obvious military use are also subject to the EAR.

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and defense services. A list of other agencies involved in export controls can be found on [Bureau of Industry and Security](#).

## Temporary Entry

Temporary entry of products into Croatia is regulated in accordance with the EU Customs Code and international customs conventions. Croatia is a party to the Customs Convention on ATA Carnet for Temporary Import of Goods.

Typically, the following goods are eligible to qualify for Carnet entry:

- Commercial samples;
- Goods for international fairs and exhibitions, and
- Professional equipment (including tools and instruments, but not goods for processing or repair).

For information on obtaining an ATA export document, please visit the following website: <http://www.atacarnet.com/>.

The carnet must be presented upon entry. Customs will stamp the carnet thereby validating it. Upon departure, the carnet must again be presented for validation, confirming that the product is being transported out of the country. Failure to re-export the goods results in application of the duties.

## Prohibited & Restricted Imports

Information on this topic is available from the [U.S. Commercial Service at the U.S. Mission to the EU in Brussels](#).

## Customs Regulations

Croatia is a member of the European Union (EU) and its customs regulations are in line with the EU directives. More detailed information on EU customs is available from the [U.S. Commercial Service at the U.S. Mission to the EU in Brussels](#). The Croatian Customs Service, a division of the Ministry of Finance, administers import duties and controls:

### Croatian Customs Service

Carinska služba Republike Hrvatske  
Alexandera von Humboldta 4  
10000 Zagreb  
Tel: +385 1 6211300; Fax +385 1 6211012  
Website: [carina.hr/](http://carina.hr/)  
E-mail: [ured-ravnatelj@carina.hr](mailto:ured-ravnatelj@carina.hr)

## Standards for Trade

### Overview

Croatia's government has harmonized its technical standards legislation with EU Directives. To create an internal market where goods legally manufactured in one member state can be sold in the market of another member without any additional testing and certification, the EU is in a continuous process of harmonizing technical regulations, standards and conformity assessment procedures among the member states. Since the EU consists of independent states, the EU adopts Directives and publishes references to harmonized standards that each member state is required to transpose into its own legislation and national standards system. More detailed information on the EU standards and certification is available from the U.S. Commercial Service at the U.S. Mission to the EU in Brussels:

- [European Standards and Certification](#)
- [Helping your Business in the European Union](#) (click on Doing Business in the EU).

Although the Croatian representative or importer is held directly responsible for product safety and for its conformity with Croatian technical regulations, the ultimate responsibility lies with the manufacturer.

### Standards

The Croatian Standards Institute (HZN) is the public institution responsible for preparation, adoption, editing, and publication of Croatian standards. Any legal entity or natural person with a seat or residence in Croatia may be a member of the HZN and participate in its work. The members include interested Croatian manufacturers, testing and measuring laboratories and certification bodies, educational and scientific institutions, chambers of commerce, industry associations, consumer associations, and government institutions. Only 0.2% of

Croatian standards are of purely Croatian origin; the rest of them are adopted European and/or international standards. HZN maintains an on-line catalog of Croatian and other standards that can be mailed to interested users for a fee. As per EU directives, the Croatian standards are voluntary.

Mr. Igor Božičević, Director General  
Ulica grada Vukovara 78  
10000 Zagreb  
Tel: +385 1 610 60 95  
e-mail: [hzn@hzn.hr](mailto:hzn@hzn.hr)  
[Croatian Standards Institute](#)

### **Testing, inspection and certification**

The basic elements of the conformity assessment procedure in Croatia are defined by the Law on Technical Requirements for Products and Conformity Assessment published in Official Gazette No. 80/2013 and No14/2014. The Croatian Accreditation Agency is the public institution that confirms to Croatian private sector laboratories, companies and physical persons that they meet certain standards required to participate in the conformity assessment process, i.e. issues them a formal accreditation:

#### Croatian Accreditation Agency (HAA)

Ms. Biserka Bajzek, Managing Director  
Ulica grada Vukovara 78  
10000 Zagreb, Croatia  
Phone : +385 1 610 6322  
Email : [biserka.bajzek@akreditacija.hr](mailto:biserka.bajzek@akreditacija.hr)  
Website : [Croatian Accreditation Agency](#)

As a part of creating the internal market, the EU has developed harmonized standards to be used for accreditation of third parties in the conformity assessment process in order to enable creation of an EU-wide network of equally technically capable laboratories and conformity assessment bodies whose certificates are valid throughout the EU. Each member state has designated conformity assessment bodies on its own territory that meet these standards and has notified them to the EU Commission that keeps the list of such Notified Bodies. The list of the Croatian Notified Bodies is available at: [Croatian Notified Bodies List](#)

### **Publication of technical regulations**

Technical regulations are published in the Croatian Official Gazette, along with all other laws and regulations. Some technical laws and regulations have been translated into English, primarily for the needs of the EU accession process. The U.S. Commercial Service at the American Embassy Zagreb can assist U.S. exporters to find out about the legislation relevant to their type of product and can also arrange for translation services, if necessary.

## Contact Information

U.S. Embassy - U.S. Commercial Service  
Damjan Bencic, Senior Commercial Specialist  
Zagreb, Croatia  
Tel: +385 (0)1 661 2186  
Email: [Damjan.Bencic@trade.gov](mailto:Damjan.Bencic@trade.gov)  
Website: [export.gov/croatia/](http://export.gov/croatia/)

## Trade Agreements

Croatia entered the EU on July 1, 2013, and is now subject to EU trade agreements:

[Trade Agreements.](#)

## Licensing Requirements for Professional Services

Professional service providers such as lawyers, architects, or physicians are required to have a license from a Croatian institution responsible for their field of activity. In principle, service providers based in the European Union are free to provide their services in Croatia, but are nevertheless subject to prior approval/confirmation by Croatian institutions, based on the Croatian Law on Services (Official Gazette 80/11). For additional information, please e-mail the U.S. Commercial Service office at: [office.zagreb@trade.gov](mailto:office.zagreb@trade.gov).

## Web Resources

[American Chamber of Commerce in Croatia](#)  
[ATA Carnet](#)  
[Bureau of Industry and Security](#)  
[Croatian Accreditation Agency](#)  
[Croatian Chamber of Commerce](#)  
[Croatian Customs](#)  
[Croatian Government](#)  
[Croatian Official Gazette](#)  
[Croatian Standards Institute](#)  
[European Commission Representation to the Republic of Croatia](#)  
[European Commission - Single Market](#)  
[Ministry of Foreign and European Affairs](#)  
[Ministry of Economy](#)  
[Ministry of Agriculture](#)  
[Ministry of Health](#)  
[National Institute of Standards and Technology](#)  
[NIST Notify U.S. Service](#)

[Quality Superintending Company, Ltd.](#)  
[State Office for Metrology](#)  
[U.S. Mission to the European Union](#)

# Investment Climate Statement

## Executive Summary

The U.S. Department of State's Investment Climate Statements, prepared annually by U.S. embassies and diplomatic missions abroad, provide country-specific information and assessments of the investment climate in foreign markets. Topics include: Market barriers, business risk, legal and regulatory system, dispute resolution, corruption, political violence, labor issues, and intellectual property rights. The statements are available in two ways.

- Visit the U.S. Department of State's Investment Climate Statement website at <https://www.state.gov/e/eb/rls/othr/ics/>.
- Download the Country Commercial Guide at [www.export.gov/ccg](http://www.export.gov/ccg) (the Investment Climate Statement is Chapter 6).



## Trade & Project Financing

### Methods of Payment

Croatian importers utilize most of the standard payment methods available in international trade. American exporters should offer quotations based on the FOB (Free on Board) value at the port of export. As a general rule, such quotations should also include a statement of the actual charges for freight and insurance plus any additional charges to the port of delivery. Quotations are usually in terms of the currency of the country of origin. The terms of payment for imported goods vary according to the type of buyer and the buyer's access to capital. Large organizations such as the government or energy companies tend to transact business on a sight-draft basis, while small companies tend to operate on documents against acceptable terms. Payment between 80 and 120 days after acceptance is most common, but terms may vary between 30 and 180 days. For larger orders of capital equipment, longer terms are often required. It is advisable to ship on a letter of credit, sight letter of credit, or 30-day letter of credit basis that the importer can use as a negotiating instrument to expedite the payment transfer. The payment transfer can be affected within 24 to 48 hours after the importer presents a valid import permit and proper documents to his or her bank. Collection agencies are often used by banks, telecoms, and other large companies to collect outstanding debts. The number of collection agencies has grown significantly in the past four years, and the [Croatian Association of Collection Agencies](#) includes some of the largest agencies in Croatia.

### Banking Systems

Banking is considered to be one of the strongest sectors of the Croatian economy, primarily thanks to efficient regulation and relatively disciplined borrowers.

The [Croatian National Bank \(CNB\)](#) is the independent regulator for 26 banks, and five housing savings banks. Established in 1990, the CNB's primary objective is to maintain price stability and the stability of the financial system as a whole, by means of monetary and exchange rate policies, issuing money, and maintaining national monetary reserves. The CNB also regulates and supervises credit institutions, issues and revokes their licenses, and manages the interbank Real Time Gross Settlement System. The instruments of monetary policy at the CNB's disposal are market operations (repo and reverse repo auctions), intra-day and overnight Lombard loans, the mandatory reserve requirement (currently at 12% of total liabilities), CNB bills auctions and short-term liquidity loans. In order to manage the exchange rate, the CNB uses daily auctions and the minimum mandatory FX requirement.

The CNB became an integral part of the European System of Central Banks (ESCB) and started to carry out its tasks in accordance with the Statute of the ESCB and the ECB on July 1, 2013 with Croatian accession to the European Union. Once Croatia meets the Maastricht requirements and introduces the Euro as Croatia's official currency, the CNB will transfer its monetary powers to the ECB.

The CNB participates in the European Union project Single Euro Payments Area - SEPA, with the aim to create a single market for payment services to enable citizens, business entities and public authorities to make cashless euro payment transactions under the same basic conditions, rights and obligations, regardless of their location.

	June 2015		Dec. 2015		Dec. 2015	
	Number of banks	Share	Number of banks	Share	Number of banks	Share
Domestic ownership	12	9.8	12	9.7	11	10.3
Domestic private ownership	10	4.6	10	4.4	8	4
Domestic state ownership	2	5.2	2	5.3	3	6.3
Foreign ownership	16	90.2	16	90.3	15	89.7
Total	28	100.0	28	100.0	26	100.0

*Percentage of domestic and foreign-owned banks in Croatia, source: the Croatian National Bank*

Foreign ownership has decreased slightly, but still remains dominant. 11 out of 15 foreign owned banks in Croatia are owned by EU-based shareholders, and 89.7% of all bank assets in Croatia are foreign-owned. The top five banks account for 75,2% of total bank assets in the country. Loans represented 60.7% of total bank assets; 44.1% of loans went to households, while corporate loans accounted for 38% of total lending. Kuna housing loans increased by 90.2% in 2016, reaching one fifth of the total home loans. This trend in loan growth in local currency continued in 2017. The average lending rates for long-term euro-indexed local currency loans were at 5.5% for corporations and 4.5% for households.

The CNB closely monitors lending rates, especially for long-term loans, and advises the use of fixed interest rate loans to protect citizens from major fluctuations in monthly payments, such as those that occurred in 2015. The Swiss Central Bank announced in January 2015 that it would no longer hold the Swiss Franc at a fixed exchange rate with the Euro. As a result, the Swiss Franc's value increased immediately, causing a significant increase to monthly installments for borrowers in Swiss Franc. In order to protect citizens and avoid a deeper economic crisis, the Croatian government adopted the Swiss Franc loan conversion program in September 2015, which allows conversion of Swiss Franc loans to Euros. Conversion costs were borne by banks.

More information on the Croatian banking sector and individual banks can be found at [Banks Bulletin](#).

In addition to the banks, the banking sector in Croatia includes five home savings banks and the Croatian Bank for Reconstruction and Development (HBOR). The interests of the banking sector are represented by the [Croatian Banking Association \(HUB\)](#) and the Banking Association within the Croatian Chamber of Economy (HGK).

### Foreign Exchange Controls

The Croatian National Bank intervenes in the market from time-to-time to ensure stability of the currency and maintain a crawling peg to the Euro. There are no administrative foreign exchange controls.

### US Banks & Local Correspondent Banks

There are currently no U.S. banks operating in Croatia. U.S. private equity investor Advent International Corporation with the European Bank for Reconstruction and Development acquired over 50% of Hypo Alpe Adria Bank in 2015 (its banks in Slovenia, Croatia, Serbia, Bosnia-Herzegovina and Montenegro are now operating as Addiko Bank). A list of all licensed banks and representative offices is available at this [link](#).

### Project Financing

#### Croatian Bank for Reconstruction and Development (HBOR)

The HBOR is the development and export bank of the Croatian government. It was established with the objective of financing the reconstruction and development of the Croatian Economy.

HBOR

Strossmayerov trg 9  
10000 Zagreb, Croatia  
Tel: +385 1 4591666  
Fax: +385 1 459 721

[Croatian Bank for Reconstruction and Development](#)

#### *European Bank for Reconstruction and Development (EBRD)*

The EBRD is the largest single investor in the region and mobilizes significant foreign direct investment beyond its own financing. It is owned by 66 countries and two intergovernmental institutions. But despite its public sector shareholders, it invests mainly in private enterprises, usually together with commercial partners.

It provides project financing for banks, industries and businesses, both new ventures and investments in existing companies. It also works with publicly owned companies, to support privatization, restructuring state-owned firms and improvement of municipal services. The Bank uses its close relationship with governments in the region to promote policies that will bolster the business environment.

#### EBRD

Miramarska 23, 3rd Floor

10000 Zagreb, Croatia

Tel: +385 1 6000310

Fax: +385 1 6197218

Head of Office: Mrs. Vedrana Jelusic Kasic

[European Bank for Reconstruction and Development](#)

#### *European Investment Bank (EIB)*

The EIB is the European Union's bank owned by European Union Member States. As the largest multilateral borrower and lender by volume, EIB provides finance and expertise for sound and sustainable investment projects which contribute to the furthering EU policy objectives. The bank generally finances one-third of each project, but it can finance as much as 50%. More than 90% of EIB's activity is focused on Europe, but the bank also implements the financial aspects of the EU's external and development policies.

The EIB Group consists of the European Investment Bank and the European Investment Fund (EIF). The EIF focuses on innovative financing for SMEs. The EIB is the majority shareholder with the remaining equity held by the European Union and other European private and public bodies.

The EIB Group Office

Hektorovićeve 2,

10000 Zagreb, Croatia

Tel: +385 1 6448208

Fax: +385 1 6441400

Head of Office: Mr. Anton Kovačev

Website: <http://www.eib.org/infocentre/contact/offices/ue/croatia.htm>

#### *The World Bank*

The World Bank is a vital source of financial and technical assistance to developing countries around the world. It is not a bank in the common sense. It is made up of two unique development institutions owned by 185 member countries—the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

Each institution plays a different but collaborative role to advance the vision of inclusive and sustainable globalization. The IBRD focuses on middle income and credit-worthy poor countries, while IDA focuses on the poorest countries in the world. Together the Bank provides low-interest loans, interest-free credits and grants to developing countries for a wide array of purposes that include investments in education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management.

World Bank Office - Croatia  
Radnička cesta 80/IX  
10 000 Zagreb, Croatia  
Tel: +385 1 2357230  
Fax: +385 1 2357200  
Website: [World Bank](#)

U.S. Commercial Service Liaison Office at the World Bank  
Advisor and Director of Business Liaison: Mr. Aaron Held  
1818 H. St., NW, Washington, DC 20433  
Tel: 202-473-9277  
Fax: 202-477-2967  
Email: [Aaron.Held@trade.gov](mailto:Aaron.Held@trade.gov)  
Website: [World Bank](#)

### *Export-Import Bank*

This is an independent U.S. Government agency that helps finance the overseas sales of U.S. goods and services. In almost 70 years, the Ex-Im Bank has supported more than \$400 billion in U.S. exports.

The Ex-Im Bank's mission is to create jobs through exports. It provides guarantees of working capital loans for U.S. exporters, guarantees the repayment of loans or makes loans to foreign purchasers of U.S. goods and services. The Ex-Im Bank also provides credit insurance that protects U.S. exporters against the risks of non-payment by foreign buyers for political or commercial reasons. The Ex-Im Bank does not compete with commercial lenders, but assumes the risks they cannot accept. It must always conclude that there is reasonable assurance of repayment on every transaction financed.

To qualify for Ex-Im Bank support, the product or service must have significant U.S. content and must not affect the U.S. economy adversely. The Ex-Im Bank supports the sale of U.S. exports worldwide, and will support the financing of the export of any type of good or service, including commodities, as long as they are not military-related. For more information, please visit [www.exim.gov](http://www.exim.gov).

### *Multilateral Development Banks:*

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the European Bank for Reconstruction and Development ([EBRD Commercial Liaison Offices](#)) and the World Bank ([export.gov/worldbank](http://export.gov/worldbank)).

### Web Resources

[Commercial Liaison Office to the European Bank for Reconstruction and Development](#)  
[Commercial Liaison Office to the World Bank](#)

### Financing Web Resources

[Croatian National Bank](#)  
[Foreign Exchange Market](#)  
[Banks and Savings Banks](#)  
[Monetary Policy](#)  
[Croatian Bank for Reconstruction and Development](#)  
[Croatian Banking Association](#)  
[Croatian Chamber of Economy](#)  
[Croatian Financial Services Supervisory Agency](#)  
[European Bank for Reconstruction and Development](#)  
[The World Bank Group](#)  
[Export-Import Bank of the United States](#)  
[Country Limitation Schedule](#)  
[OPIC](#)  
[Trade and Development Agency](#)  
[SBA's Office of International Trade](#)  
[USDA Commodity Credit Corporation](#)  
[U.S. Agency for International Development](#)

## Business Travel

### Business Customs

Business customs in Croatia are generally similar to those in the United States. Business people tend to dress conservatively, particularly in the banking sector and the government institutions. However, the level of formality for business attire in many companies tends to decrease to business casual and smart casual, especially in the information technology sectors. Appointments should be made in advance of a business visit.

Business cards are usually simple, including only the basics such as company logo, name, business title, address, telephone number, fax number, e-mail, and web-address.

Most Croatian executives speak English and many young managers are fluent in it. Computer usage among Croatian companies is extensive and most of them utilize e-mail and Internet and have their own websites.

As is true in other European countries, summer holidays stretch throughout July and August and it is frequently difficult to reach company management during this period.

### Travel Advisory

For the latest Consular Information Sheet and travel advisory on Croatia, please click on the following link: <https://travel.state.gov/content/passports/en/country/croatia.html>

For general information on international travel, please visit the main [website](#).

### Visa Requirements

**ENTRY / EXIT REQUIREMENTS:** A passport is required for travel to Croatia. A visa is not required for U.S. passport holders for tourist or business trips of fewer than 90 days within a six-month period. All foreign citizens must register with the local police within 24 hours of arrival, as well as inform the local police of any change in their address. Registration of foreign visitors staying in hotels or accommodations rented through an accommodation company is done automatically by the hotelier or accommodation company; in such case, no trip to the police station is necessary. Failure to register is a misdemeanor offense; some Americans have been fined for failing to register.

U.S. citizens already in Croatia who wish to remain in Croatia for more than 90 days must obtain a temporary residence permit. In order to adjust their status and apply for a temporary residence permit, U.S. citizens should speak with the foreigner section of the local police department in the jurisdiction where they intend to reside temporarily.

For further information on entry requirements for Croatia, including information regarding requirements for residency and work permits, travelers should contact the Embassy of Croatia <http://us.mvep.hr/en/embassy/contacts-and-working-hours/> or the Croatian Ministry of Internal Affairs' Office for Foreigners, tel. +385 (1) 456-3111. Further information is available at the [Ministry of the Interior](#) and the [Ministry of Foreign Affairs](#):

- <http://www.mvep.hr/en/consular-information/visas/visa-requirements-overview/>
- [http://www.mvep.hr/en/consular-information/stay-of-aliens/granting-stay-in-croatia-/  
/](http://www.mvep.hr/en/consular-information/stay-of-aliens/granting-stay-in-croatia-/)

In support of a residency application, applicants will need to provide a copy of their birth certificate and, if applicable, marriage license and divorce certificate, obtained no more than 90 days before application. They may also be asked to provide their [FBI Identity History Summary Checks](#). All documents should be translated into Croatian and have an “apostille” stamp certifying their authenticity. Information on apostilles and authentication of documents is available at <https://travel.state.gov/content/travel/en/legal/travel-legal-considerations/internl-judicial-asst/authentications-and-apostilles.html>.

If an extension of an approved temporary stay is needed, U.S. citizens should submit a request to the local police having jurisdiction over their place of residence in Croatia no later than 30 days in advance of the last day of authorized stay.

***Note:** Although Croatia became a member of the European Union (EU) on July 1, 2013, note that it is not yet a member of the Schengen area, and a passport is required for travel between Croatia and other European Union member states. For further details about travel into and within Schengen countries, please see the State Department’s Schengen Fact Sheet.*

U.S. companies that require travel of foreign businesspersons to the United States should refer to the following links:

State Department Visa Website: <https://travel.state.gov/content/visas/en.html>

Consular information can be found on the U.S. Embassy’s Zagreb website: <http://hr.usembassy.gov/>

## Currency

Croatian currency is the Kuna (HRK). The average exchange rate in 2017 was 6.63 HRK for 1.00 USD. The Croatian National Bank maintains a policy of fixing the exchange rate of the Kuna with the Euro within a narrow band.

## Telecommunications/Electric

Croatia has a developed telecommunications network (including fixed line, wireless, satellite and cellular technology). Fixed-line operators include T-Com, Optima Telecom, Iskon internet, Vipnet, and Metronet.

Cellular services are provided by licensed cellular operators: T-Mobile, Vipnet, Tomato and Tele2. Croatia operates 3G, 4G and GSM networks.

To telephone internationally from Croatia, local direct access numbers of major telephone calling services are:



- AT&T 0-800-220-111
- MCI 0-800-220-112
- SPRINT 0-800-220-113

## Transportation

There are five major airports in Croatia. The country's largest, Zagreb International Airport, has service to most European capitals. Besides the national carrier, Croatia Airlines, Zagreb is serviced by Aeroflot, Air Bosna, Air France, Alitalia, Austrian Airlines, Avioimpex, Czech Airlines, Dubrovnik Airline, Germanwings, LOT, Lufthansa CityLine, Malev, Nouvel Air Tunisie, SAS-Scandinavian, Sky Service, THY-Turkish, Trade Air and Tyrolean.

International flights also service Dubrovnik, Split, Osijek, Rijeka, Pula, Bol, and Zadar airports. Croatia Airlines operates internal flights -- Zagreb-Split, Zagreb-Zadar, Zagreb-Pula and Zagreb-Dubrovnik, Zagreb-Rijeka, Zagreb-Osijek, and Osijek-Dubrovnik. One can also travel within Croatia by rental car, bus, or railway (the latter is not recommended due to poor service).

In Zagreb, there is a comprehensive tram/bus transport system which makes all parts of the city accessible. There is also Croatia Airlines bus driving from the airport to the Zagreb's main bus station (with approx. ten stops in between) at a cost of 30.00 Kn (approx. \$4.69) and is gratis for children under 6 years. Taxis are more expensive and can be obtained at a taxi stand, or by calling to one of four different taxi companies:

### *Radio Taxi Zagreb*

Phone: +385-1-1777 or 060-800-800

Price for start: 10.00 Kn (approx. \$1.47)

Price per kilometer: 6.00 Kn (approx. \$0.88)

Price from the center to the airport (approx. 15 km): 100,00 Kn (approx. \$14.70)

### *Cameo taxi*

Phone: +385-1-1212

Price for start: 6.00 Kn (approx. \$0.88)

Price per kilometer: 6.00 Kn (approx. \$0.88)

Price from the center to the airport (approx. 15 km): 96,00 Kn (approx. \$14.00)

### *Eko taxi* (cars emitting more than 50 % less CO2 than other conventional cars)

Phone: +385-1-1414

Price for start: 8.80 Kn (approx. \$1.29)

Price per kilometer: 6.00 Kn (approx. \$0.88)

Price from the city center to the airport (approx. 15 km): 98,80 Kn (approx. \$14.5)

### *Uber* (orders accepted only through application)

Online orders only: <https://www.uber.com/hr/>

Price for start: 6.00 Kn (approx. \$0.88)

Price per kilometer UberX: 3.60 Kn (approx. \$0.59)

Price per minute of drive UberX: 0.60 Kn (approx. \$0.09)

Price from the city center to the airport (flat rate UberX): 110,00 Kn (approx. \$18.03)

Price per kilometer UberSelect: 4.00 Kn (approx. \$0.65)

Price per minute of drive UberSelec: 0.60 Kn (approx. \$0.09)

Price from the city center to the airport (flat rate UberSelec): 120,00 Kn (approx. \$19.07)

Kids carseat available in UberSelect.

## Language

Many business people in Croatia speak foreign languages, mostly English, German, and Italian (along the coast). When necessary, a translator can be hired at the Croatian Translators Society - tel/fax: (385)(1) 484 7565.

## Health

Health facilities in Croatia, although generally of Western caliber, are under severe budgetary strain. Some medicines are in short supply in public hospitals and clinics. The number of private medical and dental practitioners is substantial, and private pharmacies stock a variety of medicines not readily available through public health facilities. Croatian health care facilities, doctors and hospitals usually expect immediate cash payment for health services and generally will not accept credit cards. Tick-borne encephalitis, a disease preventable with a three-shot vaccination series, is found throughout inland Croatia but is not prevalent along the coast. Travelers to Croatia may obtain a list of English-speaking physicians and dentists at the Embassy's web site at <http://zagreb.usembassy.gov/medical-information.html> or by calling: + 385 (1) 661-2376 during working hours. The single European emergency phone number 112 is also active in Croatia for all kinds of emergencies. Ambulance service is effective; however, response times may be longer to more isolated areas.

## Local Time, Business Hours and Holidays

Croatia time is Greenwich Mean Time plus one hour. Said differently, if it is 8 a.m. in New York, it is 2 p.m. in Zagreb, Croatia.

Working hours start at 8 am and end at 4:30 or 5 pm. Most shops open at 8 a.m. and close at 8 p.m. On Saturdays, most stores close at 2:30 p.m. in the center of the city, and with few exceptions, stores are closed on Sundays and holidays. Outside of the city there are several shopping malls/centers open every day from Monday to Sunday from 08:00 a.m. to 09:00 p.m.

- June 22, 2018 Anti-Fascism Day
- June 25, 2018 Statehood Day

- August 5, 2018 Victory and Homeland Gratitude Day
- August 15, 2018 Assumption Day
- October 8, 2018 Independence Day
- November 1, 2018 All Saints Day
- December 25, 2018 Christmas Day
- December 26, 2018 St. Stephen's Day
- January 1, 2019 New Year's Day
- January 6, 2019 Epiphany
- April 21, 2019 Easter Day
- April 22, 2019 Easter Monday
- May 1, 2019 Labor Day
- June 20, 2019 Corpus Christi Day

The following holidays may be observed by Croatian citizens of a particular religion: Orthodox Christmas (Orthodox), Ramadan (Muslim), Yom Kippur and Rosh Hashanah (Jewish).

### **Temporary Entry of Materials or Personal Belongings**

Croatian accepts the ATA carnet, which covers virtually all goods. Please see: [ATAcarnet](#).

### **Travel Related Web Resources**

[ATA Carnet](#)

[Embassy of the Republic of Croatia](#)

[Ministry of Interior, Republic of Croatia](#)

[U.S. Department of State, Bureau of Consular Affairs](#)

[U.S. Department of State, Bureau of Consular Affairs - Visas](#)

[U.S. Embassy Zagreb](#)

[U.S. Embassy Zagreb, Consular Section](#)

[U.S. Embassy Zagreb, Medical Information](#)

[U.S. Embassy Zagreb, U.S. Commercial Service](#)