

# Croatia: Catching Up or Falling Behind?

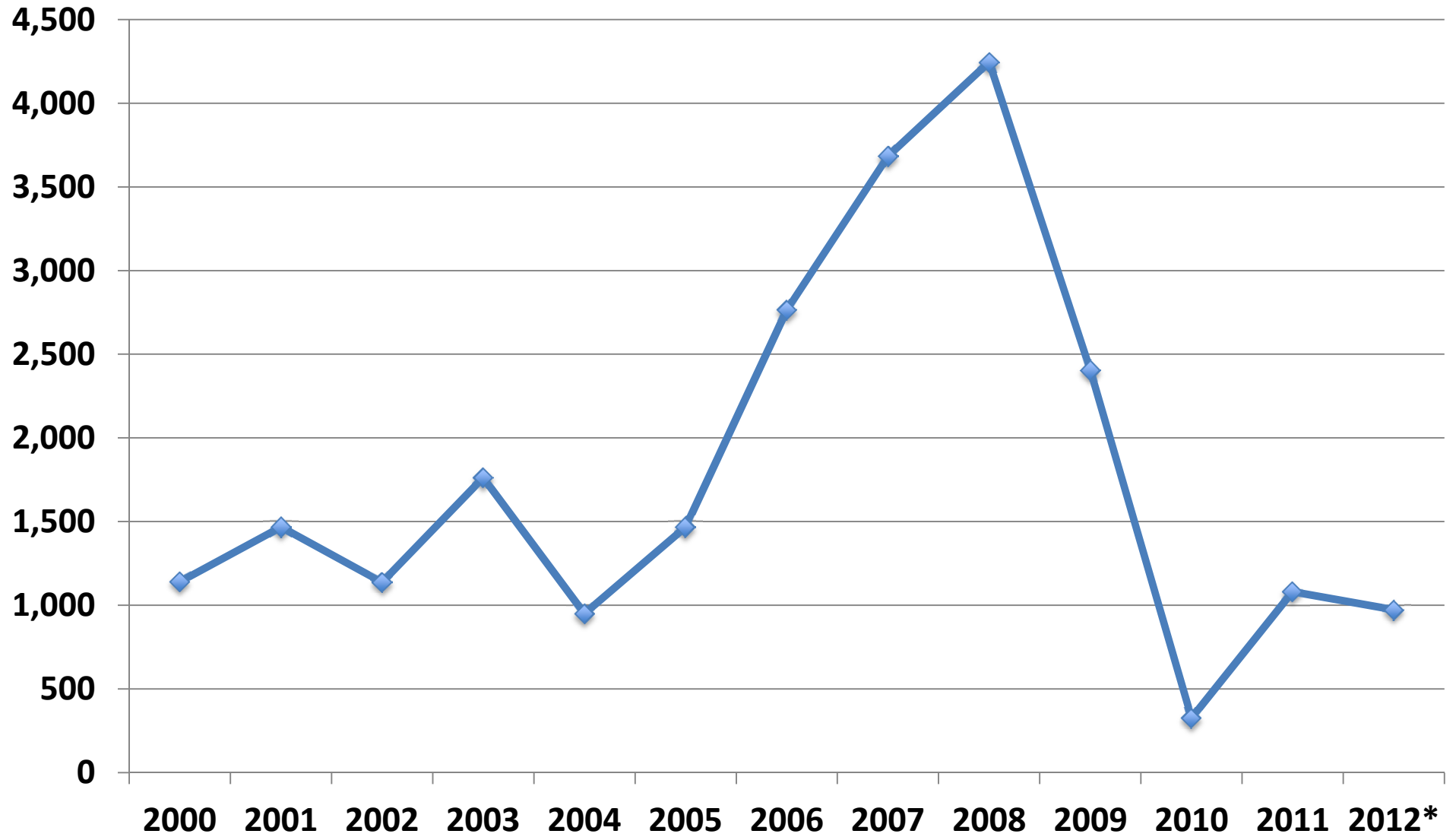
Will Bartlett

LSE

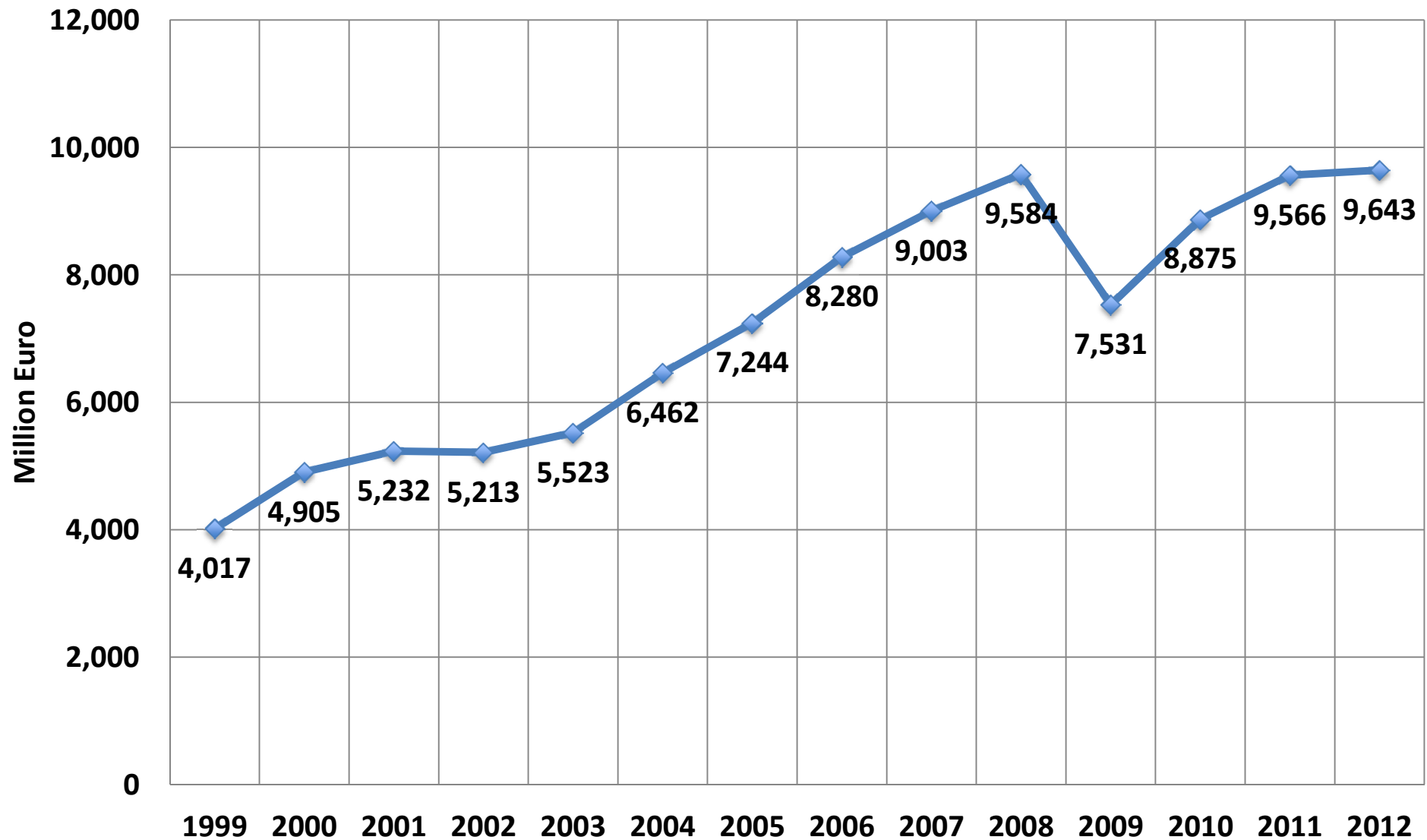
# Real Convergence and Catch-up

- Abramowitz: conditions to benefit from catch-up growth include abilities to:
  - absorb new technology,
  - attract capital
  - participate in global markets
- Other factors:
  - Institutions that incentivise investment
  - Competitiveness and productive entrepreneurship

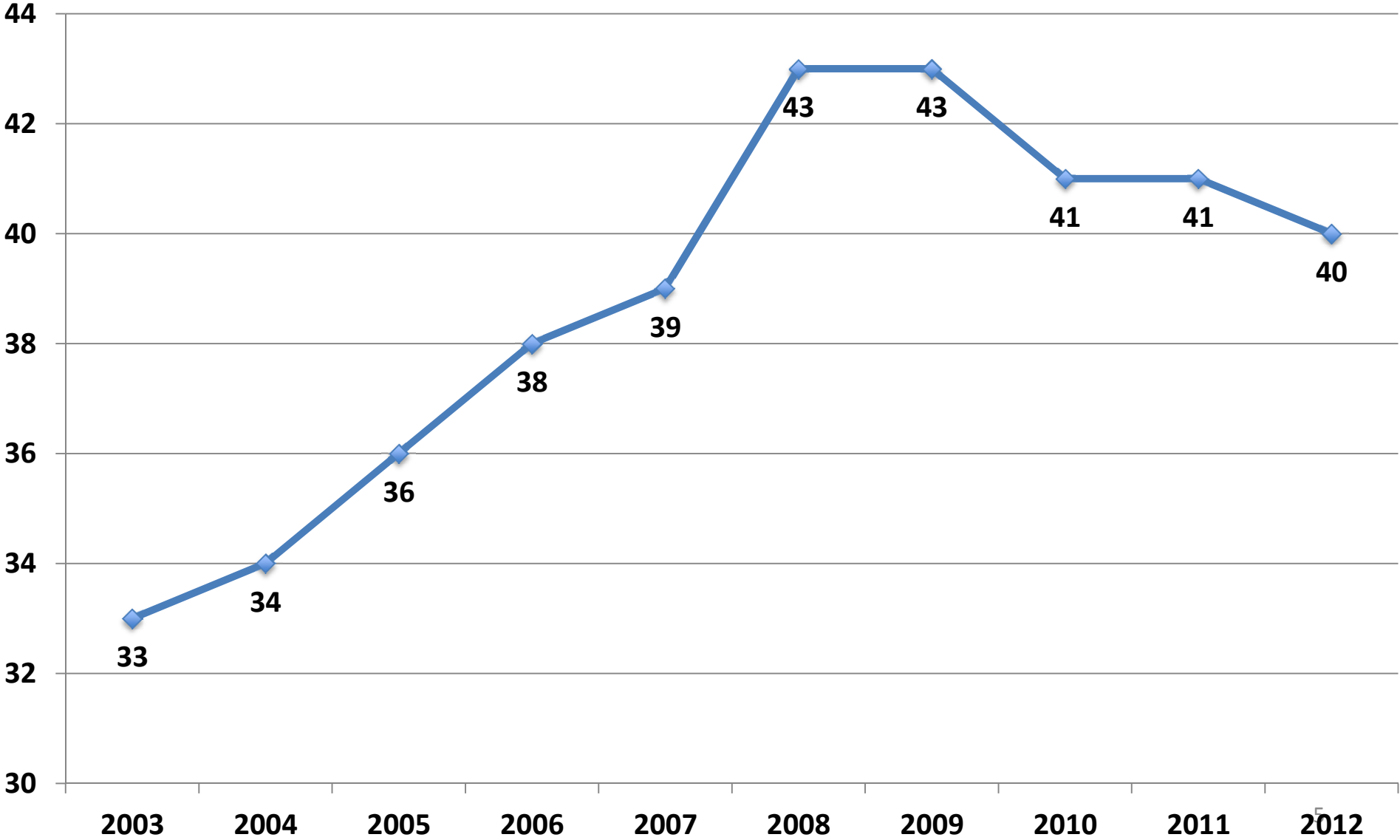
# FDI inflows (millions euro)



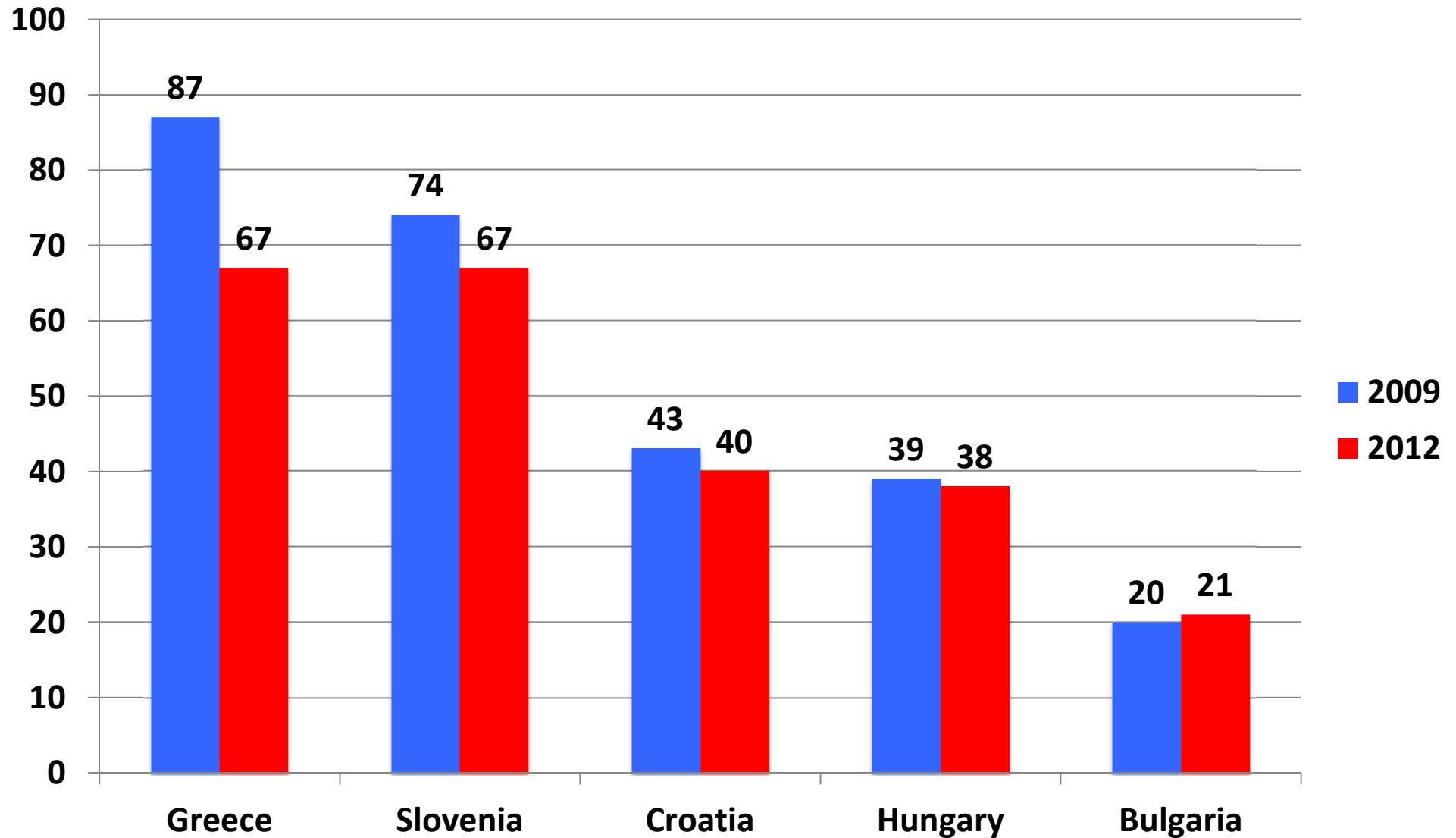
# Goods exports 1999-2012 (millions euro)



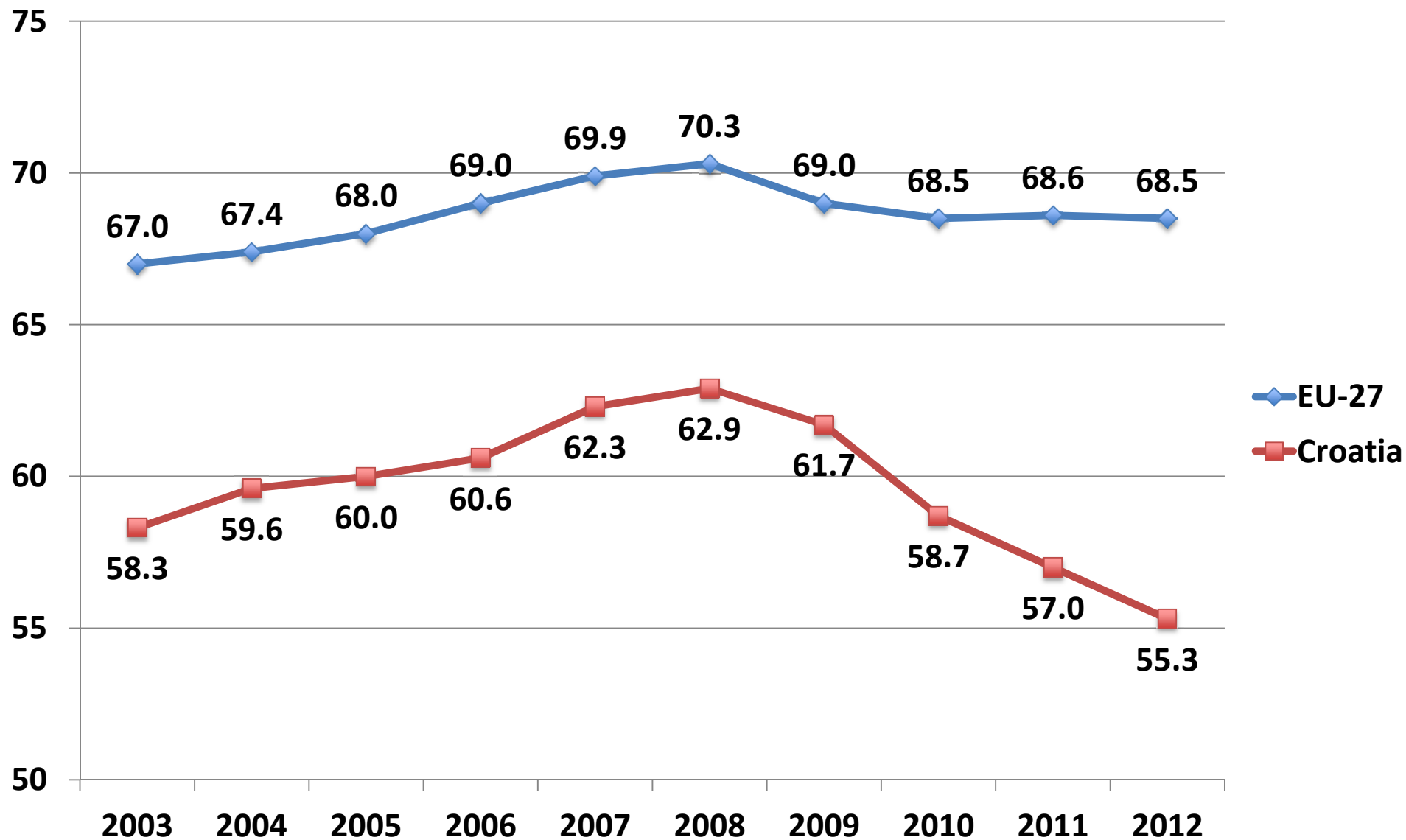
# GDP per capita relative to EU-27



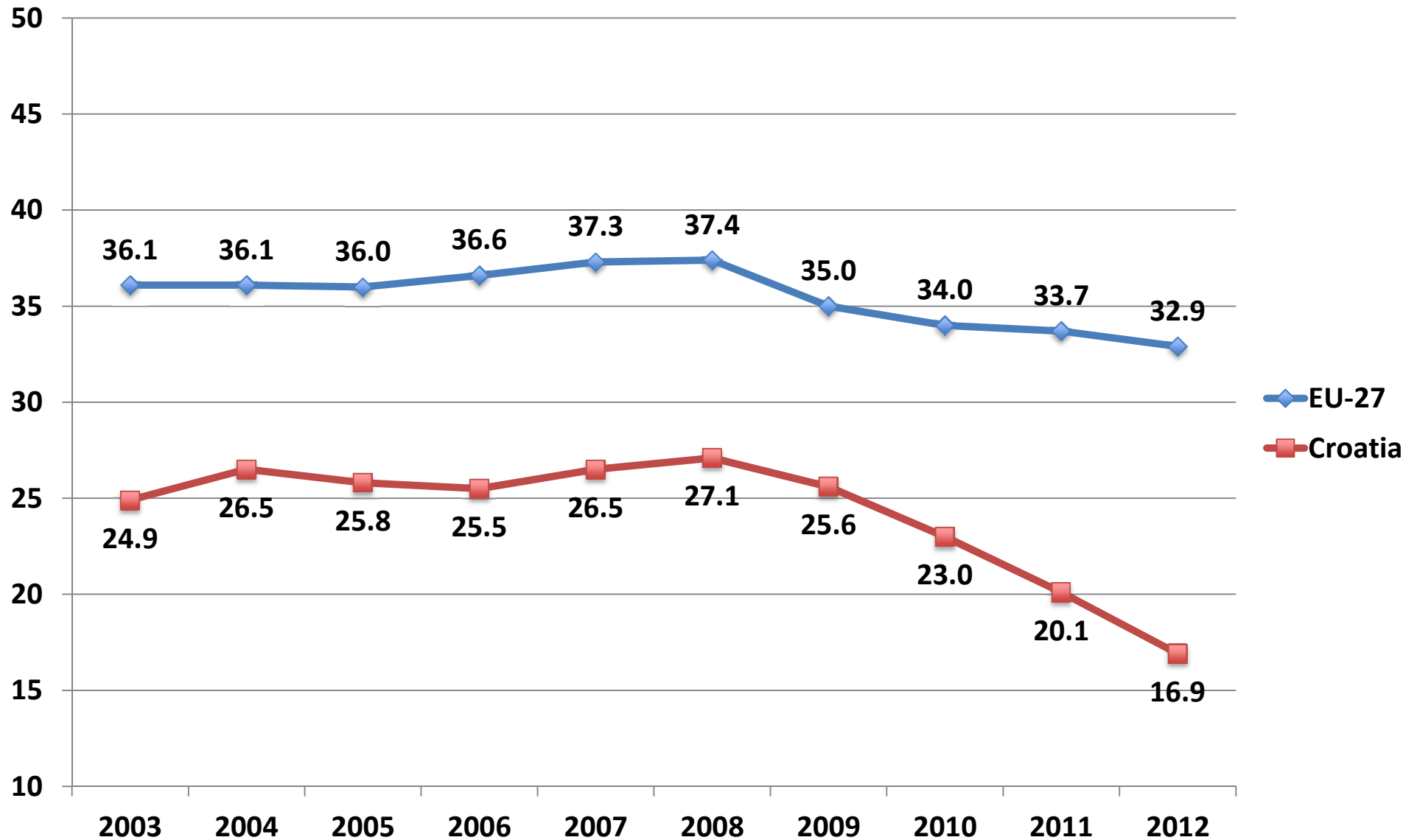
# Relative GDP per capita (to EU-27)



# Employment rate 20-64 year olds (%)

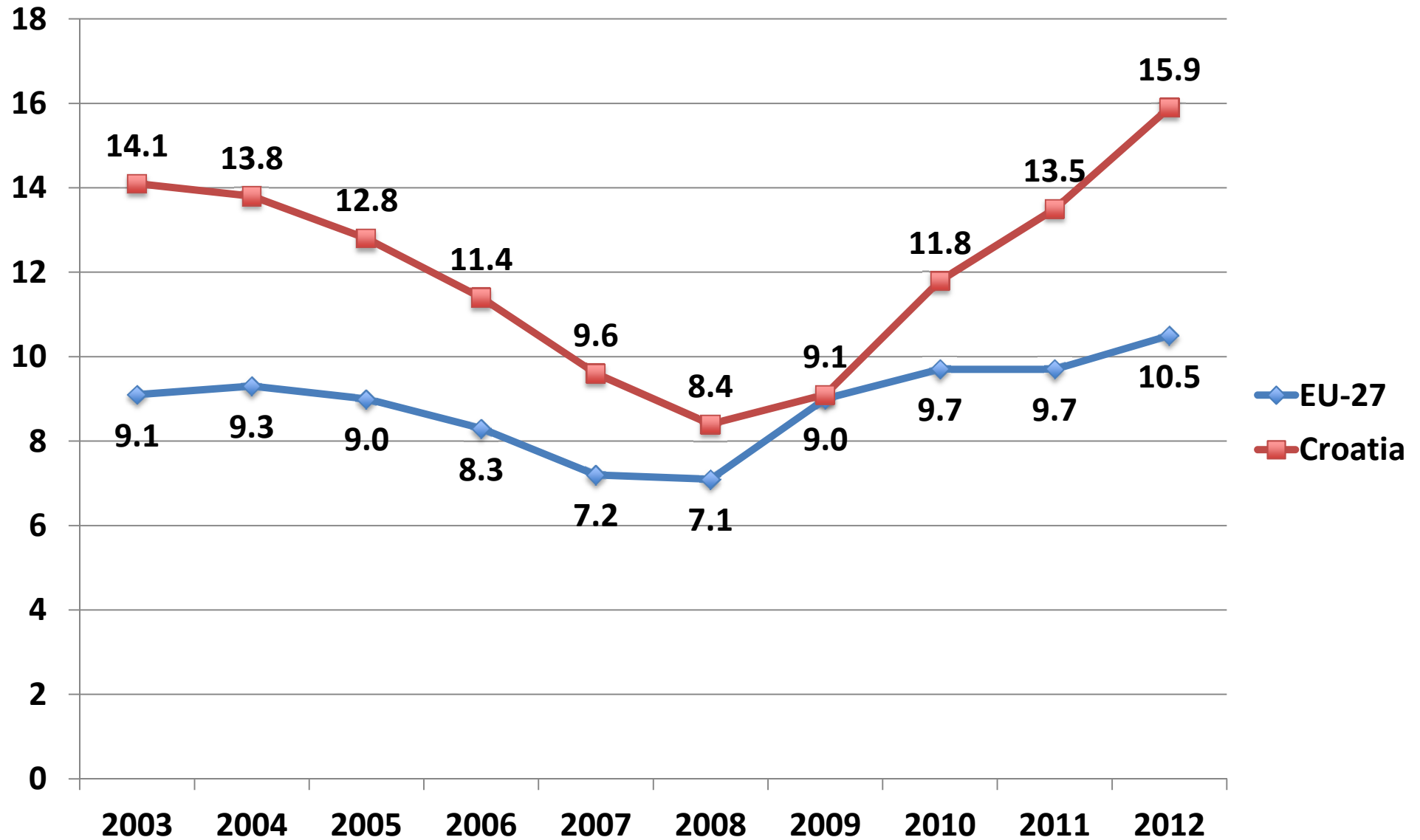


# Employment rate 15-24 year olds

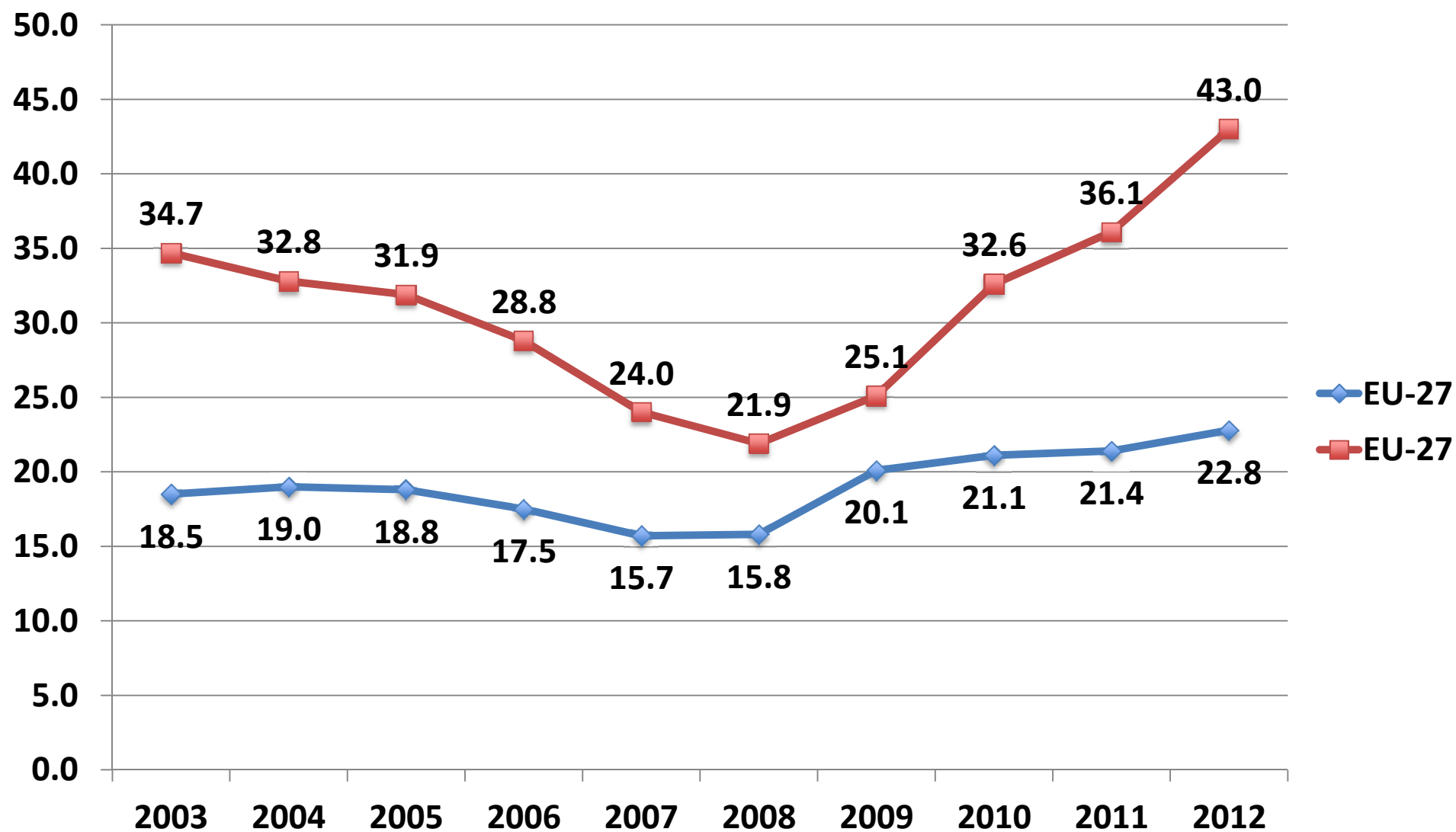




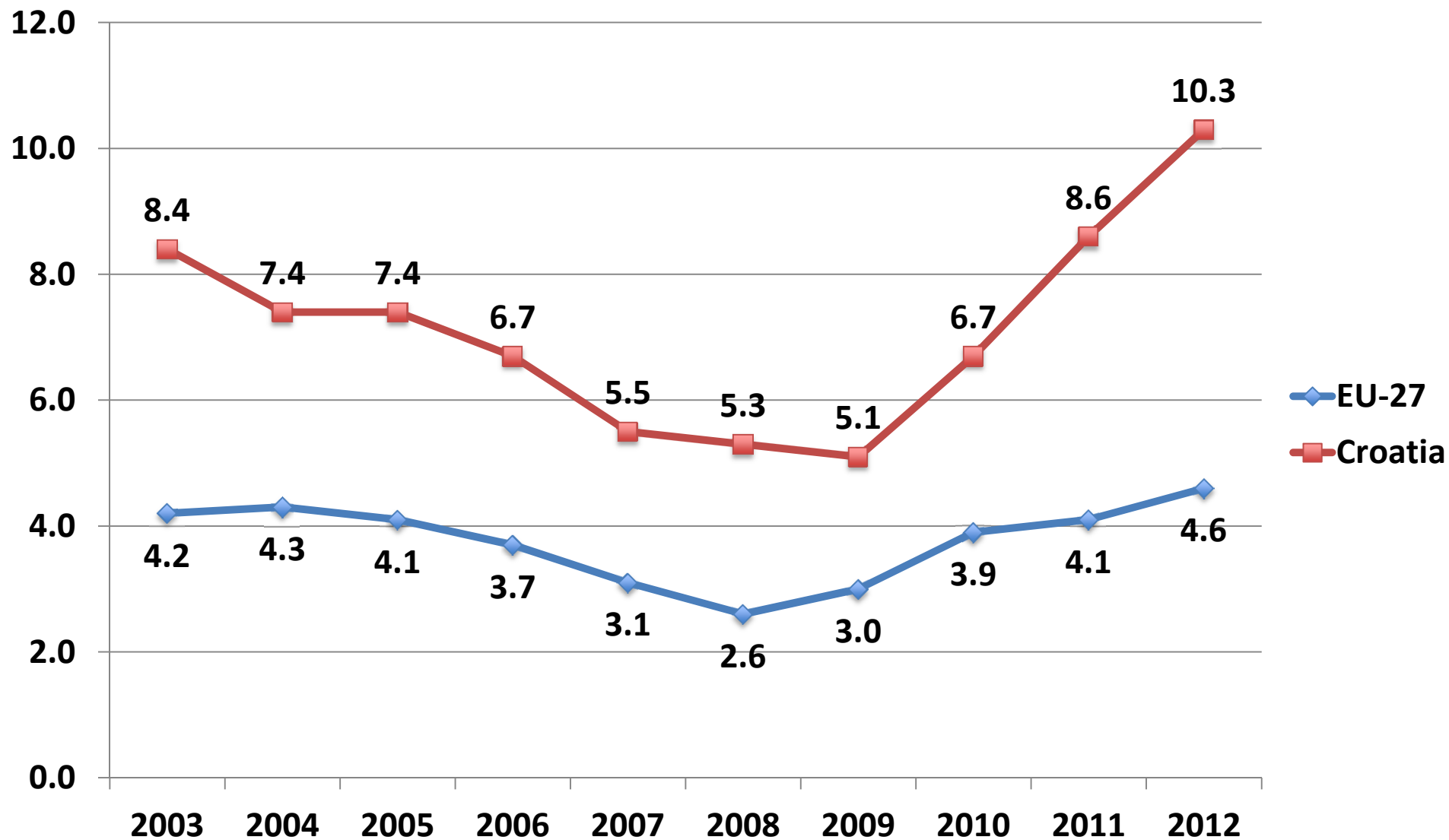
# Unemployment rate (%)



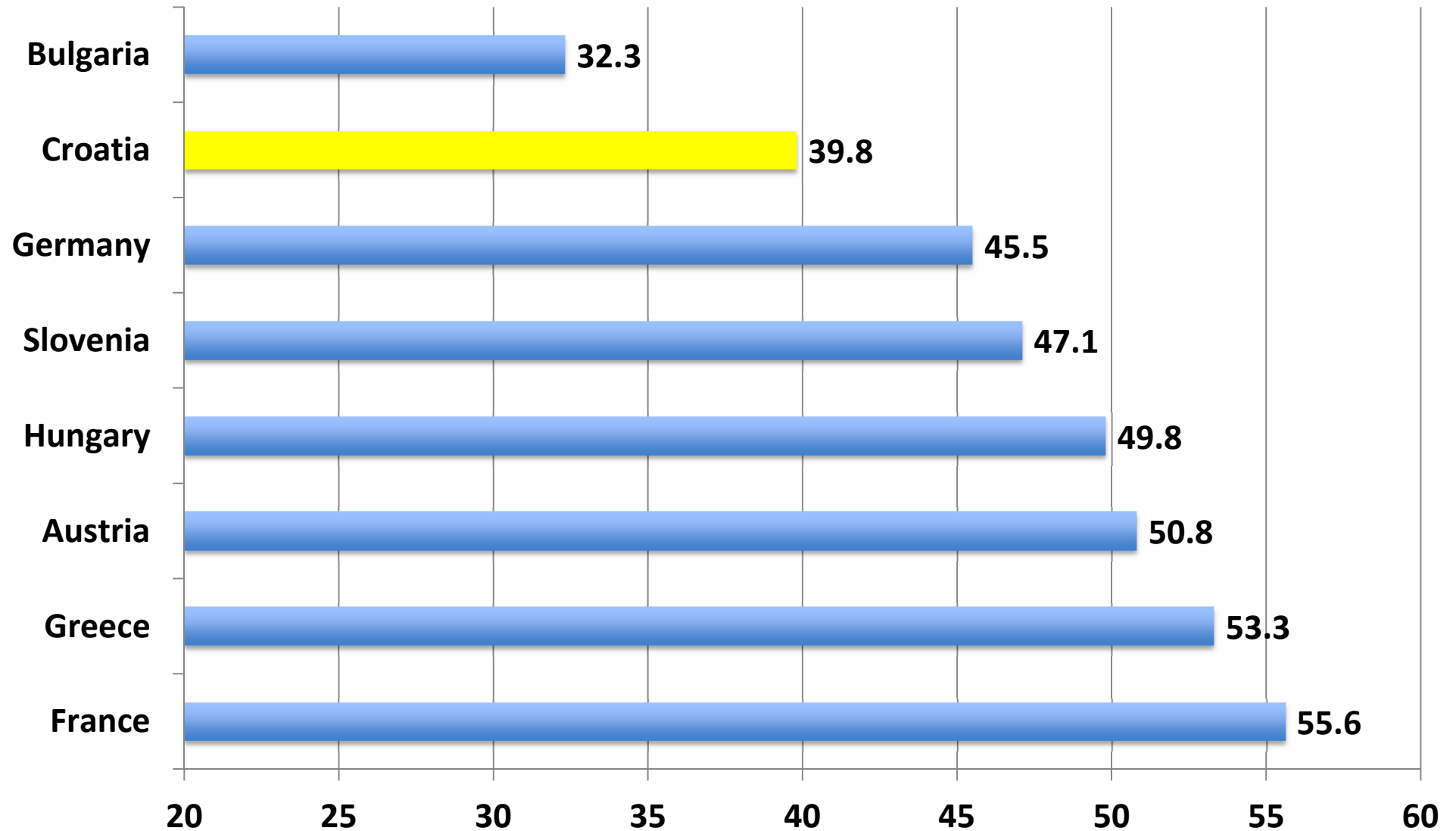
# Unemployment rate, 15-24 year olds



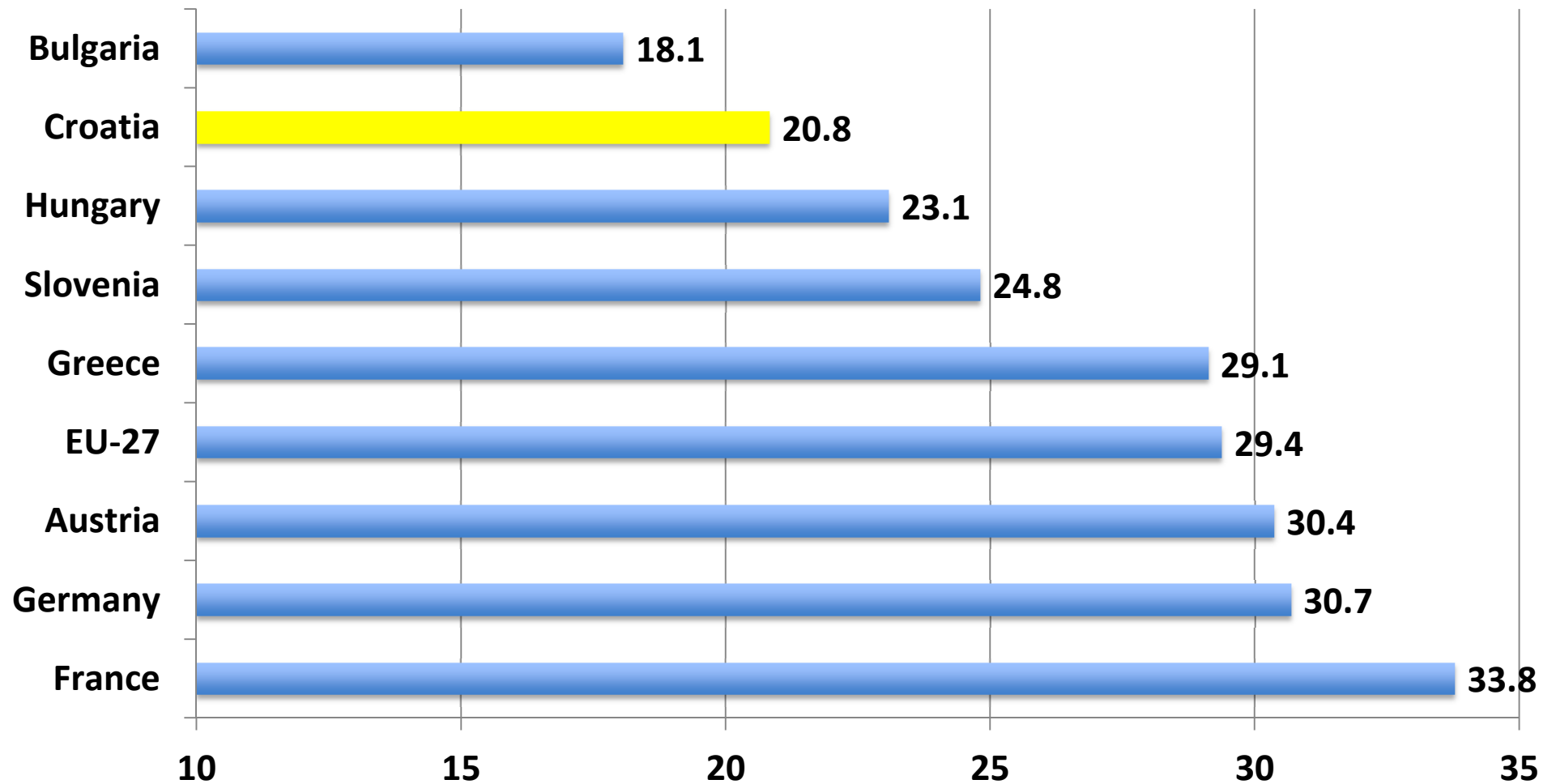
# Long-term Unemployment (%)



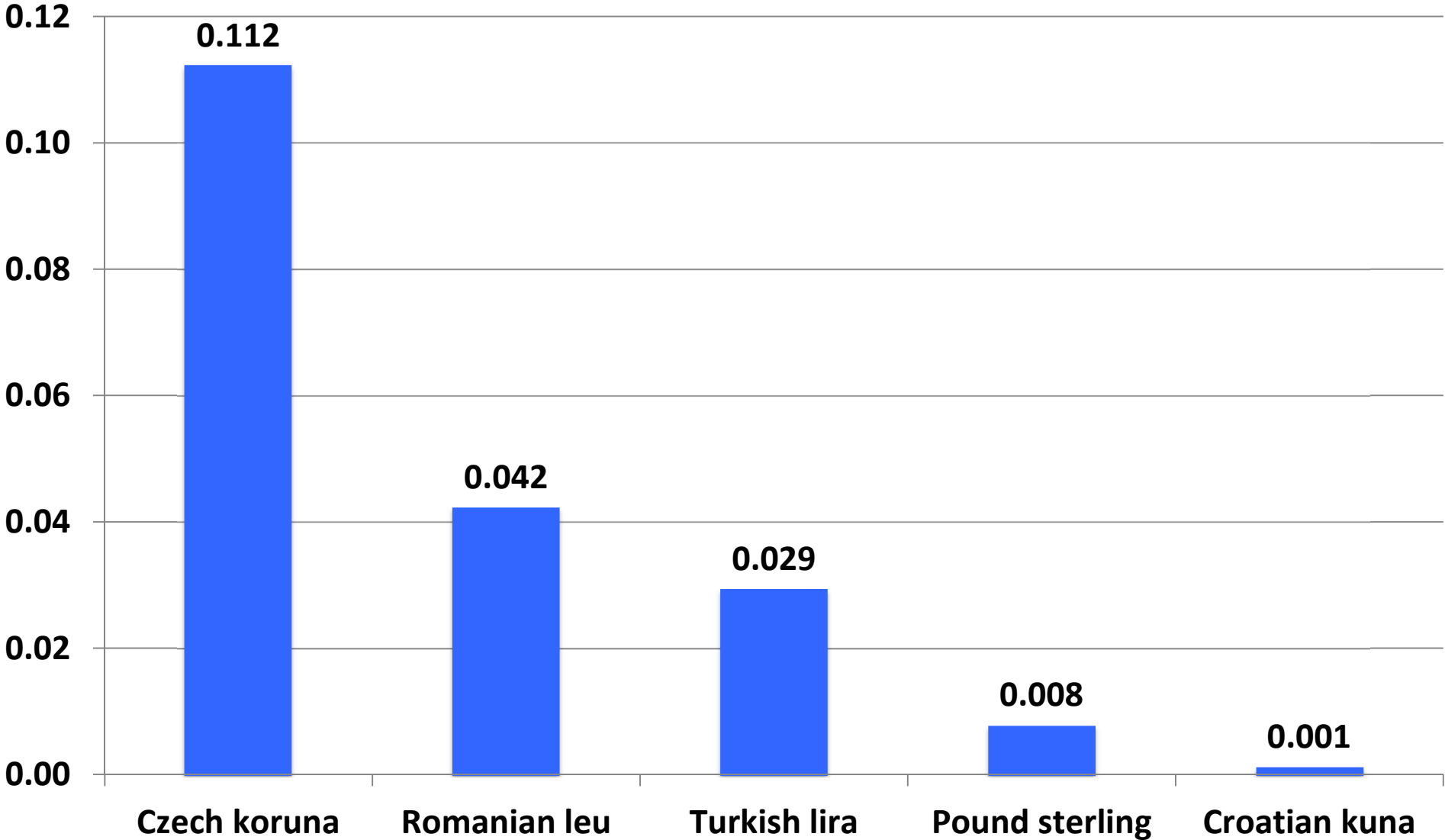
# Government Expenditure % GDP



# Social Protection Expenditure/GDP

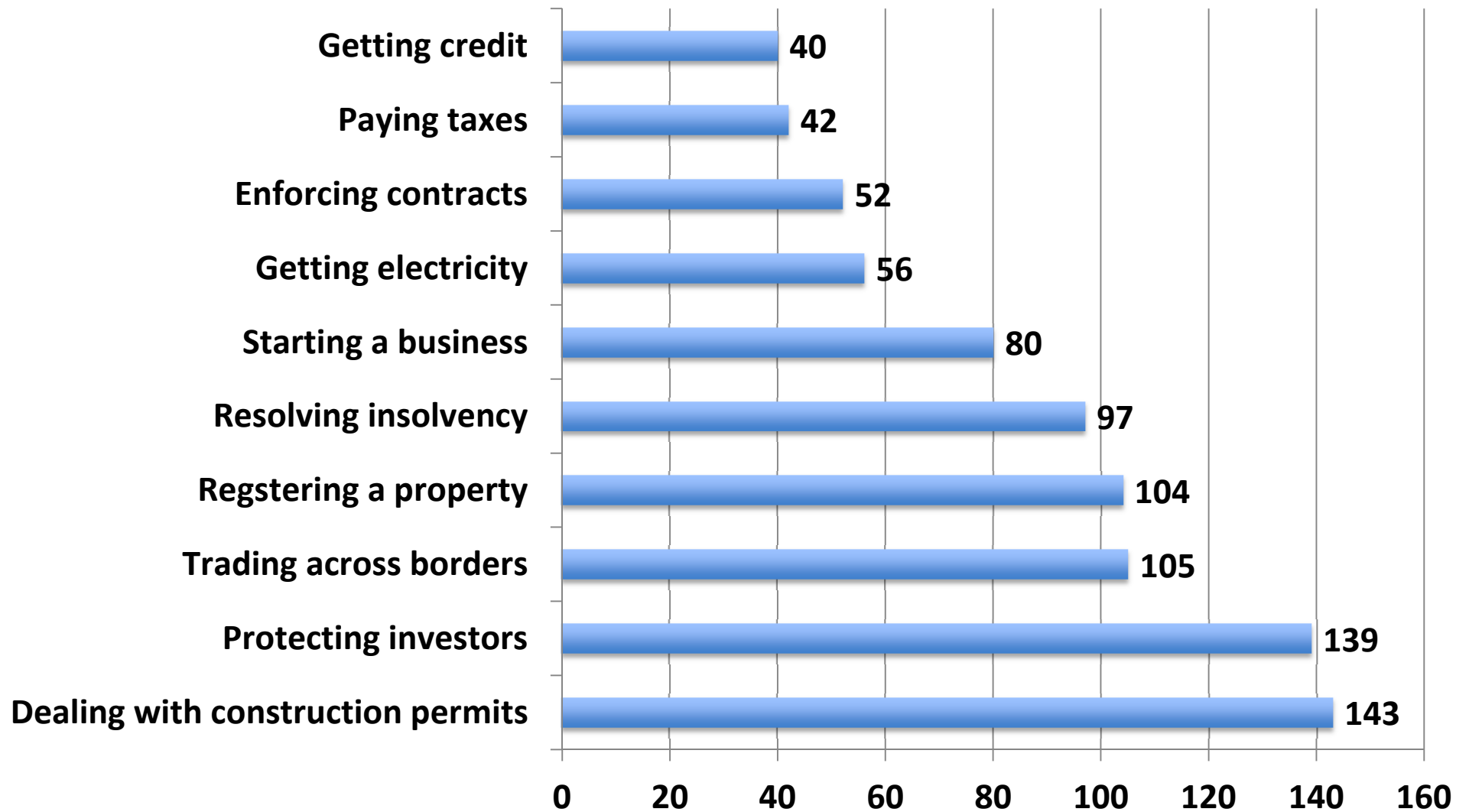


# Coefficient of Variation of Exchange Rate v Euro

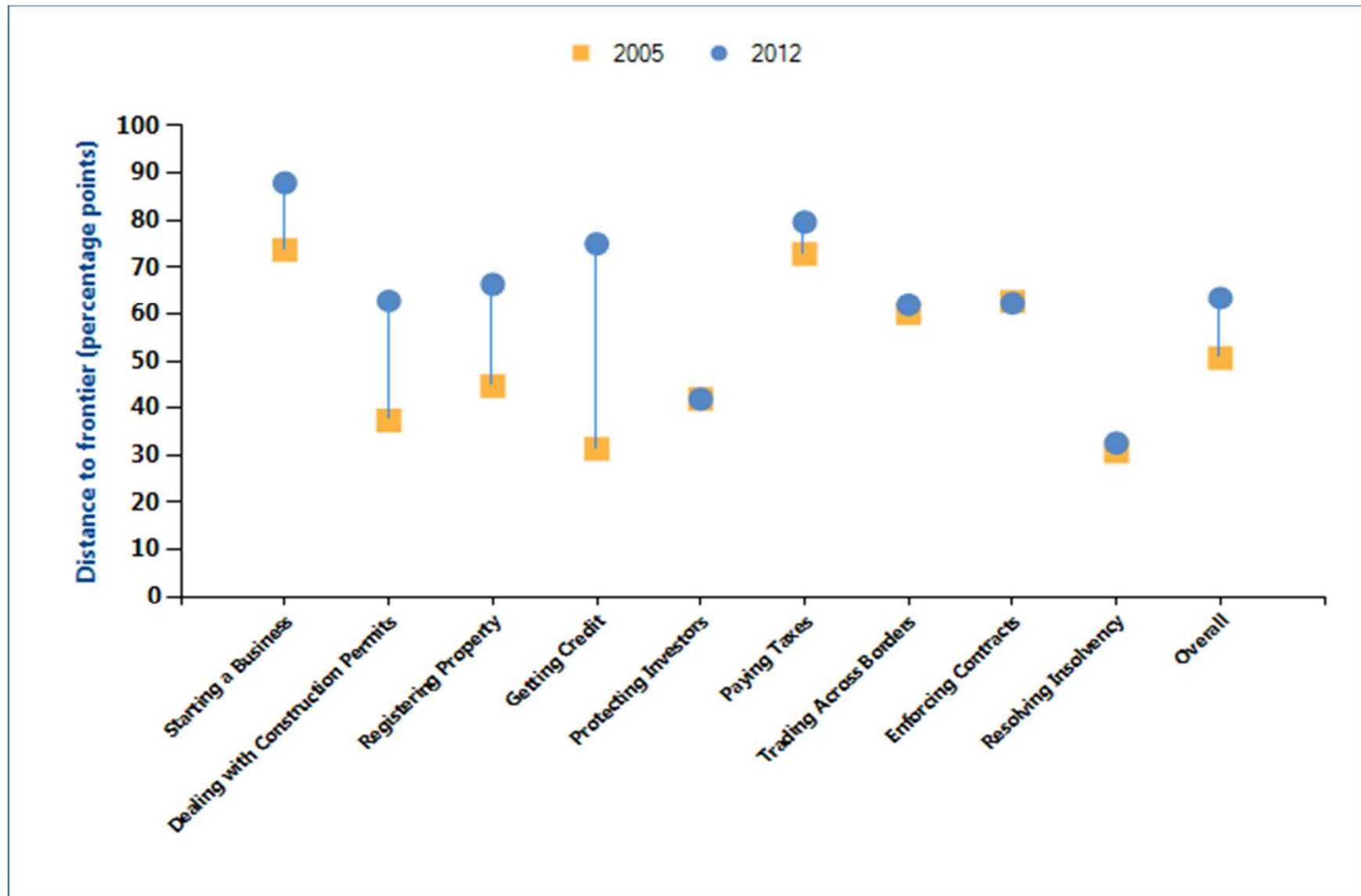


# Ease of Doing Business

Rank out of 185 countries



# Ease of Doing Business

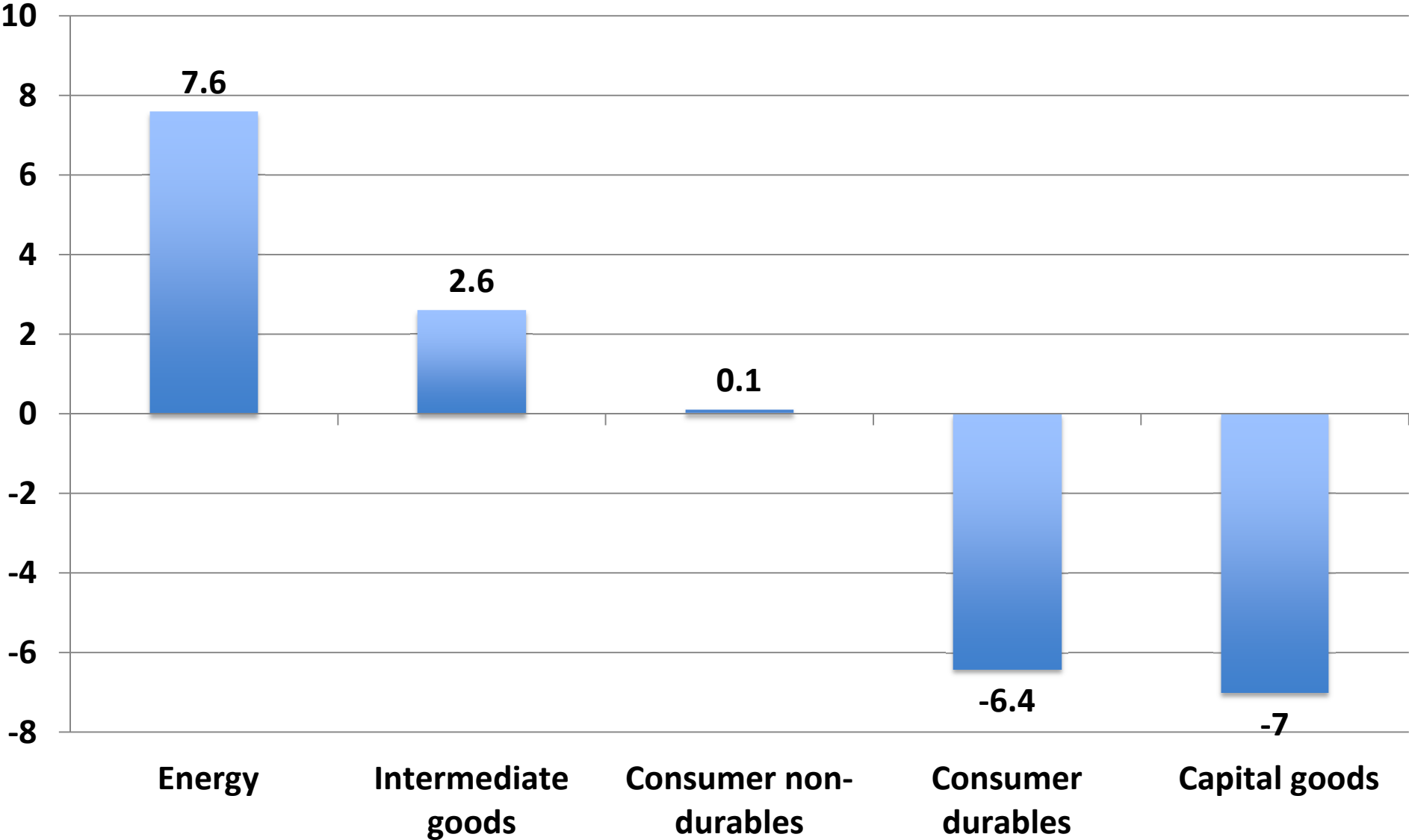




# Industrial sector growth rates (I-IV 2013/I-IV 2012)

<b>Sector</b>	<b>% change</b>
Total industry	0.7
According to MIGs 2009	
AI - Intermediate goods	<b>2.6</b>
AE - Energy	<b>7.6</b>
BB - Capital goods	-7.0
CD - Consumer durables	-6.4
CN - Consumer non-durables	0.1
<b>According to NKD 2007</b>	
B - Mining & quarrying	-6.7
C - Manufacturing	-1.9
<b>Main growth sectors</b>	
- Tobacco products	<b>16.7</b>
- Pharmaceuticals	<b>15.8</b>
- Basic metals	<b>16.3</b>
- Fabricated metal products	<b>22.6</b>
- Computer, electronic and optical products	<b>10.7</b>
- Machinery & equipment	<b>17.4</b>
- Other manufacturing	<b>18.6</b>
<b>Main declining sectors</b>	
- Clothes	-13.5
- Paper products	-11.8
- Motor vehicles	-18.0
- Other transport equipment	-46.9
D - Electricity and gas	<b>14.2</b>

# Industrial production growth rates



# Manufacturing growth rates

