

Croatia for Investors



REPUBLIC of CROATIA
Ministry of Economy and
Sustainable Development

Croatia boasts a strong track record of political stability and economic growth. It is a member of EU, Euro, and Schengen areas and all three major rating agencies (Moody's, S&P, and Fitch) rank Croatia's credit score at investment-grade level. This stability fosters a favourable environment for businesses to operate and expand. Croatia offers numerous benefits and opportunities to foreign investors, namely:

Convenient location — at the heart of EU



Croatia occupies a strategic location at the heart of Central and Eastern Europe and can act as a gateway to trade with other countries in the Central and Eastern Europe region. Zagreb, its capital, is only about a four-hour drive away from Vienna, Venice, Budapest, or Belgrade, and only a two-hour drive from the Adriatic coast. Croatia also offers the shortest transit time from the Far East through its quality seaports. The proximity of other EU capitals makes it easy for the new company to access the large European market with almost 450 million potential customers.



All of Europe within
3 hours

9 International
Passenger Airports



Pan-European Corridors
(X, Xa, Vb, Vc)
cross its territory



Shortest transit time
from the Far East through
6 quality seaports

Direct access to
Rhine-Main-Danube
waterway through
four main river ports



Corridor VII

EU Member

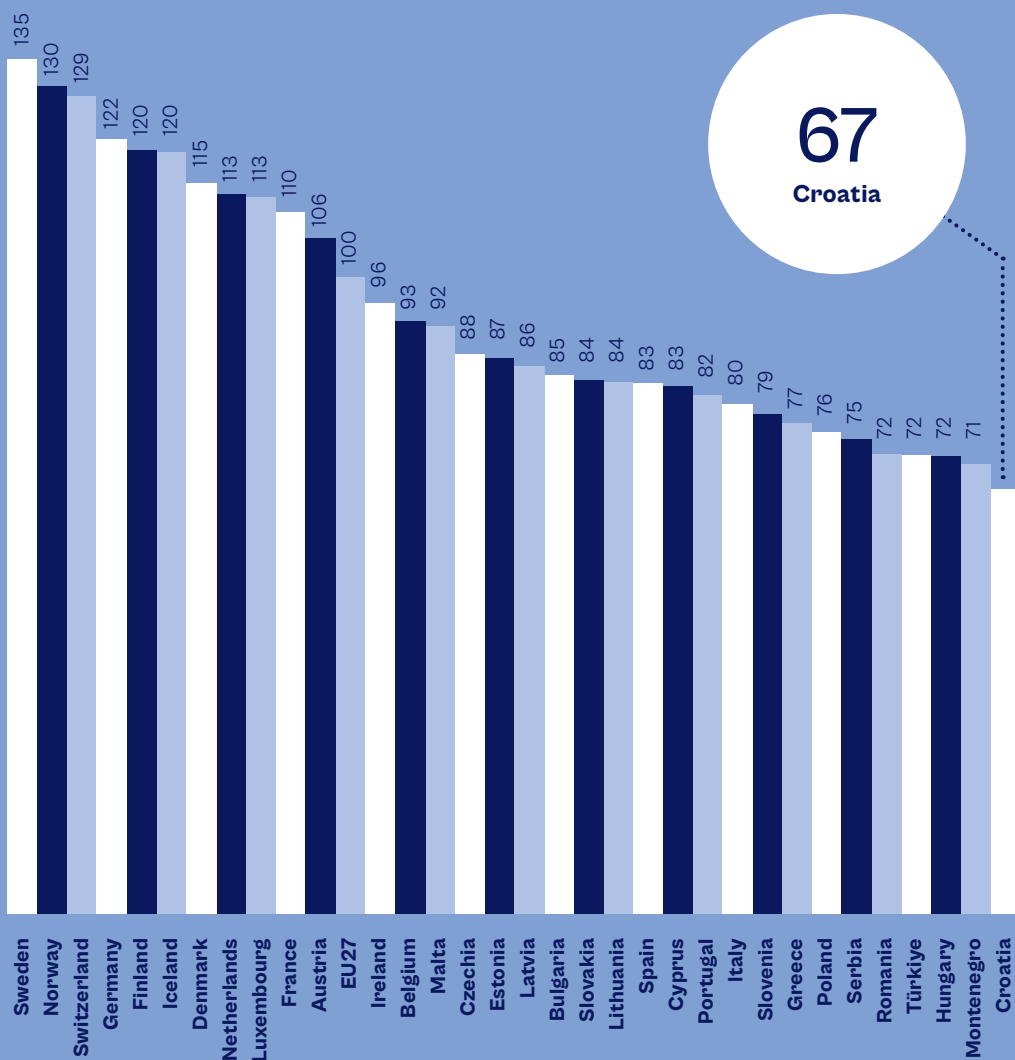
Companies established
in Croatia by foreign
investors can compete for
the EU funds under equal
conditions as national
ones.

Competitive investment costs



According to the price surveys carried out for 2022 within the Eurostat-OECD Purchasing Power Parities (PPP) Programme, price levels for investment in general in Croatia are 33% below the EU average and the lowest among the EU member states.

Price level indices for investment

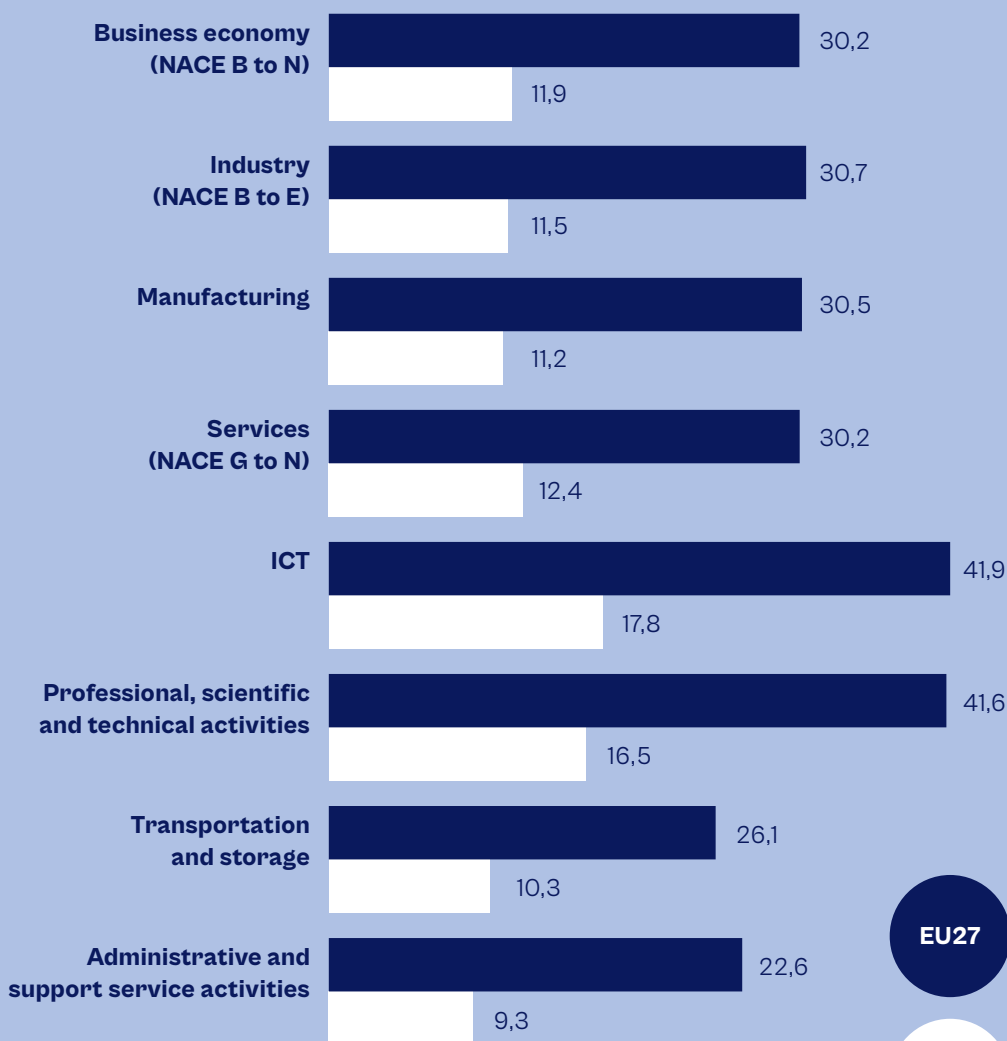


Low hourly labour costs



Likewise, the estimated hourly labour costs per hour in Croatia are 2.6 times lower than the EU average and among the lowest in the EU, making Croatia the perfect destination for investment.

Hourly labour costs (LCI), €

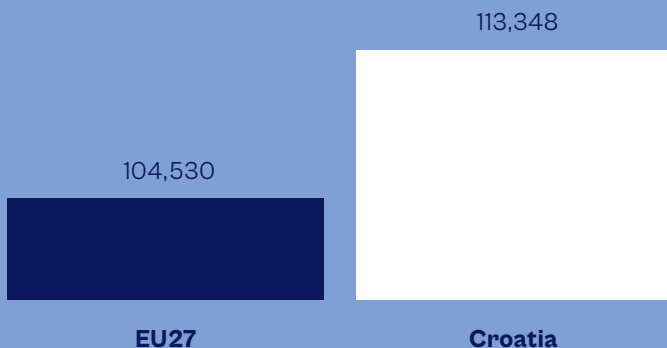


Highly skilled and multilingual workforce



Croatia has an educated, highly-skilled, and motivated labour force. In 2022, real labour productivity per person (index 2015=100) was higher than the EU average.

Real labour productivity per person



Moreover, in 2021, around 28% of all students in tertiary education and 40% of all students in vocational upper secondary education were enrolled in STEM fields of study.

Source: Eurostat 2024 for 2021

Source: Eurostat January 2024 for 2022

According to Henda's Language Barometer Research from 2019, as many as 95.3% of the population have a basic knowledge of English, while 48.7% have a basic knowledge of German, and 22.1% of Italian.

Foreign language knowledge

95.3%
English

48.7%
German

22.1%
Italian

Source: Henda 2019 (at least basic knowledge)

English proficiency index

11/113

Source: Education First 2023

In fact, according to the Education First English proficiency index based on test results of 2.2M adults in 113 countries & regions, Croatia ranks 11th out of 113 countries and is grouped among the countries with very high proficiency.

Generous investment incentives



Croatian Government offers a return of 35%-75% of eligible investment costs through various investment incentives comprising profit tax deduction/reduction and direct grants for every new employee, capital costs of investment, and development and innovation activities.

Maximum aid intensity (% of eligible investment costs)



Investment incentives

up to 100% profit tax reduction for up to 10 years	up to € 18,000 for every new employee	up to € 1,000,000 for capital costs of investment	up to € 500,000 for investments in technological development and innovation activities
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Source: Investment Promotion Act

Quality of life








Croatia has preserved its environment and beautiful natural resources with over 400 protected areas covering around 9% of its territory. The country has two predominant climatic zones (Continental and Mediterranean), and a spectacular coastline.

According to the Sustainable Development Report 2023, Croatia ranks 12th among 166 countries in the Sustainable Development Goals Index.

Source: The Sustainable Development Report 2023

Institutional support

Every investor can count on free institutional support provided by the Ministry of Economy and Sustainable Development before, during and after the investment. Its services consist of:

-  Providing all necessary information relevant to an investment in Croatia, such as the analysis of business climate and investment framework, information on investment costs, labour force potential partners, financing etc.;
 -  Organizing visits to investments sites and arranging meetings with public and private bodies;
 -  Assistance in the application for incentives according to the Investment Promotion Act;
 -  Identification of potential locations (database of business zones);
 -  Professional and tailor-made assistance throughout all stages of the investment process.
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