



EXCESSIVE DEFICIT PROCEDURE REPORT, REPUBLIC OF CROATIA, APRIL 2026

The Croatian Bureau of Statistics issues the general government deficit and debt data based on the figures reported in the Excessive Deficit Procedure Report (the April Notification) for the period from 2022 to 2025 according to the European System of National and Regional Accounts (ESA 2010) methodology and the Manual on Government Deficit and Debt.

The fiscal surveillance of the European Commission over the Member States is based on the Excessive Deficit Procedure Report. The Maastricht Treaty defines two main criteria of the fiscal surveillance: the deficit-to-GDP ratio and the debt-to-GDP ratio must not exceed the reference values of 3% and 60%, respectively.

This EDP Report is submitted to the European Commission (Eurostat) twice a year – at the end of March (the so-called April Notification) and the end of September (the October Notification). The EDP Report refers to the last four-year period and for the current year in which current-year data are based on the Ministry of Finance's forecast. National statistical offices are obliged to publish the EDP Report on their websites.

In 2025, the consolidated general government deficit amounted to **-2 796** million euro, or **3.0%** of GDP, while in 2024, the deficit amounted to -2 001 million euro, or 2.3% of GDP. In 2023, the deficit amounted to -865 million euro, or 1.1% of GDP, while in 2022, the surplus amounted to 10 million euro, or 0.0% of GDP.

The consolidated debt at the end of 2025 amounted to **52 371** million euro, or **56.3%** of GDP, while in 2024, it amounted to 49 284 million euro, or 57.4% of GDP. In 2023, the debt amounted to 48 264 million euro, or 60.9% of GDP, while in 2022, it was 46 347 million euro, or 68.5% of GDP.

The achieved working balance of the State Budget in the amount of -3 373 million euro, or 3.6% of GDP, which is 1 155 million euro less compared to the previous year, had a big impact on the deficit amount in 2025.

After a deficit in 2024, in 2025, there is a trend of a noticeable increase in both revenue and expenditure of the government sector, but the expenditure still records growth at a higher rate. It was mostly influenced by the increase in gross fixed capital formation,

compensation of employees, social benefits in cash with social transfers in kind and intermediate consumption, even though the effect was mitigated by the growth of tax revenues, social contributions and received capital transfers. The measures introduced in 2022 due to the increase in energy prices continued to be applied in 2023, 2024 and 2025 and mainly have an impact on the increase in paid subsidies on products and social assistance benefits paid to unemployed persons and pensioners. As regards the income of the general government sector, the measures had a negative impact on tax revenues due to the reduction of VAT and excise duties on energy products in 2022, 2023, 2024 and 2025, while the amount of income and wealth taxes in 2022 was positively affected by the additional profit tax.

In 2025, taxes on production and import were collected in the amount of 17 817 million euro, which was an increase of 8.1% compared to 2024, while the current taxes on income and wealth were collected in the amount of 7 333 million euro, which was 8.4% higher than in the previous year. Furthermore, net social contribution revenues in 2025 amounted to 11 355 million euro, which was 15.4% more than in 2024.

National accounts data on taxes and social contributions are data on government cash receipts adjusted to the ESA concepts in a way that the time-adjusted cash (TAC) method is implemented.

Furthermore, capital transfers expenditure in terms of payments for guarantees called, debt assumptions and capital injections in 2025 amounted to 64 million euro, which influenced the generation of deficit as well as the inclusion of stimulating housing expenditures.

In 2025, paid interests amounted to 1 300 million euro, which was a decrease of 2.6% compared to 2024, when they amounted to 1 334 million euro.

Compared to the October 2025 Notification, the government deficit/surplus for 2022, 2023 and 2024 has been revised. The revision showed that, in 2022, the surplus was 85.4 million euro lower, in 2023, the deficit was 243.5 million euro higher, while in 2024, the deficit was 328.5 million euro higher. The aforementioned revisions resulted mainly from the updating of data sources and other methodological changes, including additional alignment with the accrual principle of recording.

Additionally, in accordance with the Manual on Government Deficit and Debt, there were no changes in the general government coverage in the April 2026 Notification in terms of the inclusion of units from other sectors based on qualitative and quantitative criteria.

In 2025, the primary deficit of the general government amounted to -1 497 million euro, or 1.6% of GDP, which was 830 million euro worse than in 2024, when the primary deficit amounted to -667 million euro.

The level of the consolidated general government debt (the so-called Maastricht debt) amounted to 52 371 million euro at the end of 2025, which was 3 087 million euro, or 6.3%, higher than at the end of 2024, which is almost entirely related to net borrowing, while the impact of exchange rate changes is negligible.

The share of the consolidated general government debt in GDP remained below the Maastricht criterion (60%) and was 56.3% at the end of 2025, which was a decrease of 1.1 percentage points compared to the debt-to-GDP ratio at the end of 2024, when it amounted to 57.4% of GDP.

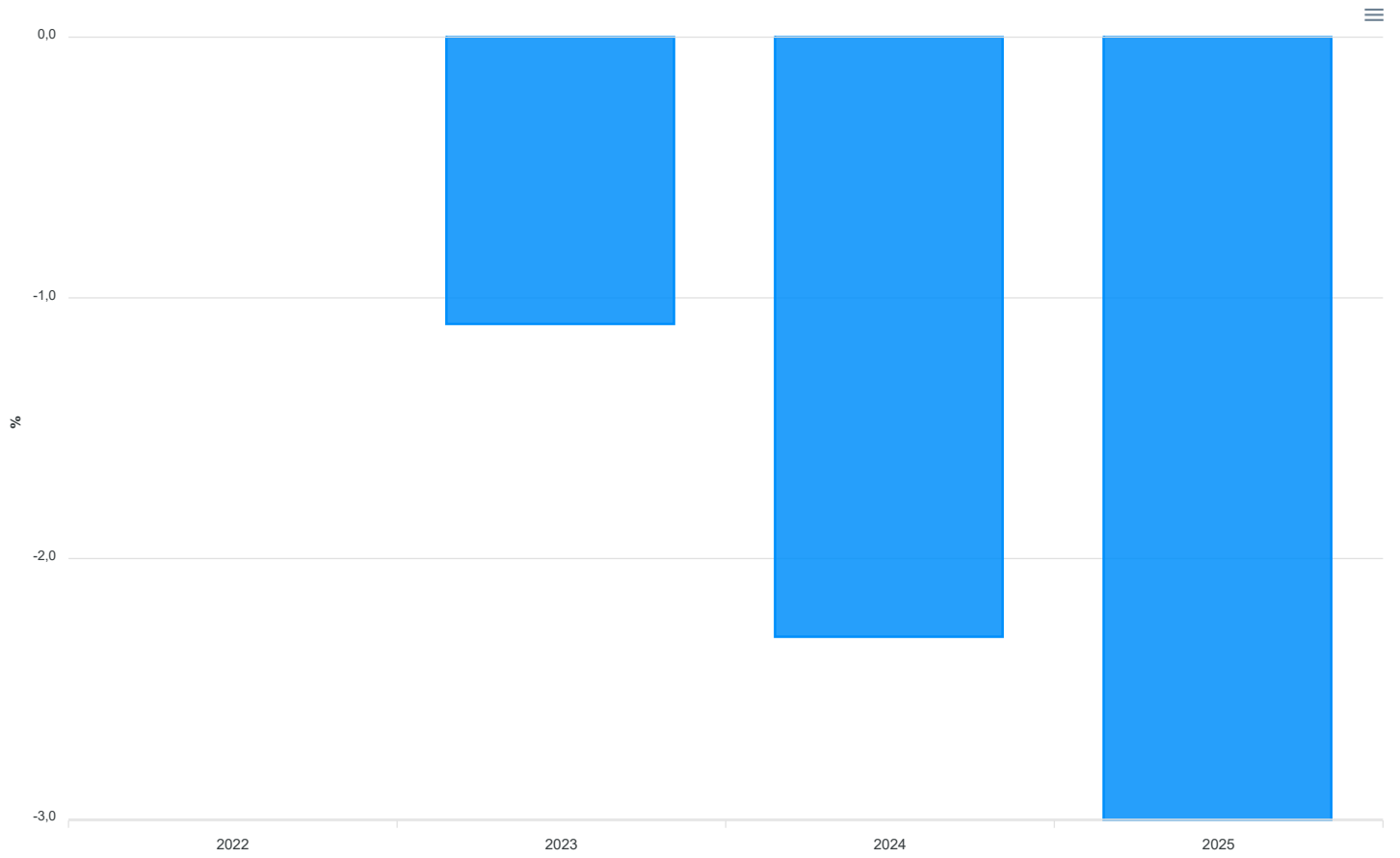
[EDP Excel tables can be downloaded here.](#)

[The Excel table with data on the main aggregates of the general government sector can be downloaded here.](#)

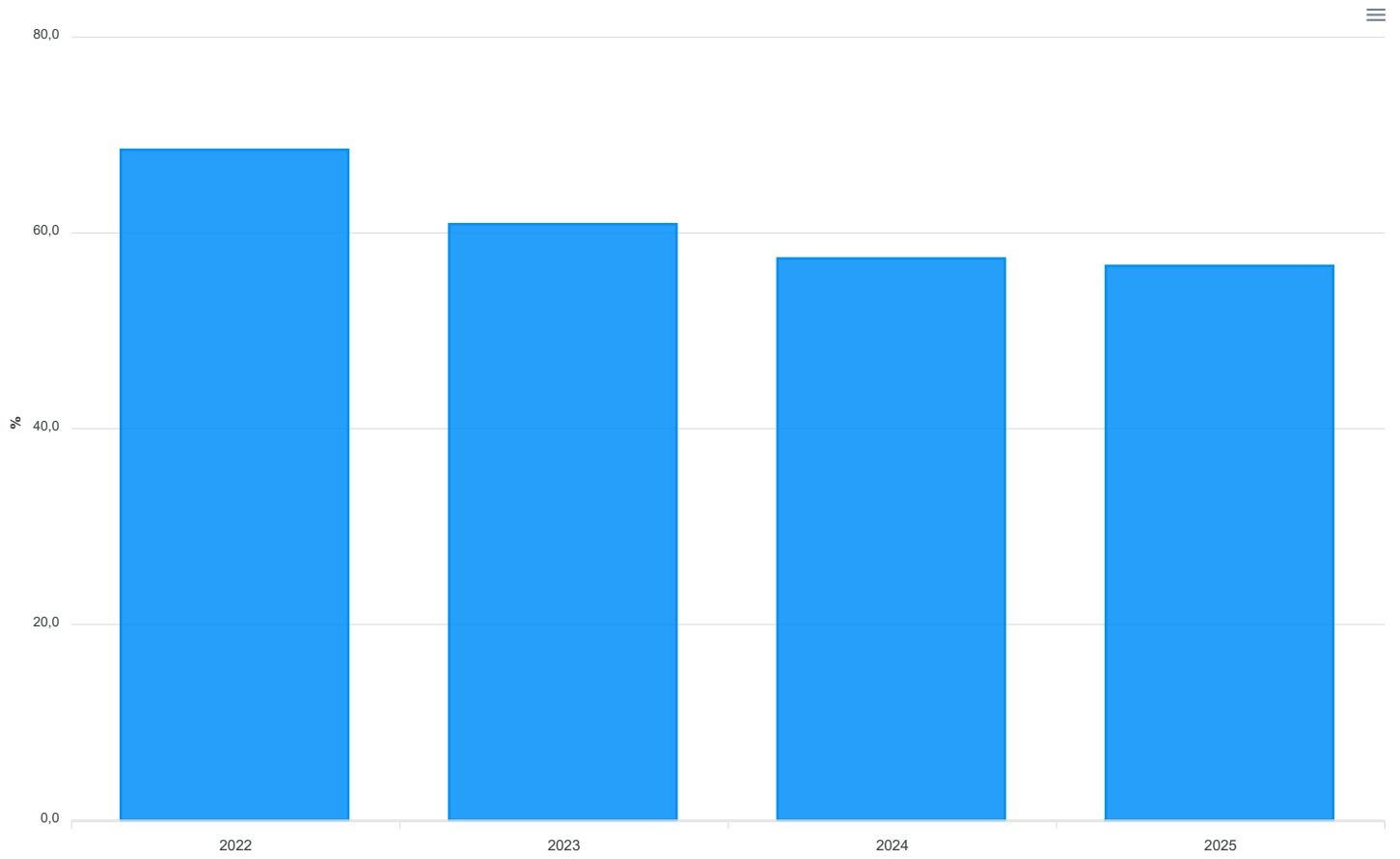
1 REPORTING OF EXCESSIVE GOVERNMENT DEFICIT AND DEBT LEVELS AND PROVISION OF ASSOCIATED DATA

| | 2022 | | 2023 | | 2024 | | 2025 | |
|---|----------|-------|----------|-------|----------|-------|----------|-------|
| | Mln euro | % | Mln euro | % | Mln euro | % | Mln euro | % |
| Gross domestic product at current market prices | 67 613 | 100,0 | 79 186 | 100,0 | 85 905 | 100,0 | 92 975 | 100,0 |
| Net borrowing (-) / net lending (+) | | | | | | | | |
| General government | 10 | 0,0 | -865 | -1,1 | -2 001 | -2,3 | -2 796 | -3,0 |
| Central government | -428 | -0,6 | -1 205 | -1,5 | -2 229 | -2,6 | -2 291 | -2,5 |
| Local government | 385 | 0,6 | 445 | 0,6 | 222 | 0,3 | -417 | -0,4 |
| Social security funds | 54 | 0,1 | -105 | -0,1 | 6 | 0,0 | -88 | -0,1 |
| General government consolidated debt | | | | | | | | |
| General government | 46 347 | 68,5 | 48 264 | 60,9 | 49 284 | 57,4 | 52 371 | 56,3 |
| General government expenditure | | | | | | | | |
| Gross fixed capital formation | 2 760 | 4,1 | 4 482 | 5,7 | 4 484 | 5,2 | 5 594 | 6,0 |
| Interest (consolidated) | 930 | 1,4 | 1 294 | 1,6 | 1 334 | 1,6 | 1 300 | 1,4 |

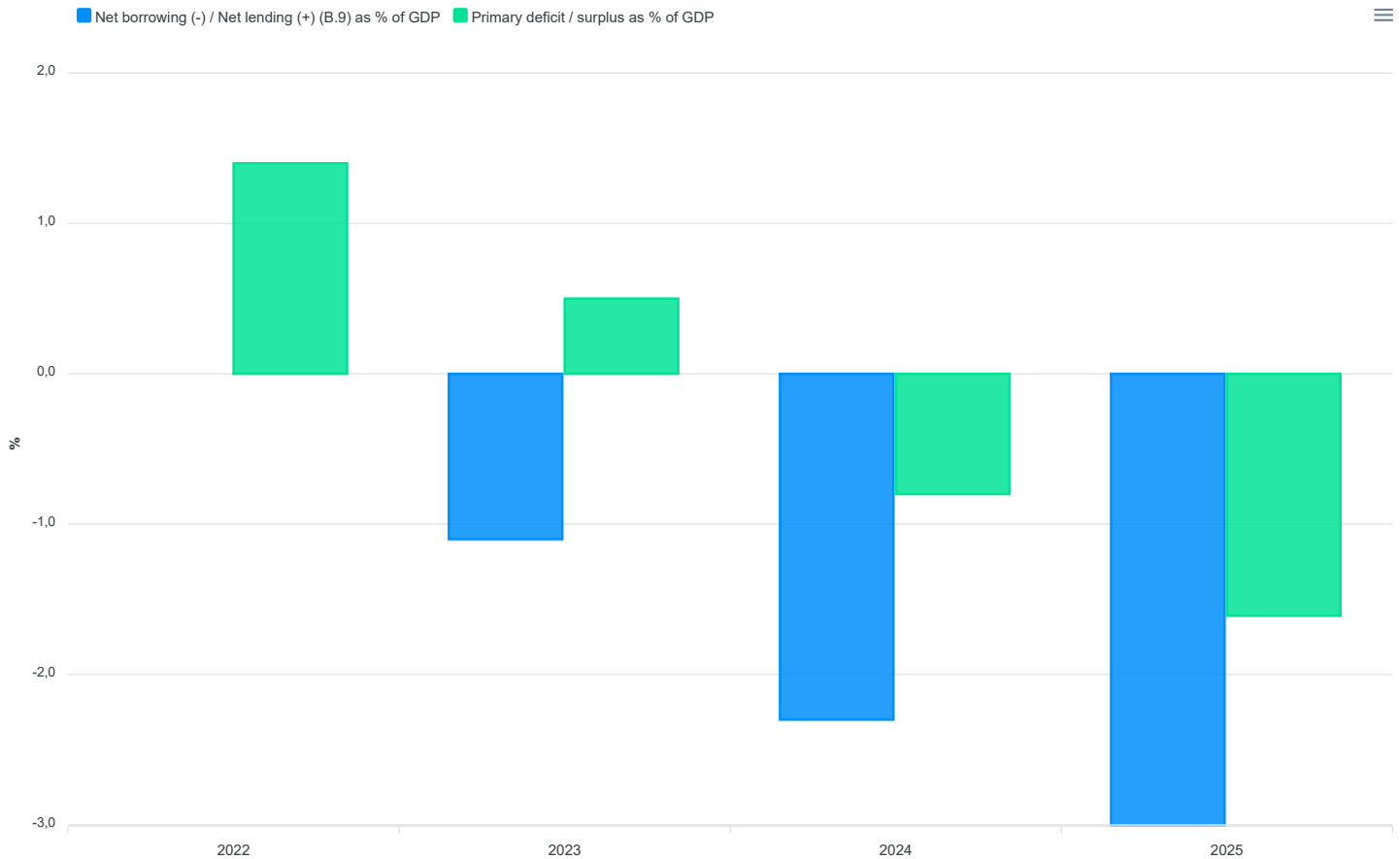
G-1 GENERAL GOVERNMENT DEFICIT/SURPLUS (B.9), 2022 – 2025



G-2 GENERAL GOVERNMENT CONSOLIDATED DEBT, 2022 – 2025



G-3 GENERAL GOVERNMENT PRIMARY DEFICIT, 2022 – 2025



2 COMPARISON OF APRIL 2026 NOTIFICATION WITH OCTOBER 2025 NOTIFICATION OF EXCESSIVE GOVERNMENT DEFICIT AND DEBT LEVELS

| | 2022 | | 2023 | | 2024 | | 2025 | |
|---|----------|------|----------|------|----------|------|----------|------|
| | Mln euro | % | Mln euro | % | Mln euro | % | Mln euro | % |
| Net borrowing (-) / net lending (+) (B.9) | | | | | | | | |
| April 2026 Notification | 10 | 0,0 | -865 | -1,1 | -2 001 | -2,3 | -2 796 | -3,0 |
| October 2025 Notification | 95 | 0,1 | -622 | -0,8 | -1 673 | -1,9 | - | - |
| Difference | -85 | -0,1 | -243 | -0,3 | -328 | -0,4 | - | - |
| General government consolidated debt | | | | | | | | |
| April 2026 Notification | 46 347 | 68,5 | 48 264 | 60,9 | 49 284 | 57,4 | 52 371 | 56,3 |
| October 2025 Notification | 46 347 | 68,5 | 48 264 | 60,9 | 49 284 | 57,4 | - | - |
| Difference | 0 | 0,0 | 0 | 0,0 | 0 | 0,0 | - | - |

NOTES ON METHODOLOGY

Basic concepts and definitions

The general government sector (S.13) includes all institutional units that are other non-market producers, whose output is intended for individual and collective consumption and mainly financed by compulsory payments made by units belonging to other sectors and/or all institutional units principally engaged in the redistribution of national income and wealth.

The general government consists of three sub-sectors: the central government (S.1311), the local government (S.1313) and the social security funds sub-sector (S.1314). The central government comprises departments of government administration and other central government agencies, authorities and institutions whose jurisdiction covers the entire economic territory, apart from the administration of the social security funds sub-sector. It also includes non-profit institutions that are controlled and chiefly financed by the central government.

The central government in this EDP Report includes central government budgetary users, extra-budgetary users (Hrvatske vode (Croatian Waters), Environmental Protection and Energy Efficiency Fund, Hrvatske ceste (Croatian Roads), the Croatian Privatization Fund until 31 March 2011, the Government Asset Management Agency until 30 September 2013, the Restructuring and Sale Centre and the State Office for State Property Management as its legal successors) together with the State Agency for Deposit Insurance and Bank Resolution (since 2021 under the name Croatian Deposit Insurance Agency). In 2020, four public corporations, already previously classified in S.1311, also became extra-budgetary users: Hrvatske autoceste d. o. o. (HAC), Autocesta Rijeka-Zagreb d. d. (ARZ), HŽ Infrastruktura d. o. o. (HŽI) and HŽ Putnički prijevoz d. o. o. (HŽPP). At the end of 2020, ARZ was incorporated into HAC.

The central government subsector also includes other public units, which are not part of the Register of Budgetary and Extra-Budgetary Users but are classified into the mentioned sector on the basis of ESA 2010 qualitative or quantitative criteria, e.g., government-controlled units that had failed the MNM test.

Examples of this group of units are the Croatian Radio-Television (HRT), the Croatian Bank for Reconstruction and Development (HBOR), the Croatian Energy Market Operator (HROTE), the Agency Alan, the Croatian National Tourist Board, central state port authorities, etc. Some units, initially classified in this status, became budgetary users in the meantime, e.g., the Croatian Energy Regulatory Agency (HERA), the Croatian Regulatory Authority for Network Industries (HAKOM), etc., while the central state port authorities have become budgetary users since 2021.

The local government subsector includes the total coverage of budgets of local units (the City of Zagreb, 20 counties, 127 cities and 428 municipalities) and their budgetary users (e.g., hospitals, schools, kindergartens). Besides that, S.1313, similar to other local self-government bodies, includes 20 extra-budgetary users of local and regional self-government units' budgets: county road authorities and other units outside the Register of Budgetary and Extra-Budgetary Users, classified into S.1313 according to the ESA 2010 qualitative or quantitative criteria, such as units in liquidation as well as other units controlled by local government that had failed the MNM test. Some examples of this set of units are development agencies, county port authorities, tourist boards, part of utility service companies, the Zagreb Electric Tram (ZET), etc.

The social security funds sub-sector includes all public sector institutional units mainly engaged in administrating social insurance systems. Therefore, it consists of the Croatian Health Insurance Fund, the Croatian Pension Insurance Institute and the Croatian Employment Service.

The government deficit (surplus) means the net borrowing / net lending (EDP B.9) of the general government sector (S.13), defined in ESA 2010 as the difference between the total revenue and the total expenditure.

According to the new ESA 2010 methodology, no further adjustments are made in the treatment of the interest calculation of flows relating to swaps and forward rate agreements, which means that EDP B.9 is now aligned with B.9 according to ESA 2010.

The general government debt is defined as gross debt nominal value at the year-end. The debt refers to the units classified in the general government sector (S.13) according to the sector classification and consists of the following financial instruments: currency and deposits (AF.2), debt securities (AF.3) and loans (AF.4), as defined in ESA 2010.

Abbreviations

| | |
|----------|--|
| EDP | excessive deficit procedure |
| ESA | European System of Accounts |
| Eurostat | Statistical Office of the European Union |
| GDP | gross domestic product |
| mln | million |
| MNM | market/non-market |

Symbols

| | |
|-----|---|
| - | no occurrence |
| 0 | value not zero but less than 0.5 of the unit of measure used |
| 0,0 | value not zero but less than 0.05 of the unit of measure used |

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