

Discover Slovenia

Edition South East Europe



NEW OPPORTUNITIES

September 2022

Interview
**“Attitudes Towards
Entrepreneurship in Slovenia
Have Improved Considerably”**

Cooperation
**Time For a New Model of
Integration**

Investments in SE Europe
**Positive Experience Calls for
New Investment**

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Editorial

The Conditions for Good Cooperation are in Place

Slovenia and most of the countries of South-Eastern Europe (SEE) share a common history. The experience of coexisting in a diverse former common state has made possible the understanding of different cultures, faiths and customs. And today, when Slovenia is part of the European Union, these ties are still present in various forms of cooperation, especially in the economic sphere. Because of its good knowledge of the characteristics of the region, Slovenia has an important role to play in the efforts to integrate the Western Balkan countries into the European Union as soon as possible.

Economic and trade relations between Slovenia and SEE countries are also excellent. While the EU accounts for the largest share of Slovenia's external trade, SEE countries represent its second largest market. Indeed, the volume of trade in goods and services between Slovenia and SEE countries in 2021 amounted to 12.2% of its total international trade. In 2021, Slovenia's main exports to SEE countries included vehicles and vehicle components (11% of the total), mineral fuels and oils (10% of the total), machinery and mechanical appliances and components (9.2%), pharmaceutical products (8.9%), and electrical machinery and equipment (8.1%). The established categories of goods and services exports are gradually being complemented by more sustainable and digitally oriented ones. Slovenian companies are seeking integration at both supplier and development levels. Their products and services are distinguished by high quality and innovation.

Investments are another indicator of successful partnerships. Slovenian companies with presence

in the markets of SEE are planning to make further investments. Over the last 15 years, Croatian and Serbian companies have acquired a number of companies in Slovenia. And there are many more business opportunities, many of which feature in the pages of this magazine.

With its varied, sustainability-oriented offer, Slovenia is also very attractive to tourists, especially those who prefer outdoor activities in untouched nature or appreciate the quality of Slovenia's spa, congress, skiing and culinary offer, though in fact the country boasts a wide range of innovative tourist services to suit all tastes.

Slovenia has been able to maintain solid economic growth even during the COVID-19 pandemic and the current energy crisis. Its main qualities are openness to trade, education and innovation. Its focus for the future is the green transition, digitalisation and automation, e-mobility, and integration into international value chains. As the main employers' organisation, the Chamber of Commerce and Industry of Slovenia (CCIS) also plays an important role in stimulating and integrating the Slovenian economy into the international business environment.

This magazine, published by the CCIS, was created with the aim of further developing economic cooperation and links between Slovenia and other countries. We invite you to read it in the hope that it may spark your interest and give you ideas for future collaborations. The CCIS will be happy to assist you in making new business contacts. If you have any questions, please contact us at info@gzs.si. We look forward to new collaborations! ■



Photo: Anže Petkovšek

Slovenia has been able to maintain solid economic growth even during the COVID-19 pandemic and the current energy crisis. Its main qualities are openness to trade, education and innovation.

Matej Rogelj,
Director of the International Relations
Department at the CCIS



Slovenian Economy

Significant Economic Growth in 2021 due to Rising Household Consumption

In 2021, real GDP increased by 8.1%, while nominal GDP surpassed EUR 52 billion. GDP per capita rose to EUR 24,7 thousand.

Bojan Ivanc, CFA, CAIA, Chief Economist at the Chamber of Commerce and Industry's Analytics Department

Large fiscal stimulus helped the economy to recover fast in 2021

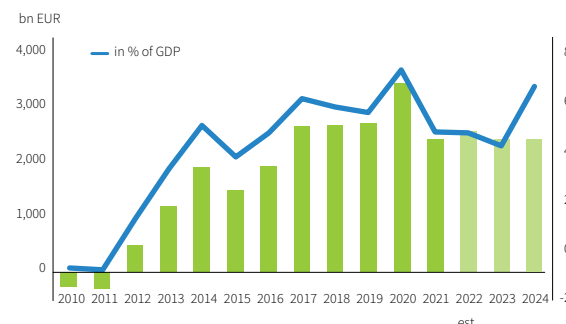
Slovenian economic growth (with EUR 52 billion of GDP represents 0.4% of EU-27 economy) stood at 8.1% in 2021, what was the 6th highest growth among EU-27 members. Median growth across member states stood at 5.6% and the average at 5.4%. This was a strikingly high uptake in growth, as pandemics pushed the Slovenian economy in high contraction (-4.2%), which was similar to median drop in output in 2020 (-4.4%). Comparing the real size of economy to year 2019 (before pandemic outbreak), Slovenian economy was larger in size for 3.5%, whereas the median change across EU-27 countries was at 0.8%. This difference is largely attributable to better initial position (country's lower general sector indebtedness, fiscal surplus, low company's indebtedness), lower importance of tourism (especially from tourist from more remote areas; most of the tourists come from the region) as well as large direct fiscal stimulus which stood at EUR 2 bn in 2020 and EUR 2.8 bn in 2021. Adding up the fiscal pandemic measures for

2022 (EUR 400 m), they amounted roughly to 10% of national GDP according to estimates of Fiscal Council of RS.

Household consumption (+11.6% in real terms) added 70% to annual GDP growth in 2021 and gross fixed capital formation (+12.3%) 28%. Due to rising household consumption, external trade balance was negative (removing 1.6 points from the growth) as import growth was higher than export growth what

Slovenia's GDP per capita was only by one tenth below the EU-27 aggregate average in Purchasing Power Standard (PPS).

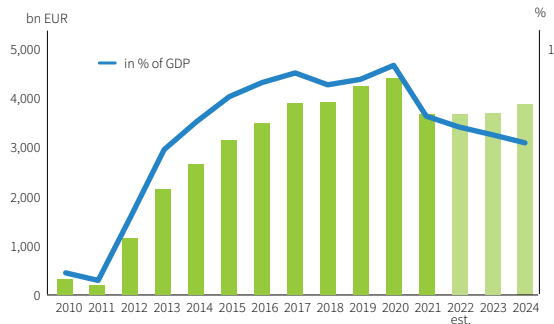
Current Account Balance



implies negative contribution of trade to overall growth. This nevertheless masked an upturn in exports (+13.2% in real terms) and exports of goods grew by 12.3% and exports of services by 17.1%.

The economic sentiment improved and by June it reached its pre-pandemic highs but started dropping in March 2022, which was mainly due to invasion of Ukraine and its consequences on rising prices that eroded purchasing power of households over the Europe and the world as a whole. Drop was especially large in consumer confidence indicator, whereas confidence in services and retail trade remained largely unscathed. In manufacturing, drop was mainly due to reduced flow of new orders and was quite synchronised across European manufacturing.

Trade Balance, Goods and Services



For 2023, the most optimistic independent forecaster expects 3.9% real GDP growth, whereas the most pessimistic one 0.9%.

High electricity and natural gas prices, together with the potential for reduction of natural gas flows in autumn/winter, added to concern in manufacturing, especially in energy-intensive sectors (1/7 of value added in manufacturing). Share of manufacturing is namely the second largest in EU-27, after Czech Republic (excluding Ireland which is a statistical outlier).

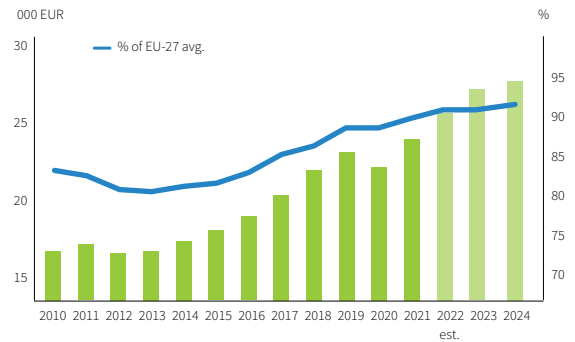
Therefore, the most up-to-date estimate of GDP growth for 2023 dropped a bit (to 2.5%; Eastern European Consensus), but for 2022 even increased, mainly due to carry-over effect of growth. Annual GDP growth in Q1 namely stood at 9.8% and also several hard indicators indicate that Q2 growth will remain strong. This should add up to about 4.8% real growth in whole 2022, even accounting for a possible shallow technical recession in Q3 and Q4. Covid-19 containment measures were largely removed after 2nd half of February 2022, what spurred growth in all types of services, especially in tourism.

Rising nominal GDP is reducing sovereign indebtedness

State budget deficit amounted to EUR 2.7 billion in 2021 (-5.2% of GDP) which was lower than in 2020 (EUR 3.7 billion; -7.8% of GDP). Consolidated gross debt nevertheless increased in 2021 (+EUR 1.4 billion) far less than in 2020 (+EUR 5.7 billion). Rising nominal GDP reduced the debt-to-GDP ratio from about 80% (2020) to 75% (2021).

Private sector increased its their EBITDA by 27%, reaching all time high in terms of growth and nominal level.

GDP per Capita



The high increase in government fiscal revenue (it increased by 23% in 2021 and another 18% in first 7 months of 2022) is hiding the deteriorating structural fiscal balance (these are not one-off discretionary expenditures and will have an effect in the following years). The discretionary measures which are structural in nature and were adopted during the crisis, will continue to worsen the fiscal balance by approximately 2% of GDP per year, amounting to around EUR 1.2 billion in 2022 alone. These measures were largely due to legislation changes regarding social transfers, particularly pensions and long-term care. Two acts have also been adopted, namely the Long-Term Care Act and the Act Amending the Health Care and Health Insurance Act, shortening the period during which the sickness benefit is paid by the Health Insurance Institute of Slovenia from 30 to 20 days. In terms of effect size, these are followed by measures related to labour costs, with the adoption of four agreements on salaries with public sector employees, namely the general agreement reached in June last year and three special agreements (with police officers, nurses, nursing staff and doctors). Two acts on the procurement of funds for investments were also adopted, namely in relation to the healthcare and the military.

In addition, further salary increases in public sector could take place due to pressures from the public unions with yet unknown effect. Currently, no numbers are coming out from the discussion of government with public unions, but we expect a more heated debate in autumn. Income tax changes were confirmed by the parliament before general election (April 2022), and reduced taxation of households (net growth in salary was higher ceteris paribus by 1 p.p.) already in 2022, whereas some part of the changes will be applied in 2023-2025. Nevertheless, it has to be stressed that the current government announced overhaul in those measures and plans to make some changes already in 2023 with regards to higher taxation of high wages, income from real estate as well as some other changes that will stop the general reduction of labour taxation after 2024. In this moment it is not clear whether the proposed changes will be accepted in the same manner as announced.

Fiscal stance likely to remain accommodative for some time

It is very important to stress that the national fiscal rule (part of constitution) will not be applied in 2021 and 2022 (use of general escape clause), as confirmed by messages from the European Commission (June 2021) and Fiscal Council. In addition, EC suggested to member states the same could apply for 2023 due to uncertain circumstances with regards to invasion in Ukraine, but it is yet not clear yet whether the same already applies for the Slovenia national fiscal rule which is quite technical in substance (subject to decision of Fiscal Council). Fitch Ratings affirmed Slovenia's long-term foreign-currency Issuer Default Rating (IDR) at 'A', with a stable outlook in mid-May 2022. Main concern of this rating agency is slow progress in implementing structural reforms to address medium-term fiscal and growth challenges associated with an ageing population.

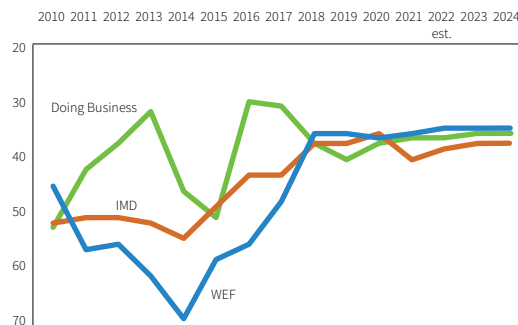
As far as the monetary policy is concerned the membership in euro area brings large benefits for Slovenia in terms of low costs of government funding and cheap refinancing as average interest rate on a sovereign 10-year bond came at about 0.1% in 2021. In middle of 2022, it rose to about 2% and the spread vs Bunds increased to 100 basis points, signalling the tightening of monetary policy in EA-19 which is mainly due to economic fundamentals connected to double-digit HICP in EA-19 as well as record high employment. As the fiscal receipts (tax receipts mainly) are increasing with higher inflation, higher mark-to-market interest rates are not a concern. In addition, 10-year average maturity of sovereign debt reduces the potential of higher interest expenditure, at least for the next 2-3 years.

Improving surplus in services not matched by increase in goods deficit

In 2021, the current account surplus amounted to EUR 1.7 billion (3.4% of GDP), which was half as much as in 2020. The trade surplus, decreased by EUR 1.9 billion. Nominal growth of imports (+27.6%) was namely much higher than of exports (+18.9%) due to rising prices of raw materials, energy, and rising real consumption, investment, while the surplus in trade in services increased by EUR 388 million. The deficit in primary income increased by EUR 225 million compared to the previous year, while the deficit in secondary income increased by EUR 35 million.

The surplus in trade in services amounted to EUR 2.4 billion in 2021, which is EUR 388 million more than in 2020, but still EUR 524 million less than in 2019. The surplus in net travel services increased the most (by EUR 150 million), which indicates a marked recovery in the consumption of foreign tourists in Slovenia. Exports of travel services increased by one quarter and imports of travel services (consumption of Slovenians abroad) by 22% compared to 2020. The highest net surplus in services was recorded in transport services (EUR 1.2 billion), followed by travel

Ranking



services (EUR 632 million) and construction services (EUR 497 million). In the first five months of 2022, the exports of services was higher by EUR 1 billion compared to the first five months of 2021, and the imports by EUR 600 million. Compared to the period before the outbreak of the pandemic (the first five months of 2019), the export of services was higher by EUR 600 million (by 18%), of which EUR 245 million was due to higher exports of transport services, EUR 200 million due to higher exports of business services and EUR 115 million due to greater exports of ICT services. Travel exports (consumption by foreign tourists in Slovenia) were still lower by EUR 120 million.

Current account deteriorated much in first 5 months of 2022, as the deficit stood at EUR 200 million (EUR 1.4 billion of surplus in 5 months of 2021) which largely reflected large deficit in trade of goods (EUR 1 billion), whereas surplus in services increased to EUR 1.2 billion (+EUR 460 million y-o-y). Deficit in primary income (EUR 240 million) was higher by EUR 200 million, mainly due to larger pay-outs of profits to foreign owners. Deficit in secondary income (EUR 210 million) has not changed much.

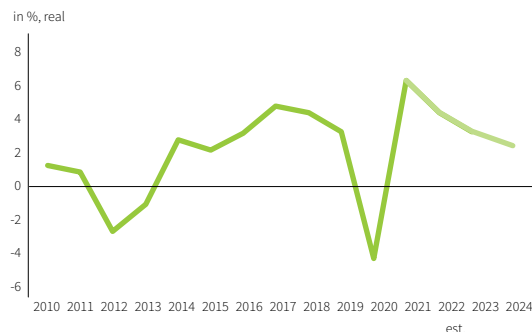
Labour market remains very tight despite drop in vacancies

Activity rate (% of people within 15-64 age that were available to work) in Q1 2022 stood at 75.8% in Slovenia and was above the pandemic level (74.6% in Q1 2019) and above the current EU-27 level (74.1%) implying tightness on the labour market. ILO unemployment rate in Q1 2022 stood at 4.3%, above Q4 2019 (4.0%) but dropped below that in June when it reached 3.8%.

Employment trends remained very positive in first half of 2022. After increasing by 2.9% in 2021, May's (2022) growth rate ticked down a bit (2.6%) but remained strong. Growth of jobs in paid employment (+2.6%) was higher than that of self-employed ones (+2.1%). The average age of persons in employment was 43.3 years. Employment Service of Slovenia reported that in July 2022, 11,000 vacancies were available (and unfilled), which is a historical high figure but below that in July 2021 (-20%).

In 2021, the average gross wage growth stood at 6.1% and grew the fastest in the last five years. In the general government sector, it was higher by

Average CPI (growth in average prices of consumer goods and services) in 2021 stood at 1.9% and is likely to rise to 7.9% in 2022.

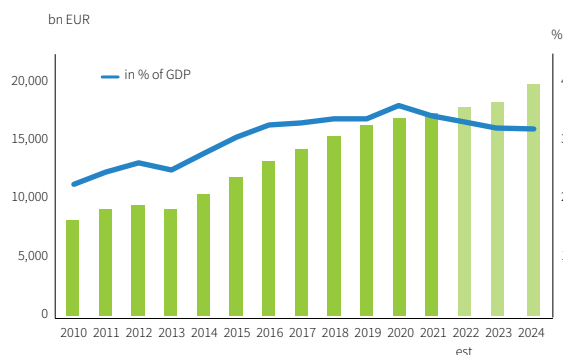
GDP Growth

The value of construction works in 2021 decreased by 5.8% compared to 2020. This was followed by a strong rebound as they rose by 22% in first 5 months of 2021.

7% in 2021, in the private sector by 6.1%. Growth in average net wages was slightly lower (5.1%), while real wage growth was 3.2%, after considering 1.9 % average CPI growth in 2021. In 2022, wage dynamics was much affected by lack of one-offs (extraordinary payments to people in health and education sector in 2021, but not in 2022), what contributed to negative overall nominal growth in the first 5 months of the year (-1%). In the private sector, average gross wage increased by 5.4% (net by 5.6%) what was below inflation in the same period (+6.6%).

Double-digit price rises likely to subside soon

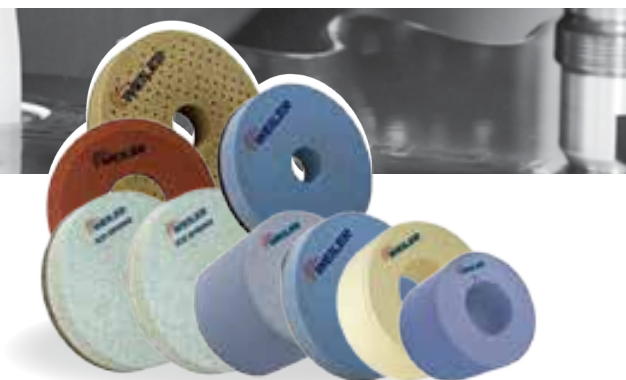
Annual rise in consumer prices reached 11% in July 2022, having a negative effect on consumer sentiment and affecting trends in consumption of goods. Goods prices rose by 14% y-o-y and that of services by 5.3%. Half of the increase came from rising prices of petroleum products, electricity and food prices. This also stimulated the government to announce a fresh pack of measures aimed at reducing the future increases in autumn, mostly in energy by setting a cap (an upper limit) to natural

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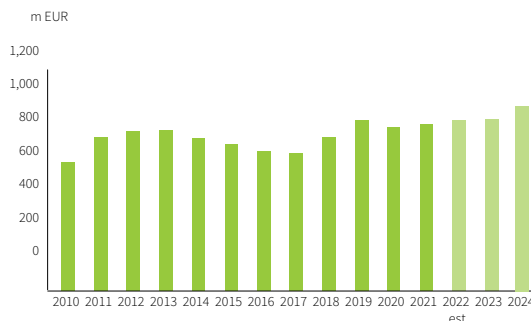
gas prices and electricity as well as halving the VAT for mentioned energy sources and some others as well. In addition, retail fuel prices are again regulated by a specific equation. We therefore believe that in absence of brent price passing USD 120, annual inflation should come down in the following months. Consensus for average CPI growth currently (July 2022) stands at 7.9% for 2022 and 5.0 % for 2023.

Challenging next quarters

Current invasion in Ukraine and several rounds of sanctions make us believe that headwinds for growth in the coming quarters are quite strong for Europe as a whole and also for Slovenia, due to its reliance on foreign spending. The positive part of the story is that supply chain disruptions are easing (automotive sector still lacks semiconductors) as well as commodity price pressures (crude oil, copper, aluminium and steel are about 20% down from their peak positions). Fiscal policy in Europe is likely to remain accommodative (expansionary), which is mainly due to the challenges of high energy prices spill overs where the high wholesale

prices have not been transferred to consumers yet. Countries (Slovenia will join) are therefore likely to use several instruments to reduce the burden to households and companies, which are facing high rise in energy prices. In addition, geopolitical tensions are rising again in South China Sea, which may again add pressure to supply chains and inflation as China is the most important supplier of different types of goods for Europe. ■

R&D Expenditure



In 2021, industrial production was higher by 10.2% than in 2020. It was higher in manufacturing (by 11.7%), and lower in mining (by 6.5%) as well as energy sector (by 4.4%). In first 5 months of 2022, it rose by 3.5%, mainly due to strong growth in manufacturing (+5.1%) and mining (+23.4%), whereas drop in energy production (-16%) can be accounted by poor hydrology.



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This project contributes to the development of the port of Rijeka as one of the main ports in the Mediterranean Trans-European Transport Corridor by achieving a high level of efficiency in freight transport in line with contemporary European interoperability and intermodality requirements.



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Overview

Slovenia



Official name: Republic of Slovenia

Capital city: Ljubljana

Government: Parliamentary Republic

State President: Borut Pahor

Prime Minister: Robert Golob

Local government: 212 municipalities, of which 11 have urban status; 12 statistical regions, which are grouped into two cohesion regions – Western and Eastern Slovenia

Area: 20,273 km²

Population: 2,106,215 (1 April 2022)

Location: bordered by Austria, Italy, Hungary and Croatia; excellent connections with all European markets

Currency: Euro

GDP per capita: EUR 24,678 (2021)

GDP annual growth in 2021: -4,2 %

GDP projected annual growth for 2022: 4,8 %
(Consensus Economics, June 2022)

Time zone: CET (GMT+1), and CEST (GMT+2) in summer

Official languages: Slovene, together with Italian and Hungarian, respectively in the areas with Italian and Hungarian minorities. ■

Source: Statistical Office of the Republic of Slovenia (SURS)



Official
gateway to
information
on Slovenia



Top Business Data

Top Business Linked Data

Ease of doing business, openness to trade, education and innovations remain the strongest pillars of success.

Bojan Ivanc, Chief Economist at Chamber of Commerce and Industry of Slovenia

1st

(out of 190)

Trading Across Borders (DB)

1st

(out of 141)

Macroeconomic stability (WEF)

7th

(out of 163)

Global Peace Index (IEP)

8th

(out of 190)

Resolving insolvency (DB)

10th

(out of 63)

Prices (IMD)

11th

(out of 27 EU countries)

The Digital Economy and Society Index – DESI (EC)

15th

(out of 27)

Innovation Union Scoreboard (EC)

20nd

(out of 63)

Education (IMD)

23rd

(out of 190)

Getting electricity (DB)

26st

(out of 63)

Economic Performance (IMD)

26th

(out of 134)

Global Talent Competitiveness Index (GTCI)

26th

(out of 167 countries)

The Legatum Prosperity Index

33th

(out of 63)

Infrastructure (IMD)

35th

(out of 64)

World Digital Competitiveness Ranking (IMD)

38th

(out of 63) World

Competitiveness Ranking (IMD)

Sources: Doing Business (World Bank), IMD – World Competitiveness Rankings, IMD – World Digital Competitiveness Rankings, WEF – The Global World Competitiveness Report, Logistics Performance Index (World Bank), Innovation Union Scoreboard and The Digital Economy and Society Index (European Commission), The Legatum Prosperity Index, Global Talent Competitiveness Index (GTCI)

Economic Cooperation

Connections With SEE Markets are Growing Stronger

The volume of trade in goods and services between Slovenia and SEE countries amounted to 11.6 billion in 2021.

Darja Močnik, Analytics Department, Chamber of Commerce and Industry of Slovenia

In 2021, the volume of Slovenia's trade (in goods and services) with SEE countries amounted to EUR 11.6 billion or 12.2% of Slovenia's total international trade.

After (the containment of) the COVID-19 pandemic, travel and transport gained strength in terms of services trade with SEE countries.

The share of goods trade with SEE countries in 2021 amounted to 11.8% of total international trade.

The countries of Southeast Europe (SEE), which include Croatia, Bosnia and Herzegovina (BiH), Serbia, Montenegro, Kosovo, North Macedonia, and Albania, are important economic partners of Slovenia in terms both of the import and export of goods and of inward and outward foreign direct investment. Companies can establish contacts with the countries of SEE more easily as a result of their shared history and existing business contacts, knowledge of languages and business practices, and mutual recognition of brands.

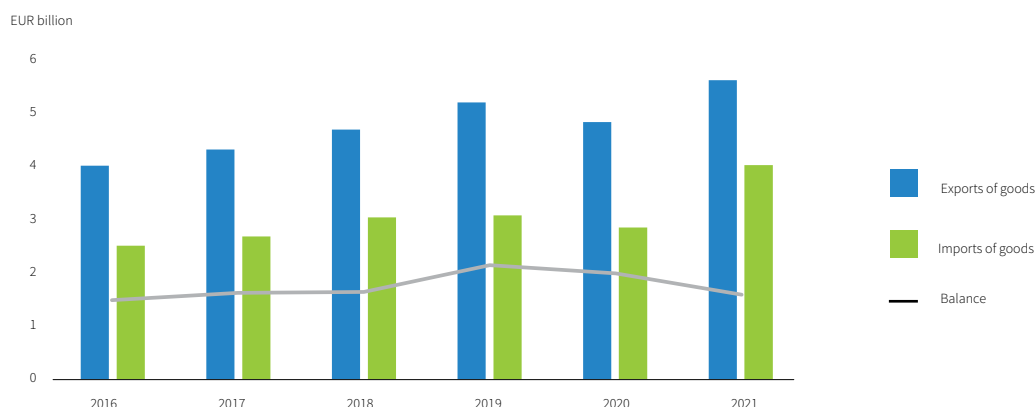
It is estimated that the volume of trade in goods and services between Slovenia and SEE countries amounted to EUR 11.6 billion in 2021, a quarter or EUR 2.3 billion more than in the previous year and a good tenth more than in 2019. Over the last five years, the volume of trade has grown at an average rate of 7.1% (exports of goods and services by 6.5%, imports of goods and services by 7.9%). The volume of trade in goods and services between Slovenia and SEE in 2021 accounted for 12.2% of total international trade (exports of goods and services accounted for 13.5%, while imports of goods and services accounted for 10.9%). Slovenia has generated a relatively high trade surplus with SEE countries over the last five years. This amounted to EUR 1,276 million in 2021, with a goods trade surplus of EUR 1,578 million and a services trade deficit of EUR 302 million. In 2021, trade in goods accounted for 82% of Slovenia's total trade with SEE countries. In the first five months of 2022, the volume of trade between Slovenia and SEE strengthened again, with a 36.9% increase on the same period in 2021 (35.8% in goods and 43.4% in services).

After the European market, SEE is Slovenia's second most important market in terms of the volume of trade in goods. In 2021, the volume of Slovenia's goods trade with SEE countries amounted to EUR 9.5 billion, 25.6% more than in 2020; it has increased by an average of 8.1% per year over the last five years. Trade with the SEE countries accounted for 11.8% of Slovenia's total goods trade volume. In 2021, exports of goods to SEE countries grew by 16.4%, while imports grew by 41.2%.

Exports of services to SEE countries increased by 15% in 2021, this mainly consisting of exports of other business services, transport and international tourist trips in Slovenia. Over the last five years, exports of services to SEE countries have grown by an average of 3.6% per year. On the other hand, imports of services from SEE countries increased by 27% in 2021, especially strong growth being recorded in outbound trips by Slovenian tourists, averaging 2.7% per year over the last five years. In 2021, the greatest share of services exports comprised exports of tourist trips (26.7%), representing the spending of foreign tourists in Slovenia, followed by transport services (23.4%) and exports of other business services (21.3%), which include mainly technical, commerce-related and other business services along with professional and business consulting services. The largest share of services imports in 2021 was accounted for by tourist travel – spending of Slovenian tourists abroad (40.2%), other business services (18.6%) and transport services (16.2%). The value of services exports to SEE countries increased by half in the first five months of 2022, while the value of services imports from SEE countries increased by 38% over the same period in 2021.

In terms of the value of goods exports to SEE markets in 2021, neighbouring Croatia ranked first (EUR 3.1 billion, or 55.8% of total goods exports to SEE markets), followed by Serbia (EUR 1.1 billion, 19.6% of the total), Bosnia and Herzegovina (EUR 851 million, 15.3% of the total), North Macedonia (EUR 229 million, 4.1% of the total), Kosovo (EUR 136 million), Montenegro (EUR 89 million), and Albania (EUR 61 million).

With regard to the value of goods imports from SEE markets in 2021, the order of the partners was similar: Croatia ranked first (EUR 2.4 billion, or 59.3% of total goods imports from SEE), followed by Serbia (EUR 780 million, or 19.6% of the total), Bosnia and Herzegovina (EUR 660 million, 16.6% of the total), North Macedonia (EUR 143 million, 3.6% of the total), Montenegro (EUR 16 million), Kosovo (EUR 11 million), and Albania (EUR 7 million). ■

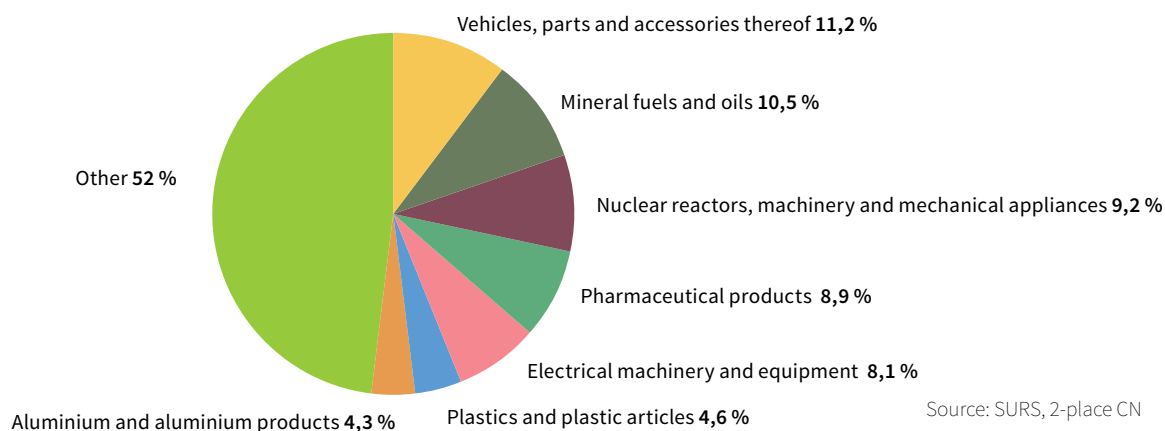
Goods Trade with SE Europe

Total trade (exports and imports) in EUR million	2020	2021	Growth in % 2021/2020	2022 (Jan-May)	Growth in % I-V 2022/I-V 2021
Total SEE	9,309.9	11,625.1	24.9	5,799.1	36.9
Albania	72.5	91.3	25.9	45.8	33.4
Bosnia and Herzegovina	1,344.3	1,682.5	25.2	811.1	25.5
Croatia	5,365.3	6,825.9	27.2	3,468.4	45.4
Montenegro	155.9	187.8	20.5	106.7	52.7
North Macedonia	347.2	432.6	24.6	199.4	13.6
Kosovo	137.0	168.5	22.9	75.7	15.6
Serbia	1,887.6	2,236.5	18.5	1,091.9	27.3

Source: SURS

Exports of goods and services (EUR million)	2019	2020	2021	2022 (Jan-May)
Total SEE	6,098.1	5,551.3	6,450.6	3,340.2
Albania	67.3	61.2	78.2	41.2
Bosnia and Herzegovina	863.5	769.8	916.7	435.2
Croatia	3,499.8	3,124.9	3,641.2	1,969.2
Montenegro	127.4	100.4	118.3	64.6
North Macedonia	238.5	217.8	261.0	113.0
Kosovo	138.2	125.7	148.9	68.1
Serbia	1,163.4	1,151.5	1,286.4	648.9

Imports of goods and services (EUR million)	2019	2020	2021	2022 (Jan-May)
Total SEE	4,364.8	3,758.6	5,174.4	2,458.9
Albania	14.6	11.3	13.1	4.6
Bosnia and Herzegovina	641.3	574.6	765.8	376.0
Croatia	2,686.0	2,240.4	3,184.7	1,499.3
Montenegro	44.3	55.5	69.5	42.1
North Macedonia	143.1	129.4	171.6	86.4
Kosovo	15.7	11.4	19.6	7.6
Serbia	819.9	736.1	950.0	443.0

Categories of Products Exported from Slovenia to SEE

Source: SURS, 2-place CN



High levels of trade with Croatia in 2021

Goods trade between Slovenia and Croatia increased by an average of 8.8% per year in the last five years. The value of Slovenian exports to Croatia in 2021 was EUR 3.1 billion, or 17% more than in 2020. In the first five months of 2022, the value of exports increased by 47% in year-on-year terms, mainly due to higher exports of mineral fuels – refined petroleum products (up 212%). On the import side, the value of goods imports also increased by nearly half in 2021, reaching EUR 2.4 billion at the end of the year. The value of imports in the first five months of 2022 recorded similar growth in year-on-year terms, with increased imports of mineral fuels and electricity. The growth in the value of imports is driven both by price rises and by increased imports of mineral fuels (mainly on the import side). In terms of the value of goods trade, Croatia ranks fourth among Slovenia's export partners and sixth among its import partners. Slovenia has a goods trade surplus with Croatia, worth EUR 742 million in 2021. The volume of trade in services with Croatia was up by 20% in 2021 and by almost 40% in the first five months of 2022 compared to the same period last year.

In the breakdown of exports (under the SITC), Slovenian companies exported the following products to Croatia in 2021: oil and refined petroleum products (9.5% of the value of total exports), road vehicles (8.8%), electricity (6.9%), medical and pharmaceutical products (6.8%), non-ferrous metals (5.8%), and electrical machinery and appliances (4.6%). Slovenia's main imports from Croatia were electricity (19.6% of total imports in 2021 and 2.5% in 2020), non-ferrous metals (7.2% of imports in 2021), road vehicles (6.2%), mineral products (3.8%), and electrical machinery and appliances (3.7%). There are about 14 thousand Slovenian companies exporting to Croatia (93.6% of which are micro and small companies), while over 11 thousand companies import from Croatia (most of them with fewer than 50 employees).

Slovenia has consistently recorded a trade surplus with Serbia; this amounted to **EUR 336 million** in 2021.

Over the last five years, the volume of trade (goods and services) with Croatia has increased by **7.4%** per year.

Slovenia has consistently recorded a trade surplus with Bosnia and Herzegovina; this amounted to **EUR 151 million** in 2021.



Trade surplus with Serbia

Goods trade between Slovenia and Serbia increased by an average of 8.4% per year in the last five years (exports of goods to Serbia have increased by an average of 6.1% per year, while imports of goods from the country have increased by 12.2% per year). The value of Slovenian exports to Serbia amounted to EUR 1.1 billion in 2021, 11% more than in 2020, with increased exports of road vehicles and iron and steel, and increased by 30% in the first five months of 2022 compared to the same period in 2021. The value of goods imports reached EUR 780 million in 2021, 35% more than in 2020, with increased imports of non-ferrous metals, and was up 18% in the first five months of 2022 compared to the same period in 2021. In terms of the value of goods exports in 2021, Serbia ranked eighth among Slovenia's partner countries, while it ranked 13th in terms of the value of imports. Slovenia's trade with Serbia shows a multi-year surplus amounting to EUR 336 million in 2021 (EUR 306 million in goods and EUR 30 million in services). In 2021, just under 3,400 companies exported to Serbia, while the number of companies importing was over 2,100 (mostly micro and small companies). In 2021, the main exports (by value) to Serbia by Slovenian companies were road vehicles (15.9% of total exports to Serbia), medical and pharmaceutical products (12.1%), electrical machinery and appliances (10.4%), and general-use industrial machinery (6.6%). Slovenia's main imports from Serbia (by value) were non-ferrous metals (13.7% of total imports from Serbia), electrical machinery and appliances (12.5%), general-use industrial machinery (8.8%), and scientific and control instruments (8.4%).



Trade surplus with Bosnia and Herzegovina in both goods and services

Goods trade between Slovenia and Bosnia and Herzegovina increased by an average of 6.3% per year in the last five years (exports of goods to Bosnia and Herzegovina have increased by an average of 4.6% per year, while imports have increased by 8.8% per year). In 2021, the value of Slovenian exports to Bosnia and Herzegovina was EUR 851 million, or 19.6% more than

in 2020, with an increase in exports of road vehicles and electrical machinery (by around 30%). At the same time, the value of imports reached EUR 660 million, 29.4% more than in 2020, with increased imports of metal ores and electrical machinery. In the first five months of 2022, exports of goods to Bosnia and Herzegovina increased by 19.6%, while imports were up by 26.5% compared to the same period in 2021. In terms of the value of Slovenian goods exports in 2021, Bosnia and Herzegovina ranked 12th among all partner countries, while it ranked 16th in terms of the value of imports. Slovenia has consistently recorded a trade surplus with Bosnia and Herzegovina; this amounted to EUR 191 million in 2021. In 2021, there were over 3,000 Slovenian companies (including around 450 large and medium-sized enterprises) exporting to Bosnia and Herzegovina and just under 1,500 companies (including around 280 large and medium-sized enterprises) importing from the country. In terms of value of goods, the main exports of Slovenian companies to Bosnia and Herzegovina were road vehicles (11.4% of total exports), electrical machinery and appliances (10.3%), medical and pharmaceutical products (8.2%), iron and steel (5.5%), and petroleum and refined petroleum products (5%). Slovenia's main imports from Bosnia and Herzegovina in 2021 were electrical machinery and appliances (14.1% of total imports), metal ores and metal waste (11.5%), metal products (9.5%), and general-use industrial machinery (7.4%).



Increased imports and exports of goods from North Macedonia in the last two years

For the fourth consecutive year (until 2021), the trade surplus between Slovenia and North Macedonia (Macedonia until February 2019) was on an upward trend. In 2021, the value of Slovenian exports to North Macedonia was EUR 229 million, or 18% more than in 2020, while the value of imports reached EUR 143 million, or 32% more than in 2020. In the first five months of 2022, the export of goods to North Macedonia was up 2.1%, while imports were up 33.7% compared to the same period in 2021. In terms of the value of goods exports in 2021, North Macedonia ranked 26th among Slovenia's partner countries, while it ranked 32nd in terms of goods imports. Slovenia has been running a multi-year trade surplus with North Macedonia, amounting to EUR 86.5 million in 2021. In 2021, there were over 1,600 Slovenian companies (including around 300 large and medium-sized enterprises) exporting to North Macedonia, and just under 370 companies (including around 95 large and medium-sized enterprises) importing from the country.



High trade surplus with Kosovo

The value of Slovenian exports to Kosovo in 2021 was EUR 136 million, a rise of 18.5% on 2020, while the value of imports stood at EUR 11 million, twice that in 2020, with increased imports of iron and steel. In the first five months of 2022, exports of goods to Kosovo were up 12%, while imports were up 3% compared to the same period in 2021. In terms of the value of goods exports in 2021, Kosovo ranked 28th among Slovenia's partner countries, while it ranked 67th in terms of imports. Slovenia's trade with Kosovo shows a multi-year surplus; the surplus amounted to EUR 125 million in goods and EUR 4 million in services in 2021. In 2021, around 940 Slovenian companies exported to Kosovo and more than 90 companies imported from that country.



The value of Slovenian exports of goods and services to North Macedonia in 2021 was EUR **261** million.

Trade surplus with Kosovo stood at EUR **129** million in 2021.

Trade with Montenegro has seen a decrease in imports and an increase in exports of goods over the last two years

The value of Slovenian exports to Montenegro in 2021 was EUR 89 million, or 9.7% more than in 2020, while the value of imports reached EUR 16 million, or 27% less than in the previous year, mainly due to lower imports of non-ferrous metals. In the first five months of 2022, the value of goods exports to Montenegro increased by 31%, while the value of goods imports decreased by 53% on the same period in 2021. While non-ferrous metals were the main import component in 2021, no imports of non-ferrous metals are recorded in 2022, according to provisional data from SURS. In terms of the value of Slovenian goods exports in 2021, Montenegro ranked 36th among all partner countries, while it ranked 59th in terms of the value of imports. Slovenia's trade with Montenegro shows a multi-year surplus, with a trade surplus of EUR 72.8 million in goods and a deficit of EUR 24 million in services in 2021. In 2021, there were around 1,060 companies (206 large and medium-sized enterprises) exporting from Slovenia to Montenegro and around 80 companies (24 large and medium-sized enterprises) importing to that country.

Slovenia exported **31%** more goods to Montenegro in the first five months of 2022 and imported less than half as much relative to the same period in 2021.



High trade surplus with Albania

In 2021, the value of Slovenian exports to Albania was EUR 61 million, or 22% less than in 2020, while the value of imports reached EUR 6.6 million, or 8.7% less than in the previous year. In the first five months of 2022, the value of goods exports to Albania increased by half and the value of goods imports by 11% on the same period in 2021. In terms of the value of goods exports in 2021, Albania ranked 51st among Slovenia's partner countries, while it ranked 72th in terms of the value of imports. Slovenia's trade with Albania shows a multi-year surplus, with a trade surplus of EUR 54.3 million in goods and EUR 10.8 million in services in 2021. In 2021, some 410 Slovenian companies exported to Albania and 56 imported from that country.

Slovenian foreign direct investments in the region

According to Bank of Slovenia figures, Slovenia's outward direct investments in SEE countries amounted to EUR 4.9 billion in 2020. This figure was 7.3% higher than the previous year and represented more than two-thirds Slovenia's total foreign direct investments. Croatia again ranked first in 2020 with respect to the value of Slovenian outward direct investments. By the end of 2020, the value of these investments in Croatia amounted to EUR 2.2 billion, or one-third of all Slovenian foreign direct investments.

The majority of SEE countries rank at the top of the targeted investment destinations for Slovenian companies. In 2020, Serbia ranked second, with EUR 1.2 billion (17.9% of total Slovenian outward foreign direct investments). Of the major investment destinations in SEE, Serbia was followed by Bosnia and Herzegovina with EUR 548 million (7.8% share), North Macedonia with EUR 420 million (6.0% share), Kosovo with EUR 178 million, Montenegro with EUR 165 million, and Albania with EUR 12 million of Slovenian outward foreign direct investments. In 2020, the value of Slovenian foreign direct investments increased in year-on-year terms in all SEE countries except Croatia, with the largest increases in Serbia (by 33%), Albania (by 9%) and Montenegro (by 5.8%). In Croatia, the value of these investments was down slightly (by 0.1%).

Meanwhile, inward direct investments from SEE countries in Slovenia increased by less than one per cent to EUR 1.6 billion in 2020 and by over 26% relative to 2018. In 2020, direct investments from SEE countries made up 9.7% of all foreign direct investments in Slovenia. The main contributor to this was direct investments by Croatian companies, which amounted to EUR 1.1 billion, or 6.4% of all direct investments in Slovenia. Compared to the previous year, Croatian investments increased by EUR 9 million, or just under one per cent. Other major investors from SEE were companies from Serbia (EUR 406 million of direct investments in Slovenia), Bosnia and Herzegovina (EUR 92 million), North Macedonia (EUR 33 million), and Montenegro (EUR 25 million). By value of direct investments in Slovenia in 2020, Croatia ranked 7th, Serbia 11th, Bosnia and Herzegovina 16th, North Macedonia 28th, and Montenegro 30th. ■

Croatia again ranked first in 2020 with respect to the value of Slovenian foreign direct investments. This is mainly due to the ownership of holiday properties on the Croatian coast by Slovenian households.

Between 2018 and 2020, inward direct investments from SEE countries in Slovenia increased by more than a quarter.

Slovenian foreign direct investments in selected countries (EUR million)

	2015	2016	2017	2018	2019	2020
Croatia ⁽¹⁾	1,487	1,626	1,819	1,952	2,292	2,289
Albania	21	10	18	18	11	12
Bosnia and Herzegovina ⁽¹⁾	482	515	505	528	538	548
Montenegro ⁽¹⁾	157	173	157	157	156	165
North Macedonia ⁽¹⁾	396	415	358	383	416	420
Serbia ^(1,3)	996	1,015	962	964	939	1,248
Kosovo ^(1,2)	198	189	183	174	177	178
SEE countries	3,737	3,943	4,002	4,176	4,529	4,860
Of total outward FDI	67.9%	68.7%	67.1%	68.4%	66.2%	69.9%

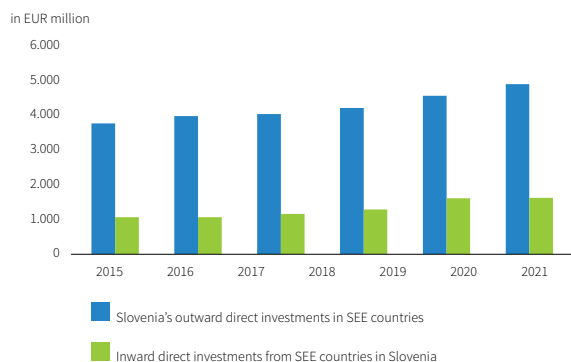
Source: Bank of Slovenia, October 2021.

⁽¹⁾ Data on the assets held by residents of the RS in the territories of the former Socialist Federal Republic of Yugoslavia that are subject to succession negotiations, seized assets in these territories, and other assets whose ownership was transferred from legal entities to the State during the privatisation process are not included.

⁽²⁾ As of 2015, Kosovo is shown as a separate entity.

⁽³⁾ As of 2015, the data for Serbia does not include Kosovo.

Inward and outward investments



The opportunities for Slovenian companies on the markets of SEE are mainly in the areas of:



energy and renewable energy sources (hydro, wind and solar energy, oil and gas),



ecological projects (environmental protection, systems for building wastewater treatment plants, sewerage, rehabilitation of degraded industrial areas),



infrastructure (transport connections) and construction, the car industry,



agriculture and the food industry,



tourism (seaside, mountain and historical/cultural tourism),



retail,



digitalisation of public administration.

Foreign direct investments in Slovenia (EUR million)

	2015	2016	2017	2018	2019	2020
Croatia	927	895	948	992	1,043	1,052
Albania	0	0	0	0	0	0
Bosnia and Herzegovina	32	57	56	73	87	92
Montenegro	7	11	18	20	26	25
North Macedonia	6	8	18	18	26	33
Serbia ⁽¹⁾	81	87	106	171	415	406
Kosovo ⁽²⁾	0	-1	-1	-1	-1	-1
SEE countries	1,053	1,057	1,145	1,273	1,596	1,607
Of total inward FDI, in %	9.1%	8.1%	8.2%	8.4%	9.9%	9.7%

Source: Bank of Slovenia, October 2021.

⁽¹⁾ As of 2015, the data for Serbia does not include Kosovo.

⁽²⁾ As of 2015, Kosovo is shown as a separate entity.

Leading parent company in SEE markets:



Croatia: Petrol, Gorenje, Triglav Osiguranje, Impol (TLM Šibenik), Krka (Krka-Farma), Sportina Bled, GEN-I, Minotest (Žitoproizvod), LTH, Calcit, Perutnina Ptuj (Pipo Čakovec), AquafilCRO (subsidiary of AquafilSLO), Intra Lighting, Impol (Impol-TLM), Interenergo, Helios, Lesnina, DZS (EOL Grupa), Autocommerce, Intereuropa, Fragmat, Jub, Lisca, Kras Sežana, Terme Olimia (owner of Terme Tuhelj).



Serbia: Gorenje, Štark, Impol Seval, Helios, Jub, TPV Group, Don Don, Perutnina Ptuj, Petrol, Triglav, NLB Banka, Sportina Bled and Mercator.



Bosnia and Herzegovina: Petrol, Krka, Boxmark Leather, Lek, Goodyear Dunlop Sava Tires, Cablex-T, Alpina, Gorenje, Kolektor Sikom, Iskra Mehanizmi, Fructal, Mahle Letrika, ADK, NLB. North Macedonia: Zavarovalnica Triglav, Zavarovalnica Sava, NLB Banka, TAB MAK, Gorenje, Krka-Farma, LTH Larnica, KB Prvo penzijsko društvo, Tab (Tab Mak), Perutnina Ptuj, Intereuropa, Salus, Iskratel, Iskra, Štubelj, Igea, Podgorka (Celjske mesnine, Celjske mlekarne), Kras, Eta.



Albania: Gen-I, Gorenje, Krka, Mercator, Intereuropa, M Sora.

Droga Kolinska has become one of the largest food producers in the region.



Photo: Argeta

Investments in Slovenia

Looking for Opportunities and Synergies

Last year the Croatian Fortenova company became the majority owner and this year the 100% owner of Mercator, while Serbia's Nectar saw innovation in Fructal.

Darja Kocbek

The purchase has secured Droga Kolinska a greater presence on the Croatian and Bosnian markets, and strengthened Atlantic Grupa's position in Slovenia, North Macedonia, Serbia, Montenegro and Kosovo.

Croatian and Serbian companies have taken over a number of companies in Slovenia over the last 15 years; these include such flagship enterprises as **Mercator**, **Fructal**, **Žito** and **Droga Kolinska**. Mercator has been part of the Croatian **Fortenova Group** since April 2021, Žito has been owned by **Podravka** since 2016, Droga Kolinska has been part of **Atlantic Grupa**'s portfolio since 2010, and the Serbian **Nectar** company has had a 100% share in Fructal since 2011.

Fortenova becomes 100% owner of Mercator

Mercator are Slovenia's leading retailer of consumer goods, with significant market shares in Serbia and Montenegro. Together with **Konsum**, they also have a major market share in Bosnia and Herzegovina. "By bringing them under the umbrella of the region's largest retail group, we can offer Konsum and Mercator numerous opportunities for synergy, which was precisely the impetus we needed to consoli-

date our leading position on the markets on which we operate," said **Fabris Peruško, President of Fortenova Management Board**, after his company secured a 100% share in Mercator in April this year.

Innovative brand with a mission

Fructal's brands can be found in almost 35 countries, with the countries of South-Eastern Europe among their most important markets. Nectar recognised in Fructal, with its 75-year traditional of juice production, an innovative company that had stayed true to its mission.

Ten million euro investment in its bakery business

Žito's brands make it one of the leading Slovenian companies in the food sector, and the company is an important part of the Podravka Group. "Our desire for further development and growth can best be seen by the EUR 10 million investment we are planning to



Photo: Žito

Žito is an important part of the Podravka Group.

make in our bakery business,” says **President of the Management Board Tomislav Bujanović**.

Purchase yields some strong brands

Droga Kolinska came about in 2005 as a result of the merger of Droga and Kolinska. The impetus for the merger came from Istrabenz, which had major ownership shares in both companies, and this was followed by the acquisition of several companies in the Western Balkans. Droga Kolinska has since become one of the largest food producers in the

region. Istrabenz sold the company to Atlantic Grupa, which became the strategic owner, in 2010. According to **Emil Tedeschi, founder and majority shareholder of Atlantic Grupa**, the purchase made sense because of the complementary nature of the markets and because it enabled them to bring some strong brands with excellent market positions in the SE Europe region into their portfolio. It has secured Droga Kolinska a greater presence on the Croatian and Bosnian markets, and strengthened Atlantic Grupa's position in Slovenia, North Macedonia, Serbia, Montenegro and Kosovo.

Serbia and other export markets covered from Belgrade

Don Don, which started out as a family company in Slovenia in 1994, have struck out on their own into the markets of South-Eastern Europe, starting with Croatia in 2003 and then moving into Serbia five years later, where they are now the leading bakery products company. In October 2015 the company took over **Pekarna Grosuplje**, which became the centre of their Slovenian and Croatian operations, with Serbia and the other export markets covered by the group from Belgrade. Don Don have subsidiaries in Bosnia and Herzegovina, Montenegro, Bulgaria, Romania and Croatia, and also export to Kosovo, North Macedonia, Greece and Slovakia. According to **President of the Management Board Aleš Mozetič**, the group last year increased its income to EUR 130 million, a rise of 14% relative to 2020. ■

Nectar recognised in Fructal an innovative company that had stayed true to its mission.



Photo: Don Don

Don Don have subsidiaries in Bosnia and Herzegovina, Montenegro, Bulgaria, Romania and Croatia.

Investments in South-Eastern Europe

Positive Experience Calls for New Investment

Slovenian companies with a presence in the markets of South-Eastern Europe are planning to make further investments, as opportunities are plentiful.

Barbara Perko

Their newest plant in Čakovec is LTH Castings' first green field investment in the SEE markets.

In the countries of SEE, Krka's products are well known both among professionals and end consumers. The company has several hundred registered products in more than 1000 forms and strengths.

LTH Castings has plants in countries in South-Eastern Europe (SEE). "LTH Castings would not be able to meet all the needs of the group's customers with production in Slovenia alone. An important factor in our decisions was the infrastructure in place, along with the tradition of the industry, which made it easier for us to recruit and carry out our activities. LTH Castings has plants in Ohrid and Benkovac dating back to the period when we were part of the TCG Group. In the initial phase, we relocated older, already established production processes to new sites, thus enabling our customers in the car industry to make some savings while creating room for further growth. In parallel, we introduced our know-how and way of conducting business and common standards and organisation across the entire group. Today, these sites are at a high technical and technological level and we are obtaining complex stand-alone projects for them, so that production transfers within the group are no longer the primary model for our growth," the company says.

Their newest plant in Čakovec is LTH Castings' "first green field investment in the SEE markets, which we have chosen because of the required capacity, infrastructure, proximity to Slovenia (and an otherwise favourable position for our logistics chains) and the adequate workforce in the region. At the same time, this has served as a model for expansion, which, with the lessons learned, can allow us to reproduce it in the future."

More than 10 million euros of investment

The company is making significant investments in the expansion and modernisation of its facilities in South-Eastern Europe. "We have invested more than EUR 10 million in both Croatian companies in the last year. Last year, we completed the investment in a new administration building and the expansion of production capacity in Benkovac, and we recently opened a new production plant in Čakovec, equipped with the latest automated machinery to produce automotive components for the e-mobility segment. We are also planning to make investments in further production expansion at both sites, for which we have already purchased land," the company says of

its plans in Croatia. "In Ohrid, too, we are constantly investing in infrastructure, machinery and equipment, and in 2021 we have built a new high-bay warehouse and expanded our production and storage capacity. In addition to strengthening our production and development capacities, we are also investing in sustainability. In 2022, we will construct solar power stations at all our plants in the region to increase energy efficiency and self-sufficiency."

The company believes that the key to the region's future is to ensure that it has enough skilled workforce to drive the transformation of enterprises to a higher automation and digitalisation level. The latter, together with the increased complexity of products, will be a prerequisite for the further development of enterprises in the region.

Croatia offers very good conditions for the company's activities, with good support for foreign investors, availability of suitable land, manageable bureaucracy and cooperative administrative units, as well as state incentives. They point to the common EU space as a major advantage, both in terms of cooperation with the parent factories in Slovenia and in terms of logistics processes to access their markets.

In recent years, North Macedonia has also seen a lot of foreign investment, especially in greenfield projects, also thanks to the successful incentives for new investors, so-called economic zones, where doing business is much easier for foreign companies, both logistically and in terms of tax breaks.

More than six decades in the South-Eastern Europe market

"Krka has been present in the markets of SEE for more than six decades. We initially opened our representative offices and companies in the markets of former Yugoslavia. Our first representative office outside Slovenia was in Skopje. We later expanded our operations to other markets in the region, namely Romania, Bulgaria, Albania and Greece. Today, we employ several hundred people in these markets. In addition to representative offices and companies with employees who carry out marketing and sales activities, we also have a manufacturing company in Croatia, where we produce veterinary products and cancer medicines,"

say sources in the **Public Relations Department of Krka, tovarna zdravil, d.d., Novo Mesto.**

In the countries of SEE, Krka's products are well known both among professionals and end consumers. The company has several hundred registered products in more than 1000 forms and strengths. "The largest share is made up of prescription medicines for human use, comprising mainly drugs for the treatment of cardiovascular diseases, infections, digestive and metabolic conditions, and central nervous system conditions. These are followed by over-the-counter and veterinary products. Our cooperation with medicines agencies that carry out the procedures for the registration of medicinal products is based on many years of strong partnership," the company says.

Last year, sales of Krka products across all ranges exceeded EUR 200 million. While prescription medicines account for the majority of sales, sales of over-the-counter products and veterinary medicines are also important. Their products are distributed through a large network of distributors who supply pharmacies in the markets of the region. The company also competes in public tenders put out by healthcare institutions.

"Our experience in the markets of SEE has been positive so far. We believe that we can continue to do business successfully in this part of the world. To this end, we will expand our sales, promotional and manufacturing activities as needed, and deliver a modern range of high-quality, safe and effective generic pharmaceutical products," they announce.

A number of opportunities for every investor

Southeast Europe has long been seen as a kind of a wildcard of the continent, characterised by the highest political instability and a different approach to business. However, if you were able to address the market specifics, the outcomes were incredibly positive – as with any emerging market cluster, really. Amid ongoing changes to the world economy, supply chain woes and a growing sentiment for 'production (as close as possible) at home', the region is perfectly positioned to capitalise on the circumstances and establish itself as a production or agricultural hub for economic powerhouses and reclaim a lot of the production capacities that were draining to Asia or more distant destinations. Of course, the development should come with more capital intensity and sufficient infrastructural backdrop, explain the company **Medex**.

"The region offers an abundance of innovation and technical talent, but it was often entangled in its own battles, standing on the spot – doing two steps forward, and two back – and thus struggled with confidence of institutional or private investors. This has evidently changed with further integration into the EU and conversion with leading world markets. When used in the right way, the resourcefulness and creativity, typical here, alongside better capital efficiency, make a great case and enlarge the number of



Photo: Milja Božić

opportunities for every investor," they are convinced. "Risk premia associated with the region are slowly disappearing, while the benefits remain. Indeed, entrepreneurs, business owners and policy makers are beginning to embrace a global mindset, which has turned Southeast Europe into one of the destinations with highest investment returns and produced several of its own bona fide startup superstars, in turn firmly anchoring the region for future investment."

"Our strategy is to partner and provide investment for teams based out of Southeast Europe, dedicated to a particular product offering or service which syncs with our international ambitions. We are a minority owner in BiteMe Nutrition, a Croatian-based startup on a mission to create the world's most versatile and authentic snacks – meaning no small print or misleading marketing claims. BiteMe Nutrition has been included amongst 'TOP 25 Croatian startups to watch' by the most prominent business media and is an award-winning concept at this point. Investing into the company represented a way of extending our exposure to the food and beverage segment, which is not a priority from the perspective of our own research roadmap nor go to market experience, but still a segment we want to (indirectly) cover. We plan to continue with the mentioned approach as long as we come across a success-hungry and driven team with which we facilitate mutual growth," they say. ■

Krka has been present in the markets of SEE for more than six decades.

"Amid ongoing changes to the world economy, supply chain woes and a growing sentiment for 'production (as close as possible) at home', the region is perfectly positioned to capitalise on the circumstances and establish itself as a production or agricultural hub for economic powerhouses and reclaim a lot of the production capacities that were draining to Asia or more distant destinations," say the company Medex.

EU Accession of Western Balkan Countries

Time For a New Model of Integration

A new model needs to be established, with the setting-up of a joint business and economic zone in the first phase to enable the countries of the Western Balkans to integrate into the EU economy.

Darja Kocbek

Western Balkan countries do most of their trade with the EU.

It is of strategic importance for Slovenia that the countries of the Western Balkans join the EU as soon as possible. We have been talking about political integration for some time now; but with little movement on the issue for several years, it is time for a new model of integration. This would be a model whose first phase involves the setting-up of a joint business and economic zone that enables the countries of the Western Balkans to integrate into the EU economy. This would constitute an important step forward in the area of commerce and industry: no more lines of lorries waiting at the border, for example, thereby allowing goods to cross more easily and quickly. It would also make it easier for labour to cross the border, says **Tine Kračun, Director of the Institute for Strategic Solutions (ISR).**

The countries of the Western Balkans are forging connections with each other.

In his words, a new model of integration with the EU could also be an opportunity for Slovenia, and would be the quickest route to EU integration for the countries of the Western Balkans. Their economies are very important to the Slovenian economy, and the countries of the Western Balkans generally do most of their trade with the EU. According to Kračun, a new model would be in the interests of all

stakeholders, but the decision to establish it has to be a political one. Slovenia's job would be to persuade the other Member States, particularly those who have reservations about EU enlargement, to accept this model.

"Public diplomacy is not enough"

Slovenia is rightly investing considerable effort in trying to ensure that Western Balkan countries are integrated into the EU as quickly as possible. "However, public diplomacy is not enough. We also need to seek out support at informal meetings and meetings of groups and associations, as well during the preparation of documents," said Kračun.

EU Member States have differing opinions on the desirability of accepting Western Balkan countries into the Union. Some are very keen on enlargement, others are more sceptical. Those differences in opinion must be removed and support provided to enlargement by convincing those that have reservations to reach consensus on the new model.

Not all the countries are equally ready to enter EU

In the meantime, the countries of the Western Balkans are already forging connections with each other: Serbia with North Macedonia and Albania, for example, in the Open Balkan initiative, which aims to attract investment into the region, support exports and reduce the countries' foreign trade deficits.

Of course, one still needs to gauge whether individual Western Balkan countries are ready to enter the EU. As we know, not all the countries are equally ready, not are they equally ready to carry out the reforms necessary to meet the conditions for EU membership. Progress towards membership is not dependent solely on the EU, but also on the Western Balkan countries themselves.

Under the current model, none of them can be expected to meet the conditions for EU membership in the foreseeable future. For Kračun, the new model would mean a return to the essence of European integration – economic integration leading to political union – and would at the same time introduce a new scheme of accession. If that new model is drawn up and accepted, the timetable would have to be reassessed. Public opinion on support for EU membership varies from country to country. But

Tine Kračun,
Director of
the Institute
for Strategic
Solutions (ISR)



Photo: Roman Šipić/Delo

because they are oriented westwards, Kračun is convinced that the people of the Western Balkans will support EU accession when crunch time comes and the decision has to be made. Despite the major disappointments of the last few years, the countries of the region remain dogged in their efforts to secure EU membership.

Political community for the Western Balkans unacceptable

Following discussions with the leaders of several Western Balkan countries, **Slovenia's President Borut Pahor** pointed out that they had highlighted one concern above all: that thoughts of EU enlargement to the Western Balkans would gradually be replaced by a proposal to form a political 'community' that sees the region, not as part of the EU but as part of a wider political grouping that is not wholly integrated into the Union.

Albanian President Ilir Meta, for example, stressed that this would be a 'grave political error'. In his words, the EU has to reach a better understanding of the geopolitical importance of the Western Balkans to the EU and to Europe as a whole, continue the enlargement process and adopt concrete decisions to make that process happen. President Meta is keen for this year's Brdo-Brioni



Slovenia's President Borut Pahor.

Summit, which will take place on 12 September, to give new impetus to the enlargement process and to the efforts of Western Balkan countries to achieve a European future. ■

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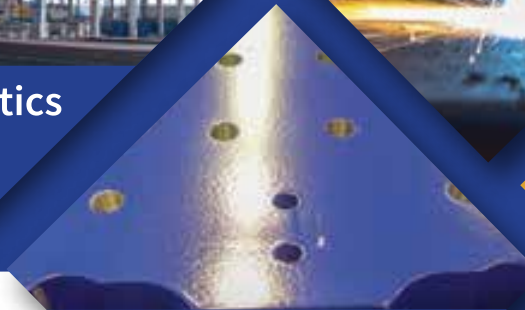
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Photo: HIT



Photo: Dnevnik

Tourism

Slovenia's Strengths that Attract Guests

Thoughtful integration of offers that are complementary in content and appeal to different target segments attracts a wide range of guests who enjoy outdoor activities and sustainability stories.

Barbara Perko

“The sustainable orientation of Slovenian tourism is encapsulated in the well-established Green Scheme of Slovenian Tourism and in the recently adopted Slovenian Tourism Development Strategy 2022–2028.”

*Fedja Pobegajlo,
Director of the Tourism
and Hospitality
Chamber of Slovenia.*

“Despite its small size, Slovenia provides visitors with a very diverse offer, best defined by four tourism macro-regions: Alpine Slovenia, Mediterranean Slovenia, Central Slovenia and Ljubljana, and Thermal Pannonian Slovenia. The common thread of Slovenian tourism is undoubtedly the sustainable offer based on attractive nature, active leisure in the local environment, and green and healthy activities. The sustainable orientation of Slovenian tourism is encapsulated in the well-established Green Scheme of Slovenian Tourism and in the recently adopted Slovenian Tourism Development Strategy 2022–2028,” says **Fedja Pobegajlo, Director of the Tourism and Hospitality Chamber of Slovenia.**

As he points out, the dominant travel motivations during and after the COVID-19 epidemic correspond to the main theme of the Slovenian tourist offer: enjoying non-mass leisure activities in a natural environment. Each of the macro-regions offers visitors specific content that motivates them to visit.

“One of the important segments of the Slovenian tourism offering is congress (business) tourism. Business events bring higher added value and extend the traditional tourist season, as they largely take place in the spring and autumn. They are also important because they integrate venues, providers of technical equipment, restaurants, local attractions, travel agencies, transport operators, culture, etc. This is a tourism segment where turnover is recovering more slowly to pre-Corona levels, but we definitely look forward to growth as soon as possible,” adds Pobegajlo.

Outdoor activities and sustainability stories

Tourists from South-Eastern Europe are most attracted to Slovenia by visits to spas, skiing, gastronomy, outdoor activities and sustainability stories. In the last three years, the municipalities most visited by tourists from these markets (data are kept for tourists from Bosnia and Herzegovina, Croatia, North Macedonia, and Serbia, while no separate data

are kept for tourists from Albania and Kosovo) are Ljubljana, Kranjska Gora, Maribor, Brežice and Piran.

Croatia and Serbia are considered secondary markets for Slovenian tourism, where the Slovenian Tourist Board carries out various activities to promote Slovenian tourism. In July, the Slovenian Tourist Board launched a global digital campaign in these two markets, promoting the products Outdoor Activities and Health and Well-Being. The promotion is taking place on Google, YouTube, Facebook, Instagram, Twitter and TikTok. This autumn, the Slovenian Tourist Board will organise study trips for media representatives from both markets and a Slovenian tourism workshop in Belgrade for Serbian travel agencies and tour operators.

Slovenia's three strengths

"Slovenia's accessibility, safety and diversity are undoubtedly the three strengths that draw the interest of guests," according to the **Hit Group**. "The Hit Group combines its casino and entertainment offering with local tourist and food and wine attractions in as many as three destinations: Nova Gorica, Kranjska Gora and Štajerska with Šentilj and Rogaška Slatina. These destinations complement each other in terms of content and appeal to different target segments."

The most popular and frequented destination of the Hit Group among visitors from the South-Eastern European markets is Kranjska Gora, which is a favoured family winter sports hub that also offers a wide range of all-season leisure activities. "This is where we often see international teams of athletes training and competing, families and organised groups on holiday, and individual travellers who are attracted by the area's natural attractions, as well as its casino and entertainment offerings. In Kranjska

Gora, the Hit Group operates the Korona casino and entertainment centre, and through its subsidiary Hit Alpinea, three hotels in the town centre (Kompas, Ramada Resort, Ramada Hotel & Suites) and the Vitranc apartments, while in the immediate vicinity, in Gozd Martuljek, there are also the Resort and Kamp Špik," the company explains.

A getaway for wine lovers

"One of the strongest arguments for visiting Slovenia is undoubtedly wine tourism. An obligatory port of call for all curious lovers of wine, fine cuisine, relaxation and gambling is the Hotel Mond in Šentilj, considered a true Slovenian "wine resort" at the intersection of Slovenian and Austrian wine routes. Here, guests can experience a unique wine story: from breakfast in the vineyard, wine tastings in the wine bar, a harmony of flavours in the Harmonija restaurant, a massage by the wine queen or king in the wellness centre, to overnight stays in rooms with wine godfathers and exciting evenings in the in-house casino," the Hit Group describes its offerings.

Nova Gorica, a town on Slovenia's western border, at the intersection of three wine-growing regions, is a place of cross-border culinary influences and inspirations, as well as casino and entertainment events. "Guests can discover the rich history, culture and untouched nature of the wider area. While this makes Goriška a region with great potential for conference and sports tourism, the Hit Group's bets are on casino and entertainment offers (in the Park and Perla 4* centres and the Drive-in Casino), accompanied by a variety of culinary experiences (Calypso and Tiffany restaurants), relaxation in the Spa Perla centre, and the comfortable and affordable accommodation options in the suburban Sabotin and Lipa (3*) hotels," the company says. ■

One of the important segments of the Slovenian tourism offering is congress (business) tourism.

Croatia and Serbia are considered secondary markets for Slovenian tourism, where the Slovenian Tourist Board carries out various activities to promote Slovenian tourism.



The Hit Group combines its casino and entertainment offering with local tourist, food and wine attractions.



Interview

Andrej Orožen: “Attitudes Towards Entrepreneurship in Slovenia Have Improved Considerably

Nina Šprohar, Photo: Dewesoft

More than 250 years ago, the Zasavje region experienced an economic boom driven by coal, which had a positive impact on the development of towns until the end of the last century. This was followed by a steep decline and the challenge of how to revive the region. Today, it is no longer the mines that are bringing the region back to its former glory, but high-tech companies such as Dewesoft. The latter is breaking new ground by setting a bright example of what is possible if only there is enough will, ideas and knowledge.

“The fact is, we’re really not doing too badly here,” says **Andrej Orožen, co-founder and CEO of Dewesoft**, which develops and manufactures instruments for data capture, testing and measurement. These are used in some of the world’s most advanced laboratories to develop rockets and satellites, new safer vehicles, and products that improve everyday life.

“Foreigners in Slovenia are surprised by things that we take for granted, but at the same time they are important for entrepreneurs, along with a supportive business environment,” he adds.

How did a small, development-oriented company from Trbovlje turn into a global powerhouse that works with NASA, among others?

Our origins date back to 2000, when measurement technology started to be developed in Slovenia. I was selling measuring instruments for a foreign company, and Dewesoft co-founder Jure Knez was a software developer for a Slovenian company. Since we knew that there was a lack of quality software worldwide, we presented our ideas to Dewetron in Austria. We started developing measurement software with one of our major clients. We wanted the software to be powerful but simple. Years of cooperation with Dewetron and other European companies resulted in software that was further enhanced by the addition of telemetry. This was our first step into the US market.

What kind of breakthrough was this for you?

In financial terms, working with NASA was not a big deal, but it put the company in a completely different position.

How many employees did you have at the time?

The development team had five programmers and five people worked in organisation and administration. For the first ten years, we tried to accomplish as much as possible, and as quickly as possible, with this team, and we always had the feeling that we were chasing something, trying to catch something that wasn’t yet available at the time. But while our software was really good, its impact could have been even better if the measuring instruments had been better suited to it. We tried to make this point to the companies we worked with.

How did they react to this?

They were not receptive, so we made a different move – we started to produce our own measuring instruments. We withdrew the software from sale and anyone who wanted to use it had to also use our measuring instruments. This is how we became a manufacturing company. We started hiring more and more people, adding different ranges of measuring instruments tailored to specific needs.

Where can one find your products?

We focused first on the major global markets – starting with Austria, Germany, China and the US, followed by a host of other markets. Today we are present prac-

tically everywhere, and we recently completed our merger with Dewesoft Czech Republic. We also have new partnerships in Japan and South Korea. We have also always been active in South-Eastern Europe, with a strong presence in Croatia, but we do not have our own companies there, but rather handle sales from Slovenia. A third of our sales are made in the Americas, a third in Asia and a third in Europe.

What are you developing at the moment?

If you’re working with Jure Knez, there’s never a dull moment! Although he has conquered the market with his ideas on how to improve measuring instruments, it is now time to open up to the world a bit more and make our solutions available to everyone, not just to the users of our measuring instruments. Thus we are currently in talks with a German company to collaborate on an open platform in order to allow any measurement instrument to be programmed with any software. Our approach is therefore changing, and we are opening the door to other manufacturers of measuring instruments. We know that this benefits our competitors, but we are also confident that Dewesoft has a lot to gain from this.

What is the workforce situation, are there enough workers or do you have problems finding them? Do you also recruit foreign candidates?

If I said that we have ten people knocking on our door every day, I would be lying. There is a palpable shortage of workers. Our Development Department is staffed mostly by Slovenians, but we also have international employees joining the team. For example, there are two employees who moved to Slovenia from Argentina. We strive to recruit good engineers from other countries. However, sharing knowledge in person is an important part of our work process, so working from home is not an option. This can be a barrier for those living in other parts of Slovenia.

Are you trying to attract young engineers? How do you cooperate with universities?

At some faculties, we are present as lecturers, but we also reach out to young people through portals and social networks and we sponsor high-profile events. We want to be at least as recognisable at home as we are around the world.

How come you decided to stay in Trbovlje despite the company’s great success and expansion?

I don’t think it would make much difference if we were based in Ljubljana. In terms of location, we are situated between two faculties, the one in Maribor and the one in Ljubljana, so we draw students from both. We show them what we are doing and encourage them to get involved. We also have branch offices in Ljubljana and Maribor, where our experienced programmers can work with them locally. The closer they come to the end of their studies, the more we try to integrate them into existing teams. However, their decisions vary – some choose to move to Zasavje, others commute to

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There is a palpable shortage of workers. Our Development Department is staffed mostly by Slovenians, but we also have international employees joining the team.

work. We try to establish the right work dynamics so that they can continue to expand their knowledge.

You are also known for adopting the model of worker co-ownership. Why did you decide to go this route?

Jure Knez and I decided on this move in 2015, because we realised that we do not have the right attitude towards capital in Slovenia. No one knew exactly how businesses were run, and many thought that owners simply pocketed all the profits at the end of the year. So we thought, let's give it a try and offer our colleagues a part of the company. They now see that the company is successful and that they can earn money not only from work and wages, but also from dividends and the like.

Can any employee buy a share? What if they decide to sell it after a while?

Every six months we have a purchase window, when employees decide if and how much they would like to invest in the company. We prepare company shares for sale, employees buy the shares they want, we call a notary, convene a general meeting, and they become co-owners. Currently, there are about 80 workers who co-own about 10% of the company. The shares can only be bought from the company and sold back to the company.

How has this experience been so far, are workers more motivated when they are co-owners?

The experience has been very good, there is a greater sense of belonging to the company, the co-owners feel that Dewesoft is theirs, and the annual capital gains provide them with additional income. Their reasons for buying shares are not always the same. Some only want to be co-owners, others want to make decisions, while still others buy a share because they believe that the company will continue to perform well in the future and their share will be worth even more than it is today. As far as we are concerned, the reasons why they choose to take this step are not so important. At the end of the day, we all want the same things – to succeed, to do good work and to increase the value of the company.

Together with Jure Knez, you also developed Katapult, an accelerator for young companies. How do you help them get started?

We often talked about what more needs to be done to help young people start their own businesses and become more interested in technical careers. So in 2017, we set up an office in the former premises of Iskra, where we can offer young people not only our knowledge and experience, but also our hardware, measuring equipment, testing devices... They can use all the things we have acquired over the past 20 years but now only need once a month when we are building an instrument. In this way, they can avoid unnecessary costs. Katapult is now run by a strong team, which has mastered all the steps that entrepreneurs need to know, and they also bring in foreign lecturers, organise seminars and so on. We try to lead

them through to a prototype that could be the foundation for launching new production and employing more people. If they work in a similar industry as Dewesoft, we can offer them cooperation, but otherwise we try to connect them with other companies.

At the moment, the geopolitical situation is very challenging, materials are becoming more expensive and inflation is running high. How does all this impact your operations?

As we are a successful company, we are not afraid. We have never been in debt, and we invest carefully and thoughtfully. We are affected most of all by the shortage of components that we have been forced to buy at any price for the last two years. We comb the entire world market with our subsidiaries to see where we can still source them, and if they turn up, we buy them immediately. With orders currently at a record high and a growth of 25% to 30% projected for 2022, we are not feeling any cooling of the markets or a drop in demand. The forecast for the components is worse – I think the situation will remain difficult for at least another year. From the perspective of geopolitics, it is a bad for business to lose a market like Russia, even though we agree with the embargo and understand why it makes sense. Before the war, we did not have much business contacts with Ukraine, and Russia accounted for a small share of total sales. However, it had a perspective of its own, so we opened a company there.

What is happening to it at the moment?

We try to export products that are not linked to the aerospace or military industries and thus maintain a regular revenue. The people working there are also Dewesoft people, so we want to help them. But I fear that the situation there will not change substantially for a long time, at least 10 years.

Most of your sales are then generated in the automotive and aerospace industries. What else is in your portfolio?

Construction, transport, energy, civil engineering... In all these industry sectors, measurements are made, which gives us the opportunity to enter thousands of laboratories. We are also involved in agricultural machinery, for instance with customers such as John Deere.

Compared to other countries, what can Slovenia offer entrepreneurs?

The fact is, we're really not doing too badly here. The country is safe and modern and attitudes towards entrepreneurship have improved considerably. We are all willing to listen to new ideas and help, and there is a wealth of knowledge. Foreigners in Slovenia are surprised by things that we take for granted, but at the same time they are important for entrepreneurs, along with a supportive business environment. A beautiful and safe environment can create a fairy tale in which everyone will find themselves. ■

Currently, there are about 80 workers who co-own about 10% of the company.

With orders currently at a record high and a growth of 25% to 30% projected for 2022, we are not feeling any cooling of the markets or a drop in demand.

Construction, transport, energy, civil engineering... In all these industry sectors, measurements are made, which gives us the opportunity to enter thousands of laboratories.



In the last five years, most of Petrol's investments have been in the production of electricity from renewable energy sources.

Photo: Depositphotos

Slovenian Energy Companies on the Markets of SE Europe

Petrol Bets on Investment, HSE on Trade

Petrol aiming to become the number one energy company in Croatia, Serbia, Bosnia and Herzegovina and Montenegro, but investments in SE Europe are not in HSE's sights.

Darja Kocbek

Slovenian energy companies have become major investors in the markets of South-Eastern Europe. In the last five years, most of Petrol's investments have been in the production of electricity from renewable energy sources, the bulk of them in Croatia, Bosnia and Herzegovina and Serbia, where the natural potentials of wind, sun and water are considerable. For the **HSE Group**, the biggest opportunity lies in long-term Power Purchase Agreements (PPA), which enables them to offer an integrated market product to producers of electricity from renewable sources.

Petrol point out that their first wind generator, at Glunča near Šibenik in Croatia, began operating in 2017, and was joined by the Ljubač generator, the Group's second in that country, at the end of July 2021. The small hydroelectric power plant at Jeleč, the first of five such plants in Bosnia and Herzegovina,

began operating in 2017, and was followed by the Grajići plant in Serbia at the end of 2021. The biggest merger of the last ten years was completed last October with the purchase of **Crodux Derivati Dva**, which sells refined petroleum products in Croatia.

More than a third of Petrol's investments will go to energy transition

"The next major investment will be in solar power plants in the Knin area of Croatia, with an estimated total value of EUR 17 million. It will start producing electricity at the beginning of 2023," explain Petrol. The company are planning investments totalling EUR 698 million by 2025, 35 % of this going to energy transition.

As far as opportunities on the markets of SE Europe were concerned, they explained that, after

For the HSE Group, the biggest opportunity in the markets of SE Europe lies in long-term Power Purchase Agreements (PPA); these enable them to offer an integrated market product to producers of electricity from renewables.

several years of being the number one energy company in Slovenia, they were now hoping for the same in Croatia, Serbia, Bosnia and Herzegovina, and Montenegro. Regional indicators show that the Group is gaining in strength in the SE Europe region. “In 2021 the Petrol Group created 28 % of its EBIT and 31 % of its EBITDA in the region, with 47 % of its employees coming from outside Slovenia. We intend to further consolidate these regional indicators, with the exception of the number of employees, in 2022,” they explain.

Growth in business is expected in Croatia in particular, with the company keen to become the leading provider of fuel and sustainable energy solutions in that country by 2025. “This is why we like to say that Croatia is our second home. We estimate that the Group’s turnover in Croatia will exceed the figure in Slovenia by 2025.”

Welcome support from the Croatian government

Petrol’s energy plans have also been welcomed by the Croatian government, which last year passed new legislation that clearly highlighted its desire to move towards renewables. At the end of 2021 the Petrol Group’s retail network comprised 593 sales outlets, with almost half of them outside Slovenia. The goal of the strategy is to increase this network to 627 outlets by 2025.

The Group also intend to invest efforts in remaining the number one choice for energy transition projects in the region by providing integrated services with high value added. “We will develop and strengthen our presence in natural gas and electricity supply and sales, in sales of liquefied petroleum gas and in energy efficiency projects. Electricity production from renewables has a special place in the energy transition process, so we will try to get ahead of the other major providers in South-Eastern Europe,” they add.

When talk turns to technological solutions, the Petrol Group are keen to stress that they always strive to transfer the parent company’s good practices, solutions and product range to the other markets on which they operate. They do so by making certain adjustments depending on the market, the legislation and other circumstances. Their ‘Na poti’ mobile app in Croatia, for example, enables the customer to order and pay for products in advance before picking them up.

With new digital channels, an expanded range of energy products and a personalised offer, they are keen to get closer to the customer and offer them support to move away from traditional energy sources and towards cleaner renewables. “We are keen to become the key link in the wider ecosystem by providing energy sources that are adapted to and help shape the market, which is why we are increasing operational efficiency by releasing additional funds for investments in producing energy from renewables,” they explain.

Petrol unveiled their new generation of Q Max fuels in spring 2021, which has been granted an EQTM certificate by the European Organization for Quality (EOQ). The certificate guarantees low consumption, greater energy efficiency and reduced emissions, all of which, as the company points out, are another step forward towards low-carbon mobility.

Energy renovation of buildings in urban areas

Petrol are also working closely with towns and local communities, helping them to carry out energy renovation projects on public-sector buildings, increase the energy efficiency of street lighting, manage the urban water cycle (smart management of drinking water supply systems and waste water treatment) and optimise district heating systems. “By employing integrated energy solutions, we are also

They will spend EUR 17 million on a solar power plant in the Knin area of Croatia.

The continuous expansion of electric vehicle-charging infrastructure is also aiding the energy transition process



Photo: Petrol



Photo: Petrol

The Petrol Group own and operate over 300 charging stations in the region.

improving energy efficiency in industry, business and households. We are developing our own Tango IIoT platform for near-real-time management, thereby helping to resolve some of the challenges faced by businesses today,” say Petrol.

Turning to the additional opportunities brought by the war in Ukraine, they told us that they saw significant potential in wind and solar energy, and were therefore planning, constructing and operating wind parks and solar power plants in areas where they could be economically efficient, where the potentials of wind and sun could be exploited in a way that did not harm the environment.

By developing and implementing projects for the production of electricity from renewables, for their own needs as well as for the sale of electricity, they intended to exceed 160 MW of installed power by 2025. At the end of 2021, Petrol had a total of 68.9 MW of installed power at its disposal for electricity production from renewables.

They are also supporting energy transition through energy-efficiency projects by carrying out projects for local communities, including the refurbishment of street lighting and optimisation of drinking water supply and district heating. The continuous expansion of electric vehicle-charging infrastructure is also aiding the energy transition process, with the Petrol Group now able to offer charging stations in Slovenia, Croatia, Serbia and Montenegro. “We own and operate over 300 charging stations in the region, with

charging speeds ranging from ultra-fast to fast and normal.” They add that, if all goes to plan, they should have a network of 1,575 electric vehicle-charging stations by 2025.

On their business plans for this year, the company say that they are planning for sale revenues across the whole Group of EUR 5.9 billion and adjusted gross operating income of EUR 643.9 million. They intend to achieve these results by selling 3.6 million tonnes of petroleum products, 162,400 tonnes of LPG, 24.2 TWh of natural gas and merchandise to the value of EUR 532.2 million, as well as by producing, trading and selling electricity, and providing energy and environmental solutions. The Petrol Group are planning EBITDA of EUR 297.8 million, a net debt/EBITDA ratio of 1.6 and a net operating profit of EUR 158.3 million in 2022.

“Petrol’s investment policy will be directed in 2022 towards expanding operations in the field of electricity production from renewables, consolidating the company’s position and expanding operations in the sale of energy products and in energy and environmental solutions. We will earmark up to EUR 100 million in 2022 for further development, with more than half this going towards energy transition projects,” say the company.

Two key advantages of long-term agreements

HSE say that they currently have no investments under way in SE Europe, nor are they planning to invest in new production resources on these markets in the next few years. However, they do have a foothold in almost all countries in the region when it comes to energy trading. On the topic of long-term Power Purchase Agreements (PPA), the company explained that the biggest advantage of these products lay in the large degree of flexibility and relatively high capital capacity they offered.

Slovenia and Croatia a role model for regional cooperation

The challenges that Slovenia and Croatia face as a result of the energy crisis were discussed at a REPowerEU conference at the beginning of July. REPowerEU is a regional partnership designed to accelerate energy transition, with the conference being organised by the European Commission Representation in Croatia and the European Investment Bank (EIB). The speakers agreed that the solution was to accelerate green investments. The REPowerEU plan, in which the European Commission has set out strategic objectives, recommendations and measures for ending the use of Russian fossil fuels in the EU, particularly natural gas, also includes incentives to integrate Member States’ national energy markets and systems and to bolster regional cooperation. Slovenia and Croatia are a role model for cooperation of this kind, which has led to major energy companies treating the two countries as a single market, while Krško nuclear power plant is a significant example of what can be achieved through joint investment. ■

As Petrol see significant potential in wind and solar energy, they are planning, constructing and operating wind parks and solar power plants in areas where they can be economically efficient and where the potentials of wind and sun can be exploited in a way that does not harm the environment.

Cosylab's solutions have been integrated into some of the most important international scientific projects, for example CERN and ITER.

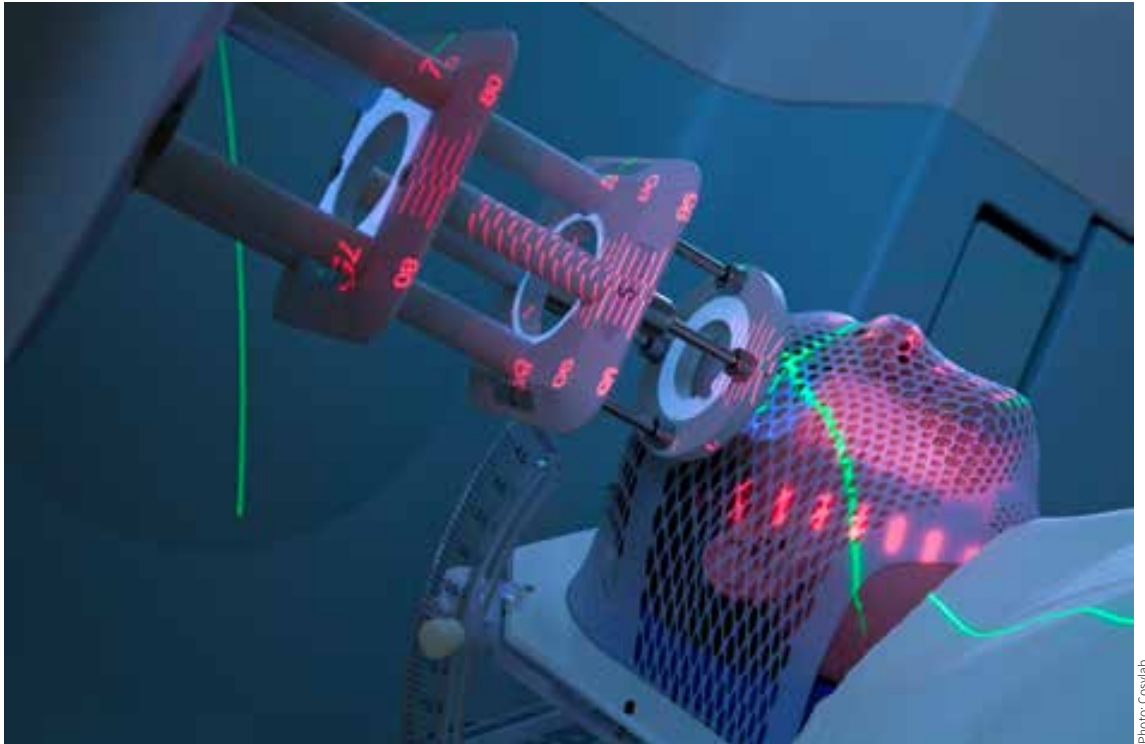


Photo: Cosylab

IT Sector

Slovenian IT Companies Among the Best in the World

Slovenian information technology companies can contend in terms of quality with some of the biggest names in the business – and often collaborate with them. Even the most unsophisticated companies realised, at some point during the pandemic, that unless they modernised their IT structure processes and infrastructure, they would no longer be able to compete.

Jerneja Srebot

Today, Slovenia has a large number of well-established companies that are engaged, either independently or within professional groupings, in helping to identify digital needs and requirements, and designing effective digital strategies and digital transformation action plans.

International presence comes naturally

In the opinion of many, the biggest advantages that Slovenian IT companies have are wide knowledge, high quality criteria and the fact that they are well-established within international business flows. **Tone Stanovnik, Director of the Špica company,** believes that Slovenia's size is also one of the industry's strong points, as the ambition to export is something companies start with from the outset. Moreover, small, lean countries are better able to adapt quickly and nimbly.

Today, Slovenia has a large number of well-established companies that are engaged, either independently or within professional groupings, in helping to identify digital needs and requirements, and designing effective digital strategies and digital transformation action plans. At the same time, digital transformation has also accelerated the arrival of

innovative providers of advanced digital solutions capable of developing products and services with high value added.

"The countries of South-Eastern (SE) Europe have, through history, seen large volumes of migration and been used to institutional forms of cooperation," say the company **Netica**. "The former historical, cultural and linguistic connections between Slovenia and the countries of South-Eastern Europe keep the feeling of closeness alive, and are also a competitive advantage for those Slovenian companies that operate in the region."

Slovenia's strength lies not in numbers but in quality

Many people stress the advanced knowledge that Slovenian IT companies possess, from state-of-

the-art financial tools (e.g. Blockchain) to the latest research into the development of online and mobile apps and the optimisation of work and production processes within enterprises and corporations. Another considerable advantage lies in the fact that they can compete on price with other Western European countries.

That said, as the **Žejn** company point out, Slovenian companies cannot compete when it comes to economies of scale: "Other IT companies, those from the most developed countries as well as from SE Europe, can employ 100,000 specialists or more. This means that it is theoretically impossible for companies in Slovenia to compete in the general development of ICT services." They highlight niche competence centres as one area of opportunity, where the unique combination of the EU accession timetable and the technological maturity of Slovenian companies can produce strong competence centres and lead to numerically stronger organisations. "Slovenia is developing a good example of this in the field of artificial intelligence competence centres, where it is becoming a visible global player."

Changing the mindset is the biggest challenge

The basic trend in IT remains the continuation of digital transformation and, within that, the effective use of ever-greater volumes of data. Cloud solutions are proving to be key to this process, while the Internet of Things continues to offer solutions that enable us to integrate, interconnect and obtain data from all the devices around us. Špica also point out that more recent developments have also impacted the dynamics of the market. "The recent Covid-19 waves have further accelerated this process and placed us overnight in an economy in which new competitors that do not have a 30-year history or tradition behind them are growing quickly on the back of new technologies," says their director.

Experts note that we still lack depth of understanding when it comes to digital transition. This mental leap has proved to be an extremely difficult one for most of us to make – until external circumstances, such as a pandemic, intervene.

Non-standardised terminology is a problem

Even the most unsophisticated companies realised, at some point during the pandemic, that unless they modernised their IT structure processes and infrastructure, they would no longer be able to compete. At Netica, they have noticed that the majority of companies are faced with similar data challenges regardless of the industry or the geographical area of operations. "The number of data resources that appear incompatible is increasing. The automation of data flows remains incomplete, as data management is still largely performed manually – which requires additional resources, prolongs analysis time and increases the chance of errors."

Non-standardised terminology is a problem and one that makes it difficult to search databases: infor-

mation can remain hidden, and data and knowledge exchange poor and incomplete. All these factors further prolong the process, make it more expensive, and compromise the success of research, quality control and new product development.

Keen to resolve these challenges, Netica have developed NETILAB, an automated data management and analytic software that speeds up digital transformation and increases operational productivity. It is used by the development centres of a number of global pharmaceutical giants, in Slovenia and abroad, and the company are confidently looking towards the markets of SE Europe, the Middle East and the Pacific.

Role of large companies has changed

As far as international integration is concerned, Špica emphasise the importance of keeping a constant eye on the moves being made by the big players, especially in the US and Asia, as they tend to come to Europe after a short delay. The roles of many large companies have changed over time, which has allowed them to stay afloat. "Microsoft is a good example of a traditional IT company which, despite its history and tradition, managed to trim its sails and catch the wind of the new technologies. In addition to doing our own thing, we have therefore also opted for a tactic of 'standing on the shoulders of giants'," explains company director Tone Stanovnik. Since it became a Microsoft Partner of the Year in 2020, Špica has offered its time-management services to customers around the world via Microsoft.

The company have focused their export drive on SE Europe since the very beginning, and now have a well-developed network of own companies in all the capital cities of the former Yugoslavia. In recent times they have noticed that rapid integration of this region with Europe has restarted, which should definitely improve the economic situation. At the same time, a significant amount of production is moving back to the south-eastern edge of Europe from China, which reduces logistical risks and the risk of supply chain crises.

Products and services tailored to SMEs

SETCCE have steered the development of their business model into the specialised niche of digital transaction management (DTM), offering the market a set of advanced cloud services for the electronic preparation and signing of documents in business processes. In addition to servicing larger business systems, they also support ecosystems in which several companies work together – such as the car industry, which has a highly dispersed network of partners, from distributors, sellers and financial service providers to insurers, service networks and beyond.

They also specialise in 'one-stop shops', which they offer mainly to larger business systems that employ complex processes and need to control signature workflows at different sites with customers, partners or internally. They have therefore developed various digital tools that employ a variety of signing

Niche competence centres represent one area of opportunity, where the unique combination of the EU accession timetable and the technological maturity of Slovenian companies can produce strong competence centres and lead to numerically stronger organisations.

Experts note that we still lack depth of understanding when it comes to digital transition. This mental leap has proved to be an extremely difficult one for most of us to make – until external circumstances, such as a pandemic, intervene.

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techniques, and are investing considerable effort in introducing signature tools into every business information system in a simple and user-friendly way.

SETCCE are interested in the markets of SE Europe because they lag behind the developed European markets by about five years in terms of digital transformation. The company have spied an opportunity in 'green fields', which are those markets that have only just embarked on their digital transformation journey. They are keen to hold onto their position as the largest provider of DTM services in the Adria region while expanding into the wider SE Europe area, and are also moving away from the classic approach to customers in digital marketing. "Alongside our new services, we have developed an on-boarding and accounting system, and are generally adapting our products and services to the SME segment, which will be the next to adopt DTM. So we don't approach expansion merely in terms of geography, but in terms of new industries and smaller business systems as well," say the company.

Competence centre established in Germany

The Žejn company are mainly involved in automation and robotisation, and foster an organisational mindset that internalises the new reality of the marketplace. During the comprehensive overhaul of the company, they tried to automate as many processes as possible and transferred this mindset to its Munich-based competence centre, LegalTech, which was opened in 2017.

"We have automated 10,000 man-hours, often with the help of artificial intelligence, but more often without it (and often even with very simple technological solutions)," they explain. "This is time that the end-user would otherwise spend entering and copying data that is already known in advance."

Thanks to links with German universities, they employ Legal engineers within the LegalTech field at the competence centre, something that is not possible in the small Slovenian market. They have therefore been able to attract some of the biggest names, including German railways, telecoms companies and large international concerns from the US. "This is competence and knowledge that we are also actively and successfully exporting to SE Europe," say Žejn. "We don't have unlimited customers in this area, but the ones we do have highly value our work in the fields of law and legal ICT systems."

Trying to make remote working easier

XLAB are also involved in automation. They provide services in the fields of artificial intelligence and machine learning, and also offer support to the full lifecycle of company data, from management, analysis and visualisation of results to the placement of the entire solution in the cloud.

They have identified the need for remote working as one of the key issues of today, and responded to this with the ISL Online software solution, which enables companies to work and be in contact with

customers remotely and, at the same time, take control of any device. "We are focusing our efforts chiefly on the development of our main services," they explain. "We are constantly improving and upgrading the functionalities of our ISL Online remote access solution, while our XLAB Steampunk brand has made us one of the leading companies in the area of IT automation using the Ansible tool."

XLAB work closely with the product team developing the Ansible tool: last year they launched the Quality Scanner for Ansible Playbooks, a tool that helps users write high-quality scripts, and are planning a major upgrade at the end of the summer.

The company have been building their international presence from outset, with a focus on developing their own products and services with high value added. Cooperation with some of the largest global companies and strong involvement in research activities enable XLAB to remain on top of trends in the field of modernisation. In the next few years, they intend to further consolidate their global presence as a specialist in IT automation.

Proud to contribute to the development of treatment

Cosylab develop customised software solutions for the most complex systems, such as particle accelerators, large telescopes, fusion reactors, innovative medical devices and cancer treatment systems. "We are proud that our solutions have been integrated into some of the most important international scientific projects, for example CERN and ITER, and that they are being used by the largest producers of medical devices and by cancer treatment centres throughout the world, such as Varian and the Massachusetts General Hospital," say the company. They are currently developing AI-based solutions that will significantly improve and speed up cancer treatment, bring treatment costs down and make treatment accessible to a wider circle of patients around the world. They also help start-ups and innovators in the field of medical devices to plan, engineer and produce complex appliances.

The opportunities they see in SE Europe lie mainly in their cancer therapy solutions, which have been well-established in developed markets, such as the US, for some time. "Our OncologyOne package contains all the software required for the operation of irradiation devices, from LINACs to complex proton therapy systems and boron neutron capture therapy (BNCT)," they explain.

They expect digital transformation in the health sector in SE Europe to follow global trends, which presents opportunities to Cosylab and to other Slovenian companies providing such solutions, particularly since they are already present in the region. ■

In the field of IT automation, XLAB are one of the world's leading Red Hat Ansible experts, working closely with the product team responsible for developing the Ansible tool.



The SIJ Group is one of the biggest Slovenian exporters.

Photo: Acroni

Manufacturing Companies

Investing in Their Own Sustainable Development

Something common to Slovenian exporting companies is that they are adapting their production processes and products towards reducing their environmental footprint. They see opportunities in Southeast Europe mainly in the form of providing manufacturing competitiveness and relatively short distances.

Jerneja Srebot

Operating on the principle of a circular economy

In 2021 the **SIJ Group** consolidated its position among the three biggest producers of thick plate stainless steel and tool steel in the European Union, and among the ten biggest manufacturers of industrial blades in the world. In order to maintain their status and at the same time secure new buyers in demanding industries, they are constantly investing in new technologies and development.

In October 2021 they started up a new EPŽ4 electro-slag re-smelting plant at the company SIJ Metal Ravne, which will enable an increase in production capacities for the purest steel and an increase in sales of tool steel for the most demanding industries of 60 percent.

The SIJ Group is oriented towards sustainable development and it operates on the principle of a circular economy. Their production is based entirely on

recycling, with steel waste being used as the primary raw material. Their investments are made under BAT (Best Available Technology) principles, and they are increasingly investing in automation and digitalisation of production.

“We are proud of our concern for the environment, which enables us to rank among the 15 percent of steelworks with the lowest carbon footprint in the world. Through the manufacture of steel for electric motors and special steels for producing electrical energy, we are also making a significant contribution to the EU’s transition to green energy,” they point out.

They are currently developing new high-quality niche special steels under the SINOXX and SIQUAL brands for use in the aviation industry and for power generation, and superaustenitic stainless steel under the SINOXX brand for the most demanding applications.

In order to maintain their status and at the same time secure new buyers in demanding industries, they are constantly investing in new technologies and development.

Looking to expand existing markets

The SIJ Group is one of the biggest Slovenian exporters. In 2021 they generated 85.2 percent of their sales income on foreign markets, with key customers in Germany, Italy, Slovenia and the USA.

“Geographically we are very well spread, and we export to more than 70 countries, so that we are looking to grow in existing markets more than securing new ones,” they explain.

Here they are seeking to increase their volume of business especially in the USA, and this year they are opening a new sales location in a suburb of Chicago.

They are also at home in the market of SE Europe, where in addition to understanding the culture and business customs their partners value the geographical accessibility of high-quality steel with a low carbon footprint. The proximity enables efficient deliveries in terms of time and cost.

“In this way we are indirectly supporting the development of industry in the region, since in the future products made from or by means of steel with a low carbon footprint will enjoy a major competitive advantage in the market,” say group managers.

Alongside expansion projects abroad, SIJ is continuing its intensive investment in production capacities at home, at Jesenice and Ravne na Koroškem. In this way they are seeking to ensure even higher quality products with an even lower carbon footprint than previously.

“SIJ Acroni will be upgrading its leaching facility and refurbishing the thick plat metal line, plus starting up a new furnace for annealing plates and a grinder for rollers. SIJ Metal Ravne will make vital investments in modernisation and automation of the roller line, while SIJ Ravne Systems will upgrade the automation of industrial blade production,” the company lists off.

This year they will allocate 75.4 million euros for all the investments, just under 20 million more than the previous year. They are also looking to increase sales in the energy and aviation sectors.

Growth predicted for battery applications

Domel is a global development supplier of electric motors, vacuum units, blowers and components. In the past two years they have noted rapid growth in the areas of electronically commutated (EC) motors and systems where the motor is controlled by electronics.

“These motors are extremely energy-saving and efficient, including in terms of in-built materials. We sell them in the sectors of garden equipment, car manufacturing, air conditioning and ventilation, medicine, printing, extractor systems and more,” they list.

In addition to the transformation of the market in favour of EC motors, which signals a major contribution to the green transition, they have noted an increase in the area of battery applications, where they anticipate the highest growth in the future.

“We are intensively marketing light and high-capacity EC motors for battery hand tools. Currently we

are developing drives for micro e-mobility, such as e-bikes and e-scooters,” they explain.

They are directing their efforts towards increasing the power and torque of large EC motors for ventilation installed in the cooling of energy-saving data centres and for industrial ventilation. As part of their automobile range they are planning three major projects, while in the vacuum unit sector they are developing a unit for wet suction using an EC motor, which offers ultra-high efficiency and 30% less installed materials.

“Recently our biggest source of pride has been the excellent relations with our customers and suppliers, since with a lot of effort and coordination we are able to secure the materials for our production in good time,” they point out.

Further increase of sales in Romania

Domel’s key geographical markets are Europe and North America. The biggest market for Domel products outside the EU is the USA, where they sold 9 million euros worth of products, followed by China at 7 million, while the company generates its greatest share of income from sales in the European markets.

“Germany, which accounts for 20% of sales revenue, remains our most important market. This is followed by Romania with 12%, which in monetary terms is 21.4 million euros, but it should be noted that this involves the production locations of German companies and brands, meaning that the share of German buyers is even more prominent,” the company explains.

In Romania there are production plants of several major multinationals such as Kärcher, Nilfisk and Hella, for which Domel supplies motors for vacuums and car manufacturers, and in comparison with the previous year, sales to that country have increased in value.

The market of Southeast Europe is attractive for Domel mainly in terms of ensuring the competitiveness of production processes, for which reason a portion of the labour-intensive production has been moved to Serbia. “We opened the production facility in Serbia in September 2019. Last year we increased our production volume, setting up a new production line for motors and raising the employee number from 20 to 100,” they explain.

Results despite tightened conditions

Impol is a development-focused Slovenian company processing aluminium into semi-products that meet the needs of a variety of manufacturers. The main share of the company’s earnings comes from the distribution and transport sectors, followed by civil engineering and construction and the food industry. Their products are also present in other sectors such as pharmaceuticals, electronics, mechanical engineering and more.

Recently they have been very proud of successfully meeting customer needs despite the major growth in demand and limited capacities. Moreover they

They are also at home in the market of SE Europe, where in addition to understanding the culture and business customs their partners value the geographical accessibility of high-quality steel with a low carbon footprint.

“Recently our biggest source of pride has been the excellent relations with our customers and suppliers, since with a lot of effort and coordination we are able to secure the materials for our production in good time,” Domel managers point out.

have succeeded in also raising customer satisfaction, reducing customer refund and complaint demands by 50 percent.

Despite the tightened conditions and a 40-percent increase in operating capital they were able to ensure liquid assets without any problem and to boost the development of the processing chain. They successfully brought four development projects to the production stage and became a Tier 1 supplier for prominent customers, and they are also recording results in the rolling industry.

“We were able to optimise the use of our rolling capacities, and through organisational measures to increase the volume of production and sales of rolled products,” they point out.

Currently they are developing the area of finalising products, thereby extending the processing chain and becoming a Tier 1 or OEM supplier.

Impol's key markets are Germany, which provides a third of the company's earnings, and Italy, which provides just over ten percent. They are also present elsewhere in Europe, in the USA, Canada and Russia, and are conducting business in the countries of SE Europe.



Photo: Impol

“Our main market is still the EU countries, and we aim to increase the spread of this market,” they say.

As a developmental supplier they believe that they can contribute to the SE Europe market by controlling the entire aluminium processing chain and spreading the sales range. ■

Currently Impol are developing the area of finalising products.

A leading manufacturer of prefabricated concrete constructions

The company Mobeco specialises in producing prefabricated, high quality, reinforced concrete elements for the construction of large premises intended for manufacturing and warehousing.

This is its fifth year on the market, and its headquarters are in Velika vas pri Krškem. It employs 46 people. Last year they generated EUR 11.86 million in sales revenues – double that of the previous year – and they also greatly increased their profits.

THE ADVANTAGES OF PREFABRICATED HIGH-RISE CONSTRUCTION USING PRODUCTS MANUFACTURED BY MOBECO

- Rapid project realisation
- Higher quality of concrete products thanks to production control
- Better structural and fire-safety characteristics
- Large spans of up to 31 metres
- Concrete façade panels with different surfaces (smooth, brushed)
- Energy-efficient buildings
- Competitive prices
- Prestressed hollow core slabs and TT supports
- Ability to tackle different construction challenges

A leader in the sector

Mobeco is the leading Slovenian company that manufactures prefabricated reinforced concrete elements for high-rise structures and the assembly of elements. It has three factories – one in Slovenia and two in Serbia. The company is present throughout Slovenia, in Croatia and recently also in Hungary. It is currently building the largest logistics centre in Slovenia – 66,000 m² in size. This is also its largest project to date.

A high level of professionalism, quality and efficiency

Mobeco offers professionalism, quality, adaptability and the rapid realisation of different constructions. It is able to achieve this through the competence and reliability of its employees, who always strive for efficiency.

Growth in the future

Mobeco plans to increase its production capacities, expand its portfolio of construction products, and introduce new automated production lines. In future it also intends to enter the sector of building construction using prefabricated concrete products.





Photo: Depositphotos

In Zagorje ob Savi Telekom Slovenije have installed a central communications station in the form of a smart street light.

Smart Cities and Communities

Raising the Quality of Urban Life is the Main Objective

The concept of smart cities and communities is slowly gaining traction in Slovenia, bringing with it a large number of solutions aimed at optimising urban living and contributing to sustainable development. Single, unified platforms capable of bringing together different sorts of data are key to these developments.

Jerneja Srebot

As the basic goal of the concept is to raise quality of life and optimise management processes, it is important to take account of the needs and wishes of residents as well as decision-makers when introducing these technologies and organisational measures.

Active participation of all stakeholders is crucial

Smart cities and communities are areas that can be managed efficiently with the help of IT solutions, electronic data collection, open data, data analytics and other organisational approaches.

As the basic goal of the concept is to raise quality of life and optimise management processes, it is important to take account of the needs and wishes of residents as well as decision-makers when introducing these technologies and organisational measures.

“High-quality solutions in this area enable solutions to be developed and integrated for a variety of verticals, including mobility, the management of energy, water supply and waste, and the unified management of public services, such as libraries, public transport, schools and healthcare,” explains **Flavio Fuat, Head of the ICT Horizontal Network at the Chamber of Commerce’s Information Technology and Telecommunications Association (IKT HM, GZS ZIT).**

Alongside that of citizens, the active participation of business, research organisations, civil society, local government and state authorities is crucial. Slovenia already has a very active partnership, Smart Society,

which brings together stakeholders engaged in coordinating the digital transformation of smart cities and communities.

“The members of the partnership are committed to using common standards in the construction of interconnectible solutions which is key to the success of the smart city. By creating the conditions for reuse, we accelerate the development of the digital economy and, at the same time, improve people’s quality of life,” he adds.

Automation as much a priority as digital

The individual today is expected to use an ever-greater number of digital services. However, these are often not mutually compatible and do not offer a single, unified user experience. In this context, smart cities and communities represent an integrated approach to enabling the individual to interact with their environment within the digital society.

“This is why smart cities and communities are so important: they require all stakeholders to work towards a single, integrated user experience that sees automation as much of a priority as digital,” explains **Ernest Žejn, Head of the ICT Horizontal Network for Internet Services and Director of Žejn.** He adds

that “we don’t want to fill out online forms instead of physical documents – indeed, we don’t want to fill out anything because most of the data is already available”.

In addition to improving quality of life, one of the aims of smart cities and communities is to ensure that urban areas are sustainable. Smart cities are at the core of the ‘twin digital and green’ transition promoted by the European Commission’s ‘LIVING-IN.EU’ initiative. In addition to the technical interoperability and openness of urban digital platforms, the initiative focuses on citizens and cities, which are the driving force behind the development of smart cities.

Fuurt explains: “In this case the city is a city as an ecosystem of open innovations that is led by citizens and ensures ethical and socially responsible access to use, shared use and management of data. Standardised urban digital platforms facilitate the acquisition of knowledge and skills for active and safe participation in the smart city.”

Finding the right niche is crucial

While several Slovenian companies have already taken up the challenge of smart cities, it is a fairly new area that is still at the development stage. In cooperation with participating companies, the Smart Cities and Communities Strategic Development-Innovation Partnership (SRIP PMiS) works towards developing products that will be competitive on the European and, later, the global market.

“Our companies’ experiences show that it is only possible to compete successfully with excellent, creative and modern products and services in specific niche areas. One of the main challenges, therefore, is to find appropriate niches and develop competitive products,” explains **SRIP PMiS Director Matjaž Logar**.

The search for such niches also opens up new areas of research, such as carbon-neutral cities directly aimed at improving the quality of (urban) life.

At the SRIP PMiS, examples of good practice are formulated in specific research areas, with Logar listing iPOD, Nedo-Fleks, AI4energy, Genpse, PollFree, Improdova, 5G Safety, Volta and Pakt, among others. Over the next decade we can expect an even greater emphasis on the carbon neutrality of cities, with solutions for self-driving cars that use interconnectivity to optimise journeys.

Looking at what’s going on around the world, Ernest Žejn believes that the best practices are currently to be found in OASC (Open and Agile Smart Cities) and the FIWARE Foundation, which encourage and require stakeholders to place uniformity and interoperability among their top priorities. Both organisations have therefore set up a system of international standards and good practice that Slovenian companies have also begun to disseminate among the countries of SE Europe.

Open to international projects

Telekom Slovenije are designing smart city solutions to cover as wide a range of residents’ needs as possible. They note that the biggest interest appears to be shown in solutions that relate to transport and travel, particularly the smart management of traffic flows, for example via traffic calming systems, smart car parks and smart signalisation, as well as electric vehicle-charging stations, and solutions for reducing emissions and water losses, monitoring air and water quality, noise and rainfall, and increasing energy efficiency.

“All the solutions are brought together in a single platform that is simple to operate and is also open to links with third-party providers and to the upgrades that will be brought by future technological development. We are also open to international incentives, projects and joint cooperation, including in the countries of SE Europe,” explain Telekom.

The company’s solutions have already contributed to the development of a number of Slovenian towns and cities: in Zagorje ob Savi, for example, they have installed a central communications station in the form of a smart street light. Complementing the public street lighting system, it provides electric vehicle-charging, and enables the various factors that go towards improving the planning and management of resources such as parking spaces, water and energy use, and utility services to be monitored and analysed.

To tackle traffic congestion in Tržič, the company have installed a system for directing vehicles to free parking spaces, and set up a system in another municipality that will also link this information to the parking fee payment system. Working with a series of partners in Novo Mesto, they have established a pilot scheme for the integrated collection and processing of different types of data, introducing alongside this a single city

“We don’t want to fill out online forms instead of physical documents – indeed, we don’t want to fill out anything because most of the data is already available,” says Ernest Žejn.



card, Sitium, that provides the user with access to public services.

The trick is to keep upgrading

The T-2 company have designed the 'T-2 Smart Cities and Communities' open platform that brings all smart services into a single platform managed via a standardised online user interface, and have built an entirely new infrastructure that enables the platform and its services to operate in the cloud.

T-2 explain: "We have based T-2 cloud services on a system that runs on solutions provided by Red Hat, a US company whose experts were so impressed by the smart cities concept as an example of good practice that they upgraded it and invited representatives of T-2 to present the company's solutions at the Red Hat Summit in Boston."

A suite of applications runs on the T-2 Smart Cities and Communities open platform that enables residents to monitor the results of measurements from IoT appliances via a user-friendly interface. For example, they can check air quality, energy and water consumption in their household, traffic status, public transport timetables and local news; they can also pay for parking or reserve a vehicle through the GreenGo car-sharing scheme.

The platform and its applications are already up and running in the Municipality of Logatec and in the North Macedonian capital Skopje, and will shortly be introduced into the City of Kranj.

"Alongside its introduction into an increasing number of towns and cities in Slovenia and the region, we are constantly upgrading the platform by including new services and enhancing the functionalities that

enable simple use and monitoring for end-users," explain the company.

Smart cities in their infancy in Slovenia

The Imagine company have designed a smart cities platform designed to aid the management of municipal property. Its main advantage lies in the fact that all information on property is collected in one place, providing a standardised record, and enabling property to be monitored and analysed in detail, as well as simplifying the work of municipal employees, speeding up processes and optimising costs.

There is more, as the company explain: "The platform also enables management and oversight to be expanded to other municipal resources and infrastructure, such as roads, public transport, cemeteries, cultural heritage, buses and bus stations, advertising spaces and stands."

The platform works on any device with an internet connection and requires no new infrastructure to be installed.

Imagine are active in a large number of countries, including Croatia, Serbia, Poland, the Czech Republic, Slovakia, Romania, Bulgaria, North Macedonia, Italy, Austria, France and Cyprus, with plans to expand into Lithuania, Latvia, Estonia and to consolidate their presence in the Balkans.

"The development of smart cities and communities is still in its infancy in Slovenia. In this phase we are expecting an increase in recognition of the importance of smart cities, which will stimulate the need for digital transformation," say the company. In the next phase they are planning to upgrade their existing solutions to integrate users of urban infrastructure and services. ■

A suite of applications runs on the T-2 Smart Cities and Communities open platform that enables residents to monitor the results of measurements from IoT appliances via a user-friendly interface.

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INQUIRY



Banking and Insurance

They Understand the Needs of the Market and are Able to Respond to Them

The banking and insurance market offers many opportunities that NLB Group and Triglav Group are well positioned to seize.

Barbara Perko

NLB Group's goal is to become the leading banking group in the region of South-Eastern Europe.

NLB Group, the biggest banking and financial group in Slovenia, is strategically focused on its home region of South-Eastern Europe. In addition to NLB, the NLB Group comprises six subsidiary member banks operating in the markets of South-Eastern Europe. They are present in Serbia, North Macedonia, Bosnia and Herzegovina, Montenegro, and Kosovo. NLB Group is a key player in as many as seven markets in South-Eastern Europe, including Slovenia. Their goal is to become the leading banking group in the region of South-Eastern Europe, or the region of opportunities, as they call it.

NLB Group member banks are strongly integrated in their environments as important financial services providers and are also market leaders in various business segments. "All of the group member banks have a stable market position and a strong reputation. In terms of total assets of member banks, market shares exceed 10% in five out of six markets, and in six

countries we are among the three largest banks. It is important that we gain market shares in all segments, services and markets in which we operate," says

Antonio Argir, Member of NLB d.d.'s Management Board, responsible for group governance, payments and innovation.

After the reintroduction of leasing services in Slovenia through the leasing company NLB Lease&Go, the group is also introducing leasing services in Northern Macedonia and Serbia. They are also restarting the purchase of receivables.

They are able to offer the widest range of universal banking services, the latest, innovative products and solutions, and superior customer experience to residents, businesses and customers in other segments. "In addition to taking care of the financial needs of our customers, the NLB Group also strives to contribute to improving the quality of life in its home region of SEE. We were the first in the region to adopt the United Nations Principles for Responsible Banking (UNPRB) and more recently the Net-Zero Banking Alliance initiative, making us one of the top 100 global institutions that take the Paris Climate Agreement commitments very seriously," Argir stresses.

In 2021, NLB Group banks recorded double-digit growth in gross loans to customers, mainly in the housing loan segment, where there was increased demand. They accelerated their digital transformation by offering electronic identification (NLB Banka, Skopje), mobile card payment solutions, automated credit approval processes (Komercijalna Banka, Belgrade) and solutions based on robotics in a number of internal processes (NLB Banka, Sarajevo), and by introducing SWIFT GPI services to offer customers faster, more transparent and more reliable international transactions.

They place great emphasis on the sustainable development of companies, supporting them with both services and solutions. To support the shift to a low-carbon economy and finance the green transition, they will, among other things, extend their range of services with credits aimed at supporting energy efficiency and renewable energy production.

In 2021, NLB Group banks recorded double-digit growth in gross loans to customers, mainly in the housing loan segment, where there was increased demand.

Antonio Argir,
Member of
NLB d.d.'s
Management
Board



Photo: Urša Premik

The group is not ruling out further expansion

NLB Group has recorded significant growth in the most recent period. They intend to maintain their leading position in the region. They estimate that there is still plenty of scope to continue their successful operations and increase their market share and do not rule out the possibility of further mergers and acquisitions if the right opportunity arises. "For the moment, there is no specific 'target' on the table, but we make no secret of our ambition for NLB to re-enter the Croatian market, which depends on a potential agreement between Slovenia and Croatia. If the governments can reach an agreement and if NLB can resume operations in Croatia, it would become the only platform of its kind in the region and would be able to track trade, commodity and financial flows in the whole region," explains Argir.

Focus on the user experience

Intensive digitalisation, delivering a superior customer experience and a commitment to sustainable business and development are the focus of the NLB Group's strategy. They will focus on providing innovative, universal banking solutions and improving the user experience for their customers. They aim to achieve this through the digital transformation of their operations and the introduction of new innovative customer services. "Today, NLB Group is no longer just a banking group, but one of the largest IT and data companies in the region, and our goal is to develop a local, adaptable ecosystem that offers customers products and services tailored to their needs," says Mr Argir. To this end, they have established their own IT company in Belgrade, called NLB DigIT, which will develop IT solutions for the entire Group.

Strengthening their market position

As the largest insurance and financial group in the Adriatic region and one of the leading groups in South-Eastern Europe, the **Triglav Group** operates in seven markets and six countries and as in a wider international arena through partnerships with foreign companies active in brokerage, representation and reinsurance. In these markets, they will develop organically, but they do not rule out possible acquisitions or expansion in insurance activities and asset management.

"As the leading insurance and financial group in the region, we play an active role in the development of markets. The strategic position of insurers in the region varies. In markets where we have a larger market share and a leading position (the Slovenian, Montenegrin and North Macedonian markets), we are implementing a strategy of consolidation, while in the remaining markets (the Croatian, Serbian and Bosnian-Herzegovinian markets) we are strengthening our position," they explain. "We reach markets where we do not have a direct presence through contractual partnerships in which we act as an insurance provider, thus contributing to a comprehensive range of products and services. In 2020, our presence in



Photo: Triglav

this segment included cross-border services in more than 15 EU countries. In 2021, we strengthened this presence significantly, both in terms of new markets and insurance classes we offer to foreign customers. Business partnerships in Greece, Italy, Norway and Netherlands were complemented by operations in Poland and Denmark. Although these forms of business are still intangible in terms of premium volume, they are important from a development point of view."

They believe that the insurance markets in the region have the potential to grow, pointing to the Croatian and Serbian markets. In the future, they expect a long-term accelerated growth of insurance markets and a consequent increase in the share of total premiums accounted for outside Slovenia.

They understand local needs

Historically, Triglav Group has close ties with the markets of South-Eastern Europe, "and most importantly, we understand the needs of the policyholders here and are able to provide the appropriate services in response to them". They are working to create ecosystems of connected services that address customer needs in a holistic way in five areas: healthcare, financial services, carefree and secure living, care for pets, and safe and sustainable mobility.

"In the region, we are primarily looking for opportunities to launch existing products and services according to the needs of each market. General insurance continues to dominate the overall composition of consolidated premiums, with motor vehicle insurance accounting for the largest share. The market for life and health insurance is gradually developing and growing in the region. Our strategy is based primarily on reducing our dependence on compulsory insurance, which is regulated and subject to a strong pressure on profitability. We are reducing this dependence by developing other, non-compulsory insurance classes and related services," they explain. ■

The Triglav Group operates in seven markets and six countries.

Triglav Group is working to create ecosystems of connected services that address customer needs in a holistic way in five areas: healthcare, financial services, carefree and secure living, care for pets, and safe and sustainable mobility.

NTS Applications save time and fuel

NTS International is a company that's spent more than 16 years developing and delivering customised software solutions to support the managing of transport and logistics operations. Operating from five centres, NTS International has more than 50 employees, while its database includes over 2.000 companies specialising in various areas.



Under conditions of pronounced fluctuations in fuel prices, reduced traffic safety and high levels of pollution, it is essential that transport and logistics processes receive high-quality support that ensures the visibility of fleet operations and other activities in real time. That very support is provided for many companies by NTS solutions.

Accelerated digitalisation requires that companies adapt rapidly. How do NTS solutions help companies remain competitive on the market?

We create all solutions under our own direction, from analysis of project requirements, via design and implementation, to testing and maintenance. These are modular solutions, with the possibility of being upgraded and integrated into other software solutions. They are intended for all companies, regardless of their core area of activity or the main type of vehicles they own.

The full visibility of fleet operations and other transport activities - in real time and via historical overviews - that's provided by NTS solutions supports managers in their decision-making processes,

operational planning and management, optimisation, analytics and control of transport and logistics processes. All data is available on the NTS Desktop, NTS Mobile and NTS@web applications, which you can access at any time and wherever you happen to be from a computer, smart phone (Android and iOS platforms) or other device, which is particularly important today, when we often work from home and out of the office.



NTS also constantly monitors trends in the fields of IT and logistics, developing new solutions that you can get informed about via website and social media accounts.

Pronounced fluctuations in fuel prices, reduced traffic safety and high levels of pollution are just a few of the challenges faced on a daily basis. Does NTS also have a response to handle them?

The NTS Fleet management system enables the measuring and monitoring of the amount of fuel in a vehicle's tank in real time, thanks to a device installed in the vehicle that's connected to its on-board computer. Data related to the time, place and amount of fuel poured into a tank assists fleet managers in determining if it is really the amount of fuel paid for. Similarly, the moment fuel registers as being withdrawn from a tank, our system informs the manager and thus enables them to react in the timely manner.

Another NTS application enables route planning and the identifying of the best routes to desired locations. The additional ability to send route plans with simple instructions to drivers on their mobile devices reduces the number of kilometres travelled, which has a direct impact on reducing fuel consumption and saving on transportation costs.

NTS constantly monitors trends in the fields of IT and logistics, developing new solutions that you can get informed about via our website and social media accounts.



It is necessary to pay special attention to drivers whose conduct determines the safety of all road users. A driver's specific driving style can also have a significant impact on damage to vehicle components and increased fuel consumption, which is a direct cause of harmful emissions. With the aim of reducing fuel costs and extending vehicle longevity, while at the same time ensuring socially responsible behaviour in the area of environmental protection, we created the NTS Driver Score solution, with which companies motivate their drivers to change their bad driving habits.



Pošta Slovenije is present in Slovenia and Serbia through its PS Logistika branches, and in Croatia through its subsidiary Primal Zagreb.

Photo: Pošta Slovenije

Logistics

Great Potential for Development

South-Eastern Europe offers many opportunities in the logistics sector and Slovenian companies have the right answers.

Barbara Perko

“In the recent period, transport volumes have increased, despite infrastructure work and the resulting transport restrictions. We expect the same trend to continue until the end of 2022, mainly due to the increasing demand for raw materials as the COVID-19 epidemic measures are relaxed,” say sources at **SŽ-Tovorni promet** about the current situation. “The new crisis caused by the war in Ukraine at the end of February has led to dynamic changes in the market, notably a change in certain goods flows and an increase in the transport of agricultural products from Ukraine to Italy and increased demand for railway transport as an alternative to sea freight. On the other hand, rising energy prices, inflation, rising commodity prices and a decline in production in some factories may create new supply problems, which may in turn lead to a drop in expected growth and a decline in transport in some segments.”

“SŽ-Tovorni promet is very active in the markets of South-Eastern Europe (SEE). We are one of the key operators on the railway freight corridor from the Alps to the Western Balkans. We have a representative office in Sarajevo, while our subsidiary SI-Cargo

Logistics is based in Belgrade, bringing us even closer to our customers and their needs. Through our own haulage, we provide independent transport services not only in Slovenia, but also in Austria and Croatia. This enables us to provide our customers with a more comprehensive service, which is complemented by the services of our long-standing partner operators in the markets of South-Eastern Europe. In addition, SI-Cargo Logistics is marketing transport in other markets in the region that bypass Slovenia – Serbia, Bosnia and Herzegovina, Northern Macedonia, Bulgaria, Greece, Romania, and Turkey,” say sources at SŽ-Tovorni promet about its presence on the market.

A special product for the Serbian market

The company develops logistics solutions including regular railway connections and additional services such as warehousing and door-to-door delivery. “The bulk of block train transport comprises cereals and metallurgical products in transit through Slovenia from Serbia and neighbouring countries. Of course, we also cooperate with many exporters in the region

SŽ-Tovorni promet are one of the key operators on the railway freight corridor from the Alps to the Western Balkans. They have a representative office in Sarajevo, while their subsidiary SI-Cargo Logistics is based in Belgrade, bringing them even closer to their customers.

who do not have enough goods to fill a block train. For them, we offer single wagons or groups of wagons,” they explain about their services in this segment. In this respect, the company highlights a special product. “We developed the Sava Express product for the Serbian market. This is a regular freight train between Ljubljana and Belgrade, linking freight flows from Western and Central Europe with transit services through Serbia. With this service, we have provided a regular and competitive connection for conventional wagon consignments and combined transport consignments.”

The SEE region is very important for SŽ-Tovorni promet. “Serbia’s most important foreign trade partner is Italy. Therefore, the European corridor from the Alps to the Western Balkans, which also links Slovenia and Serbia, has an enormous potential for increasing railway transport. We will continue to expand our marketing and production activities. To support these activities, we will invest in locomotives and wagons, with around EUR 300 million invested by 2030. Furthermore, countries in the region have been stepping up investment in rail infrastructure in recent years, which further increases the potential for growth in railway transport,” they explain.

Their competitive advantage is long-standing presence

The Intereuropa Group is the leading provider of comprehensive logistics solutions in South-Eastern Europe. Through its own network of 13 subsidiaries in nine countries, it provides comprehensive logistics support for processes in manufacturing, trade and other sectors in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, North Macedonia, Montenegro, Albania, Ukraine, and Kosovo. In addition, the company satisfies the needs and expectations of the users

of logistics services around the world via a global network of reliable business partners.

“Our competitive advantage is our long-standing presence in the markets of South-Eastern Europe. With our own network of companies and offices along the V and X pan-European corridors and our own logistics infrastructure – warehouses and logistics terminals – we provide logistics solutions for a wide range of goods that we store, distribute and transport by land, sea or air in all directions,” the company says. “We offer services in land transport (road freight, railway freight, groupage, domestic transport and customs clearance services), in maritime transport (sea freight, shipping agency, harbour forwarding, car logistics), in air freight, and in a variety of logistics services from warehousing to distribution. We offer project logistics services (project cargo) and together with our customers, we analyse each of their business cases and formulate long-term and optimal logistics solutions. We are the logistics operator for many international companies that channel their goods flows through South-Eastern Europe.”

The company is building a new logistics centre in Rijeka

To achieve its objectives, the Intereuropa Group is continuously making the investments necessary to support its operations and the development of its key customers. “We are investing in the maintenance and modernisation of existing infrastructure, while also investing in new capacities in accordance with the needs of our customers and business opportunities. In 2021, the subsidiary Intereuropa, d. o. o., Zagreb began the construction of a new logistics centre in the Kukuljanovo industrial zone in Rijeka in Croatia,” the company explains. Their aim is to cater to manufacturing, trading and other companies that require complex logistics operations, which is why they are

In 2021, the subsidiary Intereuropa, d. o. o., Zagreb began the construction of a new logistics centre in the Kukuljanovo industrial zone in Rijeka in Croatia.

The Intereuropa Group provides comprehensive logistics support for processes in manufacturing, trade and other sectors.





30 YEARS

High-quality services

Through our vision, we have been gradually and persistently pursuing our goal for the past thirty years: to become one of the key providers of comprehensive logistics solutions for the needs of the international environment. As part of this, we offer **CUSTOMS BROKERAGE SERVICES, ORGANISE ALL TYPES OF TRANSPORT** (land, maritime and air transport) and provide **CUSTOMS WAREHOUSING SERVICES** at a state-of-the-art customs warehouse in the Hrpelje/Kozina trade and industrial zone.

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We organise the transport of goods in Slovenia and abroad.



Customs warehousing

We provide warehousing services at a state-of-the-art logistics centre covering over 20.000 m².

investing in warehousing capacities and IT technology to tailor processes to their customers' needs.

In recent years, the business environment has undergone many changes and the needs in the logistics services market are changing accordingly. Intereuropa seeks to match its services as closely as possible to the needs of existing customers, as well as to the potential needs of customers who may have a demand for logistics services. We are constantly adapting our processes and services to current market needs and address any potential external impacts through ongoing communication with our customers.

The core activities of PS Logistika are forwarding and other transport-related activities.

They are constantly adapting their processes

Due to the many changes and the consequent shifting needs in the logistics services market, Intereuropa seeks to match its services as closely as possible to the needs of existing customers and to the potential needs of customers who may have a demand for logistics services. They are constantly adapting their processes and services to current market needs and address any potential external impacts through ongoing communication with their customers.

COVID-19 has worsened the situation

The difficult situation in the global logistics market caused by COVID-19 is also reflected in the logistics services sector in the South-Eastern Europe. "The increased demand for transport, insufficient capacities, both in air and sea freight, has significantly influenced the increase in prices for individual modes of transport. This year, the war in Ukraine has also added its toll, pushing up the prices of all types of

fuel. The significant increase in the price of euro pallets and other logistics packaging material has had a further impact. As energy prices rise, we can also expect warehousing costs to rise," according to **Pošta Slovenije**, which is present in Slovenia and Serbia through its PS Logistika branches, and in Croatia through its subsidiary Primal Zagreb. As the agent of the global logistics company Expeditors for Slovenia, Serbia and Croatia, they are members of a global network with more than 350 locations in over 100 countries on six continents.

The core activities of PS Logistika are forwarding and other transport-related activities. They offer all types of logistics services in the areas of warehousing, road freight, sea freight, air freight, customs clearance services, distribution and other logistics services, which mainly include various supplementary warehousing services that add value to the goods (packaging, repackaging, order picking, labelling and declaration services, etc.).

Railway links will need to be improved

Luka Koper sees the potential for cooperation mainly on the Serbian market. This is because Serbia has in recent years become more attractive to foreign investors. Increased investment in production facilities linked to the automotive industry, food products, the chemicals industry and electronics also means increased overseas imports and exports of goods and products. "The potential for cooperation exists, but it depends largely on railway links. By constructing the Second Track and improving Slovenia's rail links with Serbia, this potential could be better harnessed," says Luka Koper. ■

Luka Koper sees the potential for cooperation mainly on the Serbian market.





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The markets of South-Eastern Europe are of key importance to Ljubljanske mlekarne.



Photo: Ljubljanske mlekarne

In the autumn, the Lactalis Group and Ljubljanske mlekarne are planning new products for the Slovenian market, which will be launched simultaneously in other markets in the region.

Food Industry

Slovenian Food Companies Perform Exceptionally Well in the Markets of the Former Yugoslavia

Food products from Slovenian producers have a long tradition in the markets of South-Eastern Europe, and every year producers introduce new ones that are usually well received.

Tomaž Kavčič

Lactalis is launching a number of new products this autumn

Ljubljanske mlekarne, which is part of the **Lactalis Group**, is present on all markets in the region with its **Alpsko** and **Mu** brands, achieving the largest market shares in the Kosovo market. Their business in this region is growing year on year. The markets of South-Eastern Europe are of key importance to Ljubljanske mlekarne, as the **Alpsko** and **Mu** brands are the most established there.

In the autumn, the Lactalis Group and Ljubljanske mlekarne are planning new products for the Slovenian market, which will be launched simultaneously in other markets in the region. However, as the Lactalis Group, of which Ljubljanske mlekarne is a part, has had its own subsidiaries in the region since

2013, it does not believe that further investments in this area are necessary at this time.

Leone focuses on product optimisation

On the Croatian market, **Leone** deals directly with all the major retailers, while in other countries of South-Eastern Europe they have their own preferred distributor who supplies the market. The most popular products on the market are the **Jamaica** brand, considered to be the best value for money. These markets have accounted for around 6% of total sales so far this year and are important for the company in terms of strengthening its brand. Larger packs of ice cream cones, mini ice lollies and other more traditional products are especially popular.

Due to the situation on the market the Leone company is focusing on optimising its products and operations.

Due to the situation on the market, which is currently facing extreme increases in the prices of materials, commodities, energy and logistics, the company is focusing on optimising its products and operations. Nevertheless, they point out that they remain committed to the development of new products, even if activity in this area is currently somewhat reduced.

They make investments every year, mainly in refrigeration technology, in North Macedonia, Albania and Kosovo.

Pivka Delamaris offers long-term partnerships to distributors

The Pivka Delamaris Group is an export-oriented supplier of tinned fish from its own development and production. With their distinctive brands, they are present in more than 24 markets around the world, including South-Eastern Europe with Bosnia and Herzegovina, Croatia, Serbia, North Macedonia, Albania, and Kosovo. According to the group, they are expanding into all these markets with the aim of bringing high-quality and proven products to the end customer and are offering long-term partnerships to distributors, which is particularly evident in the strong Delamaris and Pivka brands.



Photo: Pivka Delamaris Group

Their most popular products include mackerel with vegetables and mackerel fillets and pâtés, with the Izola Brand being one of the most popular. Among the popular Pivka products are various hams and salamis. "The tasty and convenient ready-to-eat products from Delamaris and Pivka enhance the

The Pivka Delamaris Group are present in more than 24 markets around the world.

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product range in any market and ensure high turnover of products on the shelf. The marketing support we provide to distributors also contributes to this,” says **Janez Rebec, Management Board President of the Pivka Delamaris Group**. The group mainly invests in developing brands and sales channels. However, there are currently no plans to establish production units in these markets.

Croatia is one of Mlinotest's most important export markets, representing 40% of its export volume.

Mlinotest to expand into Montenegro and Bosnia and Herzegovina

Mlinotest is also marketing its products in the countries of the former Yugoslavia and elsewhere in Europe. The Ajdovščina-based company has more than 150 years of tradition and continues to develop and operate as a 100% Slovenian-owned company; it has two foreign subsidiaries in addition to the parent company in Slovenia: Žitoproizvod in Karlovac, Croatia, and Mlinotest – S in Ruma, Serbia. The company makes regular investments in both subsidiaries, especially in upgrades that increase production capacity and improve the quality of their products. “We are also making significant investments in employee satisfaction and development, as well as in the transfer of know-how from the parent company to the two subsidiaries,” they say.

The markets of South-Eastern Europe account for a significant share of Mlinotest's export business. The company is particularly successful on the Croatian and Serbian markets, where it is most known for its fresh gnocchi and stuffed pasta, and is the largest supplier of products in this category. Croatia is one of Mlinotest's most important export markets, representing 40% of its export volume.

The company's plans include expansion into other countries, in particular Montenegro and Bosnia and Herzegovina, where they are in the process of rebuilding their distribution network. The company's long-term goal is to become not only the largest supplier of gnocchi and stuffed pasta in this part of Europe, but also the largest supplier of all types of pasta, which they aim to achieve through the continuous development of new products.

A novelty on the Slovenian and Croatian markets are the new flavours of Mlinotest Divita fresh stuffed pasta, offering top-quality and nutritionally balanced gourmet products that make a quick meal with the finest ingredients. Two innovative choices are being added to these products: spelt ravioli with truffles and spelt tortellini with premium cheese. ■



*White treasures
of pure nature*





From 2023, Hidria will produce key components for electric hybrid drives for BMW and Mercedes vehicles.

Photo: Hidria

Advanced Mobility

Slovenian-made Components in Cars Made by the Largest Car Manufacturers

Slovenian companies are a reliable partner of the automotive industry. They are developing new products that help create the most advanced vehicles of the future.

Barbara Perko

Continuous investment in new product development

In accordance with its vision and strategy, **Hidria** is continuously investing in the development of new products, new competitive technologies and materials, and new high-tech capacities, thus helping shape the latest trends in automotive industry and industrial technology.

Every year, the company invests around EUR 15 million in development and EUR 25 million in new capacities. "We prioritise product development and breakthrough innovations in hybridisation and electromobility, further improving the efficiency and cleanliness of both internal combustion engines and electric motor drives. Hidria has many opportunities in the further development of electronically commutated axial and centrifugal fans for ventilation, heating and cooling equipment in buildings, where we are assuming a leading role in the segment of high-efficiency heat pumps. We are accelerating development in process automation, robotisation and digitalisation in line with the so-called Industry 4.0 principles, thus ensuring

the high quality and traceability of our products and solutions," the company says.

The company will manufacture key components for BMW and Mercedes

Last year, the company laid the foundations for a new, EUR 40 million, high-tech digitalised centre for the development and production of stator and rotor packages for the most advanced e-vehicles of the future. In the project's second phase, the centre will also house a tool construction and manufacturing facility.

Covering an area of almost two football pitches (15,000 m²), the state-of-the-art centre will feature automated and robotic digitally supported technology based on Industry 4.0 principles. The centre will gradually create 100 new jobs for highly qualified experts. They will create products with projected sales of EUR 100 million, significantly exceeding EUR 100,000 of value added per employee. From 2023, the factory will produce key components for electric hybrid drives for BMW and Mercedes vehicles.

Last year, Hidria laid the foundations for a new, EUR 40 million, high-tech digitalised centre for the development and production of stator and rotor packages for the most advanced e-vehicles of the future.

Hidria's investment is the first of a series of Slovenian automotive supplier industry projects aimed at establishing the green mobility innovation platform GREMO (GREen MObility) within the Slovenian Automotive Cluster (ACS).

Production at the new site will start in mid-2023. This investment is the first of a series of Slovenian automotive supplier industry projects aimed at establishing the green mobility innovation platform GREMO (GREen MObility) within the Slovenian Automotive Cluster (ACS). "With this project, in planned partnership with the Slovenian government within the Recovery and Resilience Plan (RRP), and with investments totalling over EUR 3 billion in the next 5 years, Slovenia's most important automotive companies are ensuring the transformation and further growth of the Slovenian automotive supplier industry, which already accounts for over 10 percent of GDP and as much as 20 percent of Slovenian exports. We aim for breakthrough innovations in electric motor drives, power buffers/batteries, and ultra light materials."

Many of the best known car brands use Hidria's components

The hybridisation and electrification of vehicles have experienced a significant boost in recent years. With its 50 years of experience and the expertise of its employees, Hidria plays an important part in shaping the future of e-mobility. "Our original, ground-breaking, and internationally awarded innovations in key components of drives and other electric motors for hybrid and electric vehicles are used by many of the best known car manufacturers such as BMW, Mercedes, VW, Seat, Škoda, Audi, Porsche, Maserati and others," the company says.

The shift will be gradual

The shift in car drive technologies will be gradual, the company predicts. "First by hybridisation, from mild to full hybrids and later to plug-in hybrids and electric cars, accompanied by the necessary infrastructure and the provision of green electricity. Plug-in hybrids are transitional, with those using Hidria's solutions only having

an electric range of around 150 kilometres in 2023, and around 2030 this technology will start to be phased out, as it will no longer make sense to develop, manufacture and install two parallel drives, a classic and an electric one. This process will also be accelerated by reductions in battery prices and consequently electric cars. The share of green diesel will be stable until 2025, significant until 2030 and still present in 2035. It currently remains the best choice for longer journeys."

In 2022, Hidria aims to achieve a similar volume of production as last year, while the hybrids and electromobility segment will undoubtedly continue to grow. The company's projected sales for 2022 are EUR 330 million.

Hidria's main markets are Germany, France and Italy, where the largest European and global manufacturers of vehicles and industrial equipment are located. Due to lower production costs, the automotive industry is increasingly moving to Central and South-Eastern European countries, including Hungary, where Hidria has a production plant in Gyöngyös. The company also exports to the USA and Asia, especially to China, where it has a plant in Suzhou.

The company is launching new lines for electric and hybrid vehicle components

LTH Castings manufactures lightweight aluminium alloy components for the automotive industry. "It is important for us to be the development partner for our most important customers in all areas, including key electromobility components (e-motor components, inverter housings, DC-to-DC converter housings, battery housings)," the company points out. "We work together with our customers already in the early phase of developing new components and we introduce new materials and new technologies. In the last two years, LTH Castings has acquired a number of projects for the manufacture of electromobility components, which also involve investments in infrastructure and automation of

The 2021 Bosch Global Supplier Award ranks LTH Castings among Bosch's best global partners.



Photo: LTH Castings

operations. We expect to launch new production lines for electric and hybrid vehicle components at the end of this year and the beginning of next year.”

“LTH Castings has adapted to the situation during the pandemic, and we are a reliable development partner for our customers in the transformation to e-mobility. Most of our new projects are dedicated to this effort and we are also adjusting our production processes accordingly. Our e-projects involve establishing new high-tech processes for the manufacture of aluminium alloy components, which are supported by a high level of digitalisation,” the company says.

A reliable and high quality partner

Being recognised by customers as a reliable partner and earning a reputation for high quality is key to the company’s long-term success. All this is confirmed by “this year’s award by one of our most important business partners, with whom we have cooperated for almost three decades. The 2021 Bosch Global Supplier Award ranks us among Bosch’s best global partners. Furthermore, we are the only Slovenian company and the only supplier of light metal casting components to receive this prestigious award.”

The company is expanding its production capacities at practically all locations and is preparing for further growth as a result of launching key new

e-mobility projects. “Recently we have further consolidated our status as a development supplier, and from 2019 to now we have acquired new projects at a value of around EUR 200 million in annual sales, which will be realised in the coming years,” they say.

The sector is seeing the fastest development in the electrification of the drivetrain, and advancements are also being made in assistance systems and autonomous driving. A drivetrain for e-vehicles is still in intensive development. At the same time, individual components are being merged and new lightweight materials are being introduced, which requires rapid changes and the production of larger and more complex components. LTH Castings is involved in the early development of components in virtually all its upcoming projects. The company also places great emphasis on sustainable operation.

LTH Castings’s operations are tied primarily to the European automotive market. One of the key countries in this market is Germany, where many of the company’s customers are based – major international companies such as Mercedes-Benz, BMW and others who sell their vehicles globally. In addition, LTH Castings supplies renowned Tier 1 and Tier 2 automotive component manufacturers such as Bosch, Continental, JTEKT, Vitesco Technologies, ZF and others. ■

LTH Castings is involved in the early development of components in virtually all its upcoming projects.

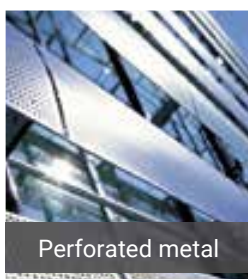
BENKOTEHNA

GRATINGS AND PERFORATED METAL

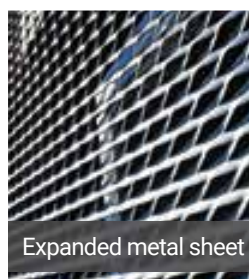
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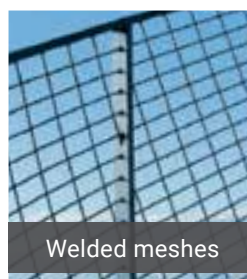
Floor Gratings



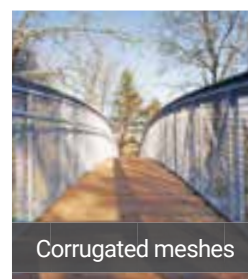
Perforated metal



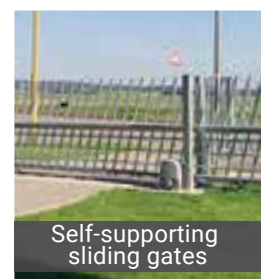
Expanded metal sheet



Welded meshes



Corrugated meshes



Self-supporting sliding gates



Delivery option



Deliveries from as little as **one piece**



Large warehouse **stocks**



Customized solutions

Comprehensive cleaning and maintenance services

Modri Val offers cleaning services at retail, office and industrial facilities, house cleaning, as well as building maintenance and caretaking services.

Modri Val (literally, »blue wave«) is a family-run business specialising in the cleaning and maintenance of retail and office facilities, which has been in operation for thirty-two years. For the fourth year now, it has also been offering house cleaning services (Modri Val Home), which, in addition to a clean home, allows users to have more time for themselves and their families.

Two years ago, the company expanded its cleaning activities with the new Facility Department, which offers caretaking services: from drywall, electrical, and plumbing installations, to moving services following the »one-stop shop« principle. This has been met with a good response on the market, and therefore the company is expanding this activity, focusing on customers to whom it can offer its full range of services in the entire region it covers. The company is already doing maintenance on buildings in the Kvarner Gulf and Istria, Croatia.

Active in Slovenia, Croatia and Bosnia-Herzegovina

The company is active in Slovenia, Croatia and Bosnia-Herzegovina, relying on the hard-work, perseverance and commitment of its employees. Long years of experience, high-quality services, a quick response time, good coverage of the region, and good and trustworthy customer relationships are the company's strong points, thanks to which it also managed to get through the difficult period of the COVID-19 pandemic.

Quality control

Modri Val is aware that customer satisfaction is vital, and so constantly monitors the performance of its cleaning and maintenance services to ensure their quality.



Investing in training

Modri Val continuously invests in employee training. To this end, it established a training centre four years ago, the Modri Val Academy, which also offers training to all the interested parties outside the company. This is the first training centre of this kind in the Alps-Adriatic region, which uses the company's expertise, experience and international training to educate human resources in the wider area of cleaning, improve the level of knowledge, provide advice on how to deal with cleaning-related problems and raise people's awareness about the importance of a clean environment at large business and retail complexes, health institutes, educational institutions and other facilities, as well as in people's homes. The company tests staff abilities and knowledge four to six times a year as part of the academy.

Promoting employee health and personal development

In addition to training, Modri Val promotes the health and personal development of its employees. It has introduced free weekends for its middle and top management in the spring and

autumn. All employees receive psychotherapy – a psychotherapist visits them once a week. This practice has proven to be very successful because all the staff have experienced personal growth. As the company's director, Anže Vovčko, says: »People are the company's foundation, you work for them and they work for you, we work for one another, we must be able to listen to and accept one another.«

The services offered

- General cleaning of business premises (offices)
- General cleaning of shopping centres and stores
- Cleaning industrial buildings
- Specialist cleaning
- House cleaning
- Ground maintenance
- Building maintenance and caretaking services

Slovenian Logistics and Woodworking Companies

Offering the Fastest Maritime Route and Innovation

Slovenian logistics providers offer the shortest route by sea and land, and the woodworking and furniture industry can offer products that stand out in terms of innovation, technical perfection and design.

Darja Kocbek

“Slovenian logistics companies operating in the Middle East have been providing the fastest maritime route to the markets in Central and Southeast Europe and the Western Balkans,” explains **Robert Sever, director of the Transport Association at the Chamber of Commerce and Industry of Slovenia (CCIS)**. In turn, “woodworking and furniture companies can offer interior furniture for hotels and vessels, wooden constructions and sawn wood on the markets of the Middle East,” says **Bernard Likar of the Wood-Processing and Furniture Industry Association at CCIS**.

Maritime route up to seven days shorter

Robert Sever explains that by using the Adriatic ports and especially the Port of Koper, the maritime route from the Middle East to the markets in Central and Southeast Europe and the Western Balkans is up to seven days shorter than through northern European ports. In addition, the land connection to the inland markets in Central and Southeast Europe is shorter than the distance from the northern ports. The frequency of freight trains from the Port of Koper to all major centres in Bavaria, Hungary, Austria, and other nearby countries is adapted to this.

“Slovenian logistics companies are already providing over 60% of their services to international clients, but there is of course still much room for improvement, including increasing the promotion of their advantages especially in supplying the inland markets and entering the not yet covered markets of the Middle East,” says Sever. Pošta Slovenije, Luka Koper, Slovenske Železnice, Intereuropa, Glovis Europe, BTC, and Cargo-Partner are Slovenia's largest transport and logistics providers.

At the Expo in Dubai, Slovenian transport and logistics companies have been showcased at the Slovenian pavilion at the end of the Travel, Connectivity & Mobility unit or just before the

beginning of the Sustainable Development, Green Technologies & Wood unit – that is, from 9 to 15 January 2022. Three events connected with ports, railway and transport took place during the visit of the Slovenian logistics delegation.

The presentation's main goals included promoting the Slovenian logistics industry and transport routes, promoting sustainable solutions that Slovenian logistics companies can contribute in this field and networking with business partners.

Offering innovation, perfection and design

According to Bernard Likar, the Slovenian wood-working and furniture industry can offer products that stand out in terms of innovation, technical perfection and design. Also added here should be reliability and flexibility. “Slovenian woodworking companies export over a half of what they produce, largely to the competitive markets of the EU, United Kingdom and the US. They seek new business opportunities on the EU markets (Scandinavia, France etc.), the Middle East and Southeast Europe,” Likar explains.

The top Slovenian furniture manufacturers include Stilles, Alples, HIT Preless, Bobic Yacht Interior, Gonzaga Pro, Klun Ambienti, Donar, and Murales. Standing out among the woodworking companies are Marles Hiše, Jelovica, LIP Bled, Lumar IG, Riko Hiše, Rihter, M Sora, and Inles.

According to the Slovenian Ministry of Economic Development and Technology, the new Slovenian Industrial Strategy ranks the woodworking industry among green industries and the government supports domestic and international investment in the woodworking industry. The goal is to increase the annual processing of timber to three million cubic metres and the sales revenue to EUR 2.5 million by 2030. ■

For more information on how to work with Slovenian transport and logistics companies, please contact Robert Sever at CCIS's Transport Association (phone: +386 1 5898 232, +386 1 5898 000; e-mail: zpzs@gzs.si).

For more information on how to work with Slovenian woodworking and furniture companies, please contact the Wood-Processing and Furniture Association at CCIS (phone: +386 1 58 98 284, e-mail: lesarstvo@gzs.si).



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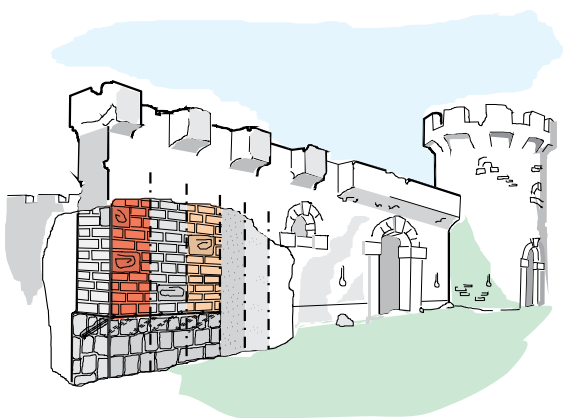
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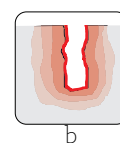
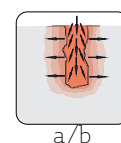
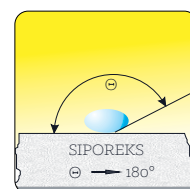
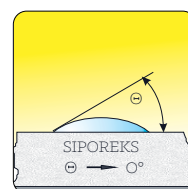
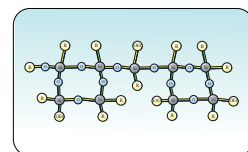
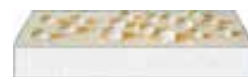
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Photo: Kronoterm

Green Technologies

Energy-efficient and Environmentally Friendly

Taking innovative approaches to create energy-efficient and environmentally friendly products. Demand for products used in environmental protection is on the rise.

Barbara Perko

In Austria, Kronoterm's ADAPT heat pump was included among the top 10 of the most energy-efficient products.

Kronoterm has launched a completely new and innovative line of VERSI air/water heat pumps, which are compact, highly efficient and as much as 40 times quieter than the requirements outlined in the European directive for heat pumps. VERSI's main advantage is flexibility of use and installation, as it can be installed in or outside a building. The VERSI heat pump is intended for buildings that are either tight on space or have only minor heating requirements. By developing this product, Kronoterm believes to have set new trends in the area of heat pumps.

Kronoterm is a development-oriented company. It has recently updated hydraulic indoor units and extended its range of additional equipment. As for the future, Kronoterm is eager to announce development of a new geothermal heat pump.

Among the leading European producers of heating systems

Despite the unusual market situation, Kronoterm's business results were excellent. "Together with our business partners, we increased orders by as much as 157% over our forecasts in the first five months of this

year, and we expect to exceed last year's turnover by around 30%. At the same time, we are truly pleased that our successes and achievements are recognised both by industry experts and the general public alike. As a result, we received several awards in the past years, including a state recognition for the best innovation. We also became ambassadors of the campaign under the slogan I feel Slovenia. Green. Creative. Smart., and received the Made in Slovenia badge of excellence. In Austria, our ADAPT heat pump was included among the top 10 of the most energy-efficient products, while the European Environmental Bureau ranked us among the leading European producers of heating systems that are combating climate change."

The ADAPT Pump – the quietest heat pump in Europe

Heat pumps are developing towards using natural, environmentally friendly refrigerants. A few years ago, Kronoterm already began using the new RR452b refrigerant that does not harm the ozone and has as much as 67% lower carbon footprint than other refrigerants in use. "The future of heat pumps also dictates

greater integration of systems and the lowering of the heat pumps' noise levels. Kronoterm began mitigating its devices' noise output several years ago, our efforts culminating in the ADAPT heat pump being awarded the title of the quietest heat pump in Europe. Another great milestone that will change the field of heat pump production is industrialisation. The development is thus geared towards greater, mass production, as well as elevating the currently still relatively niche products," the company explained.

In the coming year, Kronoterm will focus on intensively selling the new VERSI heat pumps, as well as on preserving and furthering its leading position in high-tech and environmentally friendly heating devices, especially in the domestic market. The company is present in many European markets, particularly Austria and Switzerland, and above all Italy, which is its most important market. "Italy is also the market that is experiencing the best and fastest development. With our new products, we are striving and planning to increase our activities in the northern part of Europe, especially the Netherlands," Kronoterm added.

Secondary raw materials and recycled plastics used for many products

Last year, the **ROTO Group** was primarily developing products for rainwater harvesting and waste water treatment. At autumn trade fairs, the company presented the RoBox 5000 L rainwater tank, which is prime for installation in waterlogged land areas. "In 2022, a new waste water treatment plant EcoFloat is coming to the market, which is intended for cleaning industrial water generated in the food processing industry and for companies that recycle waste, for example plastic packaging. Because new electricity-powered boats and catamarans are in the pipeline, the company is also expanding its production of products for the nautical industry," the ROTO Group presented its future products.

In 2021, the company began using secondary raw materials and recycled plastics for many new products. Following the principle of ecodesign, the ROTO Group develops new products for which plastic packaging can be used, for example, to make new kayaks and canoes, flower pots, etc. The ROTO Group has heavily integrated circular economy in their everyday business operations.



Photo: ROTO Group

"What is more, we have integrated telemetry in many of our water segment products to facilitate the monitoring of their functioning. We export treatment plants, pumping stations, oil separators and other products into 63 countries around the world, which we can maintain and service remotely," the company explains.

The ROTO Group has also developed new, remarkably flexible composites that can be used to produce industrial components, such as tanks for the automotive industry, civil engineering and agricultural machinery, and air filtration.

Demand for products used in environmental protection on the rise

The plastics industry is observing a growing trend of using secondary raw materials and biopolymers, especially to produce packaging and products that are not technically challenging. "There is a growing demand for products for environmental protection, such as water treatment plants and tanks, which this year led us to build a new production hall for polyethylene tanks in Macedonia. In our new factory near Zagreb, Croatia, we will be producing sewage and rain water shafts," ROTO elaborated on current industry trends. "In the plastics industry, we are noticing a trend of complete automation of production processes and replacing original raw materials with substitutes, which results from extreme rising of prices of refined petroleum products as well as environmental movements. This year, the ROTO Group made significant updates to its business processes by robotising and automating production. Our lab is researching new materials and the company is integrating into the circular economy both in relation to suppliers and buyers."

Growing investments in the energy sector

"To be able to ensure sufficient amounts of products in view of the growing demand, we have acquired additional mechanical equipment and optimised production processes. We are noticing growing investments in the energy sector, which is why, in 2022, we will be building a new hall to produce containerised energy storage systems for wind power stations, which we are developing for our Canadian-Austrian buyer," the company revealed its plans. Observing optimism in all European markets, the company is hopeful that positive trends will continue.

The ROTO Group exports as much as 95% of its products. "Even though we are a family-owned company from Pomurje, we currently export into 63 countries from all continents, where we have our loyal representatives and distribution centres. We appear on global markets under our own ROTO brand, adapting products to the needs and technical standards that are in place in individual markets. This led us to develop special Vodalys treatment plants for our key market in France, which we also sell to the former French colonies, such as French Guiana, Rwanda, Senegal, Morocco, Mali, Réunion and the Caribbean islands," ROTO said. The company's other key markets include Germany, Austria, Italy, Croatia, Serbia and North Macedonia, as well as the United Kingdom and Scandinavian countries. ■

The future of heat pumps dictates greater integration of systems and the lowering of the heat pumps' noise levels.

The ROTO Group has developed new, remarkably flexible composites that can be used to produce industrial components, such as tanks for the automotive industry, civil engineering and agricultural machinery, and air filtration.

TO-MA PALETE – your partner in transport packaging and pallet manufacture

TO-MA PALETE entered the pallet and transport packaging industry in 2011 as a brand new player on the market. In just over ten years, the company has become the largest manufacturer of EPAL pallets in the region. Although pallets may seem like a simple product, they are indispensable to manufacturing, warehousing and retail. The company supplies wooden, metal and PVC pallets.

Their product range covers seven main segments:

- manufacture of pallets,
- sale of pallets and other load carriers,
- repurchase of pallets,
- repair of pallets,
- development of own pallets,
- monitoring the use of pallets and advising on the selection of pallets and other load carriers,
- transport of pallets and other load carriers to end users.

The company's growth in revenues is also impressive. In 2021, it was 81% higher than the previous year. Growth continues this year, with 74% more revenues generated in the first half of the year than in the same period last year. All this proves the effectiveness of their business strategy.

The company holds European Pallet Association (EPAL) licences for the storage, sale and manufacture of pallets. Currently, they produce around 2,500 pallets per shift, which is already the highest in the region. They have an ambitious short-term strategy, which foresees the production of 5.000 pallets per shift.

They operate in three locations with a total area of more than 70.000 m² (Ljubljana, Maribor – sales and storage of transport packaging; Godovič – pallet manufacture). The entire system is set up according to the principles of the circular economy, which means energy self-sufficiency. Their recently established in-house production provides greater resilience in a broader sense, as the segment of new pallets (accounting for around 40% of sales) depends only on the suppliers of logs. Their supply chain is well-organised and reliable, as they only cooperate with highly reputable partners.

Their production and organisational objectives are mainly linked to the upgrading of production through digitalisation and the use of advanced technologies, which will allow them to increase added value. Switching to advanced technology, with fully automated pallet lines, pallet stacking robots, automated log loading and cutting lines, will provide additional opportunities to increase productivity and create higher added value, as well as to develop new products. Their website is also set for a range of improvements, which will make placing orders easier and faster.



COMPANY PROFILE

- EUR 17.35 million revenue
- More than 200 different load carriers
- EUR 1.3 million net profit
- 64 employees in three cities
- EUR 2.17 million in EBITDA
- 50,000 m² of new production space in Godovič
- 20,000 m² of controlled warehouse facilities
- Own vehicle fleet

The company's business model has proven that it can withstand major stress situations, such as the COVID crisis and the surge in energy and commodity prices, as the company continues to operate normally, growing its business and consolidating its market position.



PROMO

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Photo: Adria Dom

Green Buildings

Sustainable Products that Make Life Easier and Better

During the COVID-19 pandemic, as we are spending more time at home than ever before, comfort is even more appreciated and desirable. This is why Slovenian companies are developing many solutions and sustainable products that make life easier and better in these difficult times.

Nina Šprohar

Lumar: houses that cover all their energy needs

Home is no longer just a house where we spend time with family and friends, but increasingly the intersection of various sustainable living technologies, sources at **Lumar** say. Lumar is therefore intensely focused on the development and application of energy solutions and zero-emission houses. The company has defined a set of comprehensive solutions in sustainable construction and zero-emission living, which include sound, air, temperature, daylight, the cost of using a building throughout its lifecycle, the use of renewable energy sources, and similar. "The development of our houses has reached a point where we are able to offer base-level, affordable houses, whose buyers never have to pay electricity bills, as the houses cover all their energy needs, and energy surpluses can be used for sustainable mobility. By

adding an energy storage unit, the building can be made completely energy self-sufficient," the company says.

The company's smart homes are also designed to cater to a family lifestyle. Why is this important? "If the family is away from home a lot, it is crucial that they return to a house that is in good condition, rather than flooded due to a fault in the plumbing, and it is also most welcome to give the appearance that someone is at home to deter potential burglars." Smart homes also increase the comfort of living and working, and energy consumption is reduced due to easier management of the installed systems. For example, automated blinds ensure that the house does not overheat in the summer, while making the most of solar energy in the winter.

"The development of our houses has reached a point where we are able to offer base-level, affordable houses, whose buyers never have to pay electricity bills," states Lumar.



Photo: Lumar

Houses function at their best if they use interconnected technologies

Lumar's next challenge is to connect houses with other industries – particularly the energy and information industries. "Houses or buildings are hubs of various technologies and can function at their best only if they are interconnected," the company says. Through their development projects, Lumar is thus looking for models and solutions for individual challenges. To date they have launched many pioneering and pilot projects. The company's first passive house was built in 2007, its first passive nursery school building in 2008, its first plus-energy house in 2009, and its first trial active house in 2013, while from 2017 onward they only build zero-energy houses with built-in ventilation systems. "In 2019, we reached another milestone: the first Slovenian house that obtained the Active House certificate," the company adds.

Focus on Slovenian and Austrian markets

Despite the potential risks, the company decided to focus on the Slovenian and Austrian markets, thus



Photo: Barbara Reya

"The FLOWCore sytems enables us to manufacture wooden elements over a height of 5 metres and more thanks to built-in steel reinforcement," says Aleš Dolenc, M Sora CEO.



Photo: M Sora

following their orientation towards sustainable operations. "It is difficult to claim that you are sustainable if you deliver houses with trucks and drive installers in vans to buyers who are 1,000 to 1,500 kilometres away," the company says.

The sales of residential houses in Slovenia exploded in the last quarter of 2020 and in 2021. In 2020, Lumar achieved the best sales in their history, and last year they were recording more than 100 percent growth in sales. However, the company is also facing a very steep rise in the prices of materials, especially wood, insulation materials, and steel – ranging from 10 to 50 percent, while prices of wood have risen by more than 250 percent.

M Sora: Overcoming the shortages of raw materials and rising prices with innovation and development

M Sora, which manufactures windows, panoramic windows and doors, faces similar concerns. "We all have enough orders and work, but the problem is the supply of raw materials. Prices are going up by leaps and bounds, the delivery times are getting longer, and some materials are in short supply," the company says. Fortunately, development and innovation are a constant in the operation of the company with more than 70 years of tradition. "We are digitising pre- and after-sales processes and production processes. We are aware of the importance of single data entry and the availability of the right data in the right place, both for employees and customers. We also demonstrated the power of data collected over several years with the WOOLF project, where we developed algorithms for predicting the lifespan of wood based on big data analysis," the company explains.

The company has received a number of awards for its products. The Chamber of Commerce and Industry of Slovenia (CCIS) awarded the company the special award for development and innovation collaboration of business sector and institutions of knowledge for its FLOWCore system, for which they also filed a patent application. "This innovation enables us to manufacture wooden window elements over a height of 5 metres and more thanks to built-in steel reinforcement," the company says. FLOWCore was developed in cooperation with the Biotechnical Faculty and the Faculty of Civil and Geodetic Engineering of the University of Ljubljana.

Main challenges: Greater use of deciduous trees and reduced consumption and waste of other materials

However, the company is not resting on its laurels and is already developing a new type of window called Natura Optimo XLS. This is a wooden, aligned, 92 mm-thick window, boasting a number of features both visible and hidden: clean lines, excellent thermal insulation, etc. As the company also points out, increasing the use of deciduous trees poses a significant challenge for window manufacturers, as they currently mostly use pine wood. The company

will conduct research on the possibilities of using chestnut, robinia, poplar, and thermally modified poplar wood in glued timber components for the manufacture of window profiles. The Biotechnical Faculty's Department of Wood Science and Technology in Ljubljana will assist in the study. The company will also attempt to minimise the consumption and waste of other materials such as silicone and sealants. As the company says, the Natura Optimo XLS will be easily disassembled due to the new dry glazing process, which allows for faster maintenance and replacement of damaged parts, and the window can also be disassembled into individual components and recycled or reused more easily after its service life has ended.

The company is a leader in the domestic market and is looking for growth opportunities abroad. Currently, the majority of their exports go to Austria, Italy, France, the Benelux countries, and Switzerland, and they are aiming to further strengthen their presence in Germany. They are intensively looking for partners abroad, mainly in customer service, help with orders, and the installation of windows.

JUB: Wall paint that reduces the concentration of microorganisms by up to 99.9 percent in 24 hours

In the awareness that we spend as much as 90 percent of our time indoors, **JUB** is focusing on the development of Wellbeing paints, which improve the quality of life and provide a high level of comfort. Building on many years of research in coating chemistry and microbiology, the company has developed a new formulation for the antimicrobial wall paint JUPOL Antimicrob. As the company claims, the new coating is a unique solution for achieving an antimicrobial effect, as it reduces the concentration of microorganisms by up to 99.9 percent in 24 hours, and is also effective against enveloped viruses such as coronavirus. "The formulation concept is unique, not only in the Slovenian market, but in the wider region," the company says. The company responds to the needs and expectations of consumers with new and increasingly advanced products and services that are also sustainably oriented. Sustainable development is indeed high on the list of the company's priorities, and they achieve it with energy-efficient products and solutions, and by adopting environmental protection and circular economy measures.

And what are the challenges that the company will face in the coming years? "At least half of all energy will have to be produced from renewable sources. Standards regarding primary energy use and indoor air quality are both rising and we are paying a great deal of attention to this when developing new products. We place a special emphasis on the sustainability of construction materials, from raw materials to products." The company is present in more than 30 European and other markets, the key among which are Croatia, Bosnia and Herzegovina, Serbia, Hungary, the Czech Republic, Austria, Slovakia, and Germany.

Skaza: Waste can be turned into raw material or plant fertiliser

Skaza is developing innovative plastic products for their B2B partners in the electrical, furniture, and medical industries, while also developing, manufacturing, and marketing products under its own brand. More than 85 percent of these products are made from sustainable materials. This year, the company is focusing on developing a day container for storing organic waste, thus expanding its range of innovative Bokashi Organko kitchen composters. It is also developing a chair made of recycled plastic, and is launching, together with partners, a 120-litre composter for hotels, caterers, nurseries, schools, and other institutions.

The main goal of the company's multi-circular strategy is to make waste a raw material for producing commonly-used materials or turn it into fertiliser for growing crops. "We are therefore focusing on developing sustainable solutions and using recycled materials, so that innovative products and services can lead to growth and solutions that will be even more environmentally friendly. By continuing the development of our Bokashi Organko composters, whose function is to accelerate the decomposition of organic waste, we support the responsible management of natural resources. We see this as a great opportunity to return to the earth the nutrients we use in food preparation and provide a better solution for the treatment of organic waste," Skaza explains. Although the injection moulding industry has been affected by the pandemic-related supply problems and large increases in the costs of materials and transport, as well as a shortage of components, the company's products continue to be sold across the globe, with the highest sales recorded in Central and Northern Europe. "We have achieved a global breakthrough over recent years, entering markets in North and South America, Japan, New Zealand, Australia, Asian countries, Israel, the United Arab Emirates, and other countries," the company says.

JUB is focusing on the development of Wellbeing paints, which improve the quality of life and provide a high level of comfort.

Skaza is developing a chair made of recycled plastic, and is launching, together with partners, a 120-litre composter for hotels, caterers, nurseries, schools, and other institutions.



Photo: Skaza

Adria Dom's work has been recognised in the United Arab Emirates and China, where several tourist resorts are now equipped with their products, especially tents, which are more suitable in terms of transport.

REM's development efforts are focused on fire safety solutions for multi-storey modular buildings and earthquake-resistant modular construction.

REM: Focus on fire safety and earthquake-resistant modular construction

The key markets of **REM**, which manufactures high-end modular prefabricated buildings, are also Central European countries, in particular Germany, Austria, and Hungary, and they are also expanding sales to Scandinavia, Benelux, and the UK. They too are facing increased demand from customers and a shortage of raw materials and supplies. "Of course, this has a strong impact on the rising prices, costs of transport, etc. Nevertheless, we believe that the situation will slowly calm down," the company remains optimistic.

The company's development efforts are focused on fire safety solutions for multi-storey modular buildings and earthquake-resistant modular construction. At the same time, they are also introducing a number of new technologies into the production process. "In this way we will be able to better optimise and digitise our production," the company says. They expect that the conditions in the raw materials market and the supply of production materials will calm down and stabilise in the coming year, and they are also prepared for the contraction in the construction market and infrastructure investments, which will indirectly affect the demand for their products. "Nevertheless, we will continue to invest in new solutions, as we believe this is the way forward for our company."

Adria Dom: The garden office as a response to pandemic challenges

Adria Dom, which manufactures and sells mobile homes and high-quality glamping tents, presented two important innovations in the new season: the year-round Aurora Twin mobile home, comprising one or two units, and the Open Air glamping tent, "which takes the best features of our previous glamping

products and combines them into a new story." In addition to products suited to a continental climate, in 2020 the company also developed a product in response to challenges arising from the pandemic. The "Home Garden Office – HGO", as the product is called, is a garden office that does not occupy the company's production capacity – the components are manufactured by suppliers according to plan, delivered to the customer, and assembled by the company's partner in a few hours. "They have been very well received by the market," Adria Dom say.

The company also developed modular units adapted for transport by trucks without needing special permits or by standard shipping containers. "These are units that can be combined in any number into a larger unit. Due to the large volume of products, transport costs have become an important factor in achieving competitiveness, so new solutions, also intended for distant markets, are key to our expansion," the company explains. They expect that the next season will largely depend on whether the summer season in camps is successful, as well as on the purchase market, where the company is seeing high increases in the prices of input materials and transport, uncertainty of deliveries, and extended delivery times.

Camps are now the main investors

While the company is extremely successful in the Southeast Europe market, their objectives are more ambitious, as they want to expand globally. To an extent they have already achieved this breakthrough, Adria Dom says. "Our work has been recognised in the United Arab Emirates and China, where several tourist resorts are now equipped with our products, especially tents, which are more suitable in terms of transport. The pandemic has changed the world and will continue to do so, and it has also changed the market overnight. Croatian and Italian buyers, who were until recently our largest customers, greatly reduced their investments due to the poor season. That meant our sales were reduced by almost half. But we have compensated for this shortfall with new development and new markets. We looked for opportunities in the mainland and northern European markets (Netherlands, Belgium, Germany, Austria), as tourists stayed at home and the demand in these markets increased, as did the requirements relating to new standards of construction, different layouts, design, materials, insulation, etc.," the company explains.

The customer structure has also changed radically. Hotel chains have postponed investments due to uncertainty, while tour operators have almost disappeared from the market. "The main investors are now camps that are increasingly environmentally oriented and are aiming for uniqueness in terms of accommodation – that is, the design of our product and terrace – as well as service, story, and placement in space. Here, our integrated one-stop shop concept enables us to advise customers by using our experience and working with architects and designers," the company says. ■



Photo: REM



Photo: Iskotel

Smart Electronics

New Breakthrough Products and Solutions

ETI Elektroelement's new fuse proves that a fuse can be "smart", too. Iskotel will be introducing many new solutions in private networks for industry verticals.

Barbara Perko

For **ETI Elektroelement** 2021 has been an important year. "We've been named the 2021 Factory of the Year, which is definitely an important achievement. This is an additional confirmation that we've made the right decisions over the past years (extensive investment in technology upgrade, automation and digitalisation). At the same time we can be proud that, despite the crisis situation in 2020, we've continued to operate normally and regularly supply our customers, which has primarily been the result of the high degree of our self-sufficiency. We produce most components for our products in-house. This makes us one of the rare companies in Europe specialising in various materials for producing technical ceramic products and one of the leading providers of technical ceramic products on these markets. We produce ceramic bodies and bases for our fuse links, plastic housings and metal components and subassemblies for our switches,

such as a special FI relay, and we have our own tool workshop, where we produce our own tools, devices, and assembly lines," says **General Manager Tomaž Berginc**.

A fuse can be smart too

The company's product development focuses on two main areas, which are often interconnected. The first one is green energy and renewable sources. "On the one hand, we develop fuses and switches that protect green energy electrical installations — we are pioneers in photovoltaic and battery storage system protection, and our switches and fuses protect both charging stations for electric cars and batteries in more complex electric vehicles (electric buses, etc.). On the other hand, when developing or revamping our products we always try to make sure they reduce power dissipation. All our new products are con-

ETI Elektroelement produces most components for their products in-house. This makes it one of the rare companies in Europe specialising in various materials for producing technical ceramic products on these markets.

structured to reduce the consumption of both space and energy as much as possible," Berginc explains.

"The second area we focus on is smart installations. This primarily means that we add metering and control functions to our products (which can ultimately lead to reduced energy consumption in the final application). Among switches, one such solution is the KZS 1M EM residual current circuit breaker with overcurrent protection (RCBO), with an embedded electricity metre that can transmit data to an IT environment. In the fuse segment, we'll be launching a special NV MET-COM fuse link this year. This fuse link will be able to transfer data to the cloud, where users can check the energy consumption and the current network load, and, by using analytics, it will help predict the future demands of smart city networks," says Berginc. "This new product's main advantage is that it's a 'plug-and-play' design, where no additional wiring and so on is needed (we only add a concentrator to the electrical cabinet and it then receives data from all the fuse links within a 10 m range), that the fuse link has standard dimensions, which is why it can be installed in all types of holders, fuse rails and disconnectors, and that it achieves the same technical parameters as the traditional fuse link it replaces. This product is a big breakthrough for ETI, demonstrating that even a fuse can be smart. This is especially important in areas where protective switches simply don't meet the requirements and installations can still only be protected with fuses."

Products are becoming increasingly advanced

Traditional protection products for electrical installations are becoming increasingly complemented and upgraded with electronic features (protection devices are becoming more and more complex, offering many additional functions). Additional functions may include options for measuring electricity and energy consumption in individual branches of electrical installations and connecting protection devices with those of the user. Cloud services are also an impor-

The new NV MET-COM will be able to transfer data to the cloud, where users can check the energy consumption and the current network load, and, by using analytics, it will help predict the future demands of smart city networks.

ETI Elektroelement's product development focuses on two main areas, which are often interconnected: green energy and smart installations.



Photo: Iskratel

Iskratel develops products and solutions for next-generation broadband access.

tant element. Through them, consumption data can be transmitted to the user (IoT etc.).

This year, ETI Elektroelement anticipates a moderate market growth, which will be lower than last year. The greatest challenges will lie in the supply chain, in terms of both the availability and high prices of key materials (non-ferrous metals), components, and energy products.

Accelerated development of products for 5G networks

Iskratel develops products and solutions for next-generation broadband access. "We are focused on upgrading the portfolio for fibre-optic access with technology that provides our customers with speeds of up to 10 GB. In home devices for broadband access, we are developing a new generation of products that will also support Wi-Fi 6 technology, which enables better coverage and greater speed in connecting devices. We are developing a 5G network product generation at an accelerated pace, focusing primarily on solutions for private networks for industrial verticals. Many innovations can be expected in this area in the future," Iskratel revealed.

"We are working on large projects in our existing markets. We increased our market share in our traditional Eastern markets, and we are focusing even more intensively on Western markets, which involved establishing a sales representative office in Germany. In addition, we are about to successfully complete the 5G Safety research project. The project's strategic goal is to conduct research and innovation work that paves the way for a new generation of 5G-ready products and services adapted to the needs of the public protection and disaster relief (PPDR) sector,



Photo: ETI

as well as of other sectors that require operational communication for business-critical processes,” Iskratel explained.

5G technology is the foundation of modernising networks and services, and facilitates dedicated networks for individual business verticals, including factories. According to Iskratel, the new ecosystem for solutions and services development also includes technologies pertaining to the Internet of Things (IoT), cloud technology, big data collection and processing, and artificial intelligence. Cybersecurity is becoming an increasingly relevant and crucial aspect.

In view of all the measures aimed at containing the coronavirus epidemic, the company expects 2022 to be a year of recovery, new investments and positive economic growth. Traditionally, Iskratel has been active in the Central and Eastern European markets; the company is now investing strategically in market diversification on Western European markets. In addition to Germany, where Iskratel established a sales representative office this year, the company will reinforce its local endeavours in the French and UK markets in 2022 by opening up new representative offices. Through partners, Iskratel also has reach in other Western European markets (e.g. Spain, Belgium).

Prospects for expansion to SE Europe

The smart locking systems for lockers from the Slovenian company **Metra** are used in customised solutions, for personal storage lockers and for pick up and delivery lockers. For some years now they have ranked among the best in the world. In addition to smart locker systems, Metra produces access control solutions for the tourism and leisure sectors.

Their systems enable a high level of security, flexibility and adaptability in the use of lockers. In this way they offer organisations savings on time and space, they lower the costs of use and maintenance, improve the user experience and how users feel and reduce the environmental impact of organisations. Metra's smart systems are used by both small companies and global corporations, by universities, tourist resorts and various public and government institutions in more than 60 countries around the world.

“More recently we have noted prospects for expansion or a presence of Metra smart systems in certain Southeast Europe markets, on the African continent and in Central and South America, where in the past we have already carried out successful projects in the area of tourism and leisure,” say company staff.

The key focus is on a good user experience

Trends of use on the world market and consequently Metra's development of smart systems are oriented towards easily integrated functioning and use of lockers offering reliability, sustainability and individual adaptation.



Photo: Iskratel

“This then enables the best exploitation of storage or locker functionalities that have a proven outcome of higher levels of positive user experience, satisfaction and work contribution of the individual user among employees,” they explain.

Nowadays organisations expect locker management to offer a comprehensive overview of the dynamics of use and users in real time, simple adaptability in the manner of use and configuration of the environment and integration with other systems in the building.

“Successful organisations long ago replaced the narrow concept of purchase price of a product or solution with adaptability, long-term usefulness and various or multi-faceted benefits and savings,” according to the company.

Modern concepts of doing business therefore focus on a satisfied user and functional environment, which together enable in the long term greater efficiency and consequently better business performance. ■

Cybersecurity is becoming an increasingly relevant and crucial aspect.

Metra's systems enable a high level of security, flexibility and adaptability in the use of lockers.



Photo: Metra

Creating Brilliant Ambiances and Enriching Settings Around the World

Rogaška cristal factory (Steklarna Rogaška) is the world's leading crystal glass manufacturer. All its products are still handmade by master craftsmen, aided by state-of-the-art technology. Steklarna Rogaška is a synonym for crystal products of the highest quality, excelling with a brilliant shine, crystal clarity and exceptional design.

The beginnings of the glass industry in Slovenia go back to 1665, when the first forest glassworks were established in what is now eastern Slovenia. Steklarna Rogaška began production at Rogaška Slatina in 1927, where it still operates and has its headquarters. The company is now owned by the Fiskars Group, a global corporation based in Finland, with Steklarna Rogaška having over 850 employees and generating EUR 40 million in annual revenue.

From the very beginning, Steklarna Rogaška has been a successful exporter, primarily to the US, where its crystal items have been available at Bloomingdale's ever since 1930. In the second half of the twentieth century, the company began to establish itself as a reliable partner and producer for prestigious international brands, including Waterford, which is also owned by the Fiskars Group.

The company is working intensively on raising the profile of its own Rogaška brand, which still has a strong Slovenian identity, and whose products create brilliant ambiances and enrich settings around the world, captivating everyone with their exceptional design, attractive cuts and exquisite quality.

Its range of over 700 products includes beautiful crystal vases, bowls, picture frames, trays and cups, which make perfect gifts for any special occasion, or can be used as decorative accessories for various settings. The bar and wine segments make up an important part of its product range. The wide variety of product lines includes glasses and bottles for spirits available in many decorative cuts, and a wide range of wine goblets and decanters, which emphasise the wine's character with their delicate design and thinness, and are made by only the most skilled craftsmen.

Steklarna Rogaška's products also include custom-made items. These comprise prestigious awards and trophies for outstanding achievements in sport, the business world and culture. Rogaška products are regularly presented as gifts to visiting dignitaries and diplomats in Slovenia.

Rogaška brand products are sold at the company's own stores in Ljubljana and Rogaška Slatina. Outside Slovenia, they are available at prestigious locations in the United Arab Emirates (the Dubai Mall and the Mall of the Emirates), Saudi Arabia, Qatar, Egypt, Iran, Italy, Turkey and the countries bordering the Caspian Sea. They are also sold in China, Taiwan and Vietnam.

In the Balkans, the company has had a long-standing presence in Zagreb, Croatia, and Novi Sad, Serbia, and it plans to expand its sales network to other towns and countries of former Yugoslavia, where it believes it has good opportunities for selling and distributing its crystal products. Its goal is to find a business partner for long-term cooperation.



The company provides expert advice to its business partners on how to select the right product range, along with marketing support and a personal approach. One market advantage is that Steklarna Rogaška has all its products in stock, which ensures fast delivery.

For more information on the Rogaška brand and its products, please visit www.steklarna-rogaska.si. If you are interested in working with Steklarna Rogaška, just send an email to rogaska@fiskars.com or call 00386 3 818 01 70 or 00386 31 290 183 (WhatsApp).

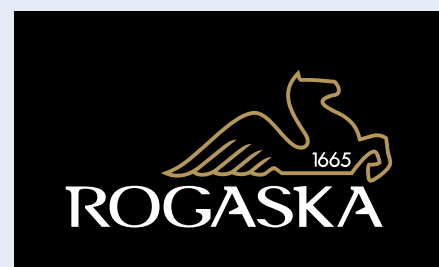




Photo: Ljvar

Special Materials

Their Products Satisfy the Most Demanding Customers

Companies are developing products that meet the highest technological requirements, while working on new solutions to reduce their carbon footprint.

Barbara Perko

Major shifts in mobility are afoot in improving the weight-to-mechanical properties balance. “Our castings customers are developing new generations of products that will be launched after 2023. **Talum** supports these efforts with its technological expertise, ensuring its continuing status as a development supplier by developing new solutions that upgrade existing ones.”

The company has further strengthened its market share for aluminium billets for extrusion (machinery, transport and construction industries), specifically in the market of non-standard, special billets with a higher proportion of recycled aluminium used. They are intensely focused on acquiring new business in carbon materials for new carbon baking services and the production of special carbon materials.

In 2021, Talum developed several alloys to produce slugs for tubes and containers, where the raw input material is secondary aluminium (recycled aluminium

at the end of the aluminium product lifecycle) at either 50 or 100%. The production of slugs made from PCR (post-consumer recycled) materials will increase in the coming years. The company adapted the casting and rolling process for new alloys in order to be able to supply potential customers with test discs for fire extinguishers and Teflon-coated pans.

The company’s production subsidiary Talum Izparilniki, which currently generates the largest share of its revenues in the appliances segment, is lately focusing on solar and on the auto industry, specifically in electric vehicles. “We see an opportunity here, since our products generally increase the efficiency of any device they are built into, and allow the use of more environmentally friendly gases in cooling systems. We see growth potential in the area of cooling fins for electric vehicle and vessel batteries,” the company adds.

Talum adapted the casting and rolling process for new alloys in order to be able to supply potential customers with test discs for fire extinguishers and Teflon-coated pans.

In the pharmaceutical, food and cosmetics industries, reducing the weight of aerosol cans (saving on the weight of final products) is still a high priority.

Focus on electrified mobility products

Aluminium casting development is tending toward technological transformation (new casting and processing technologies), automation and process robotisation, and towards digital and green transformations. In the future, much attention will be paid to developing new solutions to reduce carbon footprints. The focus of product development is currently on new electrified mobility products.

The circular economy and lowering products' carbon footprint are also at the forefront in the aluminium billets segment. Talum has the necessary competences and a relatively favourable geographical location, allowing it to sell aluminium billets to a large number of buyers.

In the pharmaceutical, food and cosmetics industries, reducing the weight of aerosol cans (saving on the weight of the final products) is still a high priority.

Demand for slugs is expected to approach pre-pandemic levels

"The second half of 2021 was marked by a sharp rise in the price of aluminium on the London Metal Exchange and sales premiums for billets," the company says about the unpredictable situation in the aluminium market. Aluminium prices on the LME are the highest since 2008, but this rise in prices was also followed by a steep increase in the costs of raw materials, natural gas and especially electricity. Alloy premiums have also increased, partly as a result of rising prices of alloying elements. Despite the high market value of aluminium and higher sales premiums, the demand for slugs is expected to approach pre-pandemic levels.

Sales in new markets are growing

In the castings segment, Talum's key markets are heat technology, general machine engineering, and transport industry (commercial vehicles, cars, motorcycles). The company supplies billets to customers in the machine, transport and construction industries, while the strongest market for evaporator plates is the domestic appliance industry. They are also increasingly focused on the solar and automotive industries. The key markets for slugs and discs are the cosmetics, pharmaceutical, and food industries. Most of the company's products are sold in the EU markets and partly in the Balkans, while sales of slugs and discs are increasing in new markets such as Latin America and the Middle East.

SIJ is planning to break into the aircraft industry

"This year, the SIJ Group is planning to launch the SINOXX 4501 superduplex stainless steel, as well as new top-quality SIWATT EV28 and SIWATT EV30 electrical sheets with extremely low watt losses, which are intended for the most efficient electric drive engines. We are also planning to enter another high-quality and technologically advanced product market, the aircraft industry, for which we obtained the ISO 9100 certificate last year," says **Aleš Falatov, Marketing and Business Development Director, SIJ Group**. Therefore, the company expects to see the biggest growth in its SIWATT electric sheets.

Reflecting on the last year's achievements, Falatov highlights a new production line for heat treatment in forges and the new EPŽ4 electro-slag remelting plant. "With this investment, we are pursuing the SIJ Group's 2020–2025 strategy and our

SIJ Group is already among the quarter of steel-makers with the lowest CO₂ emissions, as it produces steel following the principles of the circular economy using secondary raw materials (scrap steel).



Photo: Talum



Photos: Livar

objective of remaining at the lead of the tool steel industry. The EPŽ4 plant will enable increased production of steels with superior purity and improved malleability, thus further expanding the company's market reach and consolidating its position in the demanding niche market of tool steels. Their end users are the customers from some of the most competitive industries such as the energy sector, mechanical engineering, oil and natural gas industries and others."

One of the steelmakers with the lowest CO₂ emissions

Industry development is moving towards replacing common steels with more specialised ones. "The driving force behind this development is the so-called lightweighting trend, that is, reducing the weight of construction, vehicles and equipment. While carbon footprints are an increasingly important factor, the SIJ Group is already among the quarter of steelmakers with the lowest CO₂ emissions, as it produces steel following the principles of the circular economy using secondary raw materials (scrap steel)," says Aleš Falatov. "We are also making progress here by constantly investing in the best available technology, and we are aiming to replace part of the natural gas used as fuel in heating furnaces with green hydrogen. All these measures lead to decreased fossil fuel consumption and lower CO₂ emissions."

The SIJ Group, one of the largest Slovenian exporters, is active in more than 70 countries and sells more than 85% of its products in foreign markets, with nearly half of its sales generated in EU countries, primarily Germany and Italy. The SIJ Group ranks among the top three producers of

stainless steel sheets in the EU, where it maintains a high, 29.4% share, among the top three tool steel producers in the EU, and among the top ten industrial knife producers in the world.

Their customers are some of the world's leading manufacturers

Livar supplies the world's leading manufacturers of agricultural components and machinery, of heavy industrial machinery with a focus on drivetrains, of railway brake systems, and manufacturers of equipment for energy systems. Despite the situation due to the pandemic and rising demand, the company has managed to satisfy its customers, staying ahead of the competition and allowing customers to operate without interruptions. "When developing new products, we adapt to the needs of customers from various industries," they point out. The common denominator in recent development has been the reduction of product weight, and the share of nodular cast iron products is increasing.

The company expects new orders to outstrip capacity. "Given the growth so far, we still expect it to settle down at the current levels, as there are no resources left, neither material nor human. The increase in the prices of input materials will also act as a brake," they predict. As the trend of sourcing products from the Far East has stopped due to higher transport costs and less flexible and reliable deliveries, the focus of supply is again on European foundries.

Over the past years, the company has managed to improve the economics of its operations by adjusting sales prices to reflect the growing cost of labour and the exceptional increase in the costs

Industry development is moving towards replacing common steels with more specialised ones.



FerroČrtalič entered the demanding field of medicine by acquiring a European R&D project, which resulted in a new line of machines for post-processing medical implants under the MiBlast™ brand, intended for the orthopaedic and dental industry.

of input material. “The existing mechanisms for offsetting the growth of material costs in the sales price are not suitable for rapid changes of this kind. In agreement with our customers, we switched to a monthly offsetting dynamic, while raising the sales prices in line with the indices for other materials that were not taken into account in the previous mechanisms,” they explain.

Their key market remains Italy, which accounts for a 43% share, although this is declining. “We are focusing our sales efforts on Central European markets (Hungary, Slovakia), where our customers are companies indirectly linked to the DACH region. We also export directly to Germany and Austria. We

are also strengthening our exports to Scandinavia,” the company says. “With the exception of our public utilities programme, our sales in the Slovenian market are indirectly targeted at the DACH market and Scandinavia.”

New breakthrough solutions for most demanding industries

FerroČrtalič develops and manufactures machines for cutting-edge surface treatment technologies, which are marketed under their proprietary FerroECOBlast® Europe brand. Their solutions in the technologies of manual, automatic and robotic air blasting, shot peening, dry removal of ice and snow, ultra-high-pressure water jetting, as well as fully automated enamelling solutions, are being used in the most technology-intensive industries. From aviation, automotive, metalworking, foundry and casting, energy and 3D printing to medical implants and pharmaceutical industries. “Business performance allows us a high level of resistance to external shocks and investments in new areas/technologies, such as additive technology, medicines, laser cleaning and texturing, etc. These will gradually become the driving force behind the future growth of our successful business,” the company states.

“At the end of 2020, we launched Addiblast™ by FerroECOBlast®Europe, a new line of machines for post-processing 3D-printed parts. We also managed to support our determination to enter the demanding field of medicine by acquiring a European R&D project, which resulted in a new line of machines for post-processing medical implants under the MiBlast™ brand, intended for the orthopaedic and dental industries.”

Their vision is to develop new breakthrough solutions based on already acquired standard surface treatment technologies, intended for most demanding industries, such as additive industry (3D printing), solutions in medicine, laser cleaning and surface structuring, solutions in the vehicle electrification industry.

The company is globally present in all markets and industries, either directly or through a partner network. “We adapt our solutions to the requirements and needs of key customers from various demanding industries, such as aerospace, automotive, medical, and additive. Currently the most important markets for us are USA, Europe, Russia, Middle East, and South-East Asia.” ■

Photo: FerroČrtalič



Photo: Krka

Pharmaceuticals

Pharmacists in Slovenia Are Banking on Innovation

Annual R&D investments of pharmaceutical companies in Slovenia amount to EUR 180 million, with the biggest players being Krka and Novartis – Lek.

Darja Kocbek

With annual investments of EUR 180 million, pharmaceutical companies rank among the largest R&D investors in Slovenia, whereby the largest pharmaceutical companies in Slovenia are **Krka** and **Novartis – Lek**. Krka focuses on developing innovative generic pharmaceutical forms with value added. Thanks to efficient implementation of transformation projects, Novartis – Lek is becoming an increasingly relevant figure in the global market of innovative (biological and generic) medicines with high value added.

Tosama remains focused on two key areas, intimate care and medical devices, while **Medis** is the leading independent company that markets pharmaceuticals in Central Europe and the Balkans.

Development of Krka's products is based on innovative solutions

Krka analyses developments in its industry, innovations in individual therapeutic groups and changes

in the treatment doctrines. The company focuses on developing innovative generic pharmaceutical forms with added value. "We stand out with achievements in combination and prolonged-release medicines, which enable better treatment control, as they reduce the number of doses required, while some of them even make it possible to treat two diseases simultaneously. On account of these significant advantages, these medicines have a secure future in the industry," Krka explains.

Recently, considerable strides have been taken at Krka to digitise development and production processes, as well as to robotise individual analytical and implementation processes. The above progress notwithstanding, the company will continue to headline medicines used to treat contemporary chronic diseases. In key therapeutic areas, Krka will introduce innovative generic products. The company also plans to expand its range of over-the-counter and veteri-

Krka stands out with achievements in combination and prolonged-release medicines, which enable better treatment control, as they reduce the number of doses required, while some of them even make it possible to treat two diseases simultaneously.

Krka plans to expand its range of over-the-counter and veterinary products, with the latter being aimed at pets in particular.

nary products, with the latter being aimed at pets in particular.

Krka strives to be present in as many markets and with as extensive a range of medicines as possible. Today, exports comprise just over 94% of the entire sales of the Krka Group. The Krka Group sells products on more than 70 markets, which are divided into 6 sales regions. In addition to a strong network of companies and representative offices abroad, it is expanding its production capacities outside Slovenia. Besides factories in the Russian Federation, Poland, Croatia, Germany, and China, Krka has as many as 45 companies and representative offices abroad.

As well as having a strong presence on the generic pharmaceuticals market in Eastern, Central and South-Eastern Europe, the company has been operating on Western European markets for 20+ years. In the latter region, where it acts as the 100% owner of several companies through which it markets its products, Krka expects to even strengthen its presence in the coming years. As this is a large generic market, Krka sees it as teeming with opportunities.

The company is increasing its presence on overseas markets, particularly in the Middle and Far East. The strategic goals to be realised by 2024 include making one of such overseas markets a key market for Krka. In early December of 2019, Krka registered its first medicine in China, intended for that particular market. "Our aim is to register as many products from Krka's range in China as possible," Krka reveals.

Novartis – Lek becoming an increasingly relevant figure in the global market of innovative medicines

According to Novartis – Lek, the global transformation of Novartis is bringing changes to Slovenia as well, especially in terms of transforming manufacturing sites and increasing integration with Novartis's



Photo: Krka

innovation segment. To continue along this path, the company must invest in new technologies that will support the continuous development of Novartis' portfolio and the anticipated future demand. It must ensure the right ratio between its production network capacity and utilisation.

"The many investments in the strengthening of development and production capacities aimed towards greater digitisation and automation will support successful expansion of Novartis in Slovenia, transitioning from being a generic into becoming a more innovative pharmaceutical company, whereby



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generic medicines will still feature prominently,” Novartis – Lek explained to us.

More than 90% of the medicines it develops or manufactures in Slovenia are exported. Lek operates in over 150 countries around the globe indirectly through the well-developed sales network of Sandoz and Novartis.

Tosama directs its efforts into sustainable solutions

According to Tosama, the structure of sales has changed over the past two years, not so much in the general consumption segment, but in the segment of healthcare, with protective equipment being at the very forefront. As a result, the company has revived the production of certain personal protection products.

“Tosama is directing its efforts into sustainable solutions. By the jubilee year of 2023, when the company is set to celebrate its 100th anniversary, it is our aim to reduce the use of plastics by as much as two thirds,” **Maša Lukan, Head of Tosama Brand Division**, reveals.

In the intimate care category, the company launched a prestigious line of Natura Femina Organic sanitary pads and tampons made from certified 100% organic cotton. In line with its focus on organic materials, the company also improved its Jasmin Organic line of pads, which have been awarded the Product of the Year 2021 certificate.

In the wound care category, Tosama launched a new wound dressing called Vivamel Protect. “The combination of medical chestnut honey and the Vivamel PROTECT PU foam produces exceptional effects that support healing in a damp environment,” **Urška Vitali from Tosama’s product design team** explains.



Photo: Tosama

As regards the market situation, Maša Lukan believes that the epidemic waves will continue to direct the consumption of medical devices in particular. Production and supply will undoubtedly be affected by the situation on the purchasing market of raw materials, i.e. sharp rises in the prices of raw materials and transport services.

Tosama remains focused on two key areas, intimate care and medical devices. The company takes great pride in having been chosen as a partner in the project focusing on the accessibility of safe sanitary products for young girls that is running in three countries – Australia, New Zealand and the United Kingdom. Tosama is participating in the project as a supplier of sanitary pads made from natural (plastic-free) materials.

With its Vivamel wound dressings that contain medical chestnut honey, Tosama has successfully ranked on the European positive list.

Tosama takes great pride in having been chosen as a partner in the project focusing on the accessibility of safe sanitary products for young girls that is running in three countries – Australia, New Zealand and the United Kingdom.

Medis develops two natural medicines

Medis’ mission is to enable access to new, modern therapies to all patients that need them. “In our desire to provide new therapeutic options, we provided patients with epilepsy access to the new supplemen-



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Photo: Cleangrad

In 2020, Cleangrad launched a new light that is completely integrated into the ceiling.

tary treatment of partial epileptic seizures this year,” **Martina Perharič, the CEO of Medis**, explained.

As children are the most vulnerable group, especially children with an autism spectrum disorder, the introduction of a new therapy enabled them and their parents a better quality of sleep. In ophthalmology, the company introduced an improved form of medicines used to treat glaucoma, which are significantly easier to use for the older patients. Because the uninterrupted supply of medicines is vital for the long-term success of treatment, the company stepped up in light of the lack of medicines by other producers and ensured continuous supply with certain oncological medicines.

The company also developed two natural Medis medicines called Rosacta and Ladiva. The first product is a cream intended to alleviate pain in muscles and joints, while the other is available as capsules used to ease menstrual cramps. Both medicines are of plant origin and have been registered in 24 European states. “These are original medicines, which no one in the world has managed to produce in such a form and of such quality,” Martina Perharič points out.

Development projects that keep Cleangrad a step ahead of the competition

“The **Cleangrad** development centre is constantly developing new products and modifying the existing ones to match our customers’ needs,” says **Jernej Zupančič, the company’s Director**. In 2021, the Slovenian National Building and Civil Engineering Institute (ZAG), the leading institute in the field of civil engineering in Slovenia, tested aluminium honeycomb panels, as demand is growing for walls and ceilings featuring this type of filling. “Nearly every project involves modification of existing products,

which we adapt to the customers’ wishes and needs,” Zupančič explains.

In 2020, Cleangrad launched a new light that is completely integrated into the ceiling. “Due to its advantages over the competition, its sales are growing swiftly and many buyers have already come to regard it as their new standard. Doors with inflatable seals, also launched in 2020, are still being supplemented and tested to suit a particular situation on the facility in question and the intended use,” Zupančič says. The company has new development projects in the pipeline that will keep it a step ahead of the competition. According to Zupančič, these projects involve products that will be a great addition to Cleangrad’s range.

Reflecting on the market situation, Zupančič says that despite the crisis that engulfed nearly the entire economy due to the COVID-19-related measures, Cleangrad has always had plenty of work and that the company’s main issue was meeting all of the delivery deadlines on time. What is more, the company is constantly looking for new hires. Since finding competent staff can be a challenge, Cleangrad is not hesitant about recruiting people from beyond Slovenian borders.

“Especially in 2021, issues arose with supply chains and constant price increases, as the raw materials market was unable to avoid difficulties resulting from the global struggle with the coronavirus. Prices of materials on global markets fluctuate, with recent trends being mostly upwards,” Zupančič reveals.

With most suppliers, delivery times for materials and products that Cleangrad installs in clean rooms have been extended. As a result, the company must put in additional efforts to plan efficiently, which is something that starts already at the stage of bidding for the project. Although the company acquires materials and products in Slovenia and abroad, it has endeavoured to procure as much material as possible from Slovenian companies since the very beginning of operations.

“We are in a position to successfully promote various excellent Slovenian providers of products that are used in our industry to large international pharmaceutical companies because we have well-established contacts with them.

As a result, we are currently working on several EU projects with other companies from Slovenia. This type of networking is still lacking in Slovenia,” Zupančič points out. Zupančič also believes it would be unrealistic to expect the market situation to calm down overnight, which is why Cleangrad will be looking for internal reserves and putting even more effort into efficient planning.

While most of their turnover is generated in Belgium, Austria and the Netherlands, some of it is made in Slovenia and Croatia. New opportunities are opening up in Switzerland as well, where there was a slight lull last year. Undoubtedly, the Middle East is a highly appealing market. The same goes for Germany, where initial projects are already under way. ■



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Champions of Niche

Solutions for All Problems

The first industrial fabric structure with a flat roof, sustainable packaging for e-commerce... These are just some of the products that are also being developed in Slovenia.

Barbara Perko



Photo: Schwarzmann

The first industrial fabric structure with a flat roof

"We are developing new models and technical solutions for industrial fabric structures and panel-clad buildings with a steel structure. We recently introduced a new product, Schwarzmann X®, the first industrial fabric structure with a flat roof. After the launch and successful sales on the Slovenian market, we are planning an expansion to the Austrian and Swiss markets," said **Jožef Schwarzmann, co-founder and owner of Schwarzmann**. The company's more prominent achievements include the sale of its largest aircraft hangar to date with a floor space of 10,000 m².

The development focuses on finding custom solutions for fabric structures and panel-clad buildings for each customer individually. "Because we are optimistic by nature, we predict that prices and intermediate goods supply chains will stabilise this year," said Jožef Schwarzmann.

In addition to their domestic Slovenian market, their key foreign markets are Austria, Switzerland, Finland, Belgium, and France.

Sustainable packaging for e-commerce

To design innovative, sustainable packaging solutions, it is a must to be familiar with the customers'

supply chains, market needs, and to work closely with customers.

"When creating custom packaging solutions, it is vital for our packaging specialists and designers to learn about the customers' processes, i.e. their packaging lines, logistics, retail shelf positioning, and vice-versa. DS Smith sustainable solutions are the result of advanced packaging material knowledge, procedures, possibilities, consumer and packaging trends, and much more," explained **Alenka Knez, Design & Innovation Manager at DS Smith Slovenija**.

DS Smith has developed Circular Design Principles to help support companies design reuse and recyclability into their packaging. "We design packaging using only the absolutely necessary amounts of materials. In addition, we produce packaging from recycled materials and make sure it is recyclable or reusable, while also optimising packaging for specific customers' supply chains," Alenka Knez comments.

At the design stage, the company's new Circular Design Metrics come to the fore. It is a breakthrough tool, an industry first, used to define the circularity of packaging designs across eight different indicators, which give a clear identification of a packaging design's circularity performance, and where improvements could be made.

Never has sustainability in packaging been so important to consumers. "As a result of the COVID-19 pandemic and new sustainability policies, DS Smith has noticed growing demand for eco-friendly e-commerce packaging. Not only are online retailers looking for better solutions, but major brands are opting for sustainable omnichannel packaging that is adapted to e-commerce channel and is consumer-friendly," Alenka Knez reveals. Increased demand led DS Smith Slovenia to invest in an additional adhesive tape gluing machine for e-commerce packaging, with the option of applying two silicone tapes and one tear tape.

The PackRight Centre design team, located in Brestanica, responded to market needs by developing a range of innovative, environmentally friendly e-commerce solutions that bring the perfect sustainable experience to consumers.

User-friendly packaging makes it possible to easily pack a product that can be opened effortlessly and that, if it needs to be returned, the product can be repackaged in the existing packaging, without using any tools.



Photo: DS Smith

It is important for e-packaging to be eco- and user-friendly. Alenka Knez describes it as packaging that is the right size without additional single use void fill, makes it possible for e-commerce businesses to pack items more efficiently, provides unique unboxing experience and is reusable – consumers can reuse it for return if needed, without using any additional tapes or tools.

Such packaging helps companies reduce risks (preventing waste and loss of sales), reduce costs (avoiding shipping damages, increased packing process productivity), meet their ambitious sustainability targets, and get them ready for the circular economy. ■

Expanding the Scope of Services Where Slovenian Companies Are the Strongest

Slovenian Institute of Quality and Metrology develops services that companies need to be able to sell their products internationally. “Our main purpose is to support Slovenian businesses. If a new product is being developed in Slovenia, we strive to adapt as quickly as possible so that we can cover that particular product through testing and certification. The manufacturer can then easily sell it all over the world. We expand our scope of services the fastest in areas where Slovenian companies are the strongest and where added value is the highest, i.e. the automotive industry, medicine, information technologies, household appliances, etc.,” SIQ’s Managing Director Gregor Schoss explained. Besides Slovenia, the Institute’s main markets include Germany, Austria, Italy, and the Balkans.

“As there are but few notified bodies in this area, manufacturers are sometimes left neglected in countries as small as Slovenia. This means that even if they come up with innovations, it may take a long time before manufacturers obtain all the necessary certificates to be able to sell their products, during which time the competition catches up with them,” Schoss added.

Planika
TREKKING



LIGHTNESS COMFORT SAFETY

Planika's Trekking footwear collection follows modern trends in hiking: lightness, attractive and fashionable colours with new hi-tech features and, of course, safety and comfort with each step as top priorities. Moreover, all products from the PLANIKA TREKKING collection ensure water impermeability regardless of weather conditions. To achieve this, the most rigorous criteria are taken into account in the selection of materials and their use in the products from the PLANIKA TREKKING collection, in combination with the AIR TEX membrane.

On the basis of our own know-how and many years of experience, we have developed comfortable and adjustable lasts for a wide range of users of PLANIKA TREKKING products, offering a perfect fit for stepping confidently and comfortably on any terrain. The valuable feedback of professional mountain rescuers, repairers and non-professional users has helped us develop outstanding products that meet all the requirements for mountaineering, hiking, urban use or simple outdoor recreation. The materials used are carefully selected and regularly inspected according to the required quality standards. All materials (leather, liner, accessories, shoelaces...) meet stringent production standards that are consistently reviewed through testing. Based on Planika's tradition of footwear manufacturing, all these components form an integral product for safe and comfortable hiking. Developed and made in Slovenia.

The Door of Our Chamber Is Open to You

The Chamber of Commerce and Industry of Slovenia (CCIS) is the largest independent, voluntary, non-profit association of companies in Slovenia. It was founded in 1851 and today boasts more than 5,200 member companies of all shapes, sizes, branches, and regional backgrounds. Our member companies contribute about 50% of gross value added of the Slovenian economy and generate 2/3 of sales in foreign markets. Business in Slovenia starts here!

What can we do for you?

The CCIS is the ideal **local partner** for foreign investors and business professionals. It can support and facilitate your entrance into the Slovenian market. It can help you search for **new contacts** and provide you with a wide range of useful business information.

If you are interested in doing business in Slovenia, the CCIS offers you **services** developed especially for your needs.

Market intelligence

The CCIS provides a wide range of insightfully discerning information on the economic situation in Slovenia. This includes everything from economic indicators and trend forecasts to information on companies' credit ratings. You also get access to contacts for potential business partners.

The International Relations Department of the CCIS presents its activities and services for foreign companies on its website (businessslovenia.gzs.si) and publishes a newsletter highlighting interesting sectors and ground-breaking business solutions in the Slovenian economy,

and offering the possibility of advertising for foreign and domestic companies.

Take advantage of the best business opportunities in Slovenia – make an offer or find a supplier. Foreign companies can register and search for trade inquiries through our special inquiry database BORZA (www.borza.org), where you can find both Slovenian and international business partners.

Go international

The CCIS is the primary meeting hub for Slovenian development and export-oriented enterprises, which are the very engine driving the core of development and innovation in the Slovenian economy. Our continuous interaction with foreign enterprises, institutions, and experts is converted into engaging activities like business delegations, educational and other major events, and B2Bs. It is our mission to provide you with our assembled information about inquiries on international markets, assistance in connecting Slovenian and foreign enterprises, and making your business experience here as productive and lucrative as possible.

Looking for partners in Slovenia?

The International Relations Department is the perfect contact point for anyone interested in working with Slovenian companies. Along with providing information on the Slovenian market, it also provides support to foreign enterprises and institutions in finding new partners. It is responsive, creative, and tirelessly modern. At the same time it makes sure that all its partners are treated as individuals, on a case by case basis.



Photo: CCIS

Legal framework

The CCIS can provide you with information about Slovenian legislation or offer you legal consulting on Commercial, Corporate, Property, Enforcement, and Labour Law, as well as information on public procurement and insolvency procedures.

SloExport: All major Slovenian companies in one place

SloExport is a database catalogue containing information on more than 6,500 Slovenian exporters. It is a tool that will be of great assistance in seeking information on individual Slovenian companies.

Excellent SME certification

In conjunction with the renowned global credit insurer COFACE, the Chamber of Commerce and Industry of Slovenia is issuing Excellent SME certificates to Slovenia's most successful small and medium-sized enterprises.

This certificate enables potential investors or business partners to verify a company's existence, its actual web address, and, most importantly, its creditworthiness.

Ljubljana Arbitration Centre

The Ljubljana Arbitration Centre is an autonomous and independent arbitration centre providing administrative services for the resolution of disputes between parties through arbitration, mediation, conciliation, and alternative forms of dispute resolution.

Promotion and advertising

The CCIS offers several packages of promotional opportunities and advertising also to foreign partners to increase their visibility on the Slovenian market.

Environmental protection

The CCIS can provide information on new and existing environmental legislation, and other environmental aspects, including exchanges of best practice and benchmarking through conferences, training activities, and individual consultations.

Business – Conference Centre

Our premises feature multipurpose halls, classrooms, and council rooms of all sizes and purpose, as well as an event hall with a view to Ljubljana Castle. All of them are equipped with state-of-the-art and user-friendly equipment, and can be rented by the hour, day, week, or even month. The same goes for offices with all necessary infrastructure. ■

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The most powerful representative of the Slovenian private sector

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Top Exporters

150 Largest Companies Generating Nearly 80% of Total Manufacturing Exports

On average, the fastest-growing exporting companies have increased their exports by 63% over the past five years.

Bojan Ivanc, Chief Economist at the Chamber of Commerce and Industry of Slovenia

**117,000 employees
at 150 largest
exporters.**

**EUR 58,000 in value
added per employee
among the largest
exporters.**

**Fastest-growing
exporters
generating EUR
28,000 in exports on
average.**

In addition to EUR 2.7 billion in domestic sales, the 150 largest exporting companies generated EUR 16.3 billion in exports in 2020, which accounted for 45% of Slovenia's total exports or 79% of its manufacturing exports. Trade and energy are also important export sectors, as are logistics and tourism (exporting transport services and travel packages), but they are not included in the analysis because the focus is primarily on industries that produce and export goods. Three companies or groups (a group referring to an ownership link between two or more companies) generated over EUR 1 billion in exports. The top two companies produce generic drugs and the third one is a car manufacturer. A further 33 companies generate over EUR 100 million in exports.

The average export orientation of the largest exporters is high: they generate an average of 85% of their sales on international markets. Over a third of exporters generate most of their sales (over 95%) on the international market, with only a quarter of companies among the 150 largest exporters generating less than 80% abroad.

In 2020, the 150 largest exporters employed 117,000 people (measured per hours worked) or

14% of Slovenia's total workforce in employment. Only one company had over 10,000 employees and one had over 5,000, whereas the average number of employees working for the 150 largest exporters was 780. Labour productivity varies greatly between the manufacturing exporters, depending largely on the gross margin, the company's vertical or horizontal integration, and the specific industry's labour intensity. The average labour productivity among Slovenia's 150 largest exporters amounted to EUR 58,000. Both pharmaceutical companies stood out among the larger companies, with EUR 101,000 and EUR 83,000 in value added per employee. Low productivity was typical of companies that have a portion of their production and employees in the former Yugoslav countries, where the generated value added per employee was generally lower (as were the production costs). Over EUR 100,000 in value added per employee was recorded by 15 or 10% of all exporting companies. Productivity of less than EUR 30,000 was recorded by 17 companies or 11%. Twenty-eight companies or 19% recorded EUR 30,000–40,000 in labour productivity.

The 50 fastest-growing exporters were defined based on absolute criteria (over EUR 5 million in exports in 2015) and relative criteria (fastest growth in exports between 2015 and 2020). Twenty-two companies at least doubled their export earnings and the remaining 28 increased their exports by 35% to 96%. Median export growth stood at 63%. In absolute values, only one company recorded over EUR 1.5 billion in exports, with the median amounting to EUR 28 million. The median export orientation of companies in this group amounted to 87%; in three companies it even reached 100%. Labour productivity varied greatly among companies, amounting to over EUR 100,000 in nine companies and below EUR 30,000 in six. The median number of employees in the group of the fastest-growing exporters was 233, with the smallest company employing 41 people and the largest employing 5,129. ■



Top Exporters

150 Largest Exporters in Manufacturing Sector, 2020

Ranking	Company/Group	Net sales revenue on foreign markets, in million EUR	% of sales on foreign markets	Value added per employee, in EUR	Number of employees
1	LEK GROUP	1.500.1	97.2	101,248	5,129
2	KRKA GROUP	1.449.8	94.5	82,595	11,631
3	REVOZ d.d.	1.368.0	98.3	60,169	2,276
4	SIJ GROUP	594.9	84.6	40,321	3,843
5	IMPOL 2000 GROUP	545.3	93.4	44,291	2,429
6	KOLEKTOR HOLDING GROUP	453.4	56.2	44,056	5,712
7	ADRIA MOBIL GROUP	450.6	96.1	74,343	1,629
8	BSH HIŠNI APARATI d.o.o. Nazarje	342.8	90.8	48,814	1,169
9	TAB GROUP	289.4	96.8	53,975	1,436
10	HELIOS GROUP	276.1	89.2	55,893	1,759
11	LTH CASTINGS GROUP	242.7	99.7	42,380	2,897
12	MAHLE Electric Drives Slovenija d.o.o.	231.4	96.3	26,970	1,748
13	TALUM GROUP	229.1	87.6	37,745	1,462
14	CARTHAGO d.o.o.	217.2	100.0	35,653	826
15	HIDRIA HOLDING GROUP	213.1	93.1	53,471	1,870
16	PERUTNINA PTUJ GROUP	199.7	68.0	31,658	3,745
17	UNIOR GROUP	180.8	86.0	32,472	2,808
18	odelo Slovenija d.o.o.	179.2	100.0	38,878	1,356
19	GOODYEAR SLOVENIJA, d.o.o.	162.8	83.5	46,804	1,469
20	CABLEX GROUP	162.1	95.2	18,625	3,050
21	AquafilSLO d.o.o.	161.0	99.7	43,139	776
22	CINKARNA Celje, d.d.	157.8	91.5	75,150	838
23	KOLIČEVO KARTON, d.o.o.	156.7	91.8	135,431	400
24	ETI GROUP	129.4	92.2	33,176	1,624
25	DOMEL GROUP	129.1	89.5	43,075	1,268
26	AKRAPOVIČ GROUP	125.7	98.8	55,907	1,236
27	CIMOS GROUP	124.7	93.2	16,935	2,585
28	KNAUF INSULATION, d.o.o., Škofja Loka	119.7	84.4	105,469	458
29	CALCIT GROUP	119.1	92.2	103,769	302
30	ISKRAEMECO GROUP	118.4	92.5	47,313	691
31	ADK d.o.o.	117.5	98.7	47,344	636
32	CONTITECH SLOVENIJA GROUP	113.8	99.6	55,072	592
33	PALFINGER d.o.o.	110.7	95.7	40,655	666
34	DANFOSS TRATA, d.o.o.	108.3	92.5	86,488	493
35	PLASTA GROUP	108.2	66.2	51,997	975
36	Atlantic Droga Kolinska d.o.o.	103.0	62.1	87,008	498
37	PAPIRNICA VEVČE d.o.o.	97.4	96.5	72,381	33
38	ELRAD ELECTRONICS d.o.o.	95.2	90.4	56,765	492
39	BOXMARK LEATHER d.o.o.	91.2	99.5	25,331	976
40	TASTEPOINT GROUP	89.0	90.6	106,541	335
41	TRIMO GROUP	87.4	88.1	55,192	449
42	NOVEM CAR INTERIOR DESIGN d.o.o.	84.6	99.9	38,019	702
43	GKN Driveline Slovenija, d.o.o.	82.1	96.7	49,319	370
44	Trelleborg Slovenija, d.o.o.	81.5	87.4	60,780	655

Ranking	Company/Group	Net sales revenue on foreign markets, in million EUR	% of sales on foreign markets	Value added per employee, in EUR	Number of employees
45	FILC d.o.o.	81.3	91.4	108,755	354
46	TPV GROUP	80.7	60.1	35,944	989
47	JUB GROUP	79.2	68.7	52,710	761
48	DON DON GROUP	77.2	69.3	19,210	1,901
49	ARCONT d.d.	75.3	98.9	37,371	637
50	ebm-papst Slovenija d.o.o.	74.7	98.8	32,685	415
51	ISKRA MEHANIZMI, d.o.o.	74.6	91.6	41,504	527
52	LJUBLJANSKE MLEKARNE d.o.o.	69.0	39.2	61,062	593
53	SKUPINA ISKRATEL	67.4	72.3	38,299	853
54	SKUPINA WEILER ABRASIVES	67.0	93.7	35,978	809
55	INCOM d.o.o.	66.9	90.8	52,648	481
56	Adient Slovenj Gradec d.o.o. - v likvidaciji	65.6	98.1	27,702	562
57	STARKOM d.o.o.	64.9	99.0	63,554	268
58	SKUPINA ELAN	63.6	91.7	36,044	703
59	GORIČANE, d.d. Medvode	62.6	90.2	62,687	223
60	SKUPINA PALOMA	60.5	82.4	43,552	507
61	INOTHERM d.o.o.	60.0	93.5	111,297	249
62	G4 GROUP	59.2	47.2	46,413	828
63	TKK d.o.o.	59.1	88.2	69,750	248
64	LEDINEK ENGINEERING d.o.o.	57.9	99.0	119,378	196
65	ŠTORE STEEL d.o.o.	57.8	67.4	38,291	501
66	SILIKO d.o.o.	57.7	84.9	59,976	411
67	STEKLARNA HRASTNIK GROUP	54.5	97.0	57,352	520
68	ITW Appliance Components d.o.o.	52.9	81.6	27,209	247
69	MSIN GROUP	51.9	54.1	47,654	909
70	FOTONA GROUP	51.9	98.3	93,271	291
71	DANI AFC d.o.o.	51.6	100.0	21,285	365
72	TBP GROUP	50.1	93.4	20,669	1,086
73	SEVEN REFRACTORIES d.o.o.	49.3	98.4	100,055	96
74	SOGEFI FILTRATION d.o.o.	49.1	100.0	46,111	324
75	INTERBLOCK GROUP	48.0	94.0	97,731	387
76	SILKEM PLUS GROUP	47.9	89.0	56,954	228
77	KOVIS d.o.o.	46.8	96.9	88,190	141
78	Pivovarna Laško Union d.o.o.	46.1	31.6	100,004	574
79	ETA d.o.o. Cerkno	42.9	98.4	30,282	753
80	FINIKS GROUP	42.6	99.7	23,277	483
81	GEBERIT proizvodnja d.o.o.	42.2	99.1	76,315	268
82	FARMTECH d.o.o.	41.9	90.9	39,936	319
83	JUTEKS d.o.o.	41.8	96.4	97,701	144
84	LESONIT d.o.o.	41.7	95.0	91,812	139
85	MELAMIN d.d. Kočevje	41.4	87.0	81,389	182
86	LITOSTROJ POWER GROUP	40.0	57.7	40,323	391
87	SALONIT ANHOVO GROUP	40.0	45.2	102,900	364
88	KLS LJUBNO d.o.o.	39.7	95.8	112,055	241
89	Walstead Leykam tiskarna d.o.o.	39.6	88.3	67,416	105
90	ALPOS METALURGIJA d.o.o.	38.3	88.5	108,860	61
91	GRAMMER AUTOMOTIVE SLOVENIJA d.o.o.	37.9	99.9	34,211	235
92	BISOL GROUP	37.9	84.9	63,944	192
93	HENKEL MARIBOR d.o.o.	37.7	98.5	45,034	492
94	STEKLARNA ROGAŠKA d.o.o.	36.9	96.7	36,152	647
95	SENSILAB d.o.o.	36.9	83.5	48,530	248
96	TAJFUN GROUP	36.5	95.6	40,336	325
97	BELIMED d.o.o.	36.4	91.5	45,781	234
98	SIBO G. d.o.o.	36.3	89.8	67,044	233
99	EKWB d.o.o.	35.5	99.3	89,296	122

Ranking	Company/Group	Net sales revenue on foreign markets, in million EUR	% of sales on foreign markets	Value added per employee, in EUR	Number of employees
100	VIP VIRANT, d.o.o.	35.0	98.9	48,482	161
101	KOVINOPLASTIKA LOŽ GROUP	34.6	57.6	28,339	751
102	INTERSOCKS d.o.o., Kočevje	34.4	93.8	53,261	143
103	UNITIMBER d.o.o.	34.0	95.8	105,174	5
104	MELTAL GROUP	32.9	59.2	49,022	101
105	PLANIKA TURNIŠČE d.o.o.	32.3	97.6	30,799	226
106	PERSPEKTIVA GROUP	32.2	14.9	42,749	1,557
107	LIVAR, d.d.	32.2	76.0	29,321	501
108	BOSCH REXROTH d.o.o.	31.5	99.4	54,881	212
109	PREDILNICA LITIJA HOLDING D.D. GROUP	30.7	98.1	35,203	316
110	KOLPA HOLDING GROUP	30.6	67.4	31,988	511
111	Poclain Hydraulics d.o.o.	30.5	93.0	37,495	268
112	MAKSIM GROUP	30.3	71.0	53,239	344
113	GOSTOL-GOPAN d.o.o. Nova Gorica	29.5	97.6	54,641	199
114	MLM d.d.	29.3	96.0	29,875	403
115	PLASTIKA SKAZA d.o.o.	29.1	94.0	38,013	244
116	POLYCOM Škofja Loka d.o.o.	28.8	86.3	46,311	265
117	SUMIDA SLOVENIJA, d.o.o.	28.7	99.9	27,494	371
118	NIKO, d.o.o., Železniki	28.4	92.2	48,038	266
119	ADRIA TEHNIKA, d.o.o.	28.3	99.4	50,964	231
120	PIŠEK - VITLI KRPAN, d.o.o.	28.0	83.3	72,064	222
121	Raycap d.o.o.	28.0	78.0	86,997	133
122	URSA SLOVENIJA, d.o.o.	27.8	83.6	76,994	136
123	WILLY STADLER d.o.o.	27.6	98.1	78,071	153
124	ALPINA GROUP	27.6	71.1	12,766	1,298
125	TOMPLAST, d.o.o.	27.5	61.8	43,325	318
126	MDM GROUP	27.5	46.6	75,826	114
127	METREL DUS GROUP	27.5	73.1	50,000	478
128	ŽITO d.o.o.	27.3	28.3	36,258	751
129	RLS d.o.o.	27.0	95.1	82,713	210
130	SIP, d.d. Šempeter v Savinjski dolini	26.3	80.9	52,190	234
131	FLUIDMASTER d.o.o.	26.2	92.0	49,443	175
132	TOSAMA d.o.o.	25.8	63.1	34,823	434
133	INTRA LIGHTING d.o.o.	25.8	86.8	74,876	136
134	ADLES d.o.o.	25.6	95.8	466,257	11
135	ATHOS Elektrosistemi d.o.o.	25.6	61.4	41,059	162
136	ATOTECH SLOVENIJA d.d.	25.6	91.2	66,252	74
137	FENOLIT d.d.	25.3	75.1	84,049	96
138	JATA EMONA GROUP	25.3	17.5	38,679	930
139	SAFILO d.o.o. Ormož - v likvidaciji	24.6	91.6	28,807	579
140	SKUPINA RADEČE PAPIR	24.4	67.8	28,447	296
141	VALJI d.o.o.	24.2	92.1	49,229	216
142	ECOLAB d.o.o.	24.1	68.2	68,945	105
143	ISKRA ISD GROUP	23.9	62.9	41,503	478
144	ROSENBAUER, d.o.o.	23.5	66.7	62,743	154
145	IMERYS FUSED MINERALS RUŠE d.o.o.	23.4	96.4	68,053	68
146	BAUMULLER DRAVINJA, d.o.o.	23.1	99.2	34,429	248
147	PREIS SEVNICA d.o.o.	23.0	98.8	34,328	281
148	OMEGA AIR d.o.o. Ljubljana	22.6	76.5	42,414	296
149	MAROVIT d.o.o.	22.6	97.0	56,622	208
150	TRANSPAK d.o.o.	22.4	98.7	62,746	124

Data source: audited and consolidated annual companies' and groups' reports for 2020, AJPES, database

Ranking methodology: by sales revenues generated on foreign market in 2020. Companies and groups that are parts of larger groups were excluded. We also excluded certain holding companies that do not represent the real economy. Retail, energy, telecommunications and transport sector's companies/groups were also excluded.

Top Exporters

50 Fastest Growing Exporters in Manufacturing Sector (2020/2015)

Ranking	Company/Group	Growth index of net sales revenue on foreign markets (2020/2015), in %	Net sales revenue on foreign market, in million EUR, (2020)	% of sales on foreign markets, (2020)	Value added per employee, in EUR, (2020)	Number of employees, (2020)
1	PERUTNINA PTUJ GROUP	415.6	199.7	68.0	31,658	3,745
2	ROSENBAUER, d.o.o.	194.1	23.5	66.7	62,743	154
3	TEGOMETALL OPREMA TRGOVIN, d.o.o.	193.3	14.8	85.4	32,380	118
4	Varis Lendava d.o.o.	186.7	23.4	80.5	57,693	248
5	Pivovarna Laško Union d.o.o.	164.9	46.1	31.6	100,004	574
6	LEDINEK ENGINEERING d.o.o.	162.2	57.9	99.0	119,378	196
7	OMEGA AIR d.o.o. Ljubljana	151.2	22.6	76.5	42,414	296
8	BELIMED d.o.o.	148.9	36.4	91.5	45,781	234
9	PLASTA GROUP	147.3	108.2	66.2	51,997	975
10	PIRNAR d.o.o.	135.4	34.6	88.4	72,655	103
11	G4 GROUP	130.0	59.2	47.2	46,413	828
12	FARMTECH d.o.o.	120.4	41.9	90.9	39,936	319
13	INCOM d.o.o.	119.8	66.9	90.8	52,648	481
14	ATHOS Elektrosistemi d.o.o.	119.3	25.6	61.4	41,059	162
15	KOVIS-LIVARNA d.o.o.	115.3	19.0	64.6	39,814	255
16	SYSTEMAIR d.o.o.	112.5	14.0	62.0	59,439	141
17	EUREL d.o.o.	111.6	13.3	51.3	27,982	296
18	RLS d.o.o.	111.2	27.0	95.1	82,713	210
19	TEHNOS d.o.o. Žalec	110.2	15.8	84.8	67,613	113
20	SIP, d.d. Sempeter v Savinjski dolini	107.3	26.3	80.9	52,190	234
21	TOMPLAST, d.o.o.	102.8	27.5	61.8	43,325	318
22	LITOSTROJ POWER GROUP	101.3	40.0	57.7	40,323	391
23	Raycap d.o.o.	95.6	28.0	78.0	86,997	133
24	CARTHAGO d.o.o.	94.6	217.2	100.0	35,653	826
25	TRANSPAK d.o.o.	91.2	22.4	98.7	62,746	124
26	SILIKO d.o.o.	90.7	57.7	84.9	59,976	411
27	UNICHEM d.o.o.	89.4	13.5	76.3	63,086	107
28	INTRA LIGHTING d.o.o.	88.2	25.8	86.8	74,876	136
29	PIŠEK - VITLI KR PAN, d.o.o.	82.5	28.0	83.3	72,064	222
30	FENIKS GROUP	81.5	42.6	99.7	23,277	483
31	ISKRAEMECO GROUP	80.0	118.4	92.5	47,313	691
32	MARMOR HOTAVLJE, d.o.o.	76.8	14.0	89.5	58,292	122
33	LJUBLJANSKE MLEKARNE d.o.o.	76.5	69.0	39.2	61,062	593
34	JATA EMONA GROUP	75.1	25.3	17.5	38,679	930
35	PIPISTREL d.o.o.	74.4	20.7	96.3	92,260	88
36	TEM Čatež, d.o.o.	73.6	11.0	63.4	71,420	146
37	MAROVIT d.o.o.	70.9	22.6	97.0	56,622	208
38	GOSTOL-GOPAN d.o.o. Nova Gorica	70.2	29.5	97.6	54,641	199
39	POLYCOM Škofja Loka d.o.o.	69.8	28.8	86.3	46,311	265
40	CELJSKE MESNINE D.D. GROUP	65.1	17.4	18.8	41,507	585
41	TAJFUN PLANINA GROUP	61.5	36.5	95.6	40,336	325
42	ADRIA TEHNIKA, d.o.o.	59.8	28.3	99.4	50,964	231
43	KOVIS d.o.o.	59.0	46.8	96.9	88,190	141
44	WILLY STADLER d.o.o.	58.9	27.6	98.1	78,071	153
45	SEVEN REFRACTORIES d.o.o.	58.7	49.3	98.4	100,055	96
46	MARLES HIŠE MARIBOR d.o.o.	58.5	13.4	61.4	45,905	119
47	ILMEST d.o.o. Nova Gorica	55.0	21.3	98.8	25,758	159
48	I.H.S. d.o.o.	54.9	19.8	99.7	50,291	148
49	AKRAPOVIČ SKUPINA	54.6	125.7	98.8	55,907	1236
50	TRO, d.o.o.	53.1	12.6	91.3	40,401	138

Data source: audited and consolidated annual companies' and groups' reports for 2020 and 2015, AJPES, database

Ranking methodology: by relative growth of sales on foreign markets in 2020 compared to 2015. Initial minimum of sales on foreign markets at EUR 5 m in 2015. Companies and groups that are parts of larger groups were excluded as well as certain holding companies that do not represent the real economy. Retail, energy, telecommunications and transport sector's companies/groups were also excluded.



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Proizvodnja hrane d.o.o.

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Mercator-Emba, d.o.o. is a company with over 60 years of tradition in the production of cocoa instant products (standard and fine granulation), dessert toppings, syrups and fruit preparations. By continually investing in knowledge, development and modernization of the production plant Mercator-Emba, d.o.o. has become one of the leading manufacturers of confectionary products in the region as well as an established and important supplier to some of the world's biggest companies.



COCOA INSTANT PRODUCTS BENQUICK BRAND

BenQuick brand includes a wide range of instant cocoa products and hot chocolates. In the light of modern development and world trends we are the first to bring an instant cocoa product with 30% less sugar to the market.



PRIVATE LABEL

Instant cocoa products are manufactured also for private labels. For many years we have been providing European retailers with top-quality products, best suited for the consumer needs. We offer tailor-made products that come in various packaging possibilities.



DESSERT TOPPINGS SLADKI GREH BRAND

Sladki greh dessert topping offers a wide selection of flavours, which can be used to sweeten all kinds of desserts and ice creams.



PRIVATE LABEL

In addition to our own brand Sladki greh, dessert topping are also manufactured and sold under a private label. They come in a variety of flavours that are produced according to our buyers' wishes/expectations.



B2B

TOPPINGS, FRUIT PREPARATIONS, SYRUPS

An important part of our production represent toppings, syrups and fillings, which are manufactured for dairy, ice cream and bakery industry and known for their high-quality ingredients. On top of that, our great asset is our own development department, which enables us to fully adapt the final product to customers' needs.



A WIDE VARIETY OF FLAVOURS

In addition to a wide variety of flavours our selection of toppings, syrups, fillings and fruit preparations boasts itself with numerous other possibilities, such as: vegan, reduced sugar, without sugar, high protein, dairy free, gluten free, free of artificial flavours and colours, lactose free, preservative free and so on.



INTRODUCING SUSTAINABLE PACKAGING (rPET)

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ACHIEVMENTS

OUR IMPROVEMENT IN DEVELOPMENT HAS WON US PRESTIGIOUS AWARDS:

Product of the Year 2022 for Benquick Selection white Coffe Cikorija (Chicory), product of the Year 2020 award for Benquick cacao with 30% less sugar as well as Innovation of the Year 2020 award for Benquick cacao with 30% less sugar and Sladki greh chocolate topping without sugar.

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