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# EXCESSIVE DEFICIT PROCEDURE REPORT, REPUBLIC OF CROATIA, APRIL 2025

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 2021 to 2024 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 2024, the consolidated general government deficit amounted to **-2 026** million euro, or **2.4%** of GDP, while in 2023, the deficit amounted to -618 million euro, or 0.8% of GDP. In 2022, the surplus amounted to 82 million euro, or 0.1% of GDP, while in 2021, the deficit was -1 505 million euro, or 2.6% of GDP.

The consolidated debt at the end of 2024 amounted to **49 283** million euro, or **57.6%** of GDP, while in 2023, it amounted to 48 262 million euro, or 61.8% of GDP. In 2022, the debt amounted to 46 347 million euro, or 68.5% of GDP, while in 2021, it was 45 629 million euro, or 78.2% of GDP.

The achieved working balance of the State Budget in the amount of -2 219 million euro, or 2.6% of GDP, which is 1 489 million euro less compared to the previous year, had a big impact on the deficit amount in 2024.

After a deficit in 2023, in 2024 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 compensation of employees, social benefits in cash with social transfers in kind, paid capital transfers and intermediate consumption, even though the effect was mitigated by the growth of tax revenues and social contributions. The measures introduced in 2022 due to the increase in energy prices continued to be applied in 2023 and 2024 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 and 2024, while the amount of income and wealth taxes in 2022 was positively affected by the additional profit tax.

In 2024, taxes on production and import were collected in the amount of 16 473 million euro, which was an increase of 9.5% compared to 2023, while the current taxes on income and wealth were collected in the amount of 6 410 million euro, which was 12.6% higher than in the previous year. Furthermore, net social contribution revenues in 2024 amounted to 9 835 million euro, which was 17.5% more than in 2023.

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 2024 amounted to 84 million euro, which influenced the generation of deficit as well as the inclusion of stimulating housing expenditures.

In 2024, paid interests amounted to 1 319 million euro, which was an increase of 1.9% compared to 2023, when they amounted to 1 294 million euro.

Compared to October 2024 Notification, the government deficit/surplus for 2021, 2022 and 2023 has been revised. The revision showed that in 2021 the deficit was 15.8 million euro higher, in 2022 the surplus was 12.9 million euro lower, while in 2023 the deficit was 49.6 million euro lower. The aforementioned revisions resulted mainly from the updating of data sources and other methodological changes.

Additionally, in accordance with the Manual on Government Deficit and Debt, there were no changes in the general government coverage in April 2025 Notification in terms of the inclusion of units from other sectors based on qualitative and quantitative criteria.

In 2024, the primary deficit of the general government amounted to -707 million euro, or 0.8% of GDP, which was 1 383 million euro less than in 2023, when the surplus amounted to 676 million euro.

The level of the consolidated general government debt (the so-called Maastricht debt) amounted to 49 283 million euro at the end of 2024, which was 1 021 million euro, or 2.1%, higher than at the end of 2023, 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 fell below the Maastricht criterion (60%) and was 57.6% at the end of 2024, which was a decrease of 4.2 percentage points compared to the debt-to-GDP ratio at the end of 2023, when it amounted to 61.8% of GDP.

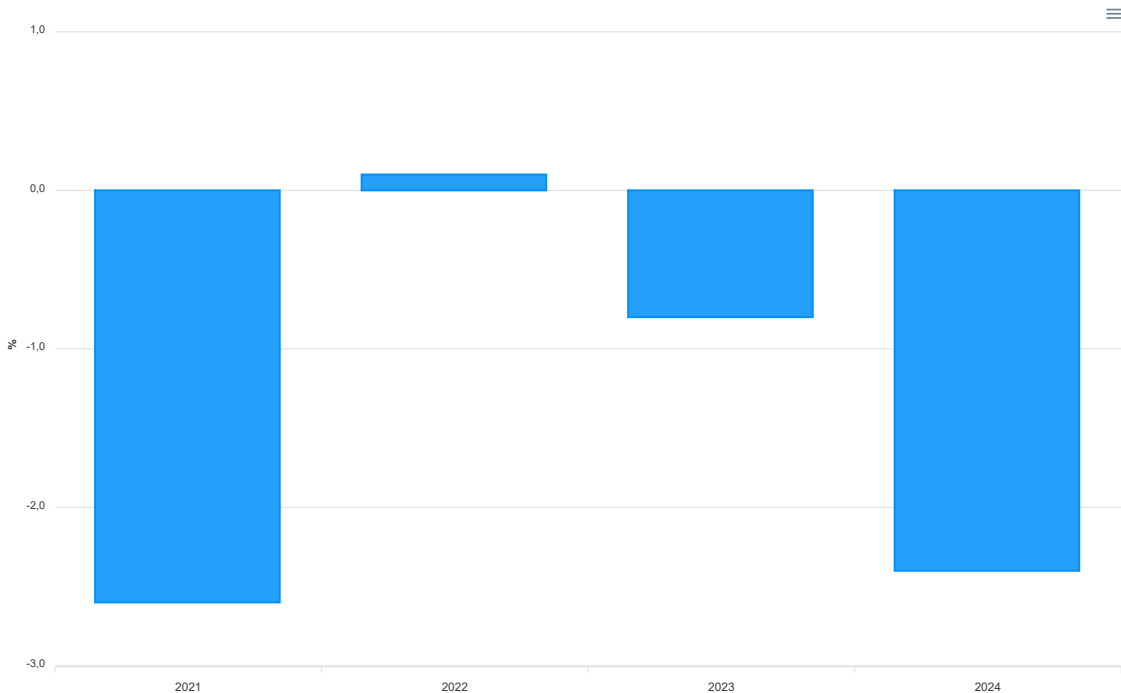
EDP Excel tables can be downloaded [here](#).

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

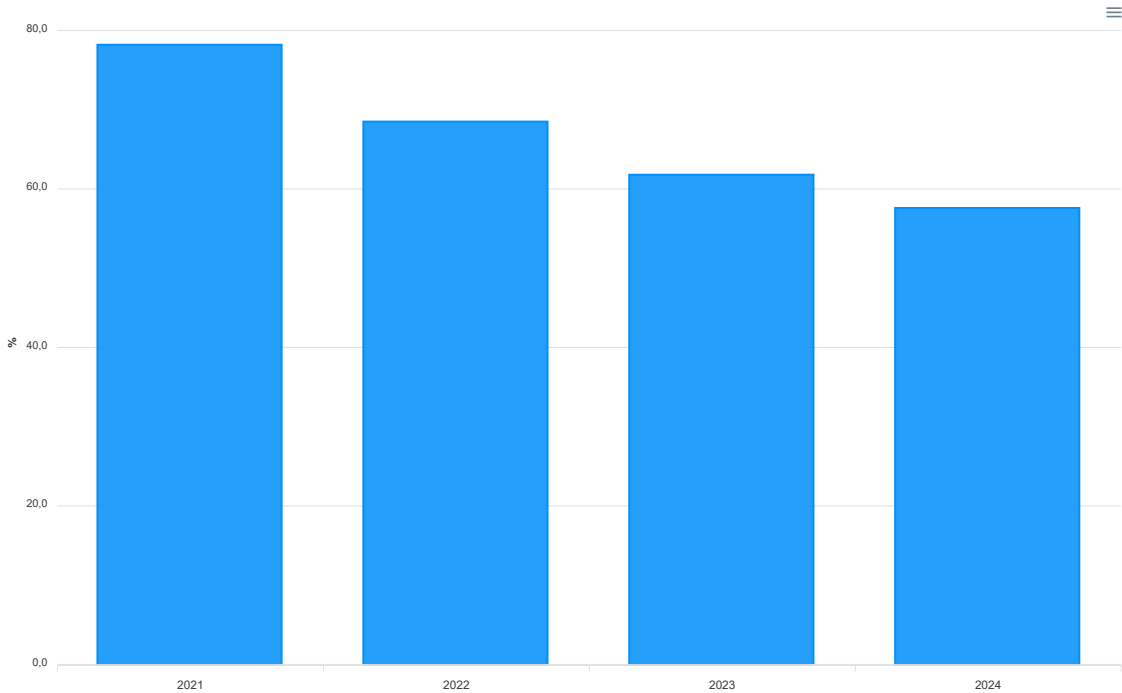
1 REPORTING OF EXCESIVE GOVERNMENT DEFICIT AND DEBT LEVELS AND PROVISION OF ASSOCIATED DATA

	2021		2022		2023		2024	
	mln euro	%	mln euro	%	mln euro	%	mln euro	%
Gross domestic product at current market prices	58 347	100,0	67 615	100,0	78 060	100,0	85 610	100,0
<b>Net borrowing (-)/net lending (+)</b>								
General government	-1 505	-2,6	82	0,1	-618	-0,8	-2 026	-2,4
Central government	-1 559	-2,7	-412	-0,6	-1 080	-1,4	-2 374	-2,8
Local government	-159	-0,3	399	0,6	469	0,6	255	0,3
Social security funds	214	0,4	95	0,1	-6	0,0	93	0,1
<b>General government consolidated debt</b>								
General government	45 629	78,2	46 347	68,5	48 262	61,8	49 283	57,6
<b>General government expenditure</b>								
Gross fixed capital formation	2 788	4,8	2 720	4,0	4 340	5,6	4 349	5,1
Interest (consolidated)	896	1,5	930	1,4	1 294	1,7	1 319	1,5

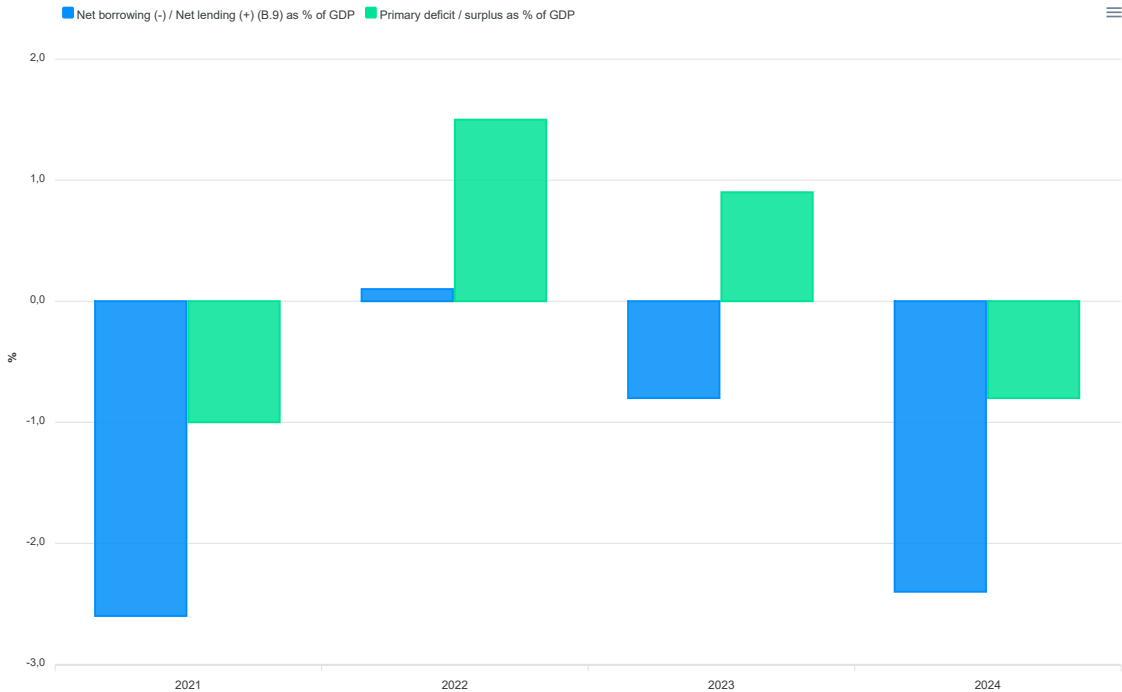
G-1 GENERAL GOVERNMENT DEFICIT/SURPLUS (B.9), 2021 – 2024



G-2 GENERAL GOVERNMENT CONSOLIDATED DEBT, 2021 – 2024



G-3 GENERAL GOVERNMENT PRIMARY DEFICIT, 2021 – 2024



2 COMPARISON OF APRIL 2025 NOTIFICATION WITH OCTOBER 2024 NOTIFICATION OF EXCESSIVE GOVERNMENT DEFICIT AND DEBT LEVELS

	2021		2022		2023		2024	
	mln euro	%	mln euro	%	mln euro	%	mln euro	%
Net borrowing (-) / Net lending (+) (B. 9)								
April 2025 Notification	-1 505	-2,6	82	0,1	-618	-0,8	-2 026	-2,4
October 2024 Notification	-1 489	-2,6	95	0,1	-667	-0,9	0	0,0
Difference	-16	0,0	-13	0,0	50	0,1	0	0,0
General government consolidated debt								
April 2025 Notification	45 629	78,2	46 347	68,5	48 262	61,8	49 283	57,6
October 2024 Notification	45 629	78,2	46 347	68,5	48 262	61,8	0	0,0
Difference	0	0,0	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: the Croatian Motorways Ltd. (HAC), the Motorway Rijeka – Zagreb (ARZ), the Croatian Railways Infrastructure (HŽI) and the Croatian Railways Passenger Transport (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 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 the 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 the 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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