Magazine of the American Chamber of Commerce in Croatia

No. 4/2011

www.amcham.hr

• Evening for Safe Steps
• Pre-election Debate on Economic Issues
• Corporate Governance
Patron membership category will bring you many great advantages and additional promotion for your company. The Patron category, in addition to all AmCham benefits, entitles you also to:

- 5 free of charge participations, within a year, at regular AmCham events for company representatives (except charity gala dinners)
- Logo displayed at all events
- Logo displayed in all AmCham publications
- Logo displayed at AmCham website with a link to your website
- 35% discount on all advertising
- One free E-bulletin ad
- Special event

If you would like to join or upgrade your membership to Patron category, or need any additional info, please contact AmCham office.
Dear Members and Friends,

The last quarter of 2011 brought several interesting networking opportunities for AmCham. Our golfers played for great awards, we hosted a lunch with President Josipović with the support of HBOR, hosted a last major debate prior to the elections, and celebrated the 10th anniversary of the demining project in AmCham Croatia. Take a look at the detailed reports and great pictures from those and other AmCham events.

At the end of November, you elected new members to AmCham’s Board of Governors. Make use of the opportunity to get to know them better and give them your feedback and proposals for our work.

In the first quarter of 2012, we shall continue work on the competitiveness report. This report is a joint project of several regional AmChams and their members, with the goal of identifying the strong and weak areas of a country’s competitiveness and providing a platform for policy work. I believe that it will give us an objective basis for our policy recommendations. I would like to invite you to join us at our 3rd Intelektiv, a conference on intellectual property protection. This year it is dedicated to the EU accession and the preparations needed for successful steps in the European Union. I believe it will be interesting for the Croatian business community and public institutions with whom we cooperate closely, as well as for our guests from neighboring countries.

I wish you and your families a Merry Christmas and a Happy New Year.

Andrea Doko Jelušić, Executive Director
AmChAm’s Latest Position Paper Presented to the Office of Deputy Prime Minister and Tax Administration

An AmCham delegation, consisting of Don Markušić (AmCham President), Andrea Doko Jelušić (Executive director) and the Vice-Chair of the Trade & Investment committee, Cherie Ford of PwC, visited the office of the Deputy Prime Minister and Tax Administration to present AmCham’s latest position paper: “Opportunities to Ease the Tax Burden without Lowering Taxes”.

While there are many areas of taxation that should be addressed in the context of stimulating investment, the paper focuses on recommendations for changes in two areas that will in turn have a high positive impact, without the need for a potentially contentious legislative process - recommendation for introducing “binding tax rulings” and changes in the “VAT tax refunds”.

On November 8, the paper was also presented to the press, at a brunch in the Sheraton Zagreb Hotel.
The Common Market Must Function
Within Chapter 16 of the Stabilization Agreement on taxation, we have adapted and harmonized the national tax legislation with the EU’s Acquis. The primary legislature contains provisions stipulating how the country must behave, its competences and how it can influence and adapt its laws. The secondary sources, such as directives and decisions which have legal application, are mandatory and always contain a basic goal. On the EU level, the European Commission has already drafted a Directive on Common Consolidated Corporate Tax Base, which will implicate the Tax Administration, the Ministry of Finance and tax payers. It should be always taken into account that the common market must function, with no preferential treatment, particularly by the state or the local community.

The Goal is a Simple, Stable and Safe Legislation
Each tax system is good when it is simple, applicable and safe. In 2010, the Income Tax Act underwent substantial amendments. Tax rates were lowered, the tax burden decreased and salaries increased. The initial rate was lowered from 15 to 12 per cent in the income tax system, while the maximum tax rate decreased from 45 to 40 per cent. We adopted a code of conduct for taxation of companies, which means that we will not introduce new tax measures that cause a damaging tax competition and we will gradually remove all measures that cause disloyal tax competition. The 2003 European Union Savings Directive (EUSD) has been included in the Croatian General Tax Act and it stipulates the exchange of information on the interest that tax payers receive in individual EU countries, including some other non-member countries. The Directive is required because there are EU member states where the interest on savings is a taxable share of income, while tax payers try to evade tax payment by keeping their savings in banks in non-domicile countries. In practice, the Tax Administration should at the end of each year convey the data on the interest for natural persons to the EU countries. In this way, each country would have information on their residents who keep their savings in other countries.

Major Interventions in the Profit Tax Act
Harmonization of income tax began in 2006, and the legislation was aligned in 2008 through the Profit Tax Act and its amendments. The final version of the Profit Tax Regulation was forwarded to the European Commission. The first Directive on the common system of taxation applicable to mergers, divisions, transfers of assets and exchanges of shares concerning companies of different member states, but also of the European Community and European Association, provides tax payers with deferred tax types while retaining the business unit within the EU member state. In the Council Directive 2003/49/EC on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States, Croatia’s withholding tax is 15%. Even though the essential interest rate on royalties is included in the Double Taxation Treaty, associated companies and companies that have capital share amounting to 25% and who have retained it for a period of 24 months, are exempt from tax. Our international agreements on avoiding double taxation are being implemented regardless of Croatia’s accession to the EU, however they must also be aligned and modified in accordance with the frameworks set.

Harmonization in the Area of State Subsidies
State subsidies are overseen by the Agency for Market Competition, the Ministry of the Economy and the Ministry of Science. State subsidies may be in the form of direct tax incentives which are unique for the EU, and respecting the directives and legislation, whereby care and initiative are shown for research and development. By subsidies and investment, companies may use the tax incentives, which are particularly enticing for employment conditions, when the tax rate may equal 0 per cent for a 10 year term. In Croatia, small value subsidies have been introduced to areas of special state concern. They are time-limited and use the de minimis rule, whereby subsidies of 200 thousand euro in three fiscal years are not regarded as subsidies that would hinder the competitors and market competition.

Always on the Side of the Tax Payers
A great change occurred when a separate department for major tax payers was created within the Tax Administration. It takes much more effort and training to deal with a tax payer such as a bank or international company or daughter company, because here we are dealing with international contracts, transfer of prices, etc. In 2010, we conducted a tax audit and we are trying to solve the problems of mixing the private and business spheres of companies. I am always on the side of tax payers because we are here for them and they must always receive accurate information.

THANKSGIVING DONATION
AmCham celebrated Thanksgiving by donating 5,000 HRK to a children’s home in Ladin that houses around 30 children attending elementary school. We also organized a fun day trip for the children, thanks to our sponsors: Best Croatian Travel – Libertas Regis (transportation); McDonald’s; Movieplex (screening of Koko i duhovi). On Thanksgiving Day Whirlpool Croatia joined our project and donated two washers (for laundry and dishes) that will help the children to have an easier everyday life.
Mr. Don Markušić opened the General Assembly, thanked Coca Cola for providing the venue, all present members for attending in such large numbers and the Executive Office for their hard work. He also congratulated AmCham member Whirlpool on their 100th anniversary. Mr. Markušić emphasized AmCham’s partnership with the US Embassy as crucial to AmCham’s success and achievements. Mr. Markušić recognized the important role of US Ambassador James B. Foley, whose principal goal of his tenure as Ambassador is to improve the business climate and create economic opportunities for Croatia and the US. Mr. Markušić also thanked Mr. Johnston, Economics Officer, for his support and advice to the President of AmCham and the Board of Governors.

Mr. Markušić emphasized that AmCham has focused more on advocacy work in 2011, through its committees and task forces and thanked all committee chairs and members for their hard work and efforts. He especially thanked Mark Gero, who resigned during the year from the Environment Committee, for his contribution to AmCham over the last decade and pointed out some highlights of the Committees’ work: the Environment committee is working on a position paper regarding environmental fees, the IPR committee helped organize another Intelektiv conference, the Trade & Investment committee cooperated with other chambers on various projects and contributed to the AmCham Competition conference and the EU task force had power breakfasts with Mr. Dolenec from the Central Office for Development Strategy and Coordination of EU Funds and Ms. Cipek from the Tax Authority. AmCham has also increased the number of its events, always with the goal of being timely and useful to members. Mr. Markušić emphasized the following: lunch with Mr. Bošnjaković, Minister of Justice; lunch with Mr. Milošević, Deputy Prime Minister for investment; lunch with Mr. Stern and power breakfast with Mr. Bajs, Minister of Tourism. AmCham is also continuing its dedication to Corporate Social Responsibility through our hallmark event for raising funds for demining - Evening for Safe Steps, raising funds at our 4th July Picnic for the association that helps children with malignant diseases and again making a Thanksgiving Day donation, this year to a children’s home, as well as enabling the children to celebrate this important American holiday in its family spirit and tradition.

At the end, Mr. Markušić thanked all Board members for their work and cooperation and said that he will continue his work in AmCham through the committees and task forces.

Ms. Doko Jelušić, Executive director, presented the financial report for 2011. In spite of the economic challenges in Croatia, AmCham delivered and exceeded its expected financial plan. The strong focus on cost control, revenue management and financial management enabled more investment in the activities and visibility of AmCham’s advocacy and public policy work to the benefit of members. Also AmCham provided a series of free events for members. Ms. Jelušić also gave a short overview of the results of AmCham’s membership satisfaction, which was part of our business climate survey. While members are mostly satisfied with all our activities, they mainly expressed interest in having more advocacy activities aimed at the Croatian government, as well as more business networking events.

Mr. Markušić presented proposals for amendments to the Constitution regarding the abolition of the individual membership category and the US Embassy advisor to the Board, and the Assembly accepted both by a majority vote. At the end of the meeting, elections were held for six Board of Governors positions and we are pleased to announce the winners:

- President - Ivan Vidaković
- First Vice President - Vedrana Likan
- Secretary Treasurer - Boška Trbojević
- Untitled Governor: Mislav Blažić, Cherie Ford and Danko Schönwald.

Full minutes of the Annual Assembly are available at www.amcham.hr at Members only pages.

THANK YOU to Coca-Cola HBC Hrvatska for providing the venue and catering for the Assembly!
**IZ! 2012 Innovative Healthcare Initiative**

What is IZ!
A unique, non-profit gathering of all participants in the healthcare system/interested parties involved in healthcare with the aim to better understand and find a solution to upcoming transitions grasping today’s healthcare system. The regional aspect of the gathering and concept with many different workshops and panel discussions make IZ! the central place to exchange awareness and expertise in the field of healthcare, while the active engagement of all participants gives a positive enlightenment to the entire conference. The open concept of the gathering also grants the possibility that everyone, through their own initiative, enriches the program of IZ!.

**IZ! Where and When?**
The conference will be held in Rovinj, Croatia from May 4 – 6, 2012, in the premises of the old Factory in the heart of Rovinj.

**Professional Aspect**
Held under the patronage of the President of the Republic of Croatia, this conference will gather leading professionals from state institutions, the private sector, associations and other interested parties involved in healthcare, not only from Croatia but also those from the region and the EU. It is our goal to address current issues, prepare ourselves for the expected upcoming transitions in healthcare and to offer the best solution for these issues. All this would be done by joint dialogue of key individuals, who, through their own expertise and influence, could explain and better facilitate to us the background of these topics. The regional aspect of the gathering also enables a more expeditious exchange of experience and knowledge which would ease the integration of Croatia into the European Union, as well as provide a path which potential EU Candidates could follow. Likewise, patients will also be invited to the conference in order to give us their own first-hand experience.

**Humanitarian Aspect of the Conference**
The conference has a humanitarian aspect as every penny collected will be used for the development of the Center for palliative medicine that is for the care of incurable/terminally ill patients. Currently the nursing of such patients is left to family members, and it is our goal to point out this problem and to help recognize the importance of palliative medicine which such patients and their families deserve.

**WOMEN DRIVING ECONOMIC GROWTH IN SOUTHEASTERN EUROPE**

The Zagreb School of Economics and Management, together with the U.S. Department of State and the U.S. Embassy in Zagreb launched Invest for the Future, a regional initiative for the advancement of female entrepreneurship. The Invest for the Future conference on “Women Driving Economic Growth in Southeastern Europe” was held at the Westin Hotel in Zagreb from October 24 to October 26, 2011. Invest for the Future is establishing a support network for women entrepreneurs and business leaders in Southeastern Europe for the first time. The conference included panels and workshops on networking, use of technology for business development, and the role of business associations and financial services, among other topics. Over 170 leading entrepreneurs from eight countries in the region participated, along with representatives from the United States, Turkey, and Greece. The conference was opened by the U.S. Ambassador-at-large for Global Women’s Issues, Melanne Verveer, as well as U.S. Ambassador to Croatia, James Foley and Croatian Prime Minister Jadranka Kosor. AmCham’s Executive director, Andrea Doko Jelušić participated in the roundtable “Networking, Strategic Partnerships and the Role of Associations”. For more information visit the website [http://investforthefuture.net/](http://investforthefuture.net/).
On October 14, the American Chamber of Commerce held the tenth humanitarian gala evening for mine free Croatia, “Eve­ning for Safe Steps”, gathering 300 guests from the Croatian business community, government, international organizations and diplomatic corps. Deputy Chief of Mission of the US Embassy, Hoyt B. Yee, Ambassador of Canada Edwin Loughlin, President of AmCham in Croatia, Don Markušić and Zadar County representative, Davor Lonić addressed the guests.

Our special guests were the musicians of the Pops Zagreb Philharmonic Orchestra who donated their work in support of this project and who made the evening unforgettable.

In the past ten years, the project has raised a total of 5.7 million kunas and more than 466,775 m² have been demined. At this year’s dinner we raised funds for mine clearance of the Zadar County which still has another 58.2 km² of mine suspicious areas. Event tickets and direct donations raised 300,000 kn so far. This good deed will be doubled just as before, since all this money will be increased by additional funds of the US Government through the International Trust Fund for demining and Mine Victims Assistance.

The current state of mine suspicious areas on the territory of the Republic of Croatia amounts to 783 km² and encompasses 12 counties, while it is estimated that the area is contaminated with 86,000 mines.

You can still make an additional direct donation to the project in any amount to: Američka gospodarska komora u Hrvatskoj, Radnička cesta 47, 10000 Zagreb, account no. 2330003-1100367301, (Societe Generale - Splitska banka d.d.)
Croatian Post is the national postal operator and Croatia’s leading logistic company which has achieved remarkable business results thanks to the successful restructuring process. Croatian Post’s vision is to retain its position as the leader in postal services in Croatia, through employee training, service quality improvements, listening to its clients’ needs and following market trends. Croatian Post has achieved a HRK 12.1 million net profit in the first half of 2011. Total revenues amounted to HRK 801.5 million, which is a 1.4% increase over the same period last year. In 2010, Croatian Post has achieved a HRK 30.2 million net profit and is a highly solvent company. Croatian Post is state-owned and does not receive funds from the state budget. It has 10,692 employees and the most widespread retail network with over 1100 post offices.

Podzemno sladište plina d.o.o. Zagreb is the Croatian gas storage system operator, founded on 1 May 2009. Underground Gas Storage Ltd. mission is to provide safe and reliable gas storage system respecting the demands of consumers, in compliance with non-discriminatory regulations. It tends to provide and increase the security of gas supply to consumers, develop the gas storage system in the safe, reliable, environmentally sound and economical conditions in compliance with EU regulation and the liberalised EU market. Our quality management and environmental protection system was certified according to quality systems ISO 9001-2008, ISO 14001-2004 and OHSAS 18001-2007 and one of the goals of the Company is permanent improvement of quality management system and environmental protection defined by the quality commitments with the purpose of increasing effectiveness of all business processes and environmental protection.
"I HAVE BEEN TOLD" by many in the local legal community that we are changing forever the way international commercial law is practiced in Croatia,” says Ron Given, the Managing Partner of AmCham member Wolf Thiess – Zagreb Branch. “Although I consider that something of an overstatement, there can be no doubt we run a different sort of shop than the traditional Croatian law firm.” Ron continued: “Such firms have many advantages, particularly for the top guys and certain clients. We simply have a different business model.”

Founded in 1957, Wolf Thiess is one of the leading European law firms in Central and Eastern Europe with a focus on international business law. In addition to Croatia, the firm has offices in Albania, Austria, Bosnia and Herzegovina, Bulgaria, Czech Republic, Hungary, Romania, Serbia, Slovakia, Slovenia and Ukraine. There are over 300 Wolf Thiess lawyers working for local and international industrial, trade and service companies, as well as banks and insurance companies.

Training has also been critical to the firm’s success. Mr. Given, an American who practiced for nearly 30 years in Chicago with Mayer Brown, one of the world’s largest law practices, and also served as the General Counsel of a listed Bermuda-based international insurance company for several years, stated that the administrative staff is also a key part of the operation. “We have clients coming to us with litigation portfolios of 20 to 30 cases. There is no way we could handle that work load in an efficient and client effective manner without what I consider to be the best law firm administrative staff in Croatia.”

Mr. Given is both realistic and optimistic: “It is not going to be a walk in the park, but that is probably for the better. The early 2000’s were a very lucrative time for lawyers worldwide, including lawyers in Croatia, but I am not sure they were the best of times for professionalism. Wolf Thiess has built a solid foundation here, and I do not think there is any limit to where our competitively minded locals can take their practices and aspirations. I would not be surprised at all if one or more of the Croatian lawyers I have had the privilege of training and managing ends up in a firm-wide management role, who continued: “In a competitive market such as legal services, excellent legal expertise alone does not suffice. By teaching our lawyers to think like entrepreneurs and enabling them to get to know the business of our clients in detail, our services for our clients become even more valuable.”

Mr. Given added: “Local law firms can sometimes offer higher beginning salaries than we do, but young Croatian lawyers are increasingly seeing the value to them of programs like the “Wolf Thiess School of Excellence”, and the long-term upside of joining a collaborative and sustainable law practice.”

Vedrana Ivecović, the longest tenured lawyer in the office, is very complimentary about Wolf Thiess training: “There have been two or three programs every year I have been with the firm. Nothing beats hands-on experience, of course, but I really believe the on-going commitment to training (which never faltered even in the worst of the eco-

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WOLF THEISS AND THE CHANGING TIMES OF THE LEGAL PROFESSION IN CROATIA

“Our Croatian lawyers and staff work as a team, and all significant operational decisions (including hiring decisions) are made on a consensus basis”. “Everyone with Wolf Thiess – Zagreb Branch thinks like an owner, and I think that has greatly contributed to our success in these challenging economic times,” Ron continued. He noted that decisions like establishing a presence in Split and Rijeka, in addition to the main office in Zagreb, came not from “management” but from the lawyers themselves. “We have trusted in the skills, initiative and judgement of our Croatian lawyers, and it has paid off big time for our clients and the firm,” Ron observed.

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“Structured, professional training of this magnitude covering legal and economic topics is unique among law firms in the CEE/SEE region,” says Richard Wolf, a Vienna-based member of the Wolf Thiess firm-wide management board, who continued: “In a competitive market such as legal services, excellent legal expertise alone does not suffice. By teaching our lawyers to think like entrepreneurs and enabling them to get to know the business of our clients in detail, our services for our clients become even more valuable.”

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PBZ CARD – A SOCIALLY RESPONSIBLE COMPANY

TODAY PBZ CARD IS THE LEADING card issuing organization in Croatia. We base our success on the considerable knowledge and experience from almost forty years of the American Express brand on the Croatian market, on the value of the MasterCard and Visa brands and the strong position of Privredna banka Zagreb, as the leading bank in introducing new technologies and card products.

As a modern card issuing company we consider our achievements indivisible from the progress of the community in which we operate. Transparent business practices, application of high standards of quality in all working segments, modern technology, focus on the clients and business partners - sales establishments and their needs, these are the principles and values we uphold towards the community, by supporting numerous projects significant for its progress.

We are proud to have sponsored the humanitarian dinner Evening for Safe Steps for the forth time, which contributed to the initiative for Croatia free of explosive mines and the creation of greater quality living conditions, as well as equal work opportunities and further development throughout Croatia.

Among the projects we support we would like to emphasize the project by the Ministry of Health and Social Care of the Republic of Croatia entitled Monitoring Children with Neurorisks. This project is supported through our American Express Card with a Heart so that for any purchase with this card 35 lipa are donated to this charitable idea and project.

Numerous Partner-Friends are included in this project - our business partners who donate additional 35 lipa for any purchase with the American Express Card with a Heart at their sales establishments, so that the total donated amount per one transaction is 70 lipa. A great number of cardmembers also assist in this project by using their cards regularly for products and services as well as donating their Membership Reward points to the project for monitoring children with neurorisks. Thus, by now we have collected more than one million kuna (1,299,474,85 kuna by the end of October 2011.) for this noble purpose and have donated around 800,000 kuna to eleven hospitals in Croatia, included in this project, to buy specific medical equipment for monitoring children with neurorisks.

Through charitable projects, such as Evening for Safe Steps or the humanitarian American Express Card with the Heart and many others, charitable activities have entered our daily lives.
1. PREDICTABILITY AND THE TAX BURDEN
As one of the obstacles to successful business in Croatia, the business community has identified the unpredictability of the tax system and the high tax burden. Entrepreneurs are often in situations where some problems are not clearly defined by law, while different tax authorities use different interpretations. How would you increase predictability and make it stimulating for the economy?

**LJUBO JURČIĆ** - If the economic, fiscal and monetary systems are not harmonized, we will never have a stimulating, secure and stable tax system. Politics concentrate on how to cover the budget deficit, the pension system, the health care system and the local communities in the short-run, instead of dealing with the fundamental misbalance of these systems. In the short-run a fiscal balance and an overall state balance should be established.

**DURO POPIJAĆ** - We are one of the well organised states when it comes to the stability of the tax system. We will concentrate both on small and medium-size enterprises. We will double the starting point for entering into the VAT system from the current 85 thousand to 170 thousand HRK. For small entrepreneurs, with a turnover lower than 2.5 million HRK, we will introduce VAT payment upon realization. We will increase the level of non-taxable income to exclude income amounting to a life-standard minimum from income tax taxation.

**DANIJEL SRB** - Through the tax system the state provides for its needed revenue, development concepts are manifested and old investors are attracted. We propose a tax system with equalised VAT, corporation and income tax rates, which would simplify the tax system. We would reduce investments from the state budget. Our proposal is a tax rate of 20% and exemption from corporate income tax for all companies who realize more than 50% of their revenues from exports.

**GORDAN MARAS** - It is necessary to create a system without high oscillations. We offer tax exemption for each kuna of reinvested income on each investment from the income which will open up new jobs, absolute labour cost relief and primarily stimulation of employment for the first two years, that is, relief on pension and health insurance contributions. By the end of our mandate we will reduce health care contributions by 8% in order to reduce the overall cost of labour and we will raise the limit for entering the VAT system for independent private traders and small entrepreneurs to 230 thousand HRK. We will not touch pensions, wages and the social benefits for the most vulnerable, however we will not allow either people to come to collect their social aid in BMWs.

2. EFFICIENT PUBLIC PROCUREMENT
In conducting business, entrepreneurs are faced with a lack of transparency in public procurement – how do you plan to improve this?

**D.P.** - The regulation of the legal environment and the infrastructure of the area of public procurement are the best organised systems in the public sector and they are fully compliant with EU standards. We have made changes to the Public Procurement Act and both the public and the private sectors have worked intensely on improving public procurement. The return of 60 billion HRK from the public sector to the Croatian economy also represents a significant contribution to the stabilization of the Croatian economy.

**D.S.** - The public procurement system must satisfy the criteria of transparency, efficiency and optimization. The result of the integration of the public procurement system is a decrease in the number of entrepreneurs and the loss of jobs. The system becomes inefficient due to a complicated administration. It is necessary to continuously improve the system without using radical changes, but using computer technology as much as possible in order to achieve transparency.
G.M. - Yearly we spend up to 40 billion HRK on public procurement, while corruption costs Croatia 12 billion HRK yearly, a great deal of which is channelled through public procurement. The legal solutions are good, and the state should work on transparency and availability. During the first year of our mandate we would organize online tenders through which entrepreneurs would apply for public procurement. We want to protect small and medium businesses and we want simplified and efficient public procurement.

LJ.J. - Croatia lacks transparency in public procurement. The structure and contents of verifications are created by lobbyists, that is stake holders. On the one hand we lack transparency in terms of needs, on the other we do not have institutions which would define the standards of these needs. It is important for local production to be involved in supplying public procurement goods, which is actually the most powerful engine of domestic industry.

3. RESPONSIBILITY IN MEETING DEADLINES IN THE PUBLIC ADMINISTRATION

We deal with complaints of investors that they do not receive answers from the competent state/local institutions or that these answers come after a long delay, which contributes to the sense of uncertainty, complicates the implementation of investment interests and prolongs the investment cycle. What are your views regarding this problem and how would you establish responsibility in compliance with deadlines in public administration?

D.S. - The state administration system is the greatest hindrance to the development of the Croatian economy. What is important for foreign investors are issues concerning spatial planning documentation, issue of building permits and registration of the title deeds which should be resolved in one day for simple cases. If this cannot be resolved, I would privatize that segment of public administration. We still have “tax stamps” which are a relic from Austro-Hungarian times, meanwhile we live in the age of information technology. We should not allow people to waste their working hours in waiting for permits and decisions.

G.M. - Even though in some segments entrepreneurs may be given public powers, I am not entirely in favour of this option. However I am in favour of reducing dead-lines. If there is a transparent public administration, if the state administrative organisation has an overview of what its people are doing and if information is publicly available to investors, there will be fewer problems. By the introduction of the Document Management, which the Kukuriku Coalition supports, the problems in the public administration would be solved.

LJ.J. - Croatia’s greatest problem is the conflict of public and private interests. A fundamental reason is the unclear policies Croatia pursues and the great discretionary rights. Deadlines should be shortened and the state administration should not be organised according to the election winners. The greatest hindrance in public administration is the lack of professionalism in the state administration, in which party protégées are employed instead of professionals.
**4. THE PARTICIPATION OF THE BUSINESS COMMUNITY IN THE PREPARATION OF LEGAL DECISION MAKING**

The entrepreneurs’ experiences show they have not had enough opportunities either to point out their problems or to respond to the effects of planned legal decisions. How would you personally establish this important communication?

**LJ.J.** - The state should conduct policies in accordance with long-term goals and strategies. Sophisticated states often change their activity structure and create the conditions and elements for a new one, such as in education, the institutional infrastructure, institutes, establishments and directorates in which entrepreneurs participate. There should be a working relationship between entrepreneurs, as a social group, and the state.

**D.P.** - In the work of my ministry I have tried to implement and explain to professionals that they are the service station of the economy. We have adopted each law, regulation and act only after a discussion with relevant economic associations. We resolve operational problems in consultation with business communities in our day-to-day work, at the lowest level. However it is not possible to respect everyone’s wishes, since in these associations themselves there are different interests related to the same topics.

**D.S.** - The dominant issue here is political responsibility for the organisation of the entire system. Unfortunately, we have neither a strategy for Croatia’s economic development, nor the relevant communication with representatives of the business communities. This is primarily a question of political responsibility, while the responsibility of the chambers of commerce is reduced to a minimum.

**G.M.** - Even though on the one hand it is good that both the Chamber of Commerce and the Chamber of Crafts and Trades produce proposals and decisions which the state and the government can accept, I think that on the other hand the practice of individual companies writing specific decisions from their own field of business is not good. The government is after all the one that should be responsible and pass laws. Therefore, yes to proposals and disputes, no to direct influence.

**5. DECREASING OF PARAFISCAL FEES**

Tax and parafiscal liabilities are a frequent topic in business circles and entrepreneurs say that the great number of fees contributes to the overall tax burden which is difficult to bear. Are you dealing with this issue in your pre-election programmes and what are your proposals?

**G.M.** - 245 parafiscal fees and the sum of more than 10 billion HRK are certainly a burden on the economy and by the end of our mandate the total amount will be reduced by 25%. We will reduce utility fees for entrepreneurs as well as fees for certain chambers. We will reduce the water and forestry levy, the packaging and packaging waste levy and the monument annuity, however I must point out this all depends on the state of public funds we find when we come into power.

**LJ.J.** - Parafiscal fees, just like taxes, should have a purpose. It is also important whether they have a positive or a negative effect. On the other hand the purpose of some parafiscal fees was to establish agencies which would only benefit the persons working in those agencies. Such parafiscal fees should be abolished.

**D.P.** - We have reduced the parafiscal fees for the Croatian Chamber of Commerce, the Croatian National Tourist Board, monument annuity, forestry and water concessions… This government has for the first time tackled the problem of parafiscal fees, and the results are seen in the direct effect of 400 million HRK which has brought relief to the economy and changes to corporate income tax, where the relief amounts to more than a billion kunas.

**D.S.** - The entire system of parafiscal fees is not merely a system of a new burden on the Croatian economy, but there are also fees that are an economic stimulus. Parafiscal fees should be analyzed and those that do not achieve evident results should be changed, while those that have the potential to initiate new development projects in the economy should be strengthened.

**6. WHICH OTHER ECONOMIC ISSUES DO YOU RECOGNISE AS KEY AND HOW DO YOU PLAN TO RESOLVE THEM?**

**LJ.J.** - I envision Croatia’s development through demographic investment, through which the birth rate should be increased through population policies and through family policies, whereby the Croatian family would remain spread uniformly throughout Croatian territory, whilst using its resources. The other group are technological investments, that is, investment in education, technology and innovations.

**D.P.** - The state has already started a major round of investment and we will continue with this. Above all, we have invested in domestic energy companies. What is important to us is further investment in the air and rail-way infrastructure. It is the state’s duty and obligation to continue working to stimulate entrepreneurship, reduce both administrative and operational barriers as well as create a good quality business environment.

**D.S.** - Our first strategic goal is to improve the Croatian economy. The relationships in society should also change, since unfortunately over the last few years the public prosecution service has had more influence on the development of the entire economic system than the current Minister of the Economy. We need to ensure that large state companies function to achieve economic growth, while policies should have clearly defined objectives regarding economic development.

**G.M.** - Our first moves in the initial three months will be to preserve our credit rating and to gain the trust of international financial institutions, investors and credit agencies. We would like to discuss matters with the IMF, however we do not count on an agreement with them. The state should settle its debts, while payments should be made within 30 days for the state and 60 days for the rest on the market. There should be rigorous sanctions for those not complying with these rules. The investment cycle should move into the areas of energy, infrastructure, tourism and irrigation and environment.
The first international conference on corporate governance, “Corporate Governance – new experiences: Implementation in South Eastern Europe”, a review of EU achievements and implementation in southeastern Europe, took place on 3-4 November 2011, under the auspices of the Croatian President, Prof.dr.sc. Ivo Josipović. The conference was organized by the Zagreb Economics Faculty.

The Chairperson of the conference program committee Prof.dr.sc. Hana Horak gathered a number of scientists, practitioners and participants from the European Union (Germany, France, Great Britain, Poland, Belgium, Slovenia), southeastern European countries and the USA, as well as numerous Croatian experts from the areas of law and economics, lawyers, public administration officers, representatives of companies in partial state ownership, representatives of independent parliamentary agencies, courts and other bodies, as well as students and postgraduate students.

At the opening of the conference, the participants were addressed by Prof.dr.sc. Nevenka Čavlek on behalf of the Economics Faculty, by Prof.dr.sc. Boris Cota on behalf of the Croatian President, the Head of the Department of the State Secretary for European Integration mr.sc. Andrej Plenković, and the French Ambassador to Croatia H.E. Jerome Pasquier.

The purpose and objective of the conference was to contribute to the development and implementation of corporate governance in southeastern Europe, particularly in Croatia, keeping in mind the importance of transparent corporate governance for the stability of financial markets and sustainable economic growth, both in the area of southeastern Europe, the European Union and the global economy, as Prof.dr.sc. Hana Horak emphasized in her presentation. In the two days of the conference, an overview was given of achievements in corporate governance in Europe and the world. The introductory presentation by Mrs. Hargitai, EBRD Director for Croatia, was followed by presentations by European, American and Asian experts in corporate governance. The second day was dedicated to presentations of achievements in corporate governance in the area of the efficiency of the work of corporate governance management units in companies in partial state ownership, and aspects of accountancy and audit in corporate governance. All these areas have been the subject of numerous studies and contribute to the development of corporate governance overall.

As emphasized at the conference, when corporate governance becomes transparent, it becomes an aid to preventing corruption and attracts entrepreneurs and investors. Successful corporate governance in the public sector and in companies in majority state ownership is an essential precondition for creating a competitive economy. The general characteristics of good governance are corruption-free transparency, market-based respect for the rule of law in the operations of both the private and the public networks, or a combination of both. This conference sends a message about the importance of transparency and accountability as preconditions for strengthening the economy and creating new opportunities. It needs to be emphasized that the fundamental values of good corporate governance are the same as the fundamental values of democracy.

The first international conference on corporate governance was only an introduction to preparation of a series of round tables with topics linked with various activities in corporate governance, such as corporate governance in the pharmaceutical industry, food industry, banking, and others. Also, they will discuss subjects such as codes of corporate governance in companies that have no public shares, in cooperation with EcoDa (or European Confederation of Directors’ Associations). The “Corporate governance – new experiences” conference made a significant contribution to the development of corporate governance in the Republic of Croatia, and the countries of the region, as well as being an opportunity to implement and improve the existing best practices of corporate governance.
WHETHER LARGE OR SMALL, public, private, or non-profit, many organizations are very concerned about improving corporate governance. It is in an organization’s best interest to be proactive. It is both compulsory and recommended to assess and improve governance policies. It is important to understand the major governance risks and implement improvements. Corporate governance has always been an important practice for any responsible company. In the wake of the recent corporate scandals and economic crisis, corporate governance and the need to comply with new or tougher regulatory requirements has become a priority for companies as a tool for distinguishing good choices from bad.

Corporate governance is the policies, laws, processes, customs and institutions which impact the way an organization is managed. It is the relationship between all the stakeholders in a company, which includes the shareholders, directors, and management of the company, as defined by the corporate charter, bylaws, formal policies and regulations. It should guarantee that an organization is controlled and directed in a professional, responsible and transparent way in order to safeguard its long-term success and increase the confidence of shareholders and capital-market investors. Corporate governance principles imply that business developments take place in compliance with the relevant legal provisions of the country where the company performs its operations.

Corporate governance issue is one of the most important issues for companies. Transparency in corporate governance is of great importance for sustainable economic development and a stable financial market. It helps prevent corruption and attract both domestic and foreign investment while encouraging economic growth. The sustainable benefits of good corporate governance are: greater investor confidence, an enhanced ability to attract new investment capital, a reduction in the cost of capital, the ability to attract high quality directors, the ability to hire and retain a high quality workforce, a reduced risk of financial reporting and other business failure and a sustainable and stable organization.

Interest in corporate governance in Croatia began after the privatisation process, which began in 1991, and it has been growing parallel to the growth of the private sector. Improvement in corporate governance is visible through better capital access, promotion of efficient performance and development, transparency compared to European requirements, rules and accountability. It is worth mentioning that corporate governance in this country is related to the history of social ownership and all aspects of adjustments in the transition period. The privatisation process was undertaken according to a model severely criticized by the public. Former managers became new owners without investing their own money, while some companies were privatised without inflow of new capital. The consequence was the inadequate composition of boards and in many cases performance was unproductive and inefficient.

It is clear that corporate governance is an increasingly important area of focus, and companies should work on its improvement and hire external experts and consultants to help them achieve the desired standards. Improvement of corporate governance is made possible by bringing internal control systems into line with specific standards to comply with the applicable laws and regulations. This also includes performing compliance assessments, recommending systems and process improvements, development of standard operating procedures and compliance reviews. Assessing your company’s governance processes lets you know your strengths and the challenges that lie ahead. The benefits of following that path include better risk management, reassured stakeholders and the reduced cost of capital. Do you have a Road Map for Corporate Governance?

Companies should strive to maintain high standards of corporate management, care of employees, sustainable development and environmental protection, and should be good corporate citizens. Good corporate citizenship does not just mean doing no harm in the communities where you do business, but actively working to leave those communities better than you found them.

DO YOU HAVE A ROAD MAP FOR CORPORATE GOVERNANCE?

By Maja Blažević, TPA Horwath
OVER THE PAST DECADE, the term “Corporate Governance” has reached the same buzz word status as “Synergies”, “Alignment”, “Paradigm” and similar business jargon. They have all evolved into words that typically manage to say something seemingly important without actually saying anything at all. However, while these words have similar usage within business vernacular, the reality is that their actual importance within business could not be more different. The reason for this anomaly, that something so core to a successful (or unsuccessful) business could be used alongside “catch words”, is the fundamental lack of understanding of what Corporate Governance actually means, and more importantly, what the value of Corporate Governance is.

In the simplest sense, corporate governance policy and procedure can be seen as the guardian of shareholder interests. It seeks to protect and represent the best interests of shareholders in the decision making and operations of a business. However, modern theory on corporate governance has grown to include aspects which go beyond the simplistic view of solely working for the benefit of shareholders to include ideas such as the following:

- Behaving in an ethical manner
- Being transparent in its operations and communication
- Addressing the interests of other stakeholders (i.e. employees, suppliers, the local community, etc.), or simply “Corporate and Social Responsibility” and
- Operating with a sufficient level and quality of independent oversight (i.e. a board or similar advisory panel).

In large multi-national organizations, separate departments are often established to deal with corporate governance, which include legal, human resource and PR staff. They work closely with the board and CEO on major decisions and have a direct impact on the business and are a key component of gaining investor confidence.

What is often missed however in discussions around corporate governance is the impact that corporate governance, or a lack thereof, can have on small to medium sized enterprises (SME). The key elements of corporate governance are often left to being dealt with as an administrative function by finance and administrative staff as a secondary responsibility. Smaller companies then fail to capitalize on the positive impact that a proper corporate governance structure can have on the profit and business as a whole. These benefits include; increased investor confidence, better decision making, better internal and external relationship and ultimately a better relationship and delivery to shareholders.

These positive benefits of proper corporate governance become even more apparent in markets that lack a history of it. As markets develop, they will, both naturally and through institutional intervention, look to reduce corruption, increase transparency, and make business and planning decisions based on the interests of a wider scope of stakeholders. The challenge that is continually faced by SMEs in emerging economies is that good corporate governance is often in conflict with local business practices. In fact, it can often be in direct conflict with profit as SMEs will inevitably be faced with loss of business due to not participating unethical or non-transparent business practices. However, diligent corporate governance can often end up being the best long term strategy for aligning one’s company with other interna-

In addition, what often sets apart SMEs in emerging economies that practice good corporate governance is that they inevitably begin to shape the business environment that they operate in. Through educating client and suppliers, best practice sharing, improved foreign investor confidence, and generally better long-term business practices, they can and will continue to improve the overall level of business practices in their market.

SMEs that understand proper corporate governance and commit the energy and resources to achieve it stand to build a much stronger platform for growth in emerging economies both for themselves and the market as a whole.

By Luke Dawson, Regional Director of Operations, Colliers International Eastern Europe

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HOW CAN CORPORATE GOVERNANCE FIT IN EMERGING MARKETS?

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Luke Dawson
THE UNITED STATES ECONOMY IN 2011 has managed to underachieve even relative to our unambitious expectation. A year ago, we thought that growth would come in close to 3 percent for the year—certainly not great for an economy coming out of a very deep recession. Instead, as shown in Figure 1, through three quarters the economy has expanded at an annual rate of only 1.4 percent. If anything, the labor market has done even worse. We anticipated job growth would be very close to 200,000 per month. Through October (see Figure 2) the actual outcome has been just 125,000. The difference means that unemployment has remained above 9 percent, not the modest decline we had hoped for.

The blame for this dismal outcome is widely shared, but two items, one man-made and the other an act of God, top the list. The latter was the earthquake/tsunami that hit Japan in April. The disruption to supply chains that the disaster produced had a temporary, but clearly negative, effect during the summer. The man-made component is the inability of the political sector—both domestically and abroad—to face up to the necessity to make some tough decisions. At home, this has manifested itself as a series of deadline-driven crises that have all ended with a non-decision to delay any substantive action. The cumulative effect has been to ratchet up uncertainty and destroy what remains of household and business confidence that policy will shift from being mostly counterproductive to being a positive force for sustained recovery. The global component is centered on Europe and its sovereign debt situation. As in the U.S., leaders have taken half steps that are mostly designed to avoid the fundamental problem and to delay the point of real decision.

Looking to the future, the unfortunate thing is that these political problems seem unlikely to turn in a productive direction in the near term. As a result, we expect that 2012 will be generally similar to 2011: unacceptably slow growth, without much progress in the labor market. To be more specific:

We expect output to grow between 2.5 and 3 percent on a fourth-quarter to fourth-quarter basis. This will be better than 2011, due to somewhat improved household spending and less drag from the government sector.

Employment will continue to increase, but only enough to allow marginal progress in reducing unemployment. By the end of 2012 unemployment will still be well above 8 percent.

Higher commodity prices raised inflation significantly in 2011. This situation has moderated recently, and we expect inflation to be well contained in 2012.

The housing sector has hit bottom, but the large overhang of homes in or headed for foreclosure will prevent any significant rebound in construction or prices during most of 2012.

The Federal Reserve lowered short-term interest rates to virtually zero almost three years ago and has said it will maintain this stance through mid-2013. It is also engaging in realignment of its very large
security portfolio toward longer-term holdings in an attempt to edge down long-term rates. This is unlikely to have any dramatic effect.

Any actions on the federal deficit/debt will be mostly smoke and mirrors with little impact on the actual budget for the next year. Real change will be postponed until after the election.

Thus, we see continuing tepid economic recovery during 2012, with disappointing output expansion, low inflation and a small decline in unemployment. This is better than a slide back into recession, but is a long way from an optimistic outlook.

Moreover, like a year ago, there is a substantial roster of things that could adversely upset our expectations. In terms of immediacy, the European situation tops the list. On a daily basis, news of “progress” or of some impediment is causing triple-digit swings in financial markets. But, so far, there is little evidence of the will to confront (or even to recognize) the underlying problem—several countries in the EU periphery have been living beyond their means with the excess financed abroad. The result is debt burdens that have become unsustainable. Proposals to date have been focused on the debt problem. Solutions must, however, also deal with the imbalances between current standards of living and those that can be supported by domestic productivity. One way countries have traditionally dealt with this type of problem is by debasing their currency, which leads to a reduction in purchasing power and thereby a lowered standard of living. But the common European currency rules this out for, say, Greece. So the realignment requires more direct political actions, which so far don’t seem to be possible.

The U.S. is on a trajectory toward this same problem, but less far along, leaving more time to work out a solution. Our current dysfunctional political situation, however, is squandering that advantage. As in Europe, the problems we face require some fundamental changes. But instead of working on long-term solutions, we have spent the last four years focused mostly on “fixes” that are short-term and temporary (and therefore ineffective). The result has been a lost half-decade. If the political deadlock is not broken by the next election, the danger of a lost decade will be very real.

Finally, the ongoing evolution of China must be mentioned. Regardless of how the European and U.S. problems are resolved, this evolution is likely to be the dominant economic story of the next decade. For the Chinese, the problems are enormous. They must transition from a low-wage economy driven by extraordinarily high levels of domestic investment and exports to a more consumer-oriented structure. Production must shift toward raising productivity, rather than simply expanding scale. The financial system must develop and become more open. These transitions will be extremely difficult to accomplish. Missteps could have significant ramifications for the entire global economy.

But all of this is probably still a ways off. For the next year, our expectation is that neither Europe nor our domestic situation will self-destruct. This will be enough to produce in 2012 a year a lot like 2011—slow growth that doesn’t feel much like “recovery,” but that’s better than possible alternatives.
Relocation is to put it quite simply, a process of moving from original place of residence, or business to a new one. A move can be to a nearby location within the same neighborhood, to a much farther location in a different city, or sometimes a different country.

These past couple of years, Croatia became a very popular place for business, or family relocation.

Croatia’s capital Zagreb, has many things to offer an immigrating family, student or business professional considering to relocate here. The city is often described as a smaller Vienna, providing safe and stress free life, but at the same time offering everything as any smaller metropolis in the region.

Real-estate companies offering professional relocation solutions for international assignees relocating to Croatia, by working in close coordination with their human resource department, simplify the relocation significantly. This type of relocation is still the most frequent reason to move to this country, relocating for a new business assignment usually lasting from a one year to tree or more. Almost every big international company working on Croatian market has an expat on one of managing positions.

There are also a large number of Embassies and Consular offices also in a need of many relocation services.

Some of the services relocation provide are home search management, immigration management, temporary housing assistance, tenancy management, school search, cross-cultural training, departure services, sale assistance etc.

Obtaining the correct visa and immigration work permits can be a complicated and time consuming exercise, but one that is critical to allowing the movement or relocation, and hiring relocating expert can help expats and companies to get these permits easier.

Helping an expatriate and the family find a new home and settle into the new community is critical to the success of an expatriate assignment. Quickly moving into a suitable home will therefore ensure that the employee returns to pre-move productivity levels as soon as possible, which is important for the new working environment he is about to settle in to.

The relocation settling-in period is where relocating employee and family members are finding their way. It should be a positive experience and not a distraction to their new role. Services are designed to help relocating employee through the vital first months of arriving in a new location, ensuring that he is focused on their new role and their accompanying family members are comfortable in their new surroundings.

If relocating employee has school aged children, the choice of school is critical to all family decisions and will influence the whole family’s perception of their new location.

When conducting a school search it’s important to have the input of professionals who are familiar with the schooling options available in the new country, this process minimize educational disruption to the relocating children.

From a dedicated property search, negotiating rents and agency fees, through to signing the lease agreement and setting up utility accounts, relocation expert can help you with all real-estate related questions.

The availability of apartments and houses in the country varies. Most Expats rent their apartment or house; some buy their homes. Both options are available but mainly depend on your company policy, income, length of your stay and country of origin.

Our beautiful coast line invites investors and potential home owners to look into buying a second home or moving completely. This is a trend that started from tourism, people used to spending their holiday seasons here, are now thinking about buying a holiday home, relocating or starting a business here.

Since Croatia will soon become EU member, procedures for buying a property for states members of European Economic Area are becoming much easier. Relocation companies should adjust, monitor well the situation and do everything to ease this process and to help them every step of the way.
AT ONE OF THE ANNUAL TRANSLATION CONFERENCES in 2011 a long standing, respected member of the industry publicly claimed that “translation is like toilet paper, you become aware of it when it’s missing!”. This sentiment is generally agreed upon in the translation industry. However, we all know there are different kinds of toilet paper. For instance, there is the premium, three-layer, super-absorbent brand and then there is the scratchy kind.

Automated tools like Google Translate and different phone apps are the scratchy kind in that sense. Google has automated translation of content for fifty-seven different languages. They collaborate with a huge community of translators using volunteers to translate content they want available in their native tongue. Google Translate is in that respect efficient and will get the job done. If you need quick information or you need to communicate something informal in another language they are the right choice.

Nonetheless, if one needs a professional translation of an important business document it will be necessary to look for a qualified translator. As the translation industry has low barrier to entry there are many freelance translators on the market and at times they will be an adequate choice. The need for professional translation companies arises in the case documents you need translated are very important or the quantity of your translation needs is over the capacities of any freelance translator. Most corporations have long standing contracts with professional translation companies as this is the most efficient business practice. A professional translation company will have the infrastructure and human resources to cover many diverse needs in terms of languages available and type of text needed, in a short amount of time at the highest quality. Many large corporations have these diverse needs. Their marketing department needs an advertisement translated for the South East Europe region while their accounting and finance might need contracts with different language combinations. Can you imagine the opportunity cost that is generated if each department wastes time looking for freelancers that can fill these varied demands? Quantity discounts are also available for most long standing and high volume clients at most translation companies which generate long term savings.

The amount of human information and its increase is staggering. There are more types of content and a growing field of mediation such as voice recognition software. The world is generating more content and what follows is the need for more translation. As Croatia is getting ready to join the European Union, the Croatian language will become the 24th official language of the EU with more than 552 language combinations in the field of translation. As the companies in Croatia get ready to operate in this new market, needs for different language combinations will arise. Contracts will be translated from Estonian to Croatian and vice versa. Is there human capital available to cover these upcoming needs or will we all notice that the toilet paper is missing, it remains to be seen. Just don’t say we didn’t warn you!

WHY TRANSLATION IS LIKE TOILET PAPER – OR HOW TO CHOOSE THE RIGHT TRANSLATOR FOR YOUR NEEDS

By Mladen Stojak, Managing Director - Ciklopea d.o.o

Nonetheless, if one needs a professional translation of an important business document it will be necessary to look for a qualified translator. As the translation industry has low barrier to entry there are many freelance translators on the market and at times they will be an adequate choice. The need for professional translation companies arises in the case documents you need translated are very important or the quantity of your translation needs is over the capacities of any freelance translator. Most corporations have long standing contracts with professional translation companies as this is the most efficient business practice. A professional translation company will have the infrastructure and human resources to cover many diverse needs in terms of languages available and type of text needed, in a short amount of time at the highest quality. Many large corporations have these diverse needs. Their marketing department needs an advertisement translated for the South East Europe region while their accounting and finance might need contracts with different language combinations. Can you imagine the opportunity cost that is generated if each department wastes time looking for freelancers that can fill these varied demands? Quantity discounts are also available for most long standing and high volume clients at most translation companies which generate long term savings.

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According to a recent report of the Croatian Financial Agency, debtors in Croatia have almost 40 billion Kuna of unpaid monetary obligations, most of which is the result of business transactions.

In order to tackle the market’s general illiquidity, the Croatian Parliament enacted the Act on Deadlines for Fulfilling Monetary Obligations, which is aimed at encouraging timely payments of monetary obligations under commercial contracts.

60 days would be void if, in contravention of the principle of good faith, such terms put the payee in an unequal position towards the payor.

If the payment deadline is not stipulated in the contract or in the invoice, as the case may be, the payor’s obligation would fall due within 30 days from the date the:
- debtor received the invoice, or
- payee fulfilled its obligation, if it is not possible to determine when the payor received the invoice or if the payor received the invoice before the payee fulfilled its obligations, or
- payor was entitled to inspect the payee’s fulfillment of its obligation, if the payor received the invoice before that date.

If a payor is a Public Entity, then the Public Entity must honour its monetary obligations within 30 days. Such deadline may be extended to a maximum of 60 days if the circumstances so justify. However, any extension of the 30-day payment period would be void if such time extension puts the payee in an unequal position towards the Public Entity, in contravention of the principle of good faith.

Furthermore, the act also provides that any provision by which a payee would waive or limit its right to statutory default interest, in case the payor defaults, would be void.

The act provides that the parties may not contractually predetermine a date on which the debtor will be deemed to have received an invoice, in order to prevent an unlawful circumvention of the payment deadline provisions.

The act is silent on what the payment deadline would be if a contractual payment date provision is found void. In such a case we believe that the above described provision dealing with contracts in which the payment deadline is not stipulated should apply.

The act also provides for fines if a payor defaults:
- HRK 10,000 (EUR 1,370) to HRK 1,000,000 (EUR 137,000) for the business itself, and
- HRK 1,000 (EUR 137) to HRK 50,000 (EUR 6,850) for each responsible individual, e.g. management board member.

The act presumes that the market participants’ failure to timely honour their obligations represents one of the main drivers of the market’s general illiquidity. It remains to be seen whether the act will help the Croatian market gain momentum.
Coca-Cola HBC Croatia has distributed The Language Manual among its employees.

The aim of the manual is to promote appropriate linguistic practices in business communication, and since it has outgrown the initial idea during the three years of its making, the company will give it as a gift to the community.

The Language Manual of Coca-Cola HBC Croatia is practically an aid in the form of a linguistic consultant which came about on the basis of a collection of texts proofread over three years which includes texts intended for internal and external communication which took place in Coca-Cola HBC Croatia during that time period.

“The Language Manual came about within the framework of our continuous efforts to operate in accordance with the principles of social responsibility, which includes responsibility towards one’s own language. With the manual which we distributed amongst employees we want to contribute to raising the level of their language culture and proper business communication. We hope that this will be an example of good practices which will be followed by other companies”, explained Boška Trbojević, the director of the Public Affairs and Communication Department and the head of the The Language Manual of Coca-Cola HBC Croatia project.

The language manual was put together by Lana Hudeček, a scientific consultant from the Institute of Croatian Language and Linguistics, Maja Matković, the longtime head of proofreaders and editors at Večernji list, and Igor Ćutuk, public affairs supervisor at Coca-Cola HBC Croatia, who headed the Business Communication Culture project, the aim of which was to raise the level of business communication in the company.

The Language Manual of Coca-Cola HBC Croatia is part of this three-year project. It has 272 pages and consists of two parts: a classic manual which instructs employees about the basic rules of the Croatian standard language and the rules of appropriate business communication as well as a dictionary in alphabetical order which offers solutions for foreign and domestic words, expressions and concepts which employees encounter in their day-to-day work.

As more than two thousand words and names were gathered during the compilation of the manual, including many terms which were established for the first time in the Croatian language in collaboration with one of the leading experts for standard Croatian, the manual outgrew its initial purpose, and in the form in which it was published it also serves as a good tool for general application in other companies and a basis for raising the level of linguistic culture in business communication in general.

Coca-Cola HBC Croatia has thus decided to give it as a gift to the Croatian Business Council for Sustainable Development (HR PSOR) that will publish the manual on its website www.hrpsor.hr, thus making it possible for everyone interested to use and download it.

The compilation of The Language Manual of Coca-Cola HBC Croatia took place from October 2008 to September this year within the framework of the Business Communication Culture project. Along with selecting the content of the manual and dictionary, it also included a number of sub-projects whose aim was to introduce uniform, standardized communication, amongst other things also on a linguistic level.

The company thus adopted a document in 2009 in which it accepts the solutions offered in the book Croatian Orthography by Stjepan Babić, Božidar Fink and Milan Moguš from 1996 as an orthographic standard. It also adopted the Procedural Rules for Internal and External Communication, which instructs, amongst other things, employees on ethical business communication and the importance of focusing on Croatian customers and consumers based on the application of an appropriate linguistic standard. In 2010 the company’s entire organization was changed and the names of all organizational units were linguistically regulated (the company’s former sectors became departments, services, units and sub-units), while work is currently being done on aligning position names with the linguistic verification thereof. The standardization of inscriptions on product labels and on promotional materials is currently being prepared with the aim to raise the level of communication with customers and consumers.

The value of this part also lies in the fact that The Language Manual of Coca-Cola HBC Croatia makes it possible for every employee to independently apply linguistic solutions and to improve his own linguistic knowledge and business correspondence and to recognize the correct terms in his business environment and use it. The Language Manual of Coca-Cola HBC Croatia has been hailed by leading economic experts and linguists as well as the company’s business partners.
Plitvice Lakes National Park

If you ever decide to visit the most beautiful places in Croatia, Plitvice Lakes are a must see. Plitvice lakes are the oldest national park in the Eastern Europe and the largest national park in Croatia. The Park was founded in 1949 and is situated in the mountainous area of the central Croatia, at the border with Bosnia and Herzegovina. The north-south road connection, which passes through the national park area, connects the Croatian inland with the Mediterranean coastal region. The Plitvice Lakes National Park was added to the UNESCO World Heritage register among the first natural sites worldwide and records over 900,000 visitors each year.

The name Plitvice was first mentioned in a written document in 1777 by Dominik Vukasović, a priest from Otočac. The name was designated after a natural phenomenon that created the lakes. Nature formed shallow basins (Croatian pličina or plitvak, plitko means shallow), which were filled with water.

The Plitvice Lakes National Park is heavily forested, mainly with beech, spruce and fir trees, and features a mixture of the Alpine and Mediterranean vegetation, and is also decorated with several caves and flower meadows. The forests are watered by springs of the Korana River.

The Park is world famous for its lakes arranged in cascades. Group of sixteen small lakes are mutually connected with numerous large and smaller waterfalls, unique and attractive wonders of nature. The lakes are also renowned for their distinctive colours. Lovely and cool in summer, icy and calm in winter, yellow and ochre in autumn, and fresh in spring – lakes are a stunning place to visit at any time of the year. The colours also change constantly depending on the quantity of minerals or organisms in the water and the angle of sunlight. The beauty of these changes is almost impossible to describe in words.

What else is there left to explore in this watery wonderland?

The national park area is home to many endemic species. The interesting fact is that those species that prevailed in the lakes before the arrival of man still exist. Rare fauna such as the European brown bear, wolf, eagle, owl, lynx and wild cat can be found there, along with many common species, so get ready to capture this wildlife in all its beauty, with your video camera.

The Plitvice Lakes area is a paradise for walkers and hikers as well as nature lovers. A well-laid out system of wooden walkways allows you to pass all around, sometimes through the water, and there are also hiking trails through the woods. There is nothing better than to walk or hike through the Park, taking in the beautiful surroundings and admiring the lakes, waterfalls, nature and wildlife. The Park prints out maps for a number of different walks, of varying lengths, that can be undertaken starting from either entrance – so who is well prepared for the 8 hour sightseeing walk?
There is also an electric boat that takes you from one side of the largest lake to the other. A „panoramic train” also runs within a particular route in the park. You can walk part of the way through the park and then hop on the shuttle bus to take you back to one of the entrances.

The Lička kuća restaurant serves traditional food from the Lika region of Croatia, in which the Plitvice National Park is situated. Local cuisine consists of drinks, such as šljivovica (a strong alcoholic drink), wine and coffee or dishes, such as soft cheese, polenta (cornmeal), pršut (prosciutto), sausages (as for example the paprika sausage), roasted suckling pig or lamb.

Poreč

Poreč, a beautiful city of great history and culture, one of the most attractive destinations in Croatia, is always a great place to visit, especially if you like ancient Roman places enriched with cultural heritage. It is also a reason why this city is one of the most visited destinations both in Istria and Croatia.

Once called Colonia Iulia Parentium, Poreč is rich in colors, sounds and flavors, offering each visitor a remarkable experience. Well preserved historical monuments together with galleries filled with exquisite works of art will satisfy even the most demanding visitors. It is a place inwrought with long and exciting history, just waiting to be discovered.

In the 1st century Poreč was a Roman colony. The city walls were built in the 4th century, while the famous Euphrasius Basilica in the 5th century. After the fall of the old Rome in 476, many different rulers and powers governed. Having been held by the Ostrogoths, in 539 the city was overtaken by the Byzantines.

Poreč also became the first town in Istria to recognize the rule of the Venetian Republic, and was under its authority for more than five centuries. During this period many palaces, religious buildings and squares were built. The interesting fact is that during this period a lighthouse was built on the nearby island of St. Nicholas, which at the time was the highest lighthouse on the whole Adriatic coast, and it still stands today. After the fall of the Venetian Republic, Poreč came under the sovereignty of the Habsburg Monarchy. In 1861, Poreč became the capital city of Istria. It also became a popular tourist resort for the Austro-Hungarian aristocracy. In 1991, it became a part of the Independent Republic of Croatia.

While discovering the treasures of Poreč, you will come across the remains of buildings, tombs, ceramics and many different tools on the sites of Picugi and Mordela. They were left to us by the Histrians and some unknown civilization, which preceded the Histrians. Visitors will also get acquainted with the main streets, Decumanus and Cardo Maximus, still existing in their original forms, and revealing the inner beauties of the old town. A few houses from the Romanesque period (House of Two Saints) have been preserved together with beautiful Venetian Gothic palaces built in 1473 in gotico fiorito (a Venetian architectural style), offering a romantic experience of the past times. Another interesting legacy is Gothic Franciscan church built in the 13th century, together with Dieta Istriana hall, remodeled in the Baroque style in the 18th century. You won’t be disappointed.

The Euphrasian Basilica, early Byzantine church rebuilt in the 6th century under the Byzantine Empire and bishop Euphrasius, is the most important historical site in Poreč. It is a protected World Heritage Site, listed by UNESCO in 1997.

If you are searching for quiet and peaceful places during summer days, beautiful concealed beaches of the Poreč Riviera are a perfect choice for you. Self-contained centers like Plava Laguna (Blue Lagoon), Zelena Laguna (Green Lagoon) and Bijela Uvala (White Cove) offer the best of the Riviera. For those searching for some more activity during holidays, numerous sport facilities offer plenty of fun.

Large number of restaurants and taverns are also at your service. Fruitful vineyards are widely known for their excellent wines. Numerous night clubs, bars and concerts promise a great time until dawn. We are sure that the colorful history of Poreč together with all other features required for a great summer holiday are a good reason to visit this Croatian jewel. www.adriatica.net
Members News

>>> INVESTMENT WORTH 2.5 MILLION EUR: SISAK HAS THE MOST MODERN MCDONALD’S RESTAURANT IN CROATIA

On September 30, the most modern McDonald’s restaurant in Croatia was presented to a large number of guests during a VIP gathering in Sisak. The investment was worth around 2.5 million EUR and about 50 young people have found employment in the restaurant. The arrival of McDonald’s in Sisak and such a substantial investment in the restaurant’s modern technology represent a major technological leap forward, as well as an incentive for the entire investment climate in Sisak and its surrounding area, as specially mentioned by Mr. Dinko Pintarić, the mayor of Sisak.

McDonald’s Restaurant in Sisak includes a McDrive line and a McCafé, which makes Sisak the second city, after Zagreb, where one can find an oasis for lovers of high quality coffee, cakes and pastries. The spacious area for children’s birthday parties is also a specialty of this restaurant, while free Wi-Fi Internet access inside the restaurant and 8-24 business hours are additional advantages for customers. For the opening of the McDonald’s restaurant in Sisak, Mr. Georg Gavrilović, the Master Franchisee for McDonald’s in Croatia, delivered 20 thousand HRK donation to the Pediatric Surgery Department of Sisak General Hospital, which will be used to buy equipment necessary for ensuring an easier hospital experience for children.

The cutting-edge technology of the Sisak McDonald’s’s restaurant and the design, following the latest trends in construction of McDonald’s restaurants in Europe, represent the fulfillment of promises made by Mr. Georg Gavrilović, who, since taking over the McDonald’s franchise in Croatia in April 2010, has already opened 3 new McDonald’s restaurants. At the moment, the general reconstruction is underway of the McDonald’s Rotor restaurant in Zagreb: the old restaurant has been demolished and brand new one is being constructed. Along with its new design, the new restaurant will also have a McCafé. Mr. Gavrilović also announced further investments and expansion of McDonald’s restaurant network in Croatia for 2012.

The OPP award winners were selected by an independent panel of 50 industrial leaders from around the world. About the Dubrovnik Sun Gardens, the judges collectively commented, “nobody could argue with the careful planning and total commitment of the developer team involved in Dubrovnik Sun Gardens. This really is a well presented, high quality operation – a true flagship development for Croatia. It deserves to do well, and the team behind the scheme clearly knows exactly what it needs to do to get there. This is a wonderful case study in how to refresh a large-scale development with verve and quality.”

Beating off stiff competition, Commercial Director for iO Adria Limited (Dubrovnik Sun Gardens’ owner group) Julian Houchin commented on the award: “We are very honored to have been awarded OPP’s Gold Award for Best Developer in Southern Europe. The award is testimony to our detailed planning and the design of Dubrovnik Sun Gardens and our vision to be one of Europe’s finest 5 star integrated resorts. We have been methodical in our approach to create a property that appeals to today’s lifestyle investor. Through its strategic marketing and communication program Dubrovnik Sun Gardens is quickly generating great interest from a variety of markets across Europe.”

Dubrovnik Sun Gardens is a five star resort, uniquely located on Croatia’s Dalmatian Coast, just outside the UNESCO city of Old Town Dubrovnik. The resort is one of the very few in Croatia which offers both hotel facilities as well as an opportunity for residential ownership.

>>> FILIPOVIĆ BUSINESS ADVISORY LAUNCHED EQUILIBRIUM BUSINESS PLATFORM

Filipec Business Advisory Ltd. is active in the field of commercial real estate development market advice and brokerage in Croatia. We cover the following sectors: residential development, office space, retail space, tourism and industry and logistics.

We have launched a focused program of commercial real estate development, brokerage and financing through the business platform EQUILIBRIUM. EQUILIBRIUM provides fast, efficient and successful location of business partners for various schemes in the commercial real estate business, such as development, sale, acquisition, investment, construction, financing, bad debt insurance, finance leasing, use, lease, joint venture, land-use change, reallocation of property, and other. EQUILIBRIUM includes all sectors of commercial real estate – residential development, tourism, industry and logistic, retail and office space.

Apart from professional advisory and brokerage services, we are also dedicated to promoting the development and education of the real estate market in Croatia. More information at:

www.filipec-advisory.com/hr/equilibrium/equilibrium

Dubrovnik Sun Gardens is delighted to announce that they are the proud recipients of the Overseas Property Professional ‘Gold Award for Excellence 2011’ in the category “Best Developer in Southern Europe.” This award, coupled with the fact that the resort experienced its most successful tourist season to date, with a 95% occupancy rate this past summer, demonstrates how the resort is going from strength to strength under its new management.
CROATIAN POST OFFICE ON ADRIA TOP 100 LIST
Again this year the Croatian Post Office is in the exclusive company of 100 best companies in the region. It is actually on the Deloitte TOP 100 List, and for already the second consecutive year it is positioned as the company which, in terms of its size and up to date business activities, stands side by side with European postal operators in the regional business scene. Let us recall that the Croatian Post Office was also listed in 2010, which however was not the case in 2009. By adding the Croatian Post Office to its list Deloitte recognized the strategic changes which the Croatian Post Office underwent in the recent period which resulted in a change in the financial management system of the company and it ended last year, 2010, with a net profit of 35.2 million HRK. During the past three years the Croatian Post Office has raised its level of readiness for the market liberalization of postal services which will take place after Croatia joins the EU. Projects necessary for further development have been initiated as well as a series of new services and the Croatian Post Office has been recognized as a desirable employer.

ORTOIMPLANT – A NEW DENTAL SPA CONCEPT AT THE GREEN GOLD BUSINESS CENTRE
Under the guidance of the world renowned expert Zdenko Trampuš, doctor of dental medicine, the Ortoimplant private health care facility is opening its doors at one more location, the Green Gold Business Centre, where patients will now receive even better service. By introducing the Dental Spa concept – complete dental care in one location – we will be at the service of our patients throughout their visit. They will also receive a relaxing massage in calming surroundings. A visit to the dentist, which can be a rather frightening experience, is now a chance for relaxation and better recovery in the spa environment.

RBA MOBILE BANKING ALSO ON ANDROID MOBILE PHONES
Raiffeisenbank Austria d.d. (RBA) has improved its “RBA on your palm” service which, apart from being available as an application on iPhone mobile phones, is now also available as an application for Android mobile phones. A simple and innovative mobile application, RBA on your palm (na dlanu) offers Bank customers – users of Android mobile phones – practical and useful functions: access to RBA mobile banking (Internet banking on an Android mobile phone), mToken (a new form of identification and confirmation of transactions for particular DIREKT services), a list of outlets and ATMs with presentation of the nearest locations on an interactive map, and speed-dialing of the RBA INFO phone number. RBA mobile banking is a set of services which enables its users to review balances of kuna and FX accounts, deposits and loans, to review transactions with transaction details, to place kuna payment orders, to review placed payment orders, FX trading, to make term deposits, to define payees (and to use existing payees from iDIREKT), to send and receive authorized messages (mail box), and to review credit card transactions and balances. The advantage of mTOKEN is that its users are no longer required to use additional devices such as a token and card reader. The only thing the user needs is a mobile phone which can access the Internet where he or she can install the application. In the process of application development special attention was paid to security – the entire communication process takes places through a special protected channel, and data regarding the accounts and the PIN are not kept in the mobile phone, which prevents their misuse. Development of the application for Android mobile phones is the result of the further implementation of innovative solutions for high-tech users.

ADECCO: A NEW STUDY OF THE WORLD OF WORK IN 2020
Adecco Croatia organized an event in Zagreb on 22nd September where it presented the latest trends in the world of work. A clear trend is towards more flexible employment patterns – both in terms of what is offered by business organizations and also relative to the wishes of employees. The focus is less on material status
symbols, and more on values such as freedom, autonomy, creative options and a broad network.

**Self-confidence in Choosing Employers**

The characteristics of the employees of tomorrow: they are well-equipped for the world of work and have accumulated more experience than older generations of employees whilst still at school and in further education. They are correspondingly self-confident, including choosing and changing employers. They wish to know precisely what advantages and possible disadvantages the latter offer. For business organizations this means that they will have to convince potential employees with offers such as flexible working hours, individual options for continuing education and training, social commitment or performance-related bonuses – in short: to be attractive employers.

**Relationship Economy: Networks**

According to Adecco, many employees will in future not surface at all in the “official” marketplace. Instead, employers will use channels such as Facebook or events for recruitment. The secret of success will be to build and maintain good contacts, whether through internship programs, alumni networks or social networks. And within organizations it will also become increasingly important to pay attention to the individual wishes of employees, because they will not be tied to the organization by standardized career planning or incentives targeted at the general mass of employees. On top of this, the new generations are more impatient and less loyal – a change of employer can happen quickly.

The trends show one thing above all else: the world of work is becoming more flexible, and business organizations as well as employees will have to be just as flexible in future.

**BUSINESS SENTIMENT INDEX SURVEY BY DELoitTe**

In Q4 2011 the optimism index of Croatian executives fell for the first time and was 4 percent lower compared to Q3 2011. However, the highest positive shift was noted in the readiness to launch new services and the assessed rigidity of the regulatory environment.

Despite the conclusion of the EU-accession negotiations, the increased number of tourists and the first positive GDP shift after 2008 recorded in the second quarter of 2011, the expectations of executives in Croatia can be generally described as cautious. At the same time, 58 percent of the respondents do not expect the results of their companies to change significantly, whereas 39 percent have confirmed a positive shift. Executives in Croatia were slightly more positive in their outlook regarding the launch of new products and services, with 67 percent of Croatian executives now looking forward to new launches.

In addition, the most recent survey revealed an optimistic view of the regulatory changes in Croatia. Nine percent of executives in Croatian firms are now optimistic and consider the regulatory environment to be less rigid, as opposed to merely 3 percent of the respondents sharing this view in Q2 2011.

As regards capital investments (equipment, IT systems, new commercial properties, and similar), 36 percent of the respondents plan to increase their capital investments over the next six months, whereas only 6 percent expect their capital investments to decrease. The full report can be downloaded at [www.deloitte.com/hr/bsi](http://www.deloitte.com/hr/bsi)

**WEBSTER UNIVERSITY, VIENNA - NEW GRADUATE STUDY PROGRAM ACCREDITED**

MA in Psychology with an Emphasis in Counseling Psychology starting from Fall 2012

On March 7, the Austrian Accreditation Council accredited the new MA in Psychology. Counseling psychology, one of the largest specialty areas within psychology, focuses on providing psychological treatment to clients experiencing a wide variety of problems and/or symptoms.

Our understanding of counseling psychology is informed by such internationally leading associations in the world of psychology as the American Board of Professional Psychology, the American Psychological Association (Society for Counseling Psychology), the Canadian Psychological Association, the British Psychological Society, and the Australian Psychological Society.

The mission of Webster’s MA in Counseling Psychology program is to provide its participants with the knowledge and skills necessary to become competent in counseling psychology through academic and experiential learning. The program aims at educating future psychologists who have sound knowledge of the theory and practice of counseling psychology, who are competent consumers and creative producers of social science research, who are competent in counseling practice, and who are ethical and sensitive to the cultures, values, and worlds of various clients.

The program is offered at Webster University Vienna in the format of evening and weekend courses and typically completed in two years by full-time participants. Completing the required internship during an optional summer term allows participants to complete the program in as little as 18 months. It is also possible to attend the program on a part-time basis.

For more information about the MA in Counseling Psychology at Webster University Vienna please visit: [www.webster.ac.at/psychology/ma-counseling-psychology](http://www.webster.ac.at/psychology/ma-counseling-psychology)
**HERTZ PULA DOWNTOWN OFFICE IS MOVING**

Due to the refurbishment of Hotel Histria in Pula, the Hertz Pula Downtown office is temporarily moving to a new location at Hotel Riviera, Pula, Kolodvorska 8. Hotel Riviera is situated in the historical centre of Pula, not far from the Arena, the Roman amphitheatre. The hotel is located near the Riva promenade, not far from the port of Pula. Pula rail and bus station are only 500 meters away, while Pula Airport is at some 3 kilometers. All other contact details remain the same: Hertz office Pula DT - Phone/Fax +385 52 210 868, pula.dt@hertz.hr

**AVON CONTINUES TO FIGHT AGAINST BREAST CANCER WITH GLOBAL BREAST CANCER SCHOLARS PROGRAM**

The Avon Foundation for Women has launched a Global Breast Cancer Clinical Scholars program to provide intensive training in 12 leading U.S. breast cancer centers in the United States for 50 specialists in the breast cancer field from around the globe in 2012 and 2013. “The goal of the program is to provide clinically-focused scholarship opportunities for breast cancer specialists from outside the United States to receive advanced training and take such advanced skills back to their home countries to improve treatment and care of women facing breast cancer. In Avon we are truly proud that we have the opportunity to contribute to the fight against breast cancer once again”, said Lucija Josipović from Avon Croatia. The scholars will include physicians (M.D.) working in breast cancer clinical care who are primarily early to mid-career and would benefit from a short program of advanced training. The program consists of 4-8 weeks of clinically-focused intensive training. The application deadline is January 6, 2012. Applications can be submitted via www.avonfoundation.org/programs-and-events/125-anniversary-global-scholars-program.html

**NESTEA SNOWY PLUM – NEW PLEASURE WHICH CAN BE ENJOYED EITHER COLD OR WARM**

For the first time in the Croatian market we have an ice tea which can also be served warm – Nestea Snowy Plum

Ice teas are refreshing drinks which are, as a product category, most frequently associated with the summer when refreshment is badly needed because of excessive heat. This winter, however, Croatian consumers will be able to try a new Nestea ice tea flavor, which will address the need for refreshment in the cold winter months as well. Nestea Snowy Plum is a new Nestea flavor in the Croatian market, currently finding its way into sales outlets all over the country, ready to draw consumers who are willing to try something new and unusual. What is unusual about this ice tea is the fact that it can be served warm. – Consumers associate a distinguishing plum flavor with plum kompot (a refreshing drink, typical in countries of Central and Eastern Europe) and winter, a season in which it is most frequently consumed – explained Margareta Špoljar, National Initiatives Manager. She also added that the team was guided by the idea of extending the ice tea season to winter by introducing the plum flavor as the most suitable flavor for cold weather. – The product was designed for the regional markets, and it was first launched in Hungary where it reached a considerable market share in only a few months, which is considered a great success. After Austria saw a similar scenario, we made a decision to launch Nestea Snowy Plum in Croatia – said Ivana Nucak, Product Manager. Nestea Snowy Plum is a limited edition and it will be available in stores from mid October 2011 until the end of February 2012. It is a black tea with a rich aroma and a natural plum flavor, with no preservatives and no additives, the taste of which was enhanced with honey. Besides the fact that there is no similar ice tea flavor in the market, Nestea Snowy Plum has another distinguishing characteristic – it can be served warm. Since most of the consumers prefer to be warmed up in the cold winter days with warm drinks, Nestea Snowy Plum was designed to preserve the nutritional value of its ingredients when heated.

**HBOR JOINED THE ENERGY EFFICIENCY PROGRAM “HOUSE IN ORDER” (HIO PROGRAM)**

Croatian Bank for Reconstruction and Development signed a Letter of Intent on the application of the energy efficiency principles in their facilities and joined the program “House in order”. The program, implemented by UNDP Croatia in cooperation with the Croatian Government and the Fund for Environmental Protection and Energy Efficiency, has been actively involved in all 16 ministries and the Office of the President and Croatia’s Meteorological and Hydrological Service. The Letter of Intent between HBOR and UNDP was signed by Emilija Nagj, Member of HBOR’s Managing Board, and Louisa Vinton, the UNDP Resident Representative in Croatia. The document details the services that UNDP will provide HBOR under the program, as well
Interactive marketing for future business – an IBM marketing event, held on November 25th, 2011 at the Sheraton Hotel in Zagreb, was organized by IBM Croatia in cooperation with the Faculty of Economics and Business, University of Zagreb. IBM’s first event intended for marketing leaders and possible users of Unica software gathered about 100 participants from companies, agencies and marketing institutions. Interesting lectures combined IBM CMO Study results, presented by Selda Senkaya, SEE Marketing and Communications Manager in IBM, a round table with marketing leaders, and Unica software showing that IBM is recognized as a marketing oriented company. One of the goals of the event was to show how marketing directors understand their clients, how they maintain continuous interaction that strengthens the client relationship and how they use correct tools for value measuring and result gathering – that is UNICA. IBM UNICA will transform your passion for marketing into more efficient business. Unica is dedicated to income growth, improving efficiency and marketing activity measurement. It is directed at marketing organization needs, offering web activity analysis tools, generation of online and offline demand, as well as marketing resource management software.

For access to the full 2011 IBM Global CMO Study visit http://ibm.com/cmostudy.
project also included regulation and development of their capital market, and attorney-at-law Aleksej Mišković, partner with the Law firm Glinska & Mišković Ltd., took part in the project as an expert consultant. Mr. Aleksej Mišković, engaged as the securities law expert, provided consultancy services and technical assistance to the Securities Commission of the Republic of Serbia in connection with implementation of their new Capital Market Act and drafting its new by-laws, in particular in the field of market abuse. The goal of that part of the project is to create a regulatory framework for non-banking financial institutions to enable further development of capital market in the Republic of Serbia, and harmonization of the legal framework with the requirements of the European Union.

Oryx Assistance and Erste Card Club Launched Co-Brand Diners Club Card
Erste Card Club and Oryx Assistance have launched the Diners Club Oryx co-brand card that brings together road assistance services and all Diners Club benefits. The card is intended for drivers and yachtsmen. It responds to drivers’ every need as, in addition to road assistance, it makes it possible to make all necessary payments such as road tolls, fuel, etc.

Until recently, Oryx Assistance was known as AMC (Auto Management Center) and, owing to its own network of vehicles for assistance on the road and at sea, it guarantees assistance to its members within 45 minutes at the latest. Oryx Assistance will ensure professional road assistance and transfer of damaged vehicles, use of a replacement vehicle, etc.

The card is intended for both private and business users who will be allowed a substantial discount of 14.99% on comprehensive automobile insurance. Depending on their needs, they will be able to choose between the Basic Plus package and the Classic package. The Basic Plus package ensures assistance on the road and at sea in Croatia, while the Classic package also guarantees assistance abroad.

The card also brings discount vouchers, e.g., for the purchase of vehicles at Auto Zubak showrooms. The price of a vehicle is reduced by the voucher amount (up to HRK 35,000) which then can be paid by Diners Club consumer loan in up to 60 installments. In addition, vouchers can be used when paying for Oryx Driving School or Oryx Car Rental services. The card also enables interest-free payment of service and MOT at Auto Zubak, as well as at Oryx Driving School.

Graphics of Americas (GOA) is one of the printing industry’s largest annual combined exposition and education events in the United States. With worldwide attendance, GOA is a unique event that attracts an average audience of 9,800 printers, designers, and creative professionals from over 90 countries. The diverse attendance provides a wide opportunity for networking. GOA’s combined expo and conference provides attendees and exhibitors with a venue that addresses the needs of both end-users and printers. Not only does GOA offer excellent seminars and conferences, it also provides hands-on training labs and vendor tutorials right on the show floor. In addition, GOA provides a world-class educational program with select bi-lingual sessions. For more information on the show, please visit the show’s website: www.graphicsoftheamericas.com.

Product Categories include:
- Commercial Offset Printing,
- Automated Workflow, Digital Printing & Variable Data Printing,
- Flexography – labels – converting, Mailings & Fulfillment,
- Publishing & Digital Publishing, Wide Format Printing,

Visit GOA in beautiful and warm Miami, Florida. Miami is different from any other city in America with a distinct Latin flavor. Greater Miami has miles and miles of beaches beckoning sun seekers, and nearby parks luring nature lovers to discover a fascinating variety of flora and fauna. Attractions offer countless choices - from historic to adventuresome, natural to man-made. More information at: www.miamibeaches.com

If you are interested in attending the show, please contact the U.S. Commercial Services office in Zagreb:

office.zagreb@trade.gov
Member to Member Discounts

For full details on discount program and contact info, please see AmCham’s ‘members only’ webpages.

AUTOMOTIVE
- TOYOTA CENTAR ZAGREB
  • Special benefits and discounts on all Lexus vehicles for AmCham members
  • IS 200d Finesse special price 222,456.00 Kn
  • Test drives available at member’s premises

CONSULTING
- COFACE HRVATSKA
  • 10% discount on all Croatian information services (credit reports, monitoring, balance sheet reports, portfolio watch etc)
  • Per case discounts for debt collection cases

FINANCIAL SERVICES
- ERSTE CARD CLUB d.d.
  • Free parking at the Zagreb Airport if an airline ticket is purchased at Diners Club Travel by 31 Dec 2011*
  • 50% discount on the ticket service charge if an airline ticket is purchased at Diners Club Travel by 31 Dec 2011*
  
  *paid with Diners Club, Visa or MasterCard issued to an AmCham member by Erste Card Club (not transferable)

- PBZ CARD
  • for details on available discounts please go to AmCham ‘members only’ webpages

EDUCATION
- AMERICAN COLLEGE OF MANAGEMENT AND TECHNOLOGY
  • 10% discount on tuition for all Bachelor of Science and Master of Science programs in Dubrovnik or Zagreb at RIT/ACMT. Eligibility: employees and immediate family of AmCham members in good standing

- INTERNATIONAL GRADUATE BUSINESS SCHOOL ZAGREB (IGBS ZAGREB)
  • AmCham members sponsoring student tuition in IGBS MBA Program will receive a 500 EUR discount per student

- DELOITTLE SAVJETODAVNE USLUGE d.o.o.
  • 2-3 hour free diagnostics meeting relating to the subject of your choice
  • 30% discount on all tax services

- PRICEWATERHOUSECOOPERS
  • 20% discount on all accounting, tax compliance and payroll services
  • TPA HORWATH d.o.o.
  • 10% discount on all our services

FURNITURE
- STEELCASE
  • 3% special discount, valid for AmCham members who do not already have a separate (European / Global or any other) contract with Steelcase

HEALTH CARE
- POLIKLINIKA MEDIKOL
  • 10% discount on medical services. Physical Medicine and Rehabilitation Center and Dermatology, Internal Medicine, Radiology, Gynecology and Obstetrics, Ophthalmology, Neurology, Urology, Cytology
  • Discount does not include: sedation, medical contrast, PHD, medical reagent, medical devices, drugs, external laboratory services

- ORTOIMPLANT d.d.
  • Free consultation regarding oral hygiene and the active care of complete oral health,
  • Free telephone based consultation with our dentists regarding your current concerns and the treatment options,
  • Free dental second opinion,
  • Organization of diagnostic examination with maximum flexibility and priority during scheduling

- PATRON EXECUTIVE CLUB (ADDITIONAL OFFER):
  • Free educational material in connection with oral health and innovative methods of treatment through our newsletter
  • Free diagnostic examination that includes an RTG, functional diagnostics and orthodontic diagnostic in the value from 5,000 Kn

HOSPITALITY INDUSTRY
- HOTEL ANTUNOVIC ZAGREB
  • 10% discount on the room rates during a week
  • 30% discount on the room rates during weekends
  • For AmCham members that do not already have contract for accommodation
  • 10% discount on ASPA wellness services

- SUPETRUS HOTELI d.d.
  • 20% discount on the accommodation prices for the AmCham members

- REGENT ESPLANADE ZAGREB
  • 15% discount on published room rates
  • 15% discount on food and drinks consumed in the hotel restaurant and bar
  • 25% discount on rental of meeting rooms
  • Complimentary upgrade to a higher room category (upon availability, excluding presidential suite)
  • Complimentary glass of sparkling wine per person during lunch or dinner

INFORMATION TECHNOLOGY
- ETRANET GROUP
  • 10% discount for all solutions and products based on the cards including Acces and Time Attendance systems!
  • HEWLETT PACKARD
    • Discount cca 30-40% from list price
    • For specific models offered at discounted rate please contact Hewlett Packard office

- INTEA
  • 10% discount on BALDOR motors, drives and motion products
  • 10% discount on SENA Bluetooth products
  • 10% discount on Axion industrial Ethernet switches, media converters and serial device servers

- LENOVO
  • For specific models offered at discounted rate please contact Lenovo office

- MIKRONIS
  • 5% discount on all products

- PLANET PLUTON
  • free web design consulting for all AmCham members
  • 20% for all north2 services (web design & development, web application, web promotion)

- SILICON MASTER
  • 5-25% discount from the list price on the selected products from our portfolio
New Members

HILTON IMPERIAL DUBROVNIK
MARIJANA BLAŽIČA 2
20000 DUBROVNIK
PHONE: 385 (0) 20 320 320
FAX: 385 (0) 20 320 306
SALES.DUBROVNIK@HILTON.COM
RESERVATIONS.DUBROVNIK@HILTON.COM
WWW.DUBROVNIK.HILTON.COM

Stylish hotel in a stunning location
Ideally located, just a step away from the famous Old Town of Dubrovnik, Hilton Imperial Dubrovnik overlooks the ancient City Walls and Adriatic Sea. Originally built in 1895, the hotel links two stylish buildings of great Mediterranean charm. Although completely renovated in 2005 it has preserved original 19th century architectural features and all the best from the glamorous past, while at the same time offering contemporary comfort and technology. It is a masterpiece of Mediterranean elegance.

Every room at the Hilton Imperial Dubrovnik is luxuriously furnished with attention to detail and reflects a unique combination of Mediterranean tradition with modern comfort and amenities. The Hilton Imperial Dubrovnik is a perfect venue for meetings and conferences, offering multi-purpose function rooms, comprising of six formal meeting rooms and a Ballroom with flexible room set-up. Hilton Meetings will elevate any event with an unrivalled level of personalized service, flexibility, and a hassle-free environment. Our flexibility enables us to tailor business solutions to your exact specifications.

Be sure to dine in our stylish Porat Restaurant, where you will encounter the modern art of cooking as it has been developed by Maltese-born Executive Chef Christopher Gauci, who trained under famous Raymond Blanc.

Our charming Bar is infused with historical style and is sure to provide a relaxing moment whilst sipping your favourite cocktail. Unwind in the peaceful Beauty Line Spa. We also have on-site a fully equipped gym and indoor swimming pool. You may prefer to relax in the sauna, steam room or Jacuzzi or choose from our comprehensive range of massages and revitalizing beauty treatments.

CORPORATE

PHARMAMED MADO d.o.o.
KOVINSKA 4A / 2
10000 ZAGREB
PHONE: 385 1 3776 116
FAX: 385 1 3776 066
INFORMACIJE@PHARMAMED.COM
WWW.PHARMAMED.COM

Representative and distributor for medicinal products, medical devices and medical equipment.

SMALL BUSINESS

PHARMAMED MADO d.o.o.
KOVINSKA 4A / 2
10000 ZAGREB
PHONE: 385 1 3776 116
FAX: 385 1 3776 066
INFORMACIJE@PHARMAMED.COM
WWW.PHARMAMED.COM

CONTACT PERSON: MARKO GORIČKI, DIRECTOR
MARKO.GORIČKI@PHARMAMED.COM

Representative and distributor for medicinal products, medical devices and medical equipment.
ADVERTISE IN AMCHAM “NEWS & VIEWS” MAGAZINE

WEBSITE ADVERTISING

www.amcham.hr

E-BULLETIN ADVERTISING (Members only)

Chamber’s E-bulletin is sent every week to 1500 e-mail addresses of senior management of AmCham member companies and other business partners, as well as government and international institutions. Available advertising space is limited and on a first-come first-served basis.

• one-time announcement – promotional text (max. 600 characters including spaces) and your company logo or other picture/photo - 750,00 kn + VAT
• E-bulletin sponsor – your logo published in every E-bulletin in the period of 3 months (12 issues) – 7.000,00 kn + VAT

For reservations and any additional info, please contact: Ms. Ivana Karavidović (events@amcham.hr).
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADVERTISING / PR</td>
<td>Alpheus d.o.o.</td>
</tr>
<tr>
<td></td>
<td>BBDO Zagreb d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Luminus d.o.o.</td>
</tr>
<tr>
<td>AGRICULTURE</td>
<td>Pioneer Sjeme d.o.o.</td>
</tr>
<tr>
<td>AIRPORT</td>
<td>Zračna luka Zagreb d.o.o.</td>
</tr>
<tr>
<td>ASSOCIATIONS</td>
<td>Hrvatsko-američko društvo - Croatian American Society</td>
</tr>
<tr>
<td></td>
<td>International Tourism Association (ITA)</td>
</tr>
<tr>
<td></td>
<td>The Nikola Tesla Association – Genius for the Future</td>
</tr>
<tr>
<td>AUTOMOTIVE</td>
<td>P.Z. Auto d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Opel Southeast Europe LLC - predstavništvo u RH</td>
</tr>
<tr>
<td></td>
<td>Toyota Centar d.o.o.</td>
</tr>
<tr>
<td>BANKING</td>
<td>Citibank Europe Plc - Hungarian Branch Office</td>
</tr>
<tr>
<td></td>
<td>Hrvatska banka za obnovu i razvitak - HBOR</td>
</tr>
<tr>
<td></td>
<td>Raiffeisenbank Austria d.d. Zagreb</td>
</tr>
<tr>
<td></td>
<td>Zagrebačka banka d.d.</td>
</tr>
<tr>
<td>BUSINESS INFORMATION</td>
<td>Bisnode d.o.o.</td>
</tr>
<tr>
<td>CONSULTING</td>
<td>AKIOS d.o.o.</td>
</tr>
<tr>
<td></td>
<td>COFACE Hrvatska d.o.o.</td>
</tr>
<tr>
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<td>Conceptio razvoj d.o.o.</td>
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<tr>
<td></td>
<td>McKinsey &amp; Company, Inc. Croatia</td>
</tr>
<tr>
<td></td>
<td>Six Sigma adriatic d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Vernexo d.o.o.</td>
</tr>
<tr>
<td>COURIER SERVICES</td>
<td>DHL International d.o.o.</td>
</tr>
<tr>
<td></td>
<td>FedEx - Rhea d.o.o.</td>
</tr>
<tr>
<td></td>
<td>HP-Hrvatska pošta d.d.</td>
</tr>
<tr>
<td>CREDIT CARDS</td>
<td>Erste Card Club d.d.</td>
</tr>
<tr>
<td></td>
<td>PBZ Card d.o.o.</td>
</tr>
<tr>
<td>CULTURE</td>
<td>Lado - Ansambl narodnih plesova i pjesama Hrvatske</td>
</tr>
<tr>
<td></td>
<td>The Zagreb Philharmonic</td>
</tr>
<tr>
<td>DEMINING</td>
<td>Piper d.o.o.</td>
</tr>
<tr>
<td>DIRECT SALES</td>
<td>Amway d.o.o.</td>
</tr>
<tr>
<td></td>
<td>AVON Kozmetika d.o.o.</td>
</tr>
<tr>
<td>DOCUMENT MANAGEMENT</td>
<td>XEROX Ltd. - Predstavništvo u RH</td>
</tr>
<tr>
<td>EDUCATION</td>
<td>American College of Management and Technology</td>
</tr>
<tr>
<td></td>
<td>American International School of Zagreb</td>
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<tr>
<td></td>
<td>International Graduate Business School Zagreb</td>
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<tr>
<td></td>
<td>International Kindergarten Horizons</td>
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<td>Little Star Kindergarten</td>
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<td></td>
<td>Webster University</td>
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<td>Zagreb School of Economics and Management</td>
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<tr>
<td>ENERGY</td>
<td>Emerson d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Podzemno Skladište Plina d.o.o.</td>
</tr>
<tr>
<td>ENGINEERING</td>
<td>Alipro d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Inta d.d.</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>Agroproteina d.d.</td>
</tr>
<tr>
<td></td>
<td>APO d.o.o. usluge zaštite okoliša</td>
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<tr>
<td></td>
<td>Eco-Logic Systems LLC</td>
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<tr>
<td></td>
<td>OIKON d.o.o.</td>
</tr>
<tr>
<td>FINANCIAL SERVICES</td>
<td>Deloitte</td>
</tr>
<tr>
<td></td>
<td>Ernst &amp; Young d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Infokorp d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Interkapital d.d.</td>
</tr>
<tr>
<td></td>
<td>KPMG Croatia d.o.o.</td>
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<tr>
<td></td>
<td>PricewaterhouseCoopers d.o.o.</td>
</tr>
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<td></td>
<td>TMF Croatia d.o.o.</td>
</tr>
<tr>
<td></td>
<td>TPA Horwath d.o.o.</td>
</tr>
<tr>
<td>FOOD AND BEVERAGES</td>
<td>Coca-Cola Adria d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Coca-Cola HBC Hrvatska d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Gavrilović d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Globalna hrana d.o.o. - McDonald’s Master Franchisee in Croatia</td>
</tr>
<tr>
<td></td>
<td>Karlovačka Pivovara d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Mars Hrvatska d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Mesna industrija Braća Pivac d.o.o.</td>
</tr>
<tr>
<td>FURNITURE</td>
<td>Steelcase S.A. podružnica Zagreb</td>
</tr>
<tr>
<td>HEALTH CARE</td>
<td>Abbott laboratories d.o.o.</td>
</tr>
<tr>
<td></td>
<td>AstraZeneca d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Eli Lilly (Suisse) S.A. - Predstavništvo u Hrvatskoj</td>
</tr>
<tr>
<td></td>
<td>Euromedic International d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Johnson &amp; Johnson S.E. d.o.o.</td>
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<td>Medtronic BV, Representative Office in Croatia</td>
</tr>
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<td></td>
<td>Merck d.o.o.</td>
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<td>Merck Sharp &amp; Dohme d.o.o.</td>
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<td>Orthoimplant d.o.o.</td>
</tr>
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<td>Pfizer Croatia d.o.o.</td>
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<td>Pharmamed MADO d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Pliva Hrvatska d.o.o., a member of the Teva Group</td>
</tr>
<tr>
<td></td>
<td>Poliklinika Medikol</td>
</tr>
<tr>
<td></td>
<td>Roche d.o.o.</td>
</tr>
<tr>
<td>HOME APPLIANCES</td>
<td>Whirlpool Croatia d.o.o.</td>
</tr>
<tr>
<td>HOSPITALITY INDUSTRY</td>
<td>Grand hotel Imperial d.d. - Hilton Imperial Dubrovnik</td>
</tr>
<tr>
<td></td>
<td>Hotel Antunović Zagreb - Antunović TA d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Hotel Dubrovnik d.d.</td>
</tr>
<tr>
<td></td>
<td>HUP Zagreb d.d.</td>
</tr>
<tr>
<td></td>
<td>The Regent Esplanade Zagreb</td>
</tr>
<tr>
<td></td>
<td>Sypetrvs Hoteli - Waterman Resorts</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>Adecco d.o.o.</td>
</tr>
<tr>
<td></td>
<td>IVENTNA Croatia d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Pedersen &amp; Partners d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Selectio d.o.o.</td>
</tr>
<tr>
<td>INFORMATION TECHNOLOGY</td>
<td>Cisco Systems Hrvatska d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Etranet group d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Hewlett-Packard d.o.o.</td>
</tr>
<tr>
<td></td>
<td>HSM Informatika d.o.o.</td>
</tr>
<tr>
<td></td>
<td>IBM Hrvatska d.o.o.</td>
</tr>
<tr>
<td></td>
<td>InfoDom d.o.o.</td>
</tr>
<tr>
<td></td>
<td>INSIG2 d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Lenovo Technology B.V. - Predstavništvo u RH</td>
</tr>
<tr>
<td></td>
<td>Microsoft Hrvatska d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Mikronis d.o.o.</td>
</tr>
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<td></td>
<td>Oracle Hrvatska d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Patton Electronics Co.</td>
</tr>
<tr>
<td></td>
<td>Planet Plutor d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Silicon Master d.o.o.</td>
</tr>
<tr>
<td>INSURANCE</td>
<td>Allianz Zagreb d.d.</td>
</tr>
<tr>
<td>INTERIOR DESIGN</td>
<td>Dekori MV</td>
</tr>
<tr>
<td>INVESTMENT</td>
<td>Proficio d.d.</td>
</tr>
<tr>
<td></td>
<td>Odmarališta IO Adria d.o.o.</td>
</tr>
<tr>
<td>LEGAL SERVICES</td>
<td>Odvjetnički ured Don Markušić</td>
</tr>
<tr>
<td></td>
<td>Odvjetnički ured Andrej Matijević</td>
</tr>
<tr>
<td></td>
<td>Odvjetnički ured Marija Pupo Tadić</td>
</tr>
<tr>
<td></td>
<td>Odvjetnički ured Melita Veršić-Marušić</td>
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<tr>
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<td>Odvjetnički ured Hrvoje Vidan</td>
</tr>
<tr>
<td></td>
<td>Odvjetnički ured Zvonko Nogolica</td>
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<tr>
<td></td>
<td>Odvjetničko društvo Beca, Škurla, Durniš i Spačić</td>
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<tr>
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<td>Odvjetnički ured Divjak, Topić i Bahtijarević</td>
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<tr>
<td></td>
<td>Odvjetničko društvo Glinska &amp; Mišković d.o.o.</td>
</tr>
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<td>Odvjetničko društvo Hanžeković &amp; Partneri</td>
</tr>
<tr>
<td></td>
<td>Odvjetničko društvo Vlašić &amp; Partneri</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>DOK-ING d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Enikon-Composite d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Teknoxgroup Hrvatska d.o.o.</td>
</tr>
<tr>
<td>MARKET RESEARCH</td>
<td>Ipsos Puls d.o.o.</td>
</tr>
<tr>
<td>MEDIA</td>
<td>NOVA TV d.d.</td>
</tr>
<tr>
<td>MILITARY-INDUSTRIAL</td>
<td>HS Produkt d.o.o.</td>
</tr>
<tr>
<td>PUBLISHING</td>
<td>Business Media Croatia d.o.o.</td>
</tr>
<tr>
<td>REAL ESTATE</td>
<td>CB Richard Ellis d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Colliers International d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Expostum d.o.o. - REXPO</td>
</tr>
<tr>
<td></td>
<td>Filipović Business Advisory, Ltd.</td>
</tr>
<tr>
<td></td>
<td>Jones Lang LaSalle d.o.o.</td>
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<td>Medija group</td>
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<td>Mrduja d.o.o.</td>
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<td>P.S. Immo d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Trigranit Lanište d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Woodsford Grupa d.d.</td>
</tr>
<tr>
<td>RENT A CAR</td>
<td>Hertz Croatia - Anterra d.o.o.</td>
</tr>
<tr>
<td>SCIENCE &amp; TECHNOLOGY</td>
<td>Ruder Inovacije d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Tehnomobil d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Sparta Matrix Inc.</td>
</tr>
<tr>
<td>STEEL PRODUCTS</td>
<td>CMC Sisak d.o.o.</td>
</tr>
<tr>
<td>STELECOMMUNICATIONS</td>
<td>CMC Sisak d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Metronet telekomunikacije d.d.</td>
</tr>
<tr>
<td>TOBACCO</td>
<td>JT International Zagreb d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Philip Morris Zagreb d.o.o.</td>
</tr>
<tr>
<td>TRADE</td>
<td>Atlantic grupa d.d.</td>
</tr>
<tr>
<td></td>
<td>Marli satovi i nakit d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Nike European Operations Netherlands B.V. – glavna podružnica Zagreb</td>
</tr>
<tr>
<td></td>
<td>Orbico d.o.o.</td>
</tr>
<tr>
<td>TRANSLATION SERVICES</td>
<td>Aion d.o.o.</td>
</tr>
<tr>
<td></td>
<td>Ciklopea d.o.o.</td>
</tr>
<tr>
<td>TRANSPORT</td>
<td>AGS Zagreb d.o.o.</td>
</tr>
<tr>
<td>TRAVEL</td>
<td>Atlas turistička agencija d.d.</td>
</tr>
<tr>
<td></td>
<td>Libertas Regis d.o.o.</td>
</tr>
</tbody>
</table>
MERRY CHRISTMAS AND A HAPPY NEW YEAR!