**Economy Of Croatia**

**Overview:**

Croatia, the country quite famous for its tourism industry faced a setback in the final quarter of 2018 in terms of Development and growth. They also witnessed a weak external sector or export sector and the economic activity barely grew since then. But the private sector of the country grew fast and got strengthen which reduced inflation and helped to improve the consumer confidence. Also, the fixed investment saw high growth in a period of two years. But while moving forward the unemployment rate increased and decreased the consumer confidence and gave a hit to the dynamic economic growth.

**Croatia’s Economic Background:**

Croatia was also under the rule of other countries and got its freedom in the year 1991. This freedom drew a line between Yugoslavia and also between the ethnic and religious aspects. With this Croatia move on to join hands with NATO in the year 2009 and also the European Union in 2013. Croatia witnessed a coalition government formed between the Croatian People’s Party and other small parties. The political and the economic strength grew faster after this coalition which got its a major contribution from the shipbuilding and tourism sector. Croatia also faced a setback due to its weak export sector and emigration sector. With this, the pace of privatization remains a major challenge for them.

**Croatia’s Rule Of Law:**

It has been reported by the experts that the private property laws and rights of Croatia are quite strong and well established. But they still have conflicts and legal ambiguity once in a while. The Croatian government has tried hard to simplify the property laws and registration process by giving rise to judicial activities and reducing the real-estate taxes. The Judiciary sector is independent to date. It was also found that Croatia has been working in the direction of anti-corruption and has made good progress.

**Open Market Of Croatia:**

With the combination of exports and imports, Croatia gained 100.7% of GDP growth. The average tariff rate remains around 2.0. Croatia has been constantly aiming to implement a number of European directed barriers that would comprise fo regulations based on technical and would be product specific. Croatia does not have opened screening mechanism or filtering in the foreign investment sector which has open ground for different countries to get hold of it. This in-turn made foreign-sectors owners of 92% in the banking sector.

**Croatia’s Efficient Regulation System**

Croatia is facing a hard time handling and managing the reforms. The reforms do exist but the process of business establishment and overall environment activities do not have any sort of monitoring. With the introduction of new labor law, an attempt was made to generate a labor market that is flexible and also dynamic to give a better place for workers.

Everything has been working but at a very slow pace and due to this slow pace Croatia has not been able to make a mark in the Global Economic Market.

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