Croatia

Croatian Chemical Industry Association in Croatian Chamber of Economy/ Udruženje kemijske industrije Hrvatske gospodarske komore (UKI)

<table>
<thead>
<tr>
<th>Number of companies</th>
<th>Turnover</th>
<th>National contact</th>
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<tbody>
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<td>353</td>
<td>€809 million</td>
<td>Renata Florjanić</td>
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<td>Executive Secretary</td>
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<td><a href="mailto:rflorjanic@hgk.hr">rflorjanic@hgk.hr</a></td>
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Direct employees

5,987

CHEMICAL INDUSTRY SNAPSHOT

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.

Chemicals and pharmaceuticals, together with plastics and rubber processing are an integral part of 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.

The chemical industry is concentrated around larger towns, especially Zagreb, and generated revenues of €809 million in 2018, 3.6% of the manufacturing industry total. Its 353 companies employed 5,987 people. Pharmaceuticals employ another 5,039 people across 54 companies that generated revenues of €842 million, 3.8% of the manufacturing industry total. Plastics and rubber had €801 million of revenues in 2018, spread across 742 registered companies employing 8,241 workers.

Most companies are SMEs (351) and they mostly serve the domestic market. They are busy restructuring and
modernising production processes to meet European standards, reduce operating costs and achieve international quality certification.

Many companies, especially larger ones, are also export-oriented mostly to countries in the same region. In 2018 chemicals export was €796 million, pharmaceuticals export was €932 million and plastics and rubber export was €444 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
- High 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/