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MACROECONOMIC IMPACT OF GDP COMPOSITION CHANGES IN THE CROATIAN ECONOMY

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ABSTRACT

In this article the share of the various sectors in GDP and some newer trends in the sectoral composition of Croatian GDP were analyzed. Methodological changes that happened during the transition period disable simple construction of longer time-series data. Even by limiting the observed period to a methodologically consistent time interval, the divergent results of the present structure of Croatian economy arise. These results indicate that the structural changes in the transition period are very dynamic and that they will probably continue to happen, possibly even to a higher scale. This means that there is a need for a continued and more detailed analysis of relative and absolute importance of different sectors. However, even with the present time-series the serious problem of the long-term deindustrialization of Croatian economy is evident. The deindustrialization denotes the phenomenon of decline of the structural share of industry and the absolute fall of the physical volume of industrial production. Most transition economies have experienced the dynamic growth of industrial production after restructuring. This growth provides an additional impulse to overall GDP growth. Contrary to them, Croatia still experiences opposite tendencies, which is partially reflected through the inconsistency of the GDP calculation methodology.

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