

Croatia / Country Profile

Economy overview

Source: EU Commission,
Country Report Croatia 2016

Croatia is the largest market for Danish exports in the Western Balkan region. The country is a natural hub to other neighbouring markets and logistically also to a larger South East European region. In 2016, domestic demand grew buoyantly in the first half of the year, with investment and consumption rising by 4.8% and 2.3% respectively. Private consumption has surprised with an increase of 5,3%, which is the largest increase in the last 9 years. As vibrant domestic demand pushes up imports, GDP growth is set to progressively ease to 2.3% in 2018, while the current account surplus is set to shrink to 1.8% of GDP.



Key economic indicators and forecasts

Sources: European Commission and Danmarks Statistik

	2014	2015	2016	2017
GDP growth (% , yoy)	-0,5	0,2	1,0	2,5
Inflation (% , yoy)	0,2	-0,3	1,0	0,8
Unemployment (%)	17,0	16,8	16,4	11,7
Danish exports to Croatia (Mio. DKK)	800,3	669,3		
Danish imports from Croatia (Mio. DKK)	215,2	206,3		

Market structure, characteristics and attractiveness

Croatia is a small but complex market. It is about the size of Denmark, but its geography divides it into two distinct markets – the coastal region along the Adriatic Sea (dominated with the service sector), and the inland region, dominated by agricultural and industrial activities. The country's population is of roughly 4.3 million. The demographic picture is much like those of the other members of the EU – characterized by ageing, depopulation and spatial polarization. The Croatian economy is made up of services (70,1% of total GDP), industry (24,4%) and agriculture (5,5%). In the service industries, the greatest share is held by tourism and related services. The country is a small open economy and highly dependent on international trade. In foreign trade, Croatia imports almost four times as many products as it exports. Skilled labour is available in most industries and people are generally well educated.

Major sectors of interest for Danish companies

Croatia became a member of the EU in 2013. This has made it easier for Danish companies to make business in Croatia in a number of sectors. Traditionally, Danish companies have shown interest in a variety of sectors ranging from pharmaceuticals to windmills as the largest two categories. Other sectors include transport, logistics, environmental protection and energy efficiency, health/eHealth and food and agriculture in general. There are currently 25 Danish businesses operating in Croatia with their subsidiaries of which 5 have major production and 1 R&D.

Market opportunities for Danish exporters

Environmental technologies: Water supply projects, sewage systems and wastewater treatment facilities, solid waste management, waste incineration, low carbon emission technologies, cleantech and floods prevention.

Energy and energy efficiency: District heating know-how and technology, equipment for LNG terminals, underground gas storage equipment, oil pipeline and gas pipeline equipment, green transportation and energy efficiency solutions.

Agriculture and food: Export of food, live animals, animal feed, organic products, agricultural machinery, irrigation technology and fish farming, fishing and fish processing equipment.

Design and furniture: Architectural design, furniture and design concepts for the tourism industry, product design, fashion design and production (outsourcing), high quality wooden furniture production outsourcing.

Healthcare and pharmaceuticals: Medical equipment, orthopedic devices, pharmaceuticals and food supplements (OTC products).

Information technology: Digitalisation services, cloud computing (PaaS), business solutions, security, advisory services and solutions for healthcare sector (e-health, telemedicine) and education sector (e-learning).