



**centar za
intelektualni
kapital**



CROATIAN CHAMBER of COMMERCE
Intellectual Capital Association



Intellectual Capital Efficiency in Croatian Counties

Zagreb 2002.

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Executive Summary

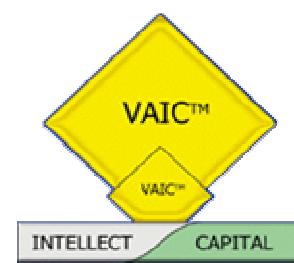
- The key principle of this analysis is that it is irrelevant whether a county's economy is big or small, but if it is good or bad, that is to say, **how efficiently it uses its resources.**
- The quality of business is estimated by a method that **measures the efficiency of value creation compared to the invested resources: Capital Employed and Intellectual Capital.**
- Each city's and municipality's economic analysis covers **investments in resources and the efficiency** of those resources **in value creation.**
- For each city and municipality an overview of efficiency of its resources **compared to the average efficiency of the County's economy** is given.
- Data source used for this analysis are **balance sheets** provided by FINA (Financial Agency, keeps financial records of all companies).
- This analysis is applicable on macro level **reporting on the value creation efficiency of utilized resources** in cities and municipalities of Zagreb County through quarterly reports. It is possible to b
w ith oth er counties, cities and municipalities w ith similar r esour ces.
- Used inside counties, this analysis provides **information on the value creation efficiency of the companies in the region.**
- **Results** of this analysis imply Zagreb County actions in two directions:
 1. leveraging the value creation efficiency of those counties where efficiency is below average (cost for such actions would be neglectable)
 2. raising value creation efficiency in cities with the highest level of value creation, since that is the fastest way for a county to improve total efficiency of value creation.

1. Glossary

For quick and simple understanding of this analysis a brief description of terms used in this paper:

- **OUTPUT:** total income, realized by products and services sold on the market.
- **INPUT:** all costs from purchasing goods and services from third parties except *labor expenses*, which are not considered input, since they are not treated as costs any more.
- **Value added (VA):** newly created value, calculated as OUTPUT minus INPUT.
- **Human Capital (HC):** overall employee expenses (education, training); considered an investment, not cost.
- **Capital Employed (CE):** all material and financial assets.
- **Structural Capital (SC):** result of Human Capital's past performance.
- **Capital Employed Efficiency (CEE):** indicator that shows how much VA is created on each monetary unit invested in CE.
- **Human Capital Efficiency (HCE):** indicator that shows how much VA is created on each monetary unit invested in HC.
- **Structural Capital Efficiency (SCE):** indicator that shows the share of SC in value creation.
- **Value Added Intellectual Coefficient (VAICTM):** indicates the value creation efficiency of all resources (sum of the previous three indicators). It expresses the intellectual ability of a company.

2. Description of the Value Creation Efficiency Analysis – VAIC™ Methodology



VAIC™ – Monitor is a management control system that measures value creation efficiency. It helps companies' management or state administration to manage their resources more successfully and to raise their efficiency. Analysis covers the physical and financial capital performance, but also the performance of Intellectual Capital, the key factor of modern business. The base for the analysis is the standard financial documentation.

Context for the VAIC™ analysis:

- Value creation – the key objective of every business activity
- Value creation efficiency – new criteria for success
- Intellectual Capital – key value creation factor for a company
- Company's market value – connected to efficient value creation

VAICTM – macro:

- Visualization of a company's overall value creation efficiency
- Visualization of value creation efficiency of different resources: Capital Employed as well as Intellectual Capital
- Benchmarking, locally and globally
- Benchmarking with the industry-specific average
- Benchmarking of business units or organizational units (regarding general efficiency, each resource efficiency and the company's average)
- Comparison with the company's market value (in case of existing data)
- Possibility of estimating the market value for companies not on stock exchange

Users: funds, analysts, investors, consultants, banks, middle sized and large companies

Applied: Stock markets in London, Frankfurt and Vienna, Ljubljanska bank, fifty Austrian banks, forty-four Croatian banks, Podravka, Österreichische Bundes Bahnen, Siemens, Henkel, Beiersdorf

VAICTM – micro:

- Visualization of general success in a firm's value creation
- Visualization of value creation efficiency of different resources: Capital Employed and Intellectual Capital, by different products or services
- X-ray picture of a company's value creation in respect of processes, activities, projects, products, services
- Locating the weakest points of value creation
- Permanent monitoring of efficiency by processes (products or services) and activities (marketing, logistics, production)
- Simulation possibilities as a base for strategic and operational decisions

Users: both in production and in services.

Applied: shipyards Uljanik and Viktor Lenac, Sloboda factory of socks, Siemens SGP, twenty companies in Zagreb City's ownership.

3. Methodological Base for Analysis

The traditional business analysis relies on continual bookkeeping, considering physical and financial capital only. That kind of capital is treated as an investment and everything else as expense. In this concept, monitoring of expenses is developed to perfection and total income and profit are measures of success. All business success rankings in the world and in our country (FORTUNE, Privredni vjesnik) are based on these two indicators.

But can income and profit be considered as adequate indicators in today's business environment? More and more examples from Croatian business practice tell us that these indicators provide very little important information about business success. For example, on the list of Top 400 in "Privredni vjesnik" (leading business newsletter), from 1999, INA (Croatia's largest oil company) was on first place, although it finished that fiscal year with loss. Because they do not reflect today's business reality, the present "success indicators" should be completed with new ones, which will give a more objective picture of intellectual capabilities of a company. Or, to be specific, analysis should cover another, even more crucial factor of value creation, which is Intellectual Capital.

The analysis is based on the assumption that two resources are needed for business:

- Capital Employed
- Intellectual Capital.

They are both equally treated as an investment and both are in function of value creation.

Intellectual Capital of a company consists of all employees, their organization and their ability of creating value that is evaluated on market.

A company can have the best qualification structure, i.e. intellectual potential, but if it creates little value, its intellectual ability is low. Therefore, to get a full and objective picture of business success it is necessary to monitor not only the Capital Employed, but also the efficiency of Intellectual Capital. How can this be realized?

Starting point of this analysis is the achieved result: **value added**, which is calculated by subtracting INPUT (total expenses except those for employees) from OUTPUT (total revenue). **What is new about this concept is, that employee expenses are not input, in other words, they are not treated as cost, but as investment.**

Employees invest their knowledge and abilities, which are evaluated on market through a company's activities.

Therefore, two key resources, Capital Employed (CE) and Human Capital (HC) create value. To calculate the efficiency of their value creation each of them is related to the achieved value added. That way the efficiency indicators are received: CEE – Capital Employed Efficiency, HCE – Human Capital Efficiency and VAICTM – Value Added Intellectual Coefficient, an indicator that points to the company's total efficiency or its intellectual ability. How does that apply to this specific case of Zagreb County's cities and municipalities?

Let us take a case of two municipalities with similar Capital Employed:

MUNICIPALITY	CE	VA	CEE
IVANIĆ-GRAD	444.540.240	116.086.023	0,261
STUPNIK	411.528.170	63.197.548	0,154

Having very similar amount of this resource (CE) these two municipalities realized completely different results. Ivani -grad Municipality creates 26 lipas of new value on each kuna of invested financial capital and Stupnik Municipality creates almost half of it, only 15 lipas of newly created value.¹

The following table illustrates the efficiency of Human Capital (HC).

MUNICIPALITY	HC	VA	HCE
JAKOVLJE	2.673.846	2.675.880	1,001
BRCKOVLJANI	2.526.505	4.945.736	1,958

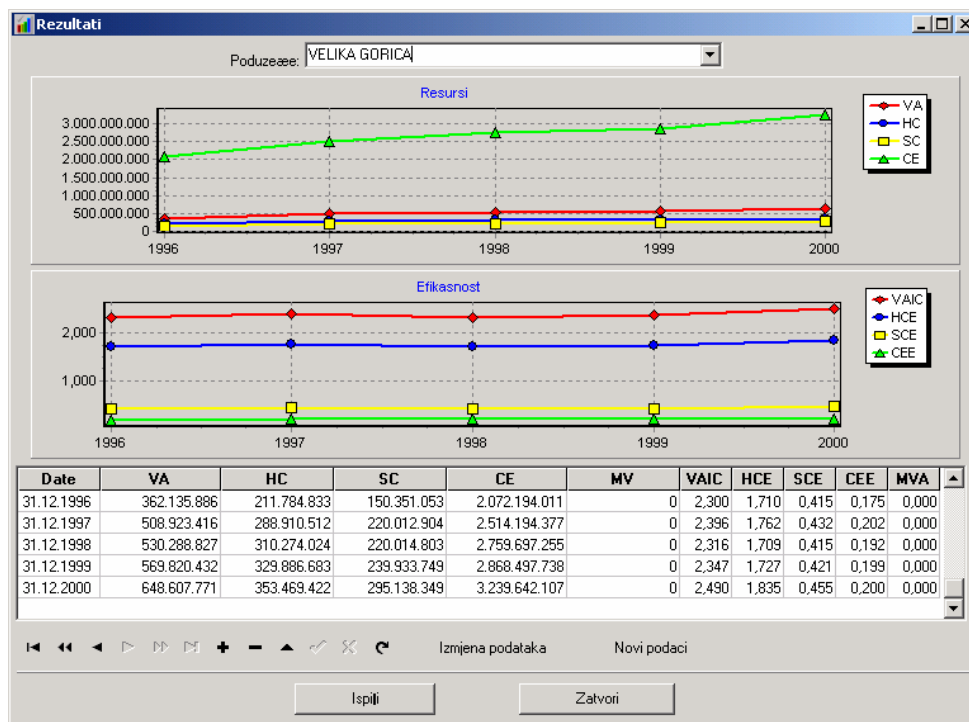
These municipalities have at their disposal the same amount of Human Capital, but create entirely different values. While each kuna invested in employees creates almost 1 kuna in Brckovljani (more precisely, 96 lipas), Jakovlje Municipality hardly creates any value.

By adding Capital Employed Efficiency and Human Capital Efficiency we get the indicator of total efficiency, VAICTM – an indicator of intellectual ability. Simply put, it shows how much new value has been created in the economies of city's and municipality's on each kuna invested in key resources.

¹ Croatian currency: 1 kuna (Kn) = 100 lipas (lp). Approximately, 1 Kn = 0,135 € or 0,119 \$.

4. Directions for the Interpretation of the Results Presented in Charts

Section 5 provides tabular and graphic surveys of business performance of all cities and municipalities of the Zagreb County. Each presentation consists of an overview of utilized resources (CE and HC) and their value creation efficiency. Here is an example:

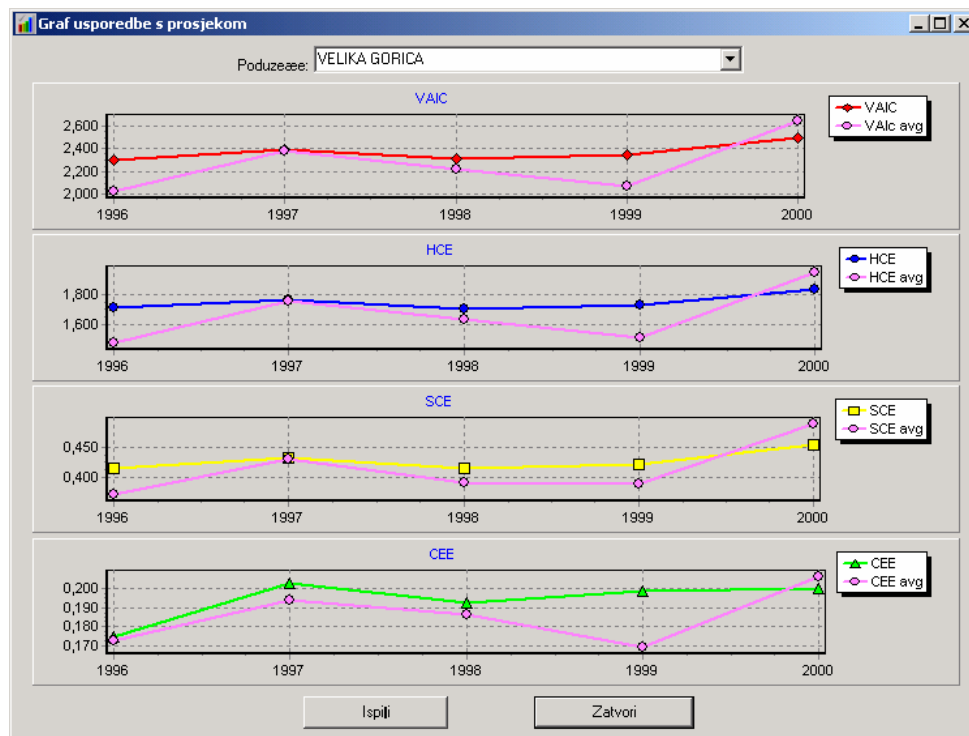


This part of the survey illustrates the resources utilized and their value creation efficiency; graphs visualize data in the chart (amounts are in kunas). On the example of the city Velika Gorica, the upper graph shows permanent growth of investments in Capital Employed (CE – green line), which rose 60%. During the same period Human Capital (HC – blue line) rose a bit more, 67%. Value added rose about 80% in the analyzed five years (VA – red line). The increase of investments in resources led to the increase of value added. Since value added grew faster than resource investments, it is logical that efficiency was rising.

That can be seen on the lower graph, which presents the **efficiency of utilized resources**. That graph actually interprets data from the right part of the table. These data present **how much value added has been created on each kuna invested in a particular resource**. On the beginning of the analyzed period, that is in the year 1996, 1 kuna invested in CE created 17 lipas of new value and in the year 2000 it created 20 lipas. Human Capital (HC) created 1 kuna and 30 lipas in 1996 and 1 kuna and 50 lipas in 2000.

These tendencies are illustrated in the lower graph a slight increase of all resources value creation efficiencies can be observed.

The other part of the graphical survey shows clearly a Gorica's relative position in the County. The efficiency of resources of a specific municipality or city is being compared with the average efficiency in the County.



The first of four graphs compares the total efficiency of resources (VAIC™ – red) with the County's average (VAIC™ avg. – pink). It is obvious that total efficiency of Velika Gorica's economy was around or above average until the year 2000, when it was significantly lower.

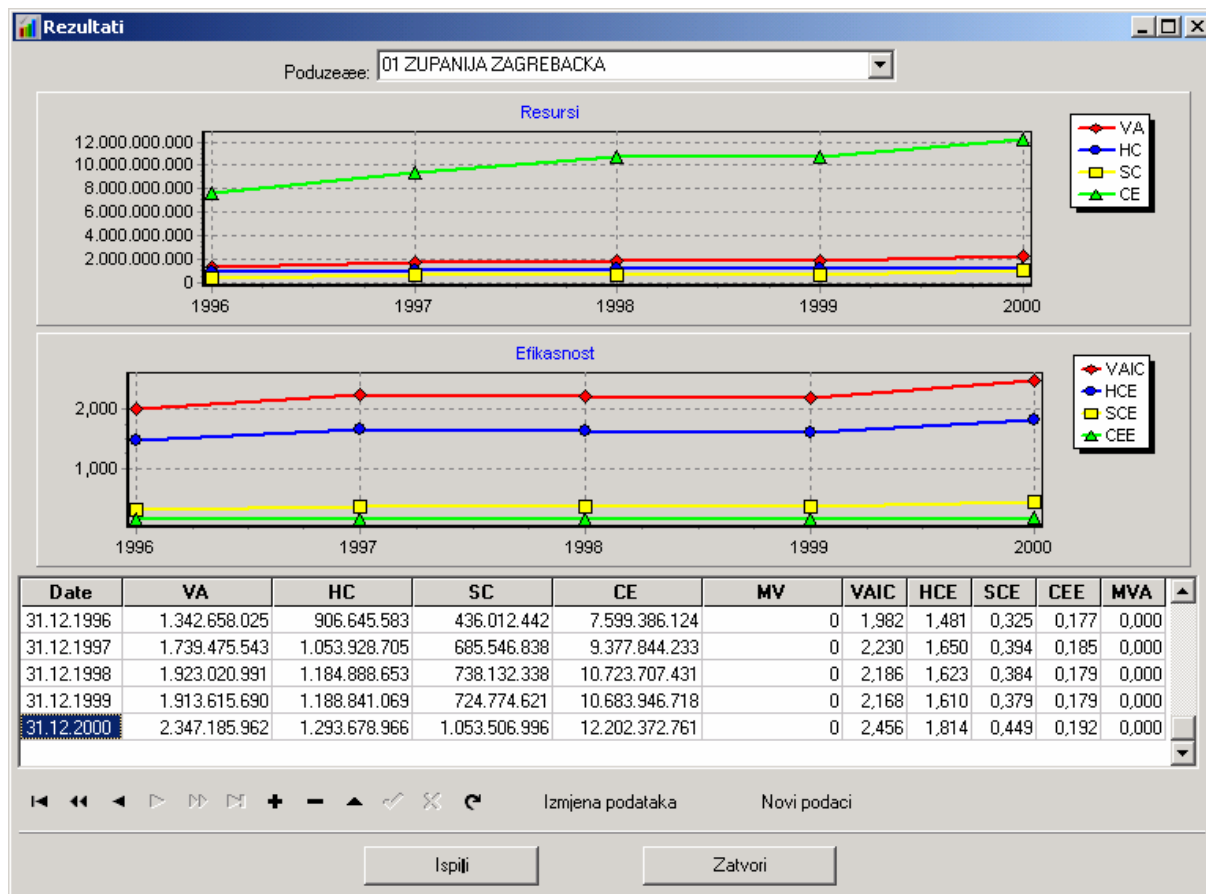
The second graph compares Human Capital Efficiency (HCE – blue) with the County's average (HCE avg. – pink): it follows the same trend. The third graph presents the same relations for Structural Capital. They all fell under the average efficiency in 2000.

The fourth graph presents Velika Gorica's Capital Employed Efficiency (CEE – green) related to average (CEE avg. – pink). This resource was also more efficient than the average until 2000, when it's efficiency dropped well below. **As a general conclusion can be said that in spite of continuous steady growth Velika Gorica's economy was below the Zagreb County's average in the year 2000.**

This would be a valid pattern to interpret the results for all the cities and municipalities that follow.

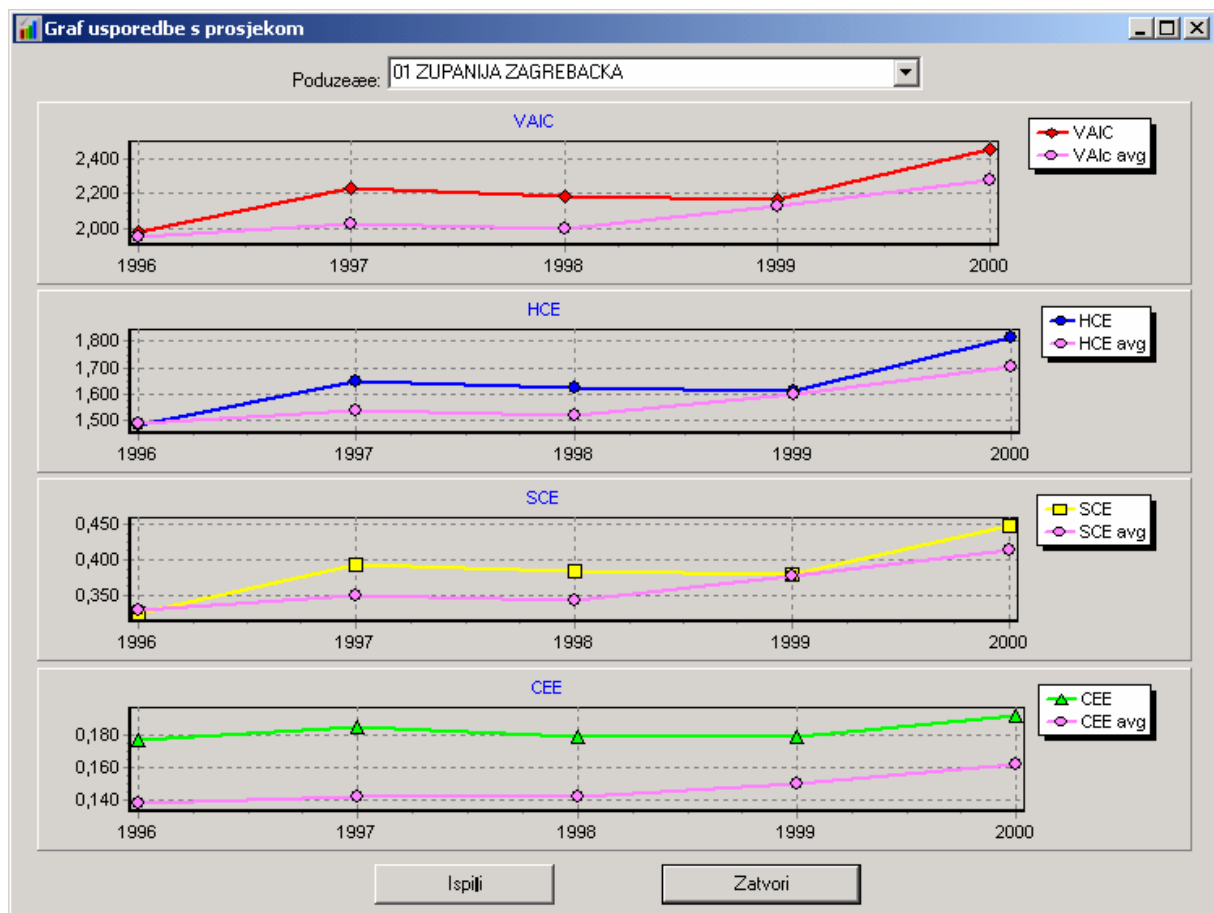
5. Value Creation Efficiency Analysis of Capital Employed and Intellectual Capital in Croatian Counties in the Period 1996-2000

ZAGREBAČKA COUNTY



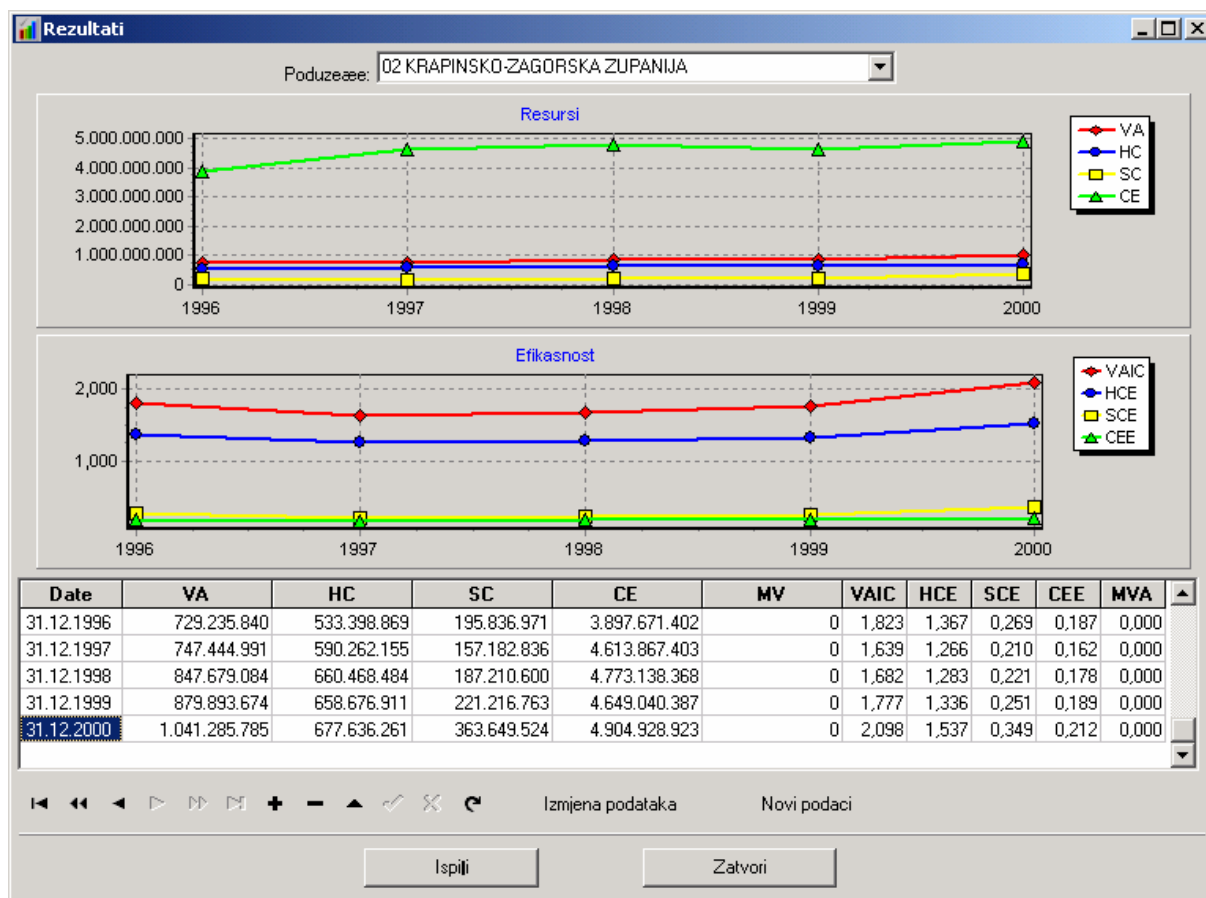
	1996-2000	Croatia	1999-2000	Croatia
VA growth	75%	53%	23%	12%
HC growth	43%	34%	9%	5%
CE growth	60%	30%	14%	4%

VAIC™: slightly grows, stays constant for two years, and then grows again.
 HCE: grows in 1997, insignificantly falls, and grows again in 2000.
 CEE: rises a bit, stagnates for two years, and then grows again.



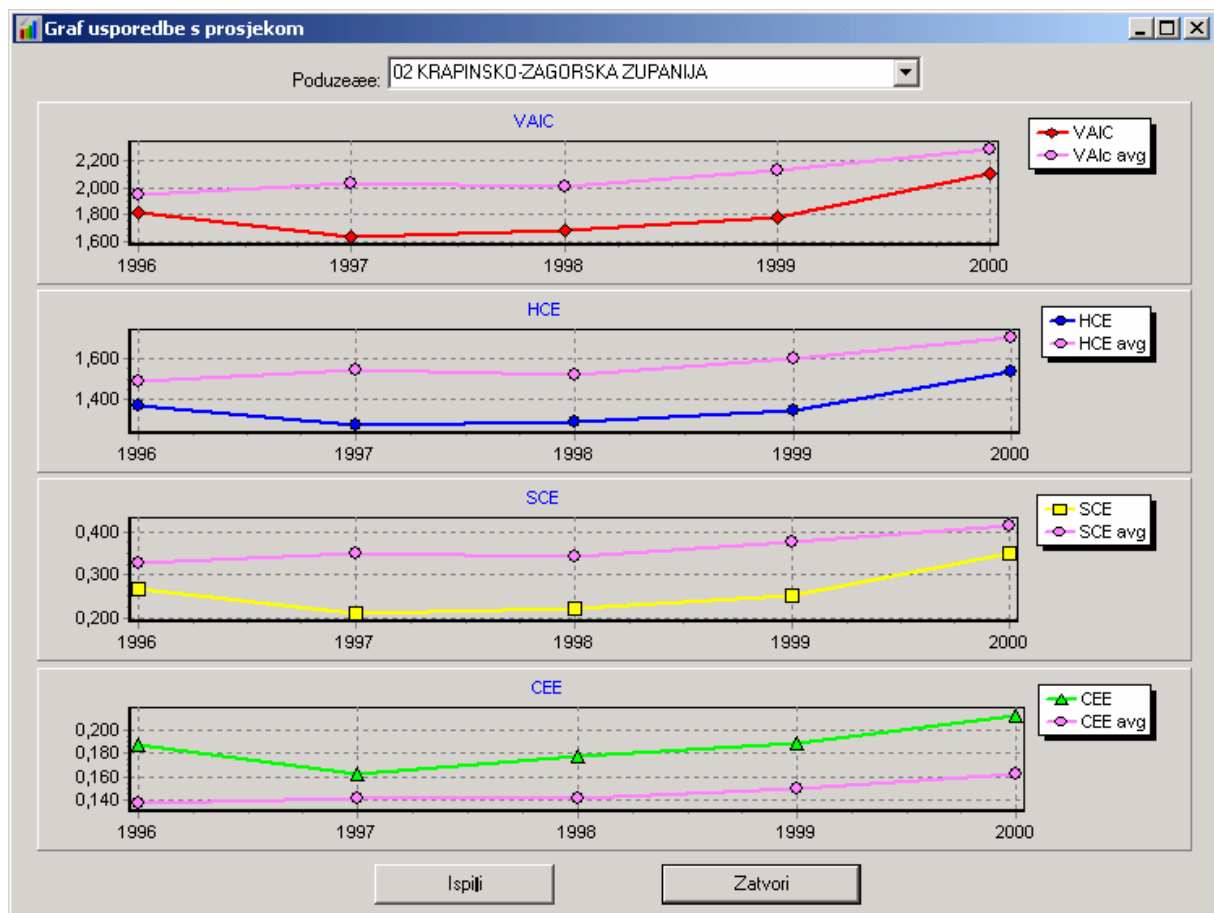
VAICTM: increases, falls insignificantly until it reaches average in 1999, and then increases rapidly, always at least slightly above Croatian average.
HCE: increases from average, falls insignificantly, but falls to average in 1999, and then increases rapidly above average.
CEE: Always high above average.

KRAPINSKO-ZAGORSKA COUNTY



	1996-2000	Croatia	1999-2000	Croatia
VA growth	43%	53%	18%	12%
HC growth	27%	34%	3%	5%
CE growth	26%	30%	5%	4%

VAICTM: falls in 1997, continuously grows from then on, especially in 2000.
HCE: goes down in 1997, afterwards continuously grows, especially in 2000.
CEE: the same as VAICTM and HCE.

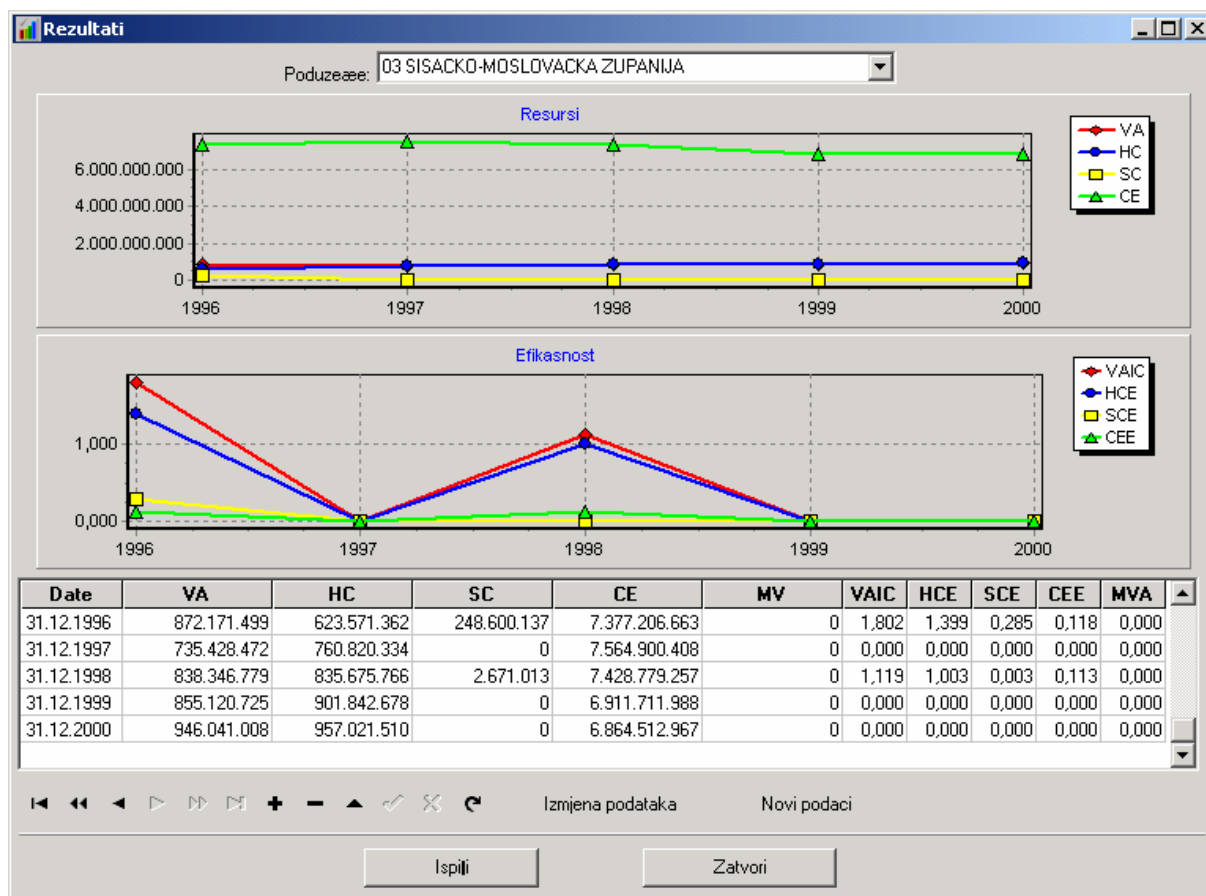


VAICTM: despite all changes, it stays below average, exclusively due to low HCE.

HCE: below average in the period analyzed.

CEE: high above average, in spite of its fall in 1997.

SISAČKO-MOSLAVAČKA COUNTY

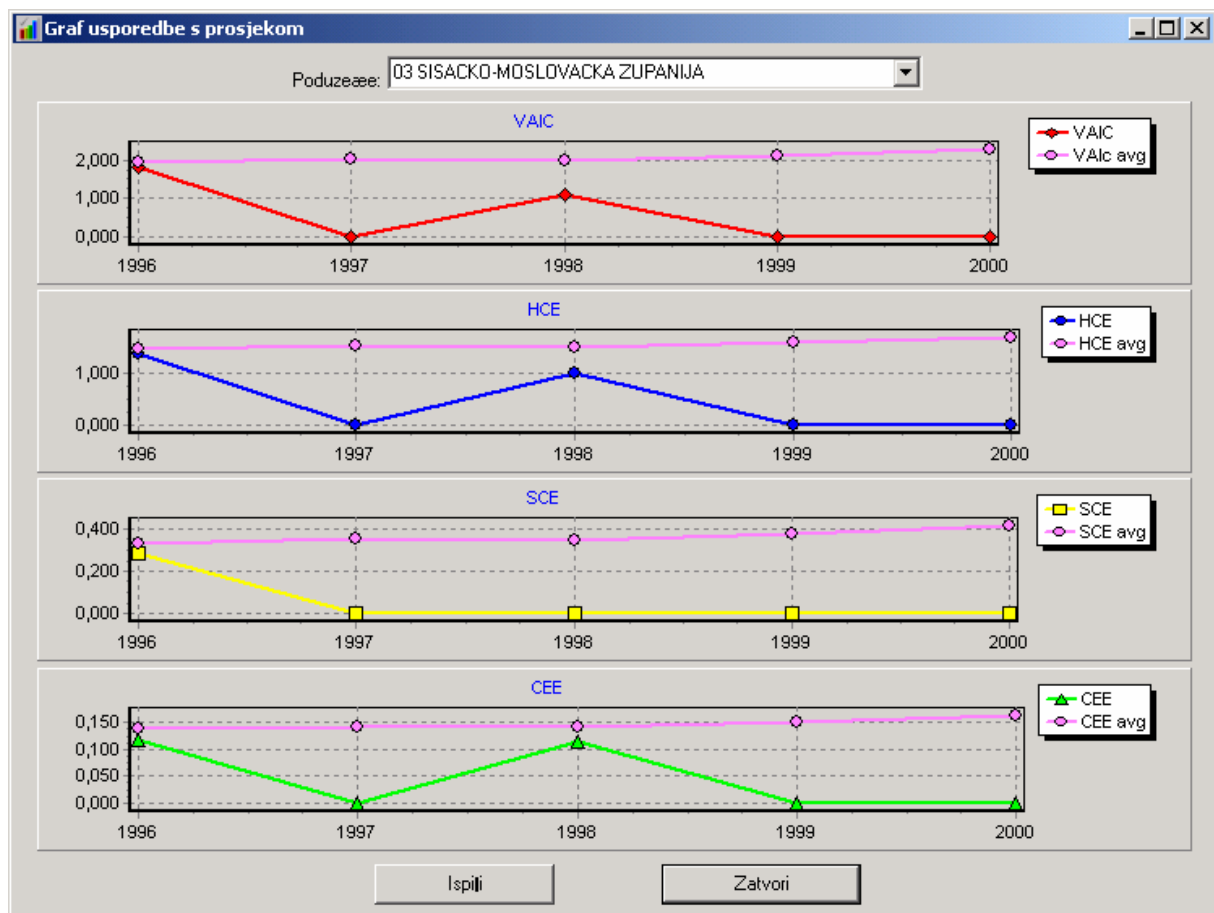


	1996-2000	Croatia	1999-2000	Croatia
VA growth	8%	53%	10%	12%
HC growth	53%	34%	6%	5%
CE growth	- 7%	30%	- 1%	4%

VAIC™: positive only in 1996 and 1998.

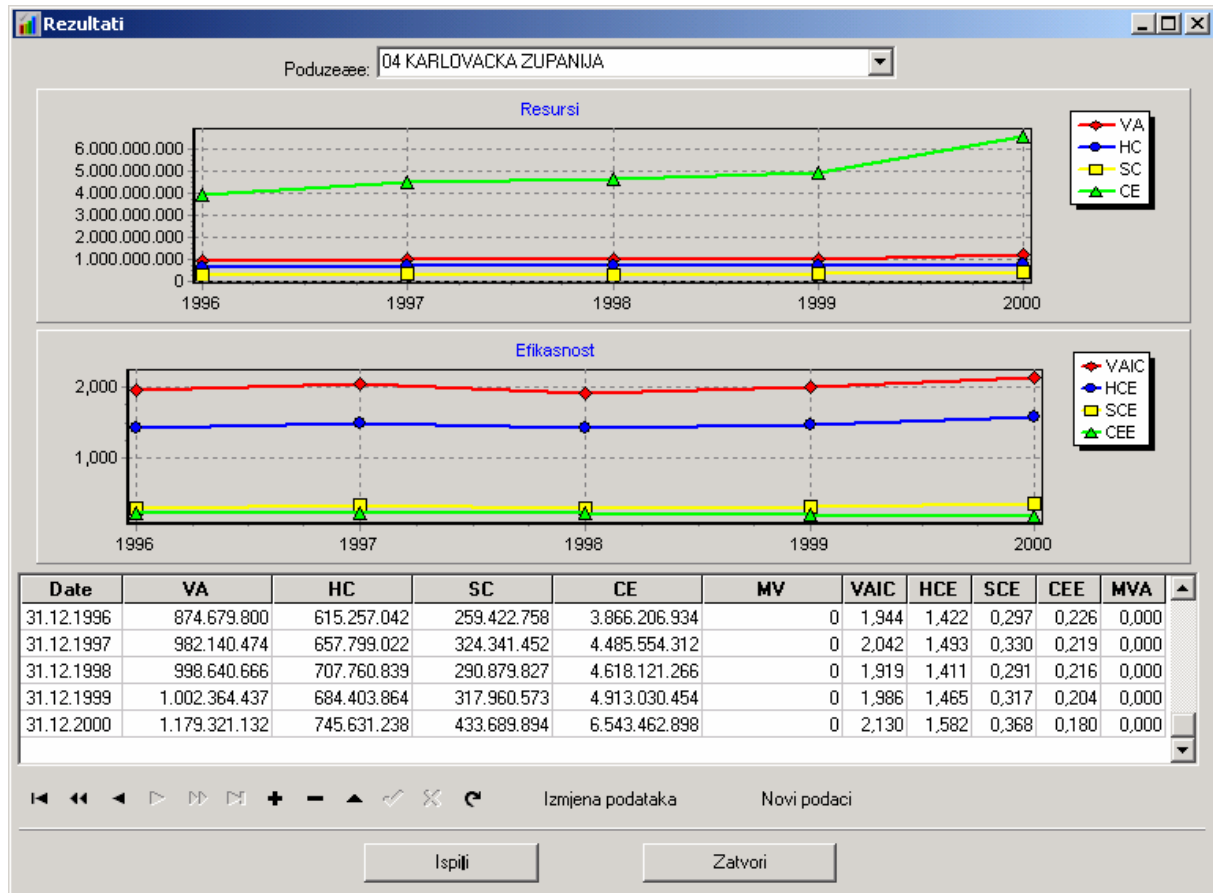
HCE: positive only in 1996 and 1998.

CEE: positive only in 1996 and 1998.



VAICTM: around average in 1996, but then it falls significantly below average.
HCE: around average in 1996, and then it falls under average.
CEE: a bit below average in 1996, but afterwards decreases significantly.

KARLOVAČKA COUNTY

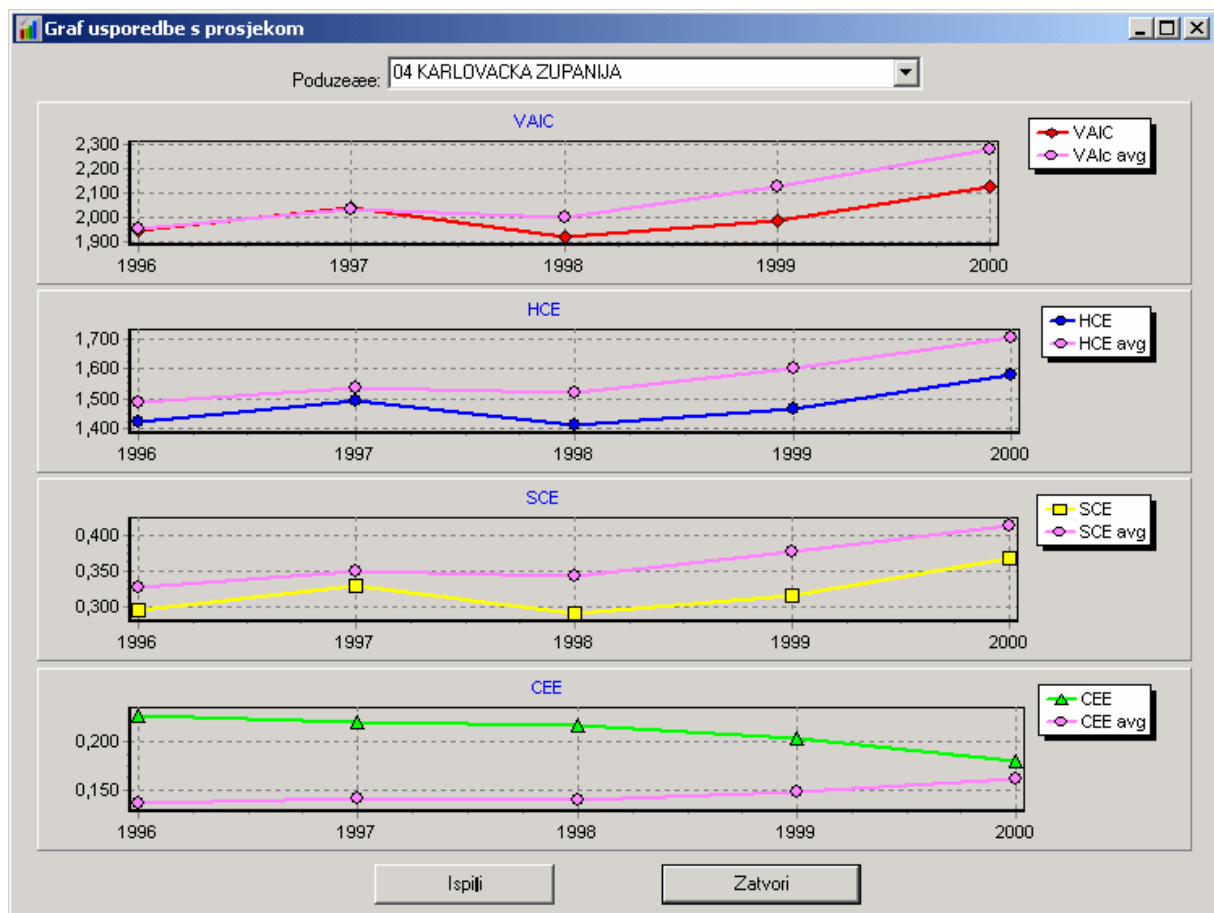


	1996-2000	Croatia	1999-2000	Croatia
VA growth	35%	53%	18%	12%
HC growth	21%	34%	9%	5%
CE growth	69%	30%	33%	4%

VAICTM: slightly grows, falls a bit for a year, and then grows again slightly for two years.

HCE: grows in 1997, slightly falls, and grows again in the last two years.

CEE: falls constantly in the whole analyzed period.

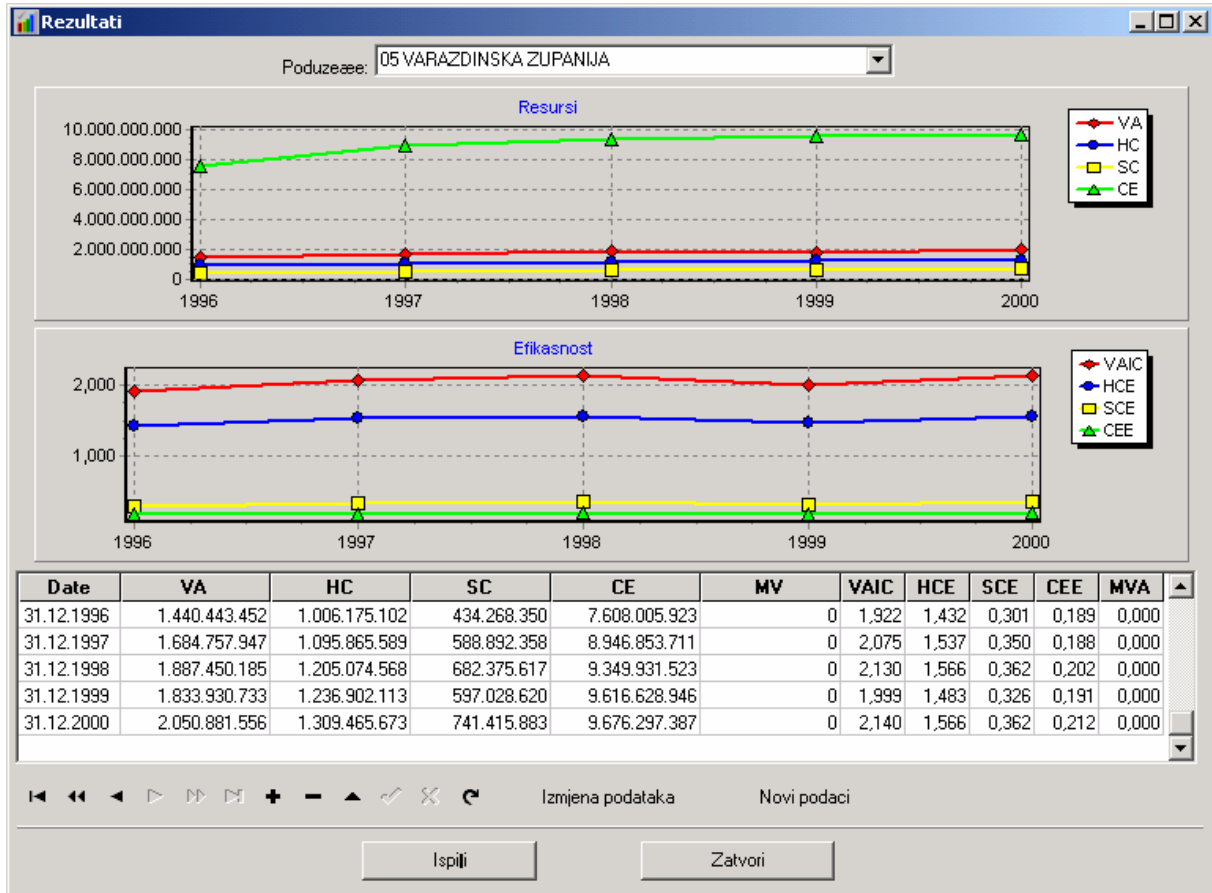


VAICTM: follows the average for a year, afterward it falls under the average and it does not manage to catch it.

HCE: despite all changes, it stays below average.

CEE: regardless of its constant falling, even in 2000 CEE stays above average.

I C

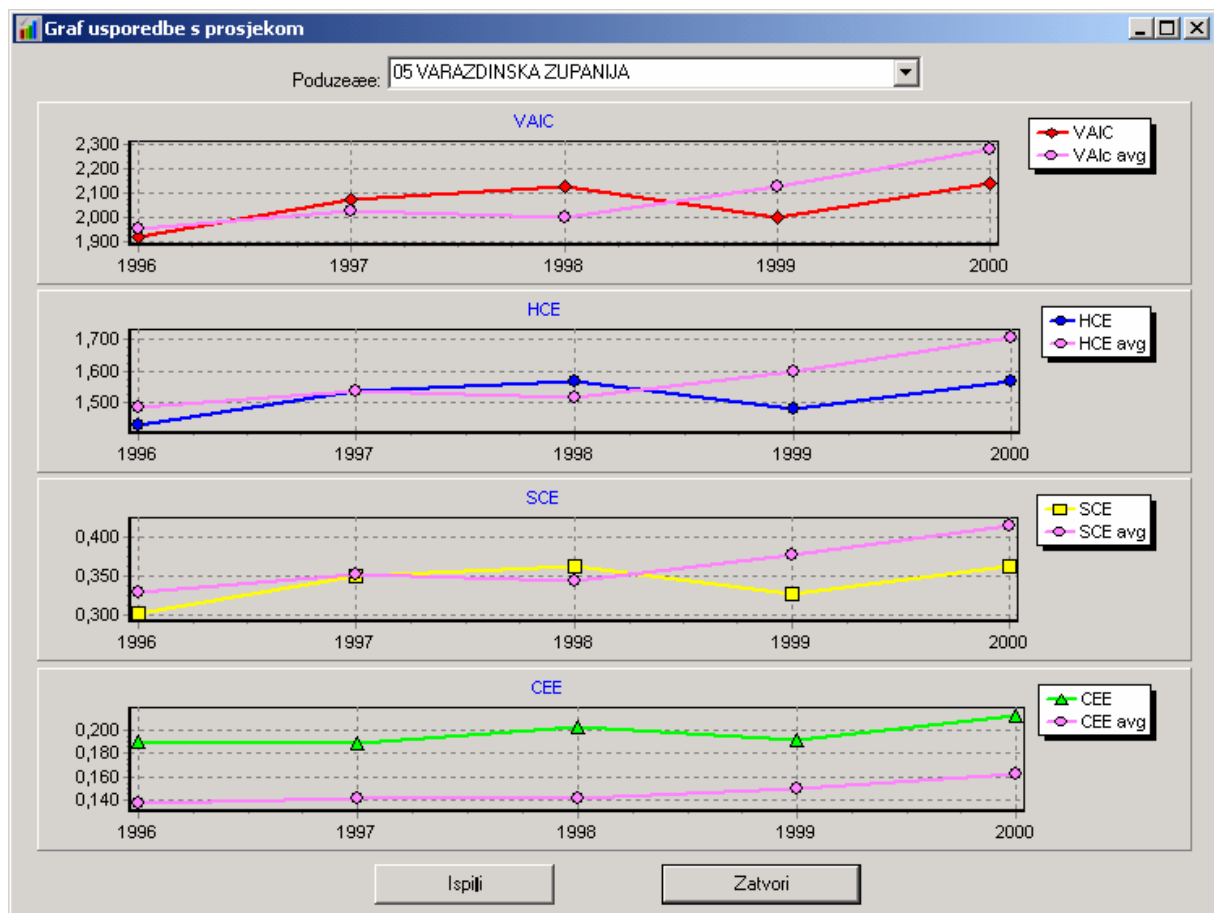


	1996	Croatia	1999-2000	Croatia
VA growth	42%	53%	12%	12%
HC growth	30%	34%	6%	5%
CE growth	27%	30%	1%	4%

VAIC™: rises, falls in 1999, and then rises again.

HCE: rises, falls in 1999, and then rises again.

CEE: stagnates for two years, grows in 1998, falls a little, and then rises again.

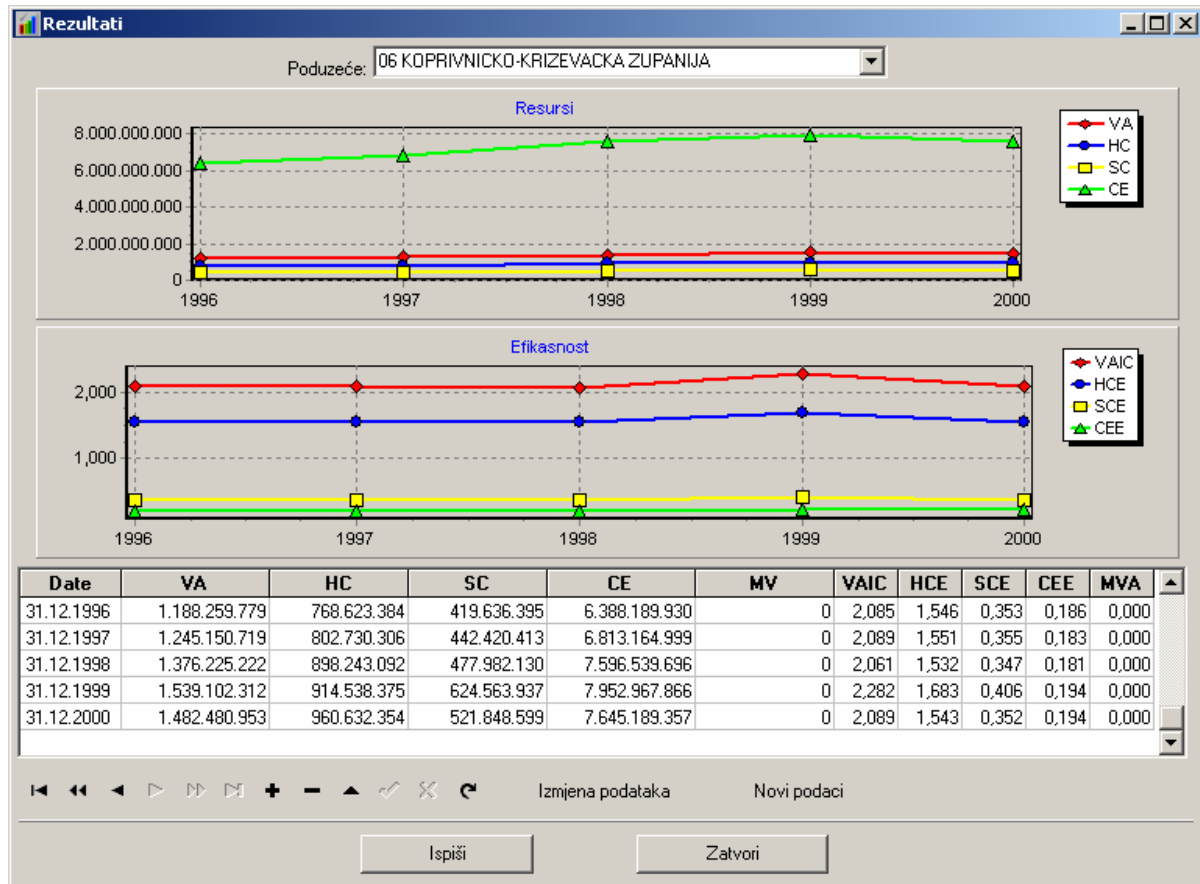


VAICTM: rapidly grows above average, continues to grow for a year, but then it falls well below average in 1999 and stays below average regardless of growth in 2000.

HCE: quickly grows to average, continues to grow for a year, but then it falls well under average in 1999 and stays under average regardless of growth in 2000.

CEE: always high above average, what illustrates the crucial influence HCE has on VAICTM.

KOPRIVNIČKO-KRIŽEVAČKA COUNTY

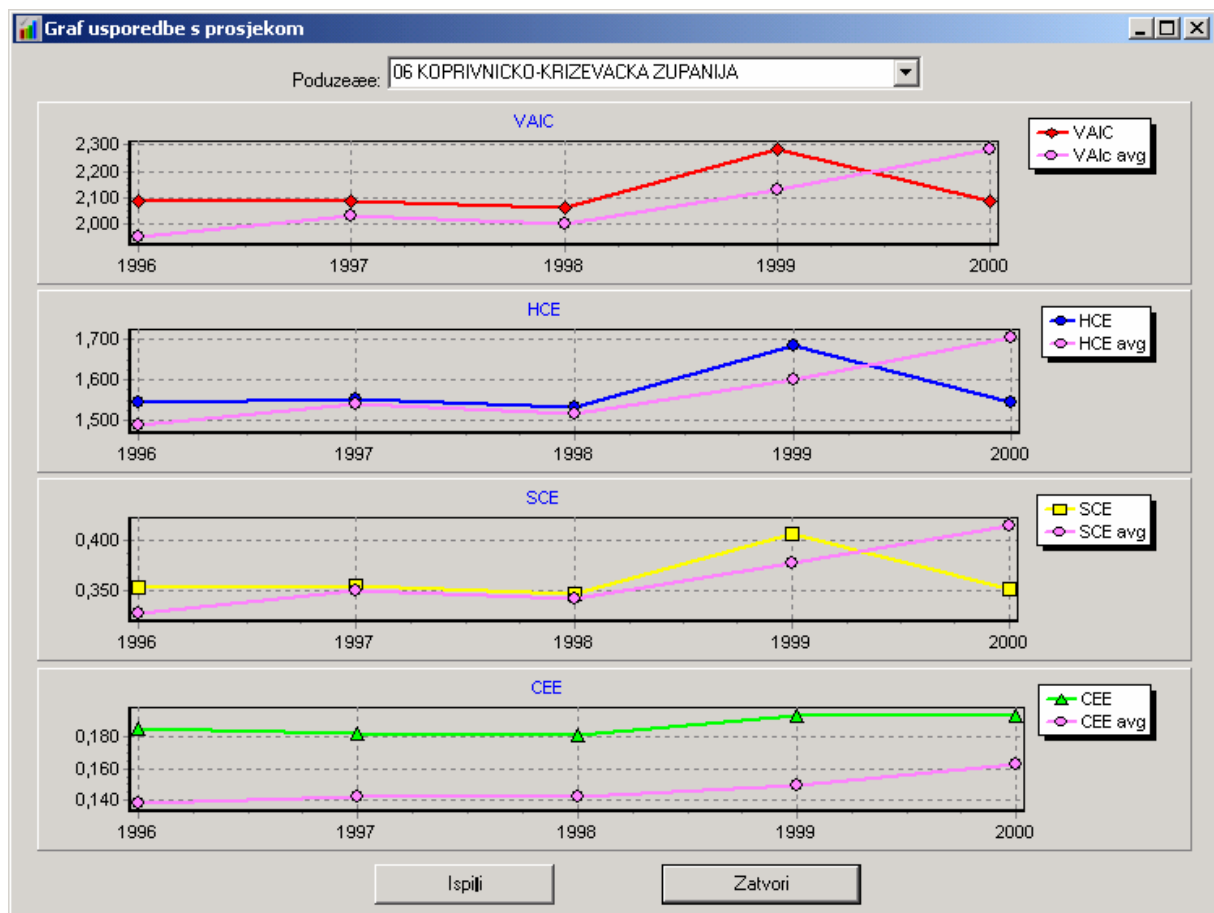


	1996-2000	Croatia	1999-2000	Croatia
VA growth	25%	53%	- 4%	12%
HC growth	25%	34%	5%	5%
CE growth	19%	30%	- 4%	4%

VAICTM: after a stagnation of two years, there comes a slight growth in 1999, and then a decrease.

HCE: stagnates for two years, after that it grows in 1999, and then falls again.

CEE: declines for two years, then it grows again, finally stays constant in 2000.



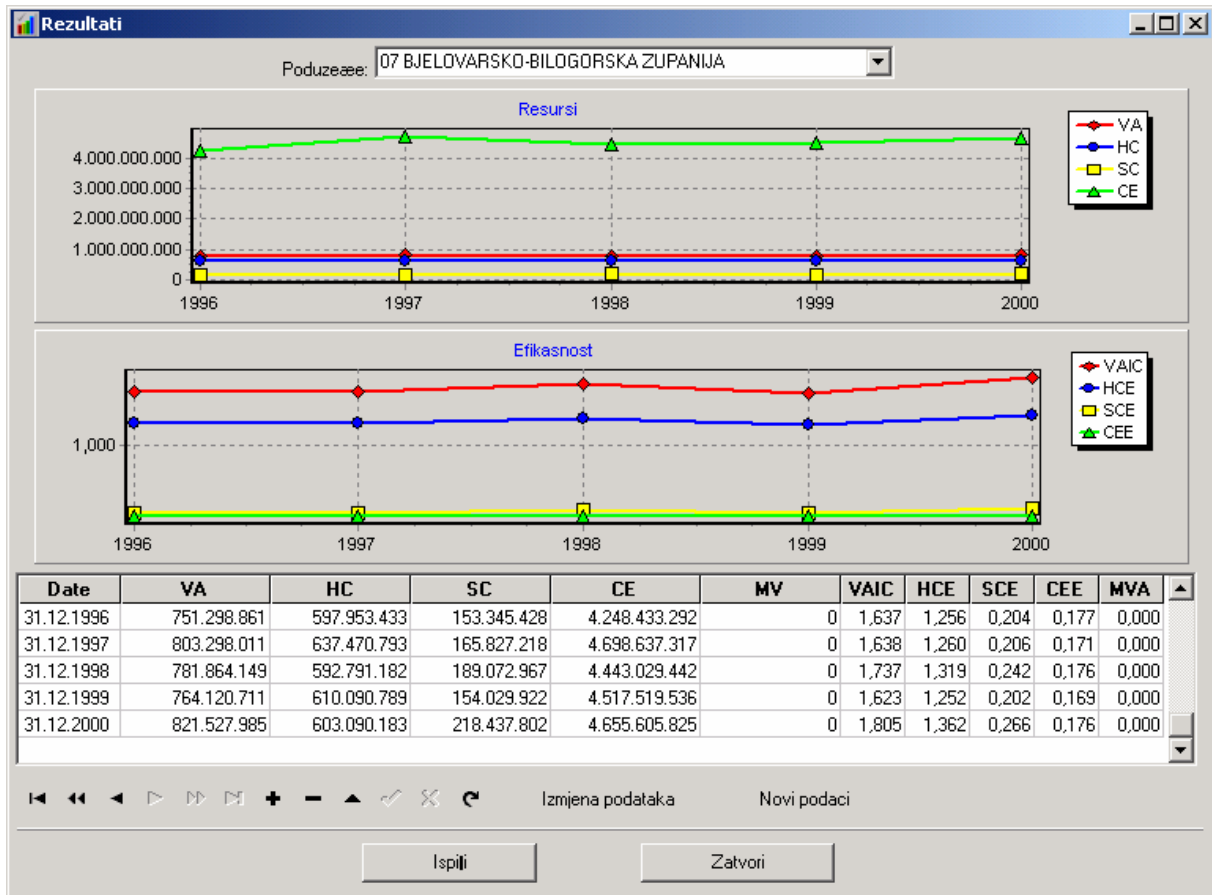
VAICTM: notably above average until 2000, when it falls drastically.

HCE: at first above average, then very close to average, after that in 1999 it jumps significantly above, and later it suddenly falls.

CEE: always above average, what indicates again the dominant influence

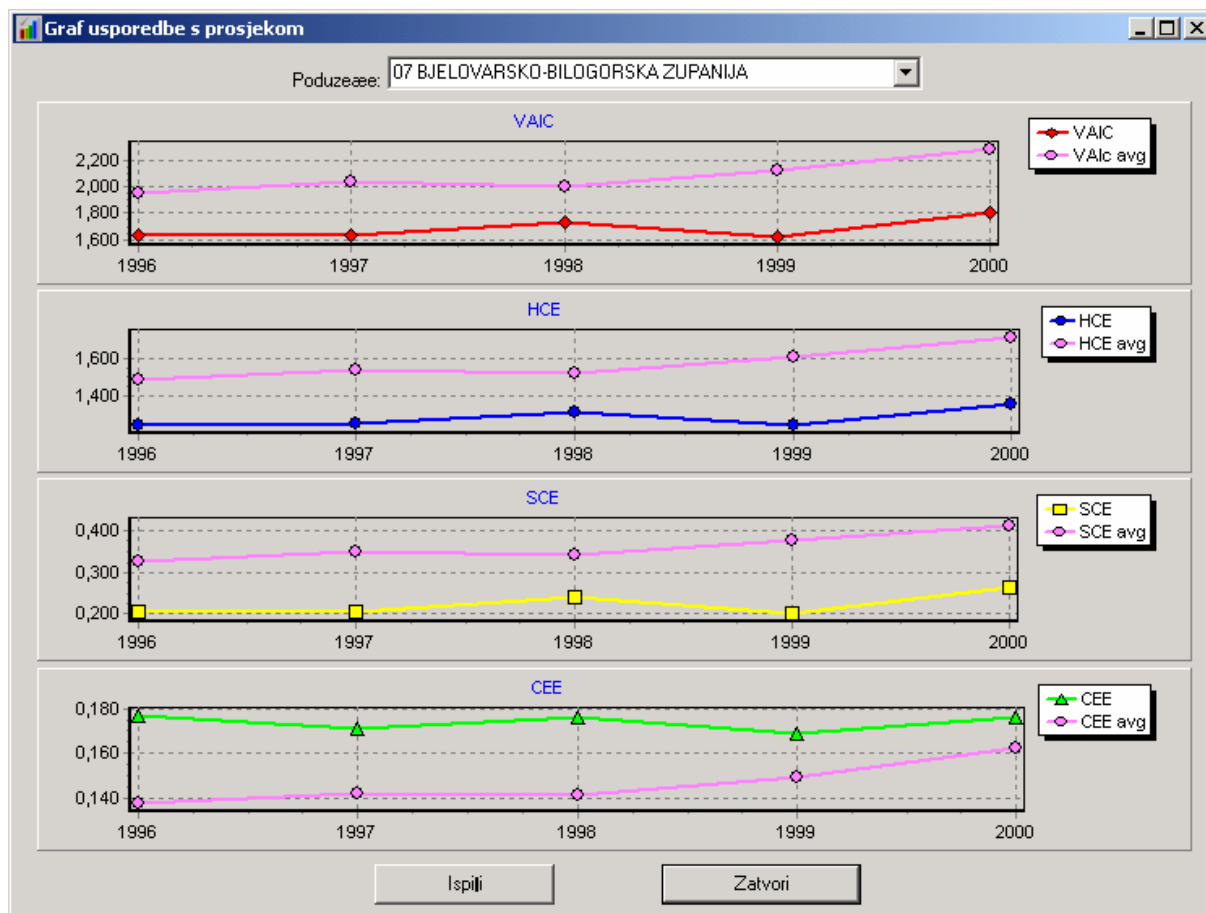
HCE has on VAICTM.

BJELOVARSKO-BILOGORSKA COUNTY



	1996-2000	Croatia	1999-2000	Croatia
VA growth	53%	53%	7%	12%
HC growth	34%	34%	- 1%	5%
CE growth	30%	30%	3%	4%

VAICTM: hardly grows in two years, falls a bit, and then slightly grows again.
HCE: barely grows in two years, falls scarcely, and then goes up a little again.
CEE: remains more or less constant.

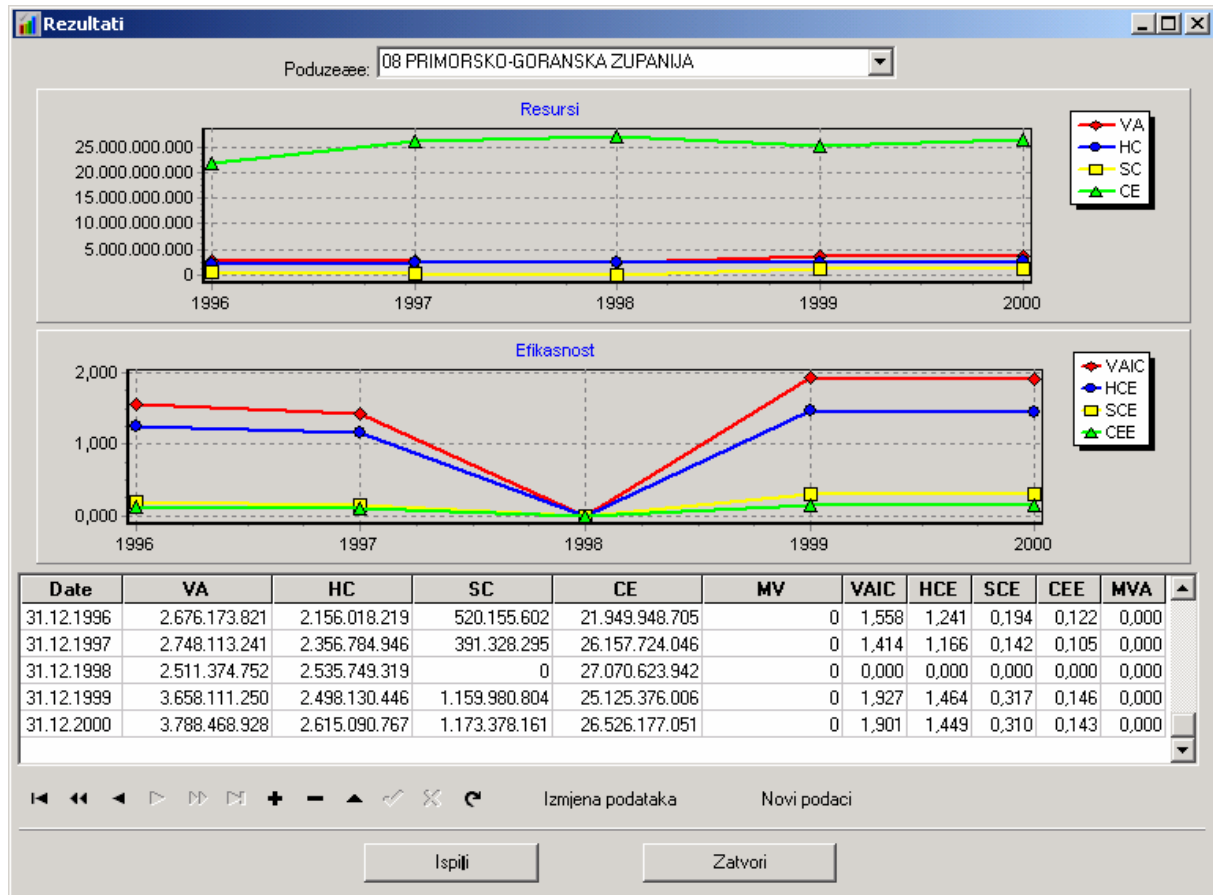


VAIC™: always greatly below average.

HCE: always greatly below average.

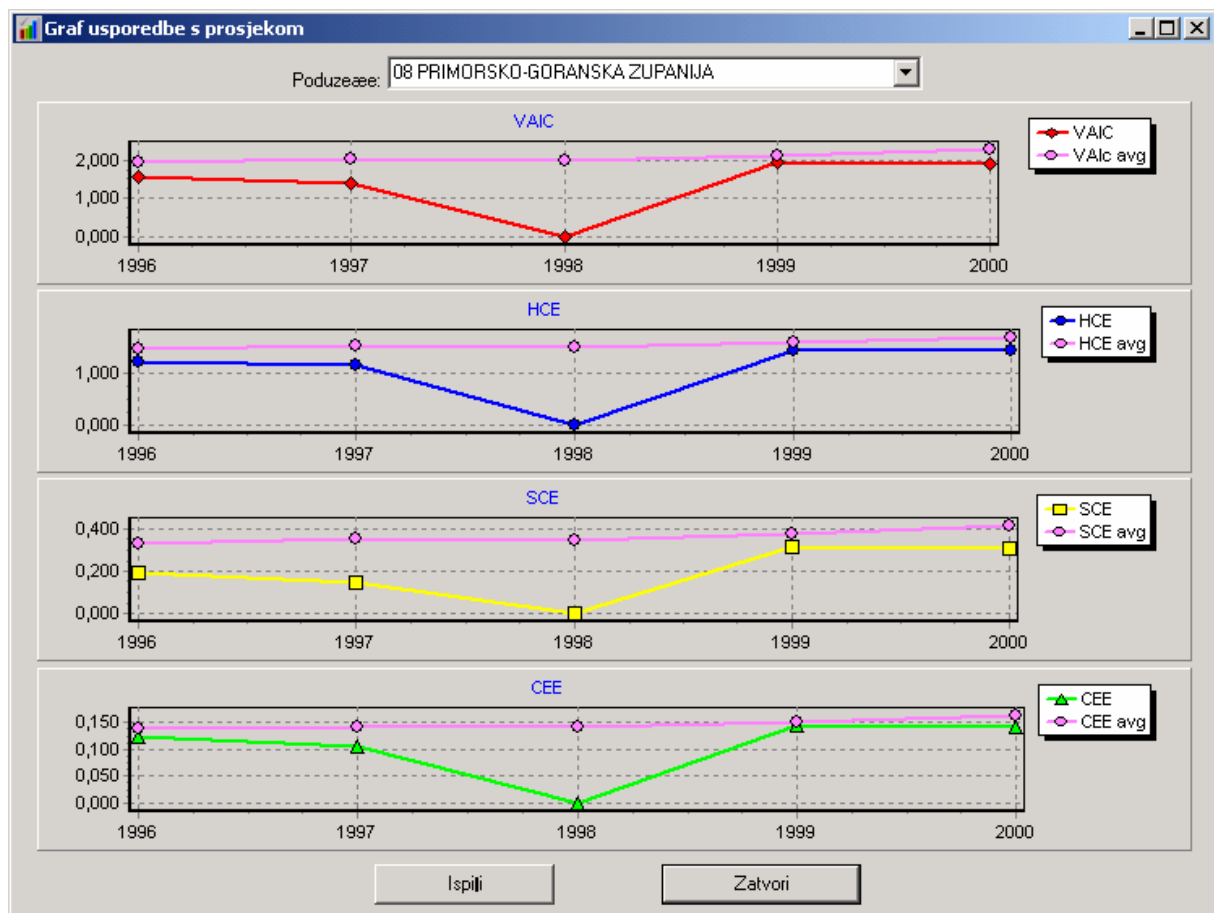
CEE: always noticeably higher than average.

PRIMORSKO-GORANSKA COUNTY



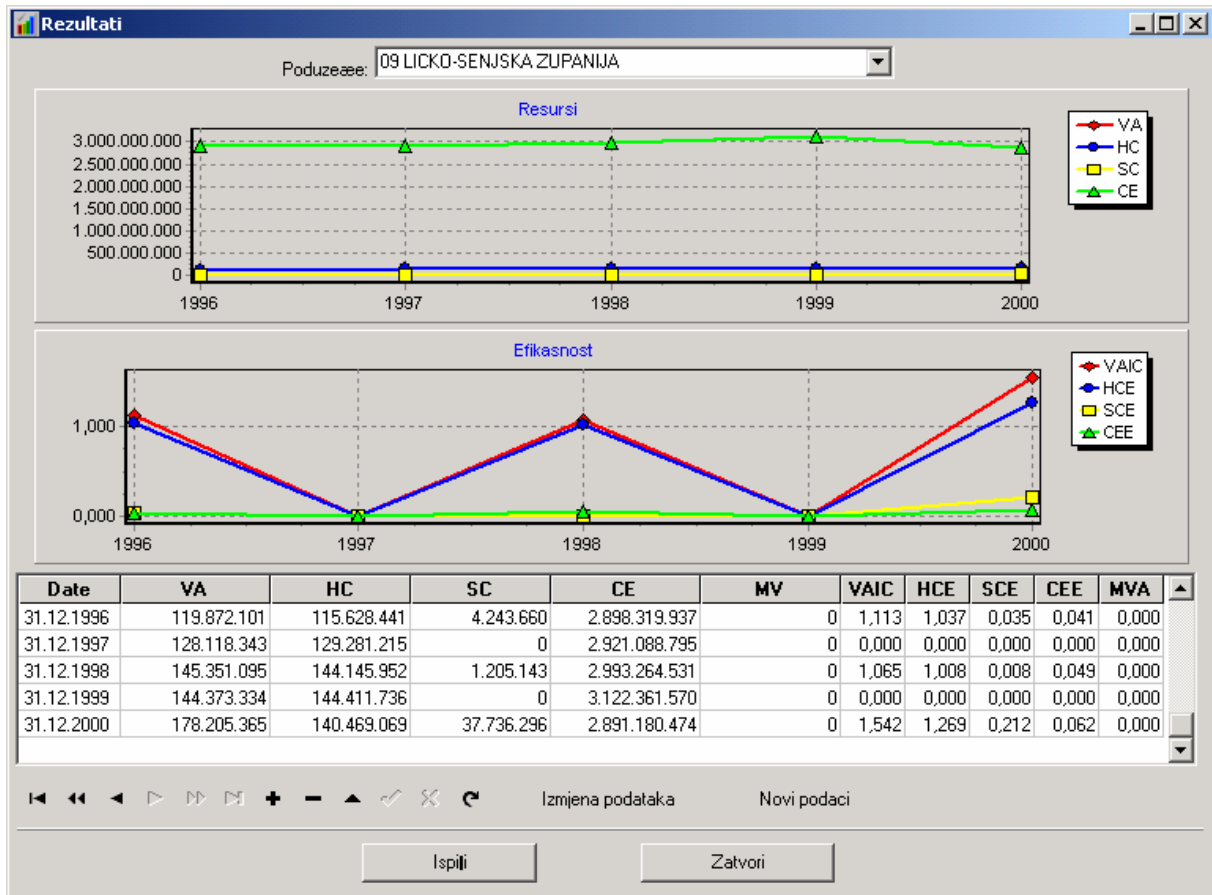
	1996-2000	Croatia	1999-2000	Croatia
VA growth	41%	53%	4%	12%
HC growth	21%	34%	5%	5%
CE growth	21%	30%	6%	4%

VAICTM: falls to zero in 1998, then it grows and in 2000 remains constant.
HCE: drops to zero in 1998, then it rises and in 2000 remains constant.
CEE: the same as HCE.



VAICTM: stays below average even in 1999, when it was highest.
HCE: always beneath average, although very close to it in 1999.
CEE: the same as HCE.

LIČKO-SENJSKA COUNTY

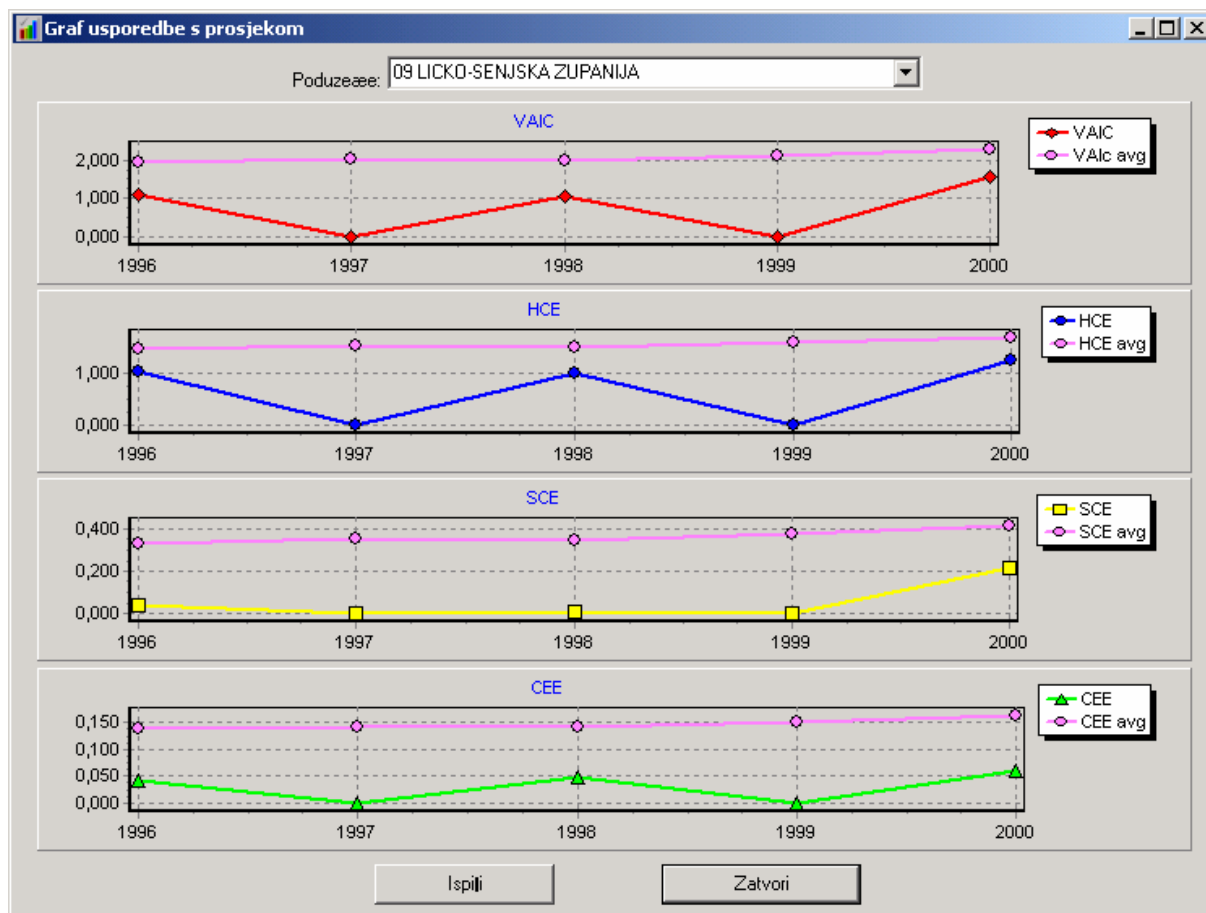


	1996	Croatia	1999	Croatia
VA growth	48%	53%	23%	12%
HC growth	21%	34%	- 2%	5%
CE growth	0%	30%	- 8%	4%

VAICTM: zero in 1997 and 1999, barely positive in 1996 and 1998, finally perceptibly above zero in 2000.

HCE: falls to zero in 1997 and 1999, hardly positive in 1996 and 1998, and noticeably above zero in 2000.

CEE: the same as HCE.

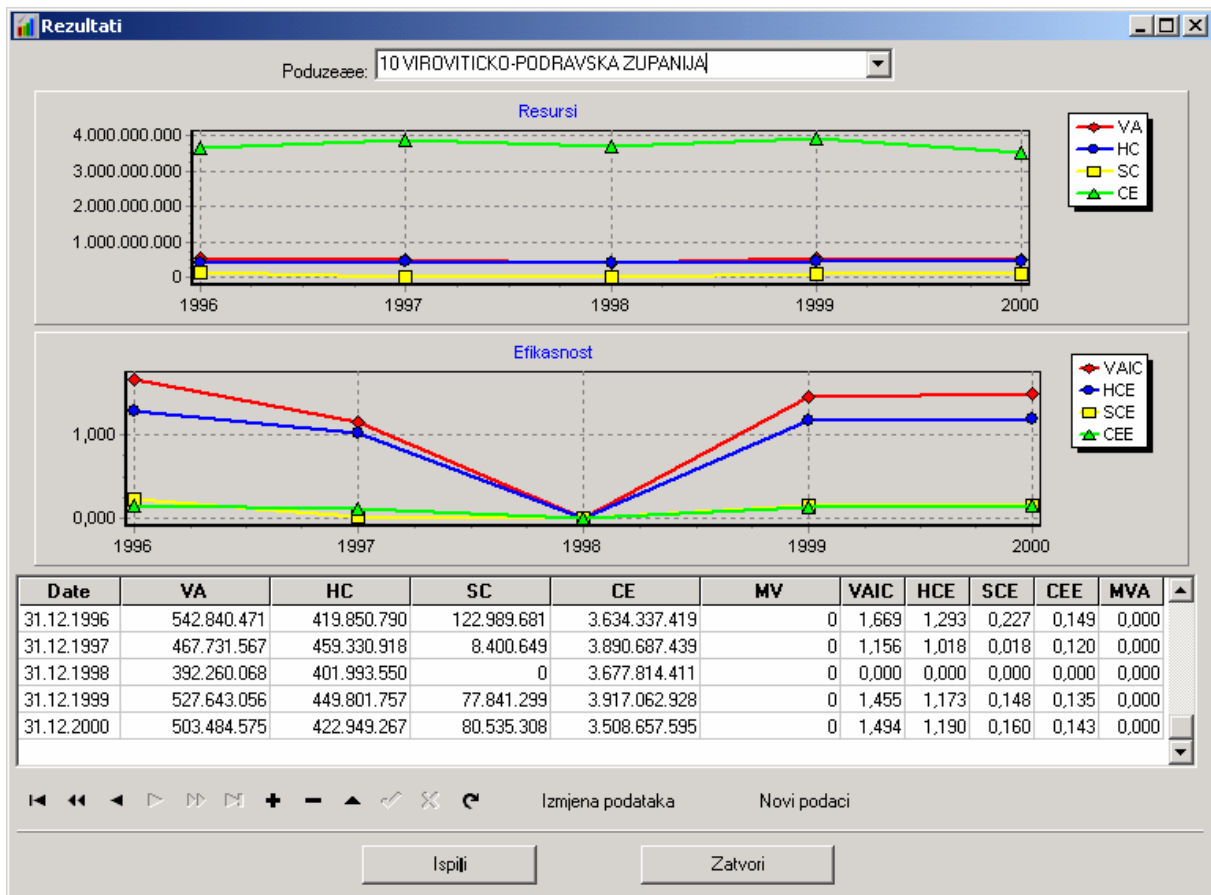


VAIC™: of course, well underneath average.

HCE: well below average.

CEE: significantly lower than average.

VIROVITIČKO-PODRAVSKA COUNTY

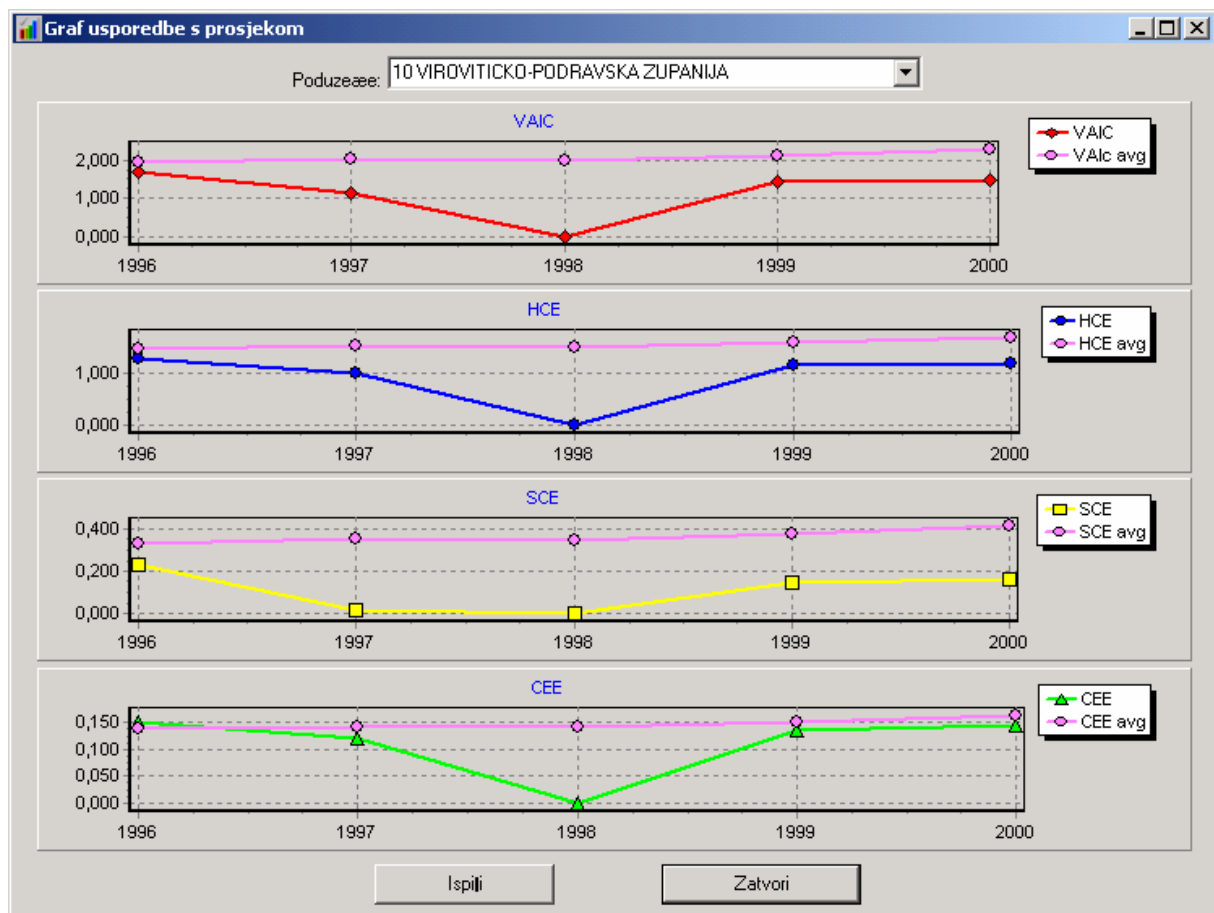


	1996-2000	Croatia	1999-2000	Croatia
VA growth	- 8%	53%	- 5%	12%
HC growth	1%	34%	- 6%	5%
CE growth	- 3%	30%	- 11%	4%

VAICTM: falls to zero in 1998, then it grows, and in 2000 remains constant.

HCE: drops to zero in 1998, it rises afterwards, and in 2000 remains constant.

CEE: the same as HCE.

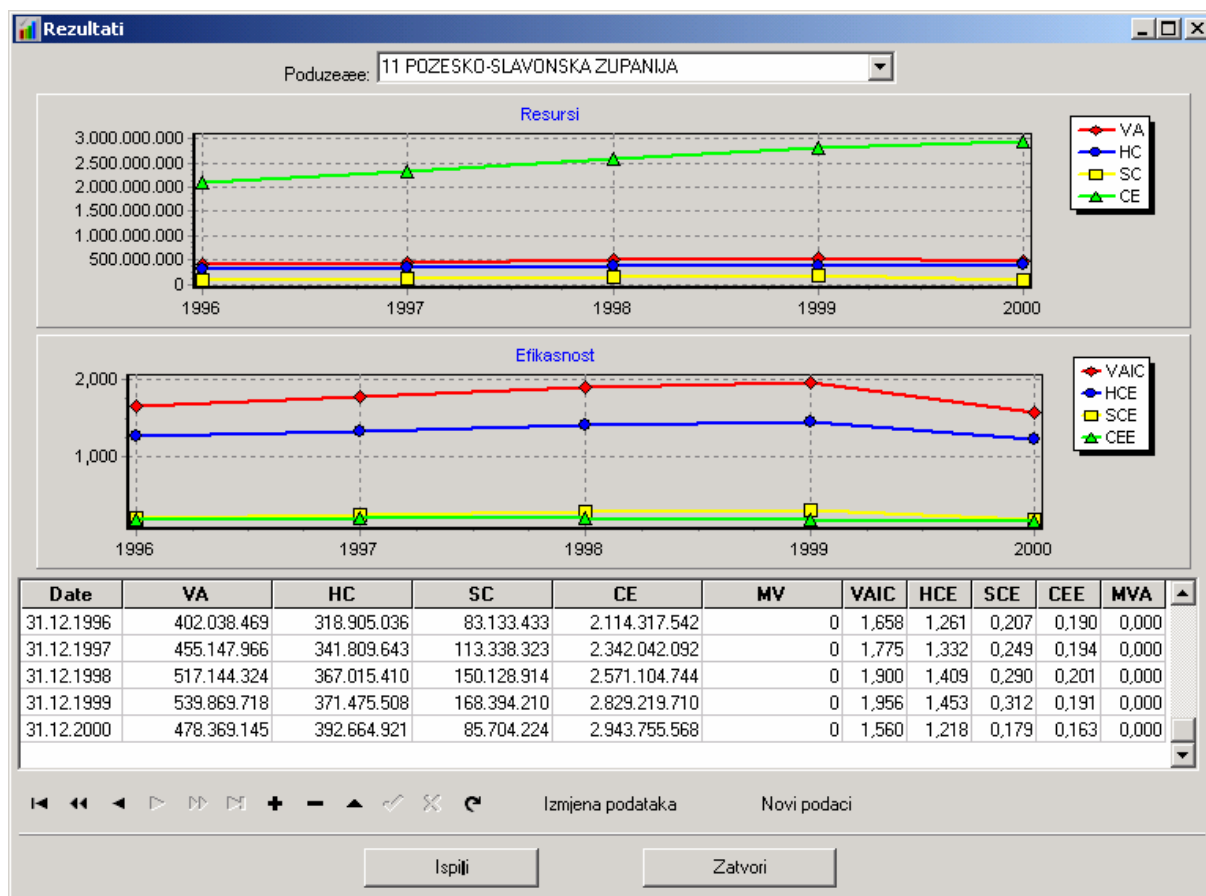


VAIC™: stays below average even in 1996, when it was highest.

HCE: always beneath average, being closest to it in 1996.

CEE: slightly above average in 1996, then it falls much below average in 1997 and 1998, then rises, but stays noticeably below average.

POŽEŠKO-SLAVONSKA COUNTY

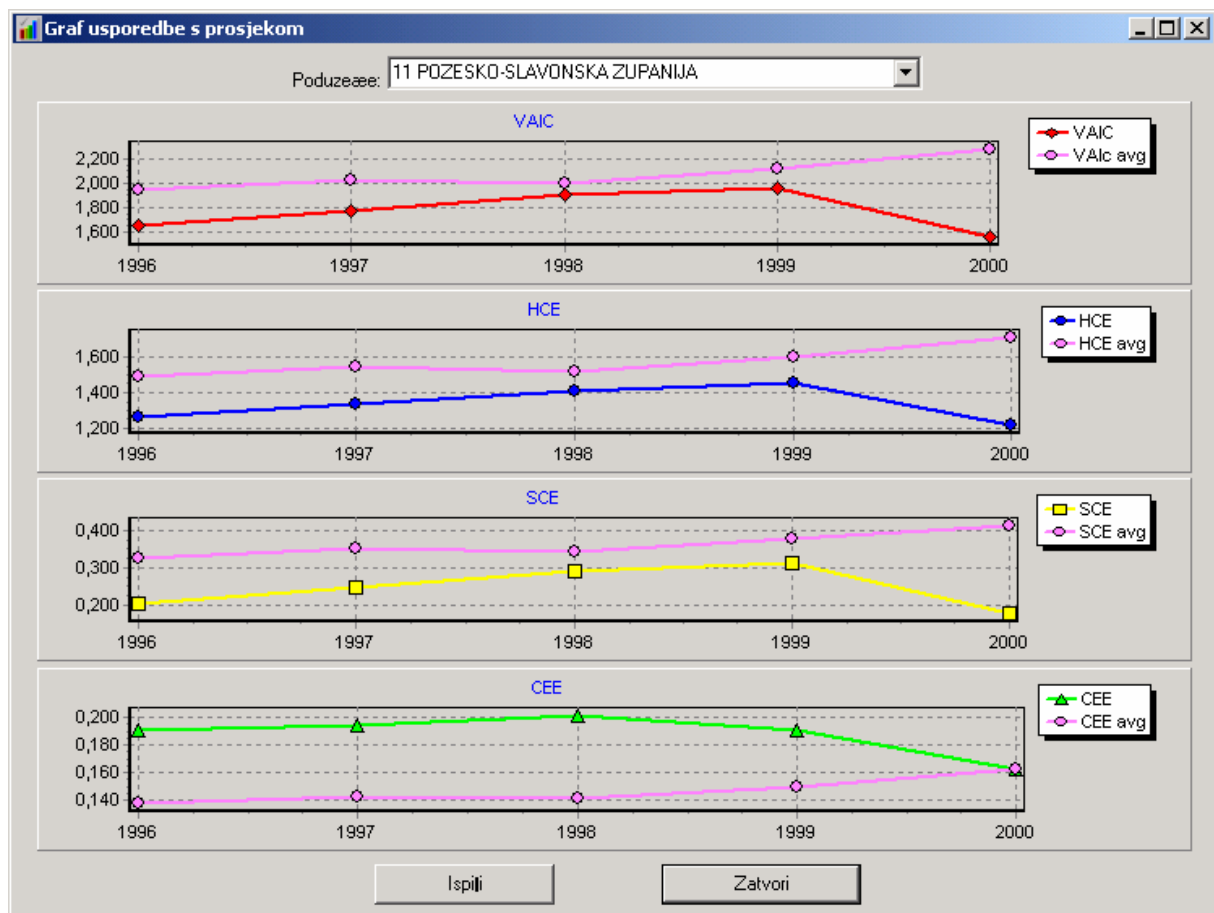


	1996-2000	Croatia	1999-2000	Croatia
VA growth	19%	53%	- 13%	12%
HC growth	23%	34%	6%	5%
CE growth	39%	30%	4%	4%

VAICTM: rises continually until 1999, and afterwards it suddenly falls.

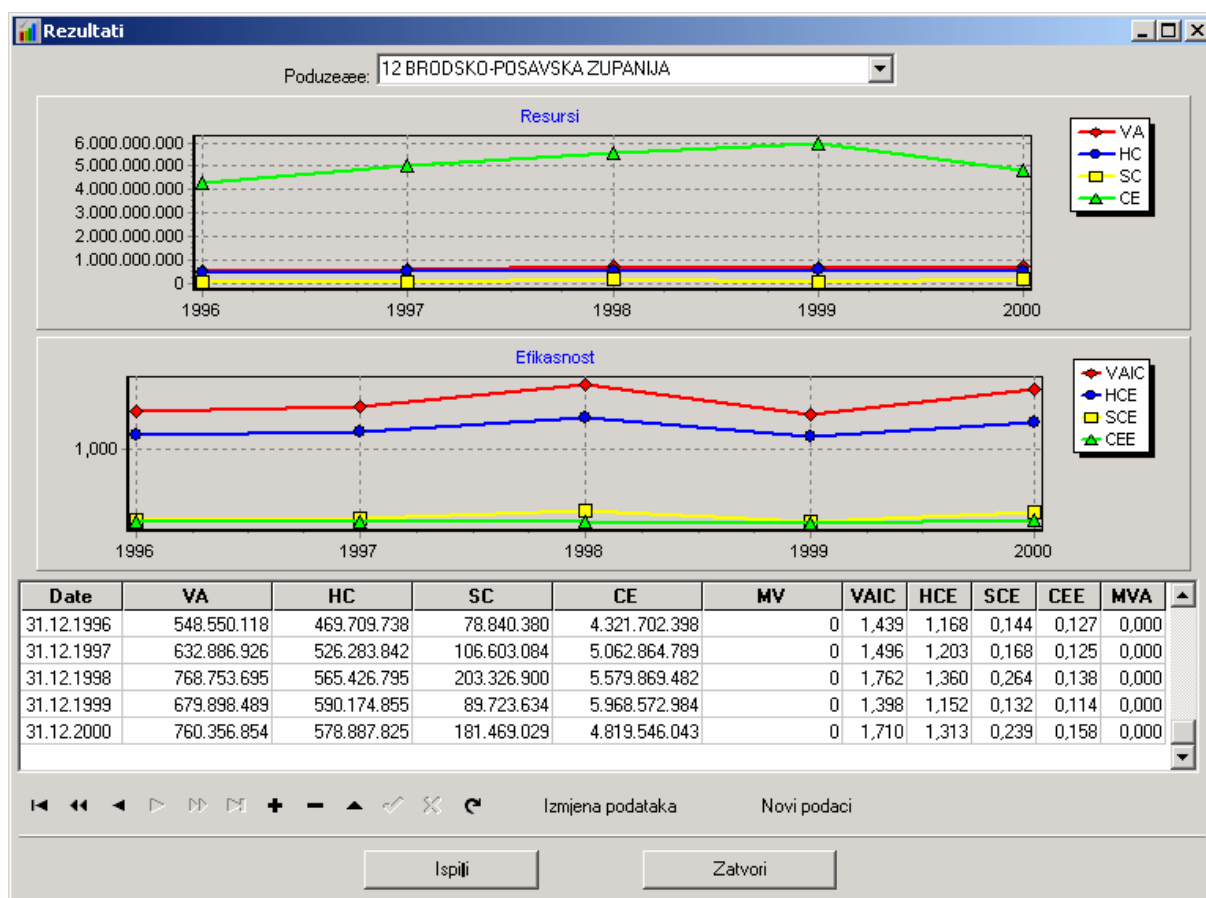
HCE: grows steadily until 1999, and in 2000 it suddenly falls.

CEE: rises until 1998, stagnates a bit, and then it falls.



VAICTM: approaches the average in 1998 and 1999, but always stays below.
HCE: always stays below average.
CEE: highly above average, until 2000 when it drops to the average.

BRO SKO-POSAVSKA COUNTY

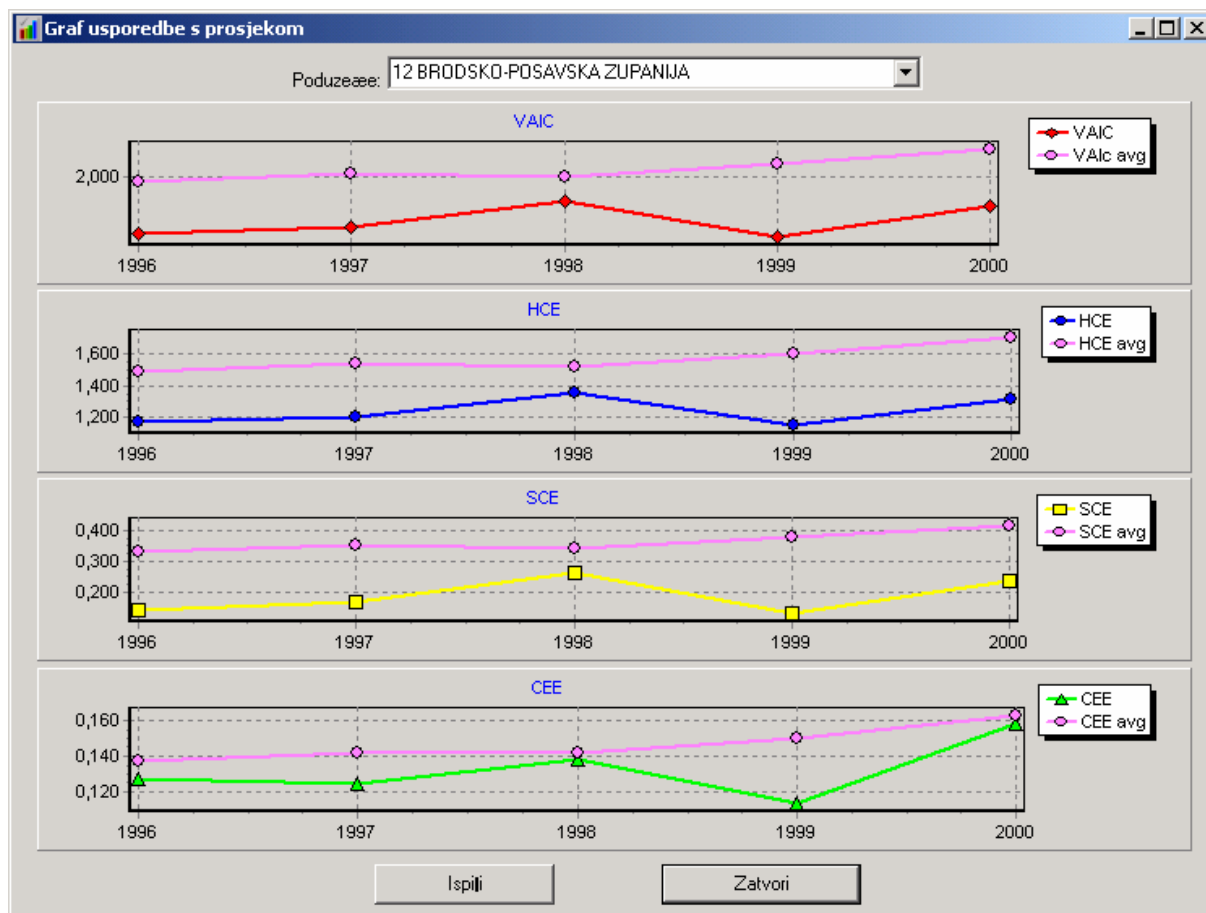


	1996-2000	Croatia	1999-2000	Croatia
VA growth	38%	53%	11%	12%
HC growth	23%	34%	- 22%	5%
CE growth	11%	30%	- 24%	4%

VAICTM: grows for two years, falls in 1999, and then grows again.

HCE: goes up for two years, falls somewhat, and then grows again.

CEE: more or less the same trend as HCE.

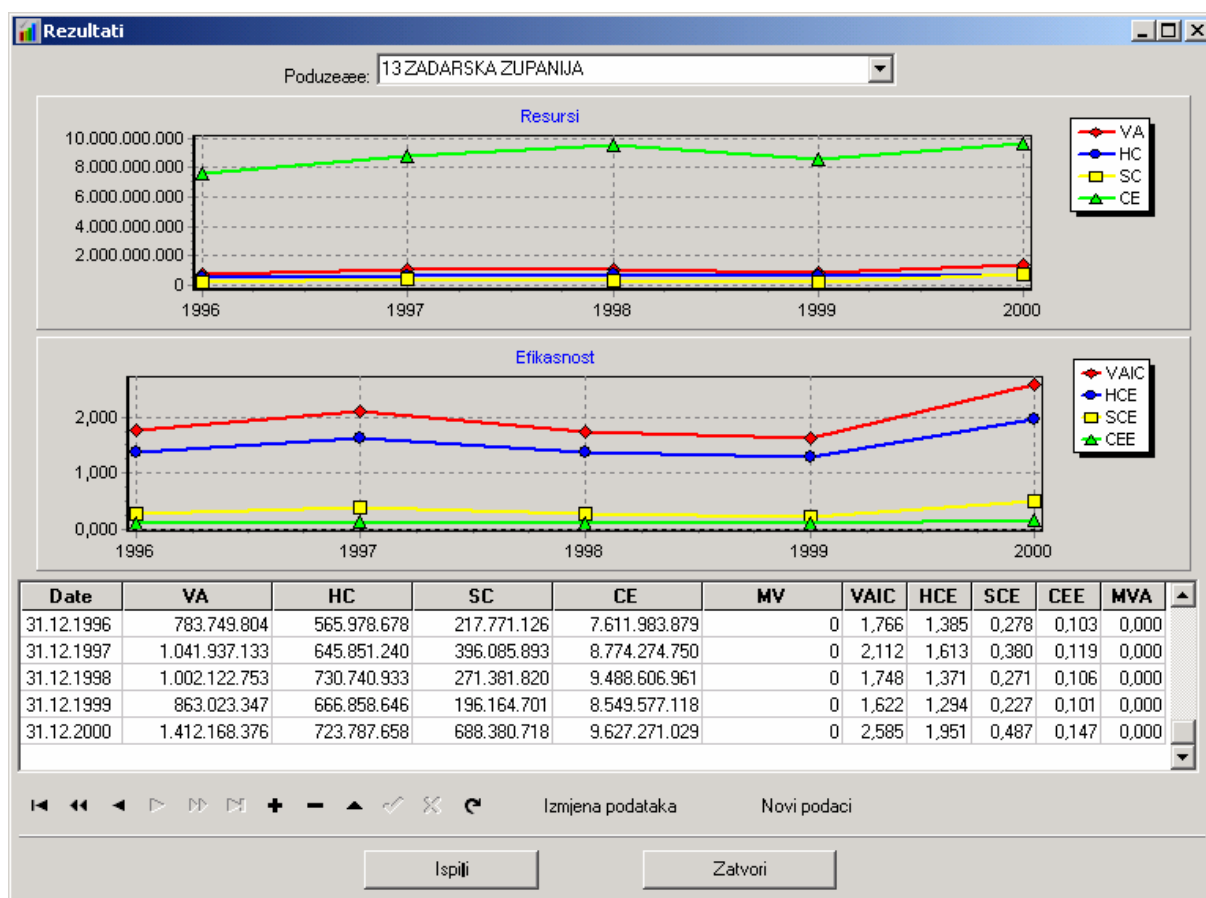


VAICTM: in spite of some changes, it is always below average.

HCE: below average, in spite of changes.

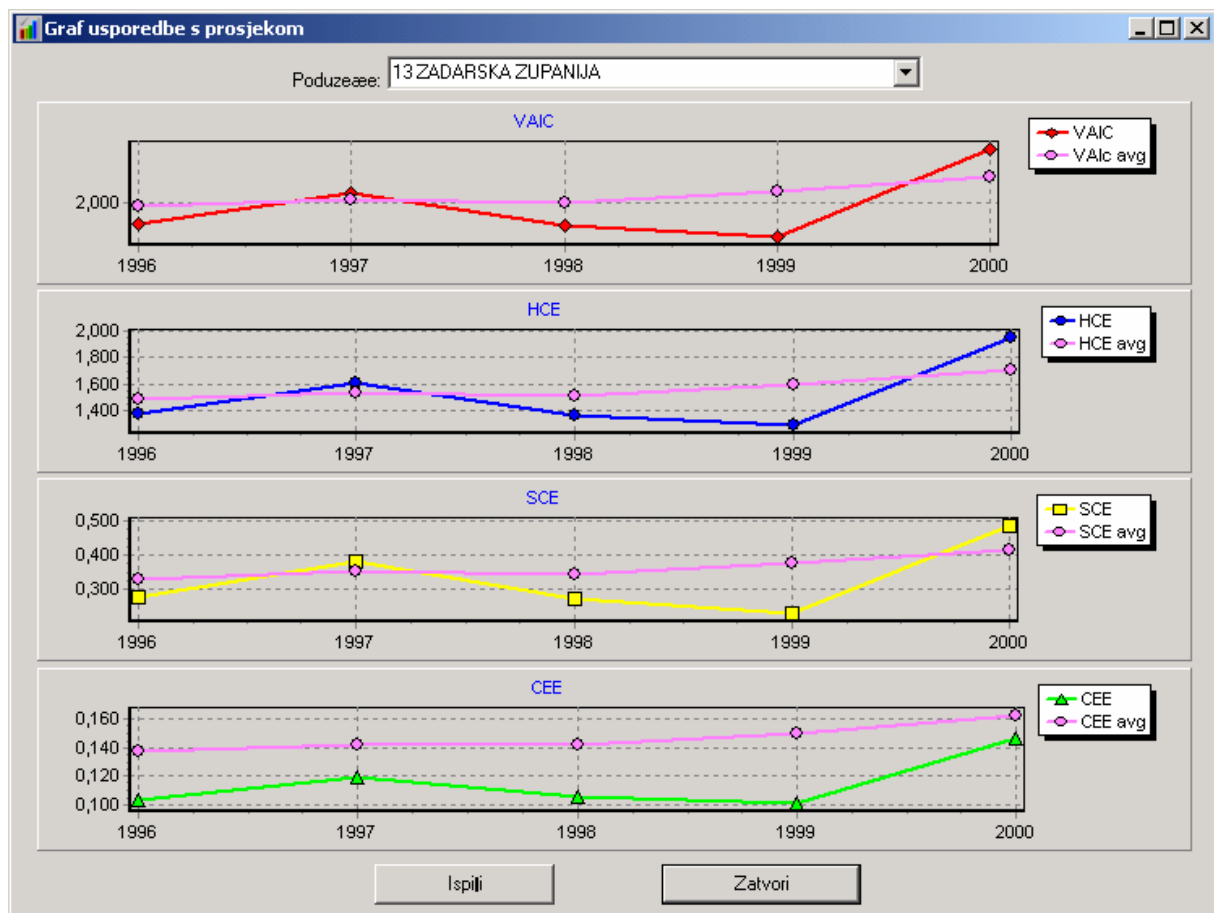
CEE: always below average, but it is close to it in 1998 and 2000.

ZA ARSKA COUNTY



	1996-2000	Croatia	1999-2000	Croatia
VA growth	80%	53%	63%	12%
HC growth	28%	34%	8%	5%
CE growth	26%	30%	12%	4%

AICTM: grows, falls for two consecutive years, and then grows rapidly.
HCE: goes up, then down for two consecutive years, and then up again, rapidly.
CEE: changes are negligible until 2000, when it grows considerably.

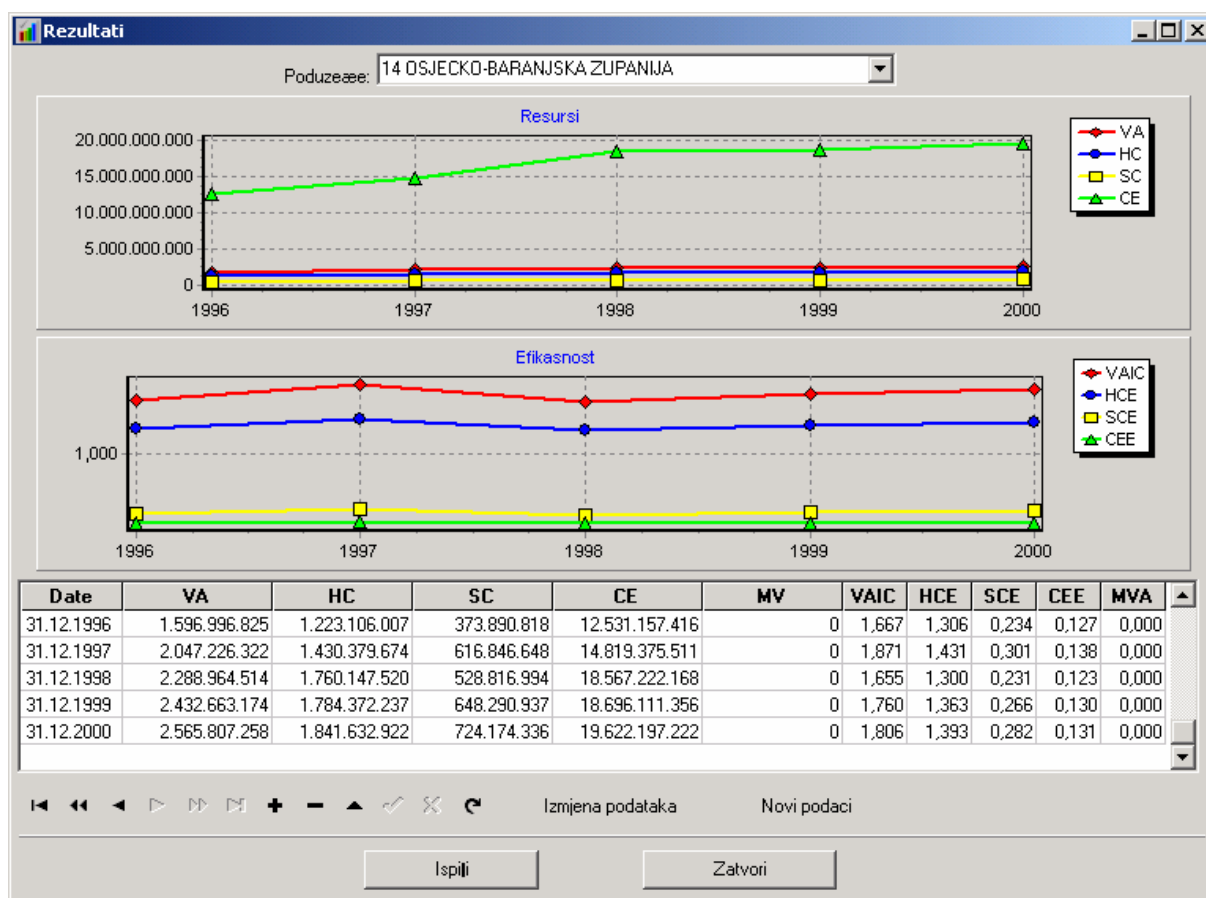


VAICTM: climbs over the average in 1997, but soon it falls under average and keeps falling, until 2000, when it jumps well above.

HCE: rises over the average in 1997, but soon it falls under average and keeps falling, until 2000, when it jumps well above.

CEE: stays below average in the whole period observed.

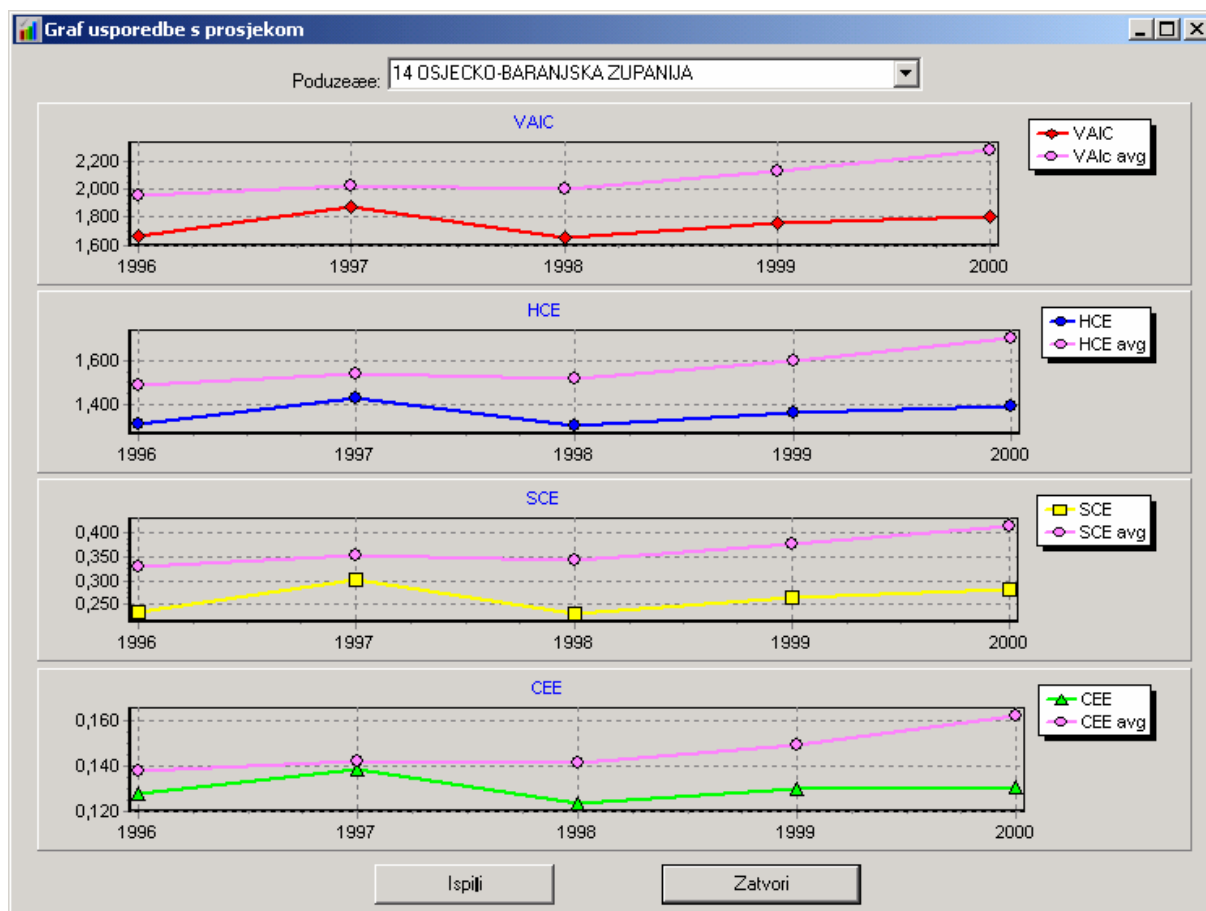
OSJEČKO-BARANJSKA COUNTY



	1996-2000	Croatia	1999-2000	Croatia
VA growth	60%	53%	5%	12%
HC growth	50%	34%	3%	5%
CE growth	56%	30%	5%	4%

Op a efikasnost: raste, pada 1998, te ponovo raste do 2000.
 Efikasnost HC: nakon skoka 1997 pada, te ponovo lagano raste.
 Efikasnost CE: stagnira uz manje oscilacije.

VAICTM: slightly grows, falls a little, and then grows bit by bit for two years.
 HCE: grows in 1997, slightly falls, and grows slowly for two years.
 CEE: changes are almost negligible, only 1997 is a bit higher.

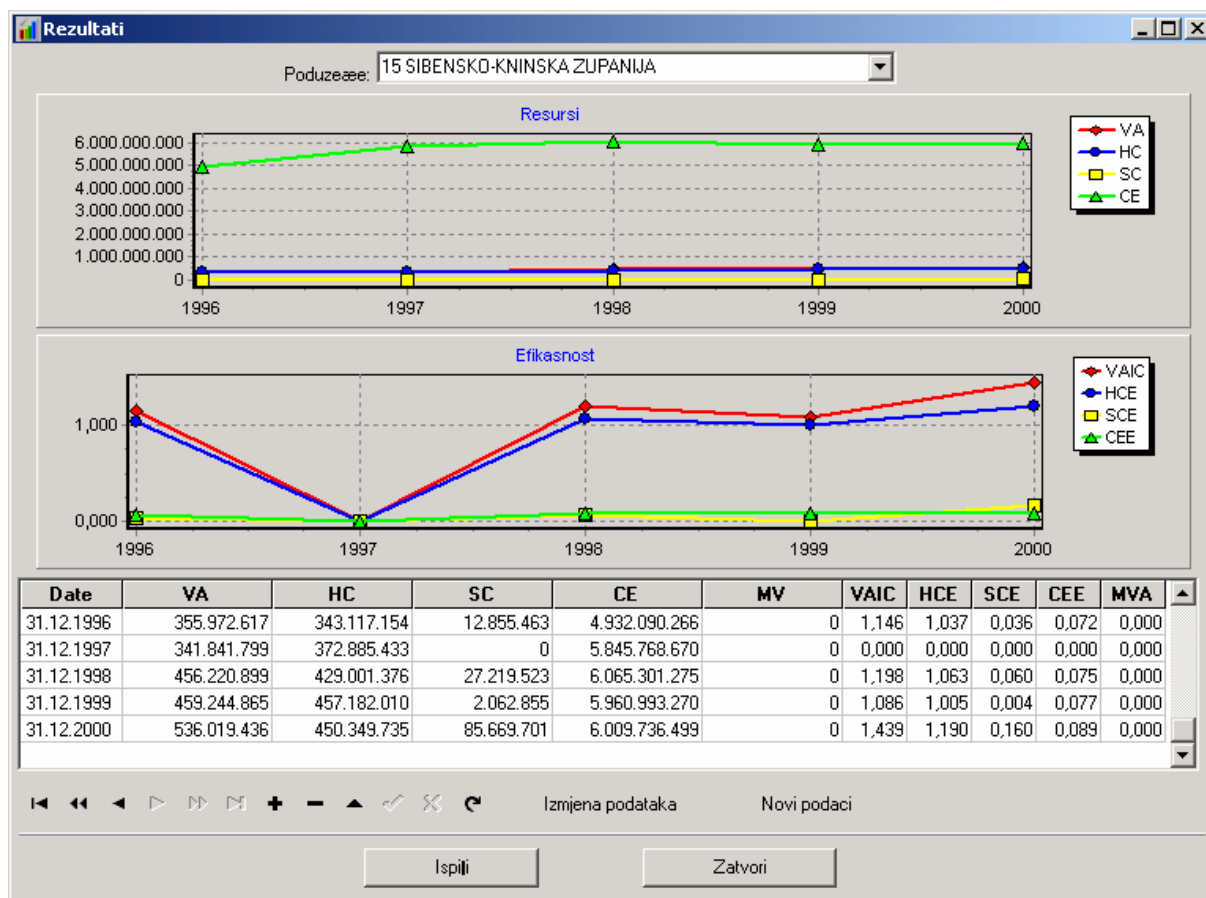


VAIC™: despite all changes, it remains much below average.

HCE: despite all changes, it remains noticeably below average.

CEE: the trend is the same as for HCE, yet CEE almost reaches average in 1997.

ŠIBENSKO-KNINSKA COUNTY

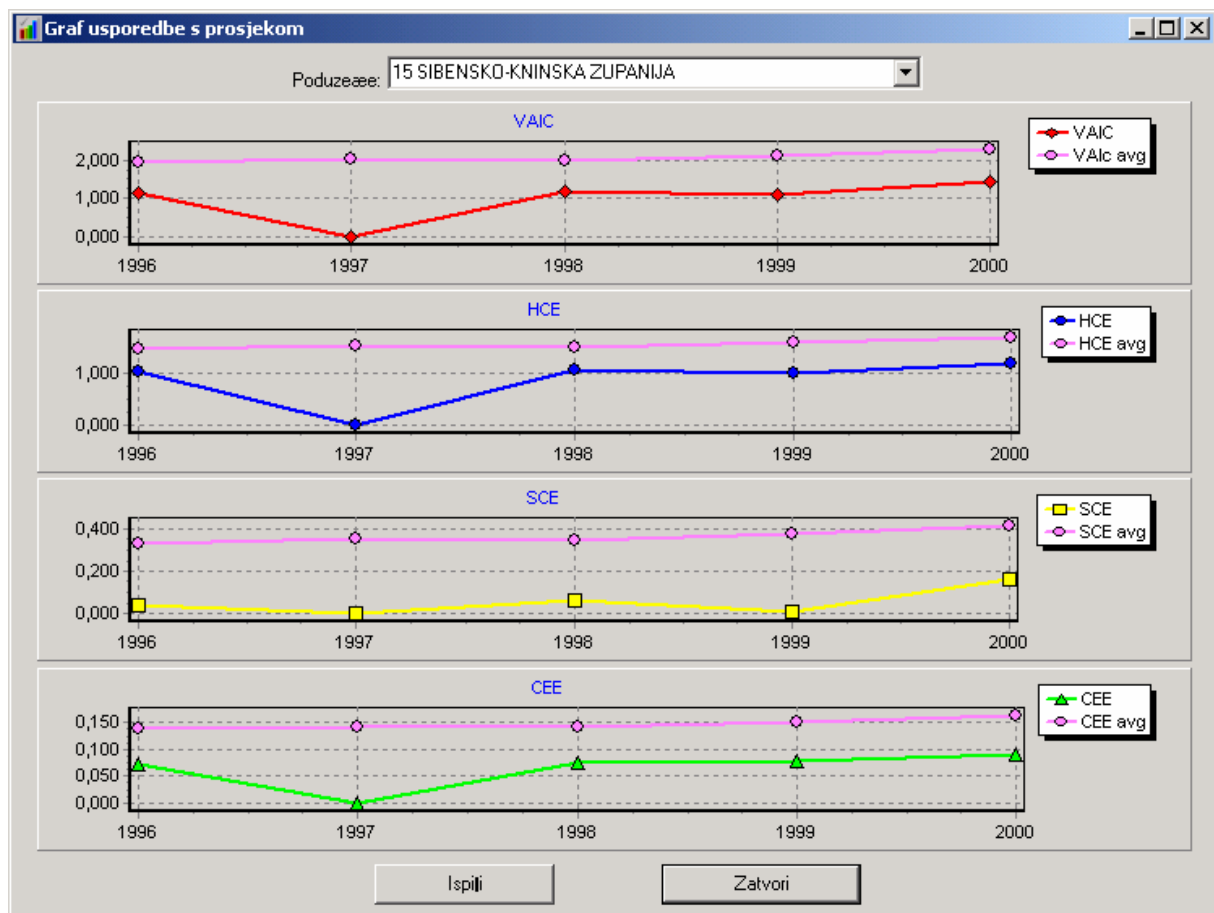


	1996-2000	Croatia	1999-2000	Croatia
VA growth	50%	53%	16%	12%
HC growth	31%	34%	- 2%	5%
CE growth	22%	30%	1%	4%

VAICTM: falls to zero, rises in 1998, then falls a little in 1999, and then grows again.

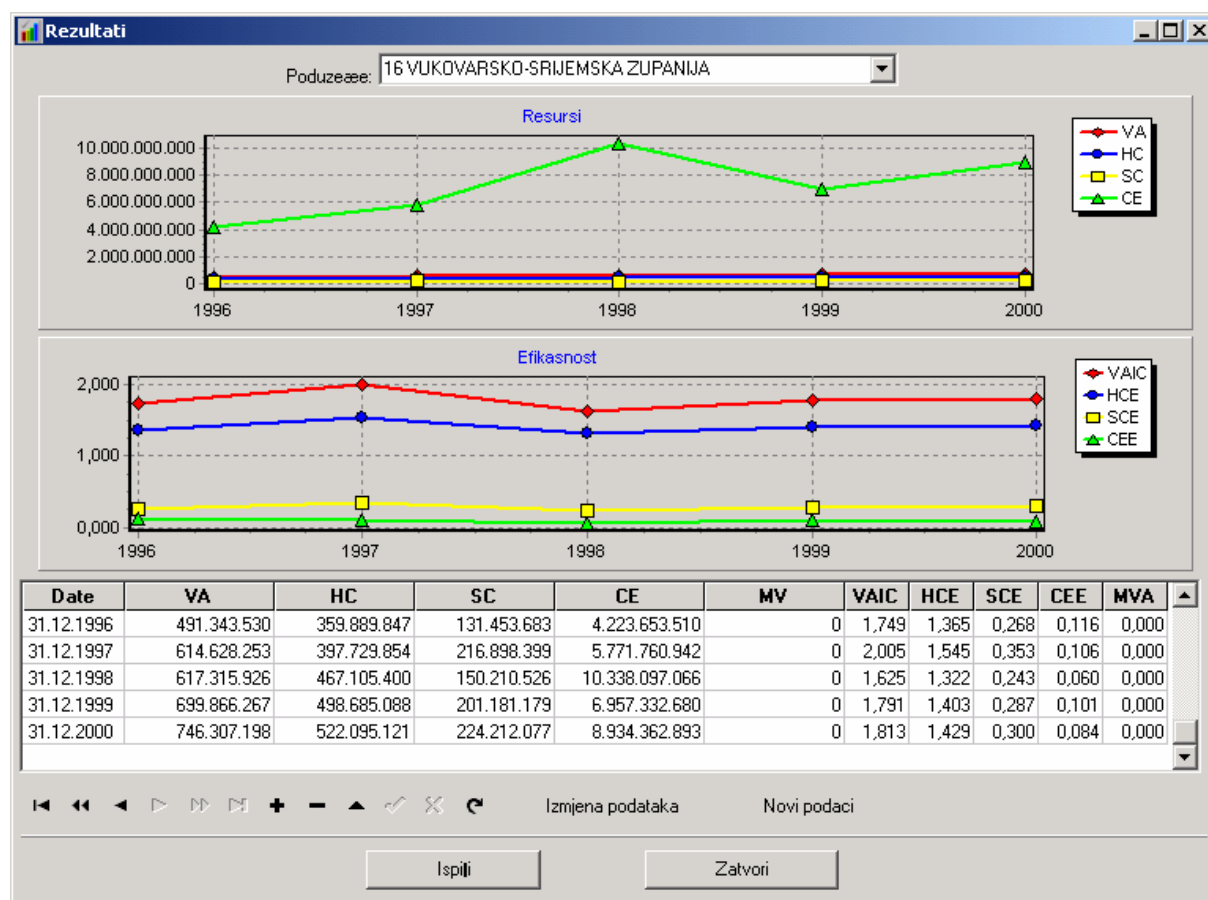
HCE: falls to zero, rises, then falls a bit, and then grows again in 2000.

CEE: stays constantly low.



VAICTM: far below average.
HCE: much lower than average.
CEE: also far from average.

VUKOVARSKO-SRIJEMSKA COUNTY

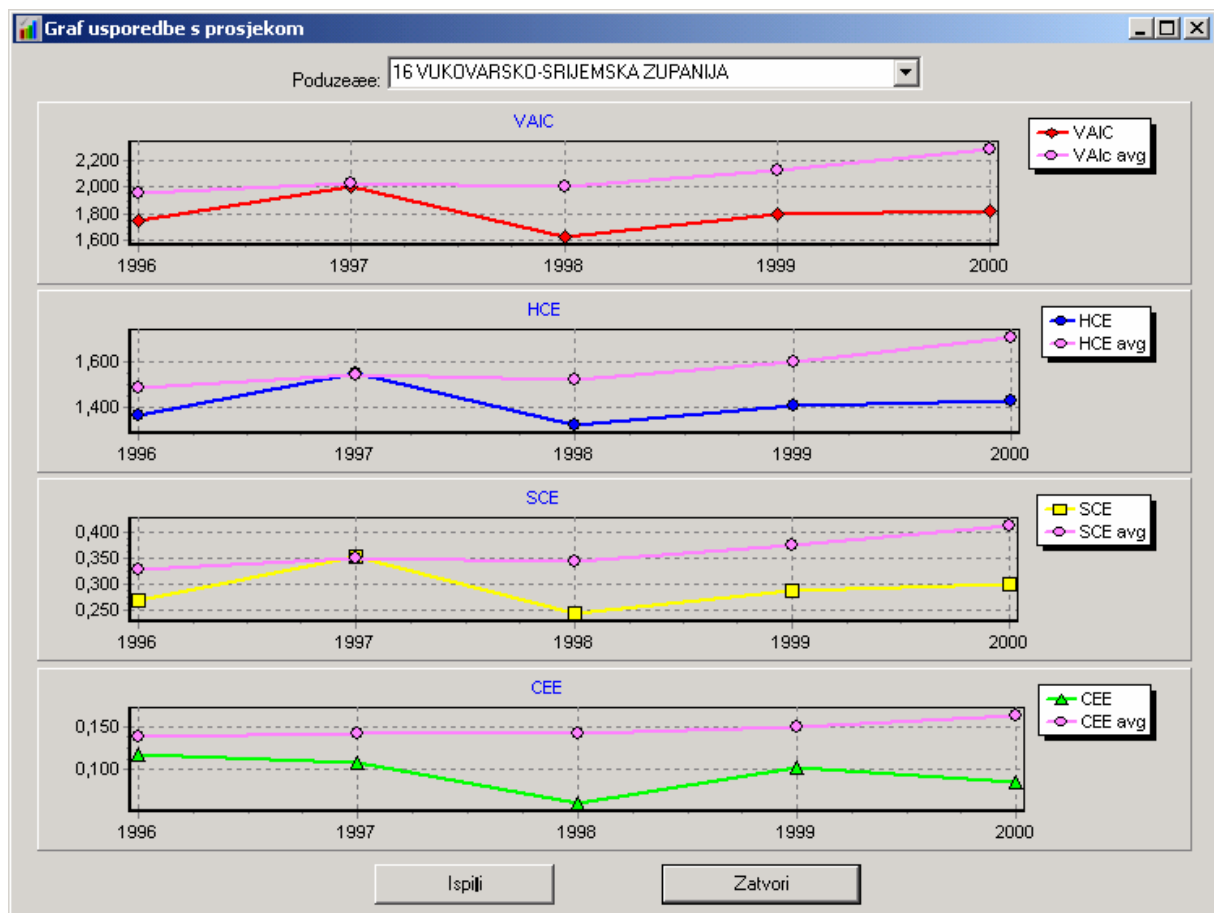


	1996-2000	Croatia	1999-2000	Croatia
VA growth	52%	53%	6%	12%
HC growth	45%	34%	4%	5%
CE growth	111%	30%	28%	4%

VAICTM: grows, then falls considerably, and then grows very slowly.

HCE: grows, then falls somewhat, and then grows very slowly.

CEE: falls two years, then rises, and then falls again.



Op a uspješnost: nakon rasta na prosječnu efikasnost u 1997 dolazi do pada i stagnacije ispod prosjeka.

Uspješnost humanog kapitala: nakon rasta na prosječnu efikasnost u 1997 dolazi do pada i stagnacije ispod prosjeka.

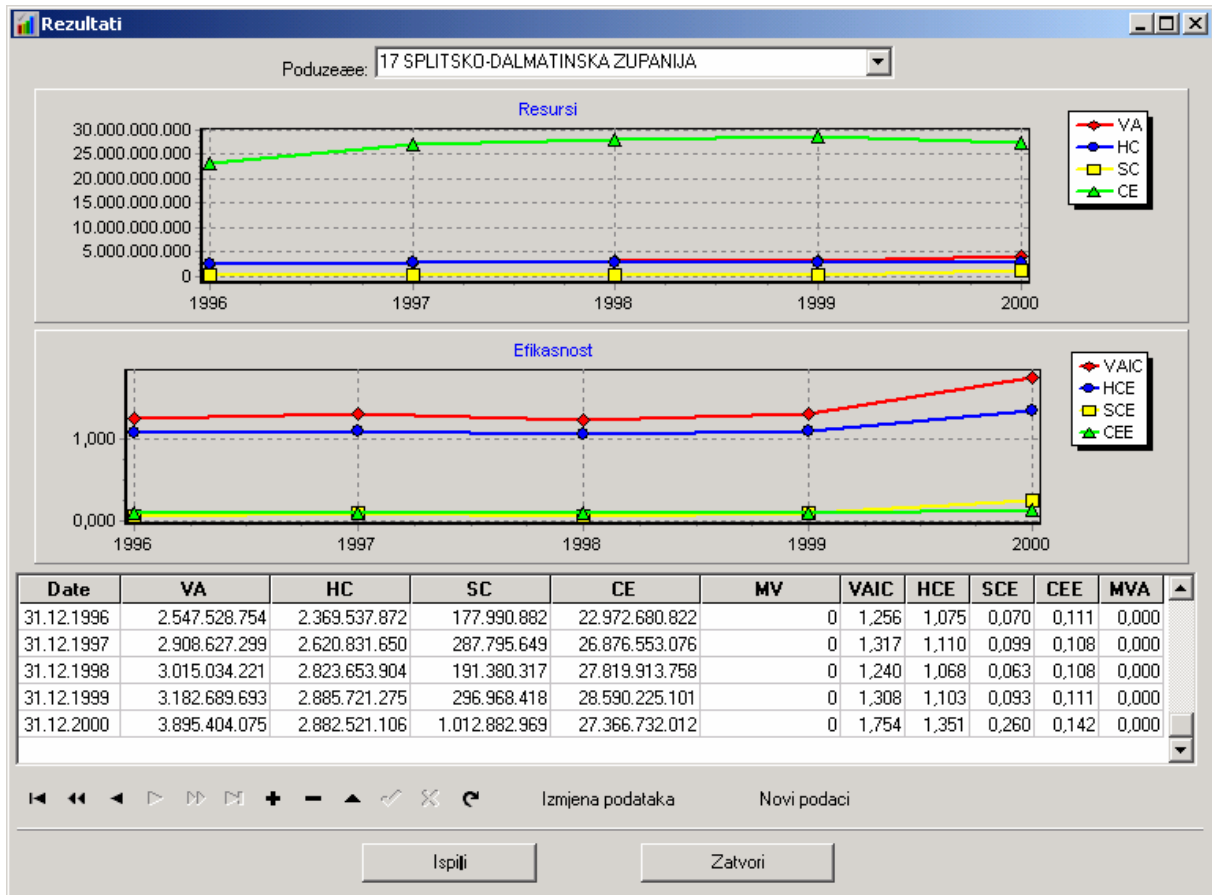
Uspješnost korištenog kapitala: Ispod prosječna efikasnost bilježi opadaju i trend uz manje oscilacije.

VAICTM: after rising to the average level in 1997, it goes down, well below the average.

HCE: rises to the average in 1997, later it goes down, well below the average.

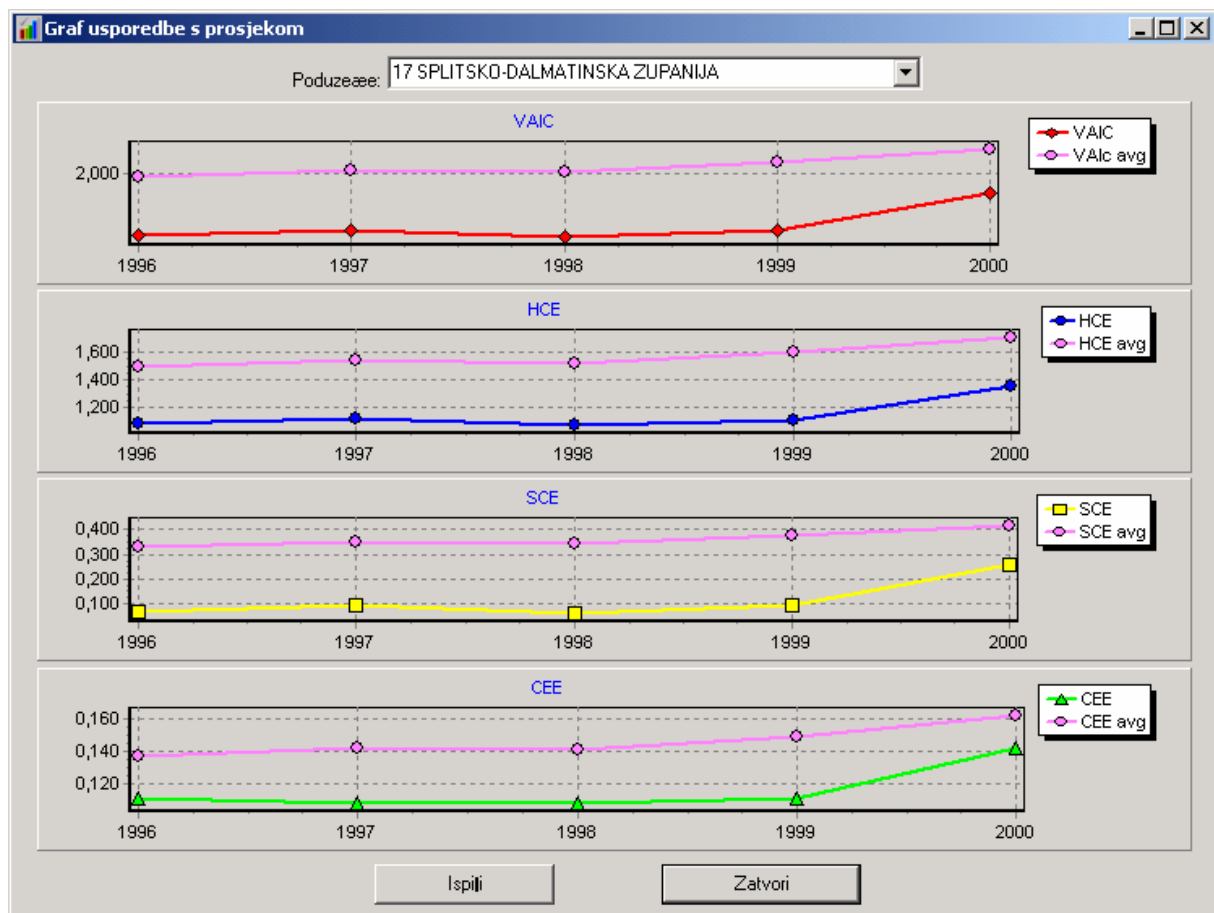
CEE: falls to the minimum in 1998, then it grows, and then falls again.

SPLITSKO- ALMATINSKA COUNTY



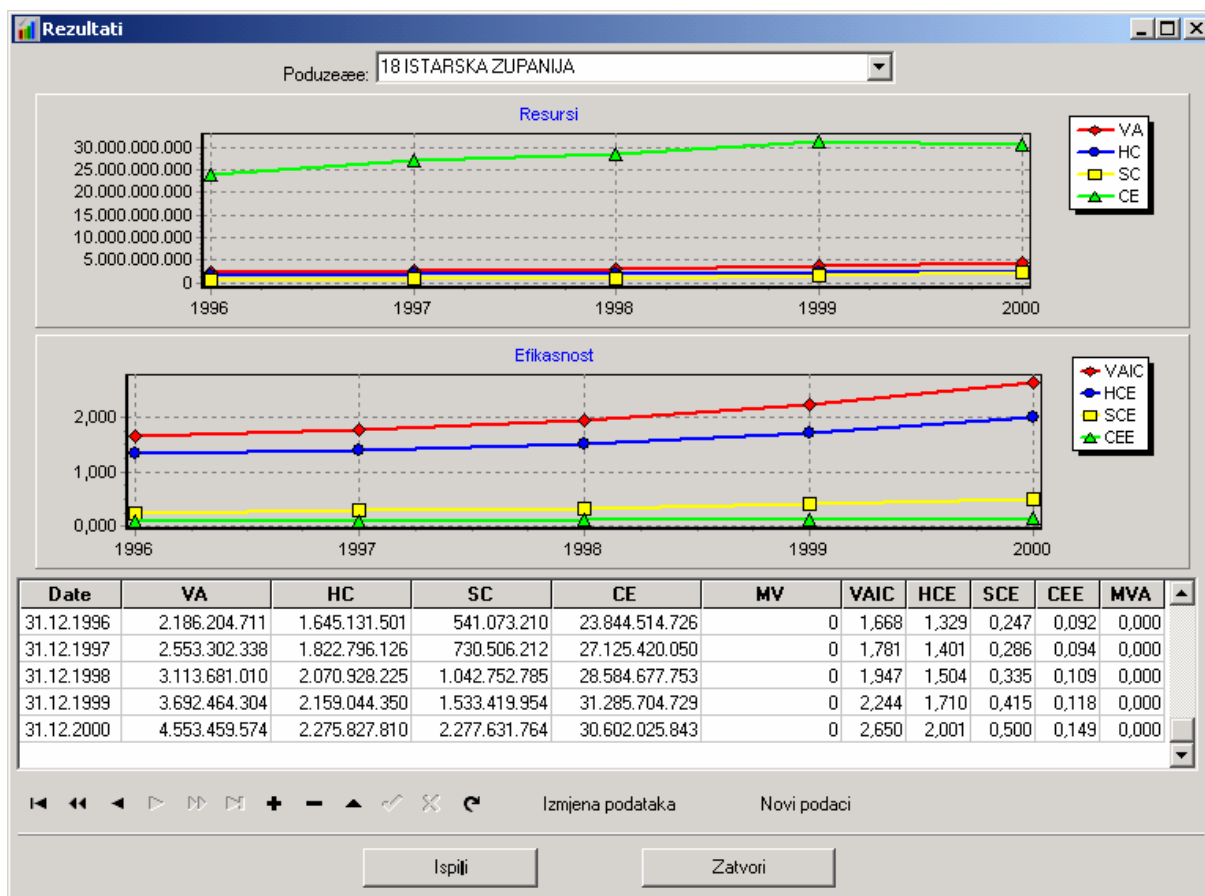
	1996	Croatia	1999	Croatia
VA growth	53%	53%	22%	12%
HC growth	21%	34%	0%	5%
CE growth	19%	30%	- 4%	4%

VAIC™: remains constant for three years, thereafter it grows considerably.
HCE: remains stable for three years, from then on it grows considerably.
CEE: the same as HCE.



VAICTM: despite growth in 2000, it is still far below average.
HCE: far beneath average, even in 2000.
CEE: despite the rise in 2000, it is still lower than average.

ISTARSKA COUNTY

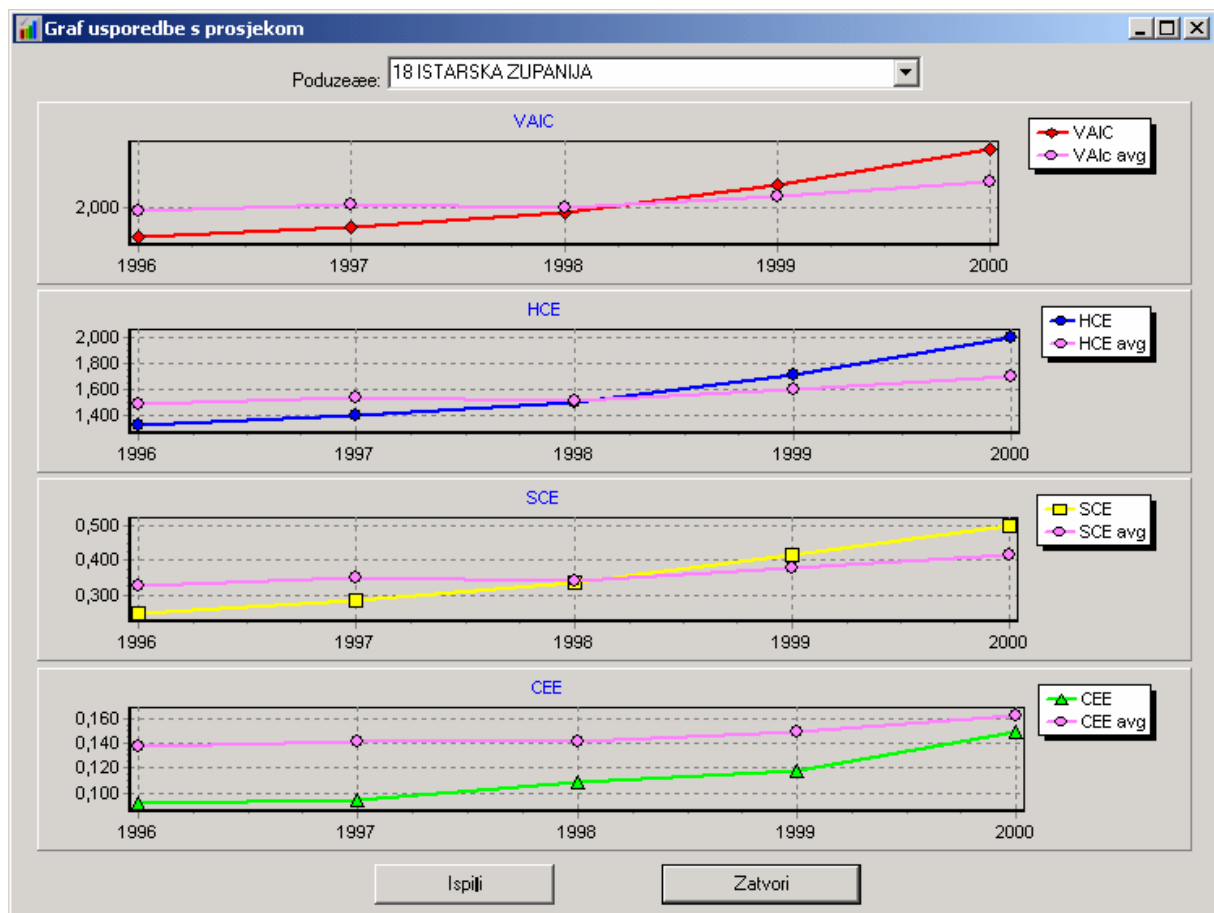


	1996-2000	Croatia	1999-2000	Croatia
VA growth	108%	53%	23%	12%
HC growth	38%	34%	5%	5%
CE growth	28%	30%	- 2%	4%

VAICTM: nice, steady growth.

HCE: constantly grows, from 1996 to 2000.

CEE: rises permanently

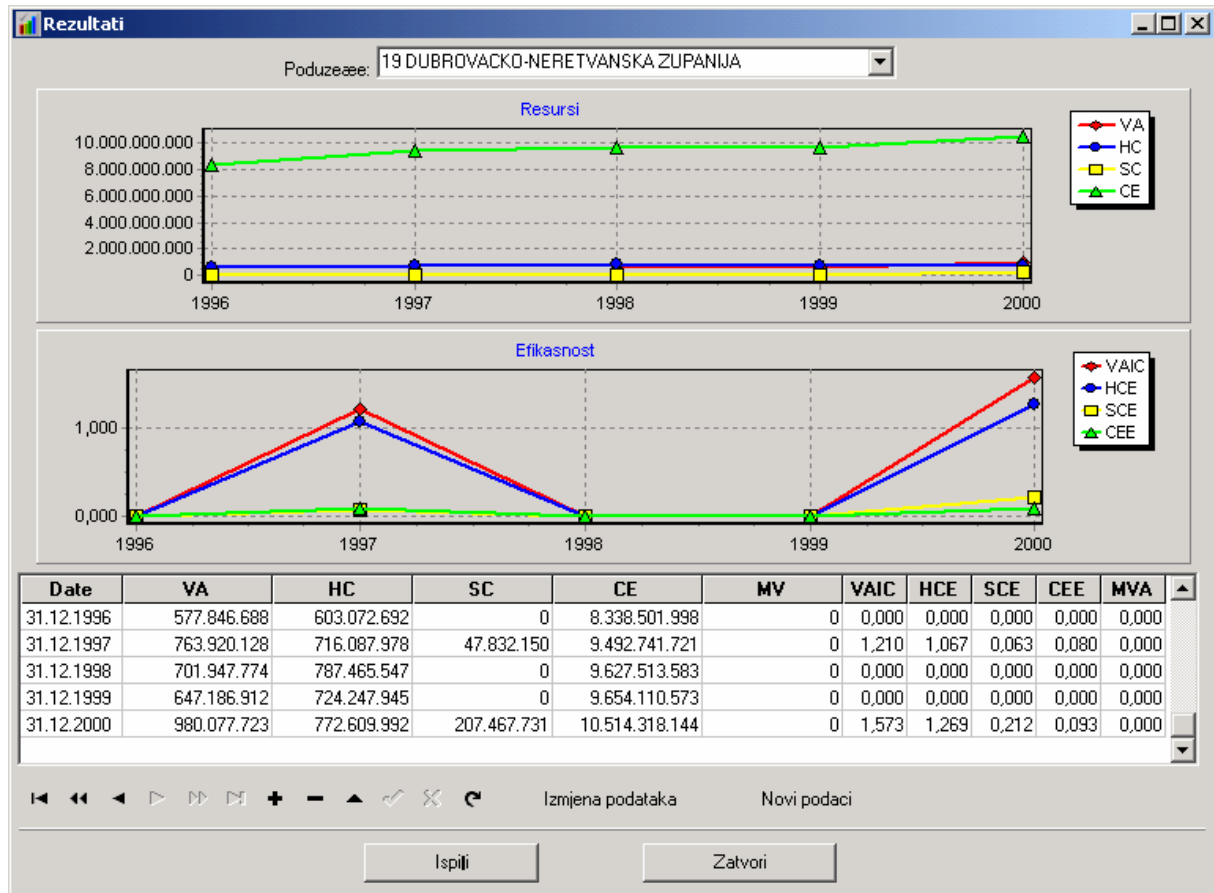


VAICTM: in 1996 it is below average, in 1998 comparable to average, and afterwards rises high above average.

HCE: from below average, it grows to average in 1998, and then rises well above average.

CEE: always rising, but even in 2000 it is still below average.

DUBROVAČKO-NERETVANSKA COUNTY

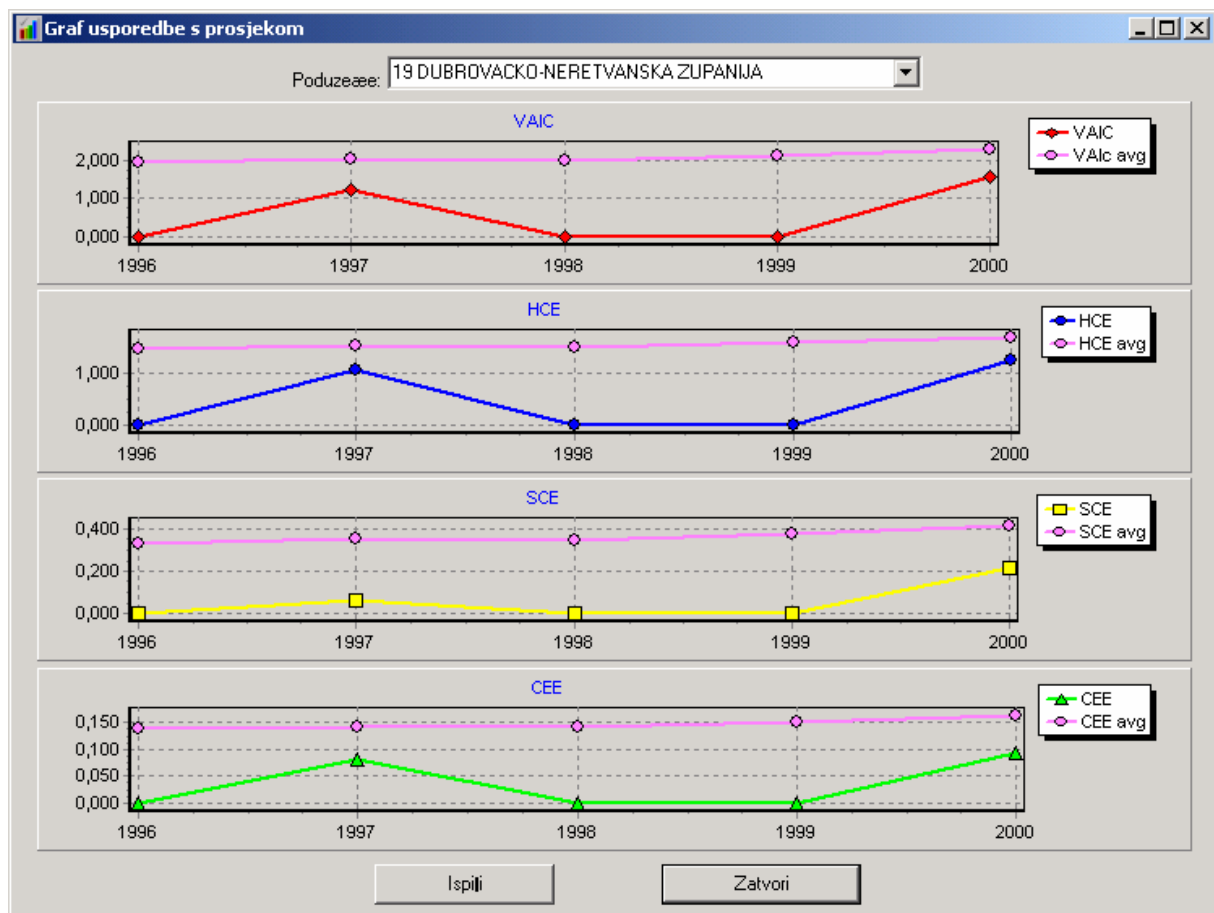


	1996-2000	Croatia	1999-2000	Croatia
VA growth	69%	53%	51%	12%
HC growth	28%	34%	6%	5%
CE growth	26%	30%	9%	4%

VAICTM: positive only in 1997 and 2000.

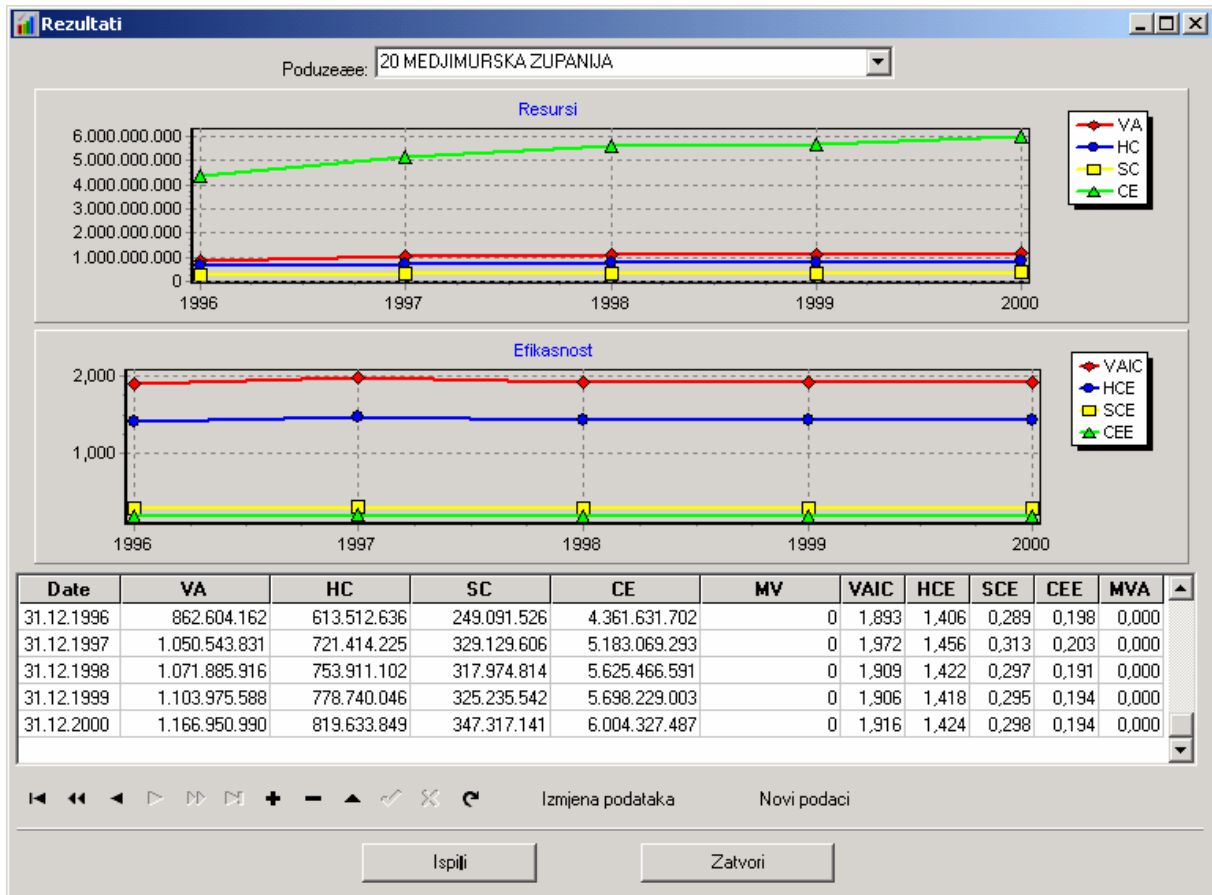
HCE: positive only in 1997 and 2000.

CEE: positive only in 1997 and 2000.



VAIC™: always far below average.
HCE: much lower then average.
CEE: always far lower then average.

MEĐIMURSKA COUNTY

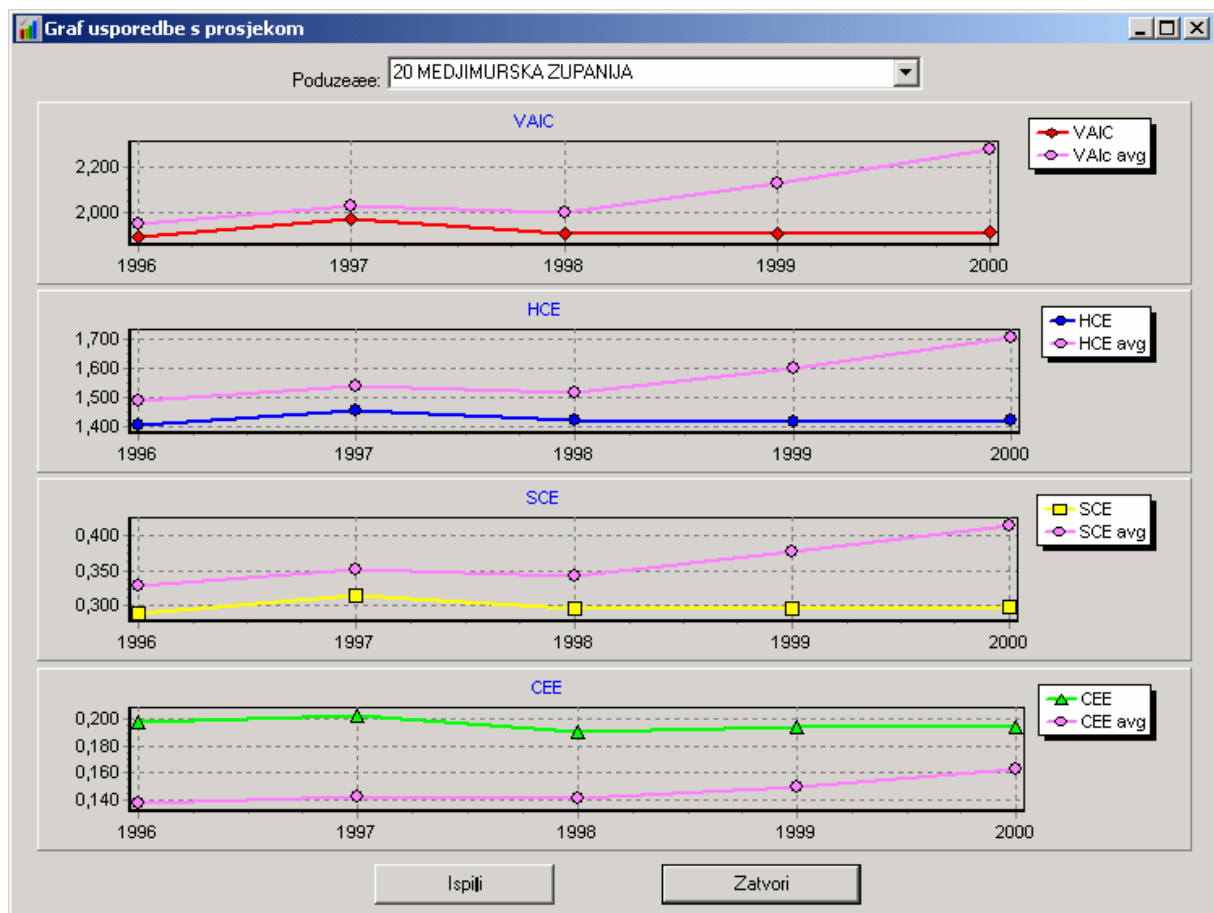


	1996-2000	Croatia	1999-2000	Croatia
VA growth	35%	53%	6%	12%
HC growth	33%	34%	5%	5%
CE growth	38%	30%	5%	4%

VAIC™: constant, with minor changes.

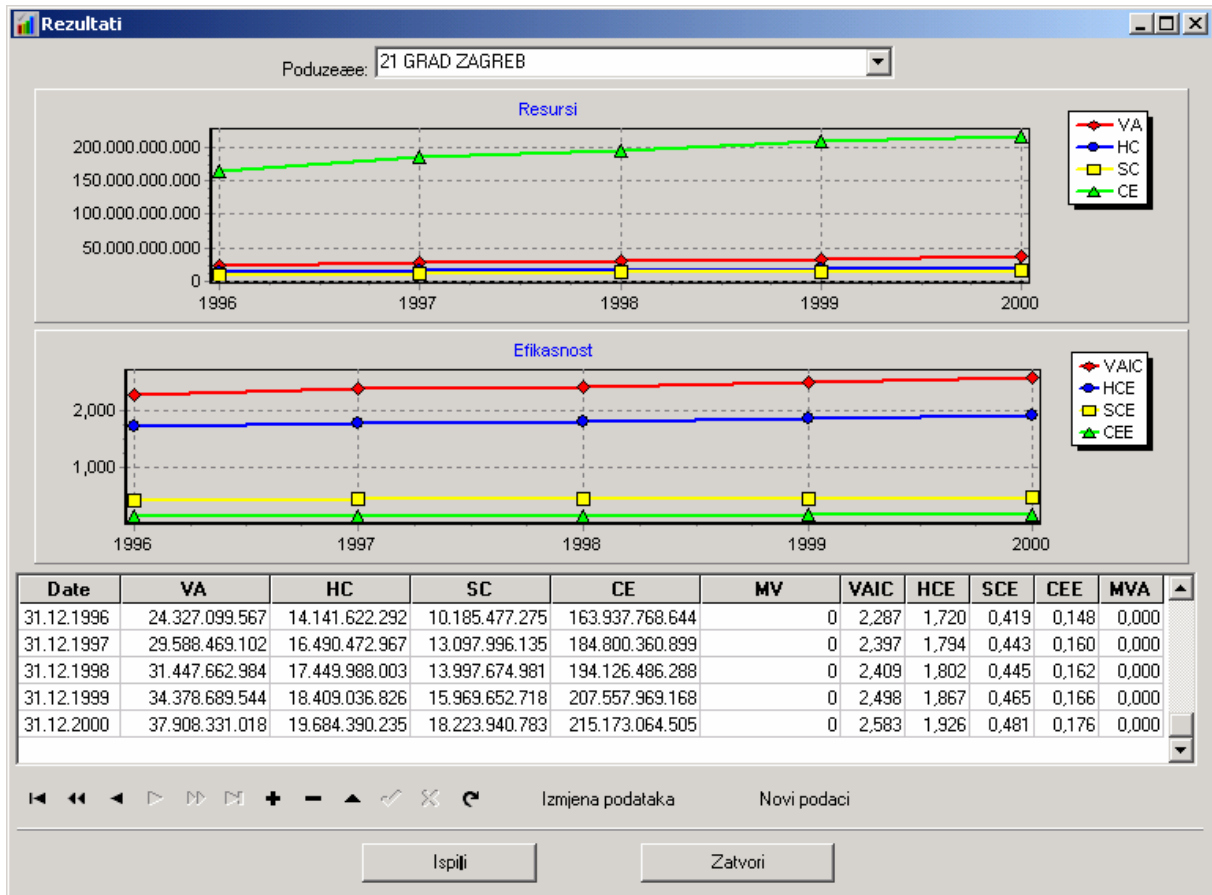
HCE: steady, with minor changes.

CEE: constant, with negligible changes.



VAICTM: does not keep pace with the growing average.
HCE: stays steady, while the average grows.
CEE: always highly above average, although stagnates.

ZAGREB CITY

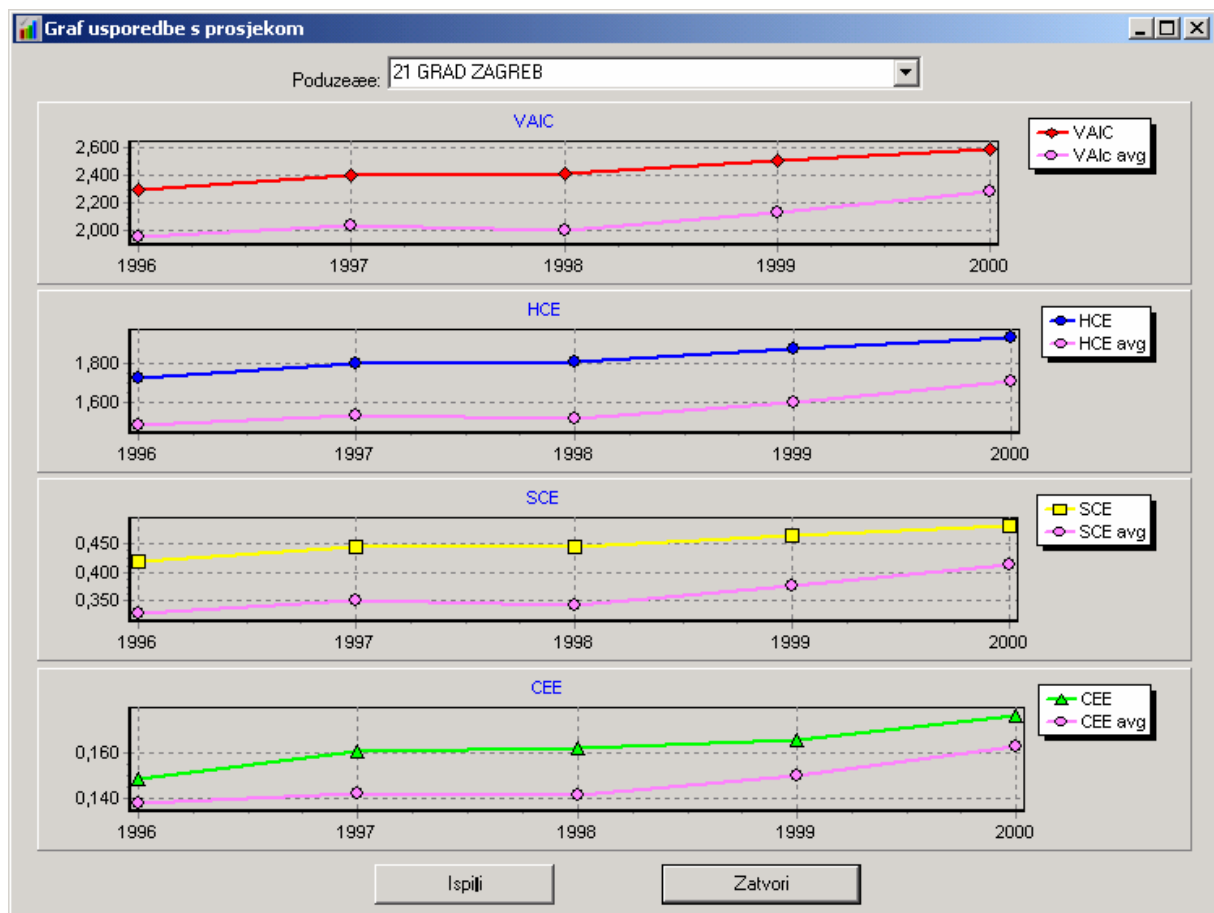


	1996	Croatia	1999	Croatia
VA growth	56%	53%	10%	12%
HC growth	39%	34%	7%	5%
CE growth	31%	30%	4%	4%

VAICTM: slightly grows with a steady rate during the whole analyzed period.

HCE: grows with a steady rate during the whole analyzed period.

CEE: the same as HCE.



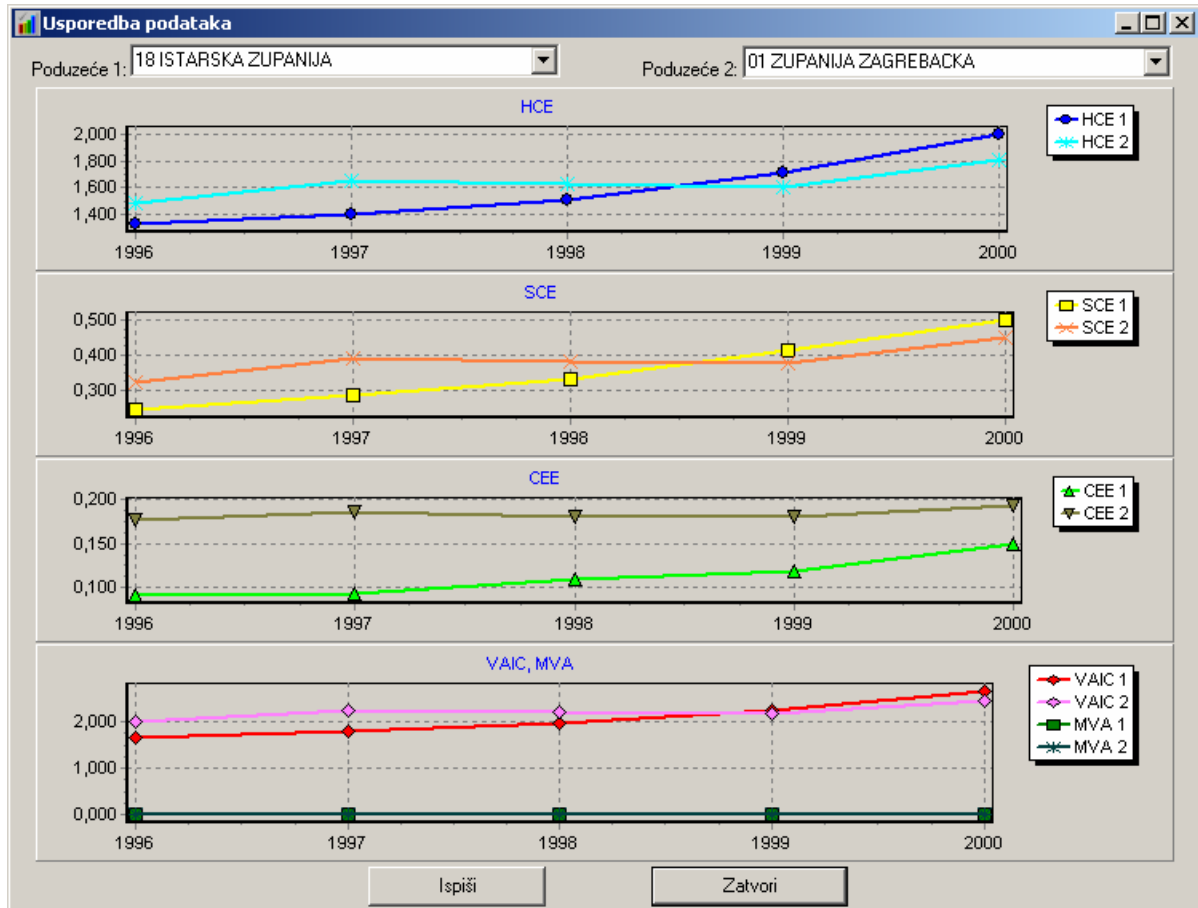
VAICTM: considerably higher than average, it grows parallel with it.
HCE: also considerably higher than average through the analyzed period.
CEE: rises parallel with average, always somewhat higher.

Conclusion: Considering both its size and efficiencies of all its resources, the Zagreb City is the main locomotive of Croatian economy.

BENCHMARKING

Benchmarking with the help of VAICTM – Monitor can provide new important insights in the use of existing resources. Two examples are given below.

Istarska and Zagrebačka Counties are compared first.

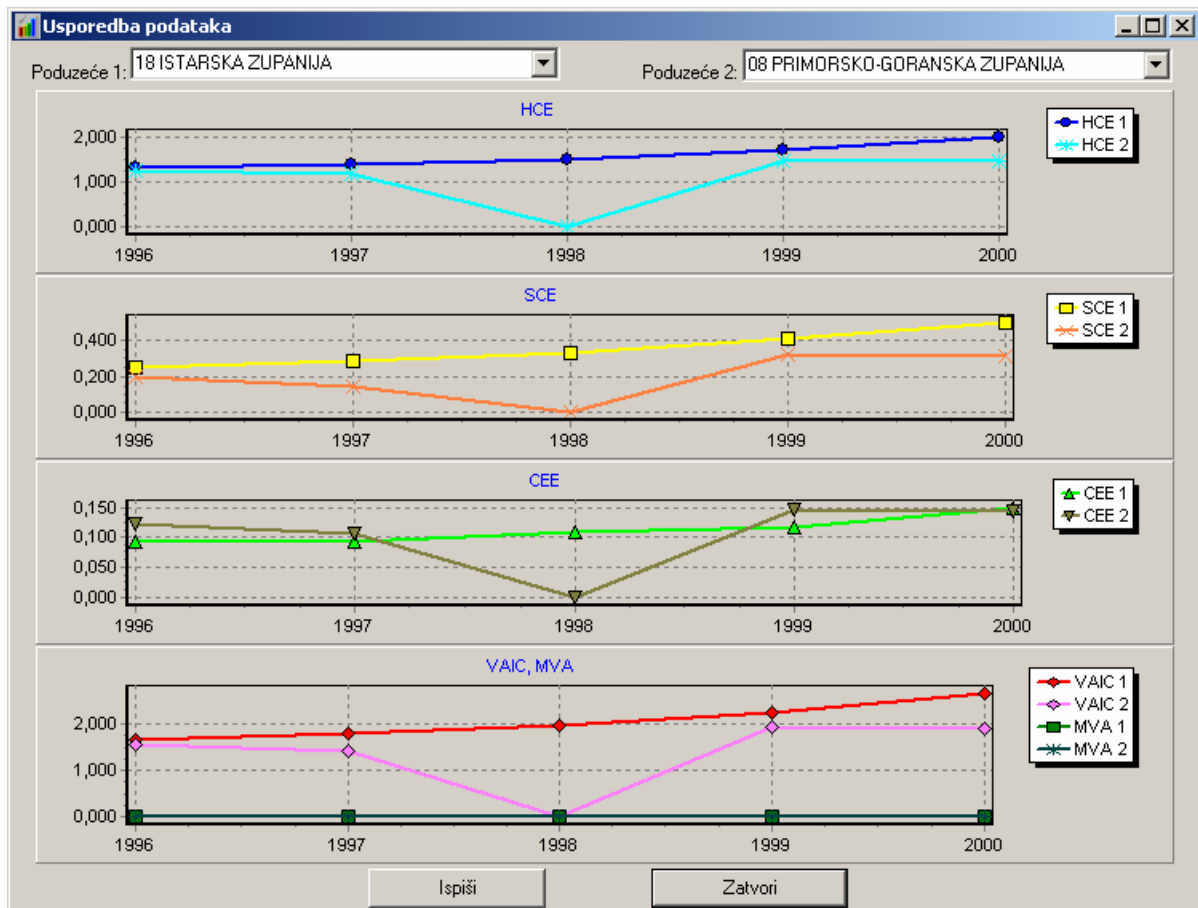


In the first three years Zagrebačka County's Human Capital Efficiency is considerably higher, but it falls in 1998 and 1999, so Istarska County's HCE exceeds it in 1999.

Capital Employed Efficiency of Zagrebačka County is constantly high above Istarska County's CEE, but Istarska County is getting better and better. If these trends would continue, Istarska County would surpass Zagrebačka County in the year 2002.

The overall efficiency of Zagrebačka County is higher in the first three years, but it falls in 1998 and 1999, so Istarska County's VAICTM exceeds it in 1999 and keeps rising even faster.

Here follows the comparison between Istarska and Primorsko-goranska County.



Human Capital Efficiency is continually higher in Istarska County. After its collapse in 1998, HCE of Primorsko-goranska County grows considerably, but not as fast as in Istarska County, its first neighbor.

In 1996, 1997 and 1999 Capital Employed Efficiency was higher in Primorsko-goranska County, and in 1998 and 2000 it was higher in Istarska County. However, it is important to note that only the CEE of Istarska County grows steadily.

Overall efficiency is constantly higher in Istarska County. After its collapse in 1998, overall efficiency of Primorsko-goranska County goes up, but it stagnates the following year, so it stays behind the efficiency of Istarska County.