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29 November 2000

## REPORT

on the Commission report on the feasibility of negotiating a Stabilisation and Association Agreement with the Republic of Croatia  
(COM(2000) 311 – C5-0506/2000 – 2000/2244(COS))

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

Rapporteur: Alexandros Baltas



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## PROCEDURAL PAGE

By letter of 25 May 2000, the Commission forwarded to Parliament a report on the feasibility of negotiating a Stabilisation and Association Agreement with the Republic of Croatia (COM(2000) 311 – 2000/2244(COS)).

At the sitting of 23 October 2000 the President of Parliament announced that she had referred the communication to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible and the Committee on Industry, External Trade, Research and Energy for its opinion (C5-0506/2000).

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed Alexandros Baltas rapporteur at its meeting of 12 July 2000.

It considered the Commission report and the draft report at its meetings of 7 and 14 November and 27 and 28 November 2000.

At the last meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Baroness Nicholson of Winterbourne, vice-chairman; Alexandros Baltas, rapporteur; Michael Cashman (for Linda McAvan), John Walls Cushman, Joseph Daul (for Alain Lamassoure), Olivier Dupuis (for Francesco Speroni), Pere Esteve, Giovanni Claudio Fava (for Pasqualina Napoletano), Ingo Friedrich, Michael Gahler, Jas Gawronski, Vitaliano Gemelli (for Franco Marini), Vasco Graça Moura (for José Pacheco Pereira), Alfred Gomolka, Bertel Haarder, Magdalene Hoff, Jan Joost Lagendijk, Hanja Maij-Weggen (for Arie Oostlander), Pedro Marset Campos, Philippe Morillon, Doris Pack (for Jürgen Schröder), Jannis Sakellariou, José Ignacio Salafranca Sánchez-Neyra, Elisabeth Schroedter, Ioannis Souladakos, Hannes Swoboda, Geoffrey Van Orden, Matti Wuori, and Christos Zacharakis.

The Committee on Industry, External Trade, Research and Energy decided on 13 September 2000 not to deliver an opinion.

The report was tabled on 28 November 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## MOTION FOR A RESOLUTION

### **European Parliament resolution on the Commission report on the feasibility of negotiating a Stabilisation and Association Agreement with the Republic of Croatia (COM(2000) 311 – C5-0506/2000 – 2000/2244(COS))**

*The European Parliament,*

- having regard to the Commission report (COM(2000) 311 – C5-0506/2000),
  - having regard to the Commission Recommendation concerning the Council Decision authorising the Commission to negotiate a Stabilisation and Association Agreement with the Republic of Croatia (SEC(2000) 1215),
  - having regard to Rule 47(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy (A5-0364/2000),
- A. whereas the Commission has recognised very clearly that Croatia meets the conditions for the opening of negotiations for a Stabilisation and Association Agreement,
  - B. whereas the opening of negotiations for a Stabilisation and Association Agreement with Croatia on 24 November 1999 places relations between the European Union and Croatia on a new contractual footing, with a view to bringing Croatia closer to, and preparing it for future accession to, the European Union,
  - C. pointing out that the negotiations were opened at the Zagreb European Summit, which highlighted the need to ensure that EU assistance for the countries concerned is consistent and effective,
  - D. recalling the conclusions of the Cologne European Council, which confirm the European Union's commitment to drawing the countries of the Western Balkans region closer to the European Union; stressing that the Santa Maria de Feira European Council confirmed that all countries participating in the Stabilisation and Association Process are potential candidates for EU membership,
  - E. bearing in mind Croatia's important role in the Stabilisation and Association Process in the region and its commitment to regional cooperation, in particular in the context of the Stability Pact,
  - F. stressing that rapid progress by Croatia in the context of the Stabilisation and Association Process will be facilitated and enhanced by the conclusion of the Stabilisation and Association Agreement, which will also help bring about improvements as regards the return to Croatia of refugees and displaced persons,
  - G. noting the improvement in relations between Croatia and neighbouring countries, and

recalling that Croatia has already concluded free-trade agreements with Slovenia, FYROM and, very recently, with Bosnia and Herzegovina,

- H. stressing the importance of the attitude of Croatia as to the consolidation and the development of the democratic institutions in Bosnia-Herzegovina,
- I. reiterating the urgency of enabling Croatian citizens of Serb origin expelled from Krajina to return home if they wish to do so,
- J. recalling that no country must be impeded in its efforts to move towards closer relations with, or integration into, the European Union by political and economic developments in countries in the same region,
- K. whereas collaboration with the International Criminal Tribunal for the former Yugoslavia (ICTY) is one of the basic conditions for the enhancement of relations with the European Union,
  - 1. Welcomes the fact that the Zagreb Summit of 24 November 1999 saw the opening of negotiations for the conclusion of a Stabilisation and Association Agreement with the Republic of Croatia and expresses its firm belief that these negotiations will be concluded swiftly;
  - 2. Welcomes the significant progress made by Croatia in fulfilling its commitments as a member of the international community, and in particular its ratification of the European Convention on Human Rights, the European Convention for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, the Framework Convention for the Protection of National Minorities, the European Charter of Local Self-Government and the European Charter for Regional or Minority Languages;
  - 3. Welcomes the change of attitude of the newly elected Croatian authorities vis-à-vis the International Criminal Tribunal for the former Yugoslavia (ICTY) and supports their fresh efforts to cooperate with a view to bringing to justice all those suspected of committing crimes during the war;
  - 4. Recommends that the Stabilisation and Association Agreement take the form of a mixed agreement based on Article 310 of the Treaty;
  - 5. Recommends, insofar as the issue of the European Union's legal personality has not yet been clarified, that recourse to Articles 24 and 38 of the TEU be excluded as a legal basis for the Stabilisation and Association Agreement in conjunction with any other provision laid down by the Treaty establishing the European Community;
  - 6. Stresses that the further developments clause to be negotiated in the context of the Stabilisation and Association Agreement must make reference to the political line confirmed by the Santa Maria da Feira European Council and must not lay down additional conditions on top of those already set for applicant countries covered by a pre-accession strategy (Copenhagen criteria);
  - 7. Points out that Croatia is currently taking part in some Community programmes (LIFE,

- 5<sup>th</sup> Framework Programme for Research); calls on the Commission to do more to promote regional and cross-border cooperation, including with countries covered by the Interreg programme, and to encourage Croatia's participation in other Community programmes;
8. Notes with satisfaction that the Tempus programme has been opened up to Croatia and that the new proposal on the CARDS programme also covers financing of Tempus for the countries of the Western Balkans, which could help to strengthen links between Croatia and countries covered by that programme;
  9. Considers that the Stabilisation and Association Agreement, the CARDS programme and European Investment Bank operations will be the main channels through which the European Union contributes to Croatia's economic and social development;
  10. Emphasises, however, the importance of significantly increasing the assistance provided annually to Croatia under the CARDS programme, which should not in any case average less than € 50 m per annum; hopes that the Council will quickly reach an agreement with Parliament on the total multi-annual budget for the entire region (CARDS) and on the corresponding revision of the financial perspective, so that the needs identified above may be financed;
  11. Welcomes, however, the Council's recent decision to extend the scope of European Investment Bank operations to include Croatia;
  12. Notes the statements by the Croatian government confirming its intention to ensure transparency and visibility as regards the financial support it gives Bosnia and Herzegovina; welcomes the agreement signed last spring between the Croatian authorities and the authorities of Bosnia and Herzegovina governing the Croatian government's financial assistance towards the Croat component of the Federal Army in Bosnia and Herzegovina;
  13. Welcomes, in this regard, the recent statements made by the Zagreb authorities so as to distance themselves from the attempts of some of Bosnia's Croat community representatives to recreate the wartime statelet of Herzeg-Bosna and calls on the Croatian government to collaborate actively with the government in Sarajevo with a view to strengthening the fragile structures of the Bosnian state and preserving its multiethnic, multicultural and multireligious characteristics;
  14. Congratulates the Croatian government on the progress it has made with regard to the return of refugees and urges it to continue its efforts, in particular by:
    - adopting, in the form of legislation, the programme for the return of refugees, including a clear definition of 'double occupation' in relation also to families that have been separated, and detailed criteria concerning eligibility for alternative accommodation;
    - giving owners access to municipal courts in order to request that a decision be taken when the competent bodies fail to keep to deadlines;
    - applying in a non-discriminatory way the recently amended law on reconstruction;

- strengthening the principle of transparency with regard to application of the amnesty law;
- 15. Welcomes the participation of Croatia in the existing initiatives of the Stability Pact on arms export control systems and specific enforcement measures, as well as on measures fighting uncontrolled or illegal transfer of small arms and light weapons (SALW), and asks the Croatian government to clearly specify its respective needs upon which the international donors, including the European Union, can develop and implement effective assistance programmes;
- 16. Welcomes the participation of Croatia in the existing initiative of the Stability Pact on institution and capacity building and legislative reform in the field of refugee protection, asylum and migration, which should help to achieve the objective of developing asylum and migration systems consistent with international and European standards and asks the European Commission to support this initiative by developing and implementing a tailored programme which meets the specific interests, needs and capacities of Croatia;
- 17. Stresses that additional conditions, on top of those specified in the context of the accession process, must not be laid down in this agreement;
- 18. Encourages the Croatian government to undertake the necessary legislative reforms in the field of minority rights, property, media and the judiciary;
- 19. Considers that application of the Stabilisation and Association Agreement must be reviewed every two years, in order to assess how Croatia's efforts to forge closer relations with the European Union are proceeding;
- 20. Instructs its President to forward this resolution to the Council, the Commission and the government and national parliament of the Republic of Croatia.



## **EXPLANATORY STATEMENT**

### **BACKGROUND**

1. On 13 June 2000 the Council formally acknowledged that Croatia has met the conditions laid down for the opening of negotiations on a Stabilisation and Association Agreement (SAA)<sup>1</sup>. The Council noted that the Commission intended to submit, in July 2000, a proposal for a Recommendation concerning the opening of negotiations.
2. At the same time, the Council urged the Croatian Government to continue with the efforts being made in sensitive areas such as the return of refugees and displaced persons, regional cooperation, press democratisation and structural economic reform.
3. On 19 July 2000 the Commission submitted the aforementioned proposal for a Recommendation (SEC(2000) 1215 final) to the Council.
4. The negotiating directives were adopted by the Council on 20 November 2000, and the negotiations were officially opened at the time of the Zagreb Summit (on 24 November).

### **EUROPEAN UNION ASSISTANCE OVER RECENT YEARS**

5. The tables attached to this document provide an overview of the main economic and social indicators for Croatia, and the financial assistance provided by the European Union between 1991 and 1999. The funds made available were allocated mainly to humanitarian aid and support for democratisation (1991-1995), and reconstruction and the return of refugees and displaced persons (1996-1999).
6. In 1997 the Council established the political framework for bilateral relations with the five countries of the region. Since 1999 those relations have been conducted as part of the stabilisation and association process.
7. Since 1999, and particularly since the political situation in Croatia improved following the elections and the formation of the coalition government, EU assistance has had the following main aims:
  - to provide support for structural and economic reform and help consolidate democracy and the principles of good governance (rule of law);
  - to help Croatia move into line with Community principles and provisions, with a view to fostering its full participation in the stabilisation and association process;
  - to help secure ethnic reconciliation and the return of refugees and displaced persons.

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<sup>1</sup> The changes made by the new government formed following the parliamentary and presidential elections held on 3 January 2000 have shown that it is seriously committed to making democratic and economic reforms. On 24 May the Commission adopted a study recommending that the Council authorise the opening of negotiations with a view to the conclusion of a Stabilisation and Association Agreement (SAA).

8. The financial allocation for Croatia for 2000 stands at EUR 18.5 million and includes cooperation under the Tempus programme.
9. A new multiannual programme is being drawn up for 2001 and 2002 and should be allocated annual appropriations substantially higher than those for 2000 (averaging € 50 million) if the Commission's proposed multiannual financial allocation for the CARDS programme for 2000/2006 is adopted by the European Parliament and the Council.
10. Croatia can already participate in Community programmes such as LIFE and the 5th Framework Programme for Research. Furthermore, the Tempus programme has been opened up to Croatia, with funding being provided as part of the multiannual financial allocation for CARDS. However, the Commission ought to do more to clarify the rules and identify the Community programmes in which Croatia will be able to participate. The Croatian authorities take the view that such programmes should be the same as those opened up for participation by the countries applying for EU membership.
- 11.. In the future, EU assistance to Croatia is to be implemented under the Stabilisation and Association Agreement and its main purpose will be to:
  - support the reforms which the new government intends to undertake, together with implementation of the Agreement;
  - continue with the efforts being made to secure the return of refugees and displaced persons;
  - provide support for economic reform and, in particular, for small and medium-sized undertakings.

## **THE STABILISATION AGREEMENTS AS PART OF THE EU STRATEGY FOR THE WESTERN BALKANS**

12. The EU strategy for the five countries in the region is based mainly on the Stabilisation and Association Process, the main purpose of which is to lead to the establishment of new contractual relations with each country (through the conclusion of Stabilisation and Association Agreements).
13. Those agreements will be similar for each country, but will at the same time take account of the specific situation in each ('tailor-made' approach). It will be noted in this connection that none of the five countries concerned will be restricted in its efforts to move closer to the European Union because of difficulties experienced by any of the others. However, the date on which negotiations are opened with individual countries will depend on their ability to meet the necessary conditions in the following areas: rule of law and democracy; respect for human rights and minority rights; free elections and acceptance of the results of those elections; clear signs of economic reform; good

neighbourly relations; and compliance with the Dayton agreements for the countries concerned<sup>1</sup>.

14. The agreements will be implemented in accordance with the conditionality principle, which will apply to trade (eligibility for autonomous trade preference systems), economic and financial assistance and contractual relations.
15. On 29 April 1997 the Council stipulated that conclusion of the agreements was conditional upon substantial progress being made in the areas covered by the conditions set for the opening of negotiations, and significant results being achieved by the political and economic reforms implemented.
16. As a general rule, the agreements will cover the following: democratisation; civil society and institution building; progressive harmonisation with Community legislation, particularly in key sectors of the internal market; justice and home affairs; trade; economic and financial assistance; political dialogue at both bilateral and regional levels; and regional cooperation.
17. At the European Council meeting held in Feira in June 2000, the 15 Member States clearly stated that the Stabilisation and Association Process was an important step on the way to bringing the countries of the Western Balkans closer to the European Union, with a view to their full integration into Europe (potential candidates for accession to the EU).
18. In addition to the Stabilisation and Association Agreements, the benefits on offer under the European Union's strategy for the region include preferential trade agreements, economic, financial or budgetary assistance or balance of payments assistance, support for democratisation and civil society, humanitarian aid for refugees and displaced persons, cooperation in the field of justice and home affairs, and enhanced political dialogue.
19. The Zagreb European Summit of 24 November 2000, which stressed the importance of the Stabilisation and Association Process, strengthened the links between the European Union and the countries of the region, thus contributing to the region's stability.

## **THE MAIN ISSUES TO BE DISCUSSED DURING THE NEGOTIATIONS**

### ***Trade arrangements***

20. Croatia currently enjoys the benefits of a special regime based on highly liberalised trade arrangements for Croatian products (the recently revised autonomous trade preference system and the new proposals are the main instruments of this policy).
21. Any such adjustment must take account of the satisfactory results yielded by the more favourable arrangements which Croatia currently enjoys. In this connection, thought should be given to whether the special arrangements currently applying to certain

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<sup>1</sup> Conditions laid down by the Council on 29 April 1997.

agricultural products (wine, beef and veal) should be extended to cover industrial products which some Member States deem to be 'sensitive'.

### ***'Standard' agreements as opposed to 'tailor-made' agreements***

22. A decision must be taken on the degree of flexibility that will be admissible when it comes to adjusting the terms of the agreement to the specific circumstances in Croatia. This will have a major impact on issues such as the setting of the 'transitional period'. Some Member States feel that it could be shorter than the 10-year period already negotiated for the FYROM. The fact that Croatia is considered to have a higher level of social and economic development must be taken into account.
23. The solution could be to use more flexible criteria which would avoid having to mention the duration of the transitional period at that point:

*the transitional period would be no longer than 10 years and would be set during the negotiations on the agreement, on the basis of the political, social and economic progress made by the country.*

24. Consideration should also be given to whether the agreement should be the same as that planned for the Former Yugoslav Republic of Macedonia (FYROM), the negotiations on which are now in their final stages.
25. The most balanced arrangement would (as is mentioned in paragraph 13 above) be to have a common basis for both agreements, which would contain more favourable trade provisions than that applying to the applicant countries. That common basis must then be combined with special provisions for each of the two countries, reflecting the specific conditions in each.

### ***Clarification of the evolutionary clause***

26. The approach taken to the evolutionary clause must reflect the line taken at the Feira Summit, where it was acknowledged that the **European Union's objective must be to secure the fullest possible integration** of the countries of the region into the political and economic mainstream of Europe, with a view to accession, through implementation of the Stabilisation and Association Agreements, political dialogue, liberalisation of trade and systematic cooperation in justice and home affairs.

### ***Regional cooperation***

27. While the European Union's approach to regional cooperation should continue to be endorsed, consideration could also be given to supporting further forms of cooperation. It should be pointed out in this connection that Croatia has concluded free-trade agreements with Slovenia, FYROM and, very recently, Bosnia and Herzegovina.

### ***EU financial assistance to Croatia***

28. The negotiations could be taken as an opportunity to clarify Croatia's position on the agreements with the IMF, on taking advantage of EU macro-financial aid, and on implementation by the European Investment Bank (EIB) of the decision recently adopted by the Council to extend its mandate to include Croatia.

***Other issues regarding citizenship***

29. It is also an appropriate time to discuss the following issues:
- the significant progress made by Croatia as part of the international community: ratification of the Council of Europe conventions, in particular the European Convention on Human Rights, the European Convention for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, the Framework Convention for the Protection of National Minorities, the European Charter of Local Self-Government and the European Charter for Regional or Minority Languages;
  - financial transfers and military relations with Bosnia and Herzegovina;
  - replacing the concept of citizenship based on membership of an ethnic group with a concept of citizenship of a State (the 'genuine link');
  - developing the educational system in a multi-ethnic society;
  - reintegrating returnee refugees and displaced persons into society;
  - taking appropriate action to encourage refugees and displaced persons to return (adoption of a programme based on a legal act and laying down detailed criteria concerning eligibility for alternative accommodation; giving owners access to municipal courts in order to request that a decision be taken when the competent bodies fail to keep to deadlines; non-discriminatory application of the recently amended law on reconstruction; strengthening of the principle of openness with regard to application of the armistice law).
30. With regard to military matters, an agreement was concluded last spring between the Minister for Defence and the Federation of Bosnia and Herzegovina governing the Croatian government's financial assistance towards the Croat component of the Federation Army.

***Institutional aspects connected with the conclusion of this agreement***

31. Lastly, the approach Parliament adopted as regards the legal basis for the agreement with FYROM (Article 310 of the Treaty) will need to be maintained in the case of the agreement it is hoped to conclude soon with Croatia. It will also be necessary to recommend that use of Articles 24 and 38 of the TEU as a legal basis be excluded in conjunction with any other provision laid down by the Treaty establishing the European Community.
32. Lastly, it will be necessary to ensure that application of the soon to be concluded Stabilisation and Association Agreement is reviewed every two years so as to prevent the application of any additional conditions on top of those specified in the context of the accession process and to assess how Croatia's efforts to forge closer relations with the European Union are proceeding.

**EU assistance to Croatia  
1991-1999**

European Community	Member States	EIB	EU TOTAL	EBRD
348.79	1 165.90	0.00	1 514.69	511.00

<b>1991-1999 assistance to Croatia under EU Budget Allocations (€ millions)</b>										
	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
<b>Obnova<sup>1</sup> (reconstruction)</b>						7.02	8.59	15.00	15.00	45.61
<b>ECHO<sup>2</sup> (humanitarian aid)</b>		204.77			38.43	21.15	14.50	6.95	8.00	293.80
<b>Media</b>				0.09	0.31	0.72	1.67	0.59	0	3.38
<b>Democracy &amp; Human Rights</b>						0.72	2.2	0.6	n.a.	3.5
<b>Mine clearance</b>								1.00	0.50	1.50
<b>Customs</b>									1.00	1.00
<b>TOTAL</b>		204.86			38.74	29.59	26.96	24.14	24.50	348.79

Source: European Commission (DG for External Relations) – Milestones (24.03.2000)

<sup>1</sup> OBNOVA : The Obnova programme was an EU initiative for rehabilitation and reconstruction in the countries of the former Yugoslavia. Its aim was to further underpin the peace process, to encourage the return of refugees and displaced persons and reconciliation and regional economic cooperation, and to create the economic and social conditions that will lay the foundations for development. This programme will be replaced by the CARDS programme.

<sup>2</sup> ECHO (European Community Humanitarian Office), the humanitarian arm of the European Commission, funds and coordinates the EU's humanitarian actions in third countries. It works in partnership with NGOs, United Nations agencies and international organisations specialised in humanitarian assistance.

## CROATIA: FACTS AND FIGURES

AREA AND POPULATION	
<b>Total Area:</b>	56 538 sq km
<b>Population: (1991...census)</b>	4 784 265
<b>Population Density:</b>	84.6 %
<b>Ethnic composition (1991...census):</b>	78.10% Croats 12.16% Serbs 2.22% Yugoslavs 0.91% Muslims 0.47% Hungarians 0.47% Slovenes 0.45% Italians 5.22% Others

(Information based on the last census of 1991)

RELIGION	
<b>Roman Catholic:</b>	76.5%
<b>Orthodox:</b>	11.1%
<b>Islam:</b>	1.2%
<b>Protestant:</b>	1.4%
<b>Atheist:</b>	3.9%
<b>Others/unknown:</b>	6.9%

Source: Croatian Ministry of Foreign Affairs

**Croatia : Key Indicators  
1993-1999**

	1993	1994	1995	1996	1997	1998	1999
Population, mid-year (millions)	4.641	4.649	4.669	4.494	4.570	4.500	4.480
Nominal GDP per capita (US\$)	2349.5	3136.9	4028.9	4421.8	4440.6	4834.0	4503.8
Real GDP (US\$ bn)	10.9	14.6	18.8	19.9	20.3	21.8	20.2
Real GDP (1990=100)	64.1	67.9	72.5	76.8	82.0	84.0	83.8
Real GDP (% previous year)	-8.0	5.9	6.8	5.9	6.8	2.5	-0.3
Real industrial production (1990=100)	57.5	56.1	56.2	57.9	61.9	64.0	63.1
Real agricultural production (1990=100)	84.2	81.7	82.2	83.6	86.4	95.0	98.6
Economically active population (millions)	1.884	1.835	1.788	1.696	1.675	1.683	1.650
Official employment (millions)	1.641	1.588	1.539	1.418	1.382	1.370	1.328
Official unemployment (millions)	0.243	0.248	0.249	0.278	0.293	0.313	0.322
Official unemployment rate	12.9	13.5	13.9	16.4	17.5	18.6	19.5
Government budget balance (% of GDP)	-0.8	1.6	-0.9	-0.4	-1.3	0.6	-2.0
Merchandise trade balance (US\$ m)	-742	-1172	-3268	-3690	-5225	-4169	-3302
Services income balance (US\$ m)	1019	1469	1012	1510	2009	1911	1265
Foreign exchange reserves (US\$ m)	615.1	1400.5	1755.4	2188.4	2391.9	2584.4	2835.3
Exchange rate, end-year (kunas/US\$)	6.582	5.629	5.316	5.540	6.303	6.248	7.648
External debt (US\$ bn)	2.9	3.3	3.9	5.3	7.5	9.6	9.9

**Croatia : Forecast of Key Economic Indicators  
2000-2005**

	2000	2001	2002	2003	2004	2005
Population, end-year (millions)	4.5	4.6	4.6	4.7	4.7	4.7
Nominal GDP per capita (US\$)	3979.0	4367.3	4978.5	5631.8	6276.4	6979.3
Nominal GDP (kunas bn)	158.2	170.3	184.1	201.0	219.5	239.6
Nominal GDP (US\$ bn)	18.0	20.0	23.1	26.3	29.4	32.8
Real GDP (1990=100)	86.7	90.2	94.7	100.4	06.4	112.8
Real GDP (% change from previous year)	3.5	4.0	5.0	6.0	6.0	6.0
Real industrial production (1990=100)	65.2	67.5	70.2	73.7	78.1	83.6
Official unemployment rate	21.0	21.0	20.0	18.0	15.0	12.0
Merchandise trade balance (US\$ m)	-3029	-3024	-3129	-3364	-3616	-4036
Services & income balance (US\$ m)	1500	1600	1700	1800	1900	2000
Transfers balance (US\$ m)	600	650	700	750	800	850
Exchange rate, end-year (kunas/US\$)	8.800	8.228	7.718	7.564	7.359	7.249
External debt (US\$ m)	9.7	9.5	9.3	9.1	8.9	8.7

Source: Emerging Europe Services (from European Commission – DG for External Relations)