

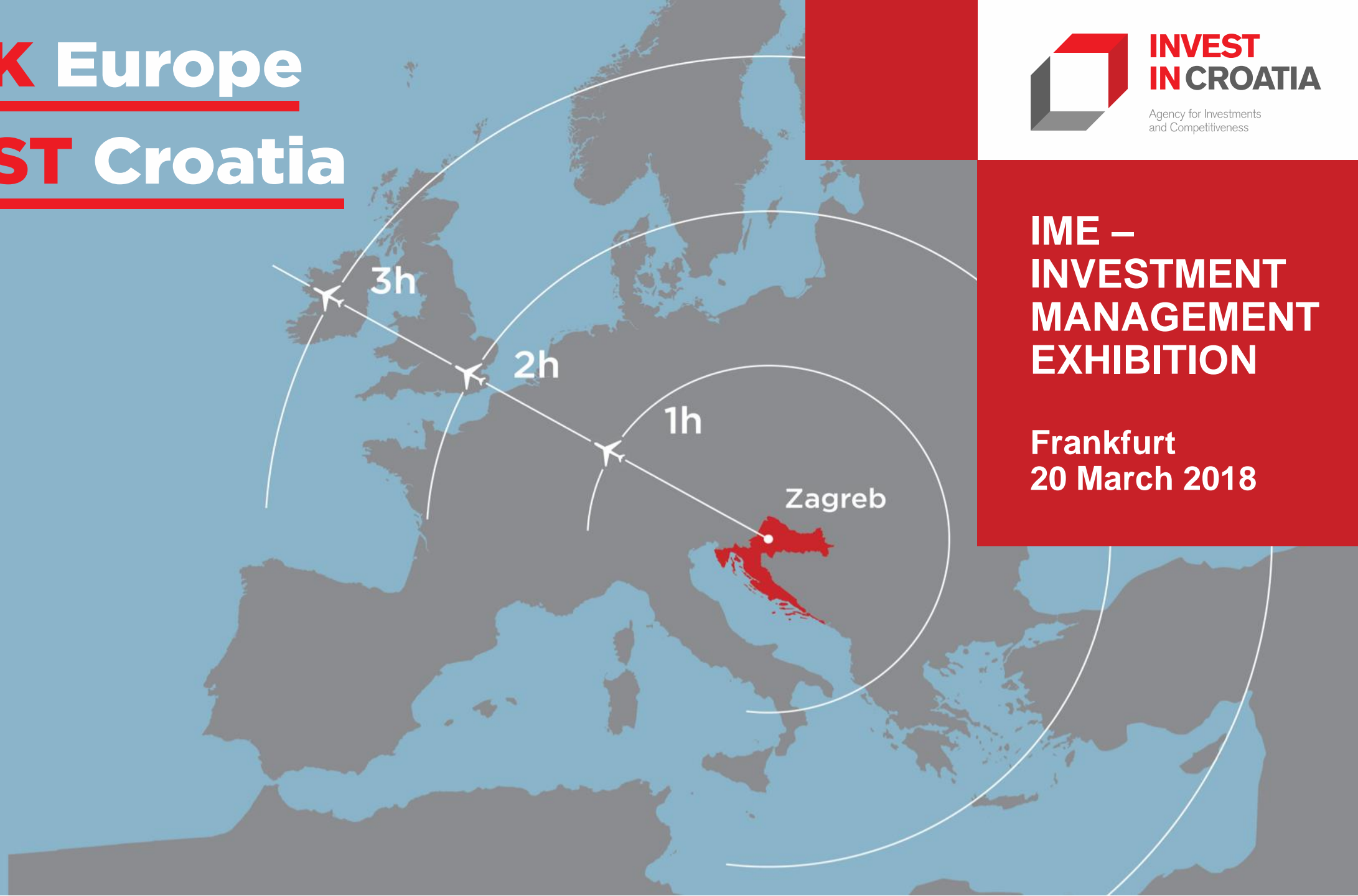
THINK Europe

INVEST Croatia



IME – INVESTMENT MANAGEMENT EXHIBITION

Frankfurt
20 March 2018



Croatia



- Area (square km): 56,594
- Population (million): 4.174
- Capital: Zagreb
- GDP growth rate (%): 3,2
- Average Monthly Gross Earnings (€): 1060
- Unemployment rate – ILO (%): 13,1
- National currency: kuna (HRK)
- Average exchange rate (HRK : 1 EUR): 7.53
- The newest EU Member State



GOALS

Schengen

Eurozone

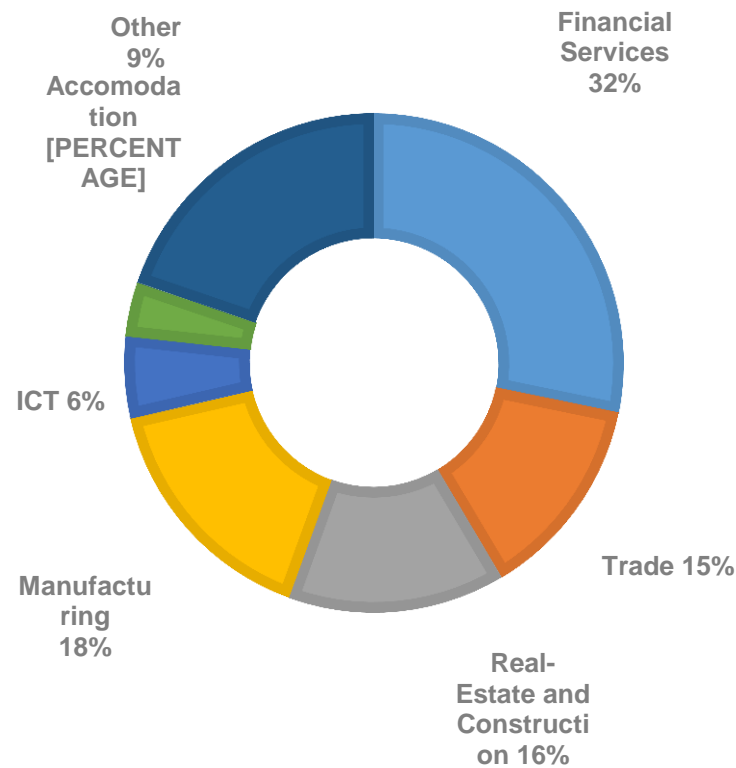


FDI in Croatia

TOTAL FDI IN CROATIA 1993 – Q3 2017* (32,049.6 million EUR)

Total FDI from Germany to Croatia (1993 – Q3 2017): 2,997,9 BL €

Germany is the 4th largest investor into Croatia



TOP INVESTOR COUNTRIES:



Good Infrastructure

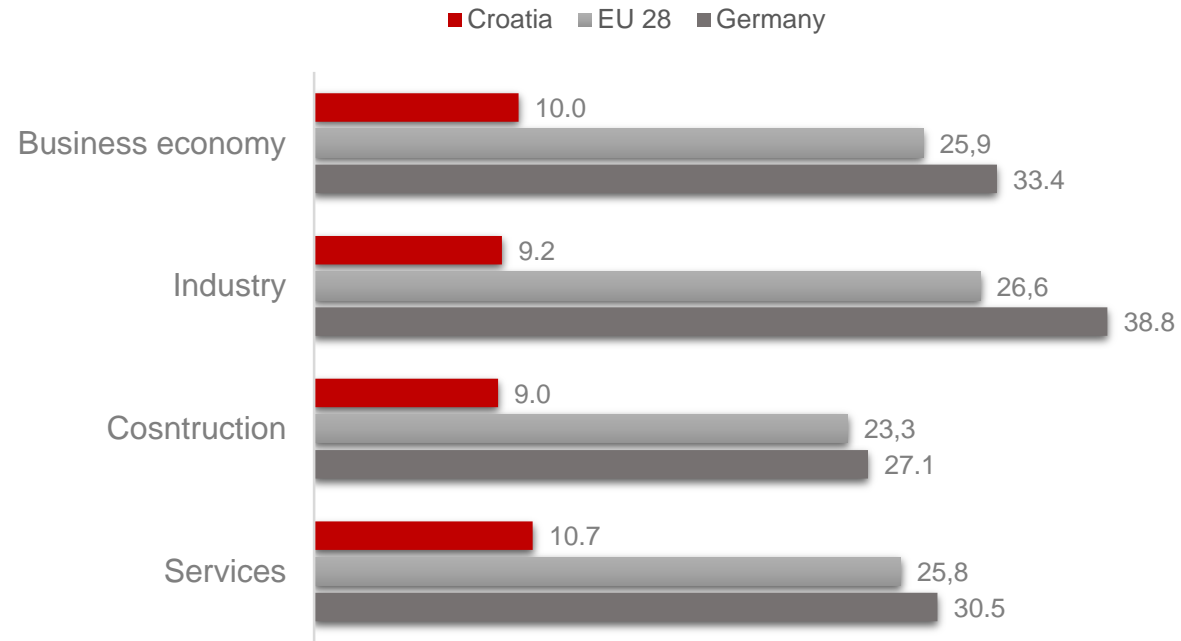
- All of Europe within 3 hours
- Excellent road-infrastructure
- Pan-European Corridors (X, Vb, Vc, VII)
- Two cargo sea ports: Rijeka and Ploče



Human Capital

- Croatia offers cost effective labour force.

LABOUR COSTS PER HOUR, €, 2016



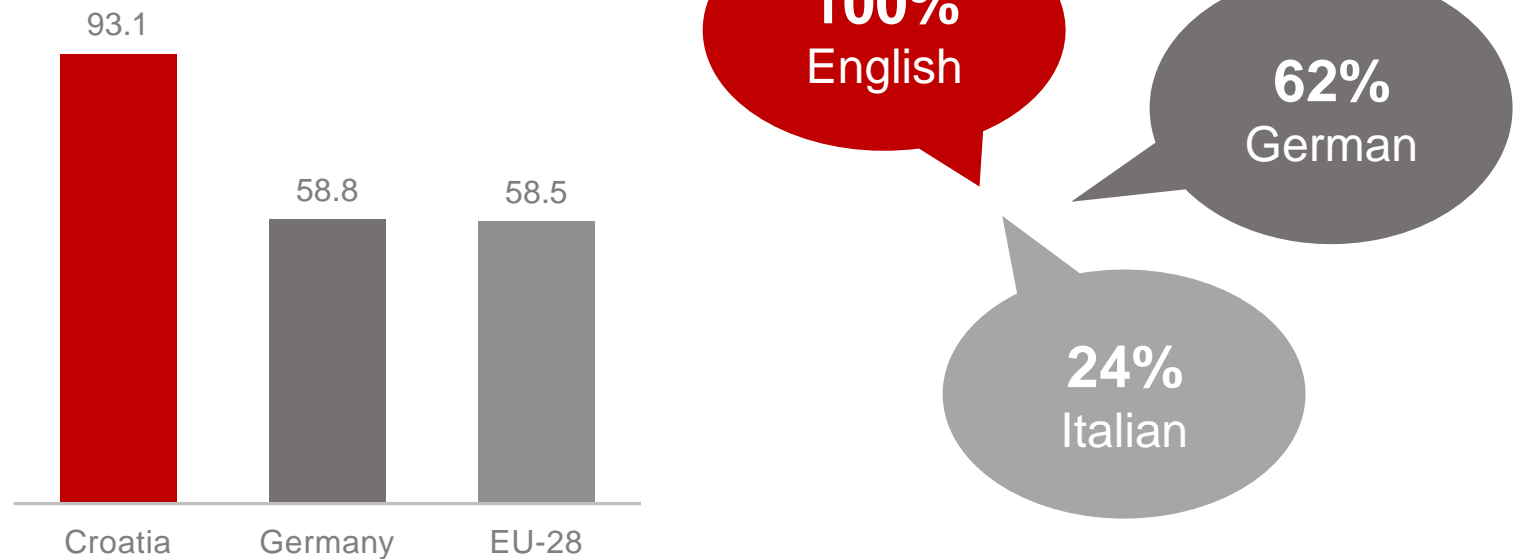
Source: Eurostat 2017 for 2016 (latest available data)



Human Capital

- Croatia offers multilingual labour force.

% STUDENTS LEARNING TWO OR MORE LANGUAGES



Source: Eurostat 2017 for 2015 (latest available data)

OVER 90% OF PERSONS AGED 15 - 34 SPEAK AT LEAST ONE FOREIGN LANGUAGE

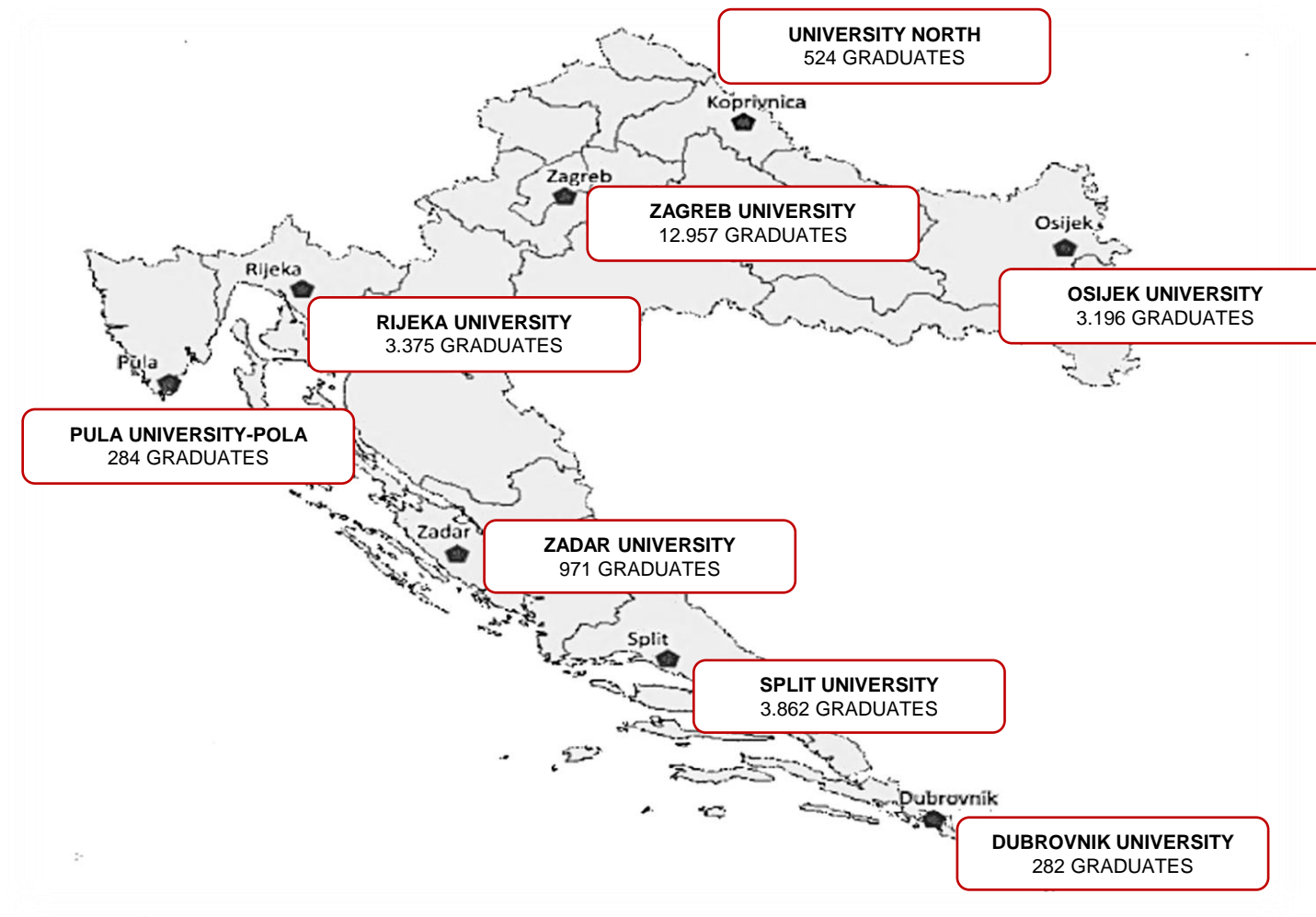
Source: Gfk Croatia Language Knowledge Survey, 2012 (latest available data)



Human Capital

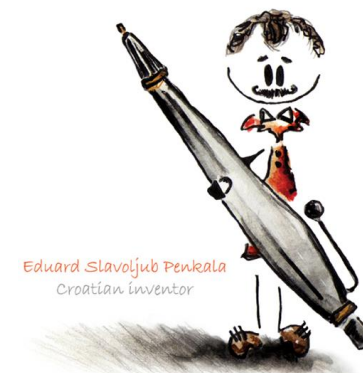
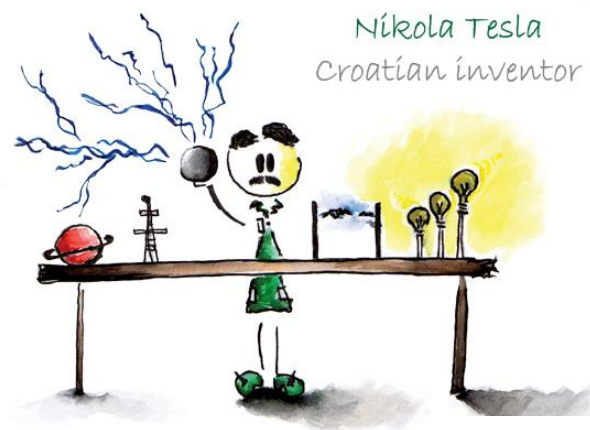
32 895 GRADUATED

FROM INSTITUTIONS OF HIGHER EDUCATION (2016)



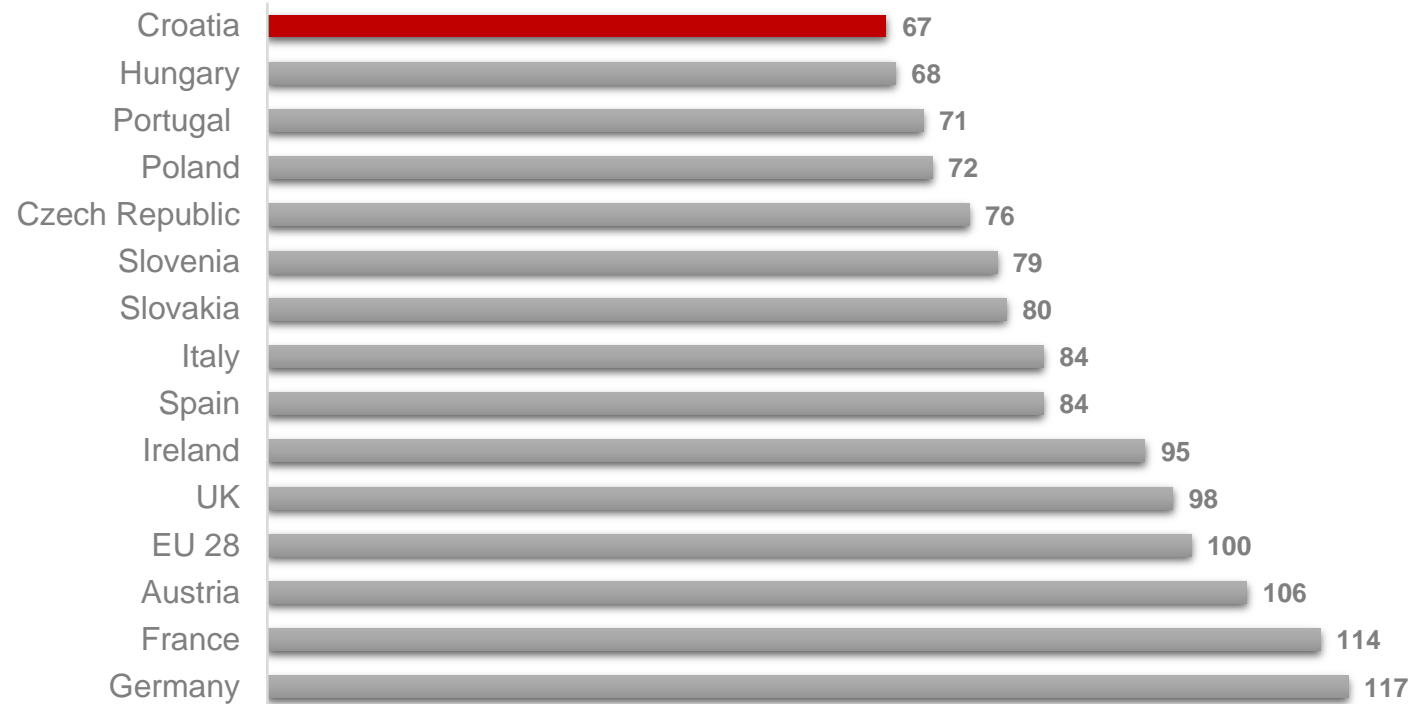
Human Capital

■ Did you know that...



Investment Costs

PRICE LEVEL INDICES FOR INVESTMENT, 2016



Source: Eurostat 2017 for 2016 (latest available data)

*Price level indices for investment provide a comparison of the countries' price levels for investment, equivalent to gross fixed capital formation (GFCF), comprising of dwellings, other buildings and structures, machinery and equipment, weapons systems, cultivated biological resources and intellectual property products.



Investment Incentives

UP TO 45% RETURN ON INVESTMENT

- 0% corporate income tax - exemption or reduction of corporate income tax up to 10 years
- Up to € 1 million cash grant for capital investment costs
- Up to € 0.5 million of cash grant for investment in research and development
- Up to € 18,000 of cash grant per employee

INCENTIVES CALCULATOR:

<http://www.aik-invest.hr/en/investment-guide/incentives-calculator/>



Employment Incentives

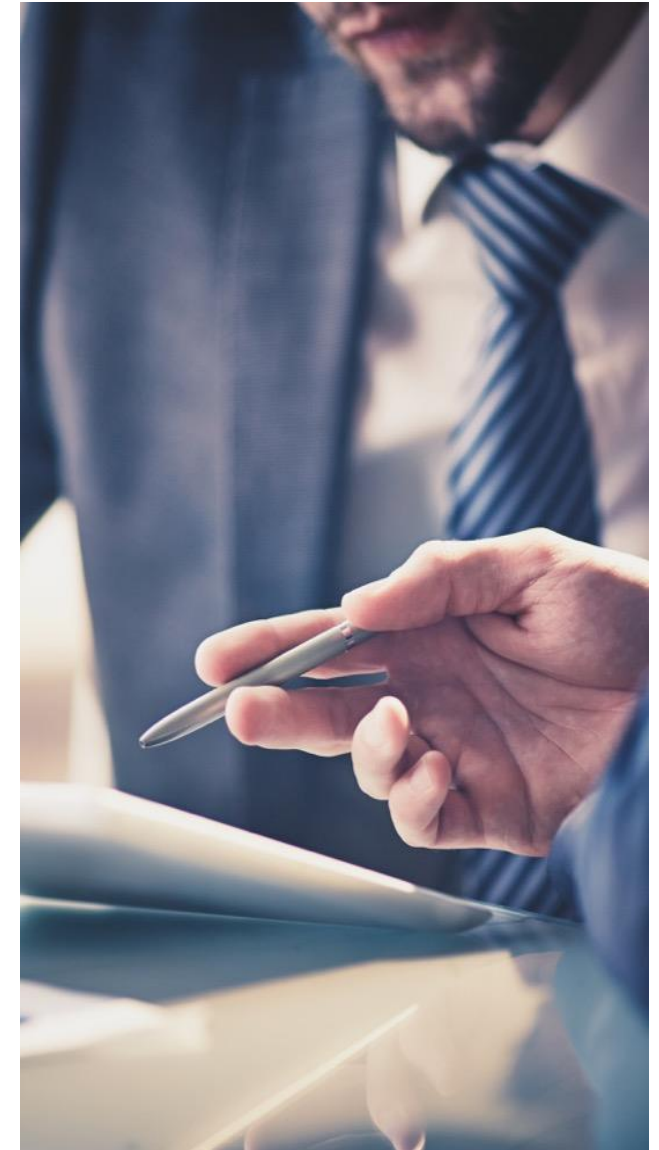
5 YEAR EXEMPTION* OF 17.2 % OBLIGATORY CONTRIBUTIONS ON THE TAX BASE FOR:

- health insurance at the rate of 15%
- health protection at work at the rate of 0.5%
- employment contribution at a rate of 1.7%

*for employing young people under 30

UP TO 50% OF THE ANNUAL COST OF GROSS II SALARY

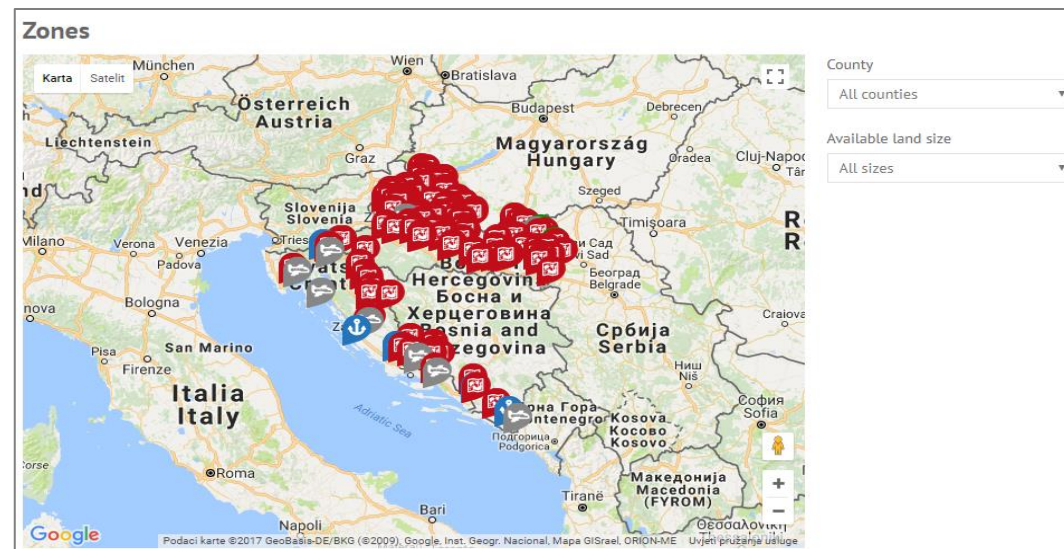
- duration of the measures: 12 months
- awarded to encourage employment of unemployed persons



Investment Locations

CATALOGUE OF BUSINESS ZONES:

- PRICE: land price from 1 €/m²
- INFRASTRUCTURE: fully equipped
- LEGAL AND PROPERTY RELATIONS: established ownership and adopted spatial plans



<http://www.aik-invest.hr/en/zone/>



Pharmaceutical Sector

- Long tradition
- Two Nobel Laureates in Chemistry
(Leopold Ružička & Vladimir Prelog)
- Important Patents
(diazepam & azitromicin)
- National Competitiveness Cluster of Medical Industry
- Share of Export in Total Revenue
(2015): 85,9%

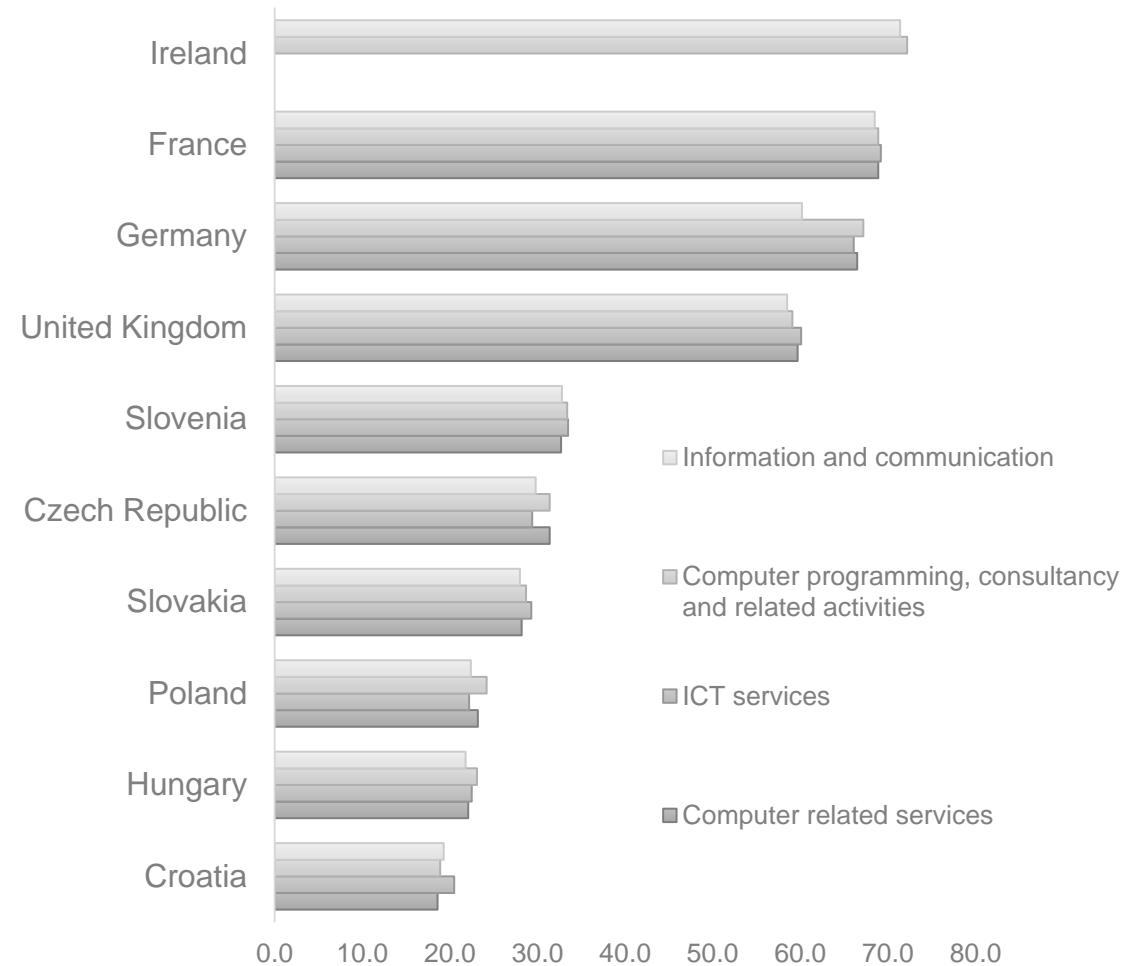


ACG-LUKNPS



ICT Sector

AVERAGE PERSONNEL COSTS PER EMPLOYEE (THOUSAND EURO), 2015



IBM

span

in2

infobip

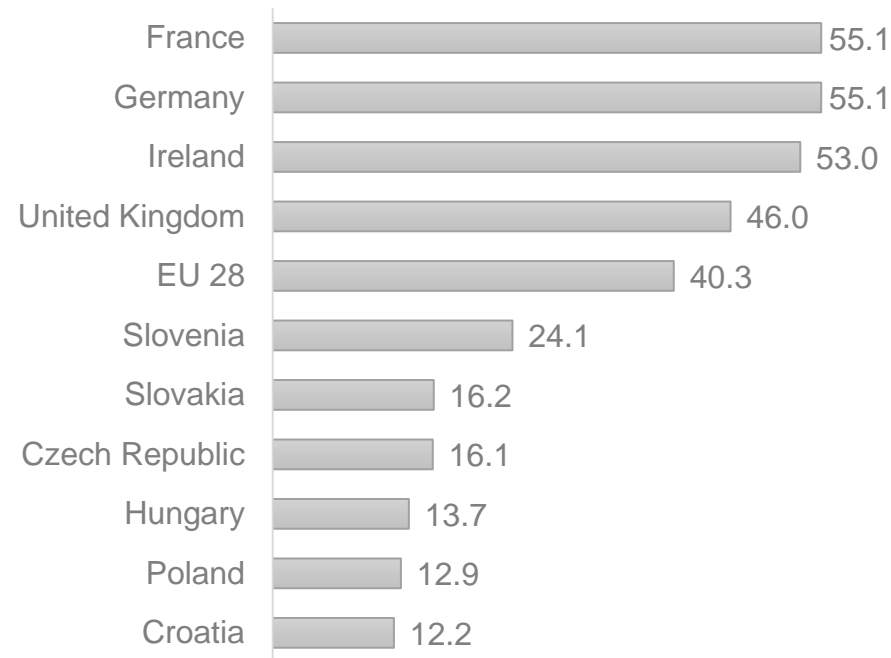
ERICSSON 
Ericsson Nikola Tesla d.d.



Source: Eurostat 2018 (latest available data)

Manufacturing Sector

AVERAGE PERSONNEL COSTS PER EMPLOYEE (THOUSAND EURO), MANUFACTURING, 2015

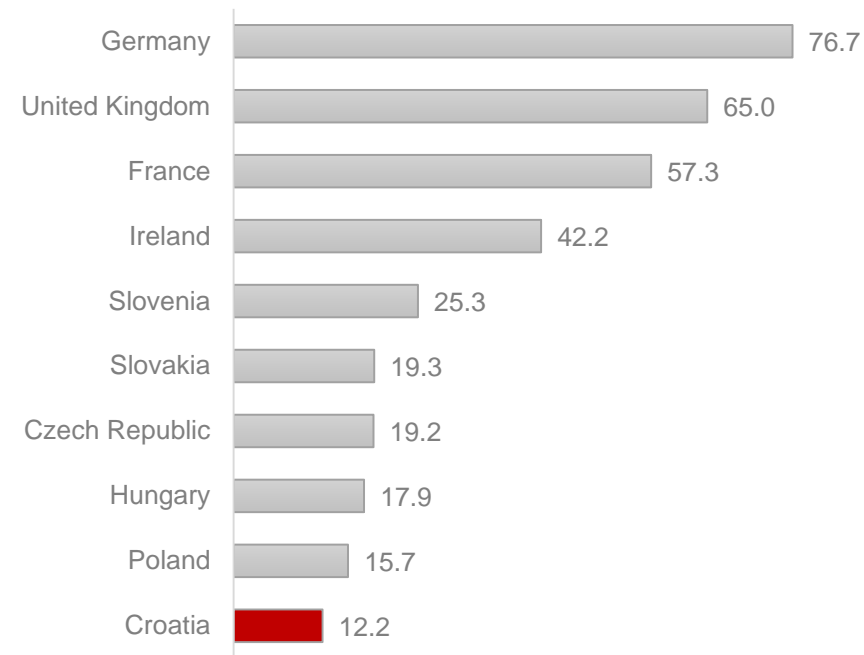


Source: Eurostat 2018 (latest available data)



Automotive Sector

AVERAGE PERSONNEL COSTS PER EMPLOYEE (THOUSAND EURO), MANUFACTURE OF MOTOR VEHICLES, 2015



Source: Eurostat 2018 (latest available data)

4 BUSINESS
AUTOMOTIVE
CLUSTERS

1 NATIONAL
COMPETITIVENESS
CLUSTER



Automotive Sector Rimac Automobili



Concept One:

- 355 km/h
- Battery capacity 92 kWh (600 km)

Concept Two:

- Geneva, 5th march 2018, unveiling
- 412 km/h
- Fastest acceleration time (0 to 60 mph in 1.85 seconds)
- Battery capacity 120 kWh (650 km)

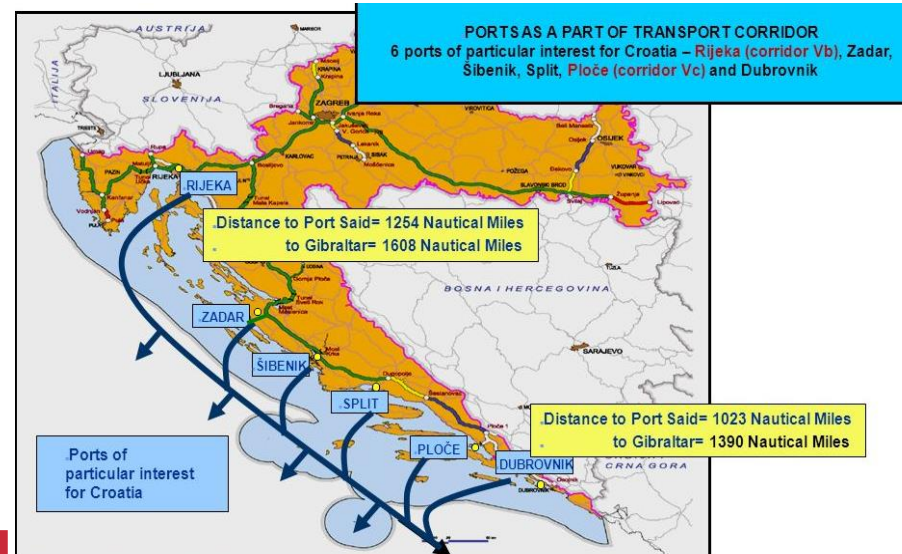
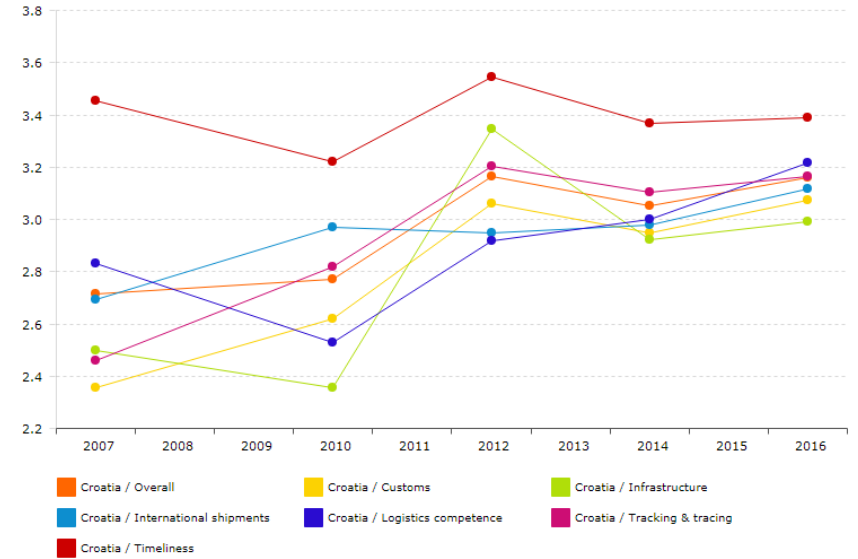


faster than Tesla Roadstar, Ferrari, Bugatti Chiron, Lamborghini ...



Logistics

**WORLD BANK LOGISTICS
PERFORMANCE INDEKS 2016
CROATIA 51/160**



DB SCHENKER

KUEHNE+NAGEL

**MILSPED
GROUP**

**RAU
LOGISTIKA**

Lagermax

Ready Made Investment Projects

CATALOGUE OF INVESTMENT OPPORTUNITIES:

- 71 investment projects
- Sectors: tourism; infrastructure; energy; industry; high-tech

MAP OF INVESTMENT OPPORTUNITIES:

- <http://www.aik-invest.hr/en/investment-projects-map/>
- Search by regions and by sectors



Success Story: HAIX Croatia

- HAIX - top brand of functional shoes for fire fighters, police, and task forces worldwide
- founded in 1948 in Mainburg, Bavaria
- present in Croatia since 2004 – over 700 employees in 4 production facilities
- in 2016 moved their production facility from Vietnam to Croatia



Success Story: Harburg- Freudenberger

- HF Group - development and manufacturing of specialist machines for the rubber, tyre and edible oil industry on the global market
- founded in 1855 in Germany
- present in Croatia since 1998 as Harburg-Freudenberger Belišće d.o.o.
- over 600 employees in 2 production facilities



Belišće d.o.o.
Belišće, Croatia



Belišće d.o.o.
Valpovo, Croatia



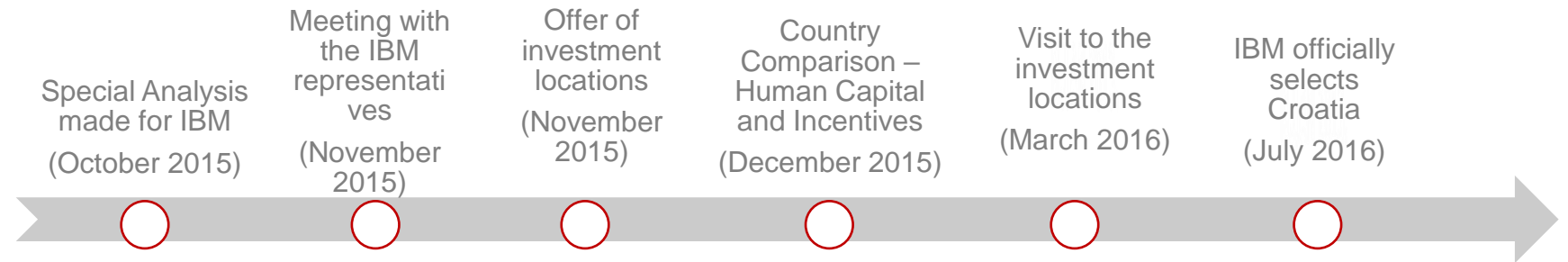
Success Story: ACG Lukaps

- ACG Worldwide is a pharmaceutical company present in over 100 countries
- world's second largest manufacturer of two-piece empty hard capsules
- present in Croatia since 2005 as ACG Lukaps employing over 200 employees in its production facility
- in 2017 it opened its ACG Inspection Systems - quality control systems in drug manufacturing
- AIK won award for best FDI in Eastern Europe at Annual Investment Meeting in Dubai in 2016



Success Story: IBM Croatia

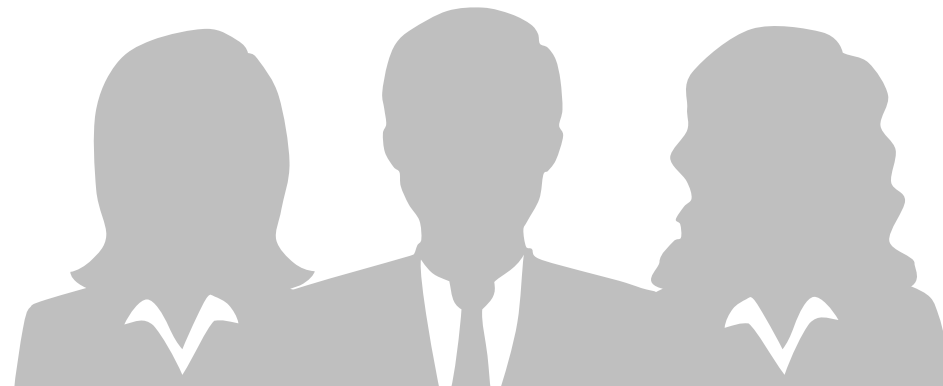
IBM CLIENT INNOVATION CENTER Case Study



What do German Investors think?

AHK KROATIEN WIRTSCHAFTSUMFRAGE 2017

80%
of German investors
would invest again
in Croatia



Agency for Investments and Competitiveness

■ PROFESSIONAL ASSISTANCE FREE OF CHARGE

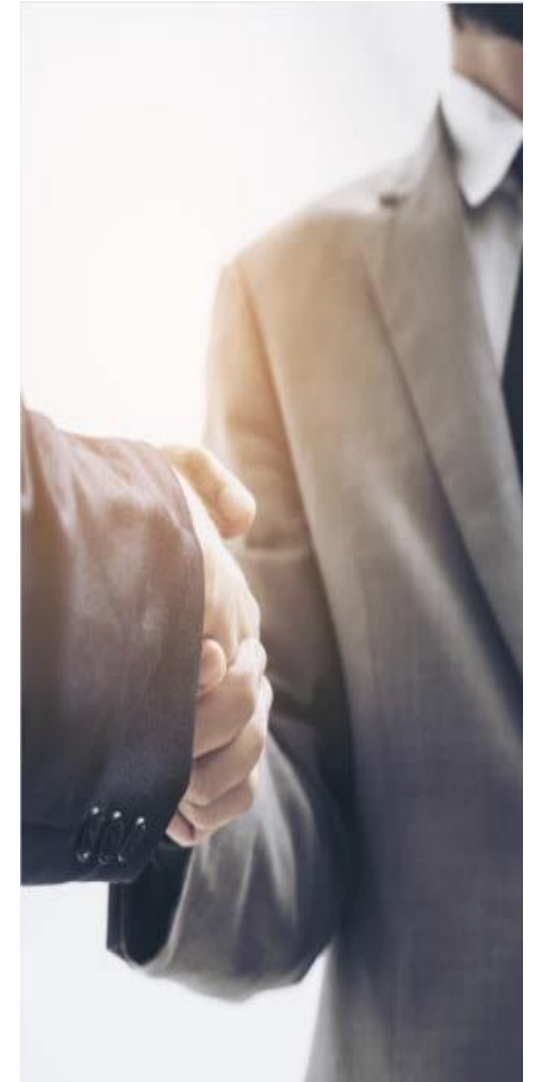
- ✓ Professional service for investors, free of charge
- ✓ Highly motivated team of experienced professionals
- ✓ Provides information, contacts and investment management support to potential investors as well as pre and post investment care

■ VISIT OUR WEB-PAGE WWW.AIK-INVEST.HR/EN

- ✓ Investment Guide
- ✓ Overview of Investment Incentives + Investment Calculator
- ✓ Map of Investment Opportunities – projects looking for investors
- ✓ Catalogue of Investment Locations – ready-made business zones

■ CONTACT US

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Thank you!

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