**Executive summary- Renewables in Croatia 2021**

After becoming the 28th member state of the EU on July 1, 2013, the Croatian economy was only able to return to growth in 2015: since 2008, the country had experienced six consecutive years of economic recession, with the GDP falling by 12% (EU data).

The economy accelerated to 2.9% in 2019 – from 2.7% one year before - mainly driven by domestic demand and public investment supported by EU funds. Rising wages and low inflation, together with investment growth, are set to keep supporting the economy.

According to the updated IMF forecasts from 14th April 2020, due to the outbreak of the COVID-19, growth is expected to fall to -9% in 2020 and peak up to 4.9% in 2021, subject to the post-pandemic global economic recovery.

In 2019, the total electricity production in the Republic of Croatia amounted to 12 760.3 GWh with about 66.2 per cent produced from renewable energy sources, including large hydropower plants.

In the total electricity production, large hydropower plants accounted for 46.5 per cent, and 19.7 per cent of electricity was produced from other renewable sources (wind energy, small hydropower plants, biomass, geothermal energy, biogas and photovoltaic systems).

In 2019, the share of renewable energy sources in the total energy consumption, as calculated by applying the EIHP methodology, was 31.5 per cent, or about 24.2 per cent if the EUROSTAT method is applied.

In 2019, of the total electricity consumption in Croatia amounting to 18 893.3 GWh, electricity produced from renewable energy sources accounted for 44.7 per cent. Electricity produced in large hydropower plants accounted for 31.4 per cent, while electricity produced from other renewable sources accounted for 13.3 per cent.

From the beginning of the establishment of the system for stimulating the production of electricity from renewable energy sources (RES) and cogeneration in the Republic of Croatia (July 2007) until the end of 2018, 1,378 contracts were concluded for the purchase of electricity from RES plants with a total installed capacity of 956.5 MW.

During the establishment of the incentive system, there were three changes in the tariff system, ie the amount of the contracted purchase price for the delivered electricity and the calculation methodology. Thus, 66.1 per cent of concluded contracts refer to the Tariff System from 2012, 21.1 per cent to the Tariff System from 2013, and only 12.8 per cent of contracts to the initial Tariff System from 2007.

Preliminary data on installed capacity and electricity production from the RES (until November 2019) indicate a continuation of the trend and an annual increase of 3 per cent in installed capacity and 10 per cent in production.

In the structure of power plants at the RES in the incentive system in 2019 (November), the largest production of electricity from the RES is achieved by wind farms with 67 per cent, followed by biogas power plants with 17 per cent and solid biomass power plants with 12 per cent. They have a similar distribution in the realized production of electricity from the RES until November 2019: wind power plants 75 per cent, biomass power plants 10 per cent, solar power plants 7 per cent, and biogas power plants 6 per cent. Since 2019, for the first time, the production of electricity from a geothermal source has been recorded.

For further information, or if you wish to obtain the whole study, please contact us directly on zagreb@hub.brussels.