

**SPRING 2015 REFORM BAROMETER – CROATIA**

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	Sound public finances	Extremely important	Unsatisfactory	budgetary planning/forecasts without visible improvements, thorough expenditure review not related to the budget 2015, expenditure control has been only partially reinforced , no action to optimise revenue
CSR 2	Sustainable pensions and healthcare	Important	Unsatisfactory	Without proactive actions to harmonise the statutory retirement age, partial mostly administrative measures to make healthcare sector more cost-effective
CSR 3	High employment	Important	Unsatisfactory	No signs to complete the labour law reform , no comprehensive plans to address undeclared work, wage setting review is mostly formal , some progress to combat high youth unemployment

CSR 4	Business-friendly environment	Extremely important	No progress	No visible effort to reduce fragmentation by streamlining and clarifying administrative processes, without the set of quantitative target for lower administrative requirements
CSR 5	Smarter state involvement in the economy	Important	Unsatisfactory	No plans to ensure transparent and accountable SOE management, the reinforced anti-corruption measures is in early stage ,the promote of transparent and efficient public procurement is declarative
CSR 6	Efficient insolvency regime and deleveraging	Extremely important	Mixed	The new law reinforced the role of commercial courts in corporate pre-bankruptcy procedures but still there are concrete results , the viability of restructured firms is not ensured , the backlog of cases at commercial court is still big
CSR 7	Bank asset quality	Important	Mixed	Tailor-made and comprehensive portfolio screening, as a complement to the ECB's AQR and stress test exercises has been undertaken , NPL continues to grow, profitability trends are poor, some banks are already loss-making