

**Your Excellency Lord Green,
Dear Ambassadors,
Esteemed Business Representatives,
Ladies and Gentlemen,**

It is my great pleasure to be here in London - the centre of world finance and the capital of a close and friendly nation - and to have a chance to greet you all on behalf of the Croatian Government. Allow me to extend my special gratitude to Lord Green for joining us here today and for his kind words of welcome. Our thanks also go out to all those who contributed to the organization of this, in many ways, unique and important Forum.

My task here today is to present you with the vision of the Croatian Government in attracting foreign investment, and illustrate this vision by pointing to our potentials and to concrete steps taken in enhancing our investment climate.

Ladies and gentlemen,

As you all know, this year Croatia became the 28th member state of the European Union. In achieving this, Croatia has shown it is a trusted partner, a country capable of pursuing most demanding reforms, ready to play by the European rules and adopt European standards. These standards in particular pertain to our judiciary and administrative capacities. This in itself gives reason for potential investors to look upon Croatia in a new light.

But, of course, our efforts do not cease here. Quite to the contrary, we turn ever more decisively to the priority of economic growth, driven by direct foreign investment. It is high time that we start developing the untapped potentials of Croatia's excellent geographic position, advanced infrastructure, seaports and vast natural resources.

In these difficult times for all European economies, Croatia has turned the corner, is expected to exit recession this year and turn to solid growth in medium-term. By pursuing major structural reforms, this government is determined to tackle the inherited weaknesses of our economy and use the opportunities of our EU membership to the fullest.

And when we talk about foreign investment, I must say this: we do not seek to improve our investment climate. We aim higher – we want to permanently make Croatia a truly investment-friendly country.

The cornerstone of this undertaking is an investment-friendly legislative framework. It is my particular pleasure to be able to announce that tomorrow morning we expect the Croatian Parliament to adopt the Act on Strategic Investments. This Act will give additional strength and effectiveness to our investment environment by enabling certain projects be declared projects of national interest, thus guaranteeing quicker investment implementation and punctual planning with exact deadlines for each step of the process.

I must also note that Croatia already today has one of the most attractive Acts on Investment Promotion in Europe, offering its investors a wide range of overall incentives, from direct support for new work places and capital expenditure support to tax incentives for periods up to 10 years or until a maximal intensity of incentives is reached.

In addition to these two Acts, a high level Working group for the Business Climate and Private Investments of the Government was established several months ago for the purpose of further improving the business climate and monitoring and encouraging private investments. Working tirelessly, this body removed a number of administrative barriers, and led to the implementation of projects worth over € 400 million, creating almost 2,000 new jobs.

I am pleased to say that these efforts are already giving fruit.

The latest annual report of the United Nations Conference on Trade and Development thus assessed Croatia to be the most successful country in its region, with a foreign direct investment amounting to the total of USD 1.25 billion. It also noted that in the course of the past two years, the FDI inflow in Croatia has increased as much as three times. This only, I believe, speaks much for itself.

At the same time – and although we still cannot and will not be satisfied with our overall ranking - the Global Competitiveness report showed a significant upward shift of Croatia on the competitiveness scale. The most important improvement was recognized in the following areas: establishing a business using a “simplified Ltd”, a shortened procedure of property registration, quicker and cheaper obtaining of building permits, strengthening of infrastructure for cross-border trade, accelerated solution of insolvency through pre-bankruptcy settlement and a quicker execution of out-of-court procedures.

Last but not least, the investment cycle is also receiving a boost with the grants from the EU funds. The allocation available to Croatia in the coming financial perspective amounts to approximately 8 billion EUR. In order to secure adequate absorption of EU funds we are developing projects in the following priority areas: waste and water management, transport (especially in railway infrastructure), environmental protection and R&D.

Ladies and Gentlemen,

These are only some of the reasons to seriously consider making Croatia your next investment destination. Let me point out that we are aware that there is still a number of steps to be taken in order to enable foreign companies to operate in Croatia with greater ease. My key message to you today is: rest assured that taking these steps is my Government’s top-priority.

Thank you very much for your attention - and I look forward to seeing you in Croatia!