

Economic Survey & Digitalisation Survey

April 16th 2019

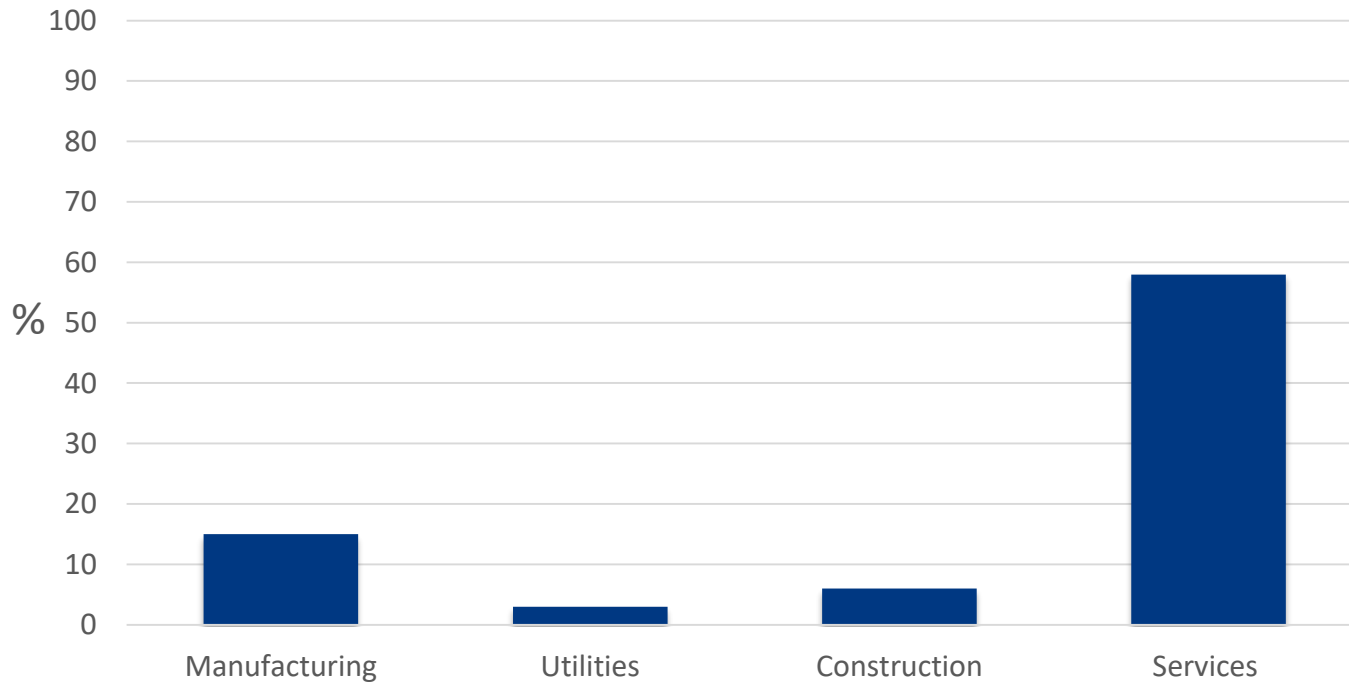


Economic survey

- Survey on economic and investment conditions in Croatia
- Conducted jointly with Chambers of Commerce and Industry (AHK) in 15 other countries across C&E Europe
- Provides reliable information on these markets by asking managers of companies
 - 150 companies surveyed



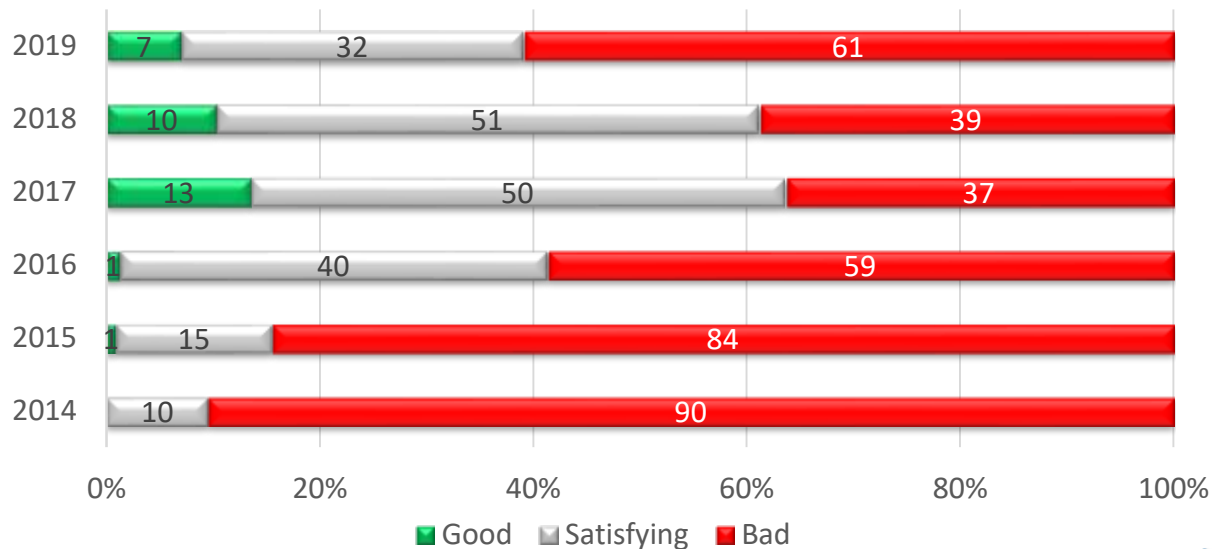
Surveyed companies' areas of operation



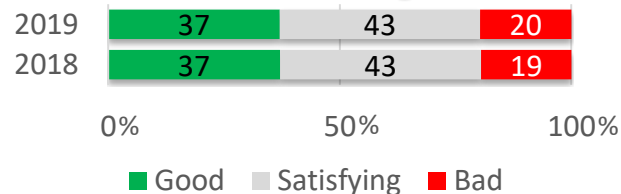
Key Findings

- Another decline of willingness to re-invest in Croatia
 - Most businesses still satisfied or optimistic
- Croatia still perceived as fairly attractive for investment among competing countries
 - Biggest detriments still corruption, tax system and public administration

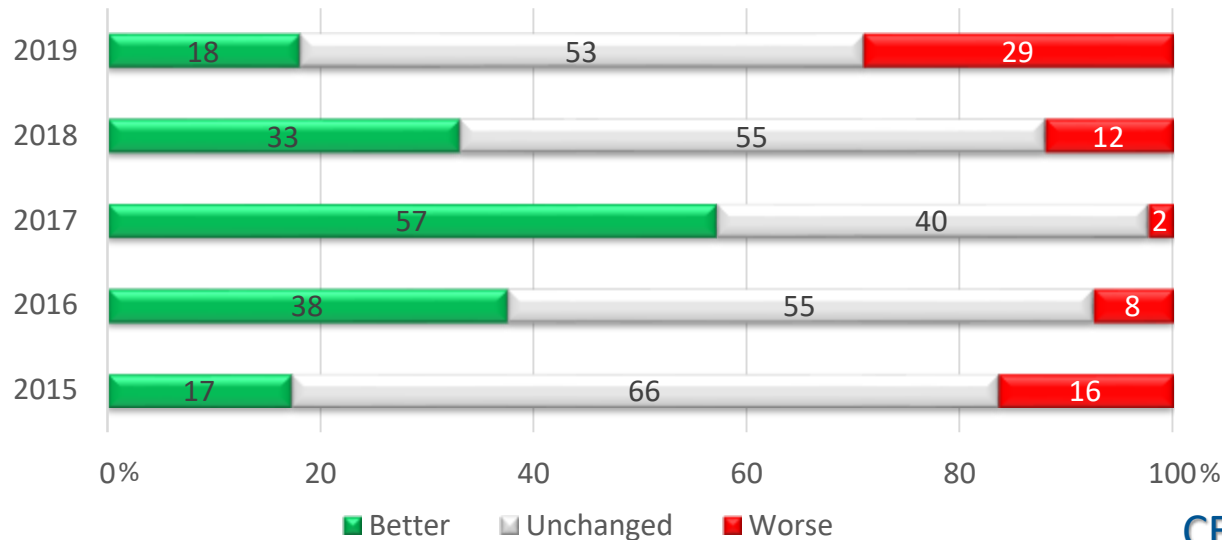
Current economic situation in Croatia



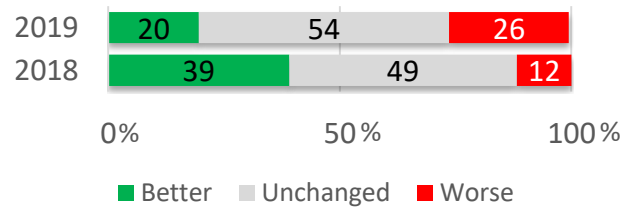
CEE average



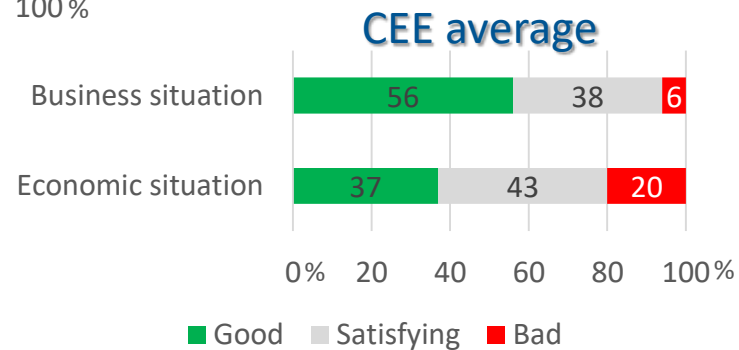
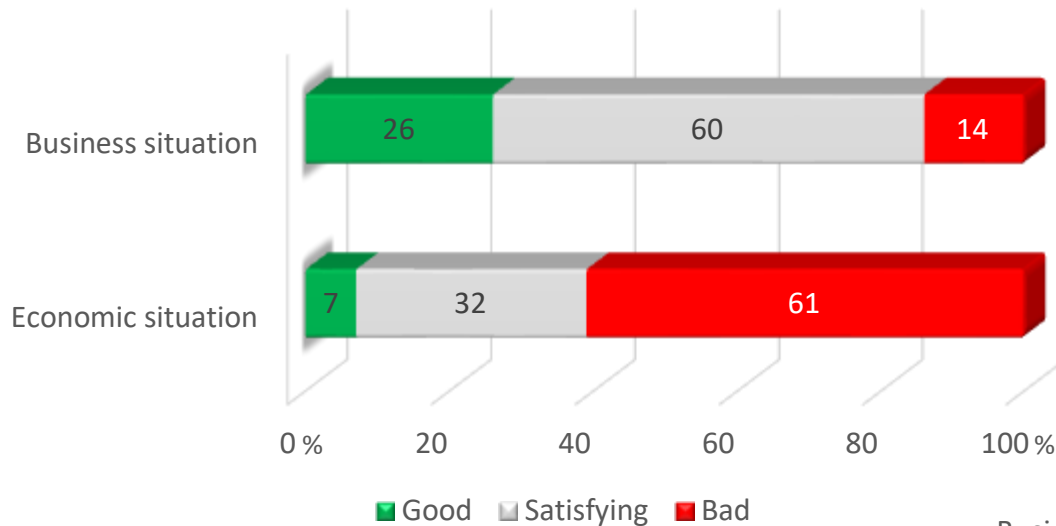
Outlook for Croatian economy vs. previous year



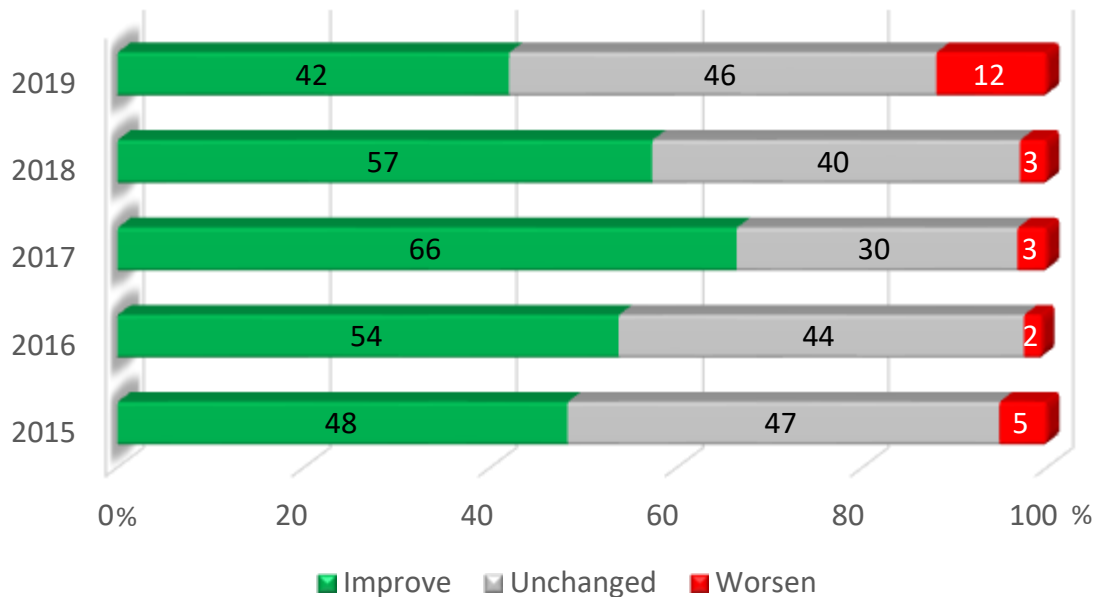
CEE average



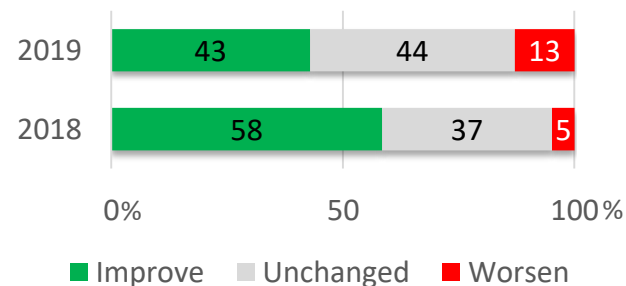
Economic vs. own business situation



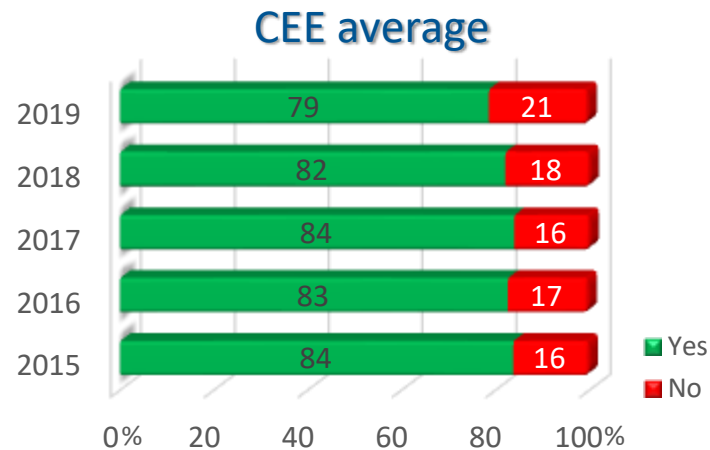
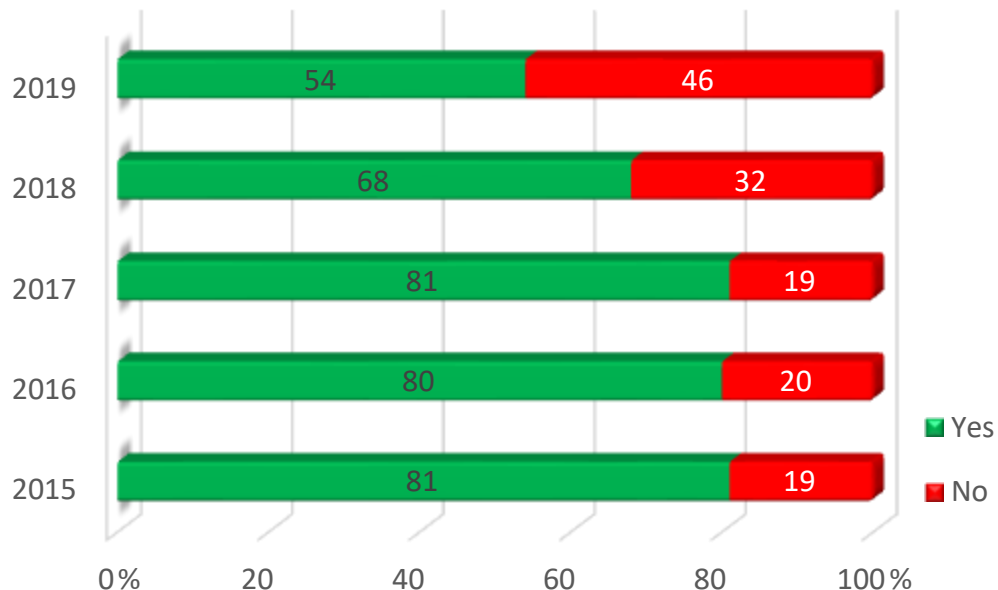
How will the business situation of your company develop compared to previous year (%)



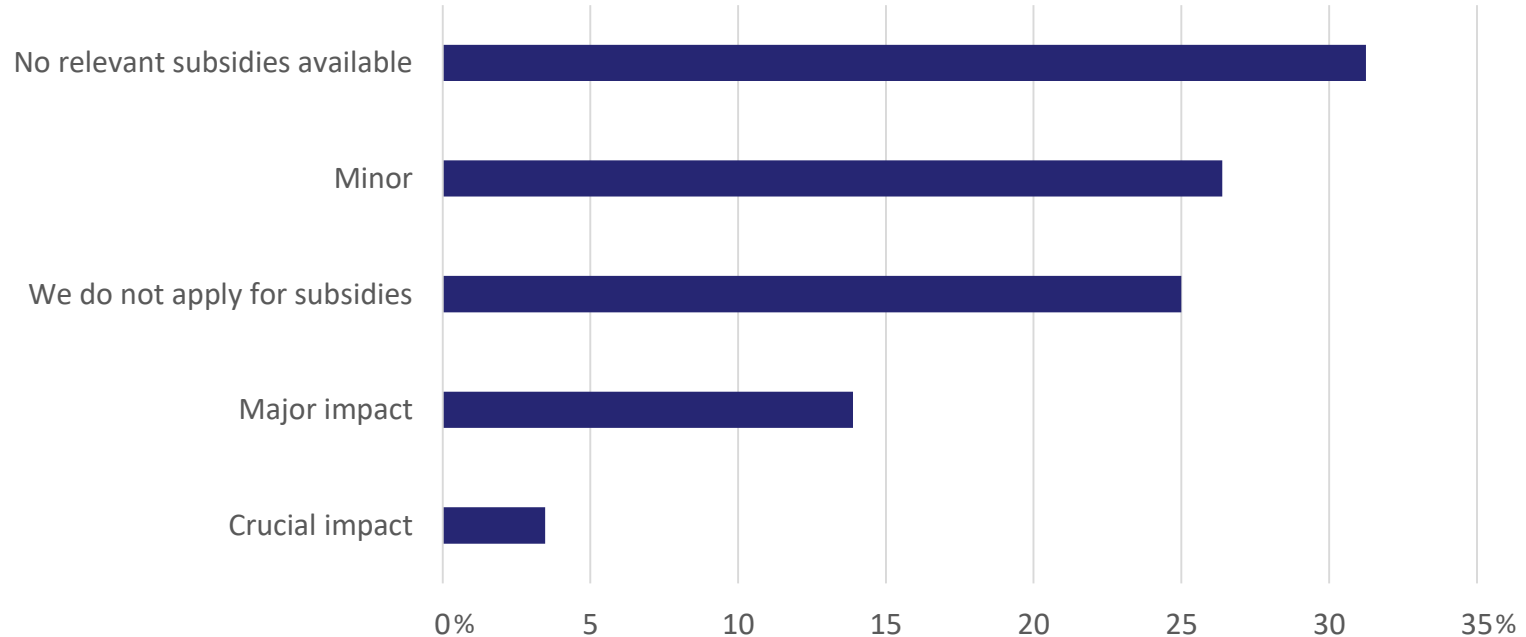
CEE average



Would you again choose Croatia as preferred location for your investment?



Impact of EU subsidies on investment decisions



Top 5 business conditions	5 worst business conditions
1. Membership in the EU	1. Insufficient fight against corruption and crime
2. Qualification of employees	2. Tax burden
3. Adequacy of higher education	3. Tax authorities & tax system
4. Productivity and motivation of employees	4. Public administration
5. Infrastructure	5. Legal security

Average grade on 21 business conditions in Croatia

3,55
2019

3,49
2018

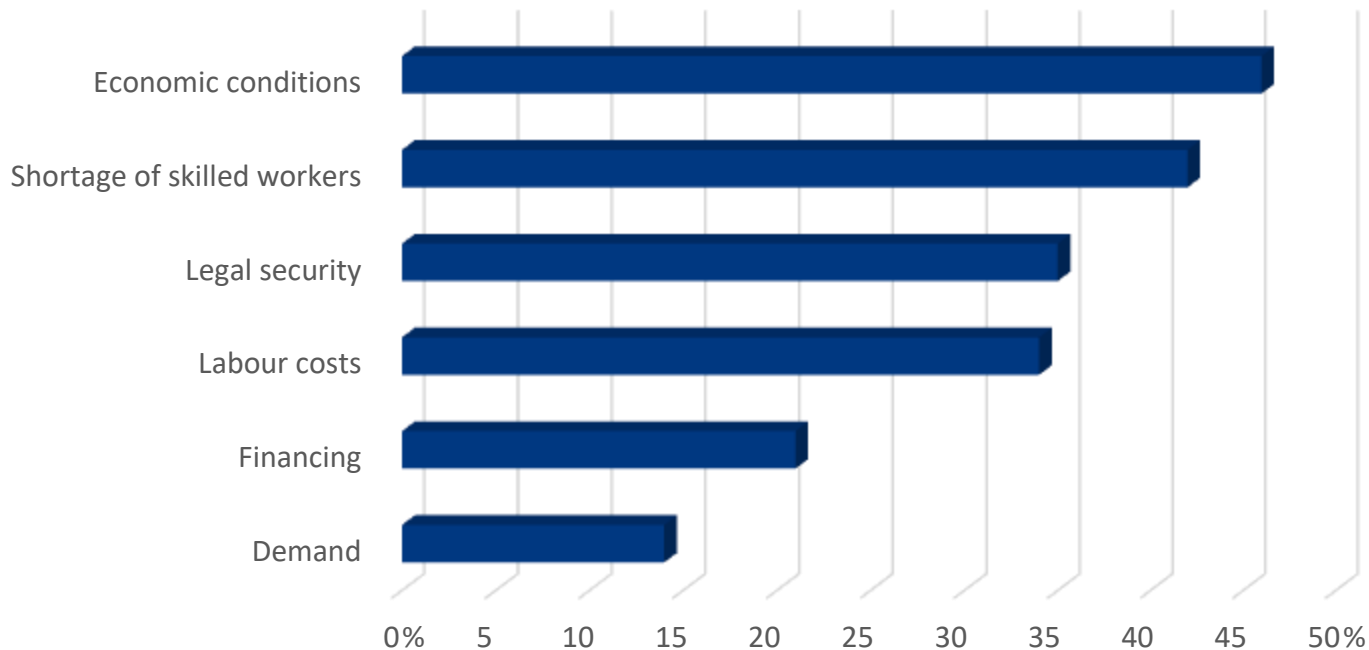
(1 = very satisfied, 5 = very unsatisfied)

CEE average

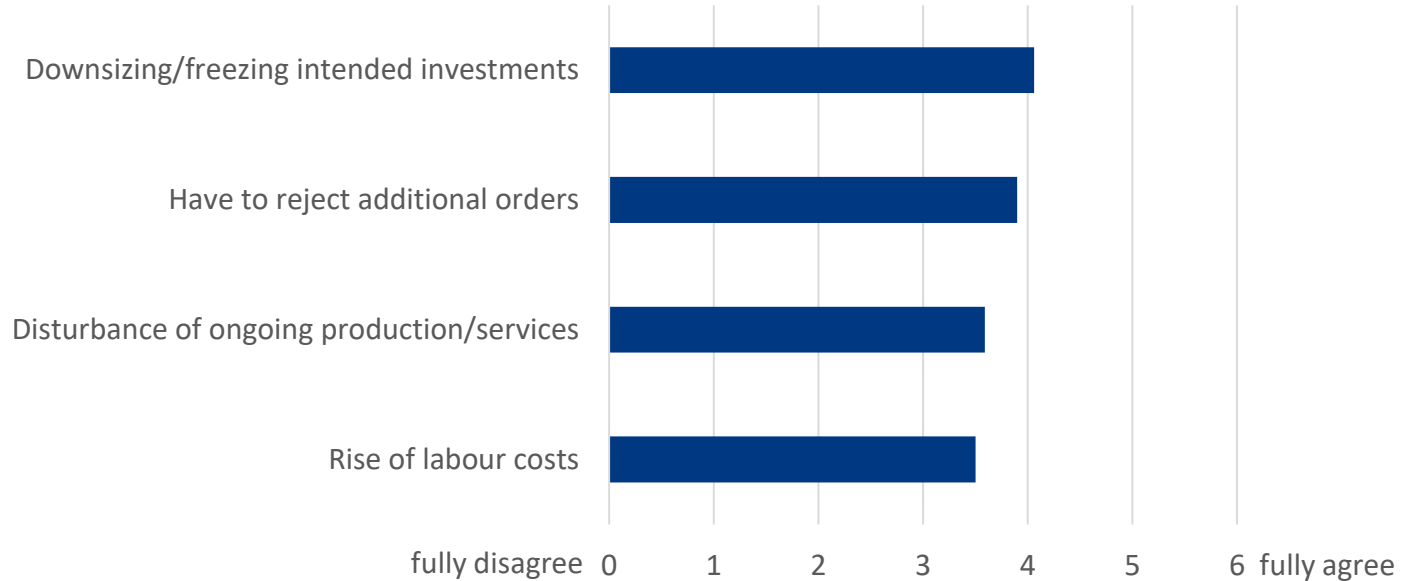
2019 – 3,17

2018 – 3,20

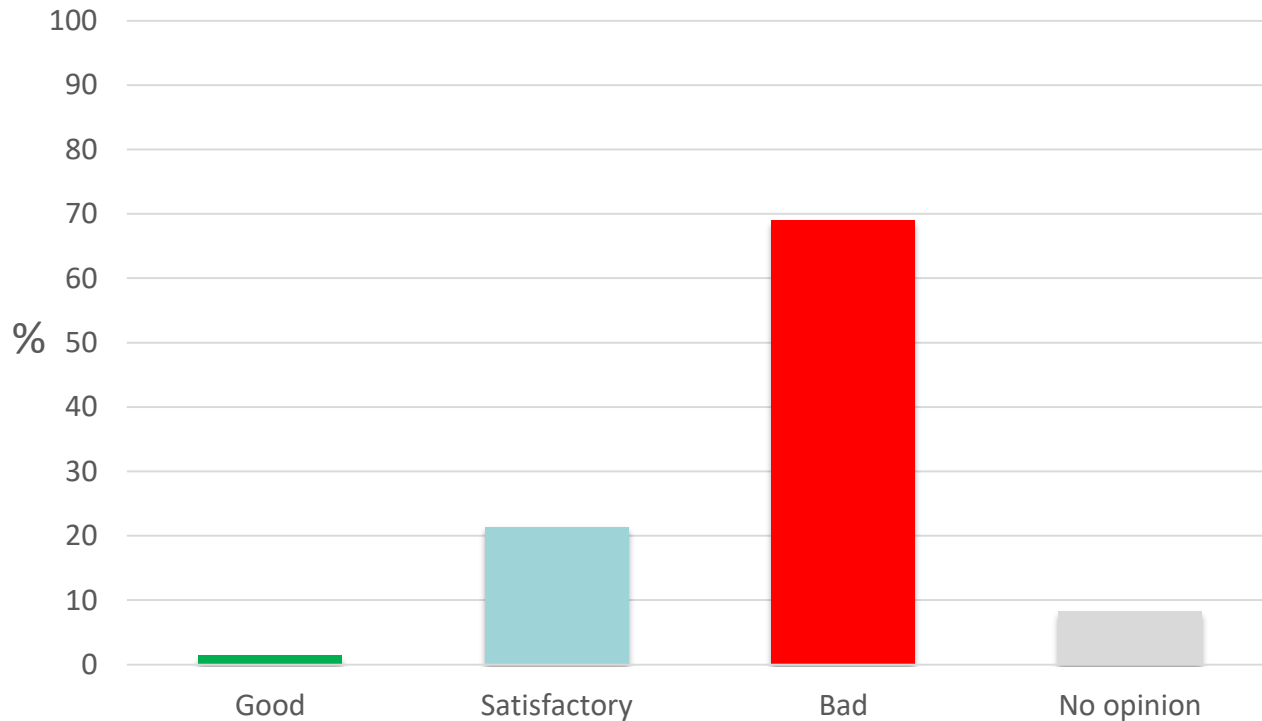
Potential threats to own business in 2019



How does the shortage of skilled workers affect your company?



Performance of current Croatian government



Attractiveness as investment location 2015 – 2019

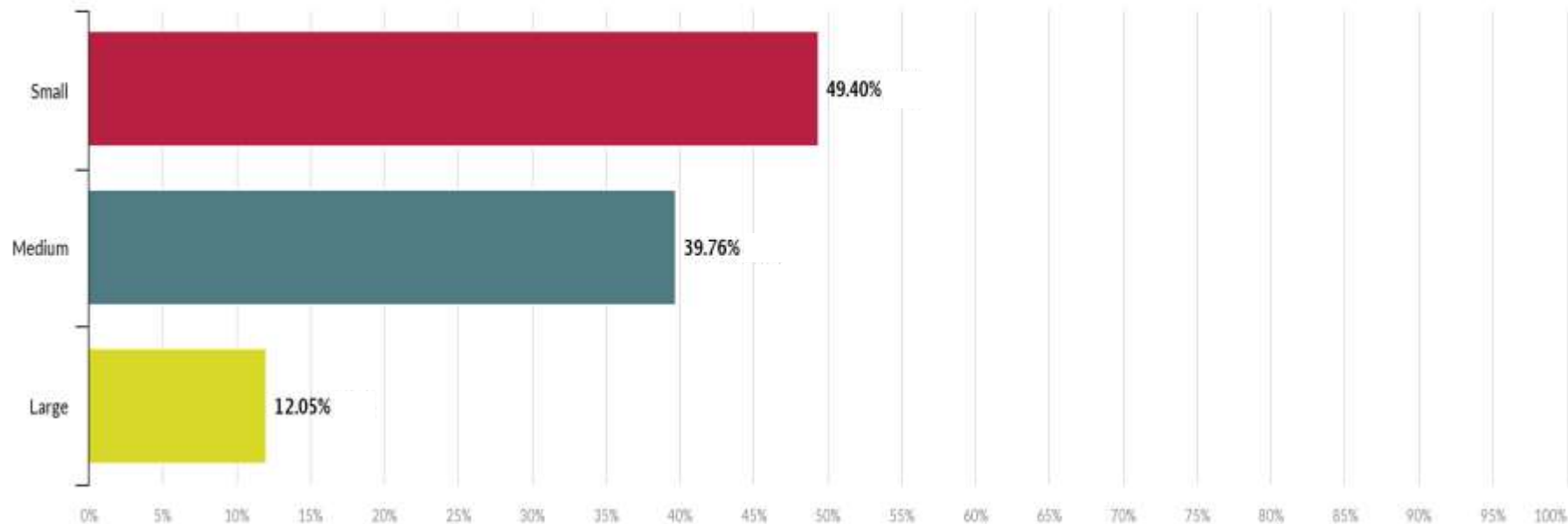
Rankings 2015-2019	2015	2016	2017	2018	2019
Estonia	3	4	4	3	1
Czech Rep.	2	1	1	1	2
Poland	1	2	2	2	3
Slovakia	4	3	3	4	4
Slovenia	5	5	5	5	5
Latvia	6	6	6	6	6
Lithuania	7	7	8	7	7
Croatia	8	8	7	8	8
Hungary	9	9	9	10	9
Romania	10	10	10	9	10
Serbia	11	11	11	11	11
Bulgaria	12	12	12	12	12
Macedonia	13	13	14	13	13
Montenegro	14	14	15	15	14
Russia	15	15	13	14	15
Ukraine	20	18	16	16	16
Belarus	17	17	17	17	17
Bosn.-Herzeg.	16	16	18	18	18
Albania	18	19	20	20	19
Kosovo	19	20	19	19	20

Digitalisation Survey

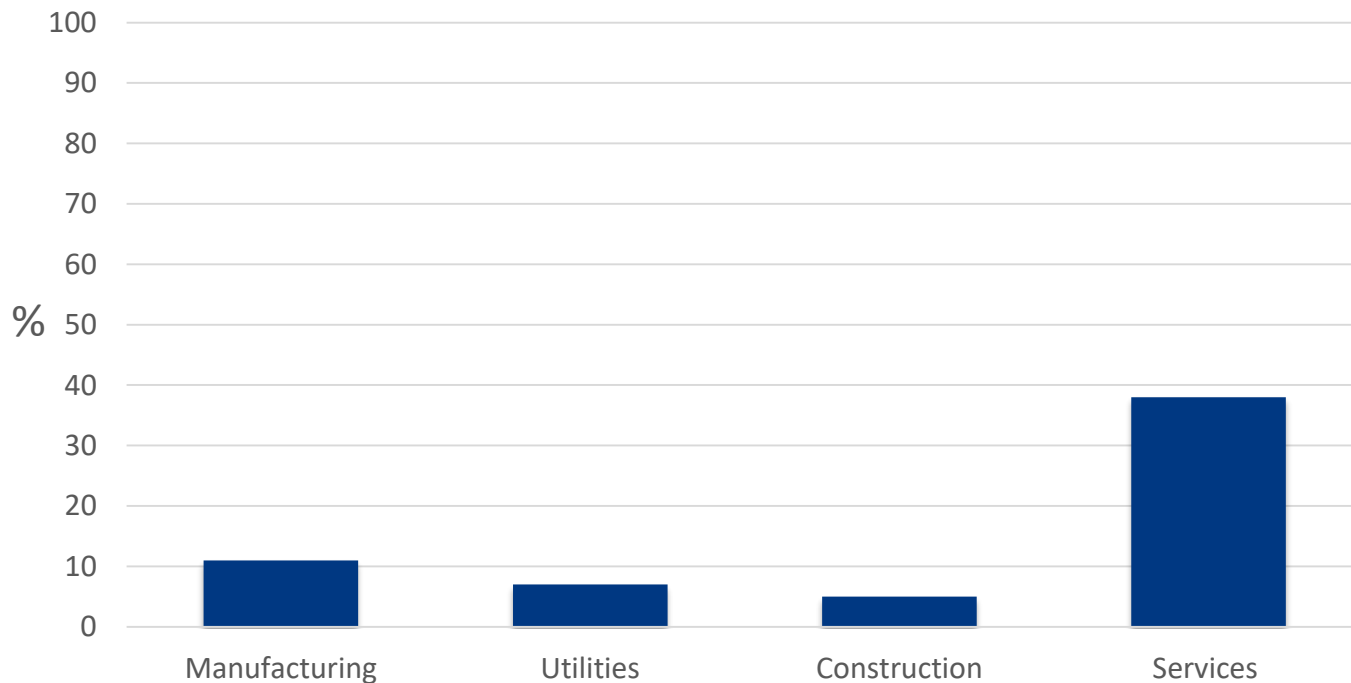
- Survey on digitalisation status of Croatian companies
- Conducted by GCCIC for the first time
 - **90** companies participated
- 60% of them are domestic companies and 40% part of an international group



Company size by revenues



Surveyed companies' areas of operation

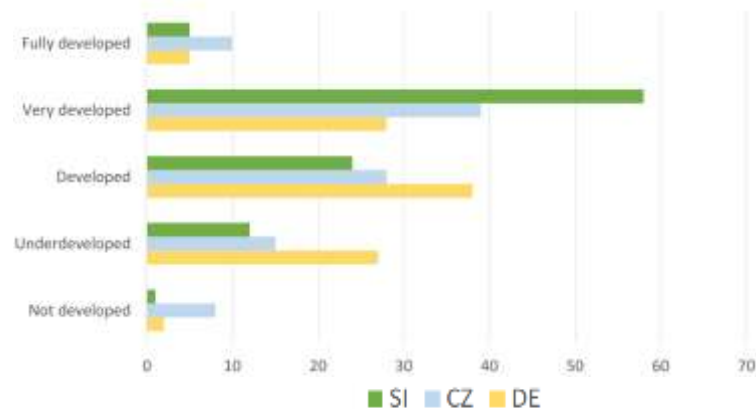
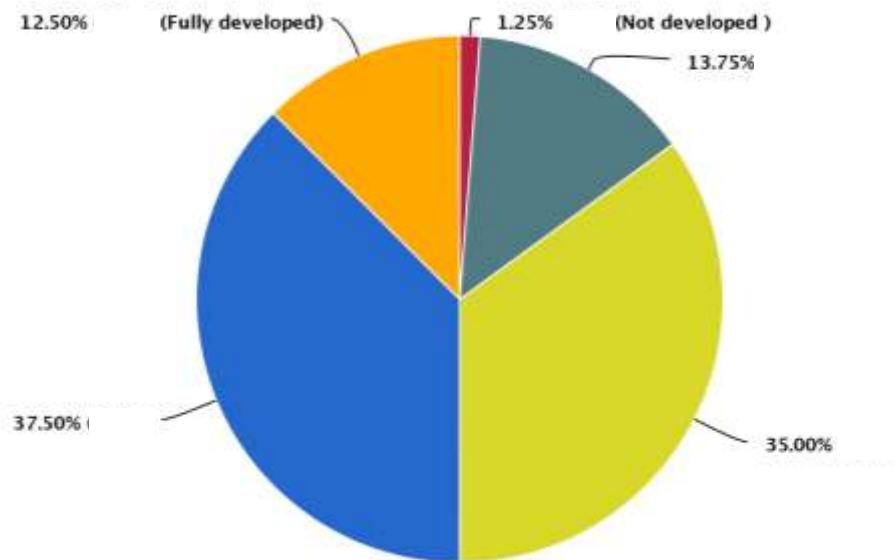


Key Findings

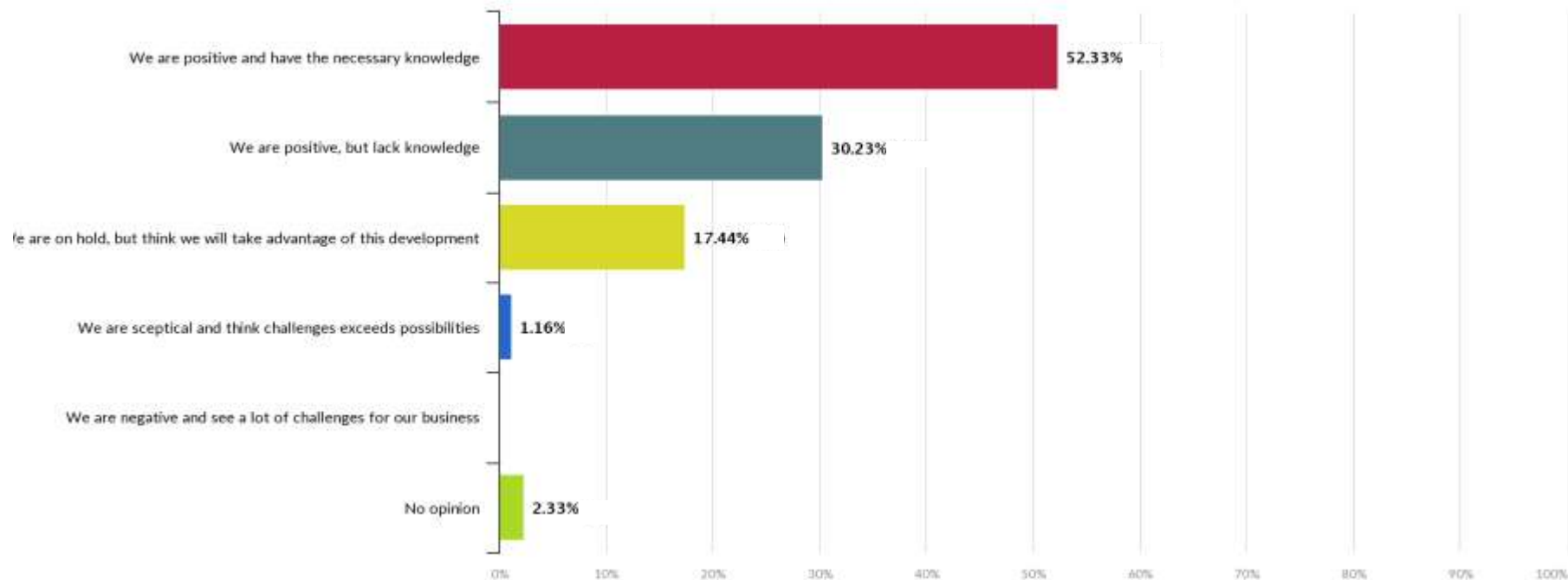
- Half of surveyed companies already very or fully digitalised
- 3/4 of companies expect significant changes due to digitalisation in the following years
- Over 80% have a positive attitude towards digitalisation, 1/3 positive but lack knowledge
- Top added values efficiency, planning & control, top risks qualification of employees & high investments

Top 5 added values	Top 5 obstacles and risks
1. Increase efficiency	1. Qualification and competences of employees
2. Better planning and control	2. High investments
3. Analysis and use of data	3. IT security
4. Increase in productivity	4. Lack of standardization and certifications
5. Cost reduction	5. Unclear economics benefits

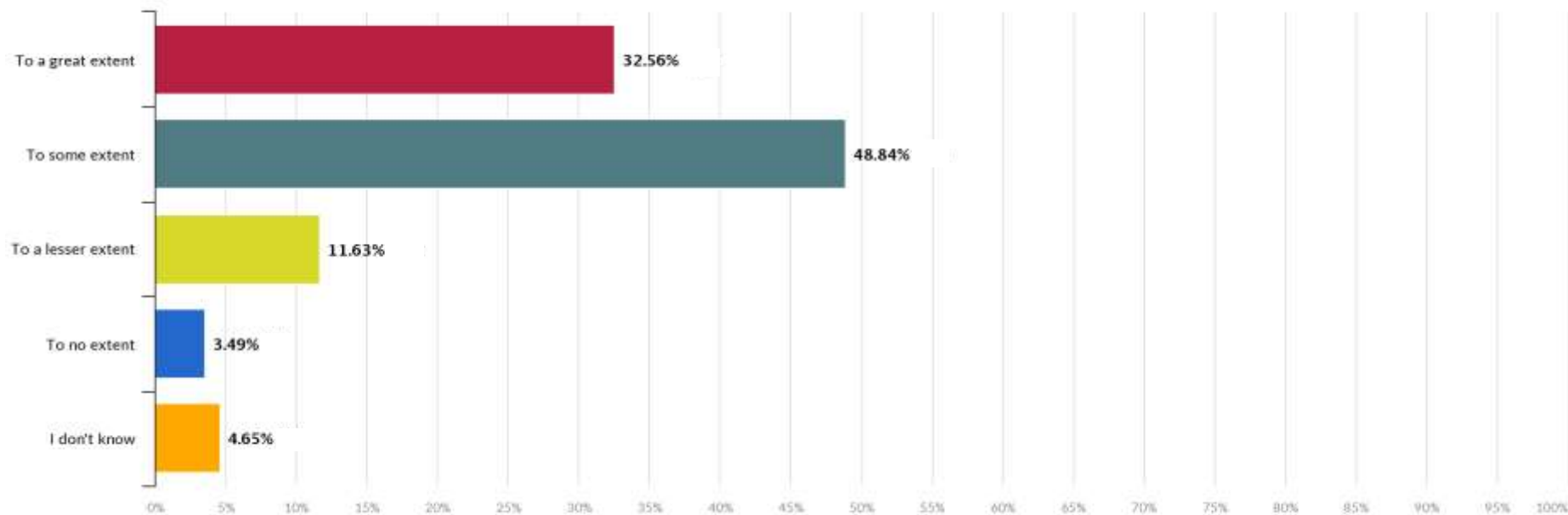
Please rate the current level of digitalisation in your company



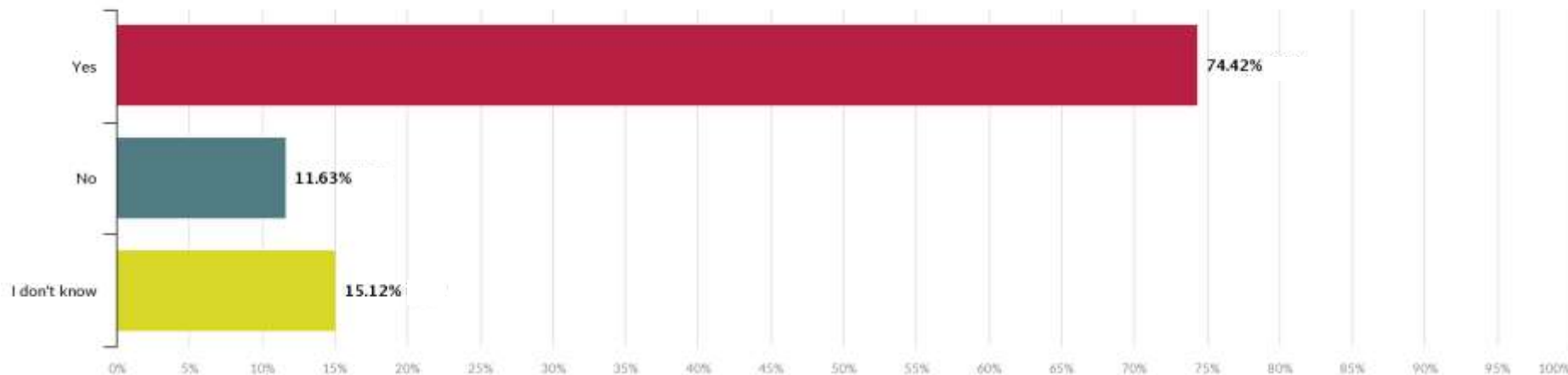
Which sentence describes your company's relationship to digitalisation?



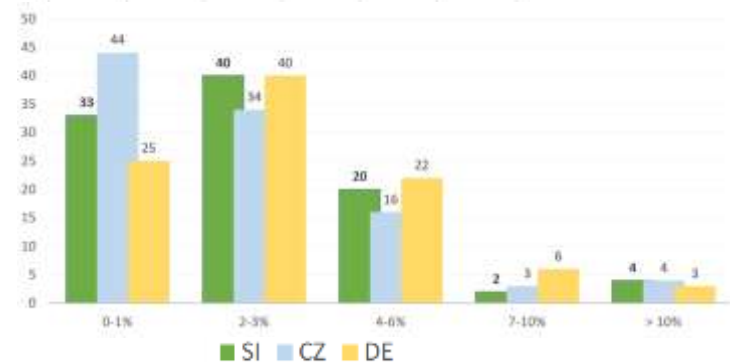
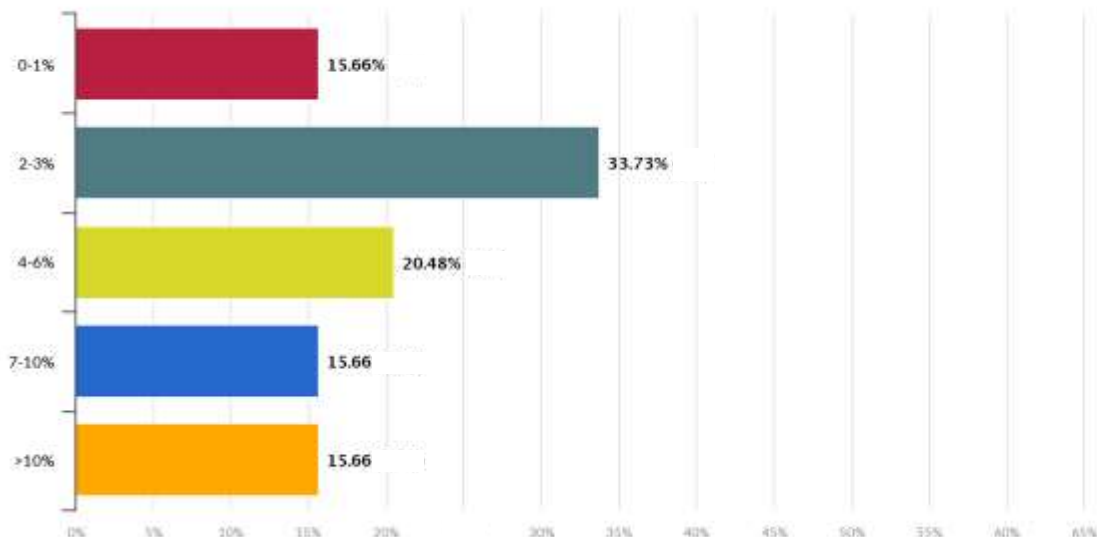
To what extent has your business been impacted by the digital development?



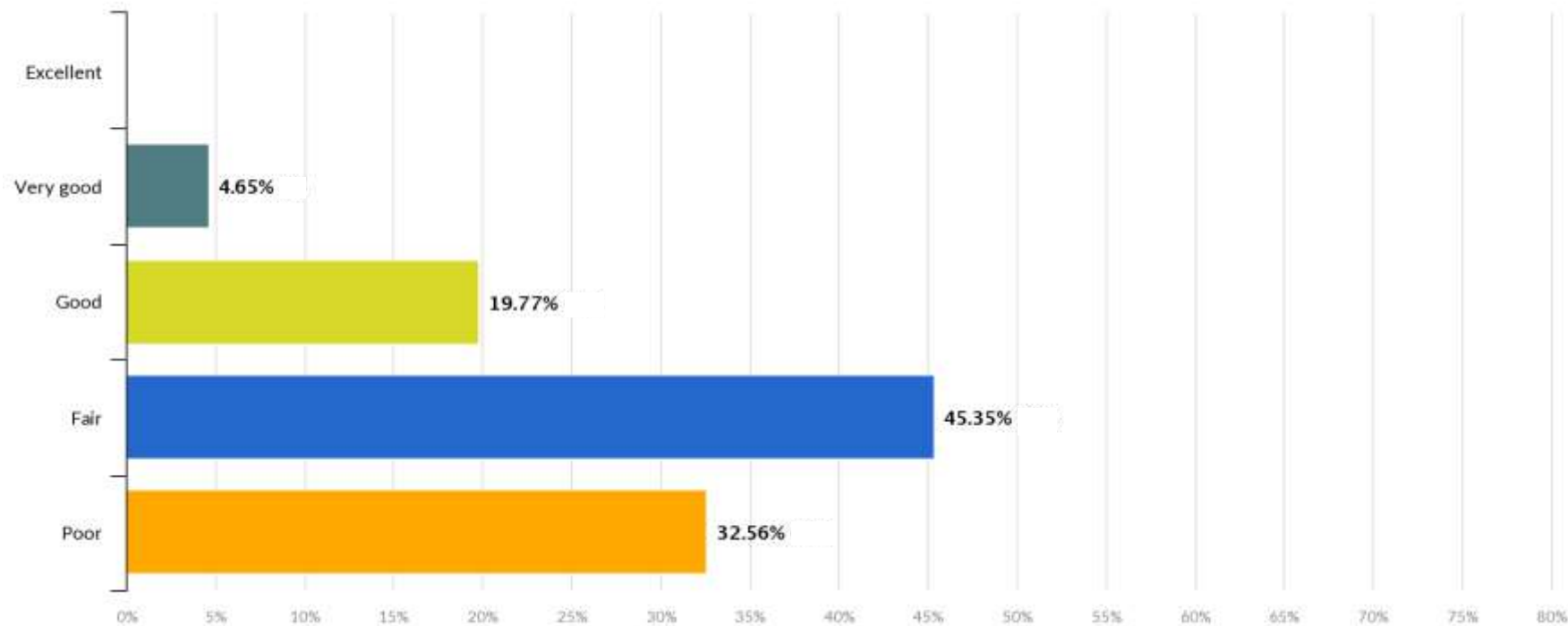
Do you expect your business to change significantly in the next 3-5 years due to the digital development?



What are your planned investments in digitalisation in the next 5 years (share of turnover)?



How do you rate the activities of the Croatian government regarding digitalisation?



In which fields do you see the need for political action?

