

TRADEWINDS



CROATIA

Economic Overview

Croatia's GDP in the first quarter of 2011 fell by 1% in real terms in relation to the corresponding period of 2010, compared with previous data that showed a decline of 0.8%. Exports went up by 7.9% to euro 9.8 billion, while imports rose by 7.2% to reach euro 16.1 billion. By comparison, in 2010 exports grew by 18%, while imports dropped by 0.2% from 2009. The services account, which was mainly affected by an increase in tourism revenues, registered a surplus of euro 6.4 billion, an increase of slightly over 7% compared with 2010. Tourism revenues increased by nearly 6% to euro 6.6 billion, while tourism expenditures declined by 0.1% to euro 628.4 million.

Foreign direct investment

Foreign direct investment in 2011 totalled euro 1.05 billion, according to preliminary figures released by the Croatian National Bank (HNB). This was a substantial rise in comparison to euro 295.3 million of investments in 2010. Broken down by activity, most investments in 2011 were made into banks, including financial intermediation, amounting to euro 267.3 million. Real estate business followed with investments amounting to euro 264.4 million, while the production of chemicals

Total trade (January – December 2011) (billion euro)

Total trade during period Jan-Mar 2011	Total trade during Jan-Mar 2011	Rate of growth compared to same period in 2011	Total imports during 2011	Total exports during 2011
6.00	6.01	0.93%	14.63	8.82

(Source : Central Croatian Bureau of Statistics)

and chemical products saw FDIs in the amount of euro 236.8 million. Dutch companies topped the list of investors with euro 256.9 million, followed by companies from Germany with euro 220.2 million, Austrian (euro 217.8 million), Luxembourg (euro 142.2 million) and Hungary (euro 103.6 million).

Foreign trade

Croatia's exports in the first quarter of 2012, as measured in domestic currency, increase by 1.1% compared with the corresponding period last year, while imports went up by 4.1%, according to preliminary figures released by the Croatian Bureau of Statistics on April 30. In the first three months of the year, Croatia exported commodities worth kuna 16.4 billion (euro 2.18 billion) and imported items worth kuna 29.4 billion (euro 3.92 billion). The trade deficit was nearly kuna 13 billion (euro 1.73 billion), up by 8.3% year on year. Expressed in euros, exports dropped 0.9% to euro 2.2 billion, while imports rose by 2% to euro 3.9 billion. The trade gap was euro 1.7 billion, an increase of 6% over the first quarter of 2011.



ITALY

Economic Overview

According to the preliminary estimates of ISTAT, in Q1/2012 the country's GDP decreased by 0.8% with respect to QIV/2011 and decreased by 1.3% in comparison with Q1/2011.

Foreign trade

In March 2012, compared with the same month of the previous year, Italian exports increased by 4.9% (-0.5% for EU area and +12.4% for non EU countries) and Italian imports increased by -10.9% (-11.4% for EU and -10.3% for non EU countries).

Main exports

The main items exported by Italy in March 2012 are machinery, refined petroleum products, chemical products and fertilizers, plastic material and synthetic rubber, readymade garments (except fur), medicines and pharmaceuticals formulations; automobiles; parts and accessories for automobiles and engines and precious metals and non-ferrous metals.

Items imports

The main items imported by Italy in March 2012 are crude oil, chemical products and fertilizers, plastic material and synthetic rubber, automobiles, natural gas, precious metals and non-ferrous metals, steel products, medicines and pharmaceuticals formulations, readymade garments (except fur), electronic components, and refined petroleum products. ■

Croatia-India bilateral trade (million \$)

Year	2008 (Jan-Dec)	2009 (Jan-Dec)	2010 (Jan-Dec)	2011	2012 Jan-Mar
Croatia's Exports (% change y-o-y)	\$10.04 (32.2%)	\$32.43 (222.8%)	€24.45	€22.00	€ 6.14 9.45%
Croatia's Imports (% change y-o-y)	\$136.99 (26.4%)	\$124.5 (-9.1%)	€95.01	€120.36	€32.83 13%
Total Trade (% change y-o-y)	\$147.03 (26.8%)	\$ 156.98 (6.8%)	€119.46	€142.36	€38.97 12.4%

(euro 1 = kuna 7.49)

(Source: Croatian Central Bureau of Statistics)