



Business conference: Investment opportunities in Slovenia and possibilities for business cooperation between Slovenian and Turkish companies

Slovenian Business and Investment Environment - Why choose Slovenia?

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Slovenian Public Agency for Entrepreneurship,
Internationalization, Foreign Investments and Technology

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Macroeconomic environment



One of the fastest growing CEE countries

- GDP growth in 2018: 4.1 % (6th highest in EU-28)
- Estimated GDP growth for 2019: 2.8 %
- Long-term GDP growth: 2.8 % (autumn 2019 forecast)
- 25th most developed country (Human Development Index 2018, UN)

Export driven economy

- € 39 bn (85 % of GDP), of that € 31 bn goods and € 8 bn services
- 6,6 % annual export growth in real terms in 2018
- 7,8 % annual export growth in real terms in 2019 (autumn 2019 forecast)

Membership

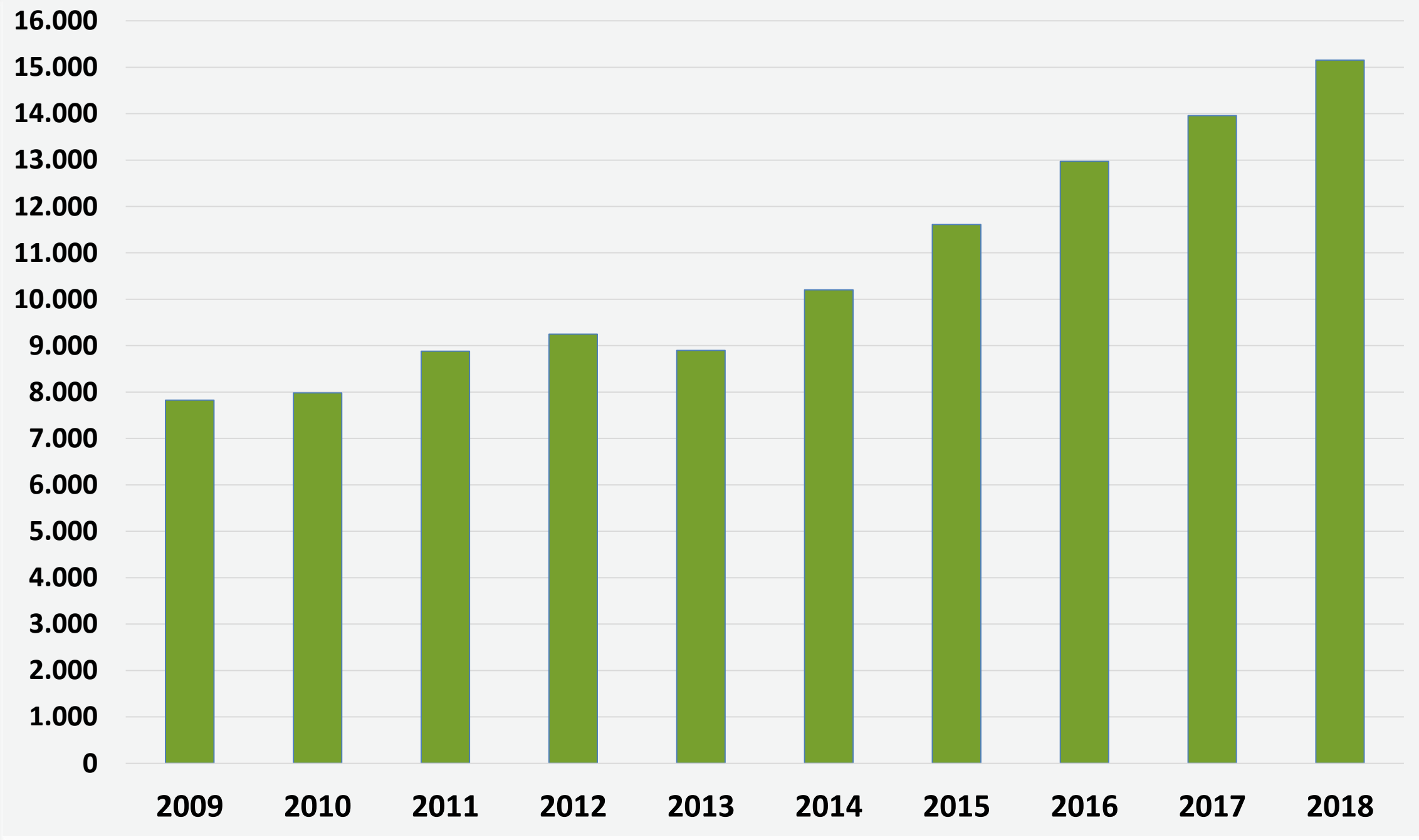
- EU-28 (2004), euro-area (2007), OECD (2010), NATO (2004)



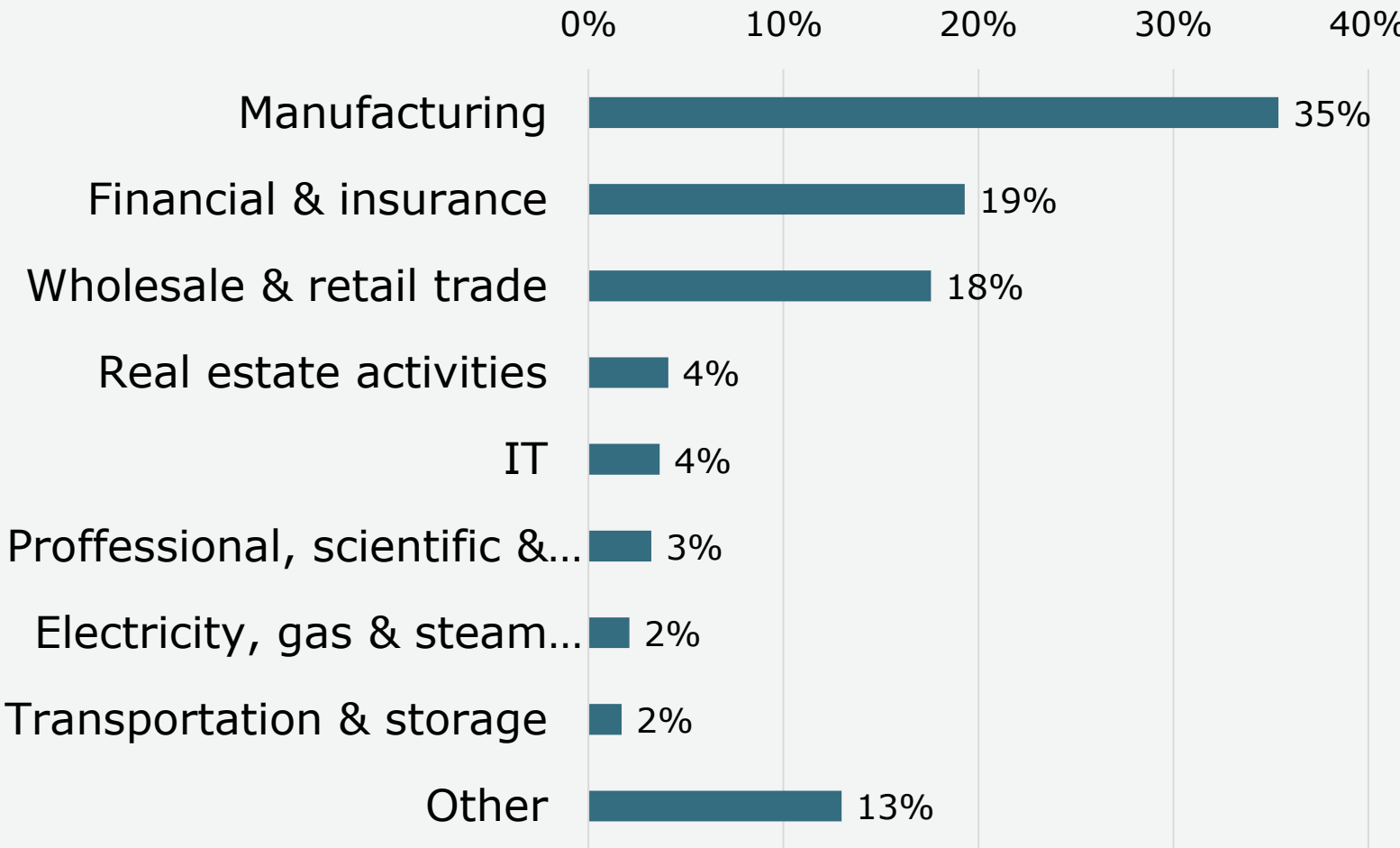
FDI in Slovenia



FDI stock in Slovenia, in mio. EUR



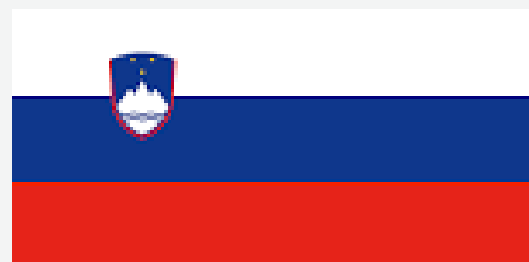
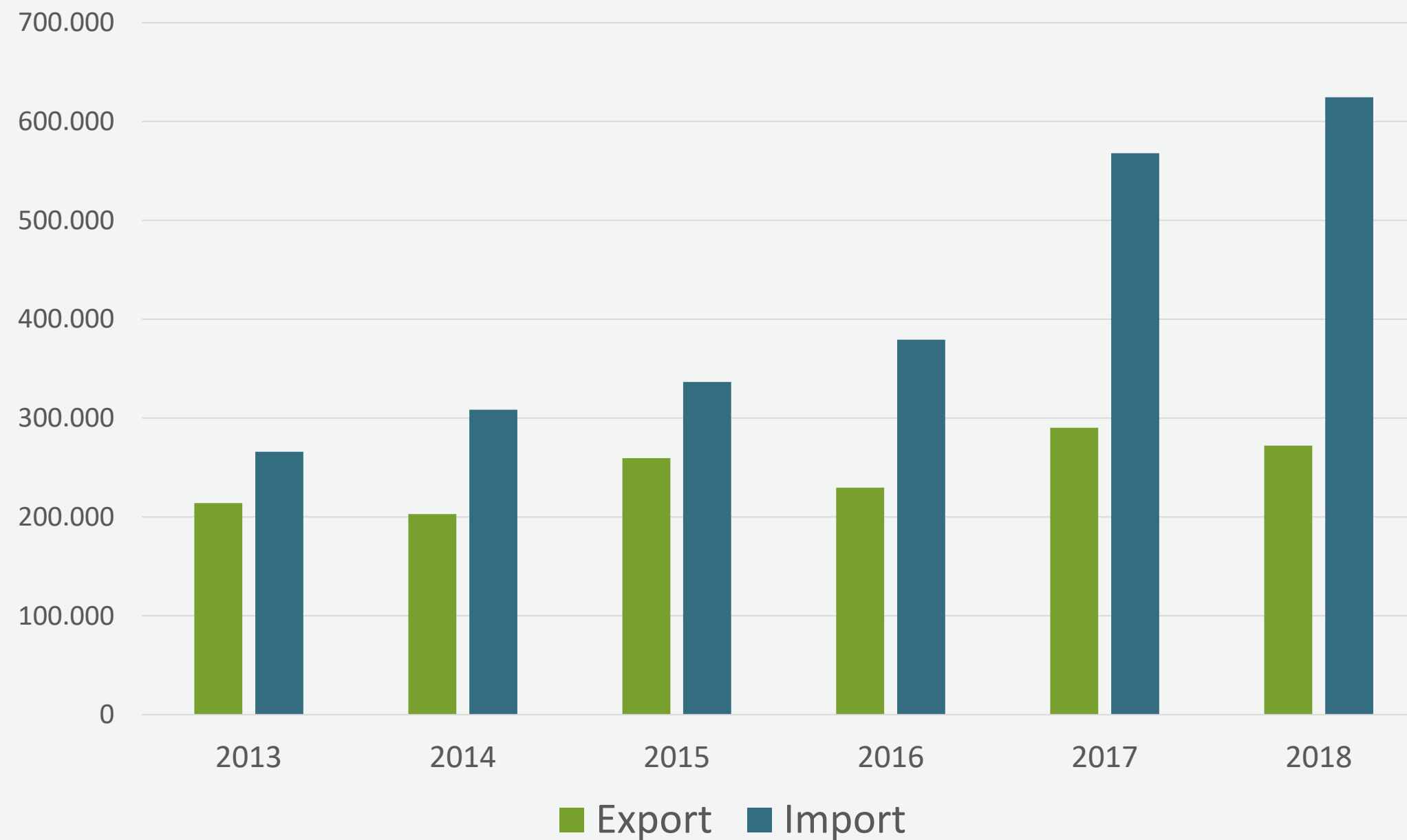
Inward FDI by Sector, year-end 2018



Bilateral trade Slovenia - Turkey



Bilateral trade of goods, in 1,000 EUR



Slovenian export to Turkey by group of products, 2019

Share in %	Group of products
12%	Electrical machinery and equipment and parts thereof
11%	Nuclear reactors, boilers, machinery and mechanical appliances
10%	Paper and paperboard; articles of paper pulp, of paper or of paperboard
8%	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut
6%	Vehicles other than railway or tramway rolling stock and parts thereof
6%	Plastics, rubber and articles thereof

Slovenian import from Turkey by group of products, 2018

Share in %	Group of products
39%	Vehicles other than railway or tramway rolling stock and parts thereof
11%	Electrical machinery and equipment and parts thereof
8%	Optical, photographic, measuring, precision medical instruments
8%	Nuclear reactors, boilers, machinery and mechanical appliances
7%	Pharmaceutical products
3%	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings



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GREEN.

CREATIVE.

SMART.

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

Why investors choose Slovenia?



Gateway to Europe and beyond

Easy market access to:

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

Port of Koper

- One of the northernmost ports of the Mediterranean
- Shortest way to CE Europe: well connected with its hinterland, serving the larger eastern European markets
- High quality port infrastructure

Well-established links to regional markets

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



Important R&D player in the region

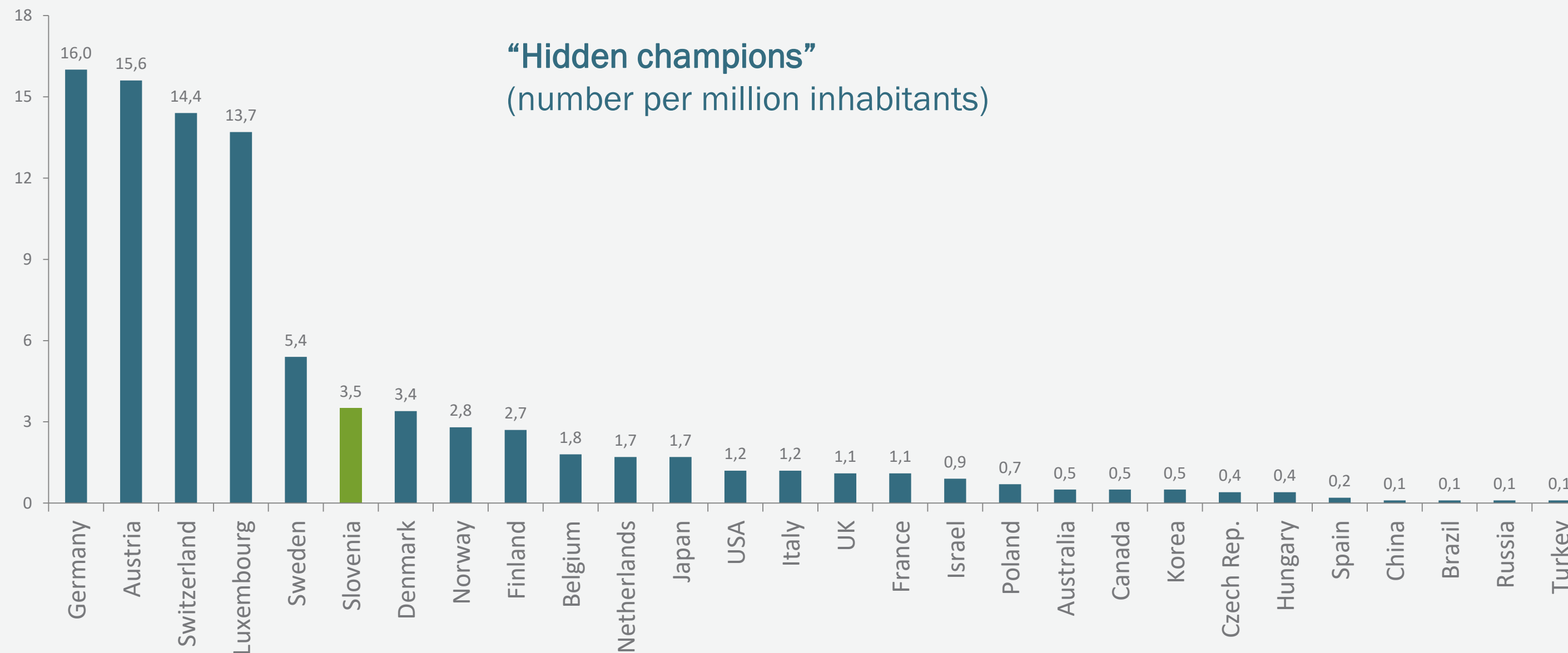
- 2 % GDP allocated to R&D, $\frac{3}{4}$ by business sector
- Tax incentive: 100 % tax deduction on R&D expense
- Strong Innovator (European Innovation Scoreboard 2017)

Slovenia: a country of hidden champions



“Hidden champions” (definition by Hermann Simon):

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



Source: Simon, H. (2012), available at: <http://km.vse.cz/wp-content/uploads/2012/05/2H01X013-prag-hc-090312.pdf>





STIMULATING INVESTMENT ENVIRONMENT



FDI OPENESS

3rd least restrictive country among OECD members (*OECD, FDI Regulatory Restrictiveness Index Database 2017*)

STARTING A BUSINESS – FAST & SIMPLE

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

Ranked as worlds 2nd most reliable and secure energy supply system (*World Energy Council 2018*)

CORPORATE INCOME TAX

19 %

Tax reliefs:

- Up to 100 % of the amount invested in R&D
- Up to 40 % of the amount invested in equipment and intangible long-term assets

VAT (Value Added Tax)

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

CAPITAL GAIN TAX

0 – 25%

(depending on holding period)

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HIGHLY CAPABLE AND PRODUCTIVE WORKFORCE

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

Quality of Life

High Standard of Living:

- Moderate climate, well preserved countryside, active lifestyle, tourism destination
- 15th place on Quality of Life Index 2019 (Numbeo)

Education

- Several international schools
- Highest quality of educational system

Safety

- 11th safest country (Global Peace Index 2018)

Healthcare

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

Companies that have already chosen Slovenia

YASKAWA



Yaskawa I. investment:

- Greenfield investment in a new smart factory for high-tech production of robots
- Investment value: € 25 mn

Timeline:

- Q4, 2016: Decision for Slovenia
- Q4, 2017: Building permission & construction start;
- Q1, 2019: Commissioning & pilot production;
- Q2, 2019: Start of production
- In consideration expansion of the current site due to good experience and the support of the government and local authorities



Companies that have already chosen Slovenia

KNAUFINSULATION



Knauf Insulation:

- Present in Slovenia since 2007 when it took over an Slovenian company.
- New investment project in a global competitiveness R & D centre for rock mineral wool in 2010.
- Investment value: € 25 mn



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Companies that have already chosen Slovenia



Sector: Chemicals

Acquisitions of Helios by Kansai Paint

»We are pleased to have found a company such as Helios with consistent business philosophy and excellent potential to become even more important in the coatings field in Europe. »

»We wish to develop Helios into a strong European innovation center with the best knowledge and professional skills in various coating segments.«

Hiroshi Ishino, Chairman Kansai Paint



Sector: Automotive

- Factory expansion to accommodate high-tech machines for tire production
- Investment value: EUR 94m



Sector: Automotive

- Biggest ever greenfield investment by Magna Steyr
- Multi-OEM Paint Shop (BMW, JLR, Mercedes-Benz G-Class)
- Investment value: approx. EUR 150m



Sector: Pharmaceuticals logistics

- Greenfield investment in a new logistics centre for pharmaceuticals
- Largest pharmaceutical warehouse for Kühne&Nagel
- Project size: 90,000m²
- Investment value: approx. EUR 50m



Slovenian hi-tech powered by FDI



Sector: Aerospace

- Aerospace solutions provider based in Ajdovščina, Slovenia, the “hub” of advanced aerospace development and integration in this part of Central Europe.
- The company is a global market leader with established reputation in the specialized, fixed wing small Unmanned Aircraft Systems (UAS) manufacturing and services field, with a specific focus on high productivity, endurance, surveying and remote sensing.



Sector: Automotive

- In-wheel electric propulsion systems for electric and hybrid vehicles.
- Unique and patented technology enables Elaphe in-wheel propulsion platform to be one step ahead of the competition.
- Extremely high torque, low weight and unique, compact packaging around standard knuckles and friction braking systems.



Sector: Biotechnology

- A leading European provider of innovative healthcare and lifestyle solutions based on preventive genetic testing.
- The vision is to provide every individual with the possibility of genetic testing that enables the discovery of new insights about the body and its functions. Providing people with new information and personalized guidelines for better living that can protect from preventable health risks due to genetic predispositions and permanently improve the quality of peoples lifes.

Slovenian hi-tech research institutions



NATIONAL INSTITUTE OF CHEMISTRY

Sector: Research

- Research in advancement of electrochemical energy storage focused on secondary batteries – specifically lithium-ion, lithium-sulfur, magnesium batteries as well as organic battery materials. Bridging the gap between fundamental science and applied engineering by combining academically and industrially relevant questions.
- Cooperation with HONDA (2004-2016) on research of Mg batteries



Sector: Research

- Long tradition in developing collaborative partnerships with industry.
- Research in the field of :
 - Physics
 - Chemistry and Biochemistry
 - Electronics and Information Technologies
 - Reactor Engineering and Energetics
- new knowledge and ideas that are the result of the research at the Institute and its international partners offer numerous development opportunities for Slovene and foreign enterprises

Contact point



www.investslovenia.org

Information on:

- Industries, legislation, taxes and incentives
- investment opportunities, industrial sites, and local suppliers
- Links with industry and local authorities
- Organization of fact-finding missions, business and investment conferences
- Supporting existing foreign investors in Slovenia

www.sloveniapartner.eu

Information on:

- Business specific information and company counselling
- Database of Slovenian exporters
- Information on Slovenian suppliers
- Presentation of Slovenian business environment
- Brochure Connect to Slovenian Business Excellence
- Advice and a hand in practical matters

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DEVELOPMENT FUND