



# SLOVENIA: Country of Opportunities “Green, Creative and Smart” in the Heart of Europe

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The area of Slovenia is 20,271 km<sup>2</sup>, close to the size of the island of Shikoku, and its population is about 2 million. Some are shy to say that Slovenia is a small country, believing this would determine its political or economic value and power. On the contrary, Slovenia’s size is its biggest asset, as one can find on this small piece of World’s land such diversity and beauties. Slovenia is well known for its preserved nature, as more than 60% of the country is covered with forest. Living and working with nature has been a hallmark of Slovenian culture for generations and we strive to keep it that way. Every visitor is impressed by the variety of outdoor activities, such as skiing, biking and hiking. And all of this, makes Slovenia, although small in size, such a great nation!

The ties between Slovenia and Japan are traditionally strong and friendly, be it among citizens or in the political sphere. Although almost 10,000 km apart, there are many similarities in the lifestyle of our citizens. “No shoes indoors!” is a must also in the Slovenian homes, common is also love for buckwheat (soba) and honey.

Cooperation with Japan is extremely important for Slovenia, as the same values, a diligent and highly educated workforce, an investment-friendly environment and the innovation driven minds connect us. In the past years mutual respect and long-lasting friendship has reflected in successful cooperation among the two states.

Common projects and cooperation are blooming in the economic and scientific field, Port Koper in Slovenia is becoming increasingly interesting for Japanese transport to Central Europe and we are exploring possibilities for further collaboration with Japan in the areas of digitalization, cyber security, high tech and artificial intelligence. I am also proud to say that Slovenia is one of the countries with the greatest number of projects and activities in the implementation of Society 5.0.

However, I am convinced there is a big potential for economic cooperation between Slovenian and Japanese companies, thus allow me to present some facts which could inspire and contribute to more collaboration in future.

## Japan as Priority Economic Partner

Japan has been strategically a priority market for Slovenian economy since 2015. Our trade exchange has been stable and I am especially honored that the number of Japanese investments continue to increase every year, especially in the areas that bring higher added value. The Japanese investments have increased for more than 10 times since 2013 and now account for more than 360 mil. EUR. Actually, Japan is today one of our most important and one of the largest investors

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in Slovenia.

We are highly interested to further strengthen our trade exchange and attract more Japanese investments in Slovenia, as we offer a stimulating and stable business environment. Slovenian government is committed to improve it even further with proactive reforms to create a competitive, transparent, simple and investor-friendly environment. As you may know, we have one of the lowest tax rates on corporate profits in the EU and many tax reliefs and incentives for investors, especially in the R&D field.

## In the Heart of Europe

Slovenia's excellent geostrategic position, at the heart of Europe, is one of its obvious advantages that is beneficial to investors. As part of the EU market Slovenia may serve as a springboard for overseas companies wanting to do business in the EU or in the South-Eastern Europe or in the countries of Eastern Europe. Slovenia has all attributes needed to do business across the region: knowledge of language, customs, and culture, as well as personal connections.

Due to Slovenia's excellent communication and transport infrastructure, it is easy to access any part of the EU, as there are no border controls within the EU. I believe this is a very strong benefit of my country.

## Strong Export-Oriented Economy

Slovenia is a fast-growing export-oriented economy, with an export share of around 85% of the GDP. 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 industrialized EU member state. Industry also accounts for 80% of private investment in R&D. Slovenia has 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. Labor 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.

## Empowering Business: Green. Creative. Smart.

Slovenia has a long tradition of combining experience and knowledge with innovation, creative thinking, and care for the environment. That is why, under the message of empowering business: "Green. Creative. Smart", Slovenia is emerging as a pioneer in environmentally friendly innovation and creativity – three key factors behind Slovenia's impressive economic development and success.

By being **Green**, Slovenia develops technical innovations that prioritize taking responsibility for future generations. That is why, despite its size, Slovenia is the third EU country in the field of eco-innovations and has doubled its investment in sustainable development. What's more, Slovenia's socially responsible economy is among the best in the world in terms of environmental health and ecosystem vitality.

By being **Creative**, Slovenia has a talent for creating value, recognizing the importance of nurturing creativity as a tool for solving the most pressing issues facing the world today. That is why Slovenia is a leading Central European country in patent registration. And the 32nd most innovative country globally. And why Slovenian companies' R&D investment ranks at EU-28 average, resulting in technologically advanced products and solutions best suited to the needs of the future.

By being **Smart**, Slovenia ensures its solutions are globally competitive. That is why Slovenia is the leading country in cross-border trade worldwide. It is also why sustainable and innovative Slovenian automotive components are integrated into basically every European vehicle. And why Slovenia was placed 5th by OECD for smart products delivered daily by the Slovenian digital and robot-intensive economy.

## Skilled and Efficient Workforce

Slovenian workforce in industry sector is highly productive and therefore has best price performance in the region. The composition of active labor force in Slovenia shows that 34.6% have a university degree and 65% have finished secondary school. Slovenia's technically minded workers have a high work ethic, a consensual approach to work as well as being loyal to their employers and reluctant to change jobs, all of which are regarded as key factors of stability.

A typical Slovenian is computer literate and speaks two or more foreign languages. A cutting edge of Slovenian workforce is its command of foreign languages. International studies rank Slovenians at the European top. 92% of population can communicate in at least one world language and 67% of Slovenians speak well enough to hold a conversation in two foreign languages.

## Slovenia's Champions in Sport – Champions in Business

Another passion which unites Slovenia and Japan is – sports. Both nations are devoted to active life and there is on-going and long-lasting collaboration between teams, athletes and federations. For both countries Tokyo2020 Olympic Games were the most successful summer games ever and we hope to achieve the same also at the upcoming Paralympic Games. After Tokyo2020 Olympic Games, many Japanese became true fans of basketball player Luka Dončić, sports climber Janja Garnbret and cyclists Tadej Pogačar and Primož Roglič, all of them extraordinary athletes from Slovenia. We hope that also through sports, Japanese will recognize Slovenia, its culture, beauties and heritage.

Besides extraordinary athletes, Slovenia has also top-notch companies developing technical innovations prioritizing the responsibility for future generations through improved productivity, sustainability, and resilience. Slovenian companies are leaders in certain specific areas in high-tech and niche technologies for instance in **Automotive** industry in high-end titanium exhaust, in the production of diesel cold-start systems or in the production of gas springs for automotive industry.

In the **Aerospace** sector we are pioneers in light aviation, using electric flight and pursuing extreme aero efficiency or in the specialized, fixed wing small Unmanned Aircraft Systems. In the **Electrical equipment** industry, Slovenian companies are world No. 1 in the biomass combustion controller market and in the commercial vacuum-cleaner motor segment.

Slovenian long industrial tradition in the **Machining and fabricated metal products** industry have produced a global leader in the field of logging winches and firewood processors and one of the world leaders in manufacturing of crankshaft processing machines for passenger cars and trucks as well as one of the 10 largest producers of industrial knives.

The innovative Slovenian ecosystem is evident also

in the **ICT** sector. You may find companies providing top solutions for control systems for particle accelerators and proton therapy, in the enterprise labelling software business, focused on manufacturing and supply chains, and for instrumentation for measuring elementary beam particles in accelerators, as well as the first UNESCO International Artificial Intelligence Research Centre established at the Jozef Stefan institute in Ljubljana, Slovenia.

To conclude with **Biotechnology**, Slovenian companies are among leading firms in the field of innovative healthcare and lifestyle solutions based on preventive genetic testing and in the commercial production of Cellulose Nano Crystals and production of bacteriophages.

Knowledge and experience of Slovenian companies in all above-mentioned industries offer multiple opportunities for potential Japanese partners.

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In 2021 Slovenia is acting as the Presidency of the Council of the EU and in 2022 Slovenia and Japan will celebrate the 30th anniversary of diplomatic relations. I am convinced that these events and many others will serve to foster already excellent and vibrant relations between our two friendly nations.

There are also many opportunities to strengthen our partnership in the economic and scientific fields, as together we can more successfully face the future challenges and use the technology for the benefit of our people. This ultimately should be the core of all our efforts for a better and brighter tomorrow.

More info about FDI in Slovenia at:

<https://www.investslovenia.org/>



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