



# Why Slovenia? Slovenian Business Ecosystem

„Slovenia - a Hidden Champion in the Heart of Europe“

## TURKISH BUSINESS DELEGATION TO SLOVENIA

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**SPIRIT SLOVENIA** - Slovenian Public Agency for  
Entrepreneurship, Internationalization, Foreign Investments  
and Technology

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# Slovenia. Green. Creative. Smart.



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**GREEN.  
CREATIVE.  
SMART.**

## **SLOVENIA'S ADVANTAGES**

- ✓ **Excellent geostrategic position with well established easy access to markets**
- ✓ **Quality infrastructure**
- ✓ **Stable export driven economy**
- ✓ **Innovative workforce**



# Macroeconomic environment

	2022	2023*	2024*
GDP growth in %	5,4	1,8	2,5
GDP per capita, current prices (in EUR)	27.937	30.584	32.482
Export growth in %	6,5	2,7	4,1
ILO unemployment in %	4,2	4,0	3,8
Labour productivity (GDP per employee)	2,9	0,8	1,8
Inflation (year average) in %	8,8	7,1	4,2

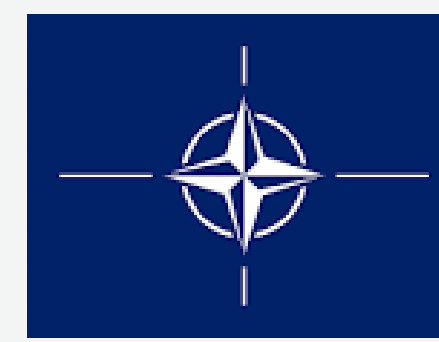
\* IMAD, spring Forecast 2022

## Export driven economy

- € 53,4 bn (90 % of GDP in 2022), of that € 42,4 bn goods and € 11,0 bn services

## Membership

- EU-28 (2004), euro-area (2007), OECD (2010), NATO (2004)



# Gateway to Europe and beyond



## Easy market access to:

- EU markets (500 million inhabitants)
- Europe's east (200 million) and southeast markets (20 million)

## Port of Koper

- One of the northernmost ports of the Mediterranean
- Shortest way to CE Europe: **Low carbon footprint**
- High quality port infrastructure

## Well-established links to regional markets

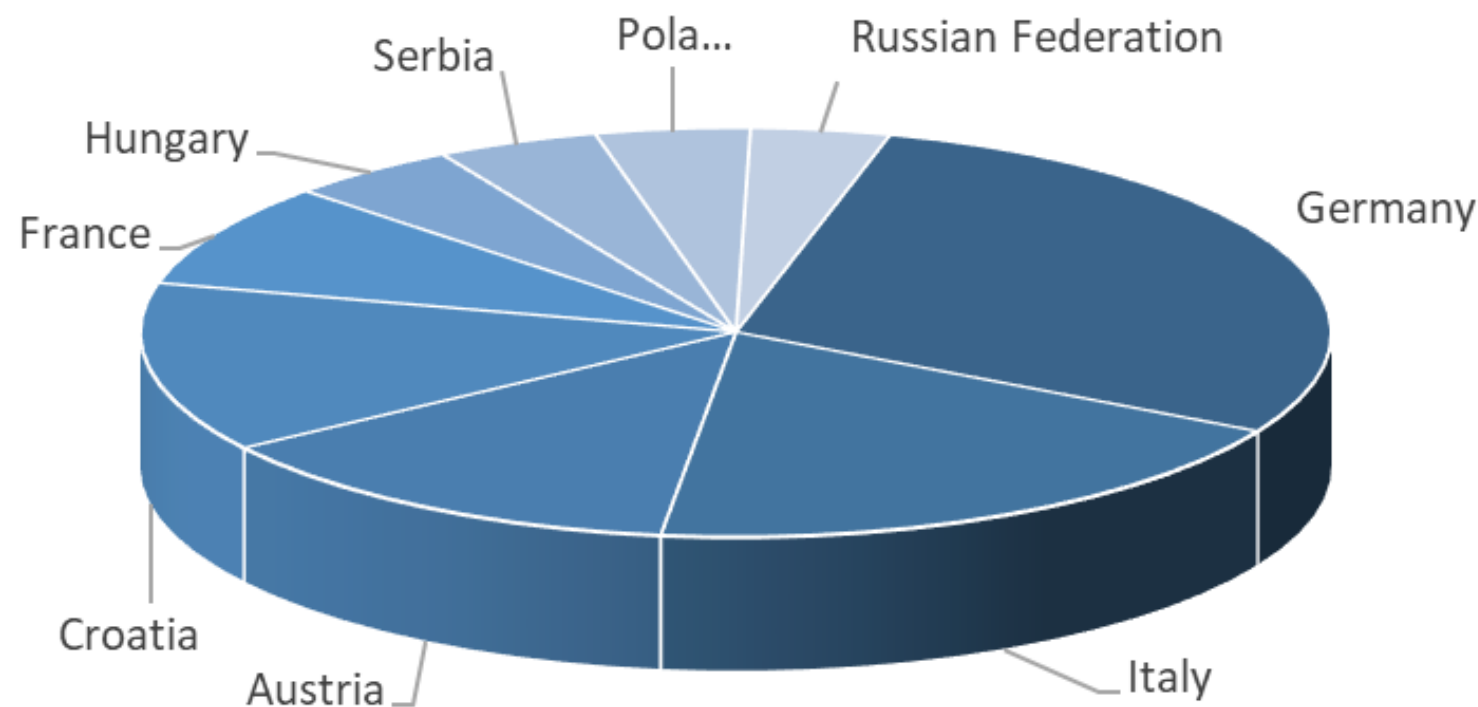
- Shared history (70 years) in former Yugoslavia and (over 500 years) in the Habsburg Monarchy, DACH markets
- Excellent knowledge and understanding of our neighbours (customs, culture & language), east (200 million) and southeast markets (20 million)



# EXPORT DRIVEN ECONOMY

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## Slovenia's export by country



Source: Bank of Slovenia, 2020

- ▶ 85% of national GDP (EUR 40.5 billion, of that € 32 billion goods and € 8.5 billion services)
- ▶ 4.4% annual export growth in real terms
- ▶ 13.5% annual export growth in 2021
- ▶ 1<sup>st</sup> in trading across borders (*World Bank Group, Doing business 2019*)
- ▶ **Top export products:**
  - ▶ Road vehicles
  - ▶ Medicines & pharmaceuticals
  - ▶ Machinery & equipment
  - ▶ Iron, steel & metals
  - ▶ Electrical machinery, alliances & el. parts
  - ▶ Chemicals, rubber & plastics products
  - ▶ Food & beverages

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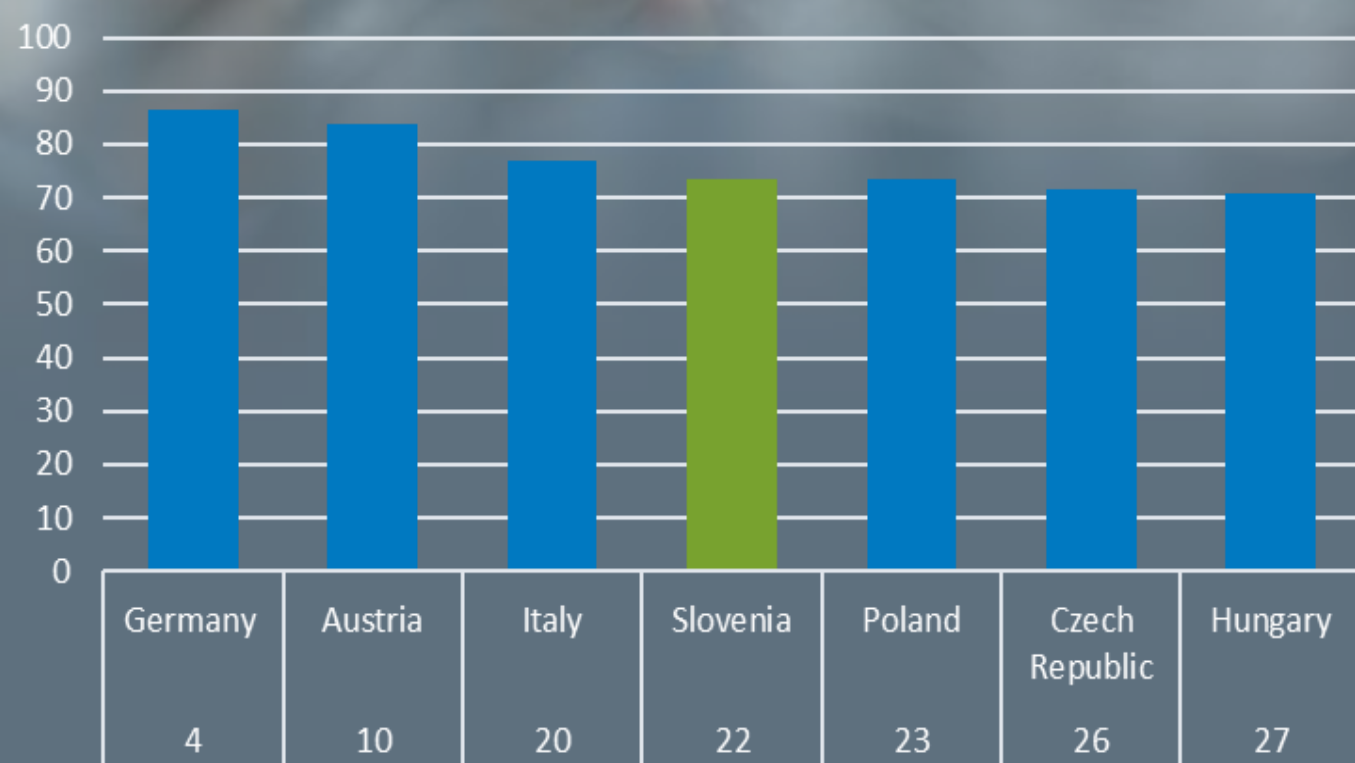
# GREEN. CREATIVE. SMART.

Join Slovenia's family of investors, experience country's green qualities, tap into its creative talent and discover its smart solutions to grow your business.

## INNOVATIVE ENVIRONMENT - IMPORTANT R&D PLAYER IN THE REGION

- 1.9 % GDP allocated to R&D,  $\frac{3}{4}$  by business sector
- Slovenia spends on R&D, as % of its GDP, more than any other country in the region and it's 12th in the EU (*Eurostat, 2018*)
- 4,900 researches in R&D per 1 million people, full-time equivalent (IMD, 2020)
- 13<sup>th</sup> in total R&D personal in business per capita, 5.05 full-time work equivalent per 1000 employees (*IMD, 2020*)
- Innovative Economy (*Bloomberg Innovation Index 2021*)

Bloomberg Innovation Index 2021





# KEY INDUSTRY & ADVANCED SOLUTIONS - AUTOMOTIVE INDUSTRY IN SLOVENIA

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## Top export products:

- #1 motor cars
- #2 parts and accessories for tractors and motor vehicles
- #3 electric accumulators

## Global leaders in:

- high-end titanium exhaust systems for motorcycles
- diesel cold-start systems for internal combustion engines
- gas springs for the automotive industry

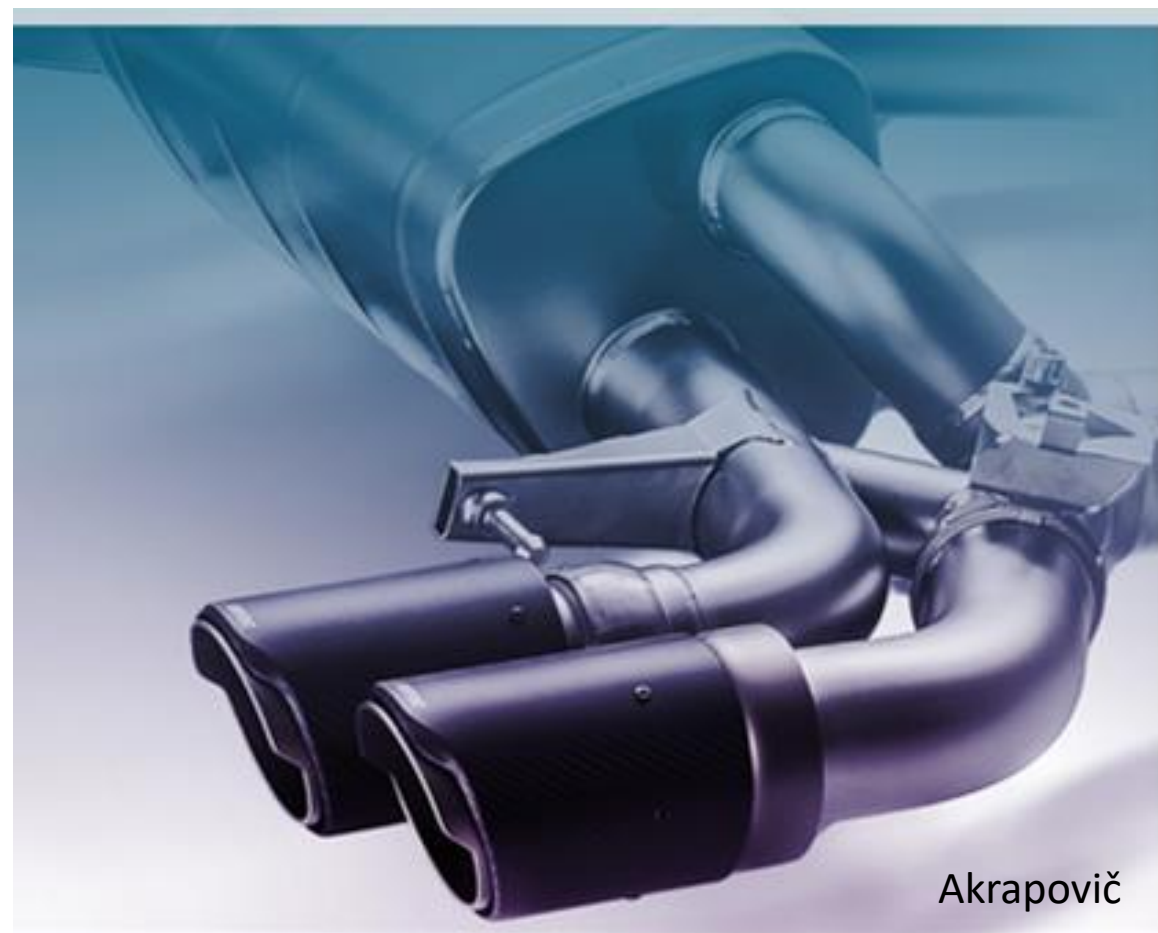
**Ready for strategic innovation  
and development partnerships**

## Take the advantage and benefit from:

- ✓ high quality,
- ✓ modern production,
- ✓ competitive products and services at competitive prices,
- ✓ engineering expertise
- ✓ niche specialization & long sector experience
- ✓ innovative solutions and flexibility

## Opportunities for foreign partners:

- testing market for new operating vehicle systems
- development and supply of electrical components and software for smart, autonomous and electrical vehicles



Akrapovič

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# KEY INDUSTRY & ADVANCED SOLUTIONS - SMART FACTORIES & INDUSTRIAL AUTOMATION

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Yaskawa

## Robotics

- Robot scanning cells for laser processing,
- Intelligent sensors and actuators,
- Adaptive robotic cells,
- Computer control in industry,
- Virtual factory platform.

## Tooling

- Smart tools,
- Intelligent interaction of tools and machines,
- Tool system as an integral part of IoT,
- Intelligent tool management,
- Pilot line with smart platform.

Blockchain Technologies  
3D printing  
Artificial Intelligence  
Internet of Things  
Biometrics

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# E- MOBILITY ECOSYSTEM

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elaphe direct-drive in-wheel motors



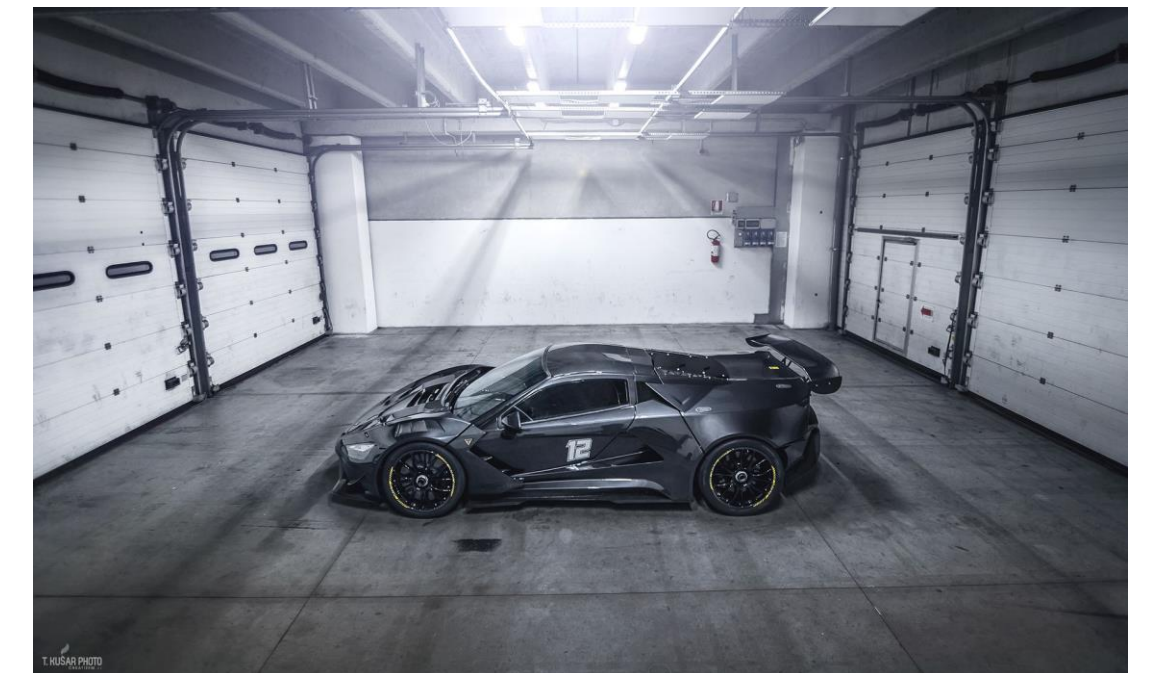
e'dyn by Podkrižnik, e-boat Kaiser



Pipistrel EASA type-certified Velis Electro



C-ASTRAL Unmanned Aircraft  
Systems, Bramor ppX



TUSHEK TS 900 APEX

Companies: Bosch Rexroth, C-Astral, Elaphe, Emsiso, Etrell, Hella, Hydria, Kolektor, MAHLE Electric Drives, Pipistrel, Podkrižnik...

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# UNESCO INTERNATIONAL CENTRE FOR ARTIFICIAL INTELLIGENCE IN SLOVENIA

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- ▶ **Pioneers in AI**
- ▶ **Serving as a role model for other similar centres**
- ▶ **Functions of the Research centre:**
  - **to provide an open and transparent environment for AI research and debates on AI, providing expert support to stakeholders around the globe in drafting guidelines and action plans for AI**
  - **to advise governments, organizations, legal persons and the public on systemic and strategic solutions in introducing AI in various fields**

# Slovenia: a country of Hidden champions

1st in CEE region, 6th out of 28 countries assessed



## Hidden champions:

- Leaders in terms of market share in their respective fields (among top 3 in the world or No. 1 on the continent)
- Earning modest revenues (no more than €1 bn, with some exceptions)
- “hidden” (i.e. not well known to general public)



Source: European Bank for Reconstruction and Development





# Stimulating business and investment environment



## FDI openness

3<sup>rd</sup> least restrictive country among OECD members (*OECD, FDI Regulatory Restrictiveness Index Database*).

## Starting a business – fast and simple

- Only 2 procedures required to register a firm at zero cost
- Maximum 5 days for registration of a Limit liability company (minimum funding capital of EUR 7,500)

## Ranked as world's 2<sup>nd</sup> most reliable and secure energy supply system (World Energy Council)

Corporate income tax: 19 %

Effective average tax rate: 13.12 %  
(Ministry of Finance, 2019)

### Value Added Tax

- 22 % - standard rate
- 9.5 % - reduced rate

Capital Gain Tax: 0 - 27.5 %

Average Gross  
Monthly Salary  
EUR 1,758.27

Average Net  
Monthly salary  
EUR 1,146.11

Average Gross  
Monthly Minimum  
Salary  
EUR 940.58

Average Net Monthly  
Salary  
EUR 700.00

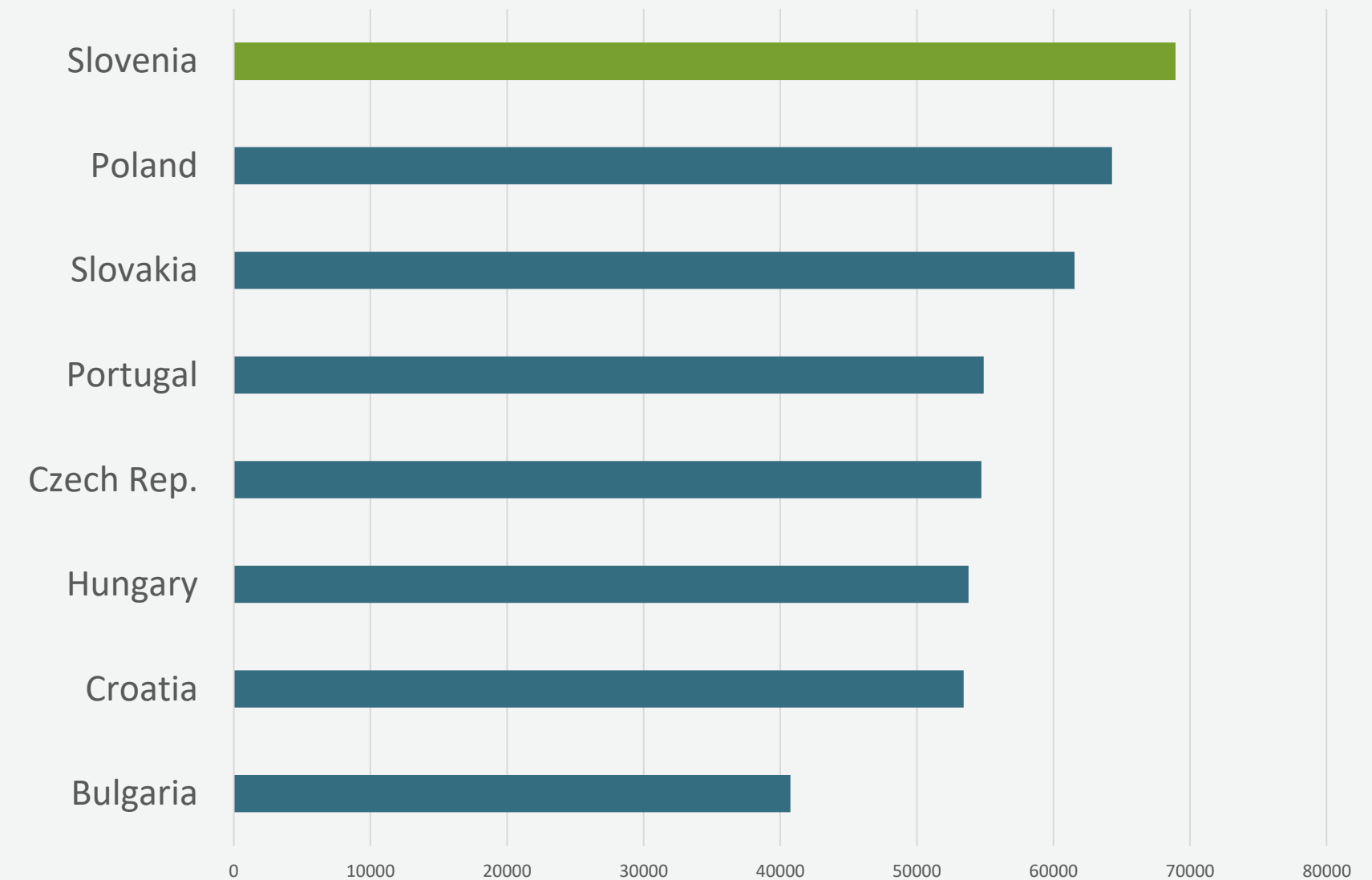
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# Excellent talent pipeline

- **47.7% of young people studying and researching at Slovenia's globally renowned universities**
- **41.2% of students graduated in science and engineering (IMD world competitiveness yearbook 2018)**
- **Slovenia 's productivity ranks above its near neighbours: Slovakia, Czech Republic, Croatia, Hungary**
- **84% of working population speaks at least one foreign language**
- **Number of researches per 1 million people: 4,200**



## Productivity in Industry



Related GDP (PPP) per person employed in industry

IMD - World Competitiveness Yearbook, 2020



GREEN.

# Quality of Life



## High Standard of Living:

- Moderate climate, well preserved countryside, active lifestyle
- 15th place on Quality of Life Index 2021 (Numbeo)

## Education

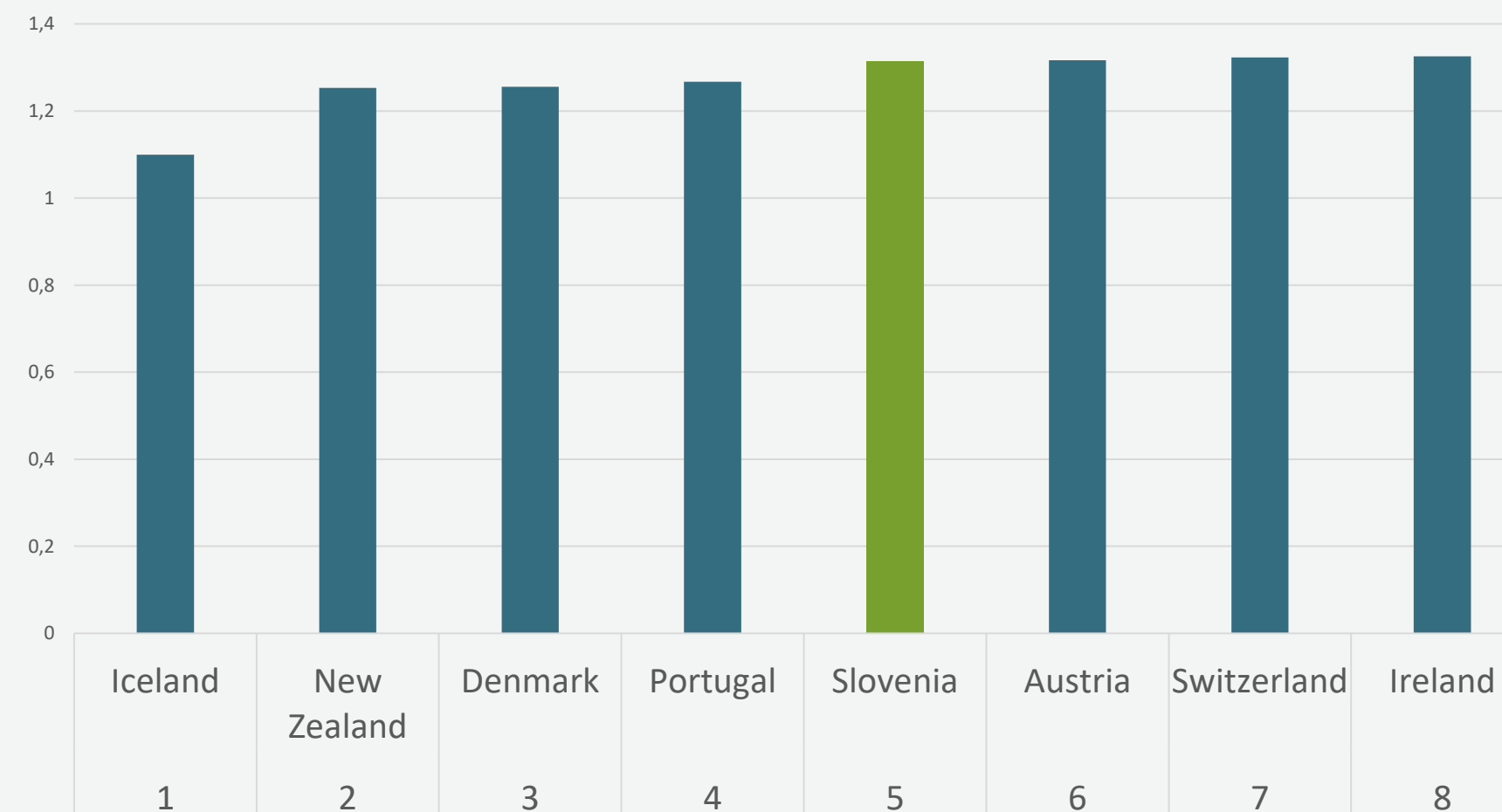
- Several international schools
- Highest quality of educational system

## Healthcare

- Strong healthcare system (Life expectancy at birth: 78 years)

## Safety

- 5th safest country (Global Peace Index 2021)





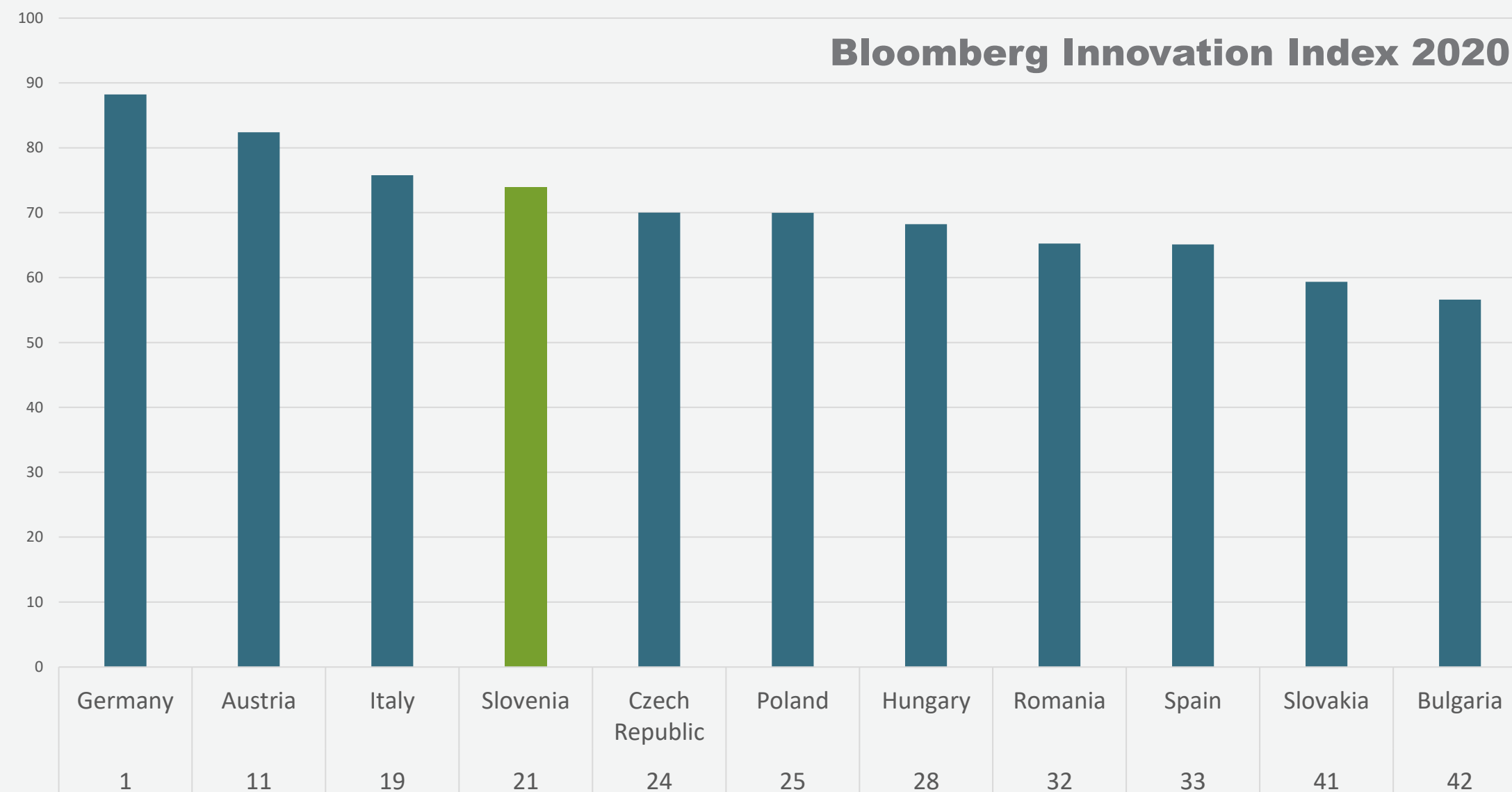
# SMART.



## Important R&D player in the region



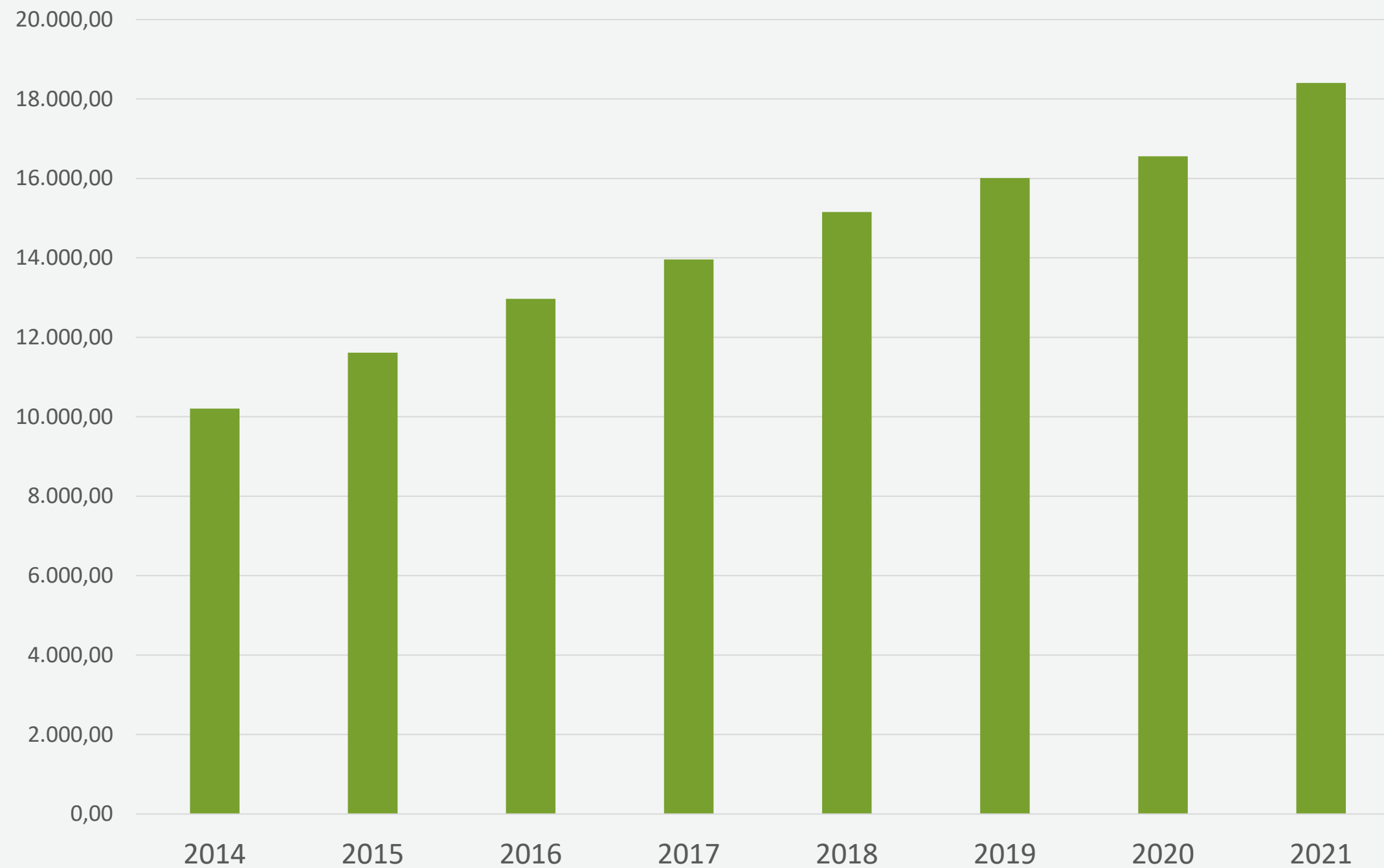
- **2 % GDP allocated to R&D,  $\frac{3}{4}$  by business sector**
- **Tax incentive: 100 % tax deduction on R&D expense**
- **Strong/Modest Innovator (European Innovation Scoreboard)**
- **Innovative Economy (Bloomberg Innovation Index 2020)**



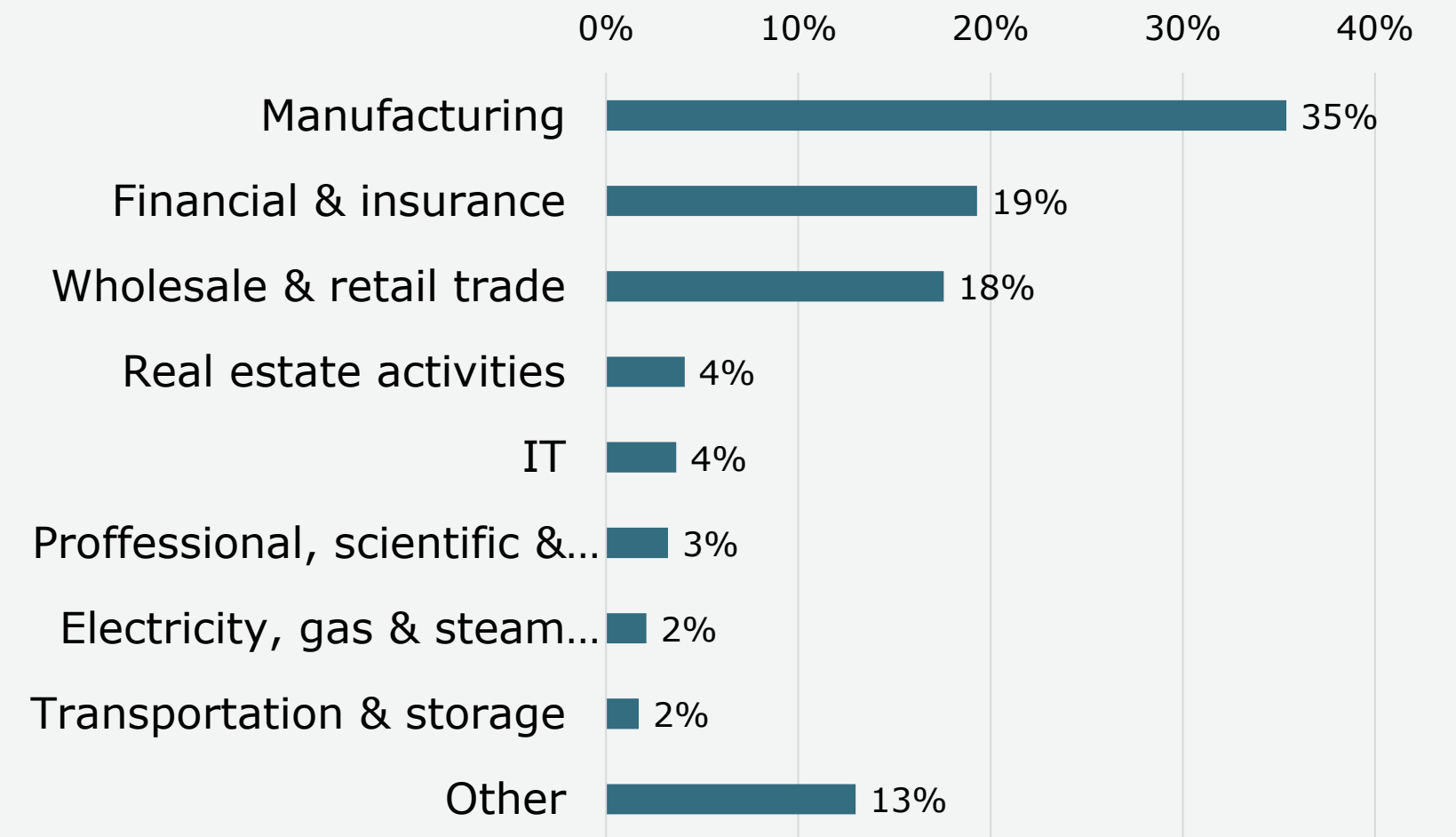
# FDI in Slovenia



## FDI stock in Slovenia, in mio. EUR



## Inward FDI by Sector



# CREATIVE.



## Slovenia is open for business



### Stimulating investment environment

- 3rd least restrictive country for FDI among OECD members
- Starting a business is fast and simple
- Effective Corporate Income Tax **13,12%\***

### Tax reliefs:

**Up to 100 % of the amount invested in R&D**

**Up to 40 % of the amount invested in equipment and intangible long-term assets**

### Incentives for FDI

- Grants for projects in the value of at least EUR 0.5/1 – 12 million
- Grants for project in the value of more than EUR 12 / 3 / 2 million

### Strategic investments / Fast track - facilitated process

- projects in the value EUR 40 million / 200 new jobs (manufacturing/service industry) or EUR 20 million and 100 new jobs (R&D industry)

\*Data: Ministry of Finance, 2019

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# Companies that have already chosen Slovenia

## YASKAWA



### Yaskawa I. investment:

- Greenfield investment in a new smart factory for high-tech production of robots
- Investment value: € 25 mio
- The factory was built according to the planned timeline and budget
- Planned expansion of the current site due to good experience and the support of the government and local authorities

### Timeline:

- Q4, 2016: Decision for Slovenia
- Q4, 2017: Building permission & construction start;
- Q1, 2019: Commissioning & pilot production;
- Q2, 2019: Start of production
- Q3, 2019: Start of production on the 2<sup>nd</sup> assembly line, doubling the production capacity



# Slovenia welcomes foreign investors



## **SPIRIT Slovenia supports your investment plans by providing:**

- Information and business support
- Tailored data about:
  - industries, legislation, taxes and incentive
  - industrial sites and local suppliers
- Links with industry, state and local authorities
- Organisation of fact-finding missions, business and investment conferences and trade shows
- Support of existing foreign investors in Slovenia
- Assured full confidentiality

## **Member of the FDI Team SPIRIT Slovenia:**



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***SPIRIT Slovenia Business Development Agency is the first point of contact for potential investors and international companies looking for new business opportunities.***





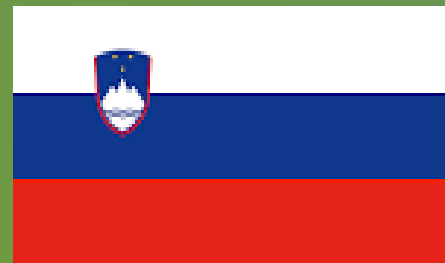
**Thank you for your attention!**

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