

British Croatian Chamber of Commerce

22 May 2006

Evening Reception at International House, London, E1W 1UN to mark the Annual General Meeting of the EBRD

With Guest Speaker H.E. Mr Ivan Suker, Croatian Minister of Finance & With Guest H.E. Josko Paro, The Ambassador of Croatia to the Court of St James.

The Minister was introduced by Albert Levy, Director of the BCCC on the occasion of the Annual General Meeting of the European Bank of Reconstruction and Development.

The Minister addressed the audience which consisted of representatives of both British and Croatian business particularly from financial and property institutions as well as the tourist industry and informed them about the Croatian Government's policies with respect to the economy and its finances:

- i) The overall strategy is to progress through advances in employment in competitive commercial markets.
- ii) Two of his goals are the encouragement of the growth of the Gross Domestic Product per capita and the stabilisation of foreign debt. In this regard he advised that substantial amounts of debt had been repaid over the last two years.
- iii) His target for the deficit in 2006 is to reduce it to 3.3% of GDP.
- iv) Although tax breaks are not necessarily the primary incentive for people coming into the country he believes that the Government's policy which includes no tax on dividends encourages economic growth. Other incentives are found on the coast and in the islands and also in the City of Vukovar.

- v) As far as the Minister is concerned the tax rates in Croatia are the lowest of any of the EU candidate countries. Nevertheless revenues are up year on year attaching to the favourable economic and fiscal environment.
- vi) Croatia has created a new one-stop shop organisation which enables investors to satisfy their needs in one place: www.hitro.hr
- vii) Croatia places great importance on primary education and encourages scientific research through continuing reforms of the educational system.

In closing the Minister expressed confidence in the future. Many current achievements reflecting past goals.