

INVEST IN CROATIA



**AGENCY FOR
INVESTMENTS AND
COMPETITIVENESS**

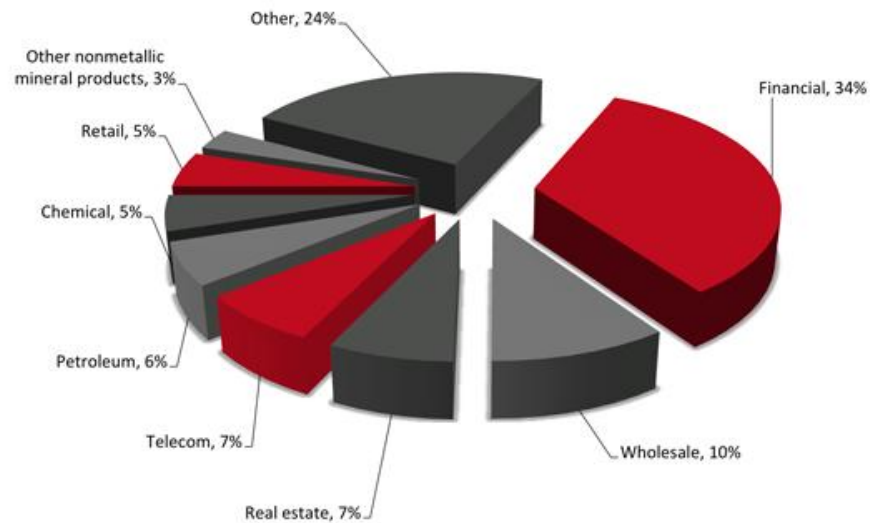
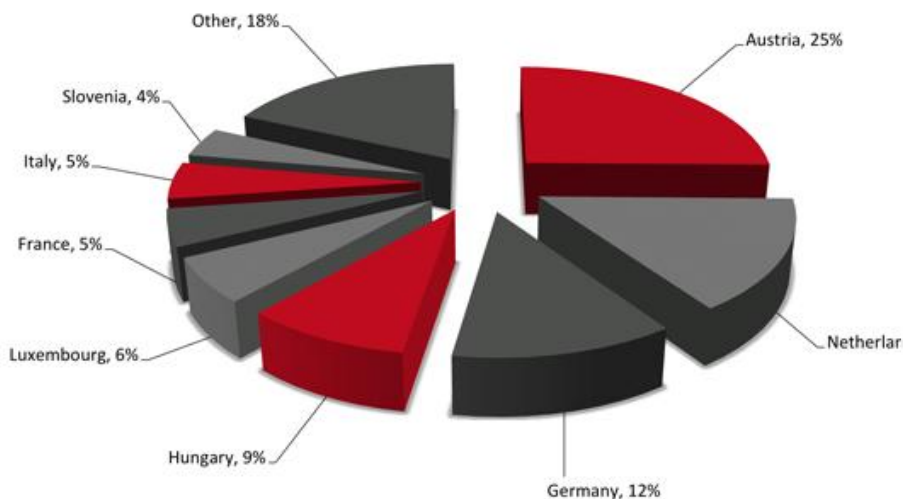
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ABOUT CROATIA

FOREIGN DIRECT INVESTMENTS (FDI)



FDI – 27,1 BILLION € (1993 – IIIQ 2013)





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WHY INVEST IN CROATIA?

TODAY IS EASIER TO INVEST THAN 1 YEAR AGO



**PRECONDITIONS FOR EASIER
INVESTMENT REALIZATION
HAVE BEEN CREATED**



- ✓ Strong Government Commitment in attracting new FDI investments to Croatia
- ✓ Agency for Investments and Competitiveness supporting investors
- ✓ New business-friendly regulatory environment
- ✓ Encouraging investment incentives
- ✓ Law on Strategic Investments of the Republic of Croatia
- ✓ Working group for business climate and private investments
- ✓ Industrial Policy Strategy of the Republic of Croatia (2014.)
- ✓ Legislation on construction and physical planning
- ✓ Fast-track reforms
(181 adopted measures, 75 implemented measures 5 reforms adopted by Doing Business)





***Law on Investment
Promotion***

- € 150.000 minimum investment
- 0% - 10% profit tax rate
- €3,000 – €18,000 cash grants per employee
- up to € 1.0 million for capital expenses
- up to € 0.5 million for R&D

***Law on Strategic
Investment Projects***

- quicker investment implementation
- less procedures and licenses needed
- each step of the investment process listed
- exact deadlines for each step of the investment process

Email: strateski.projekti@mingo.hr

***Legislation on
construction and
physical planning***

- e- permits issued within 30 days
- construction permit valid for 3 years – time to start construction
- 3% discrepancy between main design and actual building will be allowed
- full on-line information on zoning, cadastre and ownership rights





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INVESTMENT INCENTIVES

ELIGIBLE SECTORS AND COSTS



Sectors

- Manufacturing activities
- Technology centers
- Strategic business support services
- Tourism (4 plus star hotels and resorts, sports and health centers, etc)

Incentives

- Tax incentives
- Employment and education grants
- Incentives for modernization of technology and R&D activities
- Incentives for initial and capital expenses of the investment project
- Incentives for labor intensive investment projects

Eligible investment costs

- Equipment and machinery and intangible assets: patent rights, licenses, know-how, or
- 2 year-gross salaries





Minimum investment: 150.000 € - SME's and large size companies

Incentives

Tax incentives	0% - 10% profit tax rate
Employment incentives	€3,000 – €18,000 per employee
Incentives for Innovation and Development	20% of the eligible cost of buying the equipment/machinery (up to € 0.5 million)
Incentives for Initial and Capital Expenses of the Investment Project	Cash grant in amount of 20% of the eligible costs (up to € 1.0 million)

Respective investment incentives are calculated on an individual basis.





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INVESTMENT
INCENTIVES

CALCULATOR



You can calculate your investment incentives in Croatia by *Investment Incentives Calculator*
available at AIK web pages
www.aik-invest.hr




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HrvatskiEnglish

Search


HOMENEWSINVESTMENTSABOUT USCONTACTS

Creating policies for
competitive business
environment





Ivan Vrdoljak
Minister of Economy, President of Steering Committee

Thank you for choosing
Croatia as your next
investment destination




Damir Novinić
Managing Director







Investment
guide




eCatalog
of investment projects




Incentives
calculator



Competitiveness
measurements



Clusters
of Competitiveness



Publications

NEWS


Director of the Agency for Investments and Competitiveness presented in
Berlin the investment opportunities in Croatia

























Croatian delegation headed by minister Vrdoljak visited the Federal Republic of
Germany On 14 December 2012, Minister of Economy Ivan [...]

SUCCESS STORIES

APPLIED CERAMICS

"Sisak was selected as an ideal location for achieving our
business objectives and as headquarter for the European
market. With [...]"





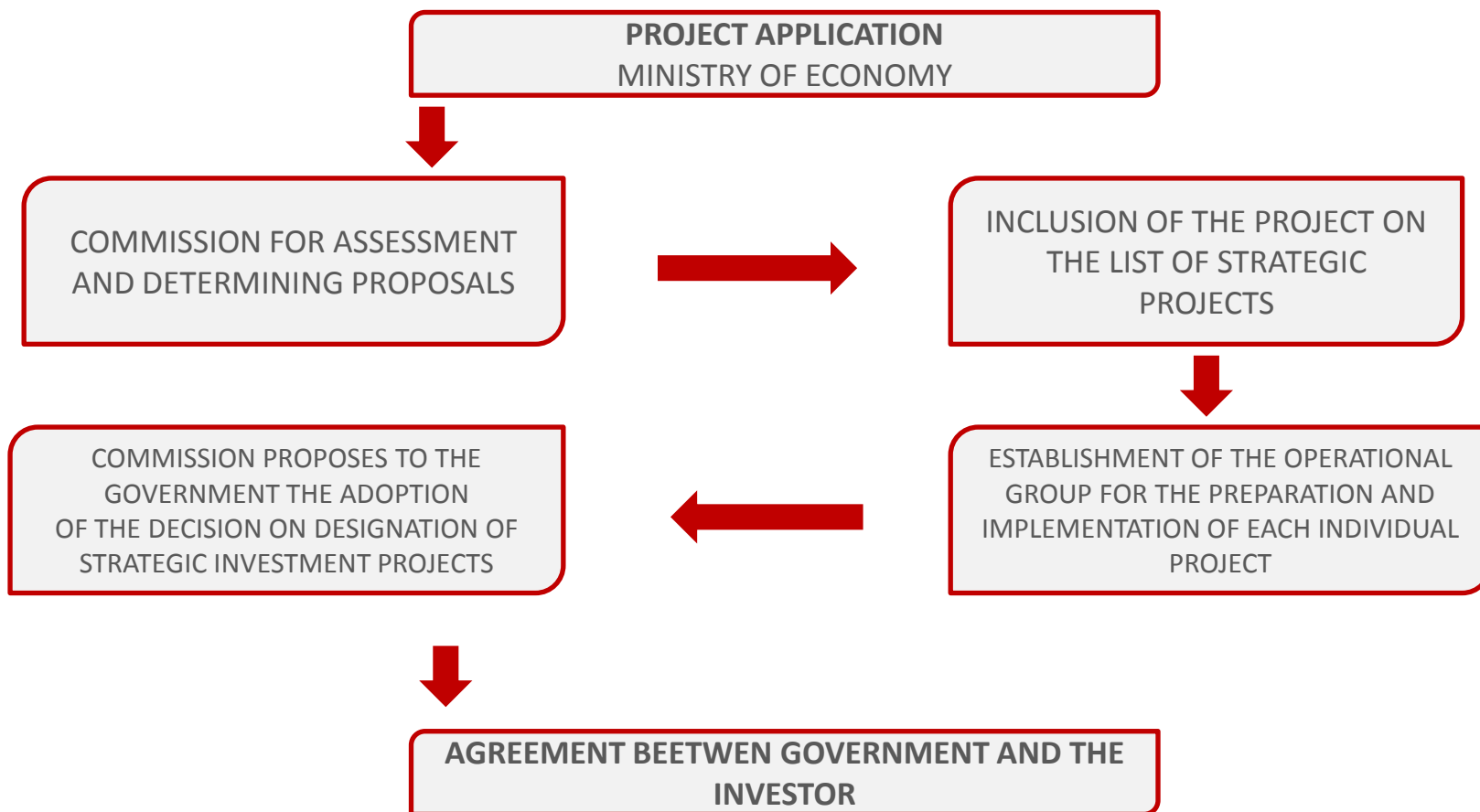
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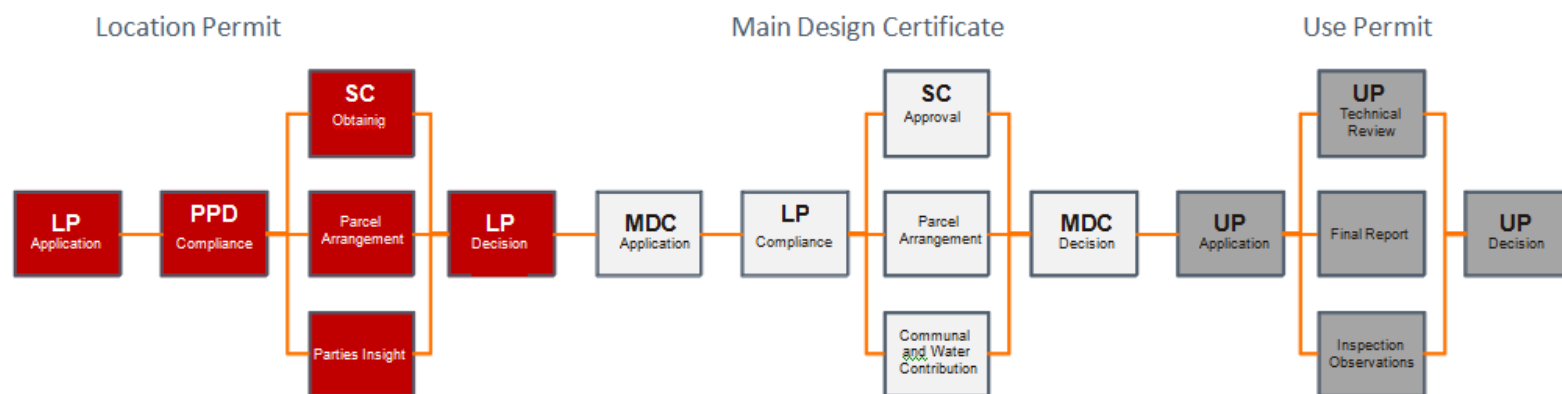
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LAW ON STRATEGIC INVESTMENT PROJECTS OF THE REPUBLIC OF CROATIA

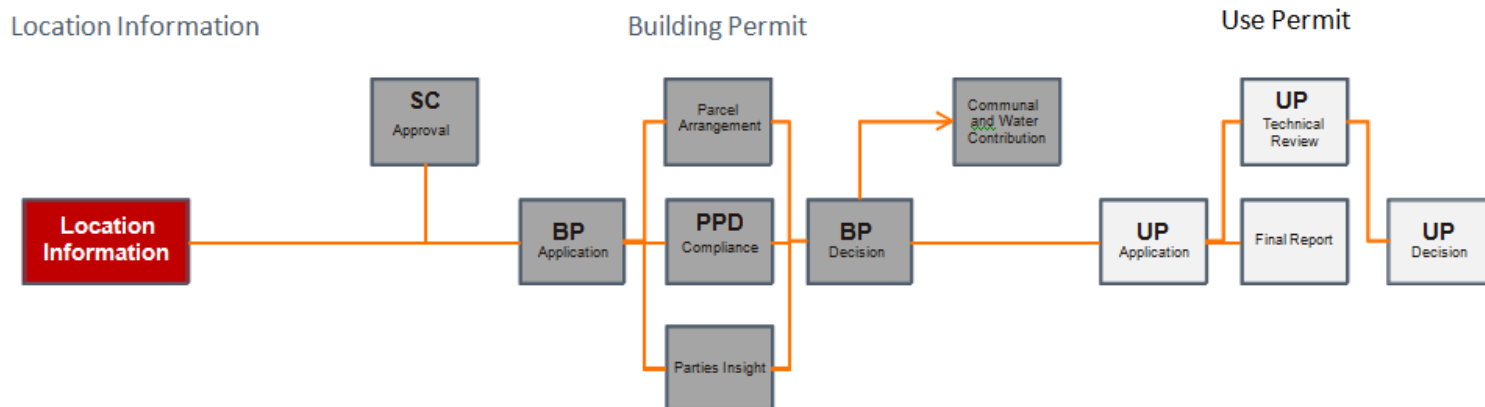




LEGISLATIVE FRAMEWORK ON CONSTRUCTION BEFORE JANUARY 1, 2014



LEGISLATIVE FRAMEWORK ON CONSTRUCTION AFTER JANUARY 1, 2014





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**WORKING GROUP FOR
BUSINESS CLIMATE AND
PRIVATE INVESTMENTS**



Agency for Investments and Competitiveness - main operational body

BUSINESS CLIMATE

181 adopted activities
from which
75 implemented for improvement
of business and investment
climate

The Global Competitiveness Report 2013–2014



2013 – 2014

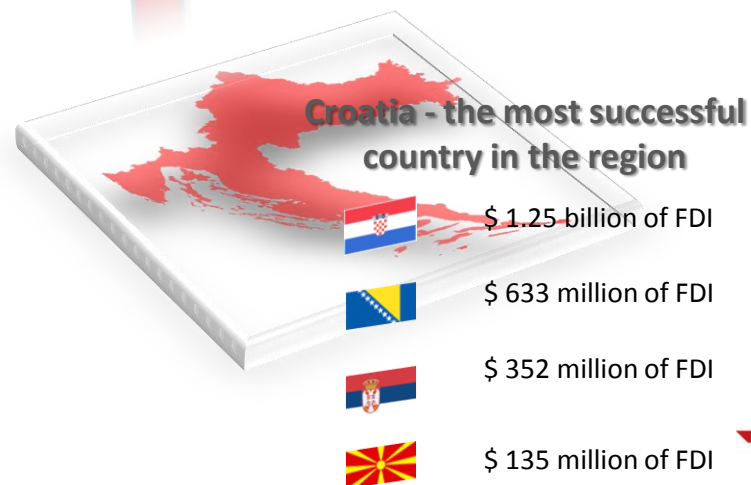
75/148

2012 – 2013

81/144

INVESTMENTS

23 private projects
≈ € 1,2 billion
≈ 3,064 new work places
barriers removed
for 11 projects
≈ € 500 million
≈ 1,800 new workplaces



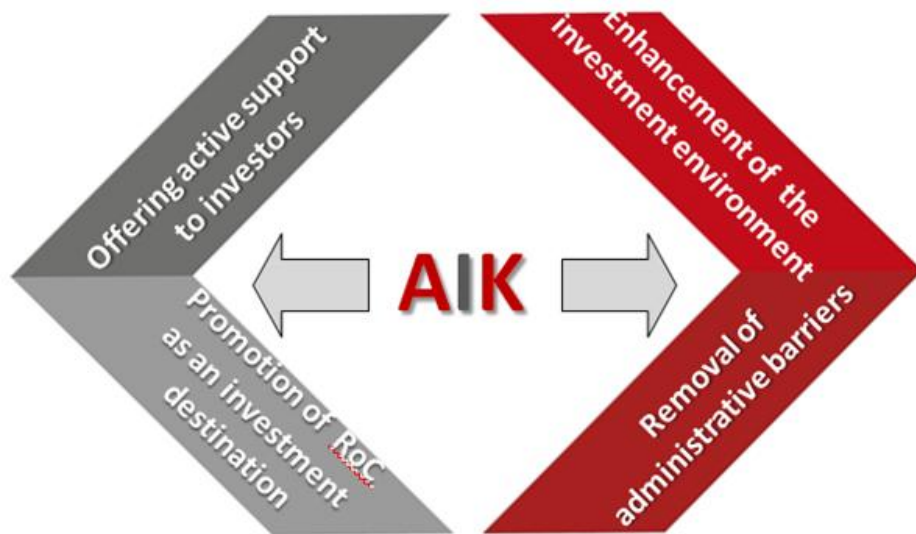


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ABOUT US



- ✓ Active approach to attracting new investments to the Republic of Croatia
- ✓ Assistance to all foreign investors entering the Croatian market
- ✓ Support prior, during and after realization of investment projects
- ✓ Emphasis on current investment projects – reducing barriers in cooperation with other Government Institutions
- ✓ Enabling all investors to develop successful business in Croatia





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SERVICES



STRATEGY

EVALUATION

REALIZATION OF INVESTMENTS

WE PROVIDE YOU

*Business
intelligence*

Site
selection

Operation
costs
analysis

*After care
service*

WE CONNECT WITH

Government
bodies

RDA

Local
institutions

Utility
companies

WE ASSIST WITH

Investment
opportunities
identification

Organizing
site visits

Gaining all
necessary
permits

Gaining
state
incentives





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AIK PORTFOLIO

NOVEMBER 2012 – FEBRUARY 2014



91
PROJECT

7,2
BILLION €

10.364
NEW WORK PLACES

In 2013. Agency removed barriers for 23 investment projects, with total amount of 3.1 billion €, which will create 4.311 new work places





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AIK - PUBLICATION

PUBLISHED PUBLICATION SO FAR



INVESTMENT GUIDE
ON ENGLISH AND ITALIAN
LANGUAGE

**CATALOGUE OF INVESTMENT
OPPORTUNITIES**

**MADE IN CROATIA –INVESTORS
GUIDE TO MANUFACTURING AND
LOGISTIC**

7 SECTORS PROFILES





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WHY INVEST IN MANUFACTURING INDUSTRY



**Access to EU market
of 500 million people**

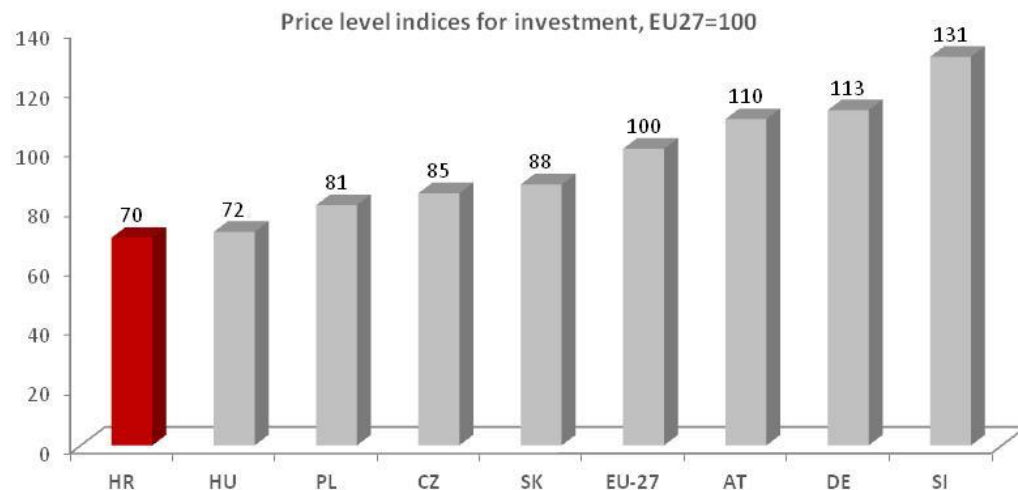
**Excellent geostrategic
location**

**Cost competitive labor
force**

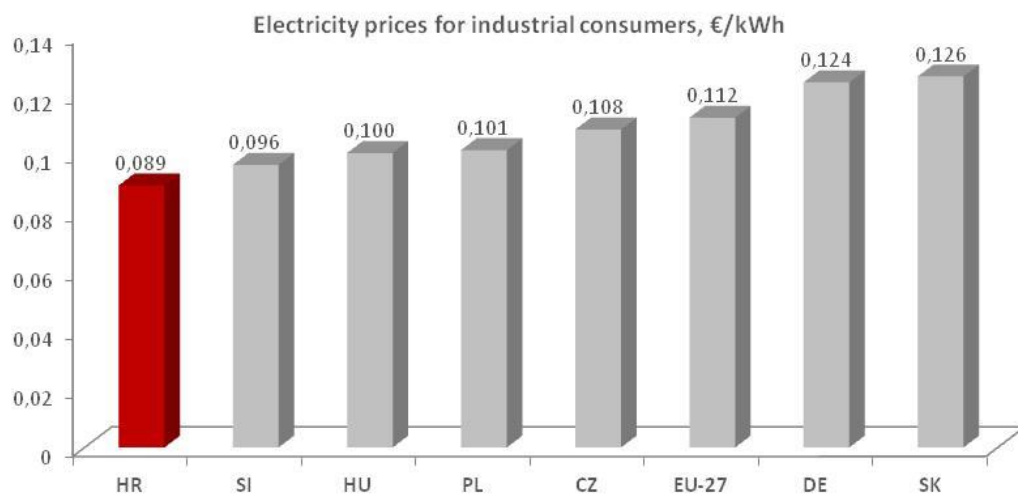
Modern infrastructure

MANUFACTURING CLUSTERS IN CROATIA





*Favorable initial
investment costs*



*Electricity prices for
industrial users the lowest
among competitors*



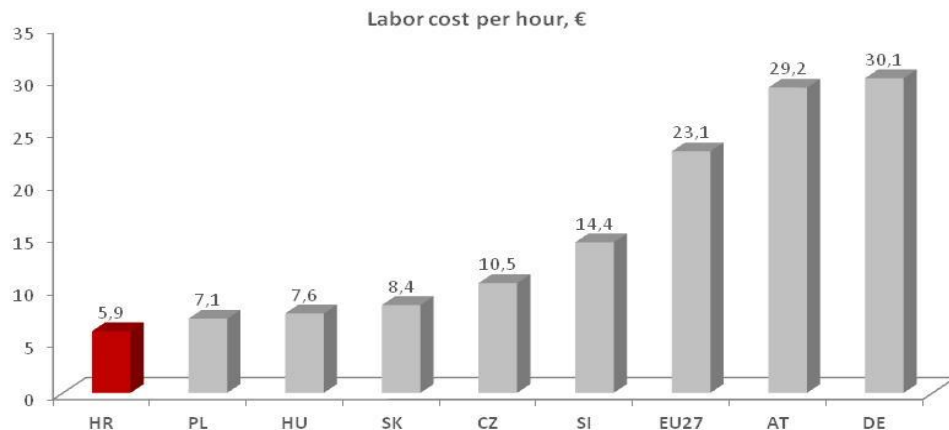


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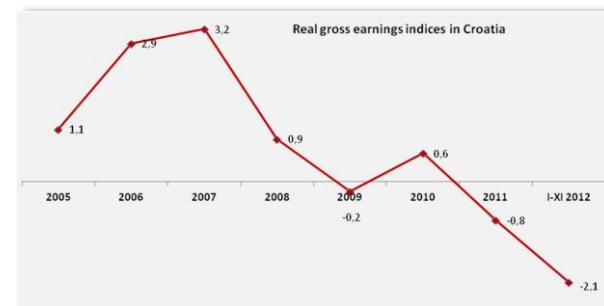
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LABOR COSTS

LABOR COSTS PER HOUR



Source: Eurostat, 2011



Source: CBS, 2011

Industry	Average labor cost per hour, €	Average monthly gross wage, €
Manufacturing industry	5.9	905
Pharmaceutical industry	9.2	1,800
ICT	6.4/8.5	1,425
Tourism	5.1	866

*Cost competitive
workforce*





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INVESTMENT LOCATIONS

THREE POTENTIAL INVESTMENT LOCATIONS
FOR IRISH COMPANIES



*Pharmaceuticals and
other Manufacturing
Industry*



*IT Sector and Business
Services*



*Other Investment
Projects*



Potential Investment Locations

**Industrial Park Nova
Gradiška**



**Business Zone Prelog
North**



Business Zone Podi





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WHY INVEST IN ICT SECTOR



KEY FIGURES

ICT market value (2012)

€ 820 million

Number of employees

29,648

Average gross salary (2011)

€ 1,425

Share of ICT in GDP

4.2%

Operating gross profit rate

24.6% / 20.9%

CROATIA

EU27 AVERAGE

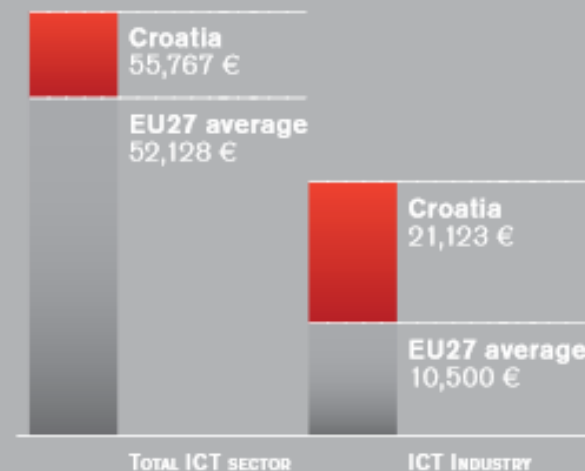


AVERAGE PERSONNEL COSTS (€1000/PERSON)



HIGH PRODUCTIVITY

Croatia is known for its high labor productivity in the ICT sector which is above the EU27 average.





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WHY INVEST IN TOURISM



KEY FIGURES

Tourism annual turnover (2012)

€ 6.8 billion

Registered companies

18,324

Number of employees

91,452

Average gross salary (2011)

866 €

Percentage of GDP

14.4 %

KEY TOURIST LOCATIONS IN CROATIA



Greenfield Projects

- Project Pineta
- Project Kupari

State Owned Companies

- Imperial Plc.
- Hoteli Makarska Plc.
- Hoteli Maestral Plc.



VISIT – LIKE – INVEST
in Croatian tourism



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Agency for Investments
and Competitiveness





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THANK YOU!



We are standing at your disposal for any additional questions:



Republic
of Croatia

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