

the Croatian Government in order to attempt to tackle that problem.

"The results of direct foreign investment don't match the desired image. In 26 years, 33.5 billion euros has been invested in Croatia, but the problem is that the investments were mostly Brownfield [investments] and focused on "nontradeable" sectors. We're missing out on Greenfield investments, investment in the production of goods and services that will create quality jobs and be more export-oriented," said the president at the InvestCro conference in Zagreb.

She feels that the direction of development can be directed in the desirable direction if the appropriate lessons learned from the mistakes made are properly taken into consideration. "First of all, I'm thinking of investment woes, the shortage of people involved in attracting investors, the lack of approach planning and coordination," she said.

On their way directly from Pantovčak to the Croatian Government are five key guidelines for the faster and easier growth of investments in Croatia. It is necessary to consolidate the competences of all those responsible for attracting FDI (foreign direct investment) at a single national level, to create an investment attracting strategy aligned with other economic strategies, to focus on new models and soft investment incentives for added value and to constantly create an attractive investment climate.

The five recommendations include the continuation of work on a better overall image of the Republic of Croatia and the promotion of the country as a destination for investment, not just a tourist destination. In this regard, Grabar-Kitarović announced that the working group who deal with branding Croatia will come out with guidelines within a month.

"We decided to do something for our society, as well as for those who will still be here when we're gone. Without healthy investments, we will remain without investors, and for this reason we have just decided to speak [on the subject] through various conferences, just like this one today.

"I hope this conference will contribute to the progress of Croatia," Nišević said.

"the last two years, two-thirds of greenfield investments in the EU took place in just six European countries. I believe that Croatia will raise its rating in 2019 and come over to the side of these six countries, with the help of new laws and a better quality framework for stimulating investment," said Minister of Economy Darko Horvat at the InvestCro conference.

"The share of investment in GDP is growing, we're at the average of EU countries. The third quarter in 2018 was, according to current information, optimistic, as there was a 4.9 percent rise. Croatia needs economic growth of five percent. Step by step, we're strengthening competition, there is no instant solution, and changes need to be deeply rooted.

We should help entrepreneurs to retain as much of their own funds as possible for the new investment cycle. We're digitising business and the state, in order to reduce the burden on entrepreneurs. Therefore, I expect growth in production, especially in the private sector. Through the Investment Incentive Act alone we attracted 16 billion kuna, with 12,750 new jobs being planned. We know exactly what kind of educational profile we need, we need to make sure we've got young people who will be employed there. We need a synergistic effect with cities and counties," the minister said, hinting at the need to all be on the same level.

"We want investments with new technologies and added value. Despite the global boom in the digital economy, less than 20 percent of such investments fell into the ICT sector. We are not only looking at the volume, but also the character and type of investment, as well as the quality of jobs which is what our young people who are leaving are looking for abroad. We need a bit of courage and some enthusiasm in order to turn these issues into a chance.

The Ministry of Economy has announced five new tenders, which is an innovation opportunity for domestic entrepreneurs. I'm sure that 303 million euros will be invested in Croatia's investment potential and that this year will end with development," concluded Horvat, adding the encouraging fact that this week, the representatives of several Swiss companies are browsing northwestern Croatia and looking for business zones that are ready for them to move part of their business to.

Mladen Fogec, president of the Association of Foreign Investors in Croatia, noted that Croatian pessimism (</business/34597-croats>) could affect foreign investors very much.

"The rating agencies are constantly positioning us at the end of the second-third on the doing business scale, but they all get their perceptions from talking to our political parties, non-governmental organisations, and we're very inclined to being negative - we have to turn to optimism. When it comes to the perception of corruption... we're not in the best position, but when you ask a person whether or not they bribed someone, the answer is always that they didn't. Please spread optimism because Croatia has a lot of potential. In principle, there's an enormous problem with our mentality, the capacity for change isn't big enough, we're still not ready to start to change, and we're living in the era of digitisation and computerisation," Fogec said.

"We've spent far too much time wrestling with the past, we spent an actual minister of economy on Agrokor, and her successor is now spending most of his time trying to deal with Uljanik, which is also grappling with the past. We need to deal with the future. It's good that we have introduced a law on strategic planning. It's not a question of whether foreign investors *want* to come to Croatia, but whether or not we actually want foreign investors," claims Fogec.

He noted that the association he leads didn't issue the so-called "white book" for business for 2019 because the problems still remain exactly the same as they were before. "Nothing has changed, or it has changed at a slower rate compared to changes in neighbouring countries, so our latest edition is still valid," he concluded rather sarcastically.

For those of you who understand Croatian, here's a video of what has been said, suggested and discussed at the conference:



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CROATIA TRAFFIC INFO

Traffic report Border Ferry

Due to strong wind passenger traffic is allowed only:-on the A1 motorway between Sveti Rok and Posedarje junctions; -on the A6 Rijeka-Zagreb motorway between Delnice and Kikovica junctions; -on the part of the DC8 Adriatic road Karlobag-Sveta Marija Magdalena; -on the DC54 Maslenica-Zaton Obrovački state road; -at Pag bridge. At Krk bridge there is a traffic ban on: doubledeckers, trailers, motorcycles, on the section of the DC8 Bakar-Karlobag, on the A7 Draga-Šmrika motorway and on the LC58107 Križišće-Kraljevica local road on delivery vans and vehicles with covered cargo area too. On the DC218 Dobroselo-Mazin-Brvno state road all traffic is closed due to snow and wind. Roads are wet and slippery in Gorski kotar and Lika mountain areas, in the southern and eastern parts. Drivers are asked to adjust the driving speed to road conditions and to keep the safety distance. The headlights have to be on during the day as well. Please, do not start the journey without winter equipment! During the day difficulties can occur in roadwork areas. Restrictions in traffic: A1 Zagreb-Split-Ploče motorway: -21 March 10pm-1am traffic is suspended at Sveti Rok tunnel (at 225th km) in direction Zagreb four times for about 15 minutes due to roadworks. 15 November 2018-15 April 2019 winter equipment is mandatory on all Croatian roads with frequent winter conditions.

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