



MINISTRY OF FINANCE OF THE REPUBLIC OF CROATIA

Public Financial Management

Ljubljana, Slovenia, 3 December 2024

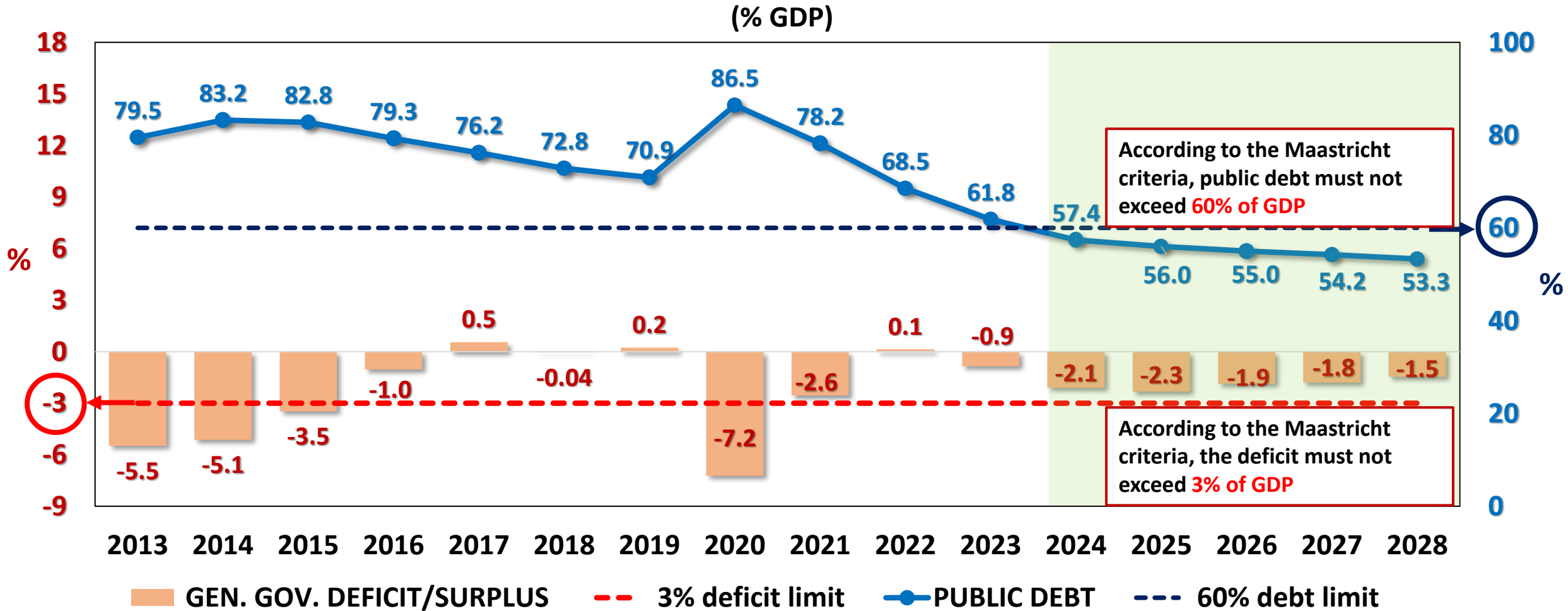
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Macroeconomic Framework – Public Debt and General Government Surplus/Deficit



The share of public debt and the general government budget deficit/surplus



According to the Maastricht criteria, public debt must not exceed **60% of GDP**

According to the Maastricht criteria, the deficit must not exceed **3% of GDP**

- Public debt has been significantly reduced compared to previous years
- In 2024, public debt dropped below 60% of GDP



2025 Outlook

3.2 % GDP growth
(2024 – 3.6%)

Private consumption and gross investment in capital assets will be the main drivers of the GDP growth in 2025.

2.7 % Inflation rate

Inflationary pressures on food prices are expected to ease, along with a reduction in core inflation.

2.9 % Employment growth

Favorable labor market expectations are projected to persist, driven by an imbalance between labor supply and demand, as well as positive trends in migration balance.



National Medium-Term Fiscal-Structural Plan for the Period 2025-2028

- The obligation of European Union member states within the framework of the European Semester is to prepare a national medium-term fiscal-structural plan *that integrates the fiscal policy, structural reforms, and investments*.
- The National Medium-Term Fiscal-Structural Plan of the Republic of Croatia for the period 2025-2028:
 - **represents a strategic document** adopted for the first time in 2024, replacing the Stability Program and the National Reform Program;
 - **is based on the macroeconomic projections** adopted by the Government of the Republic of Croatia on November 14, 2024, and submitted to the European Commission's service departments;
 - through this plan, each European Union member state, including the Republic of Croatia, **defines the direction of fiscal developments, as well as priority reforms and investments** for the four-year period.

National Medium-Term Fiscal-Structural Plan for the Period 2025-2028

- **The National Medium-Term Fiscal-Structural Plan for the period 2025-2028 (Plan) consists of two segments:**
 - 1) Overview of macro-economic trends and fiscal policy
 - 2) Structural reforms and investments.
- **The Plan covers:**
 - Remaining measures from the National Recovery and Resilience Plan (NRRP)
 - Measures outside the scope of the NRRP.
- **The planned measures include:**
 - those that contribute to further progress in the **green and digital transitions**.
- **Through the planned measures, the Republic of Croatia complies with the recommendations of the Council of the European Union**, addressing both the European Pillar of Social Rights and the Sustainable Development Goals.
- The measures are complementary to the implementation of the fiscal framework for the upcoming period.



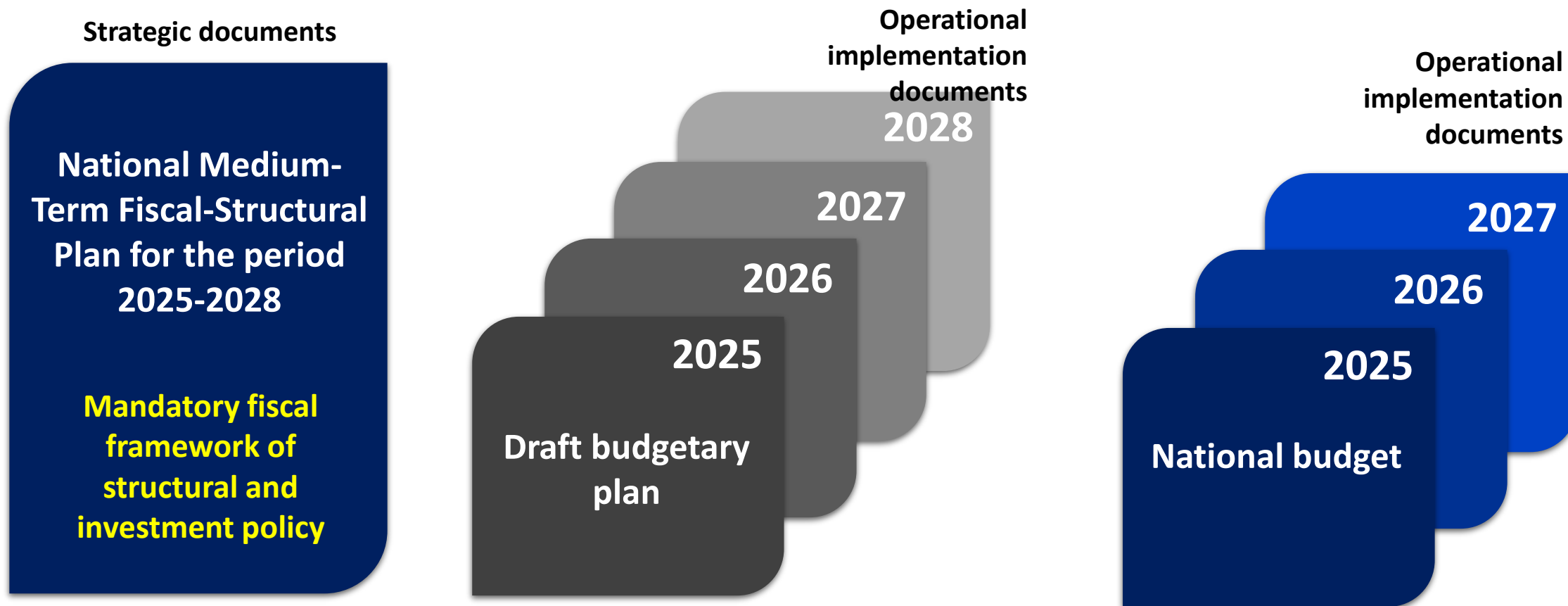
National Medium-Term Fiscal-Structural Plan for the Period 2025-2028

- **Scope of planned measures:**

- Continuation of recovery from the consequences of the earthquake
- Environmental protection, decarbonization, and green transition, including research and development
- Digital transformation to ease the burden on citizens and businesses
- Networking of all bodies for easier access to all services
- Enhancing the quality of the judiciary
- Advancing the development of the labor market
- Ongoing investment in education, scientific centers of excellence, and educational infrastructure
- Healthcare: focusing on prevention, improving the quality of the healthcare system, and enhancing palliative care
- Reform of housing policy
- Promoting demographic renewal, supporting children and youth, and assisting elderly people
- Encouraging the return of Croatian citizens to Croatia



Harmonization of Strategic and Budget Documentation



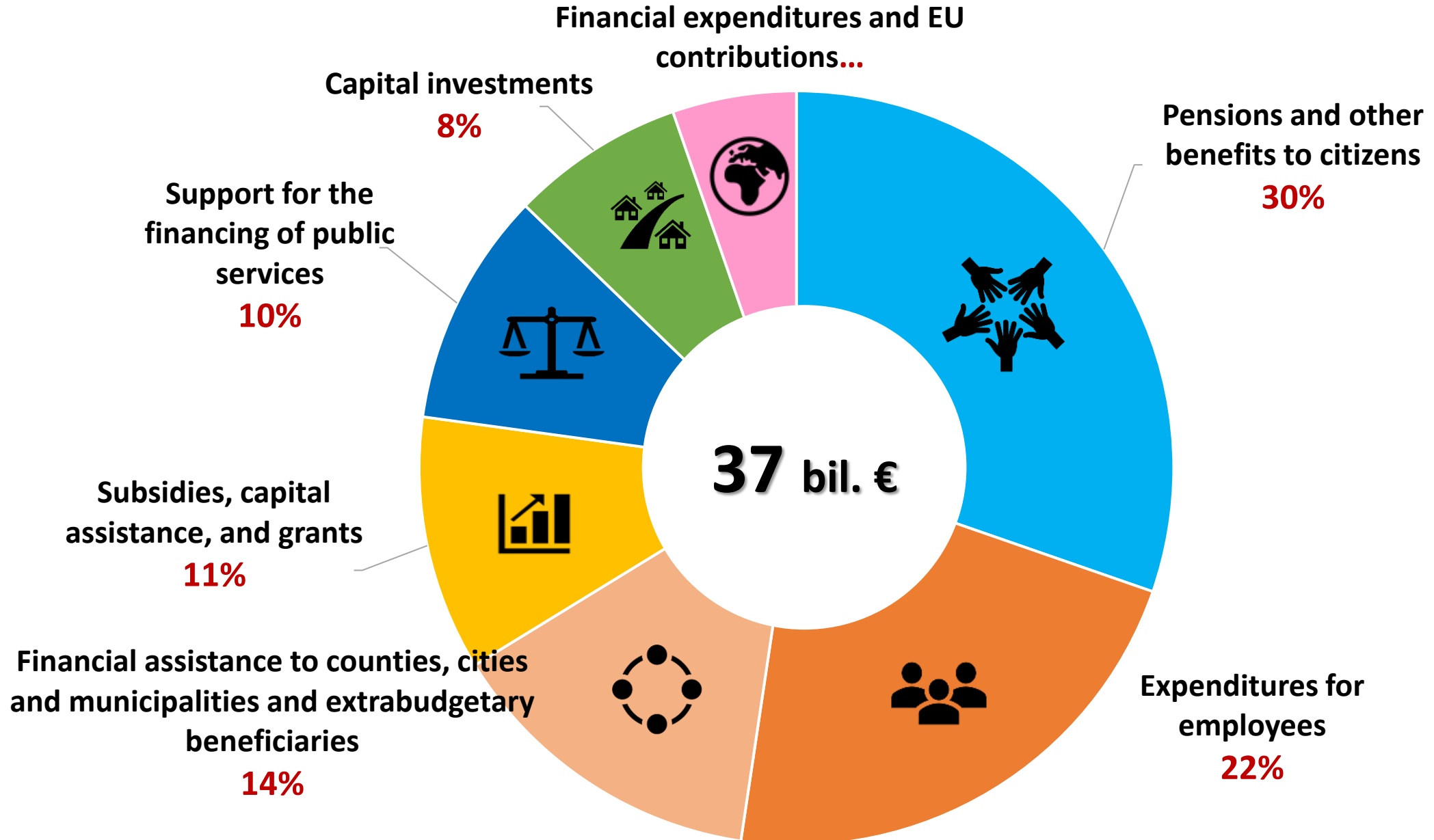
STRATEGIC DOCUMENT

OPERATIONAL PLANS/ IMPLEMENTATION DOCUMENTS

HARMONIZATION



2025 State Budget Total Expenditures



State Budget of the Republic of Croatia for the Period 2025–2027

- **The State Budget of the Republic of Croatia for the period 2025–2027 ensures:**
 - Financial stability through the reduction of the public debt-to-GDP ratio
 - Maintenance of the budget deficit below reference thresholds and responsible management of funds
 - A robust investment cycle, supported by European funds, aimed at developing advanced infrastructure and services
 - Care for citizens, reflected in the growth of pensions, salaries, allowances, and investments targeting the most vulnerable groups
 - Stability in political, security, economic, and financial spheres.

➤ More information on public financial management in the Republic of Croatia is available on the official websites of the Government of the Republic of Croatia:

https://vlada.gov.hr/UserDocsImages/Vijesti/2024/Studeni/14_studenoga/Prijedlog_proracuna_2025-2027.pdf

and the Ministry of Finance: <https://mfin.gov.hr/drzavna-riznica/103>



THANK YOU FOR YOUR ATTENTION!

