



## CROATIA - May 2018

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### EU PUSHES FOR PROPERTY TAX AND LATER RETIREMENT AGE IN CROATIA ..... 1

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#### EU pushes for property tax and later retirement age in Croatia

The European Union has given Croatia four tough choices to get its economic situation in order. The European Commission released on Wednesday four recommendations which they stated should be carried out over the next 18 months. Last year the EU basically gave Croatia the same four proposals and yet Croatia has yet to introduce them all fully.

Firstly, the stated that property tax should be introduced, based on property values. This was planned by the Croatian government last year but after stiff opposition was put on hold. Secondly the EU recommended that early retirement should be discouraged and that the government should push to raise the statutory retirement age.

Then the third point is in regard to public administration. The salaries of public services and administration should be regulated and a reduction in the number of public bodies throughout the country.

And lastly the European Commission stated that Croatia should improve corporate governance in the state-owned enterprise sector and speed up the divestment rate of state-owned enterprises and inactive state assets. The burden on businesses stemming from regulation costs should be significantly reduced, and the quality and efficiency of the justice system improved, in particular by reducing the duration of civil and commercial cases.