

Euro-Mat Forum 2025

Croatia's Economic Landscape Construction's Impact on Croatia's Economic Pulse

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Split, May 21, 2025.

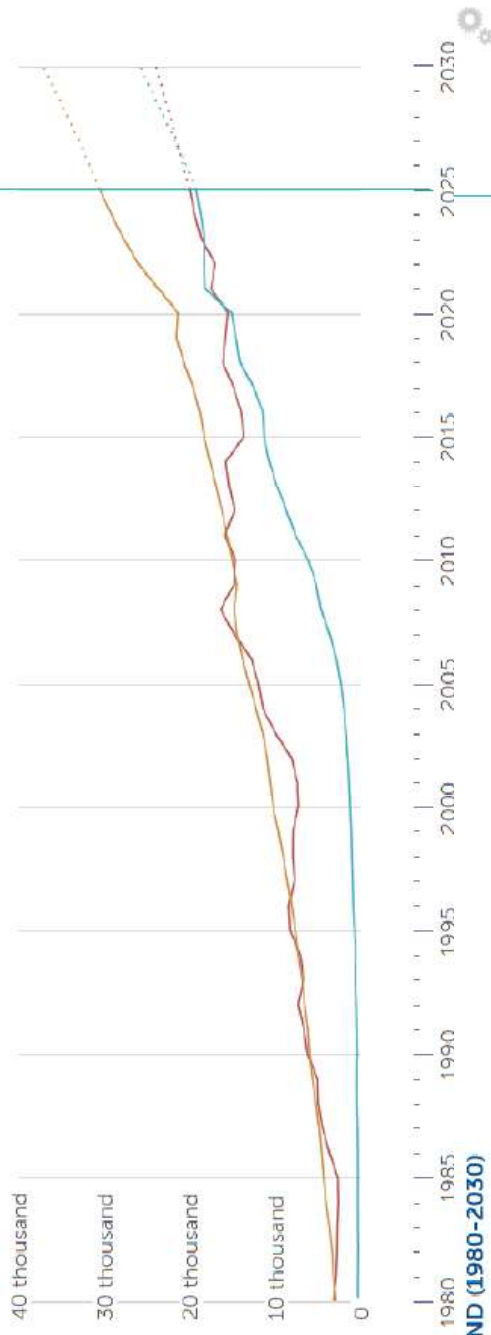
Reality check Global scale



Key economic indicators (EU, China and US)

TREND (1980-2030)

Billions of U.S. dollars

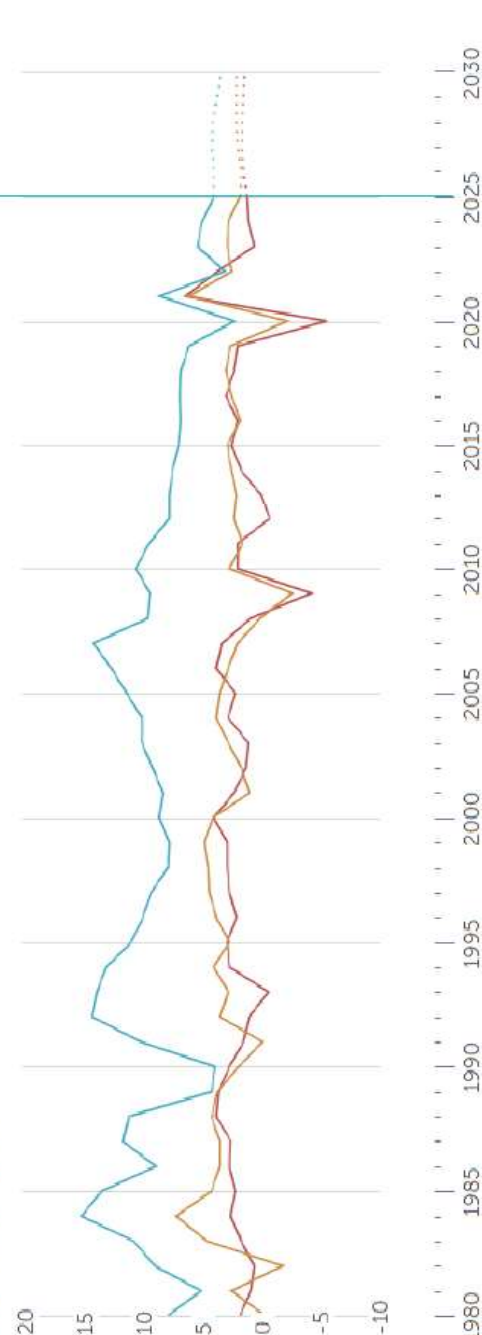


SELECTION (2025)

- European Union + 19.99 thousand
- China, People's Republic of 19.23 thousand
- United States 30.51 thousand

TREND (1980-2030)

Annual percent change



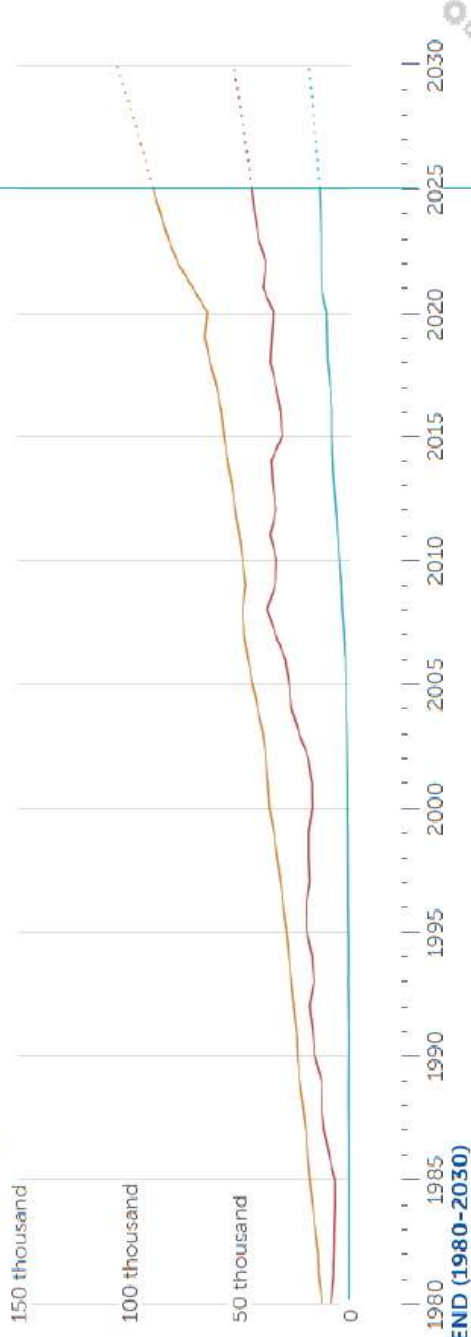
SELECTION (2025)

- European Union + 1.2
- China, People's Republic of 4
- United States 1.8

Key economic indicators (EU, China and US)

TREND (1980-2030)

U.S. dollars per capita

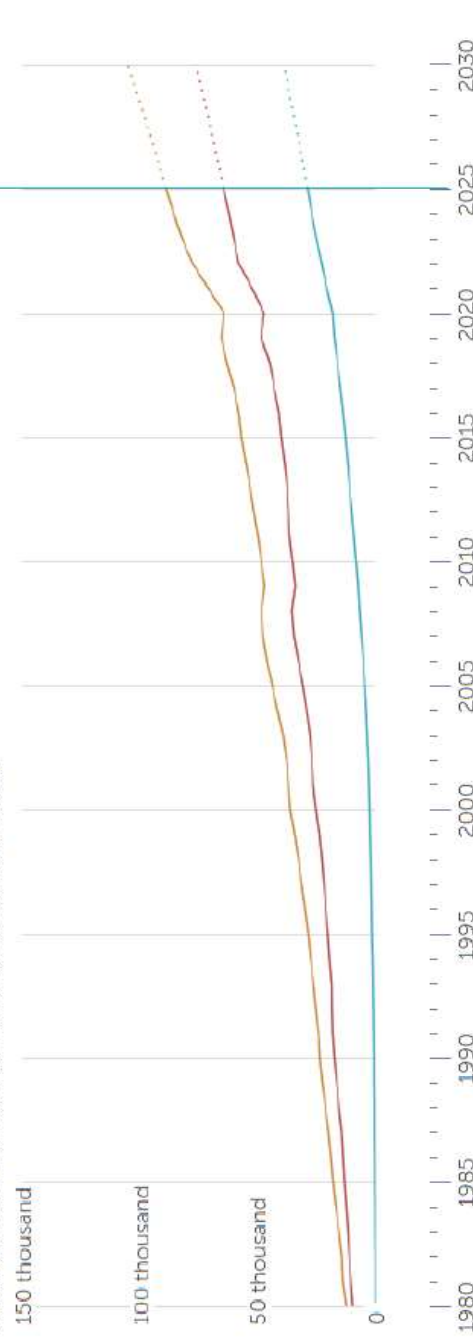


SELECTION (2025)

- European Union + ≡ 44.22 thousand
- China, People's Republic of + ≡ 13.69 thousand
- United States + ≡ 89.11 thousand

TREND (1980-2030)

Purchasing power parity: international dollars per capita



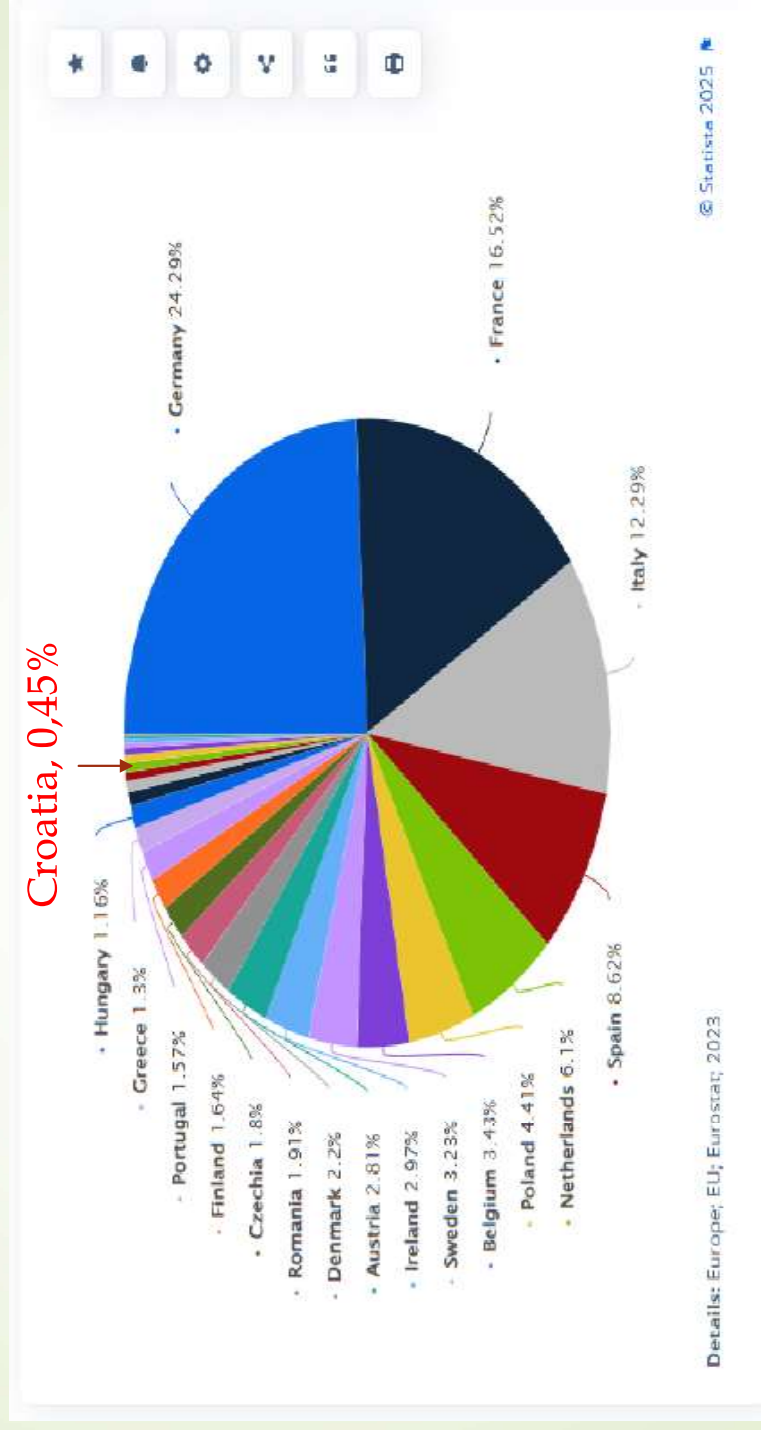
SELECTION (2025)

- European Union + ≡ 64.55 thousand
- China, People's Republic of + ≡ 28.98 thousand
- United States + ≡ 89.11 thousand

Reality check EU vs Croatia

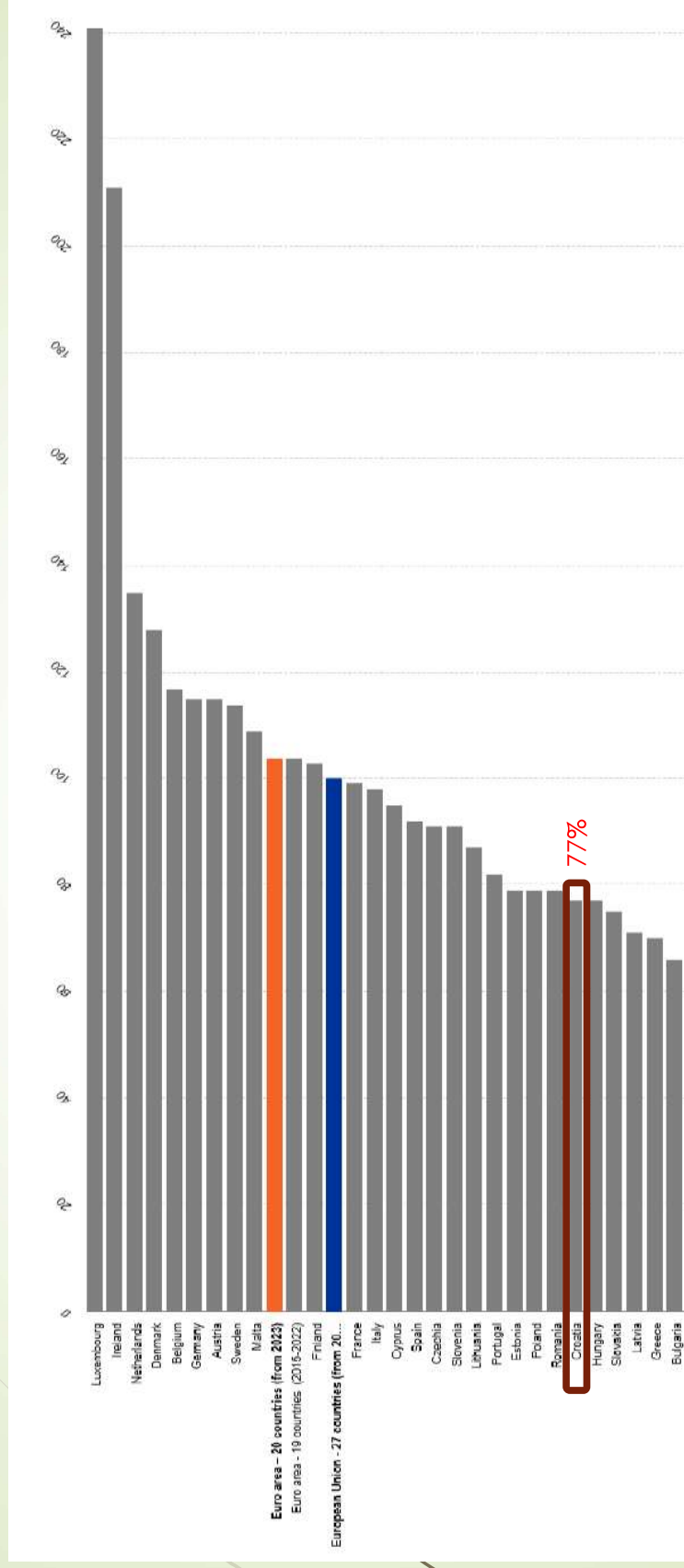


Percentage share of the European Union's Gross Domestic Product (GDP) in 2023, by member state



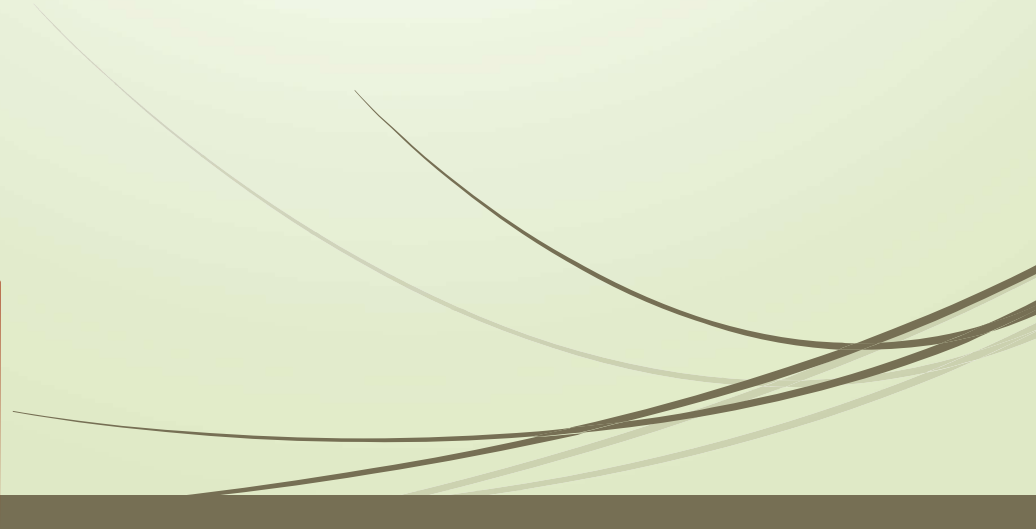
Source: Eurostat and Statista, 2025

EU countries - Gross domestic product for 2024 (in PPS_EU27_2020=100)



Source: Eurostat, 2025

Expectations EU vs Croatia



Expectations EU vs Croatia

Key figures

🇺🇦	€	🇪🇺	👤
GDP	Inflation	Deficit	Unemployment
EU:	EU:	EU:	EU:
2024: 1.0%	2024: 2.6%	2024: -3.2%	2024: 5.9%
2025: 1.1%	2025: 2.3%	2025: -3.3%	2025: 5.9%
2026: 1.5%	2026: 1.9%	2026: -3.4%	2026: 5.7%
Euro area:	Euro area:	Euro area:	Euro area:
2024: 0.9%	2024: 2.4%	2024: -3.1%	2024: 6.4%
2025: 0.9%	2025: 2.1%	2025: -3.2%	2025: 6.3%
2026: 1.4%	2026: 1.7%	2026: -3.3%	2026: 6.1%

Source: Eurostat, 2025

Expectations EU vs Croatia



Key figures

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2026: 1.4%	2026: 1.7%	2026: -3.3%	2026: 6.1%

Source: Eurostat, 2025

Indicators	2024	2025	2026
GDP growth (% ,yoy)	3,9	3,2	2,9
Inflation (% ,yoy)	4,0	3,4	2,0
Unemployment (%)	5,0	4,6	4,5
General government balance (% of GDP)	-2,4	-2,7	-2,6
Gross public debt (% of GDP)	57,6	56,3	56,4
Current account balance (% of GDP)	-0,7	-1,1	-1,1

Source: Eurostat, 2025

Expectations EU vs Croatia

Macroeconomic projections for Croatia

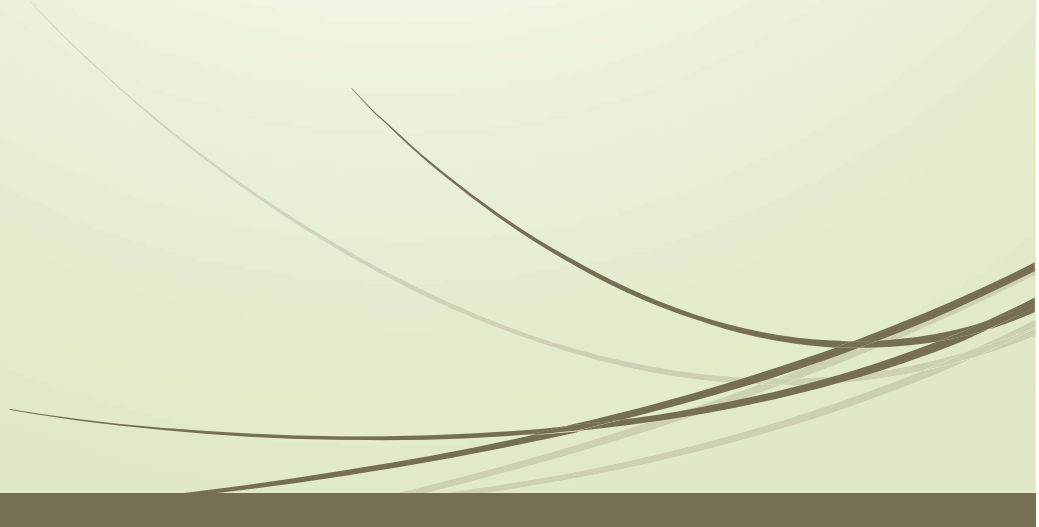
(year-on-year change, unless otherwise indicated)

	Realisations		HNB projection		
	2022	2023	2024	2025	2026
Prices (rate of change, in %)					
HICP	10.7	8.4	4.0	3.5	2.5
HICP excluding food and energy	7.6	8.8	4.7	2.9	2.7
HICP – food	12.9	11.5	4.5	4.7	2.5
HICP – energy	19.2	0.0	-0.3	4.0	1.2
Economic activity (real rate of change, in %)					
Real GDP	7.3	3.3	3.7	3.3	3.0
Private consumption	6.9	3.2	6.0	4.9	3.5
Government consumption	2.2	7.1	4.3	3.2	2.4
Gross fixed capital formation	10.4	10.1	11.9	4.3	3.3
Exports (goods and services)	27.0	-2.9	-1.2	2.0	2.5
Imports (goods and services)	26.5	-5.3	4.6	4.1	2.8
Contribution to the real growth of GDP (p.p.):					
Domestic demand (excluding changes in inventories)	6.7	5.5	7.0	4.5	3.3
Net exports	-0.5	1.7	-3.2	-1.2	-0.3
Change in inventories	1.1	-3.9	-0.1	0.0	0.0
External sector					
Goods trade balance – BP (% of GDP)	-27.2	-22.4	-20.7	-20.7	-20.7
Services trade balance – BP (% of GDP)	20.8	20.3	17.8	17.4	17.3
Current account – BP (% of GDP)	-3.5	0.4	-0.4	-1.2	-1.5
Current and capital account – BP (% of GDP)	-1.0	3.3	1.1	1.0	1.0
Net use of EU funds (% of GDP)	3.4	3.9	2.4	3.1	3.5
Labour market					
Unemployment rate (%)	6.8	6.1	4.9	4.7	4.5
Number of employed persons (rate of change, in %)	2.5	2.5	3.4	2.0	1.5
Nominal gross wage (rate of change, in %)	8.8	14.7	14.8	8.5	5.8
Real gross wage (rate of change, in %)	-2.2	6.2	10.7	4.9	3.1

SOURCE: CNB, 2025

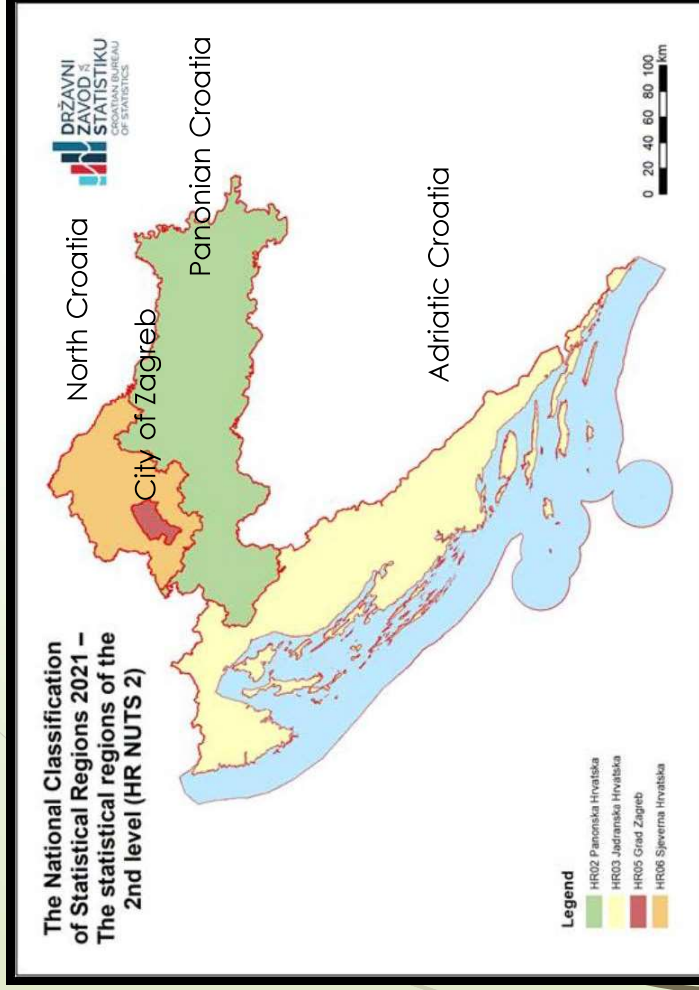
Reality check and Expectations

Croatia
Zoom-in

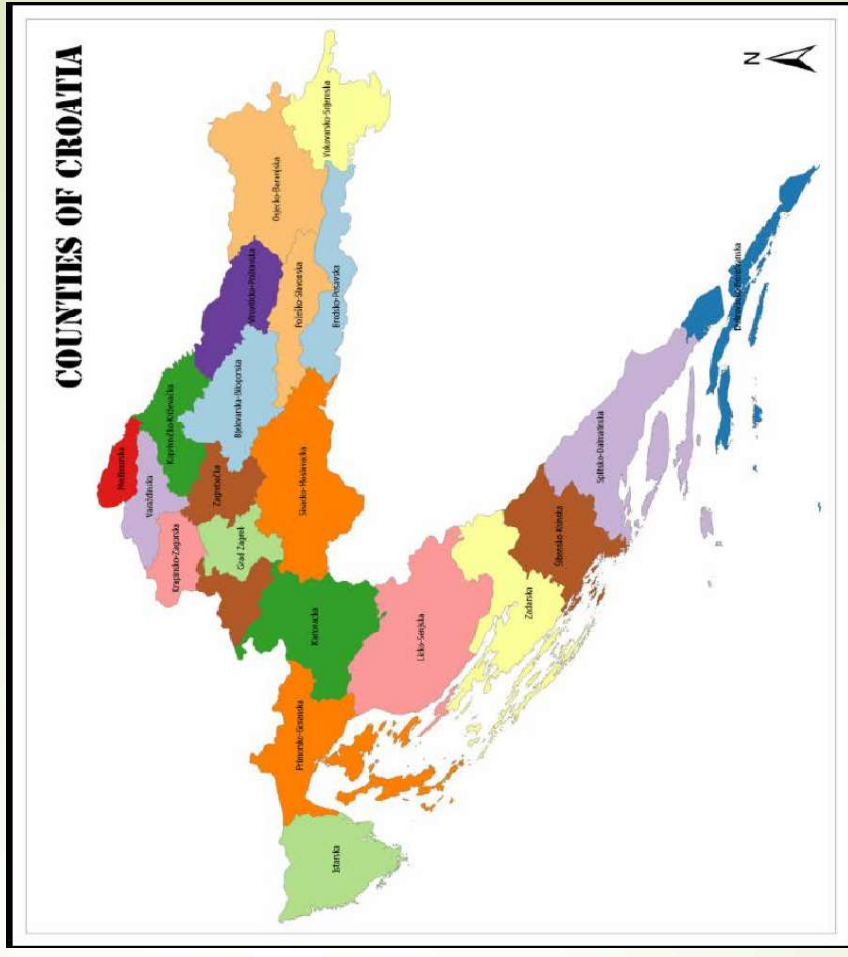


Reality check and Expectations

Croatia – zoom-in



Source: CBS, 2025



Reality check and Expectations

Croatia – zoom in

- GROSS DOMESTIC PRODUCT FOR REPUBLIC OF CROATIA AT THE LEVEL OF HR_NUTS 2

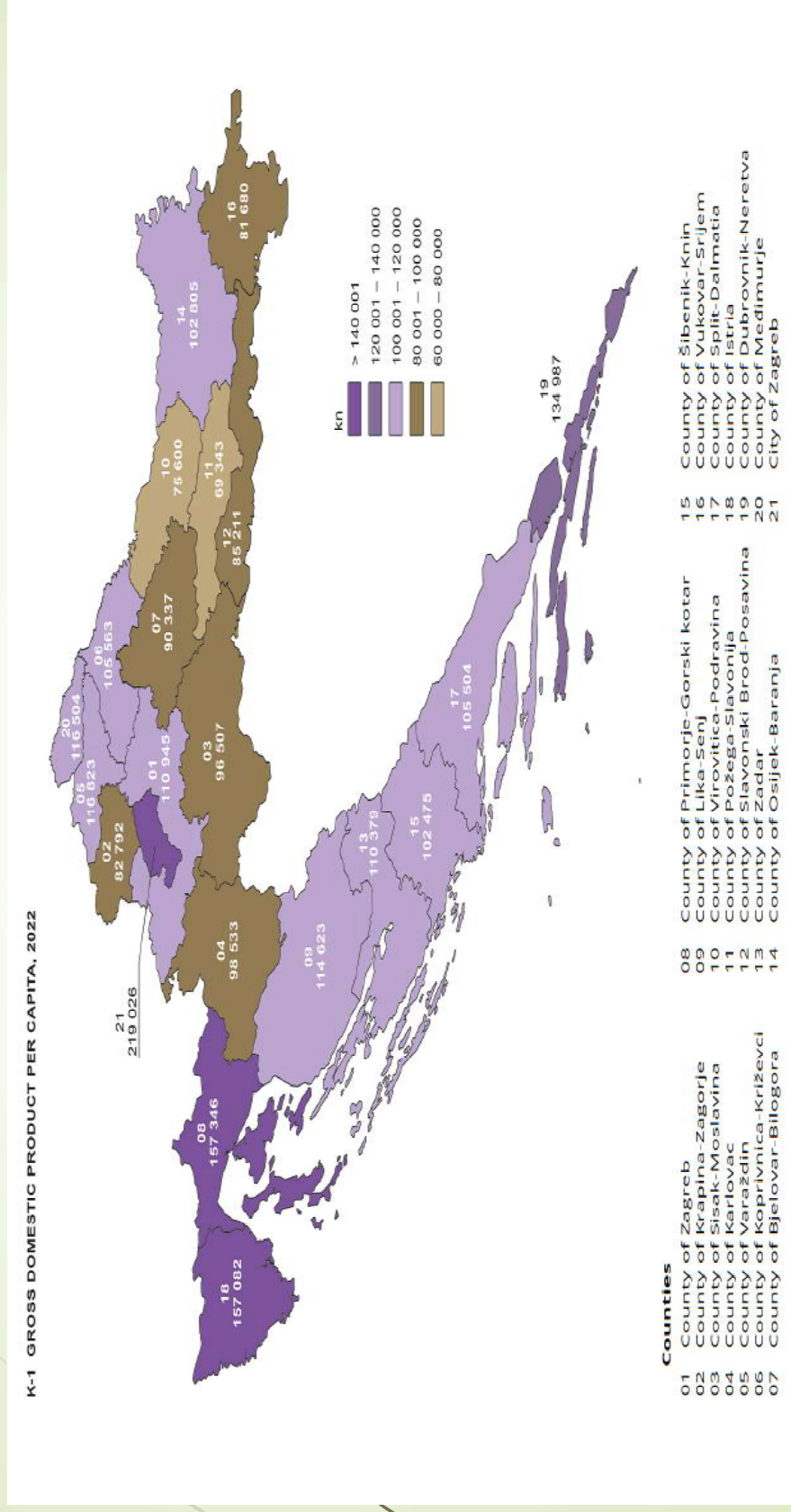
	Republic of Croatia	Pannonian Croatia	Adriatic Croatia	City of Zagreb	North Croatia
GDP per capita according to PPS (EU-27 = 100)					
2014	59,9	39,8	58,4	108,3	45,6
2015	60,8	40,7	59,0	109,1	46,4
2016	63,1	42,2	61,4	111,5	48,4
2017	65,3	42,9	64,0	114,7	50,5
2018	67,1	44,1	65,2	117,6	52,3
2019	69,1	45,9	66,0	120,9	54,4
2020	66,3	46,1	59,6	117,0	54,6
2021	71,1	49,5	66,2	122,3	57,3
2022	73,1	50,4	70,4	121,2	59,7

Source: CBS, 2025

Reality check and Expectations

Croatia – zoom in

Gross Domestic Product for Republic of Croatia, HR_NUTS 2021 – HR NUTS 3 (Counties), 2022



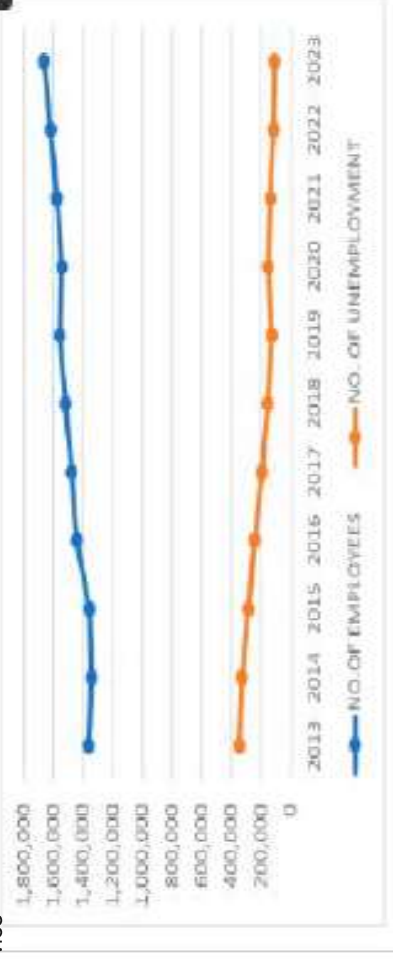
Source: Croatian Bureau of Statistics, 2025

Reality check and Expectations

Croatia - zoom in

Gross Domestic Product for Republic of Croatia, HR_NUTS 2021 – HR NUTS 3 (Counties), 2022

Number of employed and unemployed persons in Croatia, 2013–2023. Source: Croatian Employment Service



Nicholas Charron / Victor Lapuente and Monika Baulr (2024). "The Geography of Quality of Government in Europe: Subnational variations in the 2024 European Quality of Government Index and Comparisons with Previous Rounds". QoG Working Paper Series 2024:2. Department of Political Science, University of Gothenburg. ISSN: 1688-8919.

Key challenges:

- Low level of quality of governance
- Lack of labour force (skilled vs unskilled)
- ...

Source: Croatian Bureau of Statistics, 2025

Foreign workers in Croatia, 2013–2023. Source: Croatian Official Gazette. (2024), www.nn.hr. Retrieved 1–15 September 2024.



Reality check
EU and Construction



Share of construction sector in Gross value added in EU economy (2010-2024)



Source: Eurostat, 2025

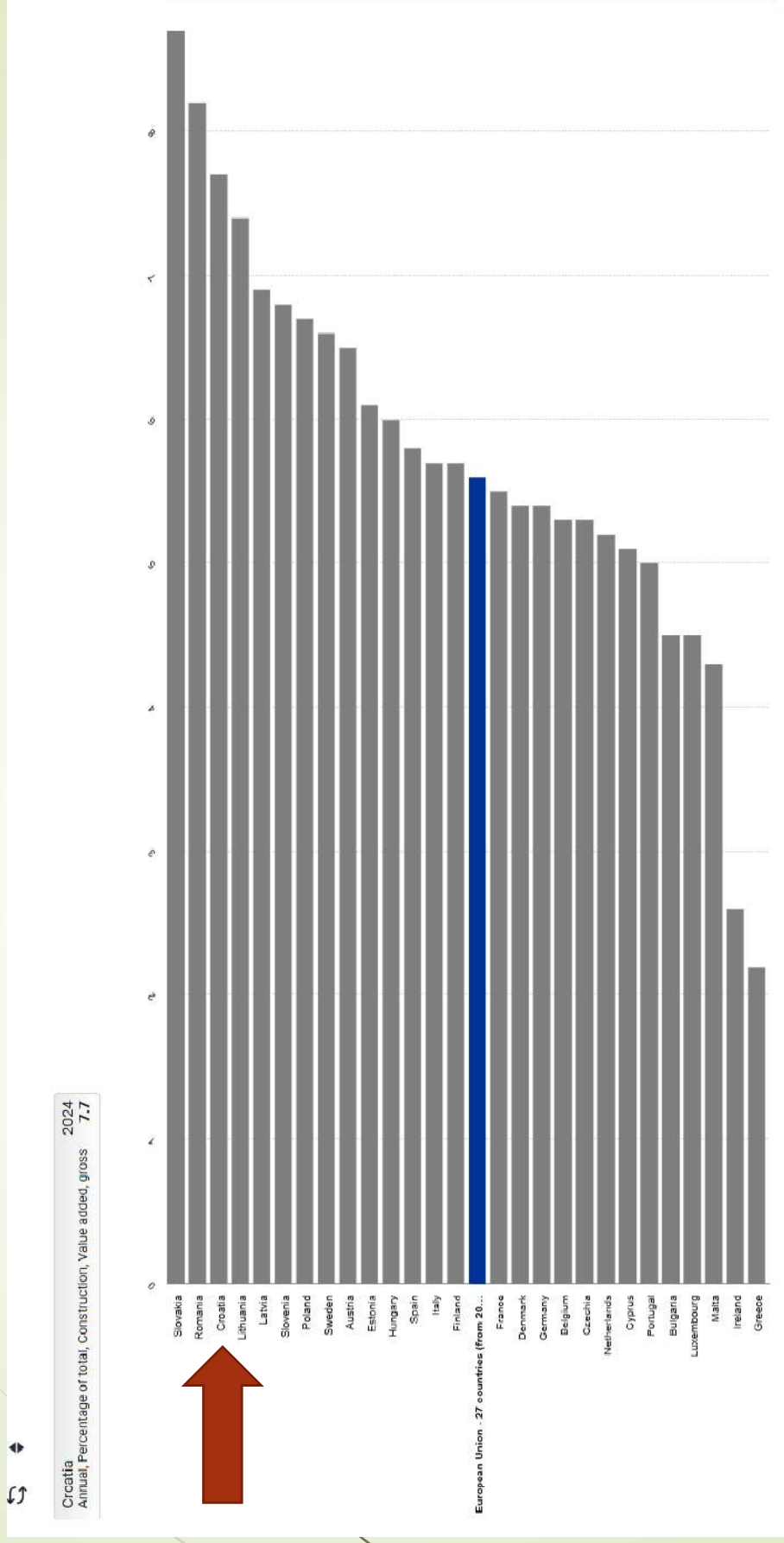
Share of construction sector in Gross value added in EU economy (2010-2024)



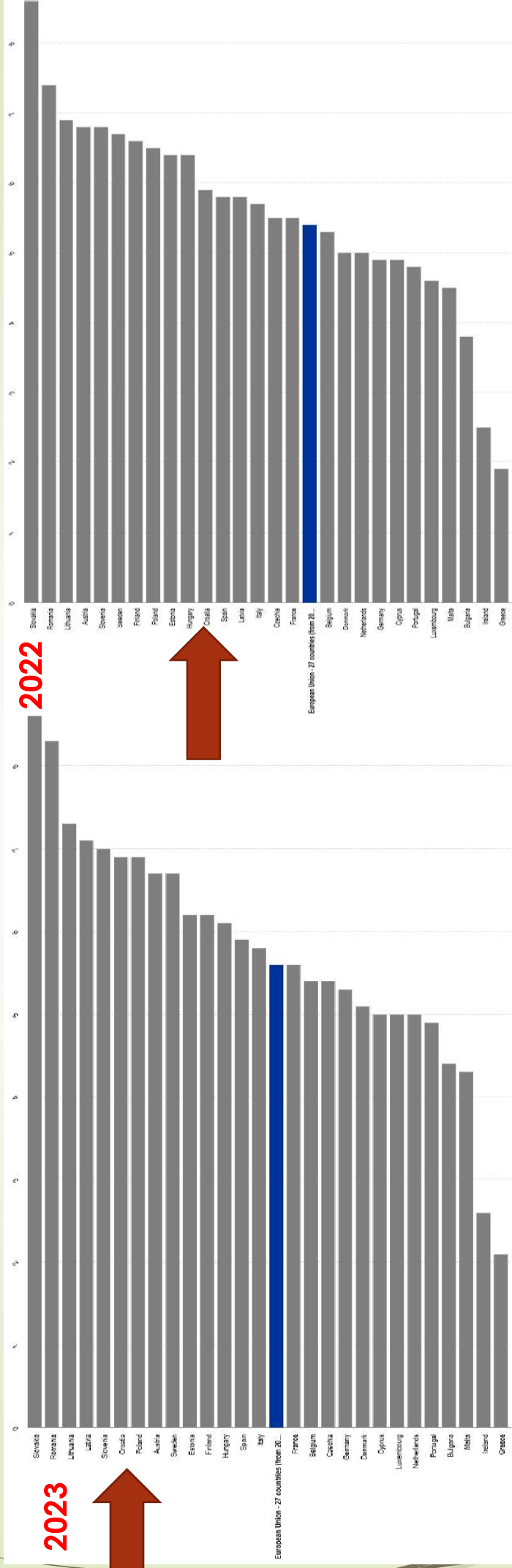
Source: Eurostat, 2025

In 2010 – 5,7%, in 2024 – 5,6%
Lowest in period 2015, 2016 and 2017 – 5%

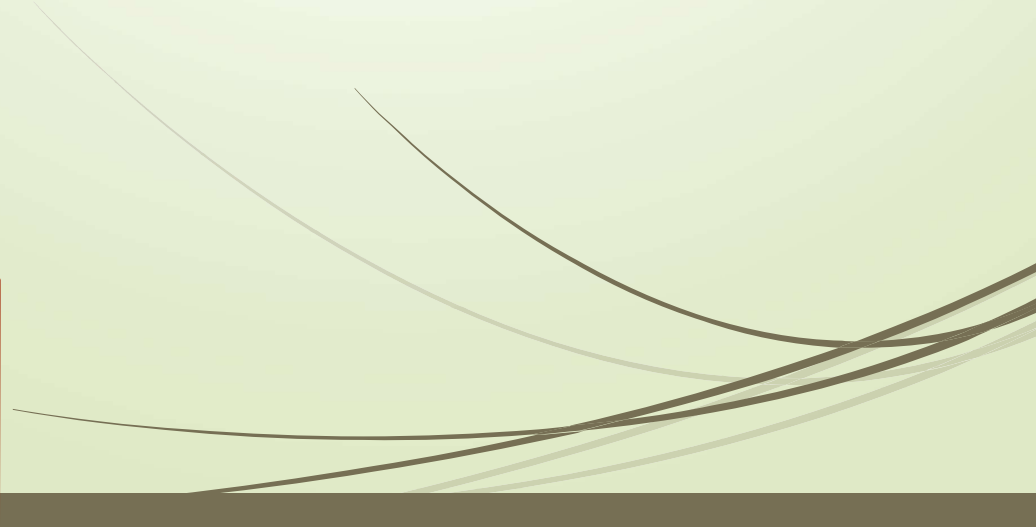
Share of construction sector in Gross value added among EU countries (2024)



Share of construction sector in Gross value added among EU countries (2023 and 2022)



Reality check
Croatia and **Construction**



Reality check Croatia and Construction

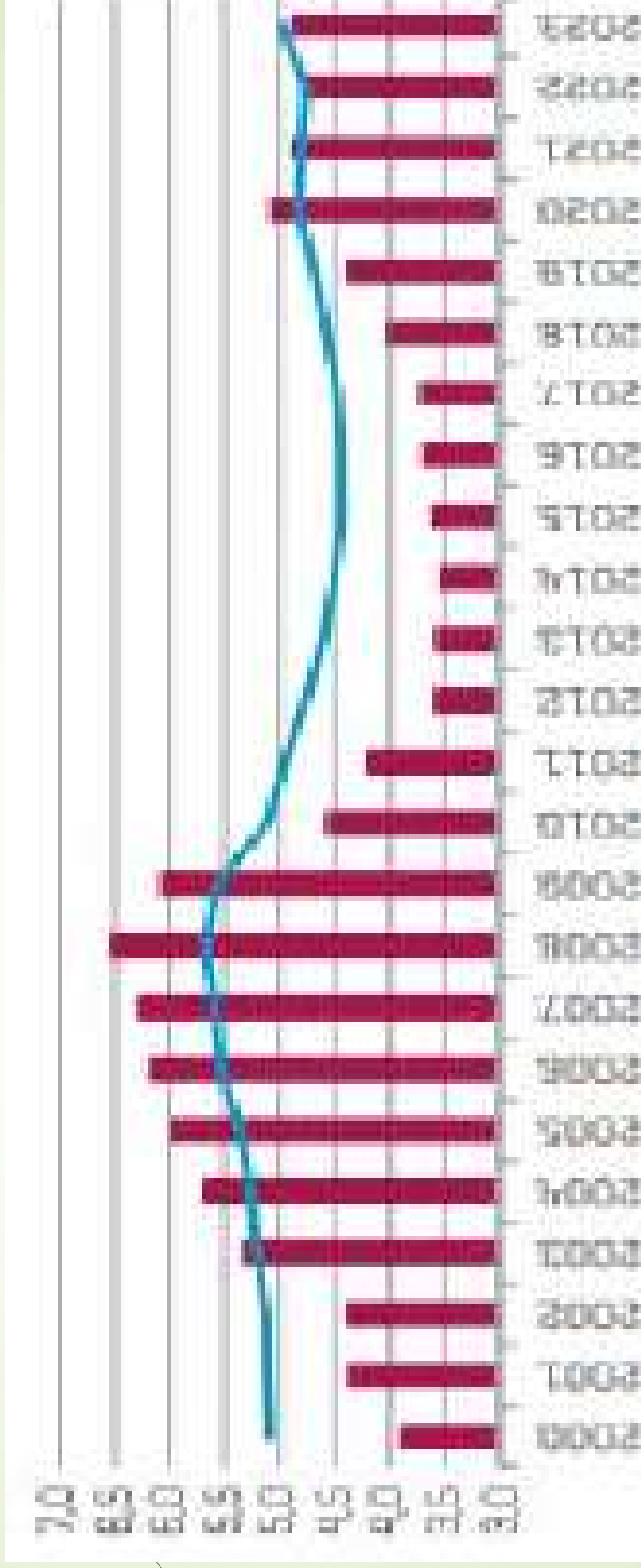
Key Economic indicators for Construction sector in Croatia, 2021–2024

Indicator	2021	2022	2023	2024
Share in GDP (% share, status)	5	4,8		4,9 5,8 (Jan–Jun)
Share in total employment (% share, status)	8,1	8,2		8,6 8,7 (Aug)
Volume of construction works (% change)	9,3	4		5,2 17,1 (Jan–Jul)
Number of employed (% change)	2,1	4,4		8,4 9 (Aug)
Completed dwellings (% change)	4,7	26,9		4,3–
Building permits issued (% change)	12,2	5,8		3,6 4,9 (Jan–Jul)
Price of sold dwellings (% change)	7,8	20,2		2,7 7,1 (Jan–Jun)

Source: EIZ, 2025

Reality check Croatia and Construction

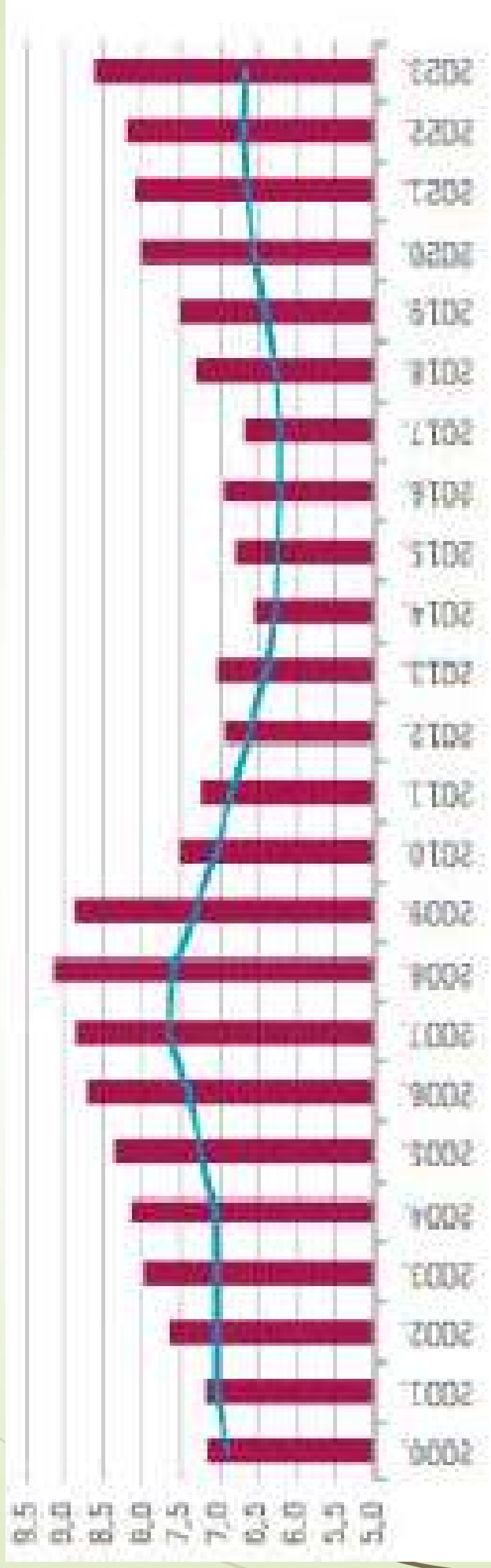
Share of Construction in Gross Domestic Product in the Republic of Croatia and the EU-27, 2000–2023



Source: EIZ, 2025

Reality check Croatia and Construction

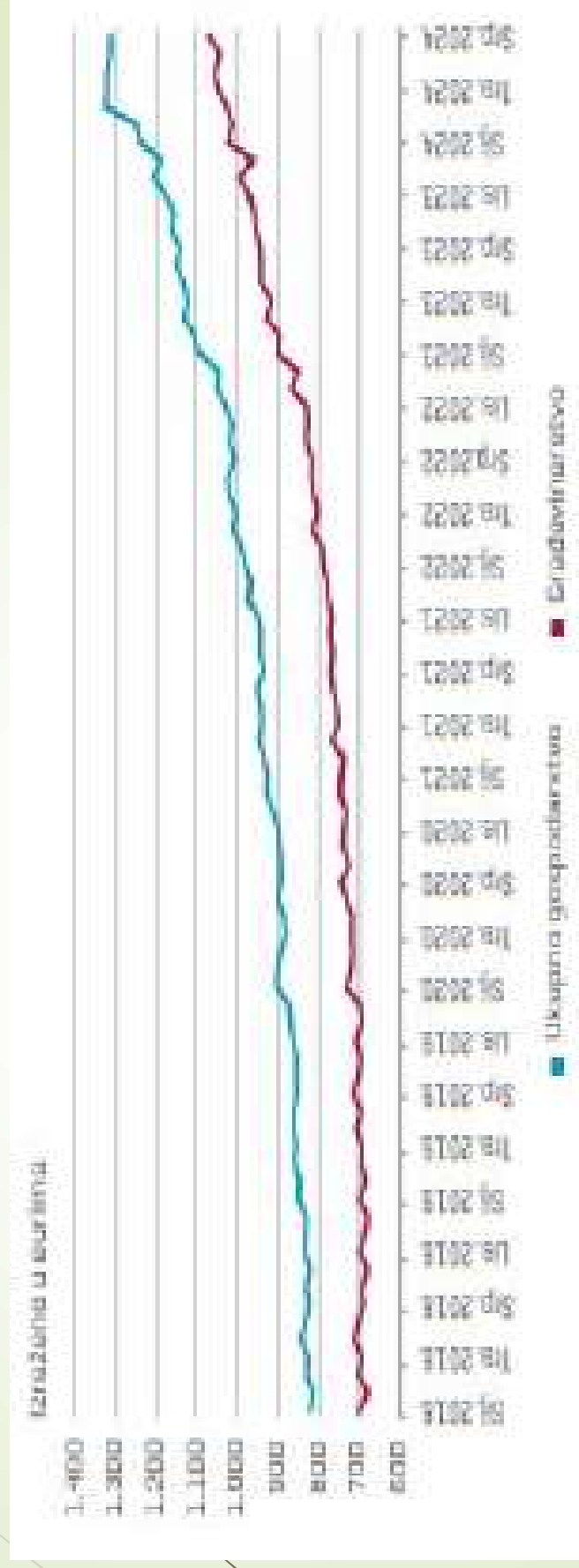
Share of Employment in Construction in Total Employment in the Republic of Croatia and the EU-27, 2000–2023



Source: EIZ, 2025

Reality check Croatia and Construction

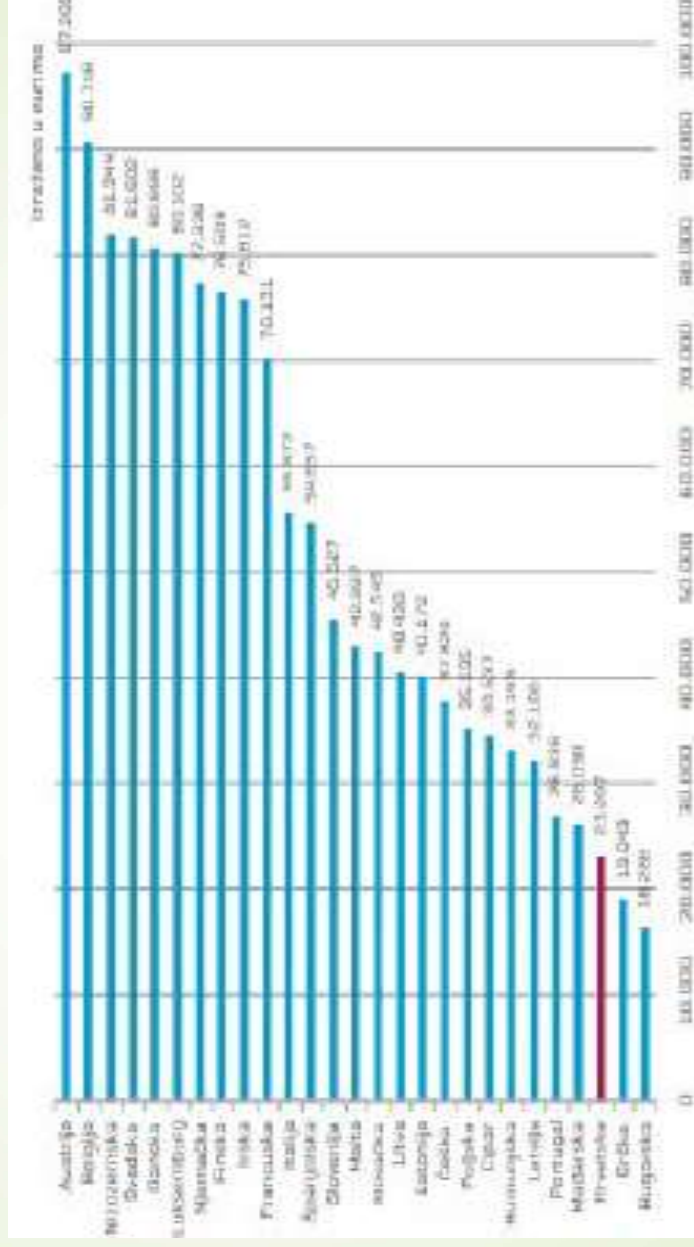
Average Monthly Net Wages in the Construction Sector and in the Total Economy in the Republic of Croatia, January 2018 – July 2024



Source: EIZ, 2025

Reality check Croatia and Construction

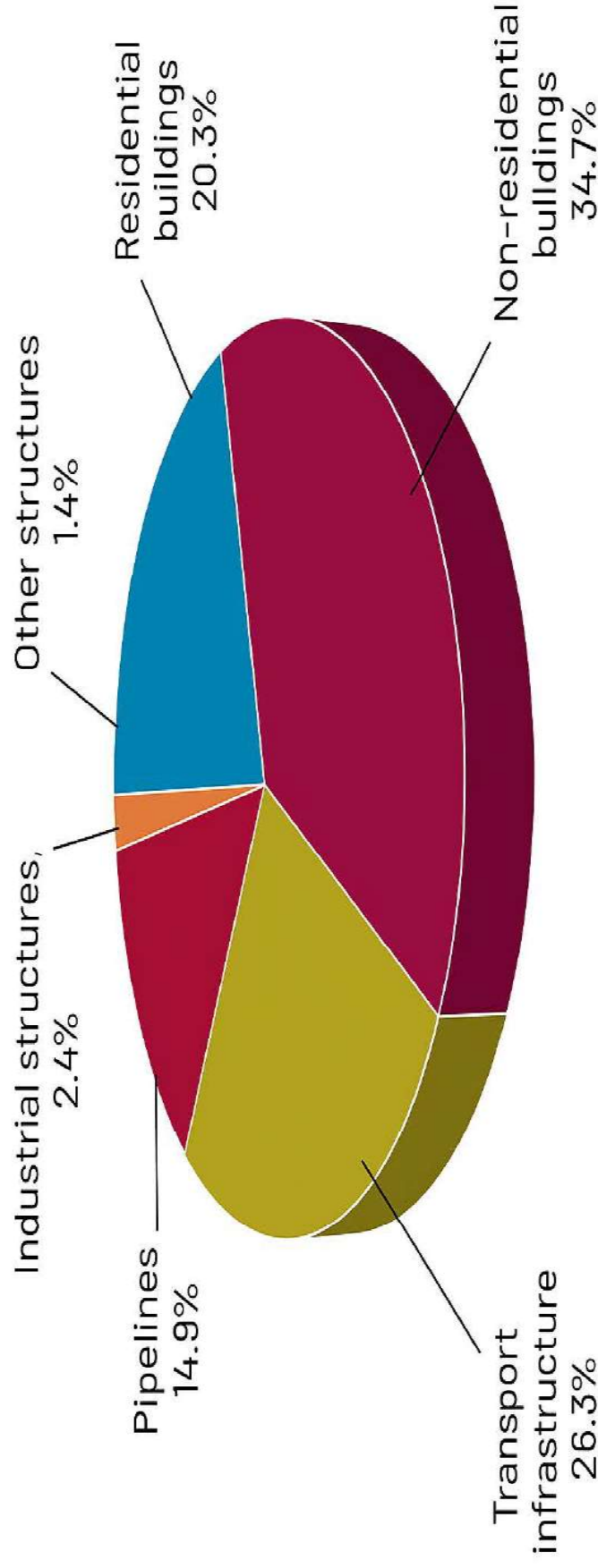
"Gross value added per employee in the construction sector in EU-27 member states in 2023."



Source: EIZ, 2025

Reality check Croatia and Construction

Structure of Performed Construction Works by Type in the Republic of Croatia in the Period from January to June 2024



Source: EIZ, 2025

Final remarks

- **"With over 149,000 workers, construction employs nearly 9% of Croatia's workforce**
- **Croatia's construction sector generates only €23,207 of value added per worker – far below the EU average, revealing a serious productivity gap.**
- **"Wages in construction are nearly 20% lower than the national average – a red flag in the fight to attract and retain skilled workers.,,"**
- **Foreign workers are essential** to maintaining the Croatian construction industry's capacity and operations. **(Construction leads in foreign labor demand, with over 75,000 residence and work permits issued in 2024 — the highest of any sector.)**
- **Croatia's construction heavily depends on EU funding (mostly public infrastructure)**
- **"For construction to remain a growth engine, Croatia must bridge its skills gap, improve productivity, and invest smarter."**

Source: CBS, 2025