

## Fiscal Stability Indicators and Public Debt Trajectory in Croatia

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**Abstract :** Paper analyses the key problems of fiscal sustainability in Croatia. To point out key challenges of fiscal sustainability, the public debt sustainability is analyzed using standard indicators of fiscal stability, accompanied with the identification of regime changes approach in the public debt trajectory using switching regression approach. The analysis is conducted for the period from 2001 to 2016. Results show huge vulnerability in recession period (2009-14), so key challenges in current fiscal policy and public debt management are recognized in maturity prolongation, interest rates trends, and credit rating expectations.

**Keywords :** fiscal sustainability, public debt, Croatia, budget deficit

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