

SLOVENIA: THE GREEN MARKETPLACE

Future marketplaces for Slovenia seem to trend towards what has been called the “Green tech” and “Bio tech” markets which can lead to a cleaner and better environment. Janez Potočnik, the EU commissioner for science and research outlined an ambitious program which will invest 7 billion Euros in “Green tech.” What does this mean for the Slovenian economy? Some of the best companies in Slovenia are among the global leaders in their “niche markets” of Green tech.

PIPISTREL, a Slovenian ultra light aircraft producer has a pioneering role in making fully electric powered aircraft and is in the process of trying to develop another world first, a hydrogen-powered small plane.



SEAWAY, a Slovenian yacht designer and producer. Greenline 33 Hybrid has an entirely new form of hull which contributes to lower fuel consumption. The electric



drive of the boat creates no noise or fumes and has additional energy which is gained from a solar roof. Seaway is the

biggest world developmental nautical company which was founded in 1983 by the brothers Jernej and Japec Jakopin. The Greenline 33 Hybrid has become one of the most sought-after motor boats in the world.

ELAPHE a small visionary research company is attempting to develop an “original” solution for hybrid or electric cars: an in-wheel motor. Elaphe works closely with Slovenia’s leading science lab, the Institute Jože Stefan, as well as with the University of Ljubljana and Iskra Avtoelektrika, an established Slovenian maker of electric drives and mechatronic automotive components with production facilities all over the world.



For Slovenia to be successful in competing in these “niche Green tech markets, there will have to be increased cooperation between research institutions, the government, and the Green tech companies. Even though Slovenia is a small country there is no lack of knowledge for developing products for the new age which can lead to a cleaner and better environment.



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WORLD MARKETPLACES: SLOVENIA



Slovenia is situated at the crossroads of Central Europe, the Mediterranean, the Alps and the Balkans. It borders Austria on the north, Italy on the west along with 46.6 km of the Adriatic Sea, Croatia on the South and Hungary on the northeast.

Slovenia is a small country about the size of New Jersey and a population of just under two million. Between 250,000 and 400,000 Slovenes, depending on whether 2nd or subsequent generations are counted, live outside the country. Aside from Europe, the Slovene culture is notable in areas such as: Argentina, Canada, Australia and the United States (Ohio, Illinois, Minnesota, and Colorado).



Slovenia declared its independence from what was formerly called the country of Yugoslavia in 1991 following a ten day war of secession. Since

that time Slovenia has emerged as a relatively prosperous country

with strong trading ties with Germany, Austria, Italy and France. About 75% of its trade is with the EU- European Union.

Slovenia joined the EU in May 2004 with the Euro becoming the currency unit in 2007. There are currently 16 countries using the Euro. Each Euro has a “common side” and a national side. The common side displays “unity” while the national side displays something unique to each country. In this case - SLOVENIA.



Economically, SLOVENIA has been one of the best performers in central and eastern Europe with a Gross Domestic Product (GDP) of \$ 49 billion or a per capita GDP of \$ 23,000. Slovenia’s economy is highly dependent on foreign trade especially with Germany and Italy. In fact two thirds of Slovenia’s foreign trade is with EU members. The U.S. market makes up only about 1% of exports and almost 2 % of imports. Jokingly, it has been said that the APPLE Company based in San Jose, CA. has enough money to buy SLOVENIA’S entire yearly production.

Even though Slovenia is a small player on the world stage, it does have its niche markets which have proven to be profitable for the Slovenian economy.

NOTABLE SLOVENIAN COMPANIES

ROGAŠKA CRYSTAL: founded in 1665, Rogaška is among global market leaders of high quality crystal making. Its 931 employees annually produce 3,280 tons of crystal with over 50% sold to USA. Recently, September 20, 2010, Donald Trump, the world renowned property developer and billionaire, partnered up with



Trump Home and Rogaška America to manufacture and market collections of crystal home accessories, stemware, bar ware and gift ware.

ELAN is a Slovenian company located in Begunje, Slovenia specializing in the production of sporting goods - skis, snowboards, sailboats, and motor yachts. Elan Company changed the world ski industry by inventing shaped skis, also called parabolic skis that made carve turns possible at low speeds and with a short turn radius.



The company’s manufacturing sites are located in Slovenia, Austria, and Croatia and it markets its products through independent distributors in 46 countries.

SAVA TIRES is a subsidiary of the Goodyear Tire and Rubber Company. Sava Tires was founded in Kranj, Slovenia in 1920. It was acquired a few years ago and uses much of Goodyear’s technology. The acquisition by Goodyear strengthened its position in the central and eastern European markets. Sava produces mainly rubber tires but the Sava Group is also involved with tourism, real estate and finances.



SLOVENIA’S GROWING ECONOMY

There is a major effort to encourage direct foreign investment (FDI) by countries such as the USA as well as countries within the EU. Regardless there have been barriers to a free marketplace economy. There seems to be a cultural wariness of being “bought up” by foreigners along with a slowness in adapting to private markets. Even so there have been recent acquisitions by multinational companies, KBC of Belgium takeover of ‘Nova Ljubljanska Banka’ (Slovenian), and Swiss Novartis’ takeover of ‘Lek Pharmaceuticals’. This demonstrates the attractiveness of the Slovenian economy particularly to European investors seeking entry to expand into southeastern Europe. USA investments have been scarce with Goodyear and Western Wireless Int’l being the two largest.