

CROATIA

Croatia has been a candidate country for EU membership since June 2004. On 12 February 2008 the Council adopted the new Accession Partnership for the country. The status in the accession negotiations is that there are 22 provisionally closed chapters and negotiations have been opened in 33 chapters. EU-Croatia trade has substantially increased since the opening of the EU market under the Autonomous Trade Measures in 2000. In 2008 EU- Croatia trade was at €19.244 billion, which constitutes 65.5% of the total trade.

Prior to the onset of the global crisis, the Croatian economy grew at a healthy 4-5 percent annually, incomes doubled and economic and social opportunities dramatically improved. The Croatian authorities have been managing the impact of the global crisis relatively well. Due to declining tax revenues, the fiscal policy had to go through significant adjustments to protect macroeconomic stability and ensure regular debt service.

In terms of adopting the European legislation, there has been some progress in the area of rail transport. Croatia signed the «Addendum to the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network for a South East European Railway Transport Area» in December 2007. The railway network statement has been published in December 2007. Following the adoption of the Railway transport safety act in 2007 the Ministry has formed working groups for drafting the necessary implementation rulebooks.

A Separation Act in 2005 regulated the separation of the company Croatian Railways - HŽ into four new companies for the following business areas: management, maintenance and construction of railway infrastructure; transport of passengers; transport of cargo and train traction.

Croatian Railways, together with Serbian and Slovenian railway companies formed a joint transport company to operate over Corridor 10. The founders of Cargo 10 also expect the company to attract business from the competing Corridor 4, and to lower the prices of transport services. Croatian railway company Hrvatske željeznice (HZ) makes 70% of its revenue precisely on Corridor 10, and HZ Cargo will pay yearly membership fee for

Cargo 10 in the amount of EUR 20,000. It will invest EUR 33,334 in capital stock.

Suburban rail traffic around Zagreb is to be fully renovated and reorganised. Some local lines previously shut down will be reactivated, and a link to Zagreb airport has been approved and announced by Zagreb authorities. New EMUs and DMUs have been ordered from Croatian manufacturer Koncar. Tram service is the basic type of public transport in Zagreb. Regular tram transport includes 116.346 m long tracks, 193 lead cars and 41 trailers.

Background figures in railways (2009):

2,723 km length of lines

985 km electrified lines

73,650 x 1 000 passengers carried

1,794 x 1 000 000 passenger-km

11,651 x 1 000 tonnes carried

2,641 x 1 000 000 tonne-kilometres

Economics	2008	2009
GDP (current billions US\$)	69.33	63.03
GDP growth (annual %)	2	-6
Exports of goods and services (% of GDP)	42	41
Imports of goods and services (% of GDP)	50	45
Industry, value added (% of GDP)	28	29

Ease of Doing Business Rank 2010

World	rank 103
Eastern Europe & Central Asia	rank 21

