



NATO

Potential initiator of the Croatian economy

Ministry of the Economy
Ivan Vrdoljak, Minister

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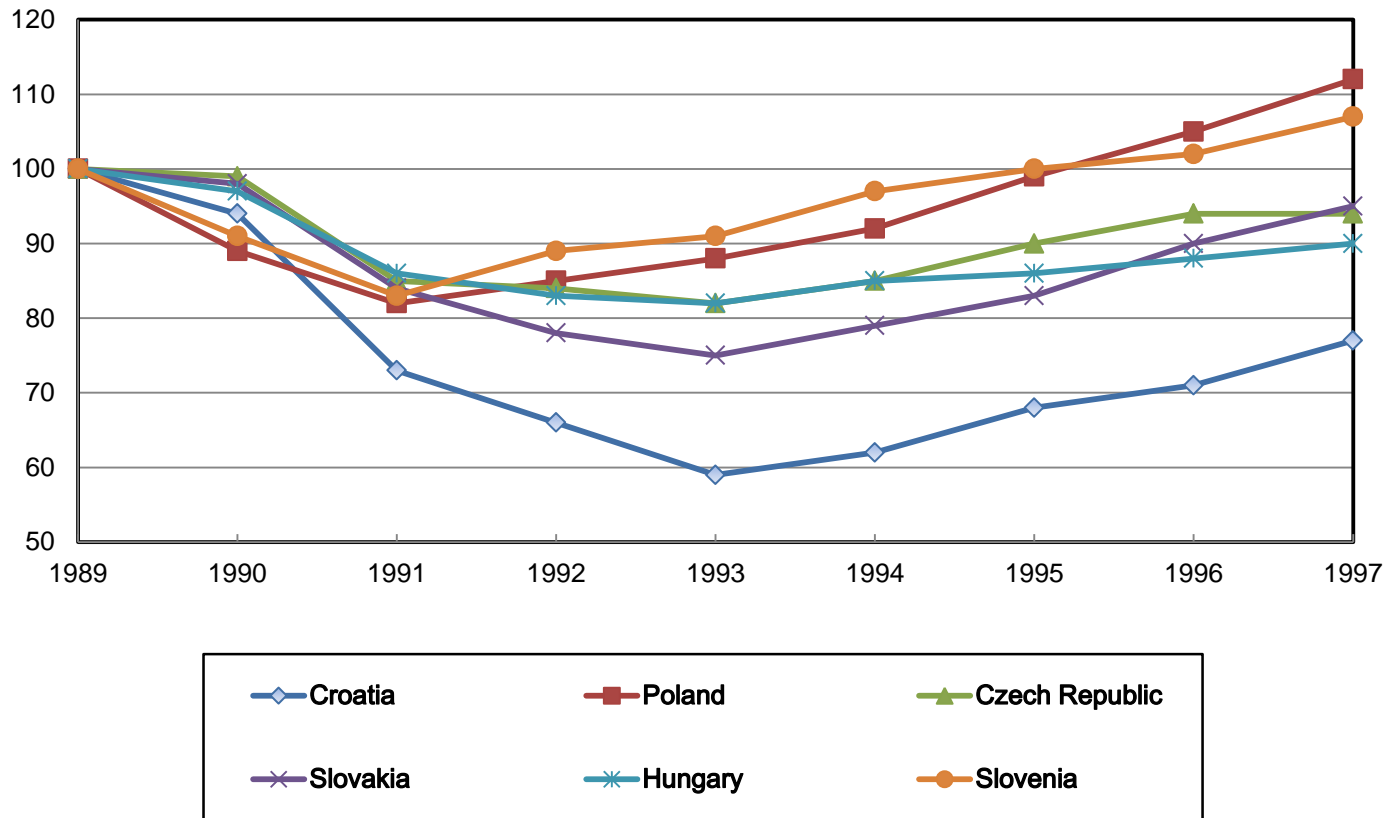
The Republic of Croatia before entering NATO



Economic growth from 1990 to 1997

- a period of deep transitional recession
- decline in GDP (of 7.1% in comparison to 1989)
- additional decline in GDP till 1995 (transitional recession and war aggression)
- cumulative decline of income amounted to 40% (1989 – 1993)

Real GDP index



Source: Havrylyshyn, Izvorski and van Rooden (1998)



Significance of Croatia's admission to NATO



NATO - a potential initiator of the economy

- peace, security and stability
- economic, social and legal reforms
- development of competitive economy
- growth of GDP
- reduced unemployment
- improved standard of living
- participation in scientific, technological and information fields
- economic cooperation with the most developed countries
- participation in NATO tenders
- industry advancement (especially of military industry)



Military industry in the Republic of Croatia



Characteristics:

- high value-added industries
- ensures job creation (EU directly employs 400 000 people with additional option of new 960 000 jobs through other closely related industrial branches)
- stimulates innovation and production
- has a great potential of growth and development

Defence industry cluster:

- enters to 12 Croatian priority clusters
- ensures space for development and investment in new technologies
- ensures space for research and innovation
- gives an option for more competitive economy

Trade in military goods

Significance of export and import control of military goods with regard to:

- national safety of the Republic of Croatia
- foreign affairs
- economic affairs
- compliance of the Republic of Croatia with the international obligations
- competition stimulation of Croatian companies on the global market
- harmonisation of the national legislation with the *acquis communautaire*



Croatian Legal Framework

Effects



Positive effects for the economic sector

- reducing administrative barriers
- preventing firearms abuse
- fight against terrorism
- global and regional safety
- export promotion
- increase of transparency
- international cooperation
- positive trend of growth of military goods exports in 2012
(in 2012, military goods exports amount to € 72,343,100.5
being 45.40% more than in 2011)



Croatian Businessmen and NATO



Positive effects for businessmen

- participating in scientific, technological and information field
- economic cooperation with most developed countries
- participating in NATO tenders
- participating in tenders of the NATO agencies
- providing logistics support
- possibility of distributing goods and services



Role of the Croatian Government



Connecting businessmen and NATO through

- informing companies about business opportunities and participation in tenders
- information about application for NATO tender (responsibility of the State for the obtaining of DoE –Declaration of Eligibility and Security Clearance
- support of experts from relevant government bodies (ME, MFAEI, MDI)
- regulation of areas in accordance with NATO standards
- education of businessmen



Role of the Croatian Government



Effects of the support of the Croatian Government to the companies participating in NATO tenders

- 83 companies requested a certificate of appropriateness
- 46 companies submitted applications to the particular tender
- 43 issued certificates of appropriateness



CONCLUSION



- safety challenges of the today's society impose development and investment in military industry
- growing military industry in RoC enables economic growth and affects the stability of the entire region
- necessary mutual cooperation of the NATO members in order to meet joint military, political and economic goals



Thank you for your attention

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