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## Foreign debt to reach 100pct of GDP in 2010 - Mr Rohatinski

*Thursday, 29 Oct, 2009*

Mr Zeljko Rohatinski governor of National Bank held a presentation on the conference where he warned on the problematic following year. Major problem is still a lack of structural reforms in real and financial sectors, as well as in economic policy. Current problem is a structure of overall consumption in the economy which should be changed.

Furthermore it was said that it is not reasonable to expect stronger FDI in 2010, hence government will be forced to raise additional debt. Croatian government will have to collect EUR 13 billion in 2010 in order to cover maturing debt.

Mr Rohatinski said foreign debt could reach 100% in GDP, which could put pressure on the credit rating. It was also highlighted that Reserve requirement are not expected to be decreased as liquidity of domestic banking sector does not require such measure. Common view on the conference was that GDP in Croatia will go down by around 2% in year 2010 or in the best case scenario it could remain flat.

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