

Croatia

1. National Recovery and Resilience Plans

Question 1	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Satisfied
Question 2	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Satisfied
Question 3	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

2. Assessment of Country Specific recommendations 2022 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	In 2023, ensure that the growth of nationally-financed current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions.	Important	Mixed	---
CSR 2	Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 20 July 2021. Submit the 2021-2027 cohesion policy programming documents with a view to finalising these negotiations with the Commission and starting their implementation.	Important	Satisfactory	---
CSR 3	Diversify fossil fuel imports and reduce overall reliance on fossil fuels. Accelerate the deployment of renewables, focusing in particular on wind, solar and geothermal sources, including through small-scale renewable energy production and developing energy communities, mainly by streamlining procedures for administrative authorisation and permits. Further upgrade electricity transmission and distribution grids and invest in electricity storage. Step-up action to reduce energy demand by improving energy efficiency, mainly in residential buildings, and to reduce dependence on fossil fuels in the heating and transport sectors.	Important	Mixed	---

3. Reform Progress in your Member State in 2022

How would you assess reform progress in 2022, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	No progress
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2023 Reform Barometer?

4. Reform priorities for 2023

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Tax Reforms	Reduce overall labour tax burden (including pension and healthcare contributions) and para-fiscal fees, funded by raising taxes on income from assets and rental activity	no
Priority 2	Labour market mismatch and labour mobility	Reduce absenteeism through financial disincentive of unjustified use of sick leave; Flexibilize Aliens Act further through easier visa procedures for non-EU students and family reunification and transfer of workers from non-EU countries between affiliated companies	no
Priority 3	Active labour market policies	Enhance re/upskilling strategies via co-financing education programs to acquire green and digital knowledge and skills	yes
Priority 4	Public sector efficiency	Reduce the number of local government units by merging financially unsustainable units; Reduce medium-term cost in healthcare through overly generous entitlement reforms	no
Priority 5	Sector specific regulation (telecom, energy)	Continue with targeted electricity energy cost subsidies until final electricity market design	yes