## Croatia

**Croatian Chemical Industry Association / Udruženje kemijske industrije (UKI)**

<table>
<thead>
<tr>
<th>Number of companies</th>
<th>Turnover</th>
<th>National contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>333</td>
<td>€779 million</td>
<td>Renata Florjanić</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Executive Secretary</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:rflorjanic@hgk.hr">rflorjanic@hgk.hr</a></td>
</tr>
</tbody>
</table>

### CHEMICAL INDUSTRY SNAPSHOT

**A tradition of chemistry**

Croatia was the birthplace of two Nobel laureates in chemistry, Lavoslav Ružička and Vladimir Prelog. The industry has a long tradition here and an experienced and well-educated work force.

**Wide ranging expertise**

Chemicals and pharmaceuticals, together with plastics and rubber processing are integral to the Croatian economy. Production spans pharmaceuticals, cosmetics, soaps, detergents, polymers, plastics and rubber products, fertilizers, agrochemicals, paints, varnishes and similar coatings, printing ink and fillers, industrial gases, glues and explosives.

Though the industry depends upon imported raw materials, it is well accepted by citizens, and there is good collaboration around investment new technologies and production to strengthen competitiveness.

**An important industrial sector**
The chemical industry is concentrated around larger towns, especially Zagreb, and generated revenues of €779 million in Croatia in 2016, 3.9% of the manufacturing industry total. Its 333 companies employed 5,717 people. Pharmaceuticals employs another 4,602 across 51 companies that generated revenues of €907 million, 4.5% of the manufacturing industry total. Plastics and rubber had €707 million of revenues, in 2016, spread across 698 registered companies employing 7,762 workers.

**Modernising fast**

Most companies, especially SMEs, serve the domestic market. They are busy restructuring and modernising production processes to meet European standards, reduce operating costs and achieve international quality certification.

**A leading exporter**

Many companies, especially larger ones, are export-oriented. In 2016 chemicals were 5.2% (€643 million) of total Croatian exports, pharmaceuticals 7.3% (€898 million) and plastics and rubber 3% (€364 million).

**HOW ARE WE DOING?**

**Strengths**

- Long history and tradition
- Highly skilled work-force
- Advanced technology
- High-quality and price-competitive products
- Excellent geostrategic location within Europe with access to Central Europe, the Mediterranean and three Pan-European corridors.
- Seaports and most modern transport infrastructure in the region,
- Rising domestic demand

**Weaknesses**

- Dependence on imported raw materials
- Uncertainty over fuel supplies
- High energy and logistic costs
- Lack of investment in new and innovative products
- Insufficient investment in marketing
- Inadequate links between companies and research institutions to develop new products and improve technology
- High cost of taxes, levies and utility charges
- Pressure to increase tax take from heavy public sector deficit
- Heavy administrative and regulatory burden

**OUR CONTRIBUTION TO A COMPETITIVE EUROPE**

**Using national initiative**
Two national initiatives, the Croatian Industrial Strategy 2014 - 2020 and the Croatian Smart Specialisation Strategy, should help our industry increase competitiveness and innovation, thereby retaining or creating jobs.

**Collaborating to innovate**

Universities and research institutes are working with industry organisations, under the umbrella of the Croatian Chamber of Economy, to strengthen co-operation between science and our industry sectors to increase competitiveness.

**Opportunities for Growth**

There are many opportunities for growth of the chemical industry in Croatia. Consumption of most chemical products per capita in Croatia has not yet reached EU levels. The production structure of the chemical industry should be changed to boost the competitiveness of the Croatian chemical industry, and to move toward the production of high value added products. Our assets are a highly skilled labour force supported by good scientists and an excellent geostrategic location.

Landscape of the European Chemical Industry Website:  
http://www.chemlandscape.cefic.org/country/croatia/