• Evening for Safe Steps
• Market Competition in Croatia – European Perspective
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,

December is the time to recap 2012; it provides a view to the year behind us and perspective to novelties of 2013. Companies operating in Croatia link their Christmas wishes mostly to structural reforms and tax relief which haven’t been initiated to a higher extent in this year, so 2013 is approaching as another challenging year. More favorable conditions can be expected in tourism sector which is looking forward to lower VAT in the coming year.

Yet the excitement about 2013 is primarily related to July 1, so long expected date of the Croatia’s EU accession. It will be a day of celebration, confirming the European orientation and strengthening safety of Croatia as investment destination. For Croatian companies Monday, July 1, will be the day of many operational changes. Seminar that was recently organized by AmCham and PwC for patron members on the VAT topic, with PwC experts from Poland and France, and Croatian Tax Administration has demonstrated the complexity of adjustments that will need to be adopted in business processes, IT systems customizations, internal trainings for most of the industries, especially those involved in international trade. Short time ahead of us is additional pressure for needed preparations.

Entry into the European Union will bring new opportunities, but it will also bring into spotlight needed improvement of competitiveness. Labour law comments in preparation, position papers related to binding tax opinions and fees for environmental charges as well as 5 steps-recommendations of international chambers are contributions from the real life which we hope will help government to recognize priority steps and quick wins.

Looking forward to the New Year, we thank our members who, despite challenging economy, actively participated in AmCham’s corporate social responsibility projects. They prove their long term commitment to Croatian market, by helping and by showing the example. Evening for Safe Steps, our landmark project, is a proof of commitment with more companies participating than ever, even though with smaller donations or less tickets. Good will is what counts.

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

Andrea Doko Jelušić, Executive Director
AmCham’s third Speed networking proved once more to be a great networking event. AmCham members, mostly sales and procurement managers, exchanged business cards in a moderated concept of 2 minute conversations with each person.


We received positive comments as it proved to be a great way to enhance networking opportunities among our members.

**Why speed networking:**
- Speed Networking is a good use of your time
- Once it started, networking “just happens” without feeling as forced
- Opportunity to meet new buyers/suppliers

**Who is this for:**
- middle and low management
- sales and procurement
- and all those members with a passion of exchanging business cards

This is for those that value short but meaningful conversations and take on a challenge of having collection of business cards. Connections are your biggest assets.

**EU ACCESSION ROUNDTABLE: ARE YOU READY? - FOR EU ACCESSION**

On Wednesday, 21 November, in the Esplanade Zagreb Hotel, a half-day roundtable was held in collaboration with the American Chamber of Commerce in Croatia and the consultancy firm PricewaterhouseCoopers d.o.o. The topic of the roundtable was the possible influence of the EU VAT Directives on the Croatian economy and the companies’ business operations during the EU accession.

We may expect many changes in the economy, especially those relating to the new Value Added Tax Act which was elaborated by the special guest, the Director of Croatian Tax Administration Ms. Nada Čavlović Smiljanec.

As a consequence of Croatia’s EU accession the list of necessary indirect tax compliance documents and reporting requirements regarding the supply of goods and services inside and outside the EU, will increase. VAT experts from PwC Poland and PwC France with years of experience related to the VAT questions in the EU, explained the changes to the companies’ representatives based on the practices applied in their countries. With the implementation of the new VAT Act in Croatia, various changes will occur, such as e-invoicing that results in reduction of business costs, easier monitoring of the movements of goods in terms of export and import, cashless calculation of input VAT, etc. Countries optionally can implement certain laws that may have significant impact on easier market control and tax collection, such as VAT grouping and bad debt relief. In addition to the Acquis Communautaire, the EU Commission and the ECJ will have significant role on the Croatian market.

In the first months after the EU accession, the Croatian companies may expect numerous organizational changes as a consequence of the new laws and full harmonization with the EU Directives.
ANNUAL GENERAL ASSEMBLY

November 29, 2012 at Coca-Cola HBC Hrvatska

Mr. Ivan Vidaković opened the General Assembly, thanked Coca Cola for providing venue and introduced Mr. Mircea Draja, General Manager of Coca-Cola HBC Hrvatska, who welcomed all present members.

Mr. Vidaković emphasized that AmCham has focused more on advocacy work in 2012, through its committees and task forces. He thanked all committee chairs and members for their efforts and shortly presented major achievements and activities of all committees.

AmCham has also increased number of events, always with a goal to be timely and useful to members, among others, lunches with Ministers Maras (Entrepreneurship and Crafts), Linić (Finance), Valjalo (Tourism) and Vrdoljak (Economy).

AmCham also organized two conferences focusing on areas important to the business community – IPR and Competition, as well as a series of other business related seminars, trainings and roundtables. We also supported various events organized by our members and partners and strengthened international cooperation by organizing Business Regatta from Portorož to Umag with AmCham Slovenia and hosting European Best Practice Conference organized by AmChams in Europe organization in Dubrovnik & Cavtat.

AmCham also continues with its dedication to Corporate Social Responsibility through our hallmark event for raising funds for demining - Evening for Safe Steps and again making a Thanksgiving Day donation to a children’s home.

Ms. Doko Jelušić, Executive director, presented the Financial Report for 2012. She said that in spite of economic challenges in Croatia, AmCham delivered and exceeded its expected financial plan. Strong focus on cost control, increased membership engagement through policy work and sponsorships, enabled more investing in the activities and visibility of AmCham’s advocacy and public policy work to the benefits of members.

We have focused on payment discipline and had lowest membership cancellation number in the last four years, as well as a consistent growth of new members.

With a focused business networking and emphasis on policy work and government relations, we have organized 32 events compared to 24 in 2011. We had increased number of policy related events and increased membership engagement through sponsorships.

Mr. Vidaković presented proposals for two amendments to the Constitution and the Assembly accepted both by a majority vote.

At the end of the meeting, elections were held for Second Vice President position of the Board of Governors and we are pleased to announce the winner - Dario Šimović from Cisco Systems Hrvatska.

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!

BRAND AWARENESS AND RECOGNITION OF COUNTERFEITS TRAINING

October 25-26, 2012 - US Embassy Zagreb

Timothy Trainer, a professional speaker on Intellectual Property Rights (IPR) issues and the American Chamber of Commerce (AmCham) IPR committee, held a two-day seminar, at the US Embassy, on IPR enforcement experiences and the importance of cooperation between judiciary and enforcement to establish jointly approved reaction to discovery of counterfeit items as well as those that are responsible for distribution. The seminars were attended by judges and police officers who cover IPR issues in their respective offices. Mr. Trainer approached the topic through an interactive discussion during which the participants were asked to play the role of IPR owners in order for them to better understand the economic impact of IPR theft. AmCham IPR committee members, from Pfizer, Microsoft and Nike, presented practical examples of IPR theft, the dangers that it poses and information sources in order to help law enforcement and judges in their investigations and hearings on IPR crimes.

The seminar was fully attended and participants noted that they were pleased with the presentations as they were taken from everyday situations as opposed to discussions on theoretical situations.
The Innovative Health Initiative (iZ!) conference, as a non-profit meeting, gathered over 461 participants from 17 countries, including the top international academic experts in the field of health economics and management and representatives of political authorities, numerous Croatian and international institutions and organizations dealing with health care issues, physicians, patient associations, and pharmaceutical industry. The conference offered a wide range of up-to-date topics, such as the strategy of future health care development, influence of demographic trends on economic development of countries, efficiency of European and Croatian health care systems, possible innovative solutions for financially sustainable health care systems able to provide health care of high quality and accessibility in the future, and role of health technology assessment in informed decision-making on funding innovative technologies and making efficacious investments in health care. iZ! 2012 brought together some of the leading world and national experts, who held a total of 33 presentations during the workshop for journalists, opening ceremony, panel discussions, and round table and shared their knowledge and experience regarding the latest theoretical and practical trends in this dynamic field. An interactive format of communication allowed everyone to join discussions directly and via social networks and exchange innovative ideas, ask innovative and provocative questions, and ask for innovative answers.

"Thank you for inviting me to participate in the Innovative Health Initiative conference. It was great to meet you and your colleagues."  
Frank R. Lichtenberg, Columbia University

"It was a pleasure to be with you on the occasion of this excellent conference in a wonderful environment."  
Klaus-Dirk Henke, Technical University of Berlin

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iZ! 2012 in numbers:
- 805 participants
- 461 registrations from 17 countries
- 344 persons following live streaming from 25 countries
- 1,710 unique visitors to web page with 2,923 total page visits
- 242,000 kn donated to the Center for Palliative Medicine, Medical Ethics, and Communication Skills at the Zagreb University School of Medicine, as a support to "Do Good, Feel Good" project

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AmCham IS DONATING TO CHILDREN’S HOME LADUĆ

November 22, 2012

AmCham celebrated Thanksgiving by donating funds and some furniture to the Children’s home Laduć again this year. We encourage you to consider donating funds to them in any amount. For more information visit: http://domzadjecu.hr/wp/hr/domovi/laduc
TODAY PBZ CARD is the leading card issuing organization in Croatia. We base our success on the considerable knowledge and experience from 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 - service 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 fifth 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 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 40 lipa are donated to the charitable 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 service establishments. A great number of cardmembers also assist in this project by using their cards regularly for purchasing 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 over a million and a half kuna for this noble purpose and donated funds to thirteen 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 a Heart and many others, charitable activities have entered our daily lives.
“Evening for Safe Steps”, gathered around 250 guests from the Croatian business community, government, international organizations and diplomatic corps. President of AmCham in Croatia, Ivan Vidaković; Deputy Chief of Mission of the US Embassy, Hoyt B. Yee; Charge d’Affaires of the Embassy of Canada, William McCrimmon; Šibenik-Knin County Deputy Prefect, Željko Šimunac; Envoy of the Mayor of Zagreb, Jelena Pavičić Vukičević and Envoy of the President of Croatia, Zrinka Vrabec Mojzeš, addressed the guests.

The dinner was an evening to remember thanks to the participation of the Pops Zagreb Philharmonic Orchestra consisting of 20 musicians, star singers - Renata Sabljak, Ervin Baučić, Nikola Jarki and conductor Josip Cvitanović, who once again donated their work in support of this project. The repertoire included the timeless classical compositions, evergreens and best of rock and pop music.

In the past eleven years the project has raised 6.4 million kunas and more than 603.000 m² have been demined in six Croatian counties. At this year’s dinner we raised funds for mine clearance of the Šibenik-Knin County.
Event tickets and direct donations raised 170,000 kn so far. This good deed will be doubled, just as before, since all the raised funds will be increased by additional funds of the US Government through the International Trust Fund for demining and Mine Victims Assistance.

We invite you to take a look at the latest video material on the AmCham’s You Tube page.

Direct donations in any amount are still welcome. Please make your donations to account no.: 2330003-1100367301 (Societe Generale - Splitska banka d.d., R. Boškovića 16, 21000 Split).
The ‘If you build it, they will come’ principle was first espoused by American President Theodore Roosevelt a century ago with reference to the Panama Canal. The phrase was made famous in the movie Field of Dreams in which Kevin Kostner’s character hears the message and builds a baseball field in the most unlikely place, on his farm, which then attracted historic Chicago White Sox players and thousands of people from afar who came to watch them play baseball there. Croatia must build a much more favourable investment climate if we want foreign investors to come.

AmCham’s partnership with the US Embassy has been crucial in our work on improving the investment climate. Former US Ambassador James B. Foley often said that the principal goal of his tenure was to improve the business climate and create economic opportunity for Croatia. Newly arrived US Ambassador Kenneth Merten has also made this his priority.

Every facet of the business climate must be tackled. The obvious ones include: maintenance of the rule of law; independent judiciary; efficient public administration; less burdensome tax system and the fight against corruption. It has often been said that Croatia has good laws but the problem is in their implementation. As guest speaker of AmCham, President Ivo Josipović noted that ‘A specific culture of fear has developed. The fear of making a decision and the fear of taking responsibility’. This often results in passing the buck so that instead of obstacles to investment being removed there are even more obstacles being put in the way. A case in point is a multinational retail chain that was refused a location/construction permit after it had complied with all of the laws and regulations because the local politician unnecessarily sought an additional opinion from yet another unaccountable bureaucratic department that was then arbitrarily negative. Judges making arbitrary decisions because they are indifferent as to whether they will be overturned on appeal only adds to uncertainty. The old adage, ‘All’s well that ends well’ can be very costly for business.

Another facet of doing business involves human incentives. Croatia has a natural advantage and foreigners want to live here. It is a beautiful and safe country in an ideal geographical location. AmCham successfully lobbied to change the Law on Foreigners which previously only allowed foreigners to bring their families to Croatia after they had been here for two years. Even if you have the lowest taxes, highest administrative efficiency, etc. you would still think twice about investing in a country where you could not bring your family with you. We managed to change this but it just goes to show that there are some basic impediments to investment which are simply overlooked.

EU and NATO membership are additional positive factors for US investors who have little knowledge of Croatia and may have concerns about political stability. A US Croatia Agreement on the Avoidance of Double Taxation would have benefits in both directions by adding certainty and predictability for US investors and also by pro-

By Don Markušić
Barrister & Solicitor, Law Offices Don Markušić
Immediate Past President of AmCham
Vice President of Transparency International
President of the Asia-Pacific Chamber of Commerce

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Success stories are also key to attracting US investors. If initial US investments are successful then more will follow. There are several US investors in Croatia which might be considered small but their owners are large funds and investors who are waiting to see whether their initial investment through their daughter company is successful before making a decision to commit the parent company to a larger investment. By the same token, any investment failures will deter potential new investors. In business, it takes a lot more work and effort to keep existing customers than it does to bring in new ones. Therefore, great efforts should not only be made in attracting new foreign investors, but also ensuring that existing investors not only remain but expand and reinvest.

Croatia scored 46 out of a possible 100 on Transparency International’s Corruption Perception Index for 2012 which is far below the EU average of 63.6. Transparency International advocates regulating lobbying activities as an anti-corruption measure to improve Croatia’s position. The author of this article is on the Government’s Working Group for drafting the Law on Lobbying which will also impact AmCham. Whilst the Working Group has long completed its task, the Government is yet to release the Draft Law for public debate.

There is still much work to be done in order to create a favourable investment climate. If we build it, foreign investors will come.
Wolf Theiss is one of the leading law firms in Central, Eastern and Southeastern Europe. We have built our reputation on a combination of unrivalled local knowledge and strong international capability. Every day over 340 of our lawyers, from a diverse range of backgrounds and working in offices in 13 countries throughout the CEE/SEE region, are helping clients solve problems and create opportunities. Poland is the latest country we will bring into our fold.

Wolf Theiss has assisted clients on matters relating to Croatia since the early 1990s. Now with our offices in Zagreb, Rijeka and Split we believe we are unique in both the depth and scope of our experience and in our capacity to conclude large-scale, complex Croatian engagements with international requirements in a timely and efficient manner. With the upcoming EU accession we can be an even more powerful tool for Croatian business as it further projects itself on the international stage.

Our growing team of Croatian lawyers specializes in all areas of commercial law, including Banking and Finance, Corporate/M&A, Dispute Resolution, Real Estate, Privatizations and Procurement. We are confident that we can be a productive part of your team, as well.

Like so many other Croatian businesses, we also want to give back to our communities. That is why we are so proud to sponsor the “Evening for Safe Steps”. A Croatia without mines is even more ready for future, and the entire Wolf Theiss family wants to get there together with you.

We are also very proud to be a member of the American Chamber of Commerce in Croatia. Just like Wolf Theiss, we believe AmCham effectively promotes an open, welcoming and progressive business environment in Croatia. You simply cannot have a better partner.
The Fight Against Cartels

Control over public procurement, greater cooperation with other institutions and local self-governments are just some of the challenges competition agencies in Central and Eastern Europe are faced with. Although experiences in these matters differ in each country, all the participants in the panel on market competition in Central and Eastern Europe, which was, for the second year in a row, organized by the American Chamber of Commerce in Croatia, agreed that the key to their success lies precisely within these aforementioned challenges. They were also unanimous in their attitude that a time of crisis does not mean a time in which legal measures aimed at those who breach market competition law should be reduced. And while the Czech Republic, Hungary and Italy, for example, as their prominent representatives of their agencies said, had no problems with bid rigging in public procurement because of good cooperation with competent institutions, the same cannot be said for Croatia.

The Problem of Public Procurement

As was emphasized by Olgica Spevec, the Croatian Competition Agency did not succeed in arranging collaboration with the authorities that monitor public procurement. She went on to warn that from January 1, 2013, any inside agreements in public procurement will become criminal offenses with a five year prison sentence prescribed, up to ten years imprisonment in cases where significant damages were inflicted. According to the President of the Croatian Competition Agency, rigging in public procurement is detrimental not only because it suspends market competition, but also because more public funds are spent. The resolution of this problem in Romania was presented by Laszlo Gyerko, counselor and member of the board of the Market Competition Council. The Romanian council established a special unit dealing with this matter. In the case of a rigged gas purchase, where three oil companies participated, the Romanian agency charged them a fine of six million Euros through an organized action.

Local Cases

Chairman of the Hungarian Competition Authority’s Council, Andras Toth, shifted attention to an entirely different topic. He said that national agencies should pay more attention to localized cases of market competition infringement, as the European Commission is already handling those of a larger scale. “It is also important to show at local levels that it is possible to make progress in terms of protecting market competition, especially because of data showing that cartels may lead to a price increase of up to thirty percent”, he said. Participants of the panel also agreed that a period of crisis was no reason for punishment to be reduced, nor did it justify a milder application of the Competition Law. Michal Petr, Vice-Chairman of the Czech Office for the Protection of Competition, stressed that in a time of crisis there is an increased pressure on the regulator to make decisions faster. “It is important, therefore, to maintain and increase regulator’s capacity, and most certainly not decrease it”, he highlighted.

Spevec also agreed, and emphasized that lack of competition was the reason why Croatia had found itself in the midst of stagnation and insufficient growth. “The crisis cannot be used as justification for inaction”, she said. She also complained of the Croatian Competition Agency’s lack of authority. “According to the Competition Law, the Agency has right to little more than an opinion”, she said and went on to emphasize that reduction of Agency’s funds would soon lead it into a “dark period”.

Report

The Crisis is No Excuse for Inaction

Panel Participants Agreed That a Crisis Period Is No Reason to Reduce Sentences, Nor Does It Serve to Justify a Milder Application of the Competition Law

by Josipa Ban, Poslovni dnevnik
A LARGE PROBLEM STEMS FROM THE SLOWNESS OF THE SYSTEM

by Nikolina Buljan, Poslovni dnevnik

THE CROATIAN COMPETITION AGENCY SAYS THE BLAME SHOULD NOT BE PLACED ON THEM, BUT RATHER ON THE COMPANIES THAT SUBMIT INCOMPLETE ACQUISITION REQUESTS

AS CROATIA APPROACHES the European Union, market competition will afford companies an entirely new perspective. Miljenko Vaić, Sales Director at Nestlé Adriatica, remarked at the second panel of the conference "Market Competition in Croatia – A European Perspective", held on Wednesday in Zagreb, that no difference should be made between companies which manufacture in Croatia and those which, like Nestlé, only do business here. When asked how he justifies his views and if Croatia should in some manner favor domestic manufacturers, Vaić answered: "The fact that Nestlé currently does not manufacture in Croatia does not mean that it will not do so in the future. Those who were afforded certain conveniences during the nineties simply because they were manufacturers did not significantly venture out into any markets beyond the boundaries of ex-Yugoslavia. Only by remaining a competitive player can you survive in a market where both domestic and foreign companies do business. If you are privileged, you are not motivated to grow." The presented thesis was also supported by Milan Cerovac, Deputy President of the Croatian Competition Agency’s Council, who said that Croatian laws do not differentiate between domestic and foreign companies, as well as that creating national champions is an exceptionally dangerous game. "I am sorry to have to say, but market competition also possesses a sanitary role, which is to cleanse the market of those who do not meet the standards", says Cerovac.

THE RIGHT TO CHOOSE

Christian Cring, Vice President of the Japan Tobacco International (JTI) for the Adriatic region, emphasized that the new Law on Market Competition has brought about significant progress in the field, in comparison with the preceding period. However, he stressed that that, still, there are less visible obstacles in retail channels which disable equal availability of all tobacco products on the market, and also deprive the Croatian consumer of his legitimate right to choose. "JTI believes that only complete and consistent implementation of Croatian laws and EU standards can ensure equal and open access to all retail channels, for all manufacturers on the market. The most benefit from this more competitive market will be reaped by the consumers, as they will have at their disposal a wider array of quality products at affordable prices", said Cring.

ISSUING APPROVALS

Ljerka Puljić, Senior Executive Vice President of Agrokor, added that Croatian consumers do have a choice, especially concerning Konzum. "It is not in Agrokor’s interest to protect any one tobacco manufacturer, because they would gain nothing from this", answered Puljić. She considers the slowness of the system as a far greater problem in the protection of market competition. Namely, she said that the problem arises when one company wishes to acquire shares in another, at which point data on how many shares the acquirer company will possess in the relevant market is not provided on time. As the main culprit in this process, she sees the Croatian Bureau of Statistics. Another issue in her view was the long period for obtaining an approval for takeover, which the acquirer by law must request from the Croatian Competition Agency, and it usually lasts up to a year’s time. Cerovac retorted that the blame should not be placed on the Agency, but rather on the companies which submit incomplete acquisition requests which then take months to fill in completely, which prolongs the entire process which should regularly take thirty days from the application submission to the decision being made.
THE CARTEL’S EXISTENCE INCREASES PRICES BY 30%
by Josipa Ban, Poslovni dnevnik

MLADEN CEROVAC, Deputy President of Council of the Croatian Competition Agency, (AZTN), is the only person to have, as he himself puts it, “survived” within it since the Agency’s founding in 2007. As an expert in the protection of market competition, he is bewildered by Croatia’s larger companies, which can attribute their growth mostly to acquisition and have no attorneys specialized for the relevant field, but rather turn to hiring external services. In his interview, he spoke of both the Agency’s successes and problems.

The Croatian Competition Agency was granted the right to punish breaches of market competition as late as in 2010. What are the results?
We recently issued our first sentence, to a bakery in Osijek. I can tell you it is a good feeling, because we are finally tying up loose ends.

What budget do you have at your disposal?
This year’s budget was 12 million kunas and it is by 20 percent smaller than that of last year’s, which in essence means the following: either we cut salaries by 20 percent, which would imply our best people leaving, or we fire 20 percent of the 50 people currently employed at the Agency.

In that same context, it was said that you would have to increase your activities. Specifically, which actions will you increase?
The Agency is primarily focused on uncovering and breaking up cartels because this is the area causing the greatest damage to consumers. Namely, the European Commission calculated that the existence of a cartel in a certain market may increase prices anywhere from 20 to 30 percent. Further activities relate to advocating the benefits of market competition through various seminars and conferences. However, this requires money. Besides that, once Croatia enters the European Union, the Agency will once again monitor the banking sector, which is another aspect we must prepare for.

What will be some of the new powers the Agency will acquire once Croatia enters the EU?
After being an observer for the time being, we will participate in the European Competition Network (ECIN), where representatives from all agencies participate. There, experiences are shared and various cases commented on. The next thing awaiting is the Agency losing its monopoly on running market competition cases. Therefore, an entrepreneur will be able to report either to the Agency or directly to the Commercial Court. At that point, courts will directly apply Articles 101. and 102. of the Agreement; the Competition Law will cease to exist, with EU regulations being applied.

How do you expect this to work, considering the lack of concrete results when the courts were competent of breaches of market competition?
The administrative court, which controls the legality of the Agency’s decisions, has been specialized and now understands the matters of the protection of market competition. I think there will be no problems in that respect. The problems will arise, in my opinion, with the Commercial Court which will directly deal with the claims filed. They will now need to possess the same knowledge as the Agency, but will be able to call upon the Agency as amicus curiae, which will then provide their expert opinion and knowledge of the case.

The 2009 Regulation enables price fixing for various liberal professions. Will this change with the EU accession?
In November, the European Commission will review prices in all countries, including Croatia, of the so-called liberal professions, in order to ascertain the prices’ justification. The idea is that prices be freely negotiated for all services. By such analysis, all will finally realize that they, or the state that enables them to do so, will need to have good reasons for maintaining a system of freely negotiated prices.

How does the whistleblower protection program work?
The whistleblower program within the European Union started in 2003 and relates only to cartels. Therefore, a cartel member, or an entrepreneur within a cartel, is given the opportunity to contact the agency and disclose all they may know about the cartel, under the condition they be waived of any punishment. Punishment is completely waived only for the first person to come forward and disclose correct information. If a proceeding has already been initiated by the Agency, then the quality of the information provided and the point at which the person came forward will determine whether the punishment be lessened. The program works in the EU. Since the program beginnings, the European Commission has charged more fines than in 50 years combined, even twice as many. However, in Southeastern European countries, this program has not yielded any results. Namely, nobody is coming forward.
EXAMPLES OF MARKET COMPETITION BREACHES IN CROATIA AND THE EU
by Josipa Ban, Poslovni dnevnik

DUE TO A PRICE-FIXING AGREEMENT on the bread market, the Craftsmen Association of Osijek, as well as 17 small bakeries, were the first to be sentenced for a cartel by the Croatian Competition Agency. Although the fines were symbolic and amounted to between 1,500 and 2,000 Kuna, Mladen Cerovac, Deputy President of Council of the Croatian Competition Agency, explained that the price-fixing agreement was made under the auspice of the guild association, which is why the Croatian Chamber of Trades and Crafts was fined 50,000 Kuna. “Usually, the fine is up to ten percent of the company’s total profit within the previous year, although the Agency has the right to impose a symbolic fine, as was the case here. Were we to fine them those ten percent, they would have disappeared, and that is not our goal”, emphasized Cerovac.

The European Commission fined the company Intel with a record-breaking billion euros because of the breach of their dominant position on the computer chip market. Namely, Intel offered rebates to computer firms, but under the condition they do not purchase at all or purchase fewer chips from their competitors. It is estimated that, in this way, Intel managed to keep 70 percent of the global chip market, whose annual value amounts to 22 billion euros. “Damages have been inflicted upon millions of European consumers because of such Intel’s behavior”, said EU commissioner Neelie Kroes, thus further elaborating on the European Commission’s decision.

At the beginning of this year, the European Commission fined thirteen companies dealing with logistics for cartel-related activity with 169 million euros. The companies, among which are UPS, Panalpina and Expeditors, according to the Commission’s explanation, arranged prices of air freight transport amongst four cartels from 2002 to 2007. It is interesting that the German company DHL also participated in this secret price-fixing, but avoided financial penalties as it had warned the regulators. The European Commission has recently opened an investigation on the Russian manufacturer and exporter of natural gas Gazprom. In its reports, the Commission stated they were investigating three areas where suspected market competition breaches occurred in Central and Eastern Europe. Gazprom is nonetheless claiming that all their activities are in accordance with the law. However, the European Commission is suspecting they intentionally obstructed the free flow of gas in order to divide the gas market, as well as that they obstructed the diversification of gas supply and imposed unfair prices on consumers by linking the prices of gas with those of oil.
IN AN EFFORT TO COMBAT a number of problems affecting the Croatian economy and to implement applicable EU requirements, the Croatian Parliament recently passed the Financial Operations and Pre-Bankruptcy Settlements Act (the “Act”). The Act requires shorter commercial payment periods, imposes additional obligations on directors to monitor the financial soundness of their companies, and establishes a pre-bankruptcy procedure designed to be a more flexible and efficient alternative to standard bankruptcy proceedings.

1.1 PAYMENT PERIODS
Permissible payment periods:
- Up to 30 days from the delivery or inspection of deliverables in the absence of contrary contractual provisions;
- Up to 60 days from the delivery or inspection of deliverables if so agreed between the parties; and
- Up to 360 days for secured debt arrangements.

1.2 DIRECTORS’ DUTIES
The Act also reinforces the general director’s duty of care by introducing the new duties to monitor and manage liquidity, credit, market and operational risks, and to make sure that there is always sufficient capital to sustain the business of the company. In practice, these duties will be: (i) to ensure that the company can fulfill its due obligations and, in case of capital inadequacy, (ii) to convene a shareholder’s meeting, (iii) to propose measures to regain capital adequacy, and (iv) to put a bar on all expenditures that are not necessary for the regular course of a company’s business. Although the Act details steps management boards should take in the event of capital inadequacy, it remains silent on the consequences of directors not complying with these duties. It is likely that reference will be made to existing law and precedent to determine possible fines, penalties and other consequences of non-compliance with the Act. This certainly will introduce uncertainty, at least during the initial period of implementation of the Act.

1.3 PRE-BANKRUPTCY SETTLEMENT
One of the most notable changes brought about by the Act is the introduction of the pre-bankruptcy settlement proceeding.

A bankruptcy usually leads to property being sold under less than ideal circumstances. On average only 30% of creditor claims are actually collected through standard bankruptcy proceedings. The Act aims to improve creditors’ odds by allowing troubled companies to continue business operations uninterrupted, with the hope that the debt may be paid down from ongoing cash flow.

The pre-bankruptcy settlement deserves careful consideration by both troubled companies and creditors alike. Creditors should note that, whether or not they agree with it themselves, they may be required to accept new terms on their debt as long as a certain percentage of other creditors find such changes acceptable. Both troubled companies and creditors should be alerted to the possibility that proceedings under the Act may trigger the bankruptcy default provisions of previously negotiated agreements.

Under the Act, companies are required to initiate a pre-bankruptcy settlement proceeding within 60 days of the onset of illiquidity and within 21 days of the onset of insolvency. Noncompliance can lead to the imposition of fines ranging from EUR 1,300 to 130,000 for a troubled company, and from EUR 130 to 6,500 for management board members.

A company may be considered illiquid if it is more than 60 days in default on more than 20% of its liabilities or if it is more than 30 days late in respect of its payroll obligations. A company may be considered to be insolvent if it does not have the long-term ability of settling its obligations, its accounts are blocked for more than 60 days, or its assets do not cover its liabilities. These requirements are similar to those set out for the commencement of bankruptcy proceedings. Although a bankruptcy proceeding may not be initiated during a pre-
bankruptcy settlement proceeding, the precise interaction between these two proceedings is unclear under the Act.

The entire pre-bankruptcy settlement proceeding process is intended to be relatively quick and is divided into two stages.

The first stage is under the jurisdiction of the Financial Agency and must be completed within 120 days. The proceeding is registered in the Companies register, land register and other property registers. Immediately upon the initiation of the proceeding, the Financial Agency will post an announcement on its website inviting all creditors of the troubled company to report their claims within 30 days. Creditors are advised to periodically check the Financial Agency’s website in order to prevent missing deadlines for reporting claims, otherwise a pre-bankruptcy settlement might be imposed upon them without their participation.

The Financial Agency will ascertain whether reported debts and receivables are reconciled. Should there be a lack of reconciliation involving more than 25% of the claims against a troubled company, comparing such claims as reported by a troubled company and its creditors, the pre-bankruptcy settlement procedure will be terminated.

This stage is intended to permit a troubled company to prepare and adopt a financial restructuring plan for the revitalization of its business, including changes to its debt terms (such as interest rate, principal amount and repayment terms), converting debt to equity, or entering into strategic partnerships. Creditors whose claims are not disputed have the opportunity to vote on the adoption of the financial restructuring plan. Creditors of disputed claims may only vote with the permission of the troubled company and creditors of undisputed claims. Creditor votes count in proportion to the amount of their respective claims. Approval requires at least a 50% vote in each category of debt or, alternatively, more than two-thirds of all claims considered collectively.

Enforcement proceedings and the status of secured creditors deserve special consideration. All enforcement proceedings for unsecured debt which were pending before the start of the pre-bankruptcy settlement proceeding will be stopped and new enforcement orders will not be enforced. However, secured creditors who own property in the possession of a troubled company may ask for those assets to be separated from the pre-bankruptcy settlement procedure and they will then otherwise have no role. Creditors who have security or the right of retention over particular assets of the troubled company are allowed to separately collect their claims from the value of those assets. Under certain circumstances, secured creditors may also elect to become part of the pre-bankruptcy settlement procedure.

The second stage of the pre-bankruptcy settlement is initiated once the creditors approve the financial restructuring plan. Within three days of such approval, the troubled company is required to initiate the second phase of the proceeding before the Commercial Court. The troubled company and the creditors who accepted the financial restructuring plan in the first phase will be summoned by a notification on the Financial Agency’s website and on the Commercial Court’s announcement board. The settlement will become final as long as it is confirmed before the Commercial Court by the troubled company and participating creditors holding at least the minimum approval vote percentages required in the first phase. Creditors will then be able to use the settlement as a directly enforceable instrument.

If the financial restructuring plan is not approved by the creditors, the pre-bankruptcy settlement proceeding will be suspended and a regular bankruptcy proceeding may be initiated.

For the first “wave” of pre-bankruptcy settlement proceedings, the commencement date requirements have been relaxed: companies which were illiquid or insolvent as of 1 October 2012 must file for a pre-bankruptcy settlement procedure by 31 December 2012. The Financial Agency is required to initiate such proceedings by 1 April 2013.

Although the Act has been announced as an important and necessary change agent for the Croatian business environment, it remains to be seen whether the Act will in fact have its advertised benefits. Some have already expressed reservations about the competence of the Financial Agency advisors dealing with such settlements, wide-ranging powers of each individual creditor that may obstruct the settlement process, and substantial cost of every individual proceeding that might be quite burdensome for already illiquid and debt heavy companies.

Finally, and as already evidenced by the Act on Deadlines of Fulfillment of Financial Obligations that had been regulating some of the subject matter now covered by the Act, discipline in the business environment is not just a matter of elaborate legislative dictates. Real discipline in the business environment requires genuine acceptance by the actual participants in the local economy. It also requires buy-in from the top down.
Up to just a few years ago, things were looking good for Croatian businesses. For years, companies were growing fast. More precisely – growing unsustainably fast. Stagnation was almost regularly avoided at all costs because… who stops, falls! Croatian companies behaved as if the golden years will last forever. This is why it can be said that, besides the bad things, the crisis has also brought some good things. It has introduced a new management philosophy – caution, a heightened sense of reality and controlling!

Before the crisis, many managers or company owners in Croatia had their doubts about whether controlling is useful and whether they actually need it. For them to fully accept controlling a lot of time and many bad investments were needed. Proving that controlling is an absolute given in all the developed economies of the world was necessary. But first of all, one thing had to be made crystal clear – what controlling actually is. From the many definitions attempting to define the concept of controlling in the simplest possible way, my favourite is perhaps the following – controlling is a set of multidisciplinary skills and know-hows which are needed to gather just the right information from countless data available in-house and outside the company, information which will create a quality platform for making sound business decisions.

Why is it essential for companies? I firmly believe that continually expecting the government to use a “magic wand” to introduce new measures which would be a solution to the problems of Croatia’s economy is – unrealistic. This is why the only realistic option that companies are left with is to tackle their problems on their own and, using the cards they have, try to play the best game they possibly can.

The new Financial Transactions Act, which came into effect in Croatia on 1st October 2012, will make companies without a controlling department (wanting to truly abide by the Act) set one up without further delay. One of the first articles of the Act states that: “In accordance with this Act, company management is obliged to run the company’s business operations in a way which will secure the company’s liquidity and solvency at all times.”

Illiquidity is perhaps the greatest problem of Croatia’s economy. I fully concur with the above quotation. The only question is – how do you implement it in companies? If it were simple, we wouldn’t be talking about illiquidity at all. In other words, the problem of illiquidity will not be solved if we continue to apply the same pattern of business behaviour that led us to the problem in the first place. More specifically, we must change our business outlook and frame of mind in general. And we must do so – fundamentally. According to the Financial Transactions Act, companies will, in the future, have to make sure that they have secured all standard measures in risk management (Article 7). The Act further explicates that risk management implies all the risks that companies are exposed to. In this context, I shall highlight operating risk: “Operating risk is risk of loss due to errors, intermissions or damage caused by inadequate internal processes, persons and systems or external events including the risk of legal regulation amendments.” What the Act here, in fact, establishes is that companies ought to have controlling!

CONTROLLING FINALLY BECOMING A CROATIAN STORY
Furthermore, Article 10 of the Act prescribes that: "Should a company’s capital become inadequate, the company’s management is obliged to: analyse the causes of the emergence of capital inadequacy, propose a set of measures needed for achieving capital adequacy and deliver the same to the company’s supervisory board within eight days."

But how does capital become inadequate? Theoretically, capital is inadequate when annual loss combined with accumulated losses reaches half of the company’s issued capital. Practically, this means that it is necessary to continually follow which investment doesn’t yield income target on which market segment and within which periods. Moreover, we must also ask and analyse which business units we fail to achieve target values in, and selling which niche products to which customers we fail to reach desired success indicators. Otherwise, losses incur in real life. Losses which companies need to know how to recover from. When companies don’t have a well developed controlling function, they can’t analyse accurately (on time, let alone within 8 days) the details of the causes that led to capital inadequacy and propose measures to make radical and effective changes! Unless, of course, we’re only talking about cosmetic changes. But, cosmetics and the like most definitely won’t pull Croatia’s economy from illiquidity.

The second biggest problem of Croatia’s economy is its lack of competitiveness. The same question is being asked all the time – why are products made in Croatia uncompetitive?

Besides needing to offer products and services whose feature/s make them special and distinctive, to be successful on the open market the cost of these products and services should be adequately controlled (which implies absolute order in the business processes of procurement, production and sales), the resources needed for their production or service delivery should be adequately planned (which implies a detailed strategy, an optimised and controlled supply chain, and a clear projection of cash flow), and the workers making such products or delivering such services should be motivated (which implies that their involvement is optimised in a quality way, and that they are awarded adequately for their work). Simply put, it implies that the function of controlling is well developed. And all of the above needs to be continually monitored and measured because only quality profit secures growth and development.

The third biggest problem of Croatian economy is a regular lack of both strategy and interest in planning. As a consultant, I often hear the question whether investing time and energy in planning – strategic and tactical, as well as operative – is justified considering that market circumstances are changing rapidly, irreversibly and on a daily basis.

At times when changes are latent, when the level of uncertainty is lower, dealing with “big numbers” seems to be enough. There is a certain regularity to things and events, we know where to expect weaknesses which we then steer away from – we can’t go wrong. Under such circumstances, planning is, in fact, a simple task. On the other hand, however, during turbulent times, we can no longer be certain of anything, which means that raw data can no longer be sufficient, not even roughly. An increasing number of managers are becoming aware of the fact that planning a growth of sales on a certain market will not suffice. They are aware of the need to descend to the lithosphere, to forecast and plan trends on the lower levels of product mix on each market segment and with respect to different customer categories. Marketing budgets can no longer be planned for a certain product mix as a whole, but for precisely identified target products whose earning power is highest and whose share of profitable customer groups on a satisfactory number of market segments is sufficient to be able to justify the investment planned.

If sales are planned in this way, both procurement and production must be harmonised very flexibly since at times of difficulty there’s no room for unnecessary inventory reserves. Once a well organised system becomes a standard pattern of behaviour, sudden changes shouldn’t be stressful for businesses. Everyone in the chain – from procurement, through production to sales – must know how to adjust. In other words, being unorganised must be abandoned, a state that so many companies doing business without planning are intimate with.

Managing assets and people in business processes – which is what managers do every day – is a complex and demanding task which requires expert help and support. At the same time, controlling is no urban legend. On the contrary, it’s brutally realistic and concrete, relevant and rational. It’s an absolute must for Croatian economy. Luckily, controlling is finally becoming a Croatian story.
THE TAX AUTHORITIES ASK: DO YOU HAVE A TRANSFER PRICING STUDY?

By Katarina Pavlović and Jasmina Kajtezović, TPA Horwath d.o.o.

Transfer pricing documentation should include information on the group, the taxpayer’s position in the group and description of all related party transactions, function and risk analysis, explanation regarding chosen transfer pricing method, assumptions and evaluations used in determining transfer prices, benchmarking analysis and calculations which are result of application of chosen method in related party transactions. Transfer pricing study has to be available in Croatian language and those from previous years should be updated / adjusted for all significant changes in connection to related party transactions.

DELIVERY OF TRANSFER PRICING DOCUMENTATION TO THE TAX AUTHORITIES

Although tax legislation does not prescribe time limit for preparation and delivery of transfer pricing documentation, in practice the Tax Authorities require large taxpayers to deliver transfer pricing documentation together with Annual Corporate Profit Tax return. Generally, all taxpayers have to deliver transfer pricing documentation immediately upon the Tax Authorities request.

PENALTIES FOR NON-POSSESSION OF TRANSFER PRICING DOCUMENTATION

In addition to corporate profit tax assessed on the difference between market prices (arm’s length prices) and prices used in the respective related party transactions (including penalty interest), for non-possession of transfer pricing documentation, monetary fines are prescribed in the amount from HRK 2,000 HRK to HRK 200,000. The penalties can be avoided only with correctly and timely prepared transfer pricing documentation. In this way, the burden of proving whether the prices in related party transactions are charged at arm’s length is transferred to the Tax Authorities.

PRACTICE OF EUROPEAN COUNTRIES

The majority of European countries apply transfer pricing rules. For example, Italy imposed high penalties for non-possession of transfer pricing documentation, while France and Greece implemented detailed rules regarding preparation of the transfer pricing documentation. Some countries, such as Ireland, Austria and Russia prescribed detail transfer pricing guidelines.

CONCLUSION

Transfer prices become one of the most favorite subjects of the Tax Authorities’ inspections. However, in order for Croatian Tax Authorities to perform more efficient control of transfer prices, more detailed instructions and guidelines should be defined in addition to existing transfer pricing rules already implemented into the Croatian legislation. In the meantime, the taxpayers should ensure possession of the transfer pricing documentation since timely prepared transfer pricing study is the only way to avoid high penalties and potential additional tax liabilities.
**CRM IS A LOT MORE THAN JUST SOFTWARE**

CRM projects consist of two parts. The first and larger part consists of “re-thinking”: arriving at the specific strategy to implement. The second and smaller part is the technology or software that supports the implementation of the CRM strategy.

Customer Relationship Management (CRM) is a commonly used approach for managing relationships with customers. It doesn’t only focus on sales activities – it can also include marketing, technical support and customer service interactions in one place. At a high level, a CRM solution provides a comprehensive view of organization’s pipeline, order entry, revenue, and other key performance indicators (KPIs) that support the most important thing: customers. At a more detailed level, it allows to see the number of emails and calls made to a specific prospect, or find out the last time when salesperson followed up on a hot new lead.

CRM solutions support establishing professional customer management in company, and bringing all of business processes in line with customer requirements. It does so by increasing transparency, efficiency and creating a corporate memory - which all contributes towards structured working throughout the company.

In the true spirit of thinking outside of the box, experts at the GartnerGroup believe that “The most successful organizations will be those who, through innovation and focus on business effectiveness rather than merely efficiency, manage to break the mold of traditional business thinking”.

**CRM - WHAT ARE THE BENEFITS?**

As well as satisfied customers and employees, CRM supports creating long-term customer relationships which guarantees company maximum success. This very simple formula gives a real competitive edge and will open doors to new markets. Mr. Dick Wooden lists the next 6 points as the main benefits at www.successwithcrm.com:

1. **To build profitable relationships by maximizing the effectiveness of customer interactions.** (R)elationships are the core, central element of a successful business. Having a business strategy that focuses on enhancing those relationships and having a CRM system to maximize its effectiveness is a big benefit.

2. **To access vital customer information anytime, anywhere - even while disconnected.** There is a continued need for quick access to valuable information that is found in those related conversations, emails, historical notes and past sales history. The information needs to be accessible whether using laptop or mobile phone. The information on those devices needs to be able to be linked to and ideally synchronized to the main company database.

3. **To fill the sales pipeline with qualified leads that bring in consistent revenue.** Marketing campaigns need to provide qualified leads so the time with a prospect is optimized for the sales professional and the prospect. Additionally each email contact should provide feedback on who is opening, who is reading and what each reader is most interested in.

4. **To identify new opportunities, analyze performance and business metrics, and diagnose potential issues.** A business owner and sales management require a handle on where future business is to come from. Opportunity management provides the ability to understand the scope of future revenue and determine where sales coaching or additional focus needs to be directed.

5. **To integrate with other business management solutions, desktop applications, and web services - for that complete, holistic view.** Nearly all businesses seem to use some version of the Microsoft Office productivity suiten and CRM system needs to have integration with Outlook email, Excel spreadsheets for further analysis, and Microsoft Word for templates and correspondence.

6. **Having a Business Partner who provides professional services in the design, implementation, training and support.** Providing insights into what works and the best practices in the use of CRM system is part of knowledge transfer to business and gaining greater success with CRM.

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**WHY DO SUCCESSFUL COMPANIES NEED A CRM STRATEGY**

By Dora Perši, Infinitas grupa d.o.o.

CRM IS NOT JUST A SOFTWARE SOLUTION, BUT ALSO, A SET OF SKILLS AND COMPETENCIES THAT WILL ENABLE A COMPANY TO BETTER LEVERAGE AND PROFIT FROM EACH AND EVERY CUSTOMER RELATIONSHIPS.
IF WE WANT TO PUT TOGETHER our thoughts about what the sustainable development as the most popular and important concept in today’s business environment would be, we could conclude that it is a development that can continue for many years and many generations and takes into account impacts of our actions on environment and society.

Although there is a no mutual understanding of the sustainable development concept, we could agree that “sustainable” represents fewer challenges than “development”. Even after we have globally explored large number of potential causes and consequences, it is still not clear how we should face sustainability issues. Many hazards and incidents businesses and societies are still facing prove that we still do something wrong – we put ourselves, our organizations, environment and society in danger because of exposing to risks without having them under control.

Big international companies build their reputation and brand for years with big planned investments. According to UN Global Compact reputation accounts for 10% of the marketing value of company, while 45% of its reputation is based on social performance. To these companies it is well known that sustainability risk management can contribute to increased profits and reduce average cost of capital, also followed by the fact that shareholders are demanding structured investment strategies oriented towards future with the inclusion of early warning risk management processes implemented.

NEW RISK REALITY

By Jelena Gruja, Det Norske Veritas Adriatica d.o.o.

EVERYONE IS INVITED TO REPORT ON ACHIEVEMENTS

The responsibility for our future is usually perceived as the responsibility of the big multinational corporations or big regional players who do have the biggest immediate impact in case something goes out of control, but what about micro, small and medium sized organizations? They have been operating in a kind of less pressured environment and out of the radar when it comes to sustainability. It should not be the case having in mind that approximately 95% of all businesses belong to that segment and that they collectively employ more than half of the workers in the world.

Anyhow, this trend is showing some improvements. More and more SMEs are included in various sustainability initiatives and the Global Reporting Initiative is encouraging this by providing a range of workshops and tools aimed directly to help SMEs face these challenges. In some countries, like UK additional efforts are put on this by launching Responsible Business Standard exclusively aimed at SMEs.

As one of the important elements of the story is how organizations actually know that they do the right thing. With good risk management processes implemented in the organization, there should be no big surprises. Anyhow, various metrics are used by organizations to show what we do in a measurable and easy to compare mode. Management systems based on environmental risk management, social accountability or corporate social responsibility principles and other similar means of building a corporate system on a solid and sustainable ground in last years has been accompanied by one of the most popular means of proving that we care and act responsibly - sustainability reporting. The European Commission defines the CSR as “the responsibility of enterprises for their impacts on society”. Thus, it could be easily concluded that we should strongly trust that the enterprises do their best to maximize the good impacts and minimize the negative ones. Sustainability reporting is one of the means of showing to the public that an organization and its management are committed to act in a sustainable way. The next possible challenge for companies over the world in all industry sectors is to find the way to prove that sustainability is perceived as global challenge we all have to face together rather than just a tool to increase the reputation on the market.

One of the recent reports issued by Two Tomorrows reveals that “Companies are increasingly providing reliable accounts of their sustainability programs. However, on a global scale they are far from delivering solutions to the most pressing sustainability problems.”

What this tells us is that we should constantly quest to promote the safety and sustainable performance agenda having in mind that whatever we do today has impact on our tomorrow. Reporting on issues such as sustainability by itself means that we are expected to “report” on what we managed to achieve and what we expect in future.

Many international corporate responsibility surveys show continuous growth in number of sustainability reports at local and global level. According to GRI 2011, the majority of reports come from publicly listed companies (52%) while the biggest number out of total is from financial services sector (14%).
Starting from the fact that we should all commit to act responsibly, some of the players on the business arena face even higher expectations from the global society. And that is acceptable as such. From how it is now, it seems that we have all some things to learn from high-risk industries. The reason why the biggest players representing these industries are expected to act as leaders when it comes to developing best practices in risk management is simply because the consequences of their fail can be fatal and disastrous. The key facts of TwoTomorrows TVR 2012 show some interesting sectorial facts. It reveals that best performing and the most innovative sector is Technology sector; the sectors with the best stakeholder engagement practice are Technology and Construction and Materials sector, while sectors with best governance systems are Banking and Oil & Gas sectors.

Overall, it is a good sign that an increasing number of companies decide to face the sustainability challenges and are committed to improvements in all the areas important for sustainable development. Nevertheless, in years of rapid growth and development of societies we should all be determined to face global challenges more than ever before. If our actions will stop in our companies yards and our countries borders, these challenges would become even harder to face.

**BUSINESS CLIMATE IMPROVEMENT INITIATIVE**

**SUPPORTED BY FOREIGN CHAMBERS OF COMMERCE IN CROATIA, October 2012**

**Background:** Based on advice from Croatian and Foreign companies represented by our Chambers, we recommend a few specific, achievable and potentially “game changing” steps that the Government can implement in order to make Croatia’s business environment more competitive and attractive for businesses and investors. This list of recommendations is not exhaustive and will not solve all of Croatia’s economic problems. However, if implemented, these steps will help increase commerce and investment, which will help grow the economy and increase the number of jobs. We are ready to support the Government’s efforts, including with technical assistance and advice.

**Legally Binding Tax Opinions** – The lack of predictability of tax assessments impedes business. A system such as those adopted in most EU countries, in which opinions obtained from tax authorities are legally binding, would allow companies to predict tax obligations.

**Public Procurement Auctions Online** – Establishing a transparent online system for public procurement auctions, similar to that used in the United Kingdom, Austria, and at least forty other countries worldwide, would significantly reduce the costs associated with public procurements while improving transparency.

**Deadlines for Permit Decisions** – The difficulty of obtaining permits from government is a major impediment to business. Requiring government offices to abide by the deadlines for the review and resolution of permit applications established by the law would greatly reduce delays.

**Improved Regulation** – Bureaucratic obstacles to businesses could be greatly reduced by empowering of a single government entity to receive and effectively address complaints from local businesses about regulatory and bureaucratic inefficiencies. As a common practice, new legislation affecting business should not be adopted without prior consultations with the business community.

**Reduced Parafiscal Fees** – Continued reducing or eliminating parafiscal fees and other hidden administrative costs would increase Croatia’s attractiveness as an investment and business destination.

**Supported by:**
American Chamber of Commerce in Croatia
Austrian Trade Commission
British-Croatian Chamber of Commerce
Canadian-Croatian Business Network
Consultative Committee of the Italian Entrepreneurship in Croatia
Embassy of the Republic of Poland in Croatia
German-Croatian Chamber of Industry and Commerce
Nordic Chamber of Commerce in Croatia
PLESO, SEPTEMBER 28, 2012 – BYE BYE ZAGREB. I’m getting on the plane. I’m flying to San Francisco, on a 22 hour long flight after which I expect full-time business obligations. Oracle Open World, 45,000 business people. A week before the race, the most important thing is to rest, especially from the previous preparations. Unfortunately, my business obligations don’t allow me to do that.

First it takes two days to recover from 9 hours time difference, then business commitments take their toll and then the nightlife in San Francisco. Consequently, no time to rest before the race. In seven days without workout the only thing that keeps me fit is running across the Golden Gate Bridge – one of the symbols of the USA. Since I love symbolic expressions I have wanted for a while to run across the bridge. My first marathon, the New York City marathon I started running across the Verazzano Bridge which for me symbolizes entrance to the US, and Golden Gate symbolizes exit. It is logical to connect them by running across. Eight miles of running over the bridge and back along the Pacific coast is a wonderful experience. Running and looking into the vastness of the mighty Pacific injects you with the superhuman strength. LED it be! Marathon is written on my wet shirt. On the finish, at the Cliff House, a restaurant on the cliff above the Pacific, married couple approaches and greets me. They are marathon runners. They ask me where I come from. I tell them I’m from Croatia. They mention Dubrovnik, I confirm. Then, they ask what it means LED it be! Marathon? I tell them that my friend lit up Dubrovnik city walls with energy-efficient lighting so I advertise him. They react in a typical American way: Let him come and light Golden Gate and Bay Bridge, he’ll need a lot of light bulbs.

Chicago, O’Hare Airport. The second busiest airport in the world. 1 am, two days before the race I’m landing in the city of Al Capone. I’m taking a taxi to Franciscan Church, where I have accommodation. Father Ivica greets me there at 2 am. Wonderful man. We meet, we talk, and it is already 4 am. At 10 am I have meeting with Ivan and Ivana on Expo. Rhythm that is completely contrary to the behavior of the marathon runner, continues. But let’s move on.

Squirrel that comes in through the window, to make my breakfast, wakes me up. She scatters cornflakes all over the kitchen. After she has escaped, Father Ivica and I rather go to Starbucks. I love their Lemon ice cake. I immediately devour three pieces. One should begin to chow before the race.

Shortly after 10 am, Father Ivica leaves me in front of Expo where I meet Ivan Milošević and Ivana Stanić. Ivana ran New York with me in 2010. I’ve been looking forward to meet her again on the track. Ivan comes to get his fifth medal on World Marathons Majors tour and to become the first Croat who has ever done that. They invited me to be their roommate, so in the evening Father Ivica takes me to their place. Along the way we pick Ivan and Ivana up since they have been stuck due to a traffic accident with train overrunning a car. Fortunately, in hard braking Ivan and Ivana were not injured at all. However, Ivan has already been injured even before coming to Chicago. He comes to run barely a month after his knee surgery.

Saturday, the day before the race. I explore the city. Chicago seems very powerful. The third largest city in US. Clean like Singapore. After San Francisco, it is a pleasure to walk the streets so clean. In the House of the Blues I drink a few beers and eat two portions of pasta. I catch a good rhythm and dance into the Cheese factory Store to eat chocolate cheesecake. I’ve just made a carbo loading.

Sunday, 4:30 am. My Istrian friends and I wake up. We eat light breakfast because our neighbor already waits for us in his fifteen year old Lexus. It’s 5:30 am and we drive to the Grand Park. The highway is still empty. Skyscrapers scratch the sky of the city that is waking up. Outside is 4 degrees Celsius. We are slightly afraid whether we will freeze while waiting for the start. We arrive in the city full of marathon runners. They swarm out of nearby hotels like ants. Ivan and Ivana are in the elite Coral and I’m in the one for tourists. They start at 7:30 am, half an hour before me. We wish each other good luck and say goodbye. I wait in my Coral but something bothers me. I don’t really want to start half an hour after them. I try to push forward. I hide blue start number with my hands pretending I am cold. I get into the red Coral. I cross the start 7 and half minutes after the elite. Ivan, one of the greatest marathon runners, starts with the world champions.

The race starts, I hold 5:05 pace the first 5 kilometers and then I slowly begin to speed up. The worst is first 7 kilometers while the body is warming up. I outstrip pace leader on 3:55. The weather is great. Slight chilly wind cools the already sweaty face, it’s cloudy, the
sun cannot break through. I outrun the pace leader 3:50 h. Great, I have never experienced this. I’m happy like my son Odin when I outdrive cars on the Adriatic Highway. I remember him as he asks me: Dad, is our tail pipe smoking? Turbo works without any problem. I outstrip a pace leader on 3:46 h. I come on 17th kilometer and I hear Ivan call me: Bero, Bero! He recognizes my outfit. I slow down so he can get to me. Ivan runs on one leg. I can’t believe this. I run next to him and ask about his knee. It hurts, but he won’t give up. He makes me go, so not to lose pace. We wish each other luck. I add gas and I disappear. I think about him – Chicago now has a gladiator on track. I come to the 21st kilometer. Average of 5:00 h. Woohoo, it can’t be better. I fly-out of happiness. Nothing hurts me. Bear, vine, whiskey, burgers, beefsteaks, cakes, I burn everything I consumed last week. I come to 22nd kilometer and I motivate myself thinking I am the Airbus pilot, in the cockpit, and I add more gas with the right hand, accelerate the mean machine, lift it up and then sexy voice of an assistant rings in my ears: You have caught the travel speed. I run 23 kilometers, my pace is 4:09. I outstrip pace leader on 3:40, 24th kilometer I run in 3:52. I’m not normal, but I’m going.

My Franjo told me: Bero after the half marathon distance start really running. And I listen to him. On 27th kilometer I keep 4:11, but I need to pee. I’m going to the toilet. I’m losing a minute but it doesn’t matter. I’m flying away. I get refreshments – bananas. I eat one and carry the other with me and keep running. I cross the pace leader on 3:35 h. On 32nd kilometer I approach the pace leader on 3:30 h, my spleen begins to hurt me. Hampers me. I don’t want to force. I slow down. On 37th kilometer pace leader reaches me on 3:35 h. I keep it, spleen still bothers me. Peeing and bananas disrupted my rhythm of breathing. I pull out the camera and record the last 400 meters as I’m crossing the finish line. Time 3:38:04. Not yet realizing what I’ve done. Boston, 6 months before, I was 1 hour slower, but conditions were not regular. Berlin, one year before, I was 25 minutes slower. Ivan tells me later: Bero beast, 10 minutes down is a lot from marathon to marathon, and you still get it to the finish with the grain! Anyone who runs knows what that means.

Ivana has run 3:54 h and is only woman from Croatia, Ivan is the first Croat who ran five greatest marathons, and I have been the fastest Croatian on the track. Not likely to find roommates like this, right?

This 37-year-old IT expert has been employed at Oracle Croatia for the last seven years, and is responsible for some of the largest IT projects in the country.
THE NATIONAL PARK OF RISNJAK is part of the Dinaric mountain range and is in the region of “Gorski kotar” which is well known as the Croatian Switzerland or the green lungs of Croatia as the area has extensive tree coverage. The National Park covers 63.5 square kilometers. The park is named after the animal lynx and was started in 1953.

The Risnjak massif clearly emerges from the green mountain forests thanks to the whiteness of its rocks. Beautiful views which extend from 1528 m above sea level over the Kvarner bay, Istria and the Julian Alps in the neighboring country of Slovenia will remain in the memory of every visitor.

This park has varied climatic influences, which explains the type of flora in this area. There are over 4000 different plants in the park that include some rare species such as edelweiss and the black vanilla orchid. The animals in the park comprise of over 100 brown bears, lynx, chamois, deer, wild bear, wolves and wild cats. The forest is predominantly beech and fir. There are 51 species of native birds including 8 birds of prey and approximately 500 species of butterflies.

The National Park’s relief is characterized by numerous limestone features such as dry meadows, underground stream caves, deep caves and limestone fields which are the result of climatic and hydrological effects. The area around the Risnjak and Snježnik mountains is representative of a typical forestal high limestone area in Europe.

Besides the National Park’s primary role – the protection of its natural resources, it is also used for scientific, cultural, training, educational and tourist and recreational purposes. As the area with emphasized esthetic, tourist and recreational values it is dedicated to visitors.

We have to mention natural monument - Kupa spring with its close surroundings. Isn’t this sufficient reason to visit this site within the National Park too? The Kupa River source is one of many unsolved karst riddles, one of the most powerful, most extended and deepest Croatian wellsprings. 321 metres above sea level, the shaped water mass of the turquoise green and blue lake will enchant you by its appearance. The upper flow of the Kupa River is, thanks to the wealth of its flora and fauna, called the Enchanted butterfly valley.

We suggest the alpinists and all visitors to reach the peaks and enjoy the beautiful views; there are numerous hiking paths at your disposal, and you only need to choose which one to take.

For all visitors who are not regular climbers, we suggest the visit to Kupa River spring and the Leska educational path; places where you can experience a lot.

Regardless of which path you choose, dress appropriately, bring fresh water and something to eat with you and stick to the marked paths. Of course, follow the weather forecast in order to avoid storms half way.

No matter what you had in mind before your arrival, you will find peace at Risnjak in close contact with the nature, relaxation, escape from reality and you’ll wish to come back again and again.
AMCHAM SUPPORTED EVENT: IBM FORUM 2012

IBM Forum 2012 under the headline Growth 3 - Technology, Innovation, Leadership was held from 3rd - 5th October 2012 in Split, Croatia. During the three day conference IBM experts, business partners and customers learned and discussed global trends, new technologies and last breakthroughs from IBM.

IBM Forum is the largest business and IT conference in Croatia. Event attracts the highest level of business audience and IT experts. Along with representatives of state institutions, one of the speakers at the round table under the headline “Smarterer Government” was Christian Rupp, Federal Executive Secretary for the e-government initiative of the Austrian Government. He shared with participants his experience of the Austrian success in services for e-government.

With a lecture by Christian Rupp, the round table discussed the importance of technological developments, solutions and tools for the development of the systems and institutions.

IBM FORUM offered a series of interesting lectures, presentations, demonstrations and round tables.

After we celebrated IBM’s global centennial anniversary last year, this year’s IBM Forum conference was very special for the fact that we celebrated its jubilee being organized for 10 years in a row.

THE NEW CONCEPT OF EXCLUSIVE CAFÉ IMPERIAL AT SHERATON HOTEL ZAGREB

This autumn at Sheraton Hotel Zagreb will be very exciting, as it enters this season with the new concept in design and in F&B offer of its premier café - Café Imperial. The newly renovated Café Imperial, with its new, modern, clean lines, bright colors and natural materials invites all guests to taste premium coffee and much more. Following the specific needs of Sheraton Zagreb Hotel’s guests and demands of modern everyday lives, the award winning Executive Chef, Matija Balent, created new daily menu for Café Imperial. The guests can enjoy in fresh, seasonal ingredients and in the new atmosphere of Café Imperial.

The menu is changed daily, and it is based on healthy salads, soups and sandwiches for all those who are in a rush and who would like a quick, but healthy meal. Attentive staff, premium coffee sorts and state of the art technology stand at every guest’s disposal at Café Imperial, at Sheraton Zagreb Hotel.

ANOTHER ACKNOWLEDGEMENT FOR HILTON IMPERIAL

Once again the World Luxury Hotel Awards turned the spotlight on some of the world’s most sought after hotels, lodges, resorts & private islands as they scooped the world’s most prestigious honours for luxury hotels at the glitzy 2012 World Luxury Hotel Awards Gala Ceremony just held in Kuala Lumpur.

Hilton Imperial Dubrovnik participated in this contest and received recognition by this renowned international association. Commenting on the award, Vlado Margaretić, PR for the Hilton Imperial Dubrovnik said: “We are delighted to receive this prestigious award which truly reflects our team members’ dedication, attention to detail and continual efforts to serve our guests at the highest standard.”

Further to hotel’s outstanding achievements, earlier acknowledgements and rewards from World Travel Award for the Leading Hotel in Croatia 2012, 2nd place for Croatian Tourist board Blue flower, it is an honour to receive World Luxury Hotel Award for Luxury Historical Hotel. This recognition has now set Hilton Imperial as a benchmark and an industry leader, and it reinforces our ongoing efforts to provide our guests with a personalized service and tailor made event solu-

THE FINANCIAL CRISIS: CROATIA AND EUROPEAN UNION

„The Financial Crisis: Croatia and European Union.” is the title of the second panel held at Zagreb School of Economics and Management in September 2012. The main speaker at this panel was the Governor of Croatian National Bank, Boris Vujčić.

ZSEM launched a series of public panel discussions, titled Conversations about Europe, at the Zagreb School of Economics and Management, in order to answer crucial questions concerning Croatia’s accession to the European Union.

Although Croatia’s EU membership is now finally secured, some crucial questions concerning Croatia’s membership still haven’t been answered. How will Croatia utilize its new position as an EU member state? What kind of a profile within the EU will it build regarding a host of political topics which currently define the relations among its member states, and between the EU and the rest of the international community? Where is the EU actually headed? Where should it be going? These and similar questions are topics of the panels.

THEME FOR THE SECOND PANEL: THE FINANCIAL CRISIS: CROATIA AND EUROPEAN UNION

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THEME FOR THE SECOND PANEL: THE FINANCIAL CRISIS: CROATIA AND EUROPEAN UNION

“Europe’s Developmental Crisis and Croatia’s Membership in the EU: Challenges, Opportunities and Risks.” The main speaker was the Prime Minister of Croatia, Zoran Milanović. We expect the third panel to be held at ZSEM in November this year.

KREŠO PERICA
Members News —

NEW HEALING AND RELAXATION TECHNIQUES AT OCEAN SPA
Ortonimplant group and Ocean spa & beauty will introduce you to ancient healing and relaxation techniques that combine organic plants, finest essential oils and ingredients from the sea with the most recent spa technology. Our LITYA signature treatments and massages inspired by traditional aboriginal techniques are unique, so it is a perfect choice for everyone who wants to escape at least for a moment from the city’s rushed place and the stress of modern life. You can find all offered programs at www.oceanspa.hr

ALTUS IT SELECTS IBM PURESYSTEMS TO TRANSFORM CLOUD SERVICES
Altus IT, one of the key IT service providers in Croatia, selected Pure-Systems to help transform it from a data center services provider to a cloud services provider. Altus expects this will allow its clients - mid-size and large companies from key industries such as oil and gas, pharmaceutical, telecommunications and finance - to reduce their product development time for new services by up to 60 percent.

“We have selected IBM’s smarter computing approach and PureSystems as it offers the ideal solution to our needs,” said Goran Doreški, CEO, Altus “When evaluating systems the better performance, easier management of the IT infrastructure, ability to consolidate of scattered infrastructure into one chassis made PureSystems the only choice for a fully integrated solution to accommodate our future growth and provide high quality services to our clients.”

Based in Zagreb, Altus offers datacenter services to various companies in nine countries, including Spain, Argentina, Russia and the USA. In order to make better utilization of existing datacenter space and be able to provide more diverse and higher value services, Altus IT needed a flexible, scalable and efficient infrastructure. The integrated cloud-ready solution in the IBM PureFlex offered flexible architecture choices and the ability to accommodate future growth.

“As the demand for cloud services grows, IBM is offering expert integrated solutions that the technology in new ways for users that might not have the space, power and resources required to build traditional-style clusters,” said Krešo Perica, Country General Manager, IBM Croatia. “The IBM Flex System provides the right mix of technology innovation and computing power to help Altus IT and its clients reach their goals.”

AVON CONTINUES TO FIGHT DOMESTIC VIOLENCE WITH HIT ME, NOT HER CAMPAIGN
CAMPAIGN’S GOAL IS TO COLLECT FUNDS FOR U.Z.O.R. ASSOCIATION AND TO RAISE PUBLIC AWARENESS

Avon Croatia has been conducting a regional humanitarian campaign Hit Me, Not Her as part of its traditional program Speak Out Domestic Violence to fight violence against women. The main event was held late November in Zagreb when International Day against Domestic Violence is observed. It featured campaign spokesperson - boxer Stjepan Božić, a victim of domestic violence himself.

The funds are still being collected by selling a special line of Avon products with the sign of infinity, and will be donated to The Association for Family Protection U.Z.O.R. in Rijeka. U.Z.O.R. Association was established in March 2007 with an aim of providing protection and assistance to families at risk of violence. It also administers various programs that provide shelter and counseling for victims of domestic violence.

Avon Croatia, celebrating its 15th anniversary in Croatia, has been active in fighting the breast cancer and domestic violence in order to improve and save women’s lives.

“I am proud of Avon’s long tradition of commitment to women, including socially responsible projects. I would especially like to thank Stjepan Božić for donating his time and effort to support us. For 15 years we have been trying to encourage women in Croatia to be confident, successful and happy”, said Lucija Josipović, Avon Senior PR and Advertising Specialist for Croatia, Bosnia and Herzegovina and Slovenia.

GENERAGROUPLAUNCHED NEW CORPORATE WEBSITE
It is our pleasure to introduce to you the new corporate website of Genera Group at www.genera.hr

The need for a new corporate website presented itself immediately after the reorganization of our company. Its basic aim was to present all of Genera’s businesses and activities in one place. The modern design, simple structure and interesting content are primarily aimed at our customers and users of Genera’s wide product range as well as all business partners and other stakeholders. Genera is a company with more than a hundred years of tradition and roots dating back to the foundation of the Royal Croatian-Slavonian Bacteriological Institute in 1901. Genera is the only manufacturer in Croatia combining a variety of business activities focused on the health of people, animals and the environment that applies and promotes the One Health concept which is supported by a number of international organisations such as the World Health Organisation (WHO) and the World Organization for Animal Health (OIE).
Dubrovnik Sun Gardens is delighted to announce the recent accolades awarded to the resort, within both the luxury travel and real estate sectors. The five-star, fully integrated resort on the Dalmatian Coast was recently named Best Beach Resort, Europe in the World Luxury Travel Awards 2012 as well as receiving the 5* Award for Best Resort, Croatia in the International Hotel Awards 2012. Both titles further cement Dubrovnik Sun Gardens as a prime destination resort on a national and international scale, and are a highly appreciated recognition of the resort’s dedication to upholding the highest of standards. Dubrovnik Sun Gardens has set itself apart from competitors in Croatia, and more specifically within the Dubrovnik region, by not only offering luxury hotel accommodation at the five-star Radisson Blu Hotel but also an extensive range of resort amenities, including the award winning spa by OCCO, cutting-edge sports facilities, a variety of restaurants and bars and a sought-after stretch of beach.

Furthermore, Dubrovnik Sun Gardens also provides second home buyers with the rare opportunity for freehold ownership on the Adriatic coast in the form of 207 fully appointed residences. The combination of developing an attractive real estate offering alongside a five-star resort led to impressive recognition at the recent Overseas Property Professional (OPP) Awards for Excellence 2012. The Residences at Dubrovnik Sun Gardens took home Gold in the categories of Best Developer, Europe, and Best Global Developer. The International Property Awards meanwhile, awarded the resort Highly Commended within the Development of Multiple Units Croatia category. Julian Houchin, Commercial Director of IOAdria, developers behind Dubrovnik Sun Gardens, comments on the resort’s recent success: ‘We are delighted to have been recognized by the property industry in a variety of categories. Each award endorses our commitment to developing an appealing real estate offering for today’s demanding second home investor. Furthermore, to be acknowledged by the hotel industry as a leading luxury resort underpins our continued growth in performance as a highly attractive holiday destination.’
The idea came from the students, who also planned and executed the entire project. They selected the menu and ingredients, and arranged where and when it would be served. The students (aged 15-17) also cooked the meal in the AISZ kitchens, transferred it to the public kitchen, and then served it to the center’s visitors.

“As part of our Service Learning program we encourage our students to consider how they can help others, and then act on that. This is one of a dozen such projects that students of all ages at AISZ have initiated this year,” said Mr. Stephen Graham, a Secondary school teacher at AISZ and a coordinator of the school’s Service Learning program. “The high school students helped hungry people in their city in a meaningful and effective way, and it required sustained commitment and effort from them. By taking part in Service Learning, our students from kindergarten right through to 12th grade, learn a lot about the world around them, but also a lot about themselves.”

**DON MARKUŠIĆ HAS BEEN APPOINTED TO THE GOVERNMENT’S WORKING GROUP**

Don Markušić, Barrister & Solicitor, Law Offices Don Markušić and immediate past President and long-time member of AmCham has been appointed to the Government’s Working Group on drafting the proposed Law on Lobbying. According to Transparency International when recently presenting their Corruption Perception Index for 2012, regulating lobbying is one of the anti-corruption measures which would improve Croatia’s position. Croatia scored 46 out of 100 which is far below the EU average score of 63.6. Don is also ensuring that the proposed law will benefit and not adversely affect AmCham’s advocacy and lobbying activities.

**DOUBLETREE BY HILTON ZAGREB OPENED ON 20 NOVEMBER**

DoubleTree by Hilton Zagreb is located in the heart of the Green Gold business & shopping district and has a variety of guest rooms that meet every need, from single business travelers to full families. Guests will enjoy contemporary design, spacious layouts, and individual temperature controls in every room. Complimentary high-speed Internet access is available in every guest room, and throughout public areas. To add to the comfort, each room is equipped with 37” LCD TV, tea & coffee making facilities, iron & ironing board and separate bathtub & walk-in rain shower.

More information at www.zagreb.doubletree.com
New Members

CORPORATE

eight regional offices in Russia, Romania, Ukraine, Latvia, Bulgaria, Moldova, and Western Balkans with 180 local staff dedicated to executing the firm’s strategies. Our investments are solicited and managed by teams of highly-experienced locally-based professionals who have deep experience in evaluating and structuring complex investment transactions. Our firm has earned a reputation in its regional markets for moving quickly and closing on direct investments and joint ventures, giving NCH “preferred partner” or “preferred buyer” status as counterparties seek to minimize execution risk.

Our first real estate investment in Croatia was realized in 2010 in line with our coastal development strategy in Western Balkans (Croatia, Montenegro, Albania and Greece). Headquartered in New York, NCH is an SEC (Securities and Exchange Commission) registered investment advisor. For more information please refer to our website www.nchcapital.com.

NOVARTIS HRVATSKA D.O.O.

Novartis Hrvatska d.o.o. was founded in 1996 as a representative office of Novartis Pharma AG, one of the biggest and the most admired pharmaceutical company and is registered for activities related to promotion of drugs and medicinal products and for activities related to clinical trials.

The portfolio is grouped into several major areas: Cardiovascular and Metabolism (treatments of high blood pressure and diabetes), Oncology (including Hematology), Neuroscience and Ophthalmic (portfolio includes treatments for CNS disorders and ophthalmic conditions), Respiratory (treatment of chronic obstructive pulmonary disease, pulmonary arterial hypertension, asthma and cystic fibrosis) and Integrated Hospital Care (broad portfolio of immunosuppressants).

PHILIPS ELECTRONICS REPRESENTATIVE OFFICES B.V. - PREDSTAVNIŠTVO U RH

PHILIPS

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Market research, advertising and information activities, representation of the founder and the companies within Philips Group

LIBERTAS REGIS NEKRETNINE D.O.O. - BEST CROATIAN PROPERTIES

Best Croatian Properties

LIBERTAS REGIS NEKRETNINE D.O.O. - BEST CROATIAN PROPERTIES

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DANIELA@BESTCROATIANPROPERTIES.COM

Best Croatian Properties is a highly proficient, professional, independent Croatian local estate agent, operating according to strict codes of conduct and dedicated to you. BCP lists properties from all over Croatia to give you the widest selection possible and takes the full responsibility of successfully finding the ideal property for you. Besides its basic activity, brokerage services, BCP services include asset management, building consultancy, business recovery, corporate real estate services, relocation services, and valuations.

BCP’s aim is to make the process of buying a Croatian property as simple as possible, eliminating the stress traditionally associated with buying on the international property market.
**Member to Member Discounts**

**CONSULTING**
- Coface Croatia
- 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

**CREDIT CARDS**
- 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
- Zagreb School of Economics and Management
  - 10% Special discount for all executive education programs at ZSEM for all employees of AmCham members

**FINANCIAL SERVICES**
- Deloitte Savjetodavne Usluge d.o.o.
  - 2-3 hour free diagnostics meeting relating to the subject of your choice
  - 20% discount on all tax services
- INTERKAPITAL
  - 20% discount on Brokerage Services, including online trading platform
  - 5% discount on Investment Banking services
- KPMG
  - 10% discount on all our bookkeeping & payroll services
- PriceWaterhouseCoopers
  - 20% discount on all accounting, tax compliance and payroll services
- T MF Croatia D. O. O.
  - 10% discount on all our services
- TPA Horwath d.o.o.
  - free of charge initial diagnostics meeting relating to the matter of interest
  - 15% discount on all services

**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.o.o.
  - 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
  - Free consultation regarding innovative Ocean Spa & Beauty services
  - 15% discount on LITYA treatments and rituals in VIP luxury suite
  - 10% discount on all services in VIP luxury suite
  - 10% discount for all products in our Spa Shop
  - 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**
- DoubleTree by Hilton Zagreb
  - 15% discount on rental of meeting rooms
  - complimentary upgrade to specialty coffee breaks
- Esplanade Zagreb Hotel
  - 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
- Grand Hotel Imperial D.D. - Hilton Imperial Dubrovnik
  - Special offer for AmCham members, valid until May 31, 2013:
    - Full Hilton Breakfast included in the room rate - 15% off the best available rate
    - 20% off the best available rate if staying longer than 3 nights
    - 15% off in all F&B outlets
    - Special Imperial Afternoon offer
    - 20% off on the SPA treatments
- Complimentary upgrade (upon availability)
- Flexible cancellation policy

**HOTEL ANTUNOVIĆ 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

**KEMPinski HOTEL ADRIATIC - SKIPER OPERACiJE D.O.O.**
- 10% discount on published room rates
- 10% discount on any Spa treatments (excluding special promotion and outsourced services)
- Complimentary upgrade to a higher room category (upon availability, excluding special promotion and outsourced services, Presidential Suites)
- Complimentary garage parking

**SUPETRUS HOTELld.d.**
- 20% discount on accommodation prices with complementary sauna and fitness for AmCham members
- THE RESIDENCE
- 20% discount on accommodation prices – with continental room breakfast included for AmCham members

**INFORMATION TECHNOLOGY**

**BURZA D.O.O.**
- 10% on all our services

**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

**INFINiTAS**
- 10% discount on system packages and individual system solutions
- 15% discount on CRM and specific business solutions

**INTEA**
- 10% discount on BALDOR motors, drives and motion products
- 10% discount on SENA Bluetooth products
- 10% discount on Aaxeo 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
- **SILICON MASTER**
- 5-25% discount from the list price on the selected products from our portfolio

**INSURANCE**

**ALLIANZ**
- For details on offered discounts please contact Allianz

**INTERNATIONAL MOVERS**

**AGS Zagreb**
- 10% discount on domestic and international moves

**OFFICE FURNITURE**

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

**PUBLISHING**

**ALPHEUS**
- 10% discount on all Alpheus inSight subscription models’ annual fee; for more information on this service please visit http://insight.alpheus.hr/registration.htm#page=registration/info.htm

**BUSINESS MEDIA CROATIA**
- 25% discount on all advertisement in B2B magazines (for AmCham members who don’t have separate contract):
  - Kamion&Bus, Autopartner, Restaurant&Hotel, Mineral, Tehnokroko
- Archive issues are available online in .pdf format at www.bmcroatia.hr
- 25% discount on banners on web sites
- 20% discount on subscription of every magazine
- 15% discount on seminars
- 20% discount on published books

**TRANSLATION**

**AION d.o.o.**
- genuine 20% discount for written translations
- special deals for simultaneous and consecutive interpreting
- special deals for lease of equipment for conference interpreting

**TRANSPORTATION**

**RHEA d.o.o. - FedEx Licensee**
- 20% for outbound and inbound shipments

**TRAVEL**

**ATLAS TRAVEL AGENCY**
- for details on available discounts please contact Atlas

**HERTZ CROATIA - ANTERRA d.o.o.**
- 20% discount on car rental in Croatia + Free Upgrade

**PROFICIO**
- 15% discount on individual rates for accommodation in all-inclusive Pine Beach Pakoštane - Adriatic Eco Resort.
ADVERTISE IN AMCHAM “NEWS & VIEWS” MAGAZINE

- VAT not included
- Sponsored article - same pricing as advertising
- Non-members pricing – base price + 50%
- special additional discounts for members

Printing preparation
Prepared ads can be delivered on CD or by e-mail. Ads should be in TIFF (300 dpi) or EPS format, in 1:1 ratio - according to above dimensions, in CMYK color model, fonts converted to curves.

WEBSITE ADVERTISING
www.amcham.hr

- advertising price is for a period of one quarter (3 months)
- VAT not included
- Non-members pricing – base price + 50%
- Banners should be in .jpg format.

For additional information, please contact: Vjekoslav Kalenski - info@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
- Special offer until the end of 2012: 3 announcements for the price of 2
- E-bulletin sponsor – your logo published in every E-bulletin in the period of one month (4 issues) – 2,000.00 kn + VAT

For reservations and any additional info, please contact: Ms. Ivana Karavidović (events@amcham.hr).
ADVERTISING / PR
• Alpheus d.o.o.
• BBDO Zagreb d.o.o.
• IMC Integralni marketing i komunikacije d.o.o.

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• Pioneer Sjeme d.o.o.

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• Hrvatsko-američko društvo – Croatian American Society
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• Raiffeisenbank Austria d.d. Zagreb
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• HP-Hrvatska pošta d.d.

CREDIT CARDS
• Erste Card Club d.d.
• PBZ Card d.o.o.

CULTURE
• The Zagreb Philharmonic

DEMNING
• Piper d.o.o.
• Uxor grupa d.o.o.

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• Amway d.o.o.
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EDUCATION
• American College of Management and Technology
• American International School of Zagreb
• International Graduate Business School Zagreb
• International Kindergarten Horizons
• Little Star Kindergarten
• Webster University
• Zagreb School of Economics and Management

ELECTRONICS
• Philips Electronics Representative Offices B.V. - Predstavništvo u RH

ENERGY
• Emerson d.o.o.
• General Electric International Inc. Glavna podružnica Zagreb
• Podzemno Skladište Plina d.o.o.

ENGINEERING
• Alpro d.o.o.
• Intea d.d.

ENVIRONMENT
• Agroproteinika d.d.
• APO d.o.o. usluge zaštite okoliša
• Oikon d.o.o.

FINANCIAL SERVICES
• Deloitte
• Ernst & Young d.o.o.
• Infokorp d.o.o.
• Interkapital d.d.
• KPMG Croatia d.o.o.
• PricewaterhouseCoopers d.o.o.
• TMF Croatia d.o.o.
• TPA Horwath d.o.o.

FOOD AND BEVERAGES
• Coca-Cola Adria d.o.o.
• Coca-Cola HBC Hrvatska d.o.o.
• Gavrilović d.o.o.
• Globalna hrana d.o.o. - McDonald’s Master Franchisee in Croatia
• Karlovačka Pivovara d.o.o.
• Mars Hrvatska d.o.o.

FURNITURE
• Steelcase S.A. podružnica Zagreb

HEALTH CARE
• Abbott laboratories d.o.o.
• AstraZeneca d.o.o.
• Eli Lilly (Suisse) S.A. - Predstavništvo u Hrvatskoj
• Fresenius medical care Hrvatska d.o.o.
• Genera d.d.
• Johnson & Johnson S.E. d.o.o.
• Medtronic BV, Representative Office in Croatia
• Merck d.o.o.
• Merck Sharp & Dohme d.o.o.
• Novartis Hrvatska d.o.o.
• Ortoimplant d.o.o.
• Pfizer Croatia d.o.o.
• Pharmamed MADO d.o.o.
• Pliva Hrvatska d.o.o., a member of the Teva Group
• Poliklinika Medikol
• Roche d.o.o.

HOME APPLIANCES
• Whirlpool Croatia d.o.o.

HOSPITALITY INDUSTRY
• B.P. Pluto - DoubleTree by Hilton Zagreb
• Dubrovački vrtovi sunca d.o.o. - Radisson Blu Resort & Spa
• Esplanade Zagreb Hotel
• Grand hotel Imperial d.d. - Hilton Imperial Dubrovnik
• Hotel Antunović Zagreb - Antunović TA d.o.o.
• Hotel Dubrovnik d.d.
• HUP Zagreb d.d.
• Kempinski Hotel Adriatic - Skiper Operacije d.o.o.
• Roraima 5 d.o.o.
• Syvetrs Hoteli - Waterman Resorts

HUMAN RESOURCES
• Adecco d.o.o.
• IEVENTA Croatia d.o.o.
• Pedersen & Partners d.o.o.
• Selectio d.o.o.

INFORMATION TECHNOLOGY
• ASBISC-CR d.o.o.
• Burza d.o.o.
• Cisco Systems Hrvatska d.o.o.
• Etranet Group d.o.o.
• Hewlett-Packard d.o.o.
• Lenovo Technology B.V. - Predstavništvo u RH
• Microsoft Hrvatska d.o.o.
• Mikronis d.o.o.
• Oracle Hrvatska d.o.o.
• Patton Electronics Co.
• Silicon Master d.o.o.

INSURANCE
• Allianz Zagreb d.d.

INTERIOR DESIGN
• Dekori MV

INVESTMENT
• Nova Europska ulaganja
• Proficio d.d.

LEGAL SERVICES
• CMS Reich-Rohrweg Hainz Rechtsanwälte GmbH - Podružnica Zagreb
• Odvjetnički ured Don Markušić
• Odvjetnički ured Andrej Matijević
• Odvjetnički ured Marija Pujo Tadić
• Odvjetnički ured Melita Veršić-Marušić
• Odvjetnički ured Hrvoje Vidan
• Odvjetnički ured Yukina
• Odvjetnički ured Zvonko Nogolica
• Odvjetničko društvo Bekina, Škurla, Durmiš & Spajić
• Odvjetnički ured Divjak, Topić i Bahćetarević
• Odvjetničko društvo Glin ska & Mišković d.o.o.
• Odvjetničko društvo Hanžeković & Partneri
• Odvjetničko društvo Vukmir i suradnici
• Odvjetničko društvo Žurić i Partneri
• Povezani odvjetnički uredi Cikač, Čukman i Jelaković
• Wolf Theiss Rechtsanwaelte GmbH-Podružnica Zagreb

MANUFACTURING
• DOK-ING d.o.o.
• Enikon-Composite d.o.o.
• Teknoxgroup Hrvatska d.o.o.

MARKET RESEARCH
• Ipsos Pulsi d.o.o.

MEDIA
• NOVA TV d.d.
• Styrion International servis d.o.o.

MILITARY-INDUSTRIAL
• HS Produkt d.o.o.

PUBLISHING
• Business Media Croatia d.o.o.

REAL ESTATE
• Colliers International d.o.o.
• Expositum d.o.o. - REXPO
• Filipović Business Advisory, Ltd.
• Jones Lang LaSalle d.o.o.
• Libertas regis nekretnine d.o.o.
• Media group
• Mrduja d.o.o.
• Trigranit Lanište d.o.o.
• Woodsford Grupa d.o.o.

RENT A CAR
• Hertz Croatia - Anterra d.o.o.

RISK MANAGEMENT
• Det Norske Veritas Adriatica d.o.o.

SCIENCE & TECHNOLOGY
• Ciklopea d.o.o.
• Aion d.o.o.
• Ciclopea d.o.o.
• Partner Elektrik GE

TOBACCO
• JT International Zagreb d.o.o.
• Philip Morris Zagreb d.o.o.

TRADE
• Atlantic grupa d.d.
• Nike European Operations Netherlands B.V. - glavna podružnica Zagreb
• Orbico d.o.o.

TRANSLATION SERVICES
• Aion d.o.o.

TRANSPORT
• AGS Zagreb d.o.o.

TRAVEL
• Atlas turistička agencija d.d.
• Libertas Regis d.o.o.
• Ulis d.o.o.
MERRY CHRISTMAS
AND A HAPPY NEW YEAR!