



INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

INCENTIVE MEASURES FOR INVESTMENT PROJECTS ON THE STATE LEVEL

Incentive measures for investment projects in the Republic of Croatia are regulated by the Act on Investment Promotion (OG, No. 102/15, 25/18) and pertain to investment projects in:

- manufacturing and processing activities,
- development and innovation activities,
- business support activities,
- high added value services.

Incentives include:

1. Tax support for micro-entrepreneurs
2. Tax support for small, medium and large entrepreneurs
3. Support for justified costs of new jobs linked to the investment project
4. Support for justified training costs related to the investment project
5. Grants for:
 - a. Development-innovation activities
 - b. Business support activities and
 - c. Activities of high added value services
6. Support for the capital costs of the investment project
7. Grants for labor-intensive investment projects
8. Support for investment projects through the economic activation of inactive property owned by the Republic of Croatia.





INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

Incentive measures can be used by enterprises registered in the Republic of Croatia investing in fixed assets the minimum amount of:

- € 50,000 together with creating at least 3 new jobs for microenterprises
- € 150,000 together with creating at least 5 new jobs for small, medium and large enterprises
- € 50,000 together with creating at least 10 new jobs for ICT system and software development centers

Classification of enterprises is done in accordance with the GBER.

Enterprise category*	Number of employees and	Annual turnover	or	Annual balance sheet
Large	≥ 250	> 50 million €	or	> 43 million €
Medium	< 250	≤ 50 million €	or	≤ 43 million €
Small	< 50	≤ 10 million €	or	≤ 10 million €
Micro	< 10	≤ 2 million €	or	≤ 2 million €

* when classifying enterprises, one should also consider affiliated enterprises

The amount of aid shall be calculated as a percentage of investment value, which is determined on the basis of eligible investment cost. Eligible investment costs are:

- tangible (value of land/buildings and plant/machinery) and intangible assets (patent rights, licences, know-how), or
- gross wage calculated over a period of two years





INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

The minimum period for maintaining the investment and newly created jobs linked to an investment is five years for large enterprises, and three years for small and medium-sized enterprises, but no less than the period of use of the incentive measures.

Profit tax incentives

Investment amount (€ mil)	Number of newly employed	Period (years)	Period of employment (years)	Profit tax rate reduction
0,15 -1 (>0,05 for micro and ICT system and software development centers)	5 (3 for micro, 10 for ICT system and software development centers)	10 (5 for micro)	3 (SME's), 5 (large)	50%
1-3	10	10	3 (SME's), 5 (large)	75%
>3	15	10	3 (SME's), 5 (large)	100%





INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

Employment Incentives

COUNTY UNEMPLOYMENT RATE	INCENTIVE RATE IN RELATION TO ELIGIBLE COSTS OF JOBS CREATION	INCREASE FOR DEVELOPMENT AND INNOVATION ACTIVITIES**	INCREASE FOR BUSINESS SUPPORT ACTIVITIES*** AND HIGH ADDED VALUE ACTIVITIES****
<10%	10% (max. 3,000 €)*	+50% (1,500 €)*	+25% (750 €)*
	4% (max. 1,200 €)	+50% (600 €)	+25% (300 €)
10-20%	20% (max. 6,000 €)*	+50% (3,000 €)*	+25% (1,500 €)*
	8% (max. 2,400 €)	+50% (1,200)	+25% (600 €)
>20%	30% (max. 9,000 €)*	+50% (4,500 €)*	+25% (2,250 €)*
	12% (max. 3,600 €)	+50% (1,800)	+25% (900 €)

* The specified amount of the grant refers to the long-term unemployed, regardless of length of service and level of education, who are registered as unemployed with Croatian Employment Service (CES) for at least 6 months, persons older than 50 years registered as unemployed with CES, persons without work experience registered as unemployed with CES, persons whose contract was cancelled because of the bankruptcy proceedings. For other categories of workers, the incentive rate is 40% of the above specified amount.

** Development and innovation activities – activities that affect the development of new and significantly improving existing products, production series, manufacturing processes and / or production technologies

*** Business support services:

1. Customers / Clients relationship centers – all types of call centers, multimedia contact centers and other types of contact and service centers focused on technical support and problem solving for customers/clients.

2. Centers of outsourced business activities – focused on outsourcing and pooling of business activities, such as finance, accounting, marketing, product design, audio-visual activities, human resources development and development of information technology.





INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

3. Logistics and Distribution Centers – aimed at establishing and building high-technology logistics and distribution centers providing intermodal transportation, warehousing, packaging and handling in order to significantly improve logistics and distribution activities within the business process and delivery of goods.

4. ICT System and Software Development Centers: development and application of information systems, outsourcing of IT management operating systems, development of telecommunications network operation centers and development and application of new software solutions.

**** High Added Value Activities:

- Creative service activities: activities in the field of architecture, design, different forms of media communication, advertising, publishing, culture, creative industry and other activities in the field of fine arts

2. Hospitality and tourism activities – hospitality and tourism accommodation facilities categorized as four or five stars, such as hotel, aparthotel, tourist resort and camps; heritage hotels, other types of accommodation facilities created by renovation of cultural and historical structures, with the mandatory submission of conservation requirements of reconstruction; supporting services of the aforementioned types of accommodations; health tourism, congress tourism, nautical tourism, golf tourism, cultural tourism, entertainment and/or recreation centers and parks, ecological tourism projects and other innovative projects in tourism with high added value.

3. Industrial engineering services.

For investment in development and innovation activities, a non-repayable grant shall be approved for the purchase of plant/machinery amounting to 20% of the actual eligible costs for purchasing plant/machinery, in the maximum amount of EUR 500,000 in equivalent HRK value, provided that the purchased plant/machinery represents high technology equipment.





INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

Incentives for education and training

The eligible costs for the purpose of training may include trainers' personnel costs, for the hours during which the trainers participate in the training; trainers' and trainees' operating costs directly relating to the training project such as travel expenses, materials and supplies directly related to the project, depreciation of tools and equipment, to the extent that they are used exclusively for the training project. Accommodation costs are excluded.; costs of advisory services linked to the training project; trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) for the hours during which the trainees participate in the training.

Incentives will not be awarded for the training conducted to ensure compliance with the mandatory training prescribed by national norms.

The aid intensity shall not exceed 50 % of the eligible costs. It may be increased, up to a maximum aid intensity of 70 % of the eligible costs, as follows:

- (a) by 10 percentage points if the training is given to workers with disabilities or disadvantaged workers;
- (b) by 10 percentage points if the aid is granted to medium-sized enterprises and by 20 percentage points if the aid is granted to small enterprises.



- MB: 02094061 • IBAN: HR7823600001101907035 • PDV ID: 58802471410 • SWIFT: ZABAHR2X



INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

Incentive measures for the capital costs of the investment project

Eligibility: over € 5 million and more than 50 new jobs

County Unemployment Rate	Incentives for Capital Expenses
10-20%	<p>Cash grant in amount of 10% of the eligible costs of investments for:</p> <ul style="list-style-type: none">• construction of the new factory, production facility or tourist facility,• buying of new machines, i.e. production equipment, <p>(max amount up to 0.5 million EUR with the condition that the part of investment in the machines / equipment equals at least 40% of the investment and that at least 50% of those machines/equipment are of high technology)</p>
>20%	<p>Cash grant in amount of 20% of the eligible costs of investments for:</p> <ul style="list-style-type: none">• construction of the new factory, production facility or tourist facility,• buying of new machines, i.e. production equipment, <p>(max amount up to 1 million EUR with the condition that the part of investment in the machines / equipment equals at least 40% of the investment and that at least 50% of those machines/equipment are of high technology)</p>





INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

Incentive measures for labour-intensive investment projects

Number of newly created jobs	Increase of Support for creating new jobs
100 and higher	25%
300 and higher	50%
500 and higher	100%

Incentive Measures for Investment Projects through Economic Activation of Inactive Property Owned by the Republic of Croatia

INVESTMENT AMOUNT (€ MIL.)	NEWLY EMPLOYED	OBLIGATORY INVESTMENT INTO INACTIVE PROPERTY GRANTED FOR LEASE	INCENTIVE	PROCEDURE FOR GETTING THE LEASE
3	15	50% increase in the value of the property within 3 years in relation to the estimated value of the inactive property at the time of starting the lease	free lease of inactive property for up to 10 years* from the start of investment	for investment located in lower developed local self-government units (I-IV) – without any additional preconditions for investment located in higher developed local self-government units (V-VIII) – after three rounds of public tender for sale of inactive property

*After the expiration of the free lease or after reaching the maximum aid intensity, the beneficiary of the incentive measure can conclude the agreement on the purchase of inactive property with the Ministry of State Property





INDUSTRIAL PARK NOVA GRADIŠKA Ltd.

- II Industrijski odvojak 2, 35400 Nova Gradiška, Croatia
- Tel/fax: +385 (0)35 35 99 11 • E-mail: info@ipng.hr • Web: www.ipng.hr

According to the procedure for applying for incentive measures under the Act on Investment Promotion (NN 102/15, 25/18) an enterprise intending to acquire the status of a beneficiary of incentive measures must file an Application for the use of incentives using the prescribed forms either to the Ministry of Economy, Entrepreneurship and Crafts before the beginning of the investment.



- MB: 02094061 • IBAN: HR7823600001101907035 • PDV ID: 58802471410 • SWIFT: ZABAHR2X