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Croatia

Overview

EIB INVESTMENT SURVEY

2019

EIB Group survey on investment and investment finance 2019 Country overview

Croatia



EIB Group survey on investment and investment finance 2019. Country overview: Croatia

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance is a unique, annual survey of some 13.500 firms. It comprises firms in all EU Member States, as well as a sample of US firms which serves as a benchmark. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, EIBIS is representative across all Member States of the EU and for the US, as well as for firm size classes (micro to large) and 4 main sectors. It is designed to build a panel of observations to support time series analysis, observations that can also be linked to firm balance sheet and profit and loss data. EIBIS has been developed and is managed by the Economics Department of the EIB, with support to development and implementation by Ipsos MORI.

For more information: <http://www.eib.org/eibis>.

About this publication

This EU-wide report is an overview of a series covering each of the EU Member States and the United States of America. These are intended to provide an accessible snapshot of the data. For the purpose of these publications, data is weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The Department, a team of 40 economists, is headed by Debora Revoltella, Director of Economics.

Main contributors to this publication

Rozália Pál

Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organizations. Its c.200 research staff in London and Brussels focus on public service and policy issues. Our research makes a difference for decision makers and communities.

EIBIS 2019 – Croatia

KEY RESULTS

Investment Dynamics

Despite a strong growth performance in recent years, real investment in Croatia remains well below pre-crisis levels. The main driver of the recovery is the private sector; while public investment continues to be rather sluggish.

Considerably more firms expect to increase than reduce investment in the current financial year. These expectations are more positive than in EIBIS 2018, and significantly higher than the EU average.

Innovation Activities

Approximately one-third of firms in Croatia (32%) and EU-wide (34%) claim to undertake some form of innovation activity. In Croatia, 17% of firms can be considered active innovators. The share of firms implementing at least one digital technology is slightly above the EU average (63% versus 58%).

SMEs and firms in the construction sector are less likely to have implemented a digital technology – either partially or in full.

Drivers and Constraints

On balance, slightly more firms expect the political and regulatory climate to deteriorate than improve in the next twelve months, yet this is still much more positive than the EU average.

Unlike the overall negative balance of opinion among EU firms, firms in Croatia are positive about the economic climate (largely driven by infrastructure and construction firms). Expectations on availability of finance and sector business prospects are also more positive than across the EU and compared to EIBIS 2018.

Availability of skilled staff, uncertainty about the future and business regulations remain the most cited long-term barriers to investment.

Access to Finance

Croatian firms are more financially constrained than the EU average (8% versus 5%). Those firms that used external finance are on balance satisfied with the conditions of financing. The highest proportion of dissatisfaction is with collateral requirements (13%), followed by the cost of finance (9%), higher than the 7% of firms across the EU dissatisfied on both of these measures.

Investment Focus

In the last financial year, the largest share of investment in Croatia was driven by the need to replace existing buildings, machinery, equipment and IT (47%), and by investment area the largest share was on machinery and equipment (55%). The equivalent EU average shares are 48% and 47%.

Looking ahead to the next three years, investment in capacity expansion (38%) as well as replacement of existing buildings, machinery, equipment, IT (36%) are the most commonly cited priorities, with only 20% of firms prioritising new products and services.

The share of investment primarily intended to improve energy efficiency is in line with the EU average (10% both in Croatia and the EU).

Investment Needs

One out of five firms say they have under-invested in the last three years (21%), which is higher than the EU average (15%). Nonetheless, more than half (59%) of firms in Croatia report having had an energy audit in the last three years, which is the highest share of all EU countries (EU average 43%).

The average perceived share of state-of-the-art machinery and equipment remains below the EU average (37% versus 44% in the EU overall).

Investment Finance

Internal funds account for the highest share of investment finance (65%), slightly above the EU average (62%). This contrasts with only 7% of all firms that did not apply for external finance because they are happy to use internal funds or did not need external funds, which is less than half of the EU average (16%).

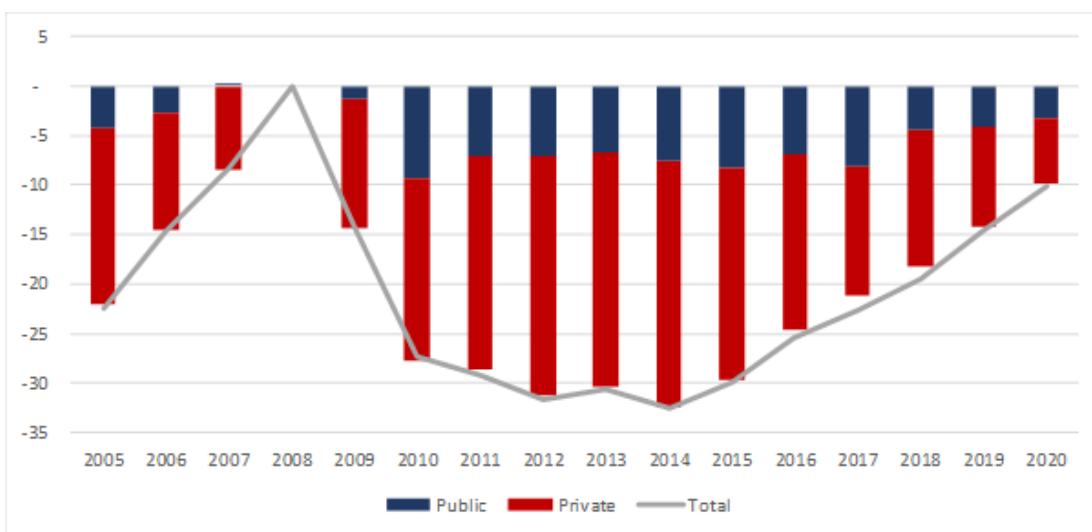
In terms of composition of external finance, bank loans still account for more than half (58%). Grants are more prevalent in Croatia when compared with the EU average (14% versus 4% shares), while leasing has a lower share in Croatia (13% versus 22% EU-wide).

Investment Dynamics

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

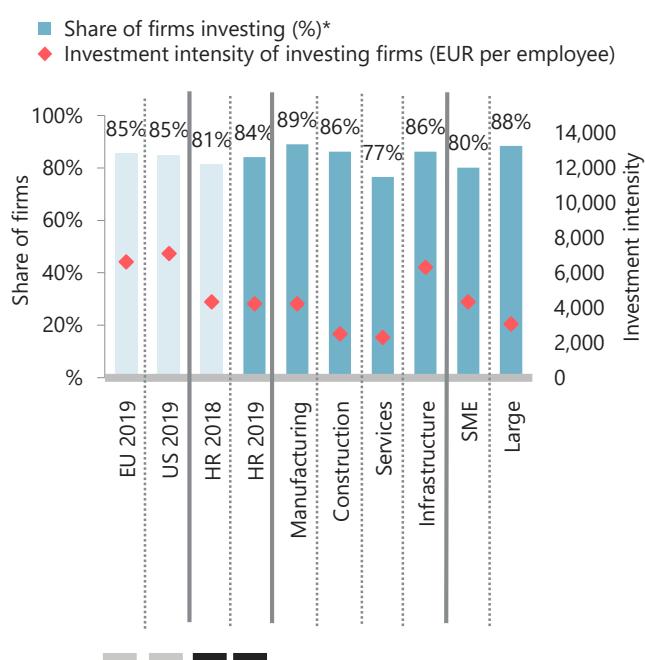
The Croatian economy is currently in its fifth consecutive year of recovery, strongly driven by consumption and investment. Real investment remains below pre-crisis levels however. The main driver of the recovery is the private sector.

Public investment, on the other hand, remains sluggish, partially because of low absorption rates of EU structural funds



The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data has been indexed to equal 0 in 2008. Source: Eurostat.

INVESTMENT ACTIVITY IN LAST FINANCIAL YEAR



The proportion of firms investing in the last financial year increased slightly to 84% (from 81% in EIBIS 2018) and moved closer to the EU average (85%), though investing firms' investment intensity (amount of investment per employee) remained stagnant and below the EU average.

Firms in the manufacturing sector are most likely to invest (89%), followed by firms in the infrastructure and construction sectors (each at 86%). Those operating in the service sector are least likely to invest (77%).

Large firms are more likely to invest than SMEs (88% versus 80% respectively).

*The blue bars indicate the proportion of firms who have invested in the last financial year. A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities. Investment intensity is the median investment per employee of investing firms. Investment intensity is reported in real terms using the Eurostat GFCF deflator (indexed to EIBIS 2016).

Investment Dynamics

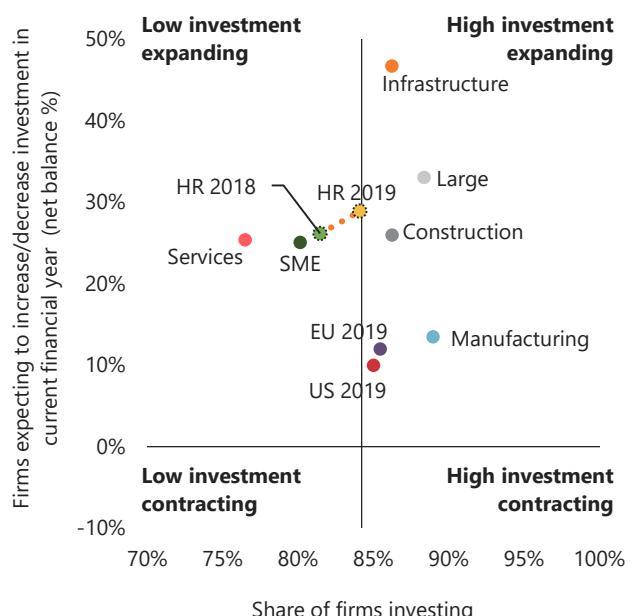
INVESTMENT CYCLE

Croatia is now positioned closer to the 'high investment expanding' quadrant on the investment cycle due to the increased share of firms investing in the last financial year.

Significantly more firms expect an increase in investment activities than a contraction, compared to both the EU and US averages.

Only the relatively low shares of SMEs and service sector firms investing means Croatia remains in the 'low investment expanding' quadrant.

Large firms and firms in the infrastructure sector are most likely on balance to increase investment activity in the current financial year.

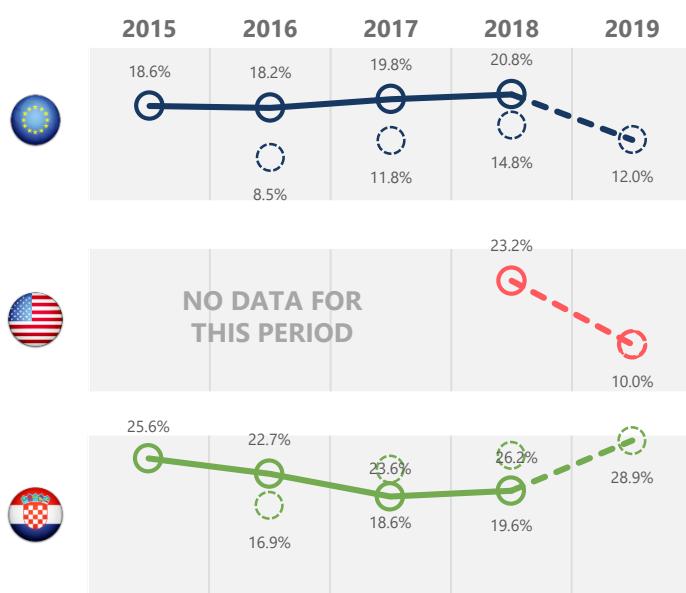


Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

Base: All firms

EVOLUTION OF INVESTMENT EXPECTATIONS

Realised/expected change in investment



Base: All firms

More firms in Croatia increased than reduced their investment activities in 2018, but the overall balance fell short of firms' expectations for the second year running.

Expectations for investment activity in 2019 are even more positive on balance than those recorded in previous years, and considerably higher than the EU average.

Realised change (%)	Expected change (%)
○	○ EU
○	○ US
○	○ HR

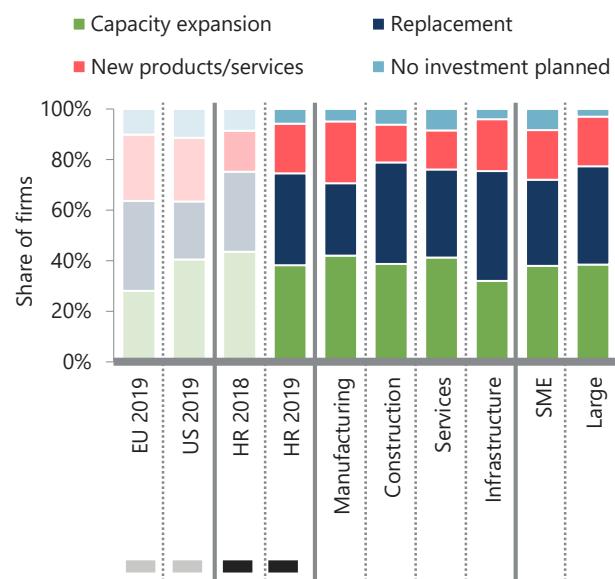
'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Investment Focus

FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, investment in capacity expansion and replacement of existing buildings, machinery, equipment, IT are most commonly cited as firms' main priorities (38% and 36% respectively).

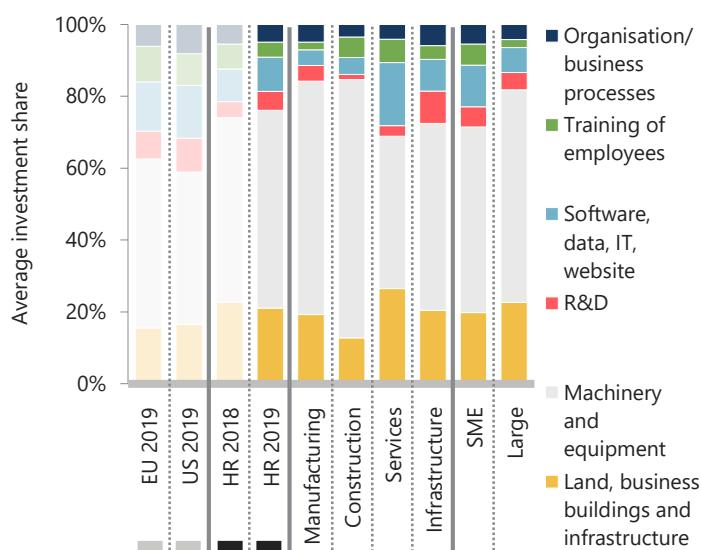
Even with a small increase from 16% in EIBIS 2018, only 20% of firms prioritise the development or introduction of new products, processes or services – this still lags the EU average (26%).



Q. Looking ahead to the next three years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

INVESTMENT AREAS



Firms in Croatia allocated the largest share of investment to machinery and equipment (55%), which is higher than the EU average share (47%). The next highest share is for land, business buildings and infrastructure (21%).

Firms in the construction sector report the highest share of investment in machinery and equipment (72%), when compared with other sectors. Share of investment in land, business buildings and infrastructure is highest in the service sector (27%).

Share of investment in intangibles is well below the EU average. The share of investment in training of employees decreased compared to EIBIS 2018 (from 7% to 4%). SMEs allocate a higher share of their investment to intangibles than larger ones.

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment Focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

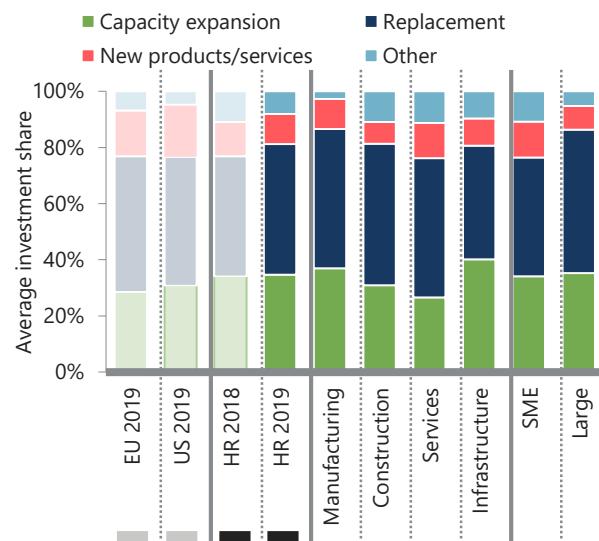
The largest share of investment was driven by the need to replace existing buildings, machinery, equipment and IT (47%), followed by capacity expansion (35%). This is generally in line with the pattern across the EU, where the corresponding shares are 48% and 29%.

Share of investment for replacement is higher for large businesses than SMEs (51% versus 42%).

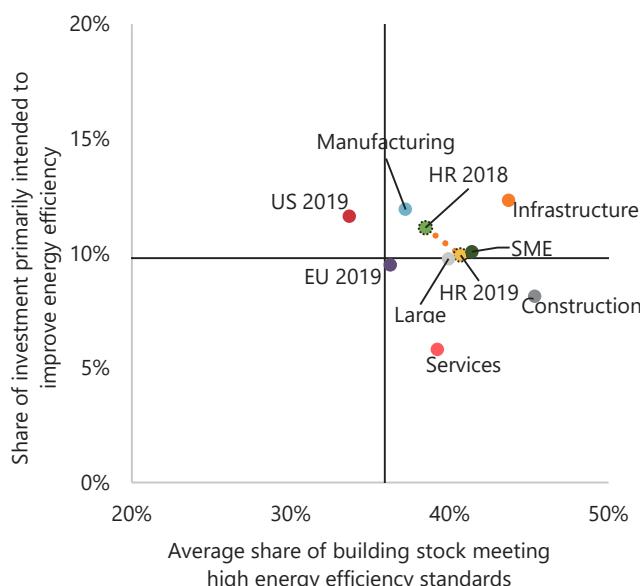
Infrastructure sector firms report equal shares of investment allocated to capacity expansion of existing products and services and capital replacement (both 40%), whereas replacement accounts for a higher share (50%) of investment among manufacturing, construction and service firms.

Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)



ENERGY EFFICIENCY INVESTMENT



Firms' average share of building stock perceived to satisfy high energy efficiency standards is slightly higher than EIBIS 2018 (41% vs 38% respectively), and above the EU average (36%).

The share of investment primarily intended to improve energy efficiency is in line with the EU average (10% both in Croatia and the EU).

Infrastructure and manufacturing firms report above average shares of investment being used to improve energy efficiency (12% each).

There is little difference between large firms and SMEs on either measure.

Q. What proportion, if any, of your commercial building stock satisfies high or highest energy efficiency standards?

Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

*Base: All firms (excluding don't know/ refused responses) /
All firms who have invested in the last financial year (excluding don't know/ refused responses)*

Innovation Activities

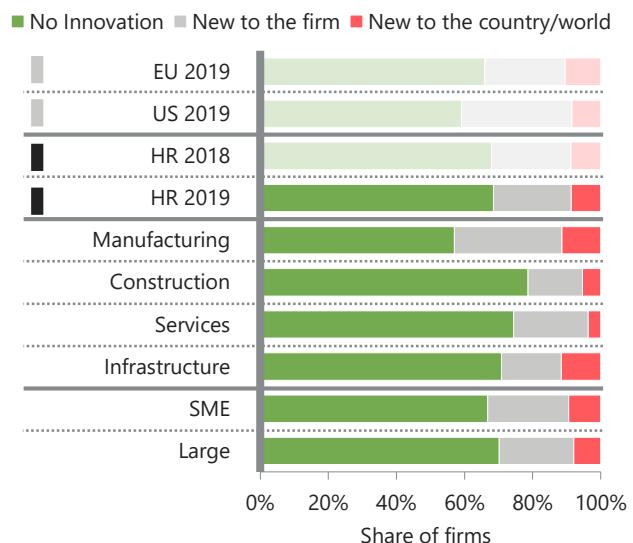
INNOVATION ACTIVITY

Around one in three firms in Croatia (32%) claim to develop or introduce new products, processes or services as part of their investment activities. This includes 9% of firms saying their innovation is new to the national or global market.

These figures are close to the EU averages (34% and 11% respectively), and in line with EIBIS 2018.

Firms in the manufacturing sector are much more likely to innovate (43% overall: 32% claiming products, processes or services new to the firm, and a further 11% new to the country or world).

There is relatively little difference between the shares of SMEs and large firms reporting innovation activity (33% and 30% respectively).

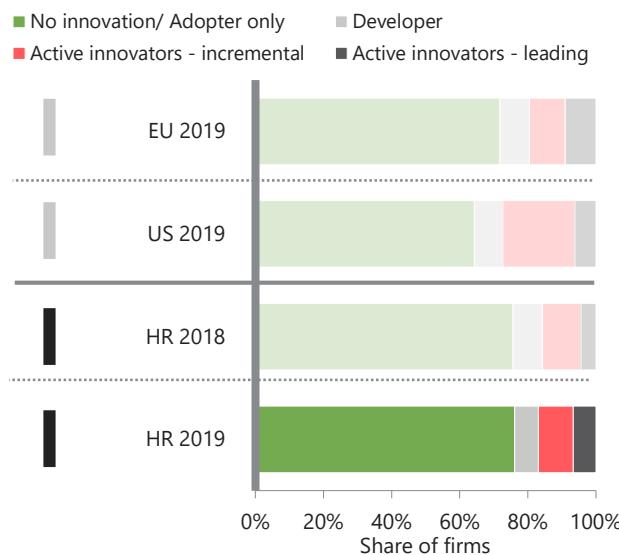


Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

Looking at innovation and research and development behaviour more widely, one in four firms in Croatia (24%) allocates a significant share of their investment outlays to R&D.

Seventeen per cent of firms can be classified as 'active innovators', i.e. firms that invested in research and development and introduced a new product, process or service. A further seven per cent of firms are 'developers', i.e. firms that invested in research and development but without introducing a new product, process or service.

The 'No innovation/Adopter only' group comprises firms that did not introduce any new products, processes or services in the last financial year (no innovation) or did so but without any own research and development effort (adopter). 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators' these are new to the country/world'.

Innovation Activities

IMPLEMENTATION OF DIGITAL TECHNOLOGIES

The share of firms in Croatia partially or fully implementing at least one digital technology is slightly higher than the EU average (63% versus 58%).

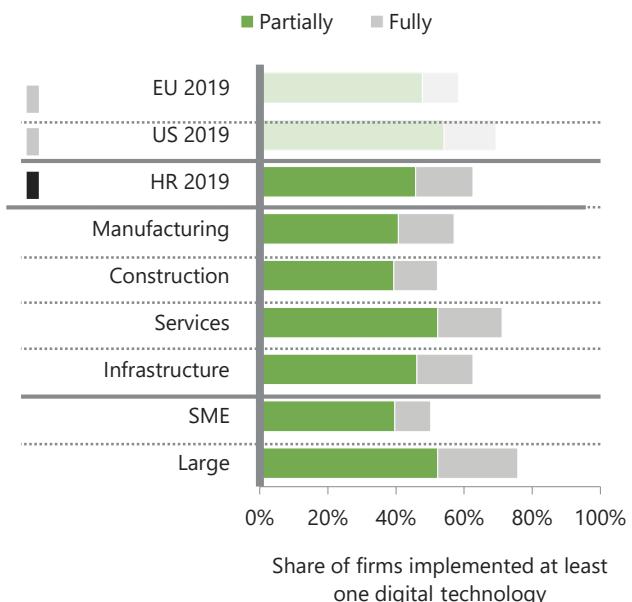
More firms in Croatia say their entire business is organised around one or more of the digital technologies they were asked about (17%, versus 11% of EU firms).

Large firms and service sector firms are most likely to have implemented at least one digital technology over the last year (either fully or partially) – 76% and 71% respectively.

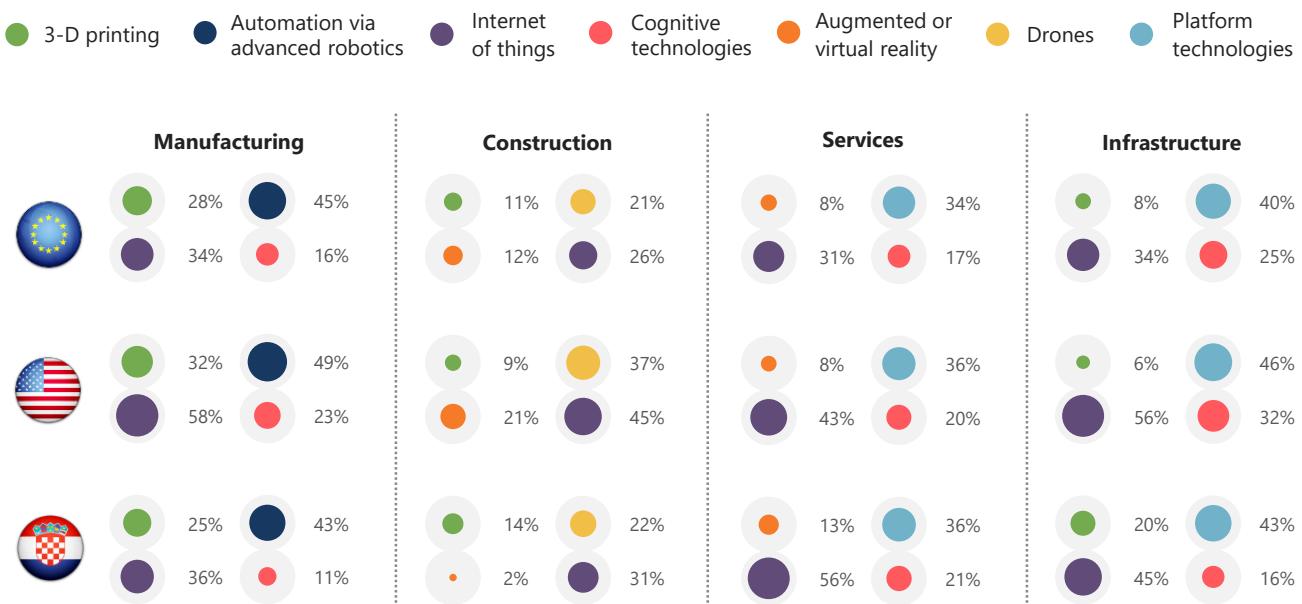
More than half of service sector firms claim to have implemented 'Internet of things' (56%), well above the equivalent shares of EU services firms (31%) and firms in other Croatian sectors (31%-45%).

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/refused responses)



DIGITAL TECHNOLOGIES BY SECTOR



Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses)

Investment Needs

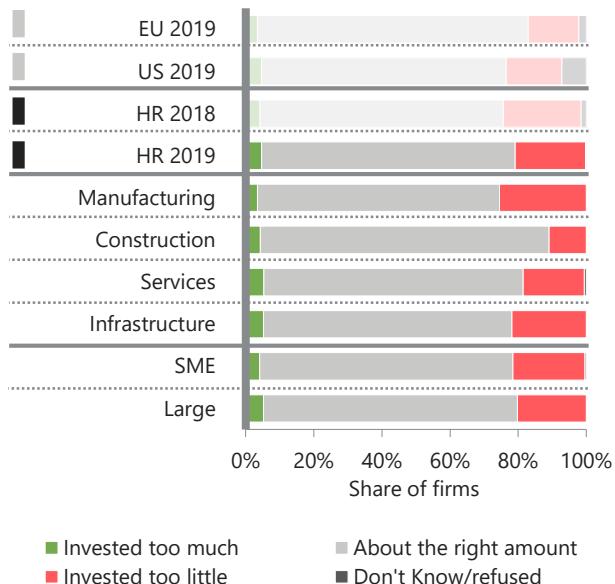
PERCEIVED INVESTMENT GAP

One in five firms say they have under-invested in the last three years (21%) which is higher than the EU and the US averages (15% and 16% respectively).

Overall, three-quarters (74%) of firms in Croatia report investing the right amount and few firms (5%) believe they over-invested.

The perceived under-investment is highest for businesses in the manufacturing sector (25%) and lowest for those in construction (11%).

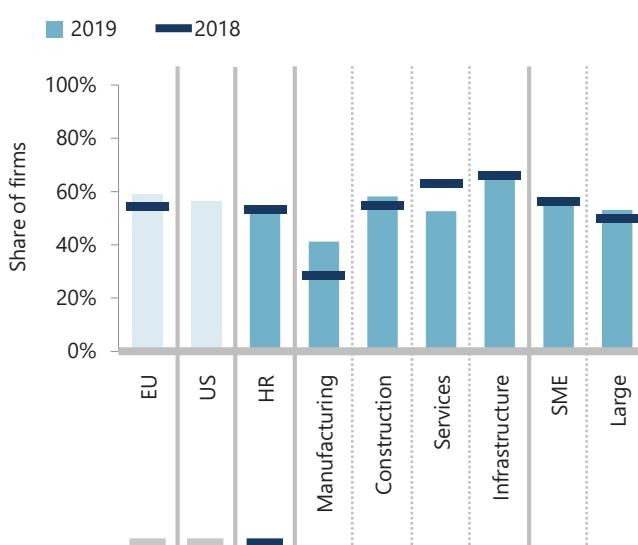
There are no notable differences by size of firms.



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms

Over half of firms in Croatia report operating at or above maximum capacity in the last financial year (54%), similar to the share in EIBIS 2018 (53%) and slightly below the EU benchmark (59%).

The manufacturing sector remains with the lowest share of firms saying they are operating at capacity despite an increase from 29% to 41% since EIBIS 2018.

Infrastructure sector firms are still most likely to say they are at or above full capacity (66%).

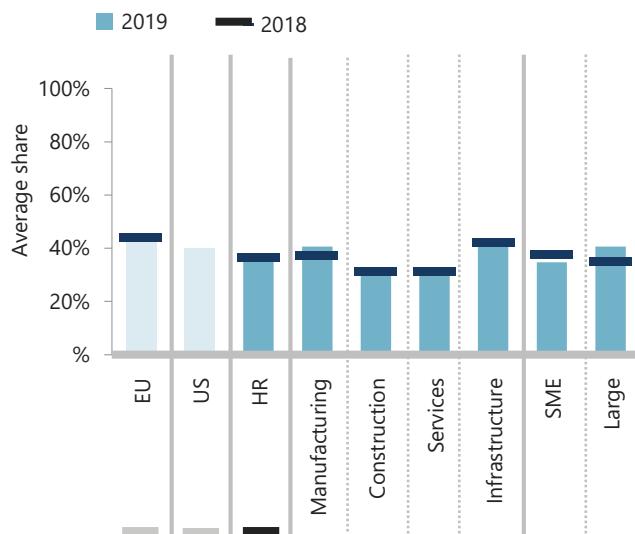
Investment Needs

SHARE OF STATE-OF-THE-ART MACHINERY

The average share of machinery and equipment perceived by firms in Croatia to be state-of-the-art remains below the EU average (37% versus 44%).

The findings are in line with EIBIS 2018 – firms in the infrastructure and manufacturing sectors report higher shares of state-of-the-art machinery (41% for each) while construction and service sector firms report lower shares (32% for each).

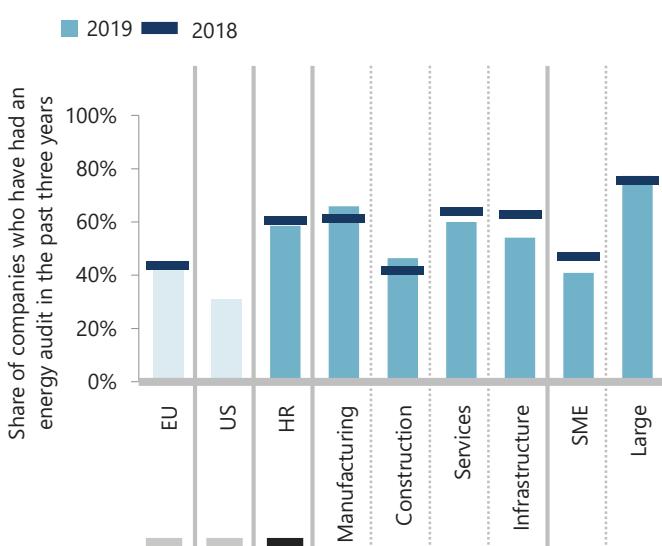
Large firms report a 41% share of state-of-the-art machinery and equipment, increased from 35% in EIBIS 2018 and also higher than SMEs' average reported share (also 35%).



Q. What proportion, if any, of your machinery and equipment, including ICT, would you say is state-of-the-art?

Base: All firms (excluding don't know/refused responses)

ENERGY AUDIT



More than half (59%) of firms in Croatia report having an energy audit in the last three years. This is in line with EIBIS 2018 and the highest share of all EU countries (EU average 43%).

Firms in the manufacturing sector are most likely to say they have had an energy audit (66%), while construction firms remain least likely to say this (46%).

Significantly more large companies than SMEs report having an energy audit in the last three years (77% and 41% respectively).

Q. Can I check, in the past three years has your company had an energy audit? By this I mean an assessment of the energy needs and efficiency of your company's building or buildings?

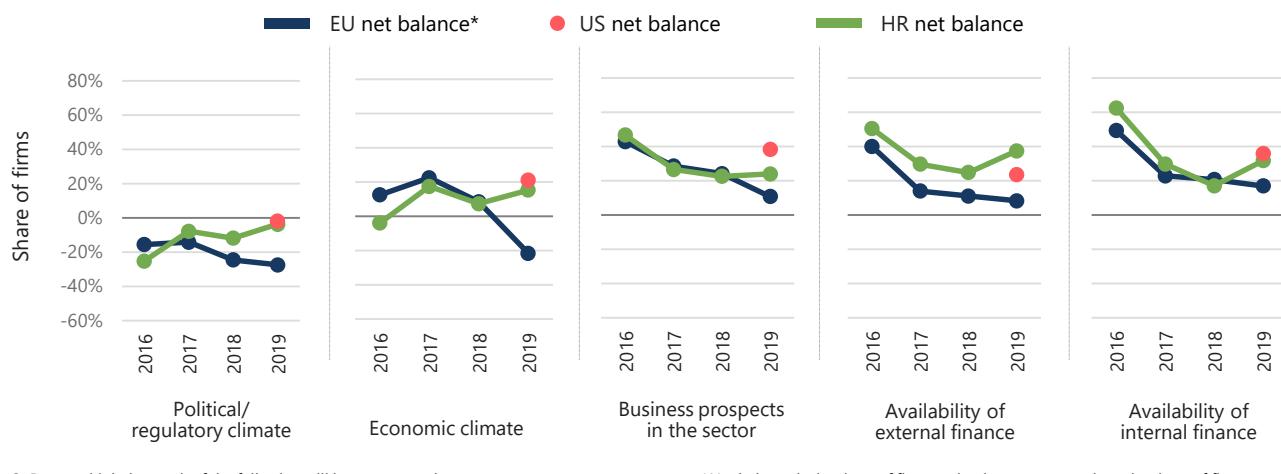
Base: All firms (excluding 'Company didn't exist three years ago' responses)

Drivers And Constraints

SHORT TERM INFLUENCES ON INVESTMENT

Slightly more firms expect the political and regulatory climate to deteriorate than improve in the next twelve months (mainly driven by firms in the manufacturing and service sectors), yet this is still much more positive than the EU average.

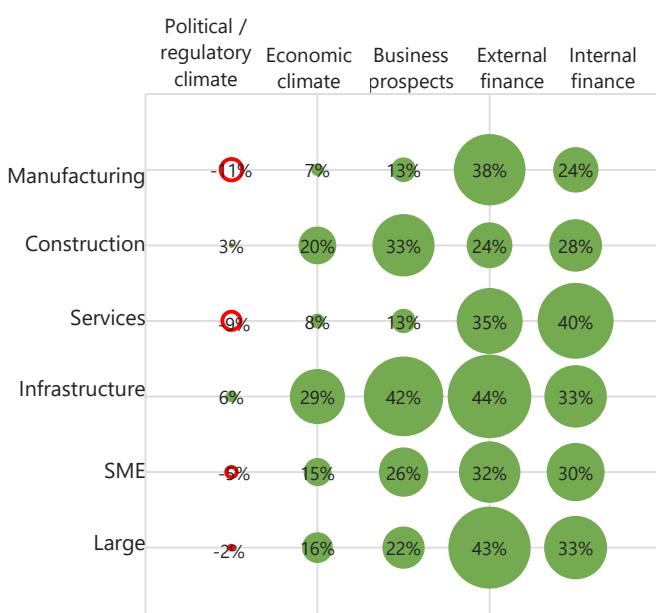
Firms in Croatia are much more positive than EU firms about the economic climate and business prospects. Expectations on availability of internal and external finance, have improved since EIBIS 2018 and are also more optimistic than the equivalent averages for all EU firms.



Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

SHORT TERM INFLUENCES BY SECTOR AND SIZE (NET BALANCE)



Base: All firms

Firms in manufacturing and services, on balance, expect the political and regulatory climate to get worse in the next twelve months, whilst marginally more infrastructure and construction firms expect an improvement than a deterioration.

On a similar note, infrastructure and construction firms are most positive about their sector business prospects (+42% and +33% respectively), and also about the economic climate (+29% and +20% respectively), in the year ahead.

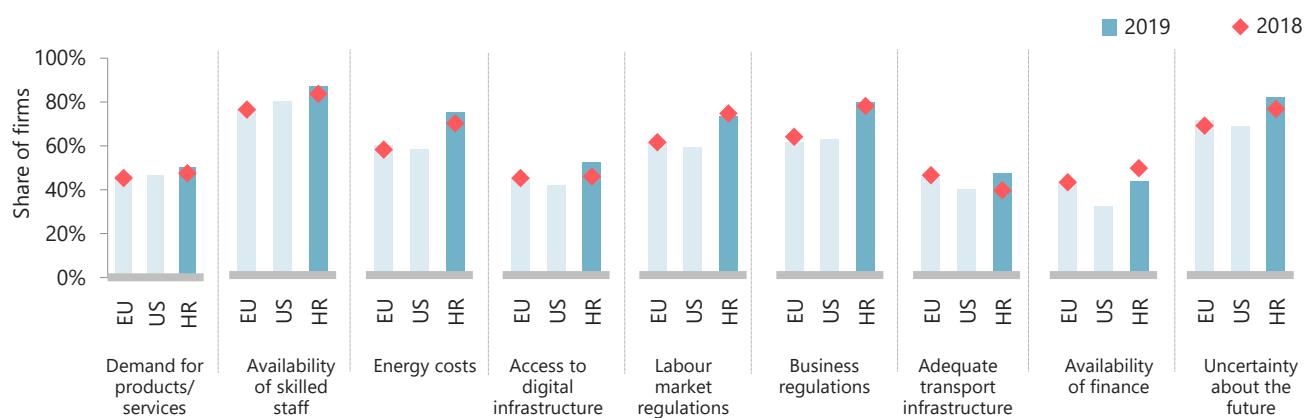
While still positive, construction firms are on balance more cautious than firms in other sectors about availability of external finance.

Drivers And Constraints

LONG TERM BARRIERS TO INVESTMENT

In Croatia, the most commonly cited barrier to investment remains availability of skilled staff (for 88% of firms), followed by uncertainty about the future (83%) and business regulations (80%). This also reflects the top three obstacles for firms across the EU, and is in line with EIBIS 2018.

Labour market regulations and energy costs are also perceived as obstacles by high shares of Manufacturing firms (86% for both), especially when compared to infrastructure sector firms (56% and 63% respectively). Large firms are more likely than SMEs to cite energy costs as a barrier (80% versus 71%).



Q. Thinking about your investment activities in Croatia, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

Q. Thinking about your investment activities in Croatia, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Investment Finance

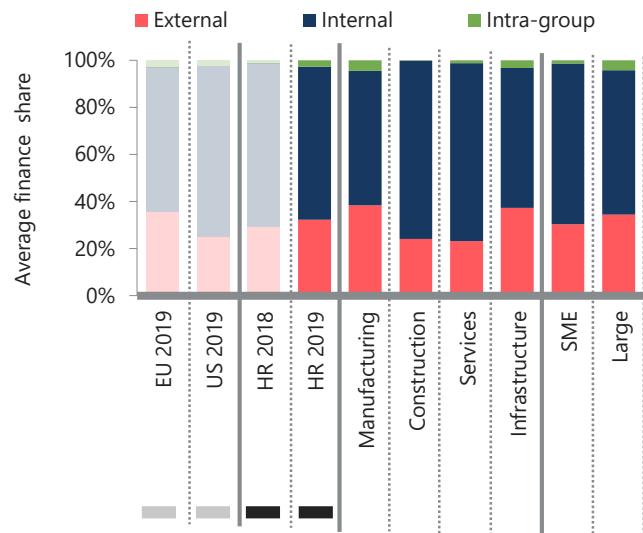
SOURCE OF INVESTMENT FINANCE

Internal funds account for the highest share of investment finance (65%). This remains slightly above the EU average (62%).

The share of external finance is 32%, compared with 29% in EIBIS 2018.

Manufacturing and infrastructure firms report higher shares of external finance (38% and 37% respectively) than firms in the construction and service sectors (24% and 23% respectively).

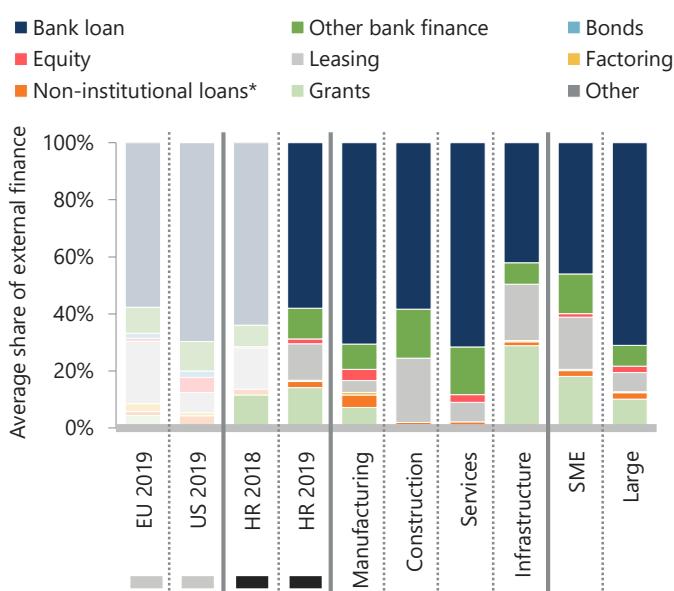
Intra-group financing remains little used by all types of firms.



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Q. Approximately what proportion of your external finance does each of the following represent?

*Loans from family, friends or business partners

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

In Croatia, bank loans account for the highest share of external finance (58%), followed by grants (14%) and leasing and hire purchase (13%).

Bank finance overall accounts for 69% of external finance, ranging from 50% in infrastructure firms to 88% in the service sector. Large firms report a higher share of bank finance than SMEs (78% versus 60%).

Grants account for a higher share of external finance than EU-wide (14% versus 4%), while conversely leasing has a lower share of external finance than at EU level (13% versus 22%).

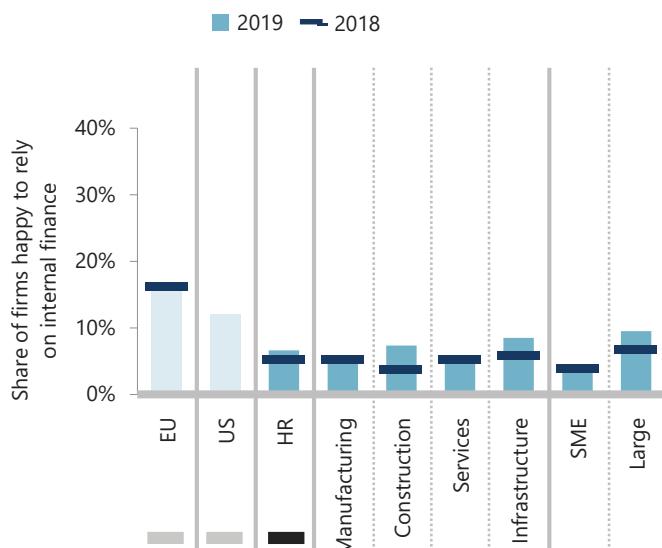
However, leasing remains an important source of external finance for construction and infrastructure firms (23% and 20% shares respectively) and SMEs (18%). Grants make up 29% of infrastructure firms' external finance.

Investment Finance

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Seven per cent of all firms in Croatia report not applying for external finance because they are happy to use internal funds or did not have a need for external finance. This remains less than half of the EU average share of 16% of firms.

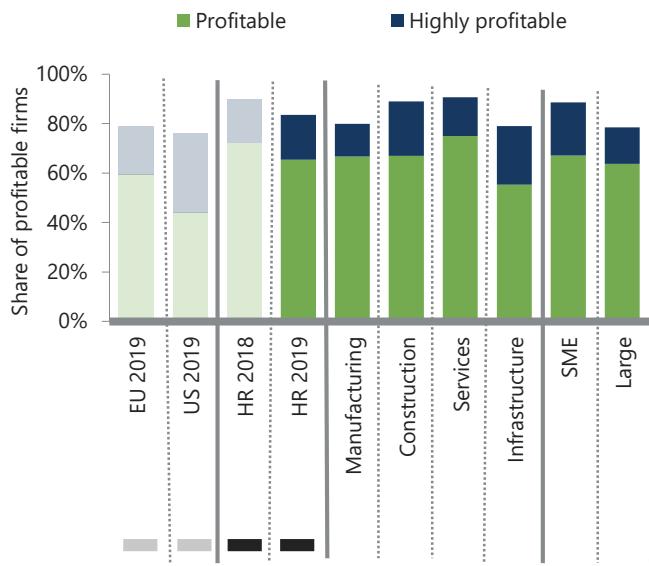
There has been little change since EIBIS 2018.



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

SHARE OF PROFITABLE FIRMS



Around one in five firms in Croatia report being highly profitable (18%), which is the same proportion as in EIBIS 2018 and close to the EU average (20%).

More generally, 84% of firms in Croatia report making a profit in the last financial year, which is still slightly higher than the EU average (79%) but lower than the 90% of firms saying this in EIBIS 2018.

Highly profitable firms in the country are more likely to be in the infrastructure and construction sectors (24% and 22% respectively).

SMEs are also more likely than large firms to report high profitability (21% versus 15%).

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

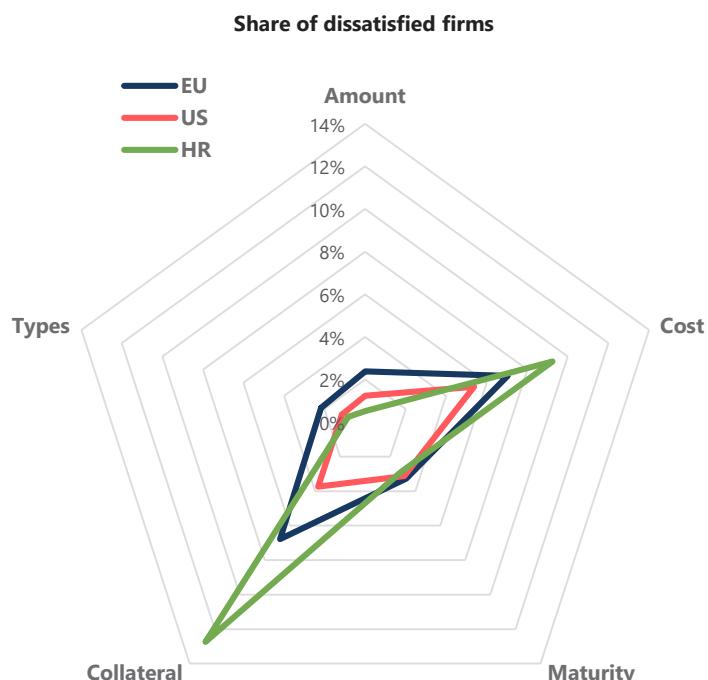
Base: All firms (excluding don't know/refused)

Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms that use external finance are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.

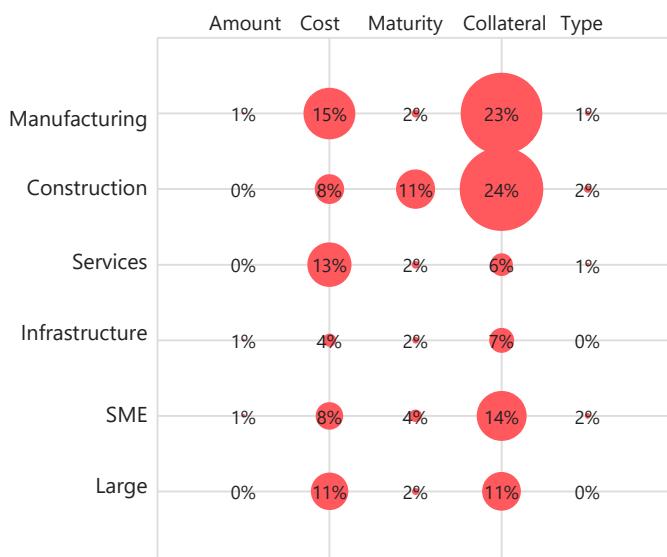
However, the highest proportion of dissatisfaction in Croatia is with the collateral requirements (13%), followed by the cost of finance (9%). Across the EU, a lower share of firms (7%) are dissatisfied on both of these measures.



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Firms in the construction and manufacturing sectors report relatively high levels of dissatisfaction with collateral requirements (24% and 23% respectively).

More service sector firms say they are dissatisfied with the cost of finance (13%) than collateral (6%). Dissatisfaction with the cost of finance also exceeds 10% among manufacturing firms (15%) and large firms (11%).

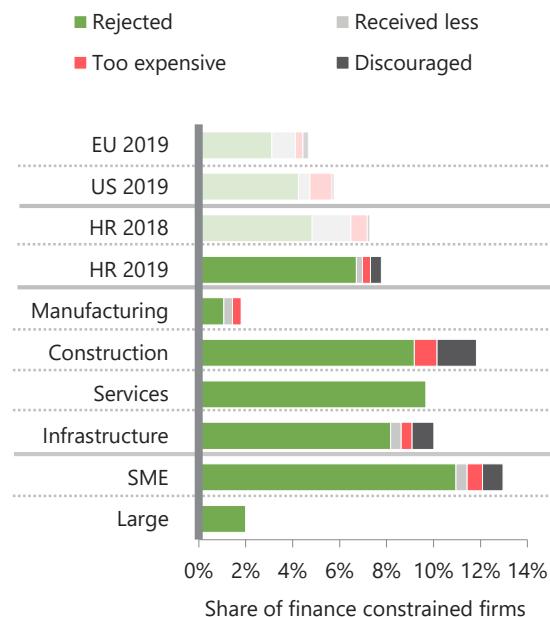
Maturity terms are a source of dissatisfaction for 11% of construction firms.

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

Eight per cent of all firms in Croatia can be considered financially constrained, which is higher than the EU average (5%).

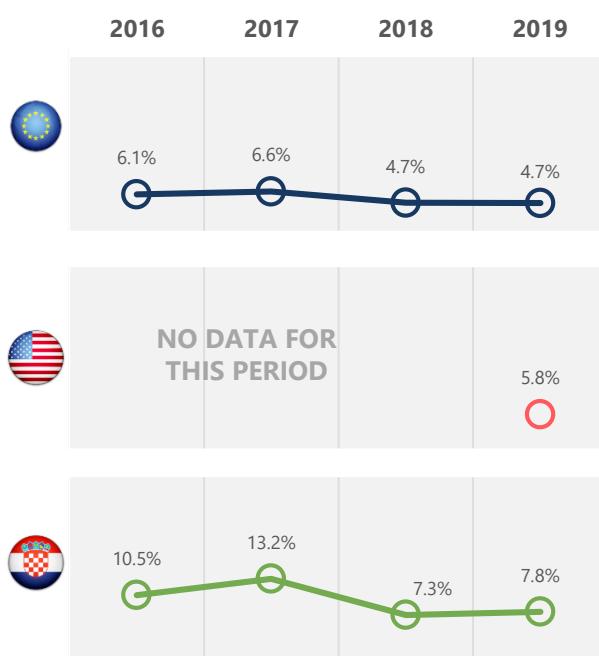
While relatively large shares of SMEs, construction, and service sector firms are finance constrained (13%, 12%, and 10% respectively), just 2% of large firms and manufacturing firms are constrained.



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms

FINANCING CONSTRAINTS OVER TIME



Data derived from the financial constraint indicator

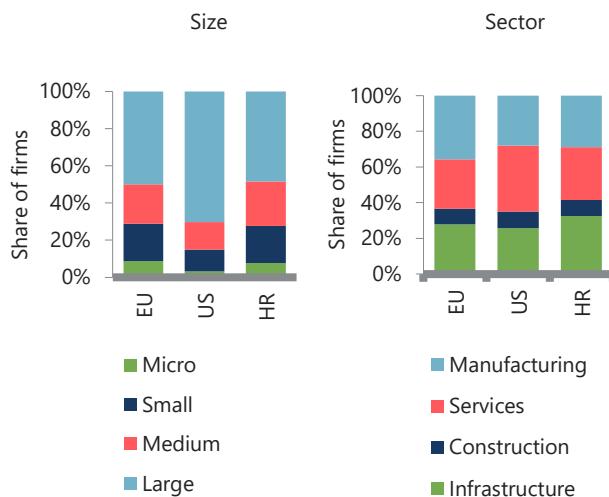
Base: All firms

There has been little variation in the proportion of finance constrained firms in Croatia or the EU since EIBIS 2018.

Croatia's share of external finance constrained firms remains above the EU average, but to a lesser extent than in EIBIS 2016 and 2017.

Profile Of Firms

CONTRIBUTION TO VALUE ADDED



The charts reflects the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

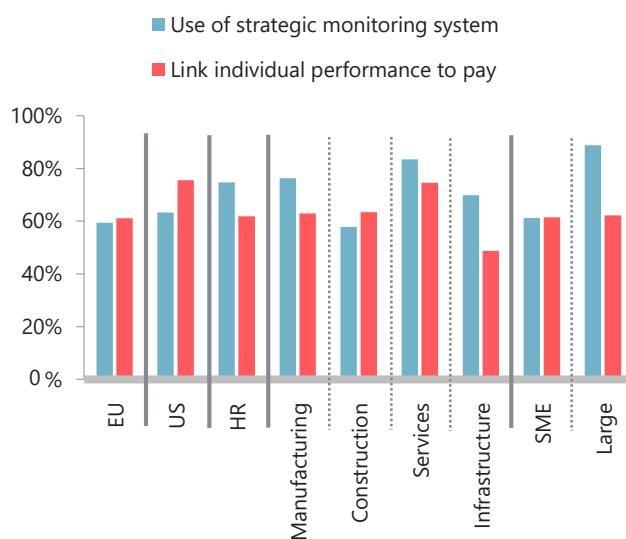
Large firms with 250+ employees account for the greatest share of value-added (48%) in the country, similar to the EU average (50%).

Significantly more firms in Croatia than on average in the EU, manage their business through a formal strategic business monitoring system (75% versus 60% respectively).

The share of firms linking individual performance to pay (62%) is similar to the EU average (61%).

Fewer than half of firms in Croatia (41 are owned or controlled by their CEO or a member of the CEO's family, whilst 87% report having a CEO or company head with at least 10 years of experience in the same sector. These shares are lower than the EU averages – across the EU, 55% of firms report they are owner managed and 92% of firms say the CEO or company head has at least ten years of sector experience.

FIRM MANAGEMENT



Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?

Base: All firms (excluding don't know/refused)



Q. Does the CEO/ company head of your firm (a) own or control the firm, or have a family member that owns/controls it (b) have more than 10 years of experience in your firm's industry or sector?

Base: All firms (excluding don't know/refused)

EIBIS 2019 – Country Technical Details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Croatia, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	HR	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs HR	Manuf vs Constr	SME vs Large
	(12672)	(803)	(480)	(159)	(92)	(115)	(103)	(408)	(72)	(12672 vs 480)	(159 vs 92)	(408 vs 72)
10% or 90%	1.0%	2.9%	3.4%	5.3%	6.8%	6.5%	6.8%	2.6%	6.4%	3.5%	8.6%	6.9%
30% or 70%	1.5%	4.4%	5.1%	8.2%	10.4%	10.0%	10.4%	4.0%	9.7%	5.4%	13.2%	10.5%
50%	1.7%	4.8%	5.6%	8.9%	11.4%	10.9%	11.3%	4.4%	10.6%	5.8%	14.4%	11.5%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

EIBIS 2019 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in Croatia (carried out between April and June 2019).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2019/2018	US 2019	HR 2019/2018	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 8, p. 10, p. 13, p. 15, p. 16	12672/12355	803	480/490	159	92	115	103	408	72
All firms (excluding don't know/refused responses), p. 2	11967/11790	711	471/468	156	89	113	103	402	69
All firms (excluding don't know/refused responses), p. 6*	8802/9095	516	390/328	139	74	82	85	336	54
All firms (excluding don't know/refused responses), p. 7*	12533/NA	800	474/NA	154	92	112	95	405	69
All firms (excluding don't know/refused responses), p. 9	12216/11952	778	475/456	158	92	112	102	406	69
All firms (excluding don't know/refused responses), p. 13	10980/10865	605	460/421	156	86	108	100	388	72
All firms (excluding don't know/refused responses), p. 16*	12201/NA	762	458/NA	152	84	111	99	389	67
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4	10005/10126	620	431/412	144	81	97	98	371	60
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5*	10188/10004	624	419/386	137	78	93	94	358	61
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9407/9030	587	407/389	123	77	100	98	351	56
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4426/4212	245	205/202	74	35	41	51	174	31
All firms (excluding those who did not exist three years ago), p. 8	12640/12335	802	480/490	159	92	115	103	408	72
All firms (excluding those who did not exist three years ago), p. 9	12640/12335	802	480/490	159	92	115	103	408	72
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 11	12672/12355	803	480/490	159	92	115	103	408	72
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4578/4323	255	216/212	76	35	41	60	183	33



Economics Department

✉ economics@eib.org

www.eib.org/economics

Information Desk

📞 +352 4379-22000

✉ info@eib.org

European Investment Bank

98-100, boulevard Konrad Adenauer

L-2950 Luxembourg

📞 +352 4379-1

www.eib.org

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Croatia

Overview

EIB INVESTMENT SURVEY

2019