



INVESTMENTS – MOVING PRODUCTIVITY FRONTIER

CROATIAN NATIONAL BANK, 7 MARCH 2018

CONFERENCE PROGRAMME

Conference moderator: Alemka Lisinski (Croatian National Bank)

9:00 – 9:30 ARRIVAL AND REGISTRATION OF PARTICIPANTS

9:30 – 10:00 OPENING ADDRESS

Boris Vujčić, Governor, Croatian National Bank

Dario Scannapieco, Vice-President, European Investment Bank

Martina Dalić, Deputy Prime Minister and Minister of Economy, Entrepreneurship and Crafts, Republic of Croatia

10:00 – 11:40 SESSION I:

THE INVESTMENT – ECONOMIC GROWTH NEXUS IN CROATIA

Session outline:

Investment in Croatia is expected to continue to recover, along with improved business prospects, favourable financing conditions and a pick-up in the absorption of EU Funds. The obstacles that were hampering investment in the aftermath of the financial crisis have now abated. Nonetheless, investment recovery is still below what one might expect after years of underinvestment. This weak contribution from capital in combination with low efficiency of investment translates into slow productivity growth, thus acting as a drag on Croatia's potential growth and the convergence of its income level towards the EU average.

The panel will discuss investment dynamics in Croatia, as well as how dynamics fit into the wider EU perspective. In addition, panellists will provide their views on the quality of existing assets and on areas of investment, as well as on the impact of these issues on enhancing productivity, innovation and employment. Special emphasis will be given to sources of investment finance, and to drivers of and constraints on investment.

Topics for discussion:

- How much does the level of investment in Croatia differ from the levels in other EU countries?
- What is the role of investment in intangibles, and how innovative are Croatian companies?
- To what extent can higher investment increase productivity?
- What do we know about the link between investment and employment?
- How much have barriers to investment changed? Are there any new obstacles?
- How have patterns of investment finance changed?

INTRODUCTORY PRESENTATIONS:

1. INVESTMENTS IN CROATIA: VIEW FROM EIB'S INVESTMENT SURVEY,
Debora Revoltella, Director, European Investment Bank
2. INVESTMENT AS AN ENGINE FOR GROWTH – PROSPECTS AND CHALLENGES,
Vedran Šošić, Vicegovernor, Croatian National Bank
3. CROATIA'S MEDIUM-TERM GROWTH AND INVESTMENT CHALLENGES,
Servaas Deroose, Deputy Director-General, European Commission

PANEL DISCUSSION

Panellists:

Debora Revoltella, Director, European Investment Bank

Vedran Šošić, Vicegovernor, Croatian National Bank

Servaas Deroose, Deputy Director-General, European Commission

Paloma Lòpez-Garcia, Senior Economist, European Central Bank

Dubravko Mihaljek, Head of Macroeconomic Analysis, Bank for International Settlements

Moderator: Gordi Sušić, Croatian National Bank

Questions from the audience (15 minutes)

11:40 – 12:00 BREAK

12:00 – 13.20 SESSION II: INVESTMENTS IN REAL LIFE

Session outline:

Croatia's accession to the EU provided new opportunities, especially for export-oriented firms, but it also posed new challenges in terms of tougher competition. In such a competitive environment, boosting productivity is key to success. Modernising the existing production capacities at firm-level amid a better allocation of resources, therefore, becomes indispensable. The panel will benefit from first-hand experience on investments in Croatia, discussing both their drivers but also the obstacles they faced during the investment phase. Special focus will be devoted to the sources of finance for investments, in particular the use of EU funds and the role of EIB financial instruments in supporting long-term investment.

Topics for discussion:

- What are the main factors that influence investment decisions? How much does competition force firms to invest in upgrading their productivity? Alternatively, how much is investment a reflection of the discovery of new markets?
- What are the key difficulties that firms face in the investment phase? To what extent is educated labour a constraint for investment?
- When it comes to financing, how can EU funds make investment more feasible? What role can EIB play in supporting investment?

PANEL DISCUSSION

Panellists:

Miguel Morgado, Director, European Investment Bank

Marija Tufekčić, Executive Director, Plavi partner d.o.o.

Jasmina Dovgan, Board Member, Signalinea d.o.o.

Marko Čižmek, Board Member and CFO, Valamar Riviera d.d.

Darko Ranogajec, President, OMCO Croatia, CEO, OMCO Group

Jacques Feron, President, Međunarodna zračna luka Zagreb

Moderator: Anton Kovačev, Head, EIB's Zagreb Office

Questions from the audience (15 minutes)

13:20 – 13.30 CLOSING REMARKS

Zdravko Marić, Minister, Ministry of Finance, Republic of Croatia