



BUSINESS OPERATIONS OF FOREIGN-CONTROLLED ENTERPRISES, 2022

More than one third of value added was realised by foreign controlled enterprises

In the NKD 2007 sections related to the business economy, in 2022, out of 227 408 active enterprises, 11 438 were foreign controlled enterprises (iFATS), which is 5.0% of the total number of active enterprises in these sections. There were 272 076 persons employed and self-employed in these enterprises, which is 21.7% of the total number of persons employed and self-employed in these sections.

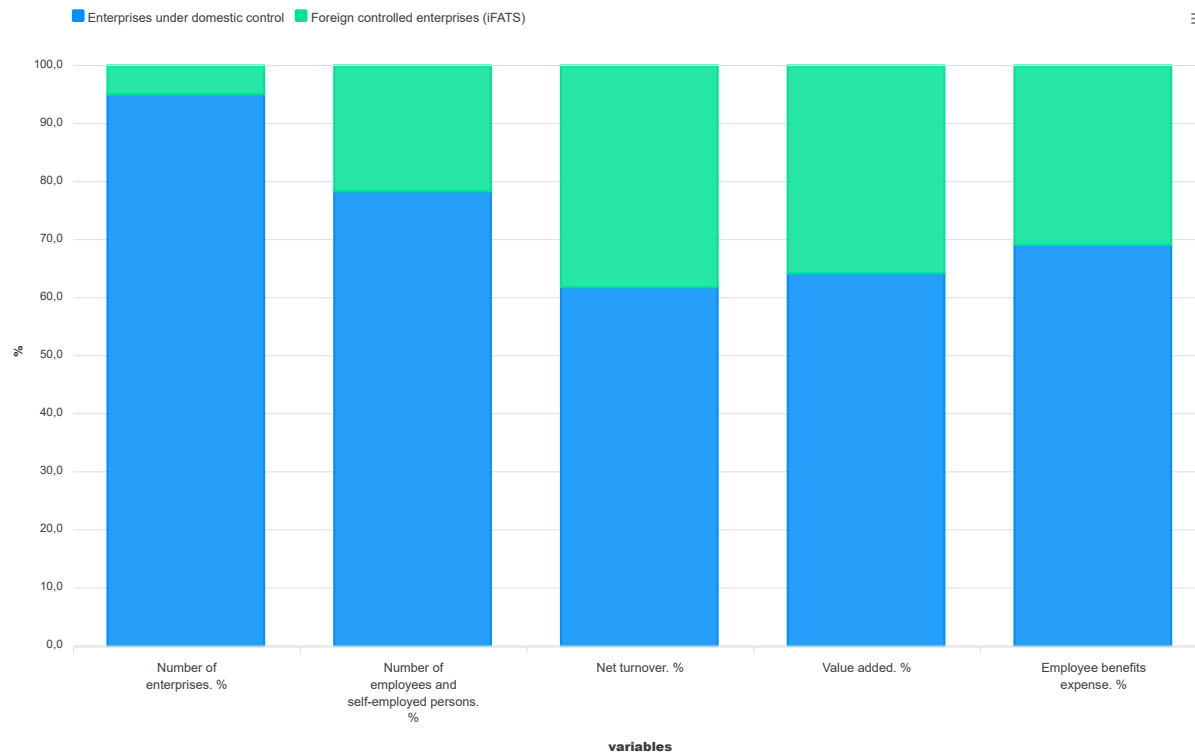
In 2022, foreign controlled enterprises (iFATS) realised a turnover of 413.7 billion kuna, which is 38.2% of the total turnover realised by the business economy, and a value added of 97.0 billion kuna or 35.8% of the total value added of the business economy.

More detailed data on performance of foreign control enterprises (iFATS), by activities and headquarter of ultimate controlling institutional unit (UCI) are available on the website of the [Croatian Bureau of Statistics](#) under "PC-Axis databases", which enables browsing and exporting of data in various formats.

1 FOREIGN CONTROLLED ENTERPRISES (iFATS), 2022

	Number of enterprises	Number of employees and self-employed persons	Turnover	Value added	Employee benefits expense
Business economy – total	227 408	1 256 179	1 084 020	271 236	147 775
Enterprises under domestic control	215 970	984 103	670 307	174 173	102 082
Foreign controlled enterprises (iFATS)	11 438	272 076	413 713	97 063	45 693
Intra EU-27	7 678	204 748	301 388	69 979	32 158
Extra EU-27	3 760	67 328	112 324	27 084	13 535

G-1 ENTERPRISES UNDER DOMESTIC CONTROL AND FOREIGN CONTROLLED ENTERPRISES (iFATS), 2022



NOTES ON METHODOLOGY

Inward foreign affiliates statistics (iFATS) describe the activity of foreign affiliates resident in the compiling economy. According to Eurostat's methodology, a controlling institutional unit should be determined according to the ultimate controlling institutional unit of a foreign affiliate (UCI), which is not controlled by another institutional unit proceeding up an affiliate's chain of control. In this survey, due to a lack of relevant sources for the period from 2008 to 2015 for the detection of UCI, a substitution criterion has been determined based on the headquarters of the first foreign majority owner. Starting with the 2016 reference year, UCI has been taken over from the EuroGroups Register (EGR), while, concerning all enterprises not recorded in the EGR, UCI is still determined by a substitution criterion based on the headquarters of the first foreign majority owner and is taken over from the Statistical Business Register (SBR).

The purpose of iFATS survey is to collect information on the role and impact of foreign affiliates within business economy of the Republic of Croatia. The iFATS survey is carried out in full accordance with European standards of business statistics (Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics, repealing 10 legal acts in the field of business statistics).

Sources and methods of data collection

Data on iFATS have been taken over from the annual processing of the structural business statistics (SBS) for the inward foreign affiliates statistics. The SBS compilation data as well as those used in the calculation of SBS indicators are collected entirely from existing administrative and statistical sources.

The principal data source in sections B – J, L – N and P – S is the Annual Financial Report of Entrepreneurs (GFI-POD form) taken over from the Financial Agency, while data in section K are obtained from the Croatian National Bank and the Croatian Financial Services Supervisory Agency. Additional data sources are other financial reports, records of the Tax Administration Office (profit and income taxes) and own survey of the Croatian Bureau of Statistics – the Annual Report on Gross Investment in Fixed Assets (INV-P form), in accordance with the relevant methodology.

Observation units

The main observation unit used in the iFATS is an enterprise – a business entity that makes an organisational unit engaged in producing goods and/or services, benefits from a certain degree of autonomy and operates on the territory of the Republic of Croatia under foreign control, in accordance with Council Regulation (EEC) No. 696/93 on the statistical units for the observation and analysis of the production system in the Community. Depending on the business and organisational situation, it may correspond to either one legal unit or a group of several legal units. In addition to legal units, enterprises also include free lances and crafts.

Each enterprise as a whole is assigned a code number of its principal activity according to the National Classification of Activities, 2007 version. The principal activity is determined and updated by the SBR of the Croatian Bureau of Statistics. The criterion for determining the principal activity is the largest share in the total value added of an enterprise. If it is not possible to obtain accurate information on the value added, the activity classification has to be determined by using substitute criteria such as income and/or the number of employed persons. For enterprises classified in section K – Financial and insurance activities, observation units are still legal entities or natural persons, which are used as proxies for enterprises.

Units according to UCI have been taken over from the EuroGroups Register (EGR), while, concerning all enterprises not recorded in the EGR, UCI is determined by a substitution criterion based on the headquarters of the first foreign majority owner and is taken over from the Statistical Business Register (SBR).

Coverage

Data are presented by sections and divisions of the National Classification of Activities, 2007 version (NKD 2007), combined with the geographical breakdown. They include active enterprises – market producers that are classified into sections B – N, P – R and divisions S95 and S96, according to their principal activity.

Confidentiality

Aggregate data, for which confidentiality must be upheld (because of a small number of units, the dominance rule or secondary confidentiality rule), are treated as such and are not published, in line with the Official Statistics Act (NN, Nos 25/20 and 155/23) and Regulation (EU) 2019/2152 of the European Parliament and of the Council.

More detailed information are available in the [document](#).

Abbreviations

EEC	European Economic Community
EU	European Union
EU-27	European Union (27 Member States)
Eurostat	statistical office of the European Union
mln	million
NN	Narodne novine, official gazette of the Republic of Croatia
UCI	ultimate controlling institutional unit

Published by the Croatian Bureau of Statistics, Zagreb, Ilica 3, P. O. B. 80

Phone: (+385 1) 48 06 111

Press corner: press@dzs.hr

Persons responsible:

Milenka Primorac Čačić, Director of Business Statistics Directorate

Lidija Brković, Director General

Prepared by:

Paula Nimac and Lucía Nordli

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Customer Relations and Data Protection Department

Information and user requests

Phone: (+385 1) 48 06 138, 48 06 154, 48 06 115

E-mail: stat.info@dzs.hr

Subscription

Phone: (+385 1) 21 00 455

E-mail: prodaja@dzs.hr