

I FEEL
SLOVENIA

GREEN.
CREATIVE.
SMART.



TRADE WITH SLOVENIA
AND BEYOND

Slovenia, a land of infinite potential

Facts about Slovenia

Official name	Republic of Slovenia
Climate	Alpine, Pannonian, Mediterranean
Time	Central European Time GMT+1, in summer GMT+2
Mains voltage	220 V
Length of borders	330 km with Austria, 280 km with Italy, 102 km with Hungary, 670 km with Croatia; in total 1,382 km
Length of coastline	46.6 km
Area	20,273 km ²
Population	2,095,861
Language	Slovenian
National currency	Euro
Type of economy	High-income economy, Ex-Transition country
GDP growth	2.4%
GDP per capita	EUR 27,440
Inflation rate (April 2020)	-1.2%
Export of goods	EUR 33,519 billion
TOP Export partners	Germany, Italy, Croatia, Austria, Switzerland, France, Poland
Imports of goods	EUR 34,044 billion
TOP Import partners	Germany, Italy, Austria, Switzerland, Croatia, France, Hungary
Unemployment rate	4.5%





A land of natural beauty in the Heart of Europe

The Republic of Slovenia lies in the heart of Europe, where the Alps and the Mediterranean meet the Pannonian plains and the mysterious Karst. Green is the dominant colour. More than half of the country (11,176 km²) is forested, making Slovenia the third most densely forested country in Europe, after Finland and Sweden. In 2016, the capital Ljubljana was declared the Green Capital of Europe. As a small, beautiful and picturesque country, located at the crossroads of the main European cultural and trade routes, it is a great business and tourist destination. You can ski in the morning and surrender yourself to the luxury of the Adriatic Sea in the afternoon. Such a boutique, authentic, unique country proves one thing – small is beautiful. With its wonderful natural landscapes, historical sites and modern facilities, friendly and talented people, and dynamic entrepreneurs, it's a great place to visit, live or do business.





Tomaž Kostanjevec, PhD
Acting Director of SPIRIT Slovenia,
Public Agency

Photo: STA/Tamino Petelinšek

Distinguished Reader,

You will surely agree that an increased level of business investment leads to higher competitiveness. There is no doubt that foreign direct investments introduce new processes for advanced manufacturing, and create high added value.

Slovenia's strategic position in the heart of Europe, with easy access to SEE markets, a highly skilled workforce, research and development capabilities, and a high level of stability, creates a good environment for manufacturing, services and R&D activity. Slovenia is one of the least restrictive OECD member countries for FDI, doubling its FDI stock in the last ten years, with a well-developed system of investment tax reliefs as well as R&D tax incentives. Moreover, Slovenia is a great and pleasant place to live. High quality of life, a dynamic and diverse economy, fast-growing companies, and sustainable growth – these are just a few reasons why choosing Slovenia could be the best decision you have ever made if you are looking for a place to invest, reliable business partners, or just a place to set up your business.

There are always opportunities for those who dare to seize them. In today's globalised world, companies frequently outsource and relocate in search of business opportunities. And what are business opportunities but the right place with the right people – precisely what Slovenia has to offer!

I invite you to take a look at this brochure and see for yourself that Slovenia is indeed a land of infinite potential.

Ljubljana, December 2020



Trade with Slovenia and Beyond

Introduction: Slovenia, a land of infinite potential

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1. BUSINESS LOCATION AND ITS ADVANTAGES

Success factors: top stability, excellent CEE and West Balkans know-how, reliable infrastructure, quality of corporate governance, access to financing, skilled workforce coupled with a high quality of life, high educational level, a prosperous market in the heart of Europe.

➤ 1.1. Geographical position – at the crossroads of W and SE Europe

Slovenia has a total area of 20,271 square kilometres and consists of the Eastern and Western Cohesion Regions. The country shares its border with four neighbours: Austria, Hungary, Italy, and Croatia. Slovenia's geographical location in the heart of Europe provides foreign investors with bottom-line strategic advantages for their business operations. Due to its unique geographical position, Slovenia is an ideal business location, whether as an East-West interface or as a headquarters for a company's Central and Eastern European and West Balkan business activities.

1 Location at the crossroads of TEN-T (Mediterranean and Baltic-Adriatic) corridors is the ideal entry point for instant access to EU markets, Central and Eastern Europe, and South East European countries, with more than 500 million customers and without customs and duties.

2 Exceptionally favourable geo-strategic position in Europe, providing hinterland access via land and sea and offering the shortest connections to the Mediterranean via the Port of Koper and to the Middle and Far East via the Suez Canal.

3 Slovenia's transport system has a 38,784 km road network, 700 km of which are motorways. It has over 2,000 km of railway.

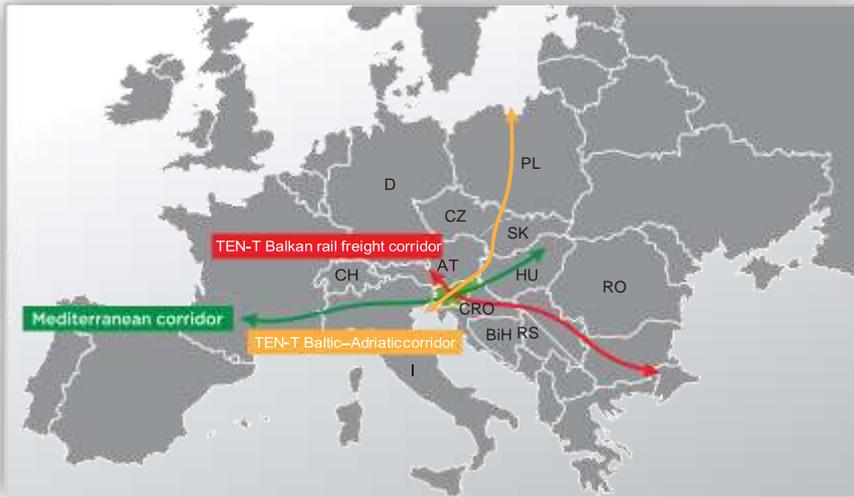
Modern motorways, and an extensive network of air routes mean that all areas of Central and Eastern Europe and the Western Balkans are quickly reachable from Slovenia.

	DISTANCE	TRANSPORT TIME
Ljubljana - Vienna	384 km	4 hours
Ljubljana - Budapest	462 km	5 hours
Ljubljana - Zagreb	143 km	1.5 hours
Ljubljana - Trieste	93 km	1 hour
Ljubljana - Munich	405 km	4 hours
Ljubljana - Brno	513 km	5 hours
Ljubljana - Belgrade	513 km	5 hours
Ljubljana - Sarajevo	542 km	6 hours

Table 1: Advantages for companies using Slovenia as a central EU hub

Source: Via Michellin

Slovenia's geographical proximity to all major Western Balkan cities is an important competitive advantage: the distance from Ljubljana to Belgrade is 513 km, while Zagreb is only 143 km away.



Part of the Slovenian motorway network lies along the key TEN-T European transport corridors.

Slovenia's business ties provide advantages for companies who want to go to the Balkans.

Slovenia has all the attributes needed to do business across the Balkan region: knowledge of the languages, customs and culture, as well as personal connections. Business between Slovenia and the Balkan countries is supported by free trade agreements, excellent knowledge of the markets and well-established business ties, and Slovenia has the largest number of foreign investments in the Balkans.

➤ 1.2. Population, urban centres, and indicators

Slovenia has historically been a crossroads of Slavic, Germanic, Romance, and Ugric languages, cultures, and influences, all shaping its character. Slovenians may be described as diligent, active people who are well educated and have a flair for foreign languages. Slovenians are above the OECD average in terms of positively perceiving their quality of life in areas like jobs, educations and skills, work–life balance, social connections, environmental quality, and personal security.

From their point of view, they rank their values: family, friends, work, leisure time. Surprisingly, politics are the least important. These rankings put them on a par with nations such as Germany, Japan, Sweden, Hong Kong, Poland, Taiwan, and Estonia.

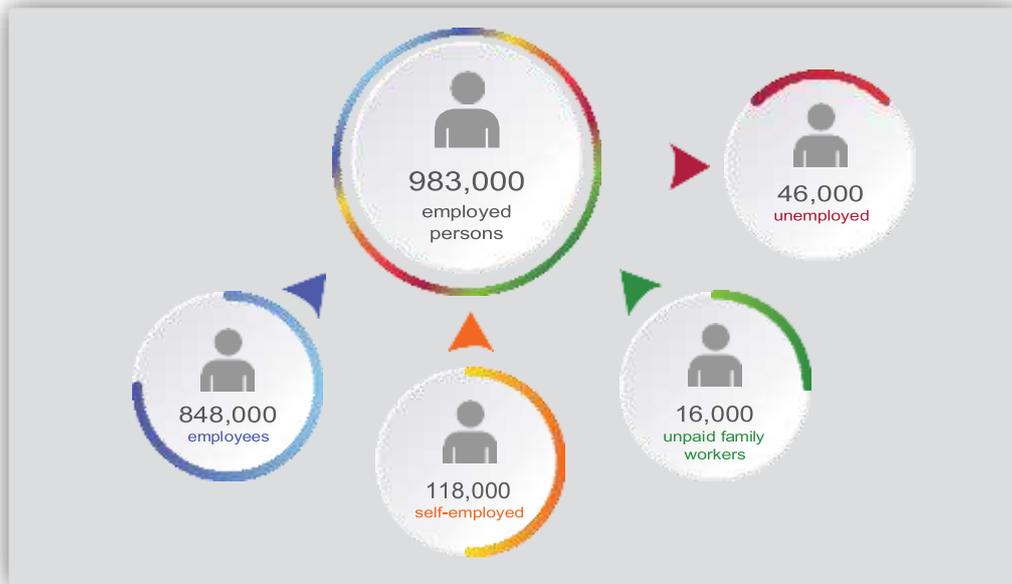


Chart 1: Labour market, 2019

Source: SURS

A key comparative advantage for Slovenia is the quality of the workforce. Its workforce has an above EU average share of persons with secondary and tertiary education and has excellent foreign language skills. According to Eurostat, Slovenia ranks third in the EU with 40.7% of the population that speak three or more languages. According to the IMD, Slovenia has the most proficient English speakers of any emerging European country and is ranked 9th globally.

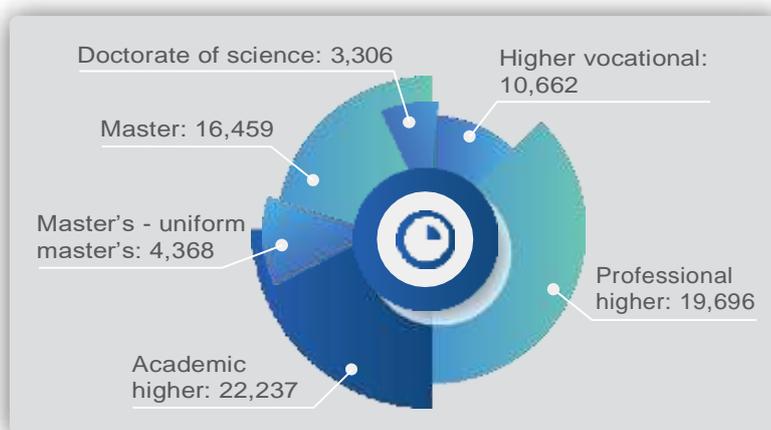


Chart 2: Students in third-level education in academic year 2019/2020

Source: SURS

The most popular tertiary degrees among graduates in 2019 were business, administration, and law (2,966 or 18.4%), and engineering, manufacturing, and construction (2,842.5 or 17.7%).

High shares of children and youth participating in and completing all levels of formal education rank Slovenia high among OECD countries and EU Member States. In recent years, Slovenia has witnessed a marked improvement in educational level thanks to education system reforms. 62.1% of 25 to 49 year olds have a tertiary qualification.

How's Life?

Slovenia boasts a natural diversity of landscape and facilities for a wide-range of lifestyles and in turn offers excellent quality of life. Slovenia has been considered one of the safest countries in the world for years: the Global Peace Index ranks Slovenia the 8th safest country in the world (out of 163 countries).

According to the OECD, Slovenia performs well in some well-being benchmarks in the Better Life Index. Slovenia ranks above the average in jobs and earnings, housing, health status, social connections, education and skills, work-life balance, environmental quality, and personal security.

Urban Centres

Slovenia is a country of small and medium-sized cities, two of which have over 50,000 inhabitants. There is one larger metropolitan area around the capital city Ljubljana and several medium-sized urban areas, such as Maribor, Kranj, Celje, Velenje, Koper, and Novo Mesto. Although Slovenia's cities are rather small by European standards, there is some urban sprawl and an urban lifestyle is enjoyed by many.

➤ 1.3. Political Environment

Slovenia is a parliamentary democratic republic with a prime minister as the head of government and a president as the head of state who is directly elected. The government holds executive and administrative authority. The prime minister and ministers are elected by the Parliament.

Eighty-eight members of the national parliament are elected through proportional voting and two members are elected by ethnic minorities. Members serve four-year terms.

International organisations

BIS, CE, CEB, CEI, EBRD, FAO, IADB, IAEA, IBRD, IDA, IFC, ILO, IMF, IMO, ISO, ITU, MIGA, NAM (guest), OECD, UN, UNCTAD, UNESCO, UNIDO, WEU (associate partner), WHO, WIPO, WTO

Table 2: *Participation in international-economy-oriented organisations*

Source: investinslovenia.org (June 2020)



According to the World Bank's Worldwide Governance Indicators, Slovenia scores 10th among EU member states in terms of political stability and lack of violence.

2. ECONOMY



Success factors: strong and balanced economic growth with a solid outlook, diversified and competitive export sector, strong industries, improved fiscal position and business environment, profitable banking sector, strong R&D culture, competitive tax regime.

Slovenia's business environment is stable. According to the World Bank's Doing Business indicators, Slovenia was placed 37th among 190 economies in 2020. Compared to other EU Member States, it ranked behind Denmark, Sweden, Norway, Germany, Austria, France, and Spain, but ahead of the Netherlands, Poland, the Czech Republic, Hungary, and Italy, among others.

TOP BUSINESS LINKED DATA (2019) Ease of doing business, openness to trade, education, and innovation remain the strongest pillars of success.

1 st (out of 190) Trading Across Borders (DB)	9 th (out of 190) Resolving Insolvency (DB)
1 st (out of 141) Macroeconomic stability (WEF)	14 th (out of 28) Innovation Union Scoreboard (EC)
12 nd (out of 63) Prices (IMD)	26 th (out of 141) Skills (WEF)
23 rd (out of 190) Getting electricity (DB)	32 nd (out of 63) IMD World Digital Competitiveness Ranking
28 th (out of 141) Innovation capability (WEF)	39 th (out of 167) Logistic Performance Index (WB)
33 rd (out of 141) Infrastructure (WEF)	
8 th (out of 163) Global Peace Index (IEP)	

Sources: Doing Business, IMD – Competitiveness Rankings, IMD – World Digital Competitiveness Ranking, WEF – The Global World Competitiveness, Logistics, Performance Index (World Bank), Innovation Union Scoreboard (European Commission).

➤ 2.1. Economic facts and figures

Slovenia is a high-income country, ranking as the 27th richest economy per capita out of 133 studied. Its 2.09 million inhabitants have a GDP per capita of EUR 22,944 (EUR 34,140 PPP; 2019). GDP per capita growth has averaged 3.3% over the past five years, above regional averages (Center for International Development, Harvard University, 2020).

Indicators	2017	2018	2019	2020 forecast	2021 forecast
GDP growth (% , YOY)	4.9	4.5	3.4	-7.0	6.7
GDP in EUR million	43,000	45,948	48,797	51,578	54,443
GDP per capita (EUR)	20,815	22,182	23,619	24,964	26,351
Trade balance surplus, as % of GDP	10.0	9.5	9.1	8.9	8.6
Gross external debt in EUR milion	43,191	42,099	31,744	37,556	34,390
Gross external debt, as % of GDP	74.1	70.4	67.1	82.4	62.2
Standardised rate of unemployment (ILO)	6.6	5.1	4.5	5.4	5.1
Labour productivity (% of GDP per employee)	1.9	1.5	1.4	2.1	2.2
Inflation (% , YOY)	1.4	1.7	1.6	1.1	2.6
Average exchange rate USD/EUR	1.129	1.181	1.135	1.107	1.108

Table 3: *Main economic indicators and forecast*

Source: Institute of Macroeconomic Analysis and Development, Eurostat, SURS, IMF, 2020



- A performing economy based on a sustained growth rate of 2.4% in 2019 (Consensus), low inflation, a large current account surplus (above 7% of GDP), and a fiscal surplus, as well as declining sovereign debt.
- The economy is diversified and fits into the European production chain.
- Labour productivity has increased from EUR 34,000 to more than EUR 44,000 over the last 10 years.
- Competitive corporation tax rate – 8th lowest among EU members.
- The Slovenian economy is solvent, with low levels of debt.

➤ 2.2. Main economic sectors and industries

Slovenia is a fast-growing export-oriented economy. While services provide most of the total value added, what sets Slovenia apart is its share of industry; with more than 27% of the total value added it is the 3rd most industrialised EU member state. Industry also accounts for 80% of private investment in R&D.

	AGRICULTURE	INDUSTRY	SERVICES
Value added (in % of GDP)	2.1	28.4	56.4
Value added (annual % change)	12.5	4.3	4.5
Employment by sector (in % of total employment)	5.5	32.9	61.7

Table 4: Breakdown of economic activity by sector, 2019

Source: World Bank



The **industrial sector** accounts for 28.4% of GDP and one third of employment. Since the 1980s, the mechanical industries (automobile, tool machines) and the high value-added industries (electronics, pharmaceuticals and chemicals) have undergone significant development. The World Bank estimates that the manufacturing sector contributes 20% of GDP.



The **agricultural sector** accounted for 2.1% of GDP in 2018 (World Bank). It employs around 5% of the population. Total farmed agricultural area constitutes 30.6% of the total area of the country, with 4.8% of agricultural holdings dedicated to organic production (plus 5.4% in the system of control of organic production). Forestry is a key economic factor, with 58% of land area forested and an annual production value of EUR 250 million to the economy.



The **tertiary sector** remains the key sector of the Slovenian economy. This sector, which accounts for 56.4% of GDP and employs 61.7% of the total workforce, has shown a strong growth pattern during the last ten years, especially in the fields of information and communications technology (ITC), financial and commercial services, and retail business. The tourism sector is very dynamic and is experiencing a period of accelerated growth (6.2 million tourists in 2019, up 5% YOY).

Main industries

Data refer to 2019.

Automotive

Number of companies: 280
Number of employees: 17,451
Revenues: EUR 4.4 billion
Share of Slovenian export: 20%
Share of GDP: 10%
Membership: SiEVA, ERTRAC
Active in: Strategic development-investment partnerships.
Key products: Seats and seat components, components and materials for upholstery, car body parts,

components for braking systems, mechanical and electric/electronic components for engines, exterior equipment and body lighting equipment, exhaust systems, engine and gearbox components, steering system components, drive components, other systems and components, manufacturing spot welding equipment, tooling for the automotive industry.

Logistics and Distribution

Number of companies: 3,656
Number of employees: 39,160
Revenues: EUR 5.2 billion
Membership: NAPA (Port of Koper)
Key services: freight forwarding and freight shipping, handling of goods, goods warehousing and storage, maritime and inland logistics terminal operations, additional services
Road network: total roads 38,784 km
Railway network: The national rail operator Slovenian Railways (SŽ) operates both passenger and freight services and manages railway infrastructure including 60,000 m² of

warehouses. In 2018, Slovenian Railways transported 21.3 million tonnes of goods and its trains travelled 5,151 million net kilometres.

Air transport: Aerodrom Ljubljana – a Fraport Group member. Passenger numbers are up 10.3% on the previous year at over 1.4 million passengers, while the total cargo tonnage is comparable (approx. 18,500 tonnes). Maribor Airport handles cargo mostly, whereas Portorož Airport has facilities for light aircraft only.

Chemicals and Pharmaceuticals

Number of companies: 901
Number of employees: 32,039
Revenues: EUR 6.3 billion
Value added: 1.7 billion
Sales in foreign market: 80%
Active in: Strategic development-investment partnerships.
Key products: Basic chemicals, pesticides and other agrochemical products products, coatings, paints,

varnishes and similar coatings, printing ink and mastics, pharmaceutical products and pharmaceutical preparations, soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations, man-made fibres, engineered rubber and plastic products, tyres and air-tubes for vehicles.

Electrical and Electronics

Number of companies: 668
Number of employees: 35,672
Revenues: EUR 5.6 billion
Export: EUR 4.5 billion
Share in Slovenian export: 11%
Value added: EUR 1.4 billion
Active in: Strategic development-investment partnerships.

Key products: Electro motors and machines, household appliances, telecommunication equipment, electronic measuring systems, medical and optical equipment, power distribution facilities, electrical components, electronic manufacturing services (EMS).

ICT

Number of companies: 3,735
Number of employees: 24,036
Revenues: EUR 4.4 billion
Export: EUR 638 million
Key products and services: Telecommunication equipment, structure including 60,000 m² of

telecommunication services, IT services, hardware, software, equipment distribution, web services.
Active in: Strategic development-investment partnerships, Digital Innovation Hub Slovenia, AI4Slovenia, eHealth.

Wood-processing industry

Number of companies: 2,475
Number of employees: 12,736
Revenues: EUR 1.6 billion
Active in: Strategic development-investment partnerships.
Key products: Pre-fabricated wooden houses, builders' joinery and carpentry, plywood, veneered panels and similar laminated wood, fibreboard of wood or other ligneous materials, veneer sheets and sheets for plywood

and other wood sawn lengthwise, particle board and similar board of wood or other ligneous materials, packaging materials of wood, wooden tableware and kitchenware, wooden furniture for kitchens, living quarters and public institutions, wood marquetry & inlaid wood, wooden frames for paintings etc., wooden casks, barrels, vats, tubs etc.

Machining and Metalworking

Number of companies: 3,280
Number of employees: 65,000
Revenues: EUR 9.6 billion
Export: EUR 6.9 billion
Value added: EUR 2.7 billion.

Key products: vehicles and auto parts, metal fittings and components, cast and fabricated metal elements, water turbines and pumps, various metal products, metal tools, truck lifts, HVAC systems.

3. INTERNATIONAL TRADE



Success factors: highly trade-oriented and integrated into regional and global value chains, diversified and competitive export sector, largest goods exports are in high and moderate complexity products (chemicals and vehicles), high surplus in services, ranks 28th in the current KOF Globalization index, ranks 11th in terms of the complexity of its economy, which demonstrates the diversity and high sophistication of its exports, comparable to countries like Austria, Finland, the US, the UK, and Italy.

3.1. Foreign trade in figures

Goods

Slovenia welcomes foreign trade, which has a value of approx. 162% of the country's GDP (World Bank, 2018), and is integrated into regional value chains in the automotive and electrical industries. Slovenia generated a total foreign trade deficit of EUR 0.6 billion in 2019 (the coverage of imports by exports was 98.3%), while in the years leading up to 2019 it generated a surplus.

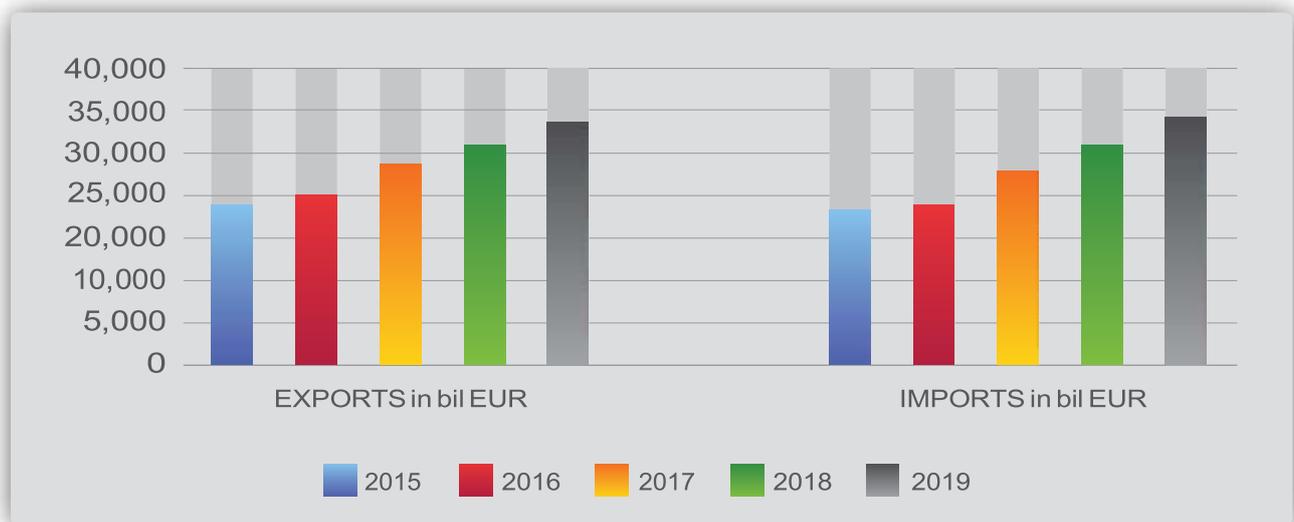


Chart 3: Value of foreign trade, 2015–2019

Source: CCIS

Despite its size, it is very diversified across sectors, but less so across trading partners, as the EU-28 accounted for 73.6% of all exports in 2019. Compared to the previous year, it increased by 3.6 percentage points.

EXPORT PARTNER	SHARE (%)	IMPORT PARTNER	SHARE (%)
GERMANY	18.9	GERMANY	16.1
ITALY	11.6	ITALY	14.0
CROATIA	8.6	AUSTRIA	10.0
AUSTRIA	6.9	SWITZERLAND	8.5
SWITZERLAND	6.8	CROATIA	5.1
FRANCE	5.4	HUNGARY	3.6
POLAND	2.9	FRANCE	3.5
SERBIA	2.9	CHINA	3.4
HUNGARY	2.8	NETHERLANDS	3.2
RUSSIAN FEDERATION	2.6	POLAND	2.7



Fastest growing export markets (growth rate):

Switzerland: 215.5%,
Lithuania: 36.3%,
Ireland: 28.6%,
Belgium: 19.3%

Table 5: Top 10 trade partners in goods, 2019

Source: CCIS, based on Statistical Office of the Republic of Slovenia

Share of value in %

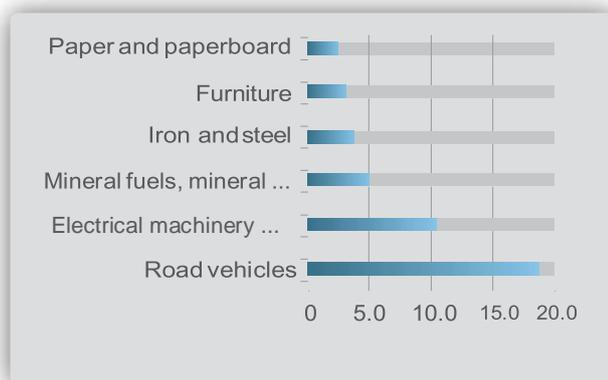


Chart 4: Top exports – 2019

Source: ITC

Share of value in %

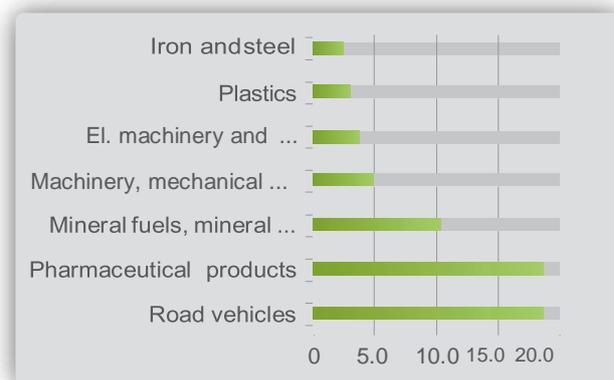
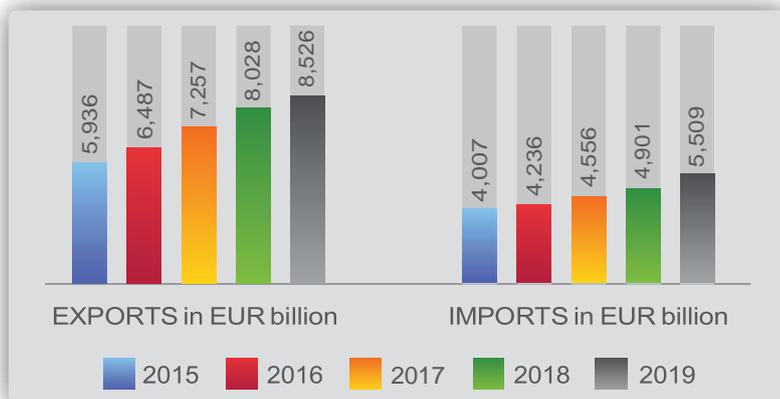


Chart 5: Top imports – 2019

Source: ITC

Services

The services sector has become a thriving part of the economy: the competitiveness of the Slovenian transport chain and the increased range of Slovenian tourism products and services have made a particularly decisive contribution to increasing service exports. In 2019, Slovenia exported services worth EUR 8.5 billion and imported services worth EUR 5.5 billion.



In 2019, exports increased by 7% and imports increased by 4%.

Chart 6: Trade in services, 2015–2019

Source: Bank of Slovenia, Foreign economic relations, December 2019



In 2019, tourism (spending by foreign tourists in Slovenia) accounted for 32.3% of total exports. This was followed by the transport services sector (28.5%). Transport services include the entire transport value chain of the Port of Koper, Slovenian railways, road and air transport.

Chart 7: Services exports by main sectors 2015–2019

Source: Bank of Slovenia, Foreign economic relations, December 2019

In 2019, the top three service export destinations, accounting for 41.8% of the total, were Germany (14.4%), Austria (14.1%), and Italy (13.4%), while 40% of the services imported were imported from three countries: Croatia (16.9%), Austria (12.3%), and Germany (10.9%).

	Net position in services	Total trade in service
Total	2,678	13,248
Europe	2,44	12,212
EU	2,184	10,533
EFTA	237	681
Other European Countries	21	998
Africa	3	40
America	48	387
Oceania	21	30

Table 6: Slovenia's trade in services (EUR millions), 2019

Source: Statistical Office of the Republic of Slovenia

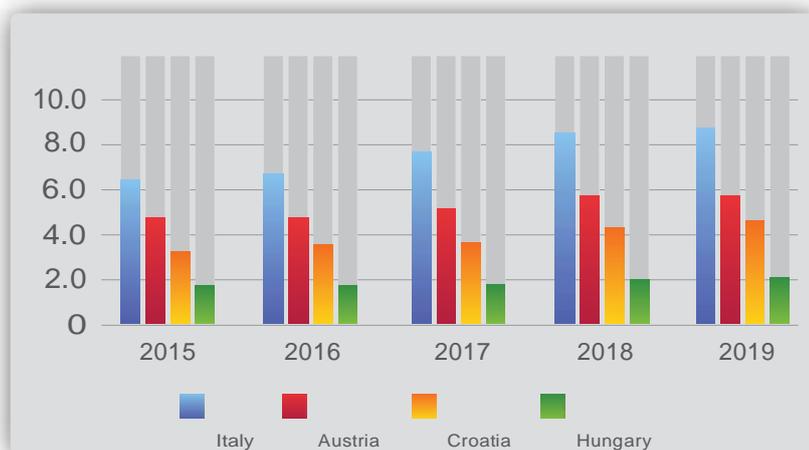
➤ 3.2. Beyond Slovenia to neighbouring countries



- Natural advantage of geographical, cultural, and social proximity; excellent knowledge and understanding of the customs, culture, and language of our neighbours
- Specific and very favourable transport position in general and in relation to neighbouring countries
- A bridge between developed European macro-regions, as well as a bridge between neighbours and many other countries
- The Port of Koper is an important window to the world for Austria and Hungary
- 1st in the category of trading across borders, transitional position between Italy, Austria, Hungary, and Croatia

Foreign companies wishing to build a customer network by exploiting Slovenia as a transition to regional markets can benefit from expanding their business through Slovenia with its supportive environment and excellent business network with neighbouring countries.

Trade figures reflect the strong ties between Slovenia and its neighbouring countries. Slovenia's export share with these countries accounted for a total of 30% of total exports. Compared to exports to the EU–28, which account for 73.6%, this indicates excellent business relations with neighbouring countries.



Neighbouring countries have been natural trading partners for many years, Italy (2nd), followed by Austria (3rd), Croatia (4th) and Hungary (6th).

Chart 8: *Total trade Slovenia and neighbours, 2015–2019*

Source: CCIS

	 Italy	 Austria	 Croatia	 Hungary
No. of SI companies	6,853 exporters 19,091 importers	8,407 exporters 14,790 importers	13,919 exporters 11,736 importers	2,831 exporters 4,160 importers
Top export products (share in %)	Mineral fuels and oils – 19, Vehicles, parts and accessories – 11, Iron and steel – 7, Wood and wood products – 6, Plastics and rubber – 6	Nuclear reactors, boilers, machinery and mechanical app – 15, Mineral fuels and oils – 10, Vehicles, parts and accessories – 8, Wood and wood products – 7, Iron and steel – 6	Mineral fuels and oils – 19, Parts and accessories – 12, Nuclear reactors, boilers, machinery and mechanical app – 9, Pharmaceutical products – 7, Aluminium and aluminium products – 5	Electrical machinery and equipment – 14, Pharmaceutical products – 14, Mineral fuels and oils – 11, Vehicles, parts and accessories – 9, Nuclear reactors, boilers, machinery and mechanical app – 8
Slovenian FDI (in million EUR)	114.4	129.8	2,291.3	32.3
Countries FDI (in million EUR)	1,263.0	3,961.4	1,041.1	422.3
Export growth 2015-2019 (%)	34	16	44	34
Tourist arrivals	597,261	396,464	234,980	190,944

Source: CCIS, Slovenian tourist board, Bank of Slovenia and Statistical Office of the Republic of Slovenia



Austria

For the Port of Koper, the Austrian market is in strategic terms the most important, as it handles almost seven million tonnes of throughput annually for the Austrian market.



Hungary

After transshipment, the Port of Koper is currently the second largest for the Hungarian market, and the most important for containers. For Hungarian companies, it handles about two million tonnes a year.



Italy

Italy and Slovenia share important bilateral relations: from trade and investment to tourist flows. In fact, Italy is Slovenia's second largest commercial partner with a 13.5% market share, while Slovenia is the main Italian partner from the former Yugoslavia plus Albania area, absorbing over a third of its total trade. Italy is Slovenia's fifth largest investor with an FDI stock of over EUR 1.1 billion at the end of 2017, with Italian citizens topping Slovenia's list of tourists (12.3%), above Germany (10.9%).



Croatia

The highest growth in Slovenia's trade with neighbouring countries between 2015 and 2019 was with Croatia (44%), which is also the only neighbouring country with which Slovenia has a positive trade balance (EUR 1.2 billion).

Slovenia's greatest concentration of foreign direct investment is in Croatia (32%), whereas its lowest concentration is in Hungary (0.5%). With regards to incoming foreign investment, Austria is traditionally the largest investor in Slovenia, accounting for 24.0% of all foreign direct investment in Slovenia. At the end of 2018, the stock of Austrian investors amounted to EUR 3.6 billion.

➤ 3.3. Beyond Slovenia to the Western Balkans – Slovenia to the forefront



- Natural advantage of geographical, cultural, and social proximity. Excellent knowledge and understanding of the customs, culture, and language of our neighbours
- Specific and very favourable transport position in general and in relation to neighbouring countries
- A bridge between developed European macro-regions, as well as a bridge between neighbours and many other countries.
- The Port of Koper is an important window to the world for Austria and Hungary
- 1st in the category trading across borders, transitional position between Italy, Austria, Hungary, and Croatia

Trade figures indicate the strong ties between Slovenia and the Western Balkans. Slovenia's exports to the region in 2019 exceeded EUR 2.2 billion (Croatia not included) and combined with exports to Croatia (EUR 2.9 billion) this figure surpasses EUR 5.1 billion, exceeded only by exports to the German market (EUR 6.3 billion). The value of imports from the region is lower, yet still significant at EUR 1.3 billion.

Country	Exports	Imports	Total outward FDI	Total inward FDI
Serbia	972	636	928	226
Bosnia & Herzegovina	789	541	538	85
North Macedonia	206	116	415	26
Kosovo	124	3	177	0
Montenegro	104	12	157	26
Albania	51	8	13	1
(Croatia)	2,891	1,721	2,291	1,041
Total	5,137	3,037	4,519	1,405
 Share	 15%	 8.9%	 48%	 8%

Table 6: Slovenia's trade in services (EUR millions), 2019

Source: Statistical Office of the Republic of Slovenia

More than 5% of Slovenia's trade is conducted in the Western Balkans, rising to 12% with the inclusion of Croatia. The share of outgoing foreign direct investments placed by Slovenian companies in these economies is also significant. In recent years, inward investment in Slovenia by companies from the Western Balkans has been on the rise, in particular from Croatia, and even more so from Serbia.

Foreign trade of Slovenia - Western Balkans

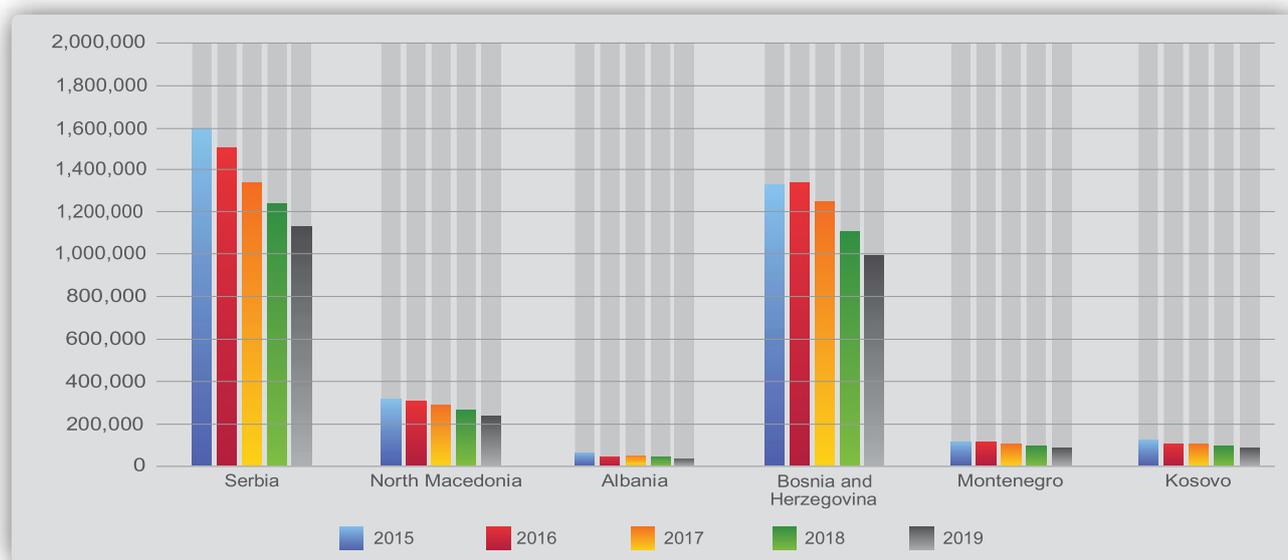


Chart 9: Bilateral trade, Slovenia and WB

Source: CCIS

In terms of the numbers of companies, the main export destination for Slovenian companies is Serbia (3,296 companies), followed by Bosnia and Herzegovina (3,191 companies). The majority of these are micro – and small enterprises (83%).

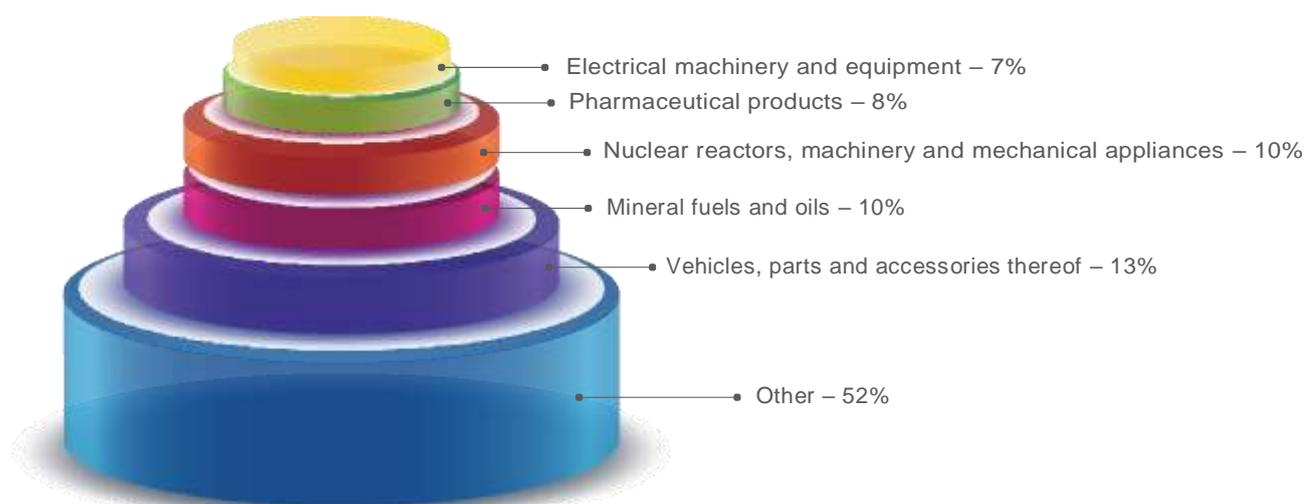


Chart 10: Export of Slovenian products to WB (2-place CN), 2019

Source: SURS

Topping the list of exports are cars and their components, pharmaceuticals, electrical equipment and machinery, white goods, petroleum oils, food, and electricity. Topping the list of imports are aluminium and iron products, chemical products, wood products, food, and pharmaceuticals. The exchange of services in the field of tourism and logistics is also important.

In many cases, important export products from the Western Balkans to Slovenia and the world are the result of production and development in local plants established with Slovenian capital. In the Western Balkans, Slovenian companies have not only found a market for their products and resources for their production but have also taken advantage of the favourable business environment to create their own production and distribution structures and sometimes favourable access to third markets (Russia from Serbia). Slovenian financial capital (banks and insurance companies) has also found a friendly environment. In times of demographic challenge, the Western Balkans also represents an important pool of skilled labour and knowledge for the needs of the Slovenian economy.

In 2019, Slovenia outward direct investments in Western Balkan countries amounted to 2.398 million, or 8% more than the previous year. Serbia was once again ranked first in 2019 with respect to the value of Slovenian outward foreign direct investments. According to data from the Bank of Slovenia, the value of Slovenian investments in Serbia stood at EUR 1.031 million at the end of 2019.

Is Slovenia a part of the Western Balkans?

For practical reasons, it should be noted that Slovenian entrepreneurs rarely perceive the Western Balkans as a geopolitical whole, but more as a business "landscape" originating from the former common state of Yugoslavia. Croatia is therefore often considered a part of the Western Balkans, although it is a member of the EU, while Albania is many times overlooked. Such a territorial understanding has its business logic, which is often even statistically justified. From this point of view, Slovenia is also a part of the Western Balkans. This is one of the reasons why the Balkans should not only be perceived as a "fragile region", but also as a special "state of mind" or as a historical and civilizational "value".

Highlights by country

Serbia is the largest market in the Western Balkans with a strong footprint in the entire region. It has been an EU member candidate since 2012 with well-established economic relations with the Russian Federation (FTA), the Middle East, and Africa. Trade and investment flows between Slovenia and Serbia are traditional and have been growing steadily over the years. Slovenian companies continue to exploit opportunities in the Serbian market and are eager to establish new partnerships also in connection with companies from third countries.

Key sectors in Serbia: agriculture and food industry, metal processing, automotive, chemicals and pharmaceuticals, machinery.

The main product groups in bilateral trade: motor cars, aluminium, pharmaceuticals and medical equipment, white goods, machinery and tools, iron and steel products, tyres.

Slovenian FDI: metal, automotive and electrical industries, food and bakery industries, logistics, IT, trade, banking and insurance.

Number of Slovenian companies active on the market: over 1,700.

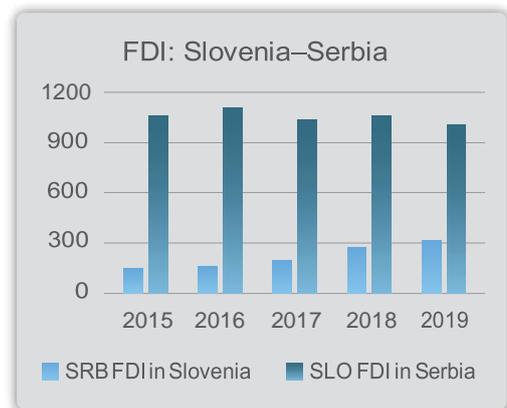


Chart 11 and 12: Trade and FDI Slovenia-Serbia, 2015-2019

Source: CCIS

Bosnia and Herzegovina's most noticeable feature is its political division, which is often also reflected in its economic "landscape". These circumstances require a sophisticated and to some extent even separate business approach in the Federation of Bosnia and Herzegovina and the Serbian entity – Republika Srpska. Despite a rather complex administration, both entities welcome foreign business interest. Both entities are committed to moving closer to the EU, although Republika Srpska may have more pronounced ties with Serbia and Eastern Europe, and the Bosniak-Croat federation with Turkey and the Middle East. Slovenian companies have established numerous collaborations and investment projects in both entities and are recognised and desired partners in the local business community.

Key sectors in Bosnia and Herzegovina: production of raw materials (iron and steel, coal, lead, zinc, aluminium), wood industry, chemical production, mechanical engineering, textiles and footwear.

The main product groups in bilateral trade: motor cars, pharmaceuticals, pumps and compressors, insulated wire, aluminium oxide, parts for electrical motors, foodstuffs.

Slovenian FDI: metal and automotive parts industry, electrical industry, energy (small HPP), textile and footwear industry, financial sector, distribution and trade.

Number of Slovenian companies active on the market: over 1,700.

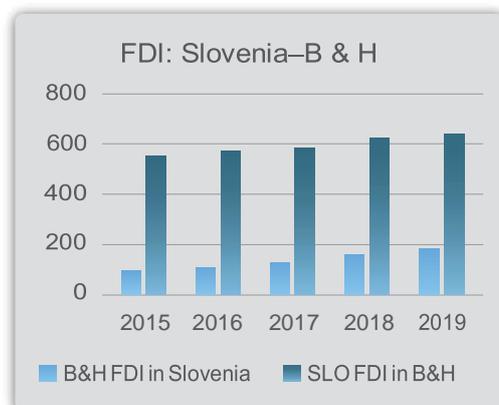
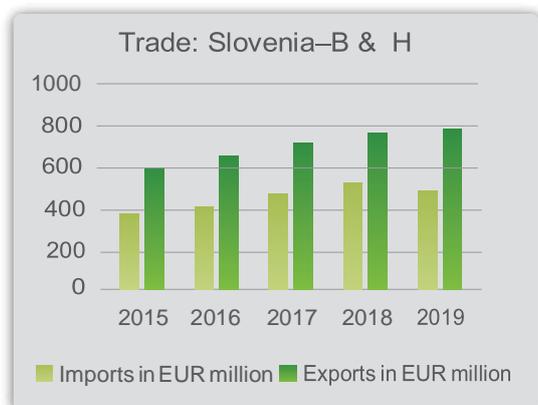


Chart 13 and 14: Trade and FDI Slovenia-B & H, 2015-2019

Source: CCIS

North Macedonia, an EU candidate country since 2005, is persistently striving for constructive dialogue with its neighbours, be it because of the official name of the country or national identity as such. In the meantime, it has become a member of NATO and established a liberal economic environment that attracts many foreign businesses and investors. Slovenian-Macedonian ties go far back, which is clearly evident in their economic aspects, especially in the numerous Slovenian investments in the Macedonian economy.

Key sectors in North Macedonia: agricultural sector, chemical industry, steel industry, mechanical engineering, textiles (leather), developing automotive sector.

The main product groups in bilateral trade: pharmaceuticals, electric accumulators, motor cars and automotive parts, foodstuffs, iron and steel products, pneumatic tyres.

Slovenian FDI: banking, insurance and telecommunications sectors, metal, automotive, energy projects.

Number of Slovenian companies active on the market: over 1,000.

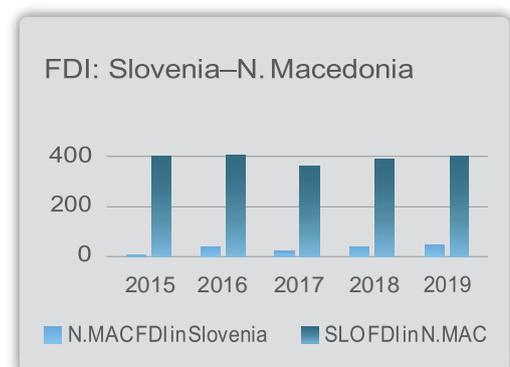
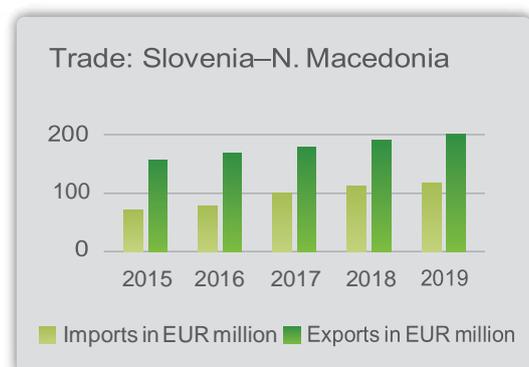


Chart 15 and 16: Trade and FDI Slovenia–North Macedonia, 2015–2019

Source: CCIS

Montenegro focuses its development on tourism and services, which triggers large investments in high-end tourist resorts as well as in crucial energy and transport infrastructure. Its ambition to become an “eco” country promises new opportunities in environmental projects and healthy food production. Due to the euro being the national currency, low taxes and a vibrant real estate market, Montenegro receives a high inflow of foreign investment, mostly from Russia, Austria, Italy, Switzerland, and the Middle East. The emphasis of cooperation with Slovenian companies is in the financial sector, trade, logistics, IT, infrastructure projects.

Key sectors in Montenegro: aluminium and steel production, agriculture, energy (submarine energy cable with Italy), tourism.

The main product groups in bilateral trade: motor cars, pharmaceuticals, pneumatic tyres, aluminium, foodstuffs, copper and aluminium waste, hydraulic turbines, wood.

Slovenian FDI: banking, insurance, investment funds, logistics, food industry (bakery), trade, IT, energy.

Number of Slovenian companies active on the market: over 700.

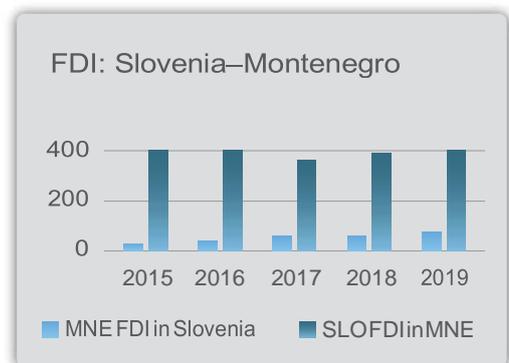
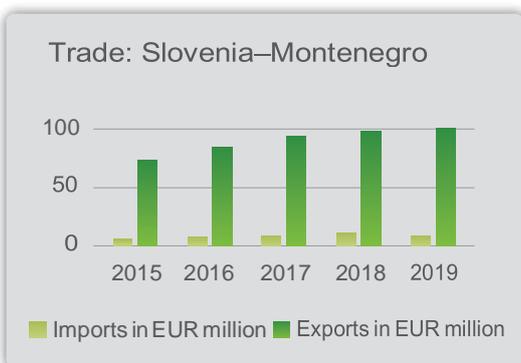


Chart 17 and 18: Trade and FDI Slovenia–Montenegro, 2015–2019

Source: CCIS

Kosovo, although a small transitional economy, still achieves high growth rates. It depends on imports and generates most exports with minerals and base metals. The energy sector (lignite) is promising, but a comprehensive overhaul is needed. Opportunities in the environmental sector require a detailed knowledge and understanding of local connections and access to EU funds. The banking system is healthy. Slovenian food and consumer brands are highly valued, and Slovenians are desirable business partners. Slovenia is among the leading foreign investors (banking, insurance, telecommunications). The gradual improvement of relations with Serbia bodes well for Kosovo's economy and social development. The national currency is the euro.

Key sectors in Kosovo: mineral mining, base metals, construction materials, agriculture, textiles and leather.

The main product groups in bilateral trade: motor cars, foodstuffs, pharmaceuticals, white goods, ferro-alloys, packing wood and cases, printing machines, seeds.

Slovenian FDI: banking, insurance, telecommunications, investment/pension funds, energy trading, engineering.

Number of Slovenian companies active on the market: over 400.

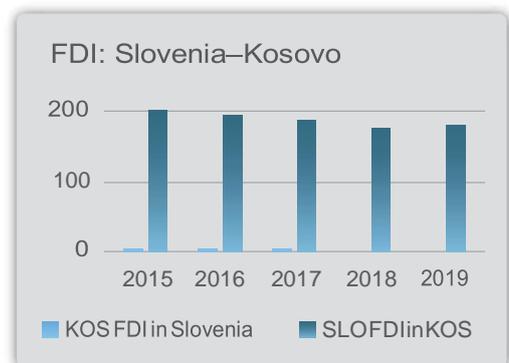
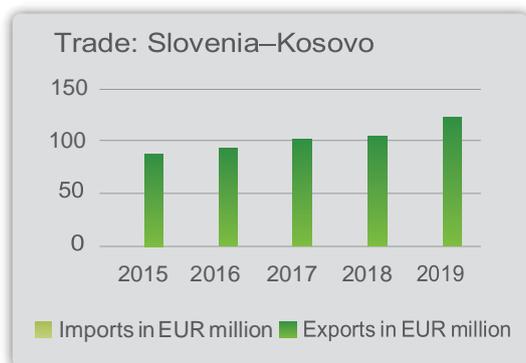


Chart 19 and 20: Trade and FDI Slovenia–Kosovo, 2015–2019

Source: CCIS

Economic and EU perspectives

Despite delays and occasional unfavourable external circumstances, the countries of the Western Balkans remain committed to the prospect of full EU membership. For Slovenia and many Slovenian companies, the Western Balkans represents one of the key external markets for their business projects and development plans. Being at the forefront of business and investment, Slovenia serves as a connection point for the Balkans with and within the global market. Cooperation is not limited to a few sectors but is embedded in the economic and social fabric of the Western Balkans. In addition to the industrial and commercial impact, we want to accelerate services and sustainable “smart” projects. Therefore, we invite partners from third countries who wish to gain a foothold in these markets to join us and take advantage of our expertise, experience, and know-how.

➤ 3.4. Investments

FDI in Slovenia is constantly growing. From 1994 to 2019, the average annual growth rate of FDI was 11.8%. Combined with a sound economic climate and investment incentives adopted by the Republic of Slovenia, it will continue to prove attractive to foreign investors. The opinion of the largest investor, Austria, is certainly supported by the fact that a quarter of the surveyed (prepared by Advantage Austria) Austrian companies in Slovenia believe that Slovenia will remain an attractive destination for new investments in the future.

Indicator	
Value of investments (in EUR billion)	16
Growth % (compared to 2018)	4.9
Share of GDP %	33.1
Return on capital %	9.6
Export (in EUR billion)	16.2

Table 9: FDI figures in 2019

Source: Bank of Slovenia, 2019

Indicator	
Value of investments (in EUR billion)	6.6
Growth % (compared to 2018)	8.7
Share of GDP %	13.3
Return on capital %	2.8

Table 9: Slovenian outward FDI figures in 2019

Source: Bank of Slovenia, 2019

The largest absolute increase in inward FDI in 2019 was recorded by financial and insurance activities (where it increased by EUR 519 million or 17.7%), followed by manufacturing (EUR 161 million or 3.0%, and wholesale and retail trade and repair of motor vehicles and motorcycles (EUR 61 million or 2.3%). The last ten years have also seen sharp increases in inward FDI in real estate activities, and in information and communication. Inward FDI in both activities has more than tripled since 2009.

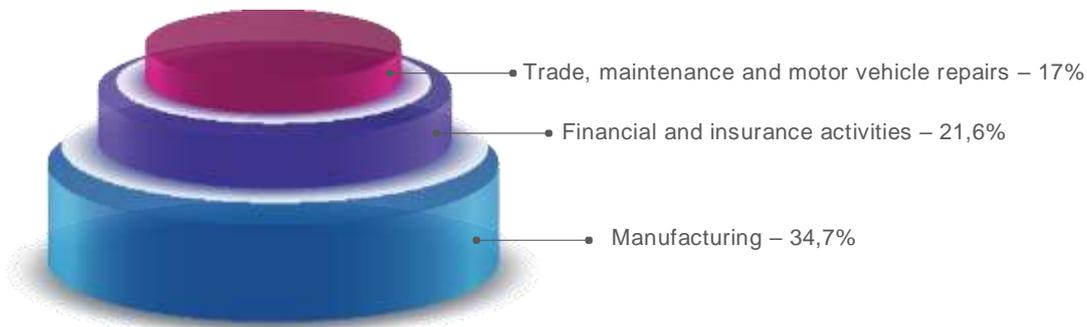


Chart 21: *Structure of FDI, 2019*
 Source: Bank of Slovenia, 2019

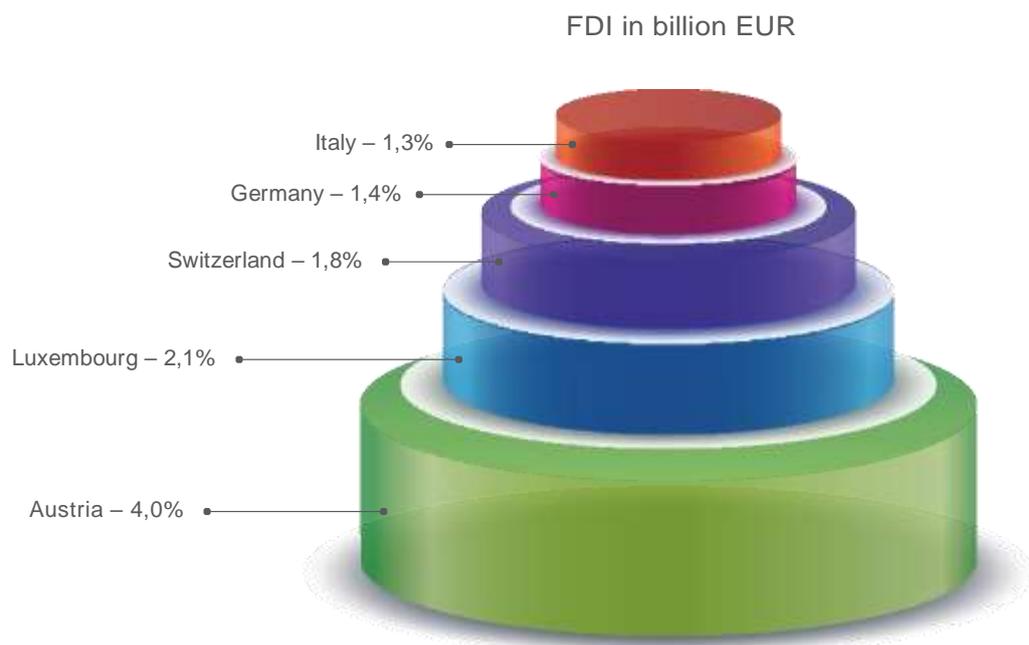


Chart 22: *SFDI by countries, 2019*
 Source: Bank of Slovenia, 2020

The breakdown of inward FDI in Slovenia with regard to the ultimate investing country rather than first counterpart country gives an insight into where control actually resides. The US, Germany, and the UK are the countries that invest most heavily in Slovenia indirectly via other countries and are consequently far more important investors in Slovenia as ultimate investing countries than as first counterparts. The US sees its investment holdings in Slovenia increase by EUR 1.3 billion under this measure, Germany by EUR 0.9 billion, and the UK by EUR 0.4 billion. By contrast, Austria, Switzerland, Luxembourg, and the Netherlands are the countries via which the ultimate investors most frequently make their investments.

4. SLOVENIA: A SMART LOCATION FOR BUSINESS



Attractive R&D programs incentives



Multi-lingual and highly qualified workforce



Excellent infrastructure



Market entry point



High quality of life



Political and social stability



Easy access to: EU markets (500 million inhabitants), Europe's east (200 million), and southeast markets (20 million).



Slovenia as a base to coordinate your CE, SE, and WB operations—important bridge between Europe and the Balkans.

➤ 4.1. Why invest in Slovenia



Success factors: natural advantage of geographical, cultural, and social proximity, sound and stable business performance in terms of trade and investments, stimulating investment environment, corporation tax – 19%, tax reliefs (up to 100% invested in R&D), VAT (22% standard rate, 9.5% reduced rate), capital gains tax (0 – 25%), skilled and high quality workforce.

Slovenia has a specific and very favourable transport position in general and in relation to neighbouring countries. It is a bridge between developed European macro-regions, as well as a bridge between neighbours and many other countries. The Port of Koper plays an important role, as the central sea gateway for third countries.

In this case, the Port of Koper is one of the links in the logistics chain that runs through Slovenia. It is a transit-oriented port and an important link between third countries and the EU – more than 15 million tonnes of the total 23 million tonnes

4.2. Good practice

Most foreign investors are attracted by Slovenia's strategic position in the heart of Europe, its excellent transport and ITC infrastructure, its value chains, industry clusters and centres of excellence. Investors keen on locating their operations at the heart of a market with 500 million consumers will find Slovenia's international commercial contacts and the land-sea-air transport system ideal.

- Long-standing business and personal links in the Western Balkans. It is the right place to forge partnerships for conquests into emerging markets and developing markets with rising internal demand. Goods are moved rapidly and reliably, clearance procedures are efficient and once goods enter Slovenia via road, rail, air or sea, they are on the doorstep of the EU market and its 500 million consumers and many more in Europe's east and southeast.
- Infrastructure for the inland transport of goods, modern port infrastructure, reliable electricity and gas supply and dependable internet connections. Slovenia's transport system consists of a 38,784 km road network, 700 km of which are motorway. It has over 2,000 km of railway.
- Strong network with neighbouring and West Balkan countries.
- Starting a business is fast and simple (two procedures at zero cost), max. 5 days for registration.

Case studies:

The Japanese company MAKITA, considered the world's largest manufacturer of battery-powered tools, started operating in Slovenia in November 2011 through the newly established company Makita d.o.o. It had a representative office for SE Europe based in Austria; however, the general management in Japan decided to move the headquarters of Makita Southeast Europe (MEE) from Vienna to Ljubljana due to Slovenia's excellent geographical location and enhanced connections with the markets of the former Yugoslavia. Today, MEE cooperates with 9 countries in SE Europe.

Astellas Adriatic & Baltics is one of Astellas Established Commercial affiliates that represents a cluster of 11 countries across Central and Eastern Europe, covering Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia, Kosovo, Albania, Estonia, Latvia, and Lithuania.

The affiliate headquarters is in Ljubljana, Slovenia and operates with Astellas employed staff in Slovenia, Croatia, and Serbia. In all other markets they make products available to patients through collaboration with local partner companies.

4.3. Comparative analysis

GDP per capita in PPS

	2018
EU-27	100
Austria	128
Italy	97
Slovenia	88
Hungary	71
Turkey	64
Croatia	63
Montenegro	48
Serbia	40
North Macedonia	38
Albania	31
Bosnia & Herzegovina	31
Kosovo	n.a.

Source: Eurostat

Purchasing power parities

	Real expenditure per capita (in PPS) 2018	Nominal expenditure per inhabitant (in euro) 2018
EU-27	30,200	30,154
Austria	38,700	43,644
Italy	29,100	29,218
Slovenia	26,400	22,083
Hungary	21,500	13,685
Croatia	19,000	12,563
Turkey	19,400	8,016
Montenegro	14,500	7,494
Serbia	12,000	6,137
North Macedonia	11,300	5,153
Bosnia & Herzegovina	9,500	4,794
Albania	9,400	4,459
Kosovo	n.a.	(2017) 3,492

Source: Eurostat

Gini coefficient of equivalised disposable income (scale from 0 to 100)

	2018
EU-27	30.4
Turkey	(2017) 43
Montenegro	(2017) 36.7
Serbia	35.6
Italy	33.4
North Macedonia	31.9
Croatia	29.7
Hungary	28.7
Austria	26.8
Slovenia	23.4
Albania	n.a.
Bosnia & Herzegovina	n.a.
Kosovo	n.a.

Source: Eurostat

Housing, water, electricity, gas and other fuels

	Percentage of gross domestic product (GDP)	Percentage of total
EU-27	13.0	24.0
Serbia	13.9	20.5
Italy	13.7	22.5
Croatia	12.2	16.8
Austria	11.5	22.2
Montenegro	11.3	12.1
Bosnia & Herzegovina	11.1	(2017) 13.7.
Slovenia	10.4	18.9
Albania	9.7	11.9
Hungary	9.0	18.1
Turkey	8.9	14.7
North Macedonia	n.a.	n.a.
Kosovo	n.a.	n.a.

Source: Eurostat

Index (EU27_2020 = 100)

Note: n.a. - not available

At risk of poverty rate

At risk of poverty rate (cut-off point: 60% of median equivalised income after social transfers) in %

People at risk of poverty or social exclusion in %

	total 2018	total 2018
EU-27	16.8	21.6
Turkey	(2017) 22.2	(2017) 41.3
North Macedonia	21.9	41.1
Serbia	24.3	34.4
Montenegro	(2017) 23.6	(2017) 33.7
Italy	20.3	27.3
Croatia	19.3	24.8
Hungary	12.8	19.6
Austria	14.3	17.5
Slovenia	13.3	16.2

Source: Eurostat

At risk of poverty threshold (60% of median equivalised income)

Single person in EUR
2018

Two adults with two children
younger than 14 years in EUR
2018

EU-27	9,383	19,704
Austria	15,105	31,721
Italy	10,106	21,223
Slovenia	7,946	16,687
Croatia	3,995	8,390
Hungary	3,254	6,834
Turkey	(2017) 2,320	(2017) 4,871
Montenegro	(2017) 2,097	(2017) 4,405
Serbia	1,643	3,451
North Macedonia	1,575	3,308

Source: Eurostat

Index (EU27_2020 = 100)

Note: n.a. - not available

The Global Competitiveness, 2019

Overall	Rank (out of 140 countries)
Austria	21
Italy	30
Slovenia	35
Hungary	47
Turkey	61
Croatia	63
Serbia	72
Montenegro	73
Albania	81
North Macedonia	82
Bosnia & Herzegovina	92

Source: World Economic Forum

Health	Rank (out of 140 countries)
Italy	6
Austria	15
Slovenia	36
Turkey	42
Albania	46
Croatia	47
North Macedonia	64
Montenegro	65
Hungary	70
Bosnia & Herzegovina	73
Serbia	76

Source: World Economic Forum

Skills	Rank (out of 140 countries)
Austria	16
Slovenia	26
Italy	42
Hungary	49
Albania	50
Montenegro	43
Serbia	55
Croatia	69
Turkey	78
Bosnia & Herzegovina	82
North Macedonia	83

Source: World Economic Forum

Index (EU27_2020 = 100)

Note: n.a. - not available

Life expectancy

	2018
EU-27	81.0
Italy	83.4
Austria	81.8
Slovenia	81.5
Albania	78.9
Turkey	78.9
Croatia	78.2
Montenegro	76.9
North Macedonia	76.7
Hungary	76.2
Serbia	75.9
Bosnia & Herzegovina	n.a.
Kosovo	n.a.

Source: Eurostat

Population by educational attainment level

	Upper secondary and post-secondary non-tertiary education (levels 3 and 4) in % From 20 to 24 years	Tertiary education (levels 5-8) From 25 to 34 years
	2019	2019
EU-27	66.6	39.4
Slovenia	81.7	44.1
Austria	58.4	41.6
Montenegro	82.4	39.3
North Macedonia	83.7	35.8
Croatia	85.6	35.5
Turkey	39.8	34.1
Serbia	85.9	33.4
Hungary	78.8	30.6
Italy	71.9	27.7
Albania	(2012) 73.8	n.a.
Bosnia & Herzegovina	(2017) 93.9	n.a.

Source: Eurostat

Global Peace Index 2020

	Overall rank
EU-27	25
Austria	4
Slovenia	11
Hungary	24
Croatia	26
Italy	31
Serbia	51
Albania	55
North Macedonia	62
Montenegro	69
Bosnia & Herzegovina	79
Kosovo	85
Turkey	150

Source: Institute for Economics & Peace

Corruption Perceptions Index 2019

	CPI score 2019	Rank
EU-27	64	34
Austria	77	12
Slovenia	60	35
Italy	53	51
Croatia	47	63
Montenegro	45	66
Hungary	44	70
Serbia	39	91
Turkey	39	94
Bosnia & Herzegovina	36	101
Kosovo	36	101
North Macedonia	25	106
Albania	25	106

Source: Transparency International

Index (EU27_2020 = 100)

Note: n.a. - not available

The Human Freedom Index 2019

	Rank, 2017
EU-27	25
Austria	13
Italy	32
Slovenia	35
Croatia	37
Albania	38
Hungary	45
Montenegro	53
Bosnia & Herzegovina	55
North Macedonia	56
Serbia	58
Turkey	122

Source: Cato Institute

Years of life lost attributable to PM2.5 per 100,000 inhabitants

	Overall rank
EU-27	800
Austria	598
Italy	908
Slovenia	916
Montenegro	1,189
Croatia	1,219
Hungary	1,322
Bosnia & Herzegovina	1,652
North Macedonia	1,699
Albania	1,753
Serbia	1,919
Kosovo	2,100
Turkey	n.a.

Source: EEA report, 2019

Index (EU27_2020 = 100)

Note: n.a. - not available



5. MARKET ACCESS

Expanding your business to a single market of 500 million EU consumers and 27.5 million EU enterprises is just a step away in partnership with Slovenian companies. Making a Slovenian company your partner in the emerging markets of the Western Balkans is a smart move due their proven track record, strong business, and historical, political, and cultural ties in the region.

At the intersection of European transport corridors



➤ 5.1. Trade regime

The EU internal market allows for the free movement of goods across the borders of EU Member States. More specifically:

- a common customs tariff regime for the import of goods from non-EU countries,
- no customs duties for all goods moving between Slovenia and other EU Member States,
- goods that have been legally imported to Slovenia can further circulate throughout the EU, without any further customs checks.

However, the EU product standards and safety requirements apply so as to safeguard human and animal health, the environment, and consumer rights.

➤ 5.2. Tariff and custom economic regulation

Imports to Slovenia are subject to

- import duty (customs duty, anti-dumping and countervailing duty),
- value added tax (VAT).

Specific products, exported from selected non-EU countries, may enjoy preferential status and reduced duties, based on the EU generalised scheme of preferences,¹ free trade agreements,² economic partnership agreements,³ customs unions,⁴ overseas countries and territories.⁵

Additional duties on the sale or use of specific products may apply, such as: excise duties (alcohol, tobacco, energy), environmental tax on air pollution caused by CO₂ emissions from liquid fuels/gaseous fuels/solid fuels, environmental tax on pollution caused by the use of lubricant oils and liquids by end-of-life motor vehicles, motor vehicle tax, additional motor vehicle tax.



Access2Markets provides information about all tariffs, customs procedures and formalities, and product requirements for the EU market for each product – including any special conditions granted under trade agreements.

¹ <https://ec.europa.eu/trade/policy/countries-and-regions/development/generalised-scheme-of-preferences/>

² <https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/>

³ https://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf

⁴ EU has customs unions with Turkey, Andorra and San Marino.

⁵ <https://trade.ec.europa.eu/tradehelp/overseas-countries-and-territories>

➤ 5.3. Import licenses and documents

The EU implements three types of import controls:

- surveillance (import of goods is monitored with licences),
- quotas (restricted volume of goods)
- bans (no import allowed)

Import licences are not required for the vast majority of industrial goods. However, some agricultural products, textiles, iron and steel products, aluminium products, and woods are subject to prior EU surveillance.

The licences/surveillance documents are generally issued automatically on request, except when tariff rate quotas apply. For information about licensing requirements, consult the TARIC database.

The surveillance document issuing authority in Slovenia is The Financial Administration of the Republic of Slovenia, Financial Office Kranj, Customs Division, TARIC Section.

Additionally, prohibitions and restrictions may be imposed on imports, such as: protection of public order and safety, protection of public health, protection of the environment, protection of plants and animals, protection of economy (intellectual property rights – IPR).

For additional information please consult the Centralised Clearance and Single Authorisations for Special Procedures, Financial Administration of the Republic of Slovenia, Customs Department.

An exporter or its authorised representative must lodge the following set of documents when exporting goods to Slovenia:

- commercial invoice (exporter's and importer's name and address, date of issue, invoice number, description of goods (name, quality, etc.), unit of measure, quantity of goods, unit value, total item value, total invoice value and currency of payment, terms of payment, terms of delivery, according to Incoterms, means of transport),
- packaging list (exporter, importer, transport company, date of issue, no. of freight invoice, type of package, number of packages, content of each package, marks and numbers, Net weight, gross weight, measurement of the pack),
- freight documents (Bill of Lading (B/L), FIATA Bill of Lading, or Air Waybill (AWB); (details on goods, vessel, port of destination),
- proof of origin of goods (EUR 1, declaration of origin on an invoice),
- documents for specific types of goods under import prohibitions and restrictions (CE Marking, EU Ecolabel, phytosanitary certificates, veterinary certificate, CITES export permit),
- other documents for the supervision of specific goods.

Furthermore, an appointed forwarding agent of a Slovenian importer is responsible for providing the following import documents, which are prepared in collaboration with the non-EU exporter:

- Entry Summary Declaration (ENS) ,
- customs value declaration,
- declaration of particulars relating to customs value.

An entry summary declaration must be prepared when exporting goods from non-EU countries to Slovenia for:

- releasing goods into free circulation (payment of tariff duties and other charges, application of non-tariff commercial policy measures, competition of other formalities: VAT, excise duties),
- placing goods under special procedures (transit, storage, specific use, processing),
- re-exporting goods.

Furthermore, a Slovenian importer shall take care of duly prepared documents:

- certificate confirming the specific nature of the product,
- import licenses,
- Community surveillance document,
- documents to support a claim of a tariff quota,
- documents required for Excise purposes.

Useful contacts

TARIC Section, tel: +386 4 202 7583, e-mail: taric.fu@gov.si.

Financial Administration of the Republic of Slovenia, Customs Department, tel: +386 1 478 3800 H.C., e-mail: tajnistvo.gfu-uc@gov.si

Customs Department – Centralised Clearance and Single Authorisations for Special Procedures: tel: +386 1 478 3800, e-mail: tajnistvo.gfu-uc@gov.si.

InvestSlovenia Team

Verovškova 60
SI-1000 Ljubljana, Slovenia
T: +386 1 5891 870
E: invest@spiritslovenia.si
W: www.investslovenia.si



You might also be interested in establishing a company in Slovenia. If so, the InvestSlovenia Team is ready to help with free services such as:

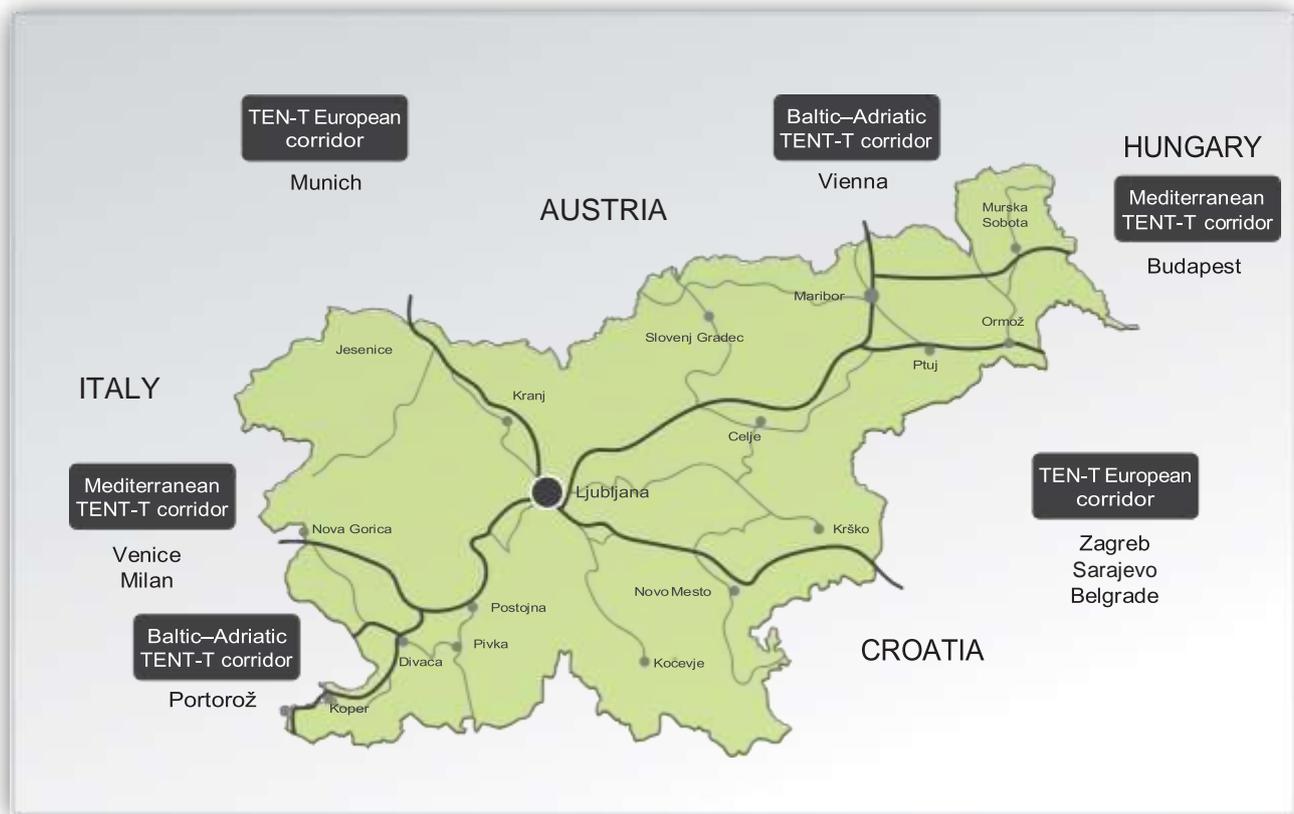
- Information on legislation, taxes, and incentives
- Information on industrial sites
- Links with industry and local authorities
- Help in other practical matters

Registering a limited liability company takes only 2–5 days and requires a share capital of EUR 7,500. For more information, please refer to the step-by-step company registration procedure.

6. SOURCING PRODUCTS/SERVICES FROM SLOVENIA

➤ 6.1. Advantages

Perfectly positioned as a base for companies in the supply chain industry that handle imports and exports and serve large areas with hundreds of millions of consumers.



Slovenia's excellent geographical position at the crossroads of Central Europe is ideal for connecting global businesses. Slovenian companies are traditionally a key, reliable link in international supply chains. Environmentally sustainable, energy-efficient, and innovative customer-centred solutions and products open the doors to the most demanding customers.

Slovenia is a land of infinite potential for your business. Benefit from Slovenia's green qualities, creative talent and smart solutions.



By being **Green**, Slovenia develops technical innovations that prioritise taking responsibility for future generations.



By being **Creative**, Slovenia has a talent for creating value, recognising the importance of nurturing creativity as a tool for solving the most pressing issues facing the world today.



By being **Smart**, Slovenia ensures its solutions are globally competitive.

➤ 6.2. Support in identifying a sourcing partner

Companies, looking for a new, reliable sourcing partner in Slovenia are cordially invited to consult with the government business development agency or business associations, all of which are well connected to relevant business entities in Slovenia.

Some of the most relevant agencies and associations are mentioned below.



SloveniaPartner Team
Verovškova 60
SI-1000 Ljubljana
Slovenia

T: +386 1 5891 870
E: slopartner@spiritslovenia.si
W: www.sloveniapartner.eu
www.sloveniabusiness.eu

The public agency SPIRIT Slovenia is the single point of contact for potential investors and international companies looking for new business opportunities. The agency provides free of charge information on developing business strategies, understanding sector trends, and making contacts with authorities and supplier clusters, such as:

- tailor made information on Slovenian suppliers,
- advice and help in practical matters,
- distribution of inquiries among Slovenian exporters
- organization of fact-finding missions,
- links with industry and local authorities,
- advice and help in practical matters.

<https://www.sloveniapartner.eu/our-services>



Gospodarska
zbornica
Slovenije

Chamber of Commerce
and Industry of Slovenia

International Relations Department

Dimičeva 13, 1504 Ljubljana
t: 01 5898 164 f: 01 5898 100
e: cemp@gzs.si
w: <https://businessslovenia.gzs.si/>

CCI of Slovenia, International Relations Department is the perfect contact point for anyone interested in working with Slovenian companies and companies from our neighbouring countries as well as those in the Western Balkans:

- connects you to supply chains
- organizes B2B meetings
- provides market intelligence



Gain Business Insight into Slovenia



Podatkovna baza slovenskih izvoznikov
Database of Slovenian Exporters

<http://www.sloexport.si/>

Sloexport is the official Slovenian exporters directory. Our database brings together over 5 000 leading Slovenian exporting companies showcases. The database is accessible free of charge.

➤ 6.3. Distribution channels

A careful selection of the optimal distribution channel predominantly depends on market, product, competition, company characteristics, and clearly defined business objectives. Moreover, it may also emphasise the company's unique selling proposition (USP).

Traditional distribution channels for placing products in Slovenia usually fall under one of the following categories:

- direct channel (manufacturer to customer)
- indirect channel (intermediaries: brokers, distributors, wholesalers/retailers)
- e-commerce

Franchising, joint ventures, and licensing partnerships are also occasionally used.

The markets of Central and Eastern Europe and the Balkans are logistically perfectly served from Slovenia because of its geostrategic location, export-oriented economy, and particularly strong business, historical, political, and cultural ties in the region.

Useful databases of Slovenian companies/associations:

- SLOEXPORT database
<http://www.sloexport.si/en/>
- The Commercial Agents Association of Slovenia
<https://agenti.gzs.si/vsebina/The-Commercial-Agents-Association-of-Slovenia>
- Slovenian association of port logistics providers
https://www.gzs.si/zdruzenje_za_promet/ (website only in Slovenian language)

➤ 6.4. Establishing a company in Slovenia

InvestSlovenia Team

Verovškova 60
SI-1000 Ljubljana, Slovenia
T: +386 1 5891 870
E: invest@spiritslovenia.si
W: www.investslovenia.si



You might also be interested in establishing a company in Slovenia. If so, the InvestSlovenia Team is ready to help with free services such as:

- Information on legislation, taxes, and incentives
- Information on industrial sites
- Links with industry and local authorities
- Help in other practical matters

Registering a limited liability company takes only 2–5 days and requires a share capital of EUR 7,500. For more information, please refer to the step-by-step company registration procedure.

7. TAX SYSTEM

Corporation tax

- Nominal corporation tax rate is 19%

As general rule, taxable income under corporation tax also includes interests, royalties, dividends, capital gains, income from immovable property, income from movable property not listed above, income from agriculture. A reduction of the tax base may be claimed for employment of certain group of workers; the amount invested in R&D (100%) can be claimed for tax reduction up to 63% of the pre-tax profit in the first year, and the remaining difference can be claimed over the next 5 years; the amount invested in equipment and intangible long-term assets (40%) can be claimed for tax reduction up to 63% of the pre-tax profit in the first year, and the remaining difference can be claimed over the next 5 years.

Profit Repatriation Tax

- 0% on dividends paid abroad for EU members; 15% for other countries unless otherwise stated in a bilateral agreement

You might also be interested in establishing a company in Slovenia. If so, the InvestSlovenia Team is ready to help.

Capital Gains Tax

- 0–27.5% (depending on holding period)

Tax on real estate - Charge for the use of building land

- Tax is determined by local municipalities in absolute amount for each tax object.

Immovable Property Transfer Tax

- 2%

Social Security Contributions

- 16.1% paid by employer; 22.1% paid by employee

VAT

- Standard VAT rate 22%, reduced rates 9.5% and 5%

Excise duty

- Alcoholic beverages (EU harmonised),
- Energy products (EU harmonised).

Excise duties are indirect taxes imposed on goods that damage consumer health or pollute the environment. The duties increase the price paid by the consumer, thereby discouraging the consumption or waste of the products concerned. The general arrangements for the movement and storage of goods subject to excise duty cover mineral oils, manufactured tobacco, alcohol, and alcoholic beverages.

8. LOGISTICS HUB

The favourable geographical location at the intersection of the Baltic–Adriatic and Mediterranean TEN-T Core Network Corridors, uniquely places Slovenia at the major transportation crossroads of the Adriatic Sea and Central and Eastern European markets.

The Shortest Sea Route Far East–CE Europe



More than 2,000 NM shorter maritime route and up to 7 days shorter transit time from the Far East to Central and Eastern Europe by sea.

The Port of Koper, being the largest container port in the Adriatic and among the largest ports for car transshipment in the Mediterranean, having direct access to the Mediterranean Sea, offers the most efficient sea link between Asia, the Middle East, and Europe. Compared to its Northern European counterparts, the Port of Koper offers a significant reduction in transit time (up to 7 days), and more than 2,000 nautical miles shorter route and consequently reduced CO₂ emissions. The shortest, smartest, and most innovative and reliable route to the heart of Europe, access to the markets of Austria, Bavaria in Germany, Northern Italy, the Czech Republic, Slovakia, Hungary, and also to the Western Balkan markets through Slovenia, offers massive potential to efficiently cater to 300 million consumers in the region.

Revenue	EUR 5.2 billion
Number of companies	3,656
Number of employees	39,160
Key services	Forwarding and shipping Handling of goods Warehousing and storage Maritime and inland logistics terminal operations Additional services

Table 11: *Logistics and Distribution in Slovenia, facts and figures in 2019*

Source: The voice of the economy: TRANSPORT, industry business analysis, September 2020

➤ 8.1. Port of Koper and port logistics providers

The Port of Koper offers an efficient logistical connection between CEE, the Mediterranean, and the Far East. It is a multipurpose port, with non-stop handling operations, tailor-made services, developed hinterland connections, effective IT support connecting all members of the port community, ISPS code compliant, full support of customs authorities (simplified customs procedures and pre-clearing), and an EU border inspection point. A highly diversified and vast network of railway connections and a modern motorway network connecting the largest economic centres in Central and Eastern Europe are used to efficiently service the hinterland markets. Freight from the Port of Koper can be delivered to any of the hinterland markets in less than one day by road and less than two days by rail.

Hinterland markets



Over two-thirds of goods transhipped at the Port of Koper to meet the needs of Central Europe.

Compared to its Northern European counterparts, the Port of Koper offers a significant reduction in transit time (up to 7 days), a more than 2,000 nautical miles shorter route and consequently reduced CO₂ emission.



The Port of Koper is the leading container terminal in the northern Adriatic and among the largest ports for car transshipment in the Mediterranean.

➤ 8.2. Good practice

Mercedes-Benz has set up a new hub for transporting new vehicles from Europe to Asia. The new hub at the Port of Koper started operating at the end of 2015. Alexander Koesling, Head of Supply Chain Management Mercedes-Benz Cars: “This new Mediterranean hub gives us a southern route with major advantages in terms of flexibility and costs for shipping connections between Europe and Asia. The port of Koper has service providers with a great deal of experience with automobile shipments and offers outstanding infrastructure. This makes Koper the ideal partner for us as a premium manufacturer.”

Source: Media Daimler, New hub for shipping new vehicles to Asia

“The Port of Koper is one of the most important terminals for Slovak exporters and importers – up to 80% of our container transport passes through it – and the most important partners on the Slovak side are US Steel Košice, Slovalco, Kia, Samsung, and LG.” Eva Ponomarenková, Ambassador of the Slovak Republic in Slovenia.

Source: Discover Slovenia, September 2019.

➤ 8.3. Logistics providers with services



Chamber of Commerce and Industry of Slovenia – Transport Association
 Slovenian Association of Port Logistics Providers
https://www.gzs.si/zdruzenje_za_promet/
 (website only in Slovenian language)



Chamber of Commerce and Industry of Slovenia – Transport Association
 The Slovenian Ship and Freight Agents Association
<http://zppas.si/about/>

Ship Brokerage Services

SHORTSEA

DEEPSEA

SALE AND PURCHASE

Members include all types of brokers:

- Dry cargo (both shortsea and deepsea)
- Wet cargo
- Sale and purchase brokers

Agency Services

LINER AND GENERAL

DISBURSEMENT MANAGEMENT

PROTECTIVE AND HUSBANDRY

HUB SERVICES AND PORT OPERATIONS

Complete range of services:

- Vessel and cargo clearance
- Cargo operations and handlings
- Promotion and marketing
- Canvassing and booking of all kind of container and conventional liner cargo
- Customer service, documentation, equipment control
- Inland haulage
- Claims handling
- Husbandry and protective services



Port of Koper's community contacts
<https://www.luka-kp.si/eng/>

9. BUSINESS VISIT

General information

Time zone: Central European Time (GMT+1)

Electricity: 220 V 50 Hz

Electric plug details: European plug with two circular metal pins

Country dialling code: +386

International outgoing call prefix: 00

Currency: Euro

ATMs/cash dispensers accept all international credit cards and are widespread both in cities and in small towns.

Internet is well used, online banking, e-government services, and electronic commerce are well developed. There is excellent free wireless internet access available in all major cities, most hotels, shopping centres, and eateries.

Opening hours

Government Offices: Monday to Friday: 08:00–16:00 (some services until 18:00 on Wednesdays)

Offices: Monday to Friday: 08:00–16:00

Banks: 08:30–17:00 (08:30–12:00 on Saturdays)

Stores: Monday to Friday: 08:00–19:00 (some stores are open on Saturdays and moreover some shopping centres are open on Sundays). The opening hours of shops are not strictly defined. There are 24-hour grocery stores in major cities. Certain essentials are available 24 hours a day at major petrol stations as well.

➤ 9.1. Business etiquette

It would be advisable to schedule meetings at least two weeks in advance. Most Slovenians tend to work efficiently, with a focus on results, which can sometimes come across as too direct. Yet, this is part of the culture focused around respecting one another's time. Punctuality is particularly important for business meetings. Being late demonstrates a lack of respect and it is highly recommended to call ahead to apologise and give a valid reason for the delay.

Generally, businesspeople prefer to use their surname and formal greetings for conducting business meetings. Most managers have a significant level of education and experience: a large majority of them holds postgraduate degrees, and a significant proportion of the population consists of university graduates. Slovenians as business partners usually do not like to share their private information. After a while, once trust has been built, they will talk openly about many subjects, but rarely about private topics.

Maintaining proper eye contact when having a direct discussion with your business partner and firmly shaking hands with all participants on arrival and at the end of meetings are considered signs of confidence. At the first business meeting, partners should exchange business cards that display their name and degree or title. Most international meetings are conducted in English; however, Slovenians are also quite fluent in German and Italian because of the proximity to Austria and Italy.

Business decision-making processes are often based on hierarchy, and many decisions are still reached at the highest echelons of the company. Business decisions are often based on personal sentiments about the other person. Therefore, it is a good idea to spend time in relationship building. Generally speaking, Slovenian businesspeople tend to prefer non-confrontational business dealings when possible. This means that even when giving a straightforward response, they will generally proceed cautiously rather than hurt another person's feelings.

The dress code very much depends on the sector and tradition of each company; however, when in doubt it is better to dress formally.

Gifts are not normally exchanged in business settings due to compliance regulations such as bribery laws. However, in a social setting, if invited to someone's home, always bring a small gift for the host or hostess such as flowers, chocolates, or wine.

➤ 9.2. National holidays and work days off

1 and 2 January	New Year's Day
8 February	Prešeren Day, the Slovenian Cultural Holiday
	Easter Sunday, Easter Monday
27 April	Day of Uprising against Occupation
1 and 2 May	May Day Holiday
	Pentecost Sunday - Pentecost
8 June*	Day of Primož Trubar
25 June	Statehood Day
15 August	Assumption of Mary
17 August*	Day of Slovenes in Prekmurje Incorporated into the Mother Nation
15 September*	Day of Restoration of the Primorska Region to the Motherland
23 October*	Slovenian Sports Day
25 October*	Sovereignty day
31 October	Reformation Day
1 November	All Saints Day
23 November*	Rudolf Maister Day
25 December	Christmas
26 December	Independence and Unity Day

*National holidays in the Republic of Slovenia are work-free days except the holidays indicated by an asterisk

10. USEFUL CONTACTS

COUNTRY

TITLE	URL ADDRESS
Slovenia	https://slovenia.si/
Slovenian state institutions	https://www.gov.si/eng/
Government Communication Office of the Republic of Slovenia	https://www.gov.si/en/state-authorities/government-offices/government-communication-office/
Slovenian Tourist Board	https://www.slovenia.info/en
Ljubljana Tourist Information Portal	https://www.visitljubljana.com/en/visitors/

BUSINESS

TITLE	URL ADDRESS
SPIRIT Slovenia - Public Agency for Entrepreneurship, Internationalization, Foreign Investments and Technology	https://www.sloveniabusines.eu/
SPIRIT - Invest Slovenia	https://www.investslovenia.org/
SPIRIT - Slovenia Partner	https://www.sloveniapartner.eu/
Ministry of Economic Development and Technology	https://www.gov.si/en/state-authorities/ministries/ministry-of-economic-development-and-technology/
Chamber of Commerce and Industry of Slovenia - CCIS	https://eng.gzs.si/
Chamber of Commerce and Industry of Slovenia - International relations department	https://businessslovenia.gzs.si/
Database of Slovenian exporters	http://www.sloexport.si/en/
Institute of Macroeconomic Analysis and Development	https://www.umar.gov.si/en/
Statistical Office of the Republic of Slovenia	https://www.stat.si/StatWeb/en
Bank of Slovenia (Central Bank)	https://www.bsi.si/en
SID Banka (Slovenian Export Corporation)	https://www.sid.si/en
Ljubljana Stock Exchange	https://ljse.si/en

INFRASTRUCTURE, TRAVEL

TITLE	URL ADDRESS
Ljubljana Jože Pučnik Airport	https://www.fraport-slovenija.si/en/Main
DARS, Motorway Company of the RS	https://www.dars.si/
Port of Koper	https://luka-kp.si/eng
Slovenian Railways	https://potniski.sz.si/en/
Car rental	https://www.ljubljana.info/car-rental/
Traffic info	www.promet.si/portal/en
Hotels in Slovenia	http://www.sloveniahotels.com/

EDUCATION

	URL ADDRESS
University of Ljubljana	https://www.uni-lj.si/eng/
University of Maribor	https://www.um.si/en/Pages/default.aspx
University of Primorska	https://www.upr.si/en

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