European Investment Bank
The EU bank

Slovenia

Overview

EIB INVESTMENT SURVEY

2020

EIB Group survey on investment and investment finance 2020 Country overview

Slovenia

European Investment Bank

The EU bank

EIB Group survey on investment and investment finance 2020.
Country overview: Slovenia

About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Members States, the United Kingdom and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the European Investment Bank

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

Main contributors to this publication

Simon Savšek.

Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

About Ipsos Public Affairs

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision makers and communities.

For further information on the EIB's activities, please consult our website, www.eib.org. You can also contact our InfoDesk, info@eib.org.

Published by the European Investment Bank. Printed on FSC Paper.

print:	QH-BL-21-003-EN-C	ISBN 978-92-861-4741-8	ISSN 2599-7998	DOI 10.2867/828759
pdf:	QH-BL-21-003-EN-N	ISBN 978-92-861-4740-1	ISSN 2599-8005	DOI 10.2867/788229

EIBIS 2020 – Slovenia

KEY RESULTS

Investment Dynamics
The positive trend in investment, starting in 2016, was revoked by the pandemic, leaving investments in the second quarter of 2020 13% below the pre-COVID 2019 level. All in all, investment is currently about 40% below levels reached before the global financial crisis and investment gaps are again building up.

The pandemic has affected firms' investment strategies for 2020 with nearly a half (49%) investing less than planned and only three per cent investing more. This is broadly in line with the EU average (45% and 6% respectively).

Investment Focus
Three in ten (30%) firms, with investment plans for the current financial year, plan to abandon or delay at least some of their investments as a result of COVID-19, comparable to the EU average (35%). Around a quarter (24%) of firms report that they will continue at least some of their investment plans with a reduced scale/scope, close to the EU average (18%).

Across all sectors, the most frequently cited long term impact of the pandemic is the increased use of digital technologies (47%). Around a third expect a long term impact on their supply chains (33%) or their service or product portfolio (28%). Nearly one-fifth (19%) expect a permanent reduction in employment.

Investment Needs and Priorities
Around three fifths (62%) were operating at or above full capacity in the last financial year, 2019, which is relatively unchanged from EIBIS 2019 (67%) and the EU average (61%). Around one-fifth (21%) of firms perceived they invested too little over the past three years.

The share of firms planning investments in developing or introducing new products, processes or services is much higher among firms impacted by COVID-19 (49%), when compared to both the EU average (30%) and to firms in Slovenia which were not impacted (34%) by the pandemic.

Innovation Activities
Two-fifths of all firms (40%) developed or introduced new products, processes or services as part of their investment activities. 16% of all firms claim to have undertaken innovation that is new to the country or world, which is higher than among some European peers.

Three in five firms (64%) have implemented, either fully or partially, the digital technologies they were asked about. This proportion of firms implementing digital technologies is similar to the EU average (63%).

Drivers and Constraints
More firms in Slovenia expect a deterioration rather than an improvement when asked about the outlook in the next twelve months. Firms are the most pessimistic about the overall economic climate compared to EIBIS 2019 (-71% versus -25%), with the net balances remaining below the EU average (-56%).

The most frequently cited long term barrier to investment is the uncertainty about the future and this has increased significantly since EIBIS 2019 (84% versus 69%). Availability of skilled staff remains another important obstacle (71%, down from 85% EIBIS 2019).

Investment Finance
Around two-thirds of investment activity in Slovenian firms was financed by internal sources (69%), while bank loans continued to make up the highest share of external finance (62%).

Access to Finance
Comparable with the EU peers, firms that used external finance in 2019 are on balance satisfied with the finance received. Nevertheless, the highest levels of dissatisfaction recorded among firms in Slovenia is with the cost of finance (9%) and collateral requirements (7%). Nine per cent of all firms in Slovenia were considered finance constrained in the last financial year, which is similar the EU average of about 5%.

Energy Efficiency
More than half (52%) of firms have invested in measures to improve their energy efficiency, comparable to EIBIS 2019 and the EU average (48% and 47% respectively).

The average share of investment in measures to improve energy efficiency by firms in Slovenia is 13% in EIBIS 2020 which is in line with EIBIS 2019 (13%) and close to the EU average (12%).

Climate Change
About half (47%) of all firms in Slovenia feel their business has been impacted by climate change and the related changes in weather patterns – including 16% who felt it had a major impact on their business. Nevertheless, this share is lower than the EU average (58% and 23% respectively).

More firms in Slovenia expect the transition to a low-carbon future to have a positive impact on their reputation (+17%) and on market demand (+3%) over the next five years. In contrast, more firms expect a negative impact on their supply chains (-7%).

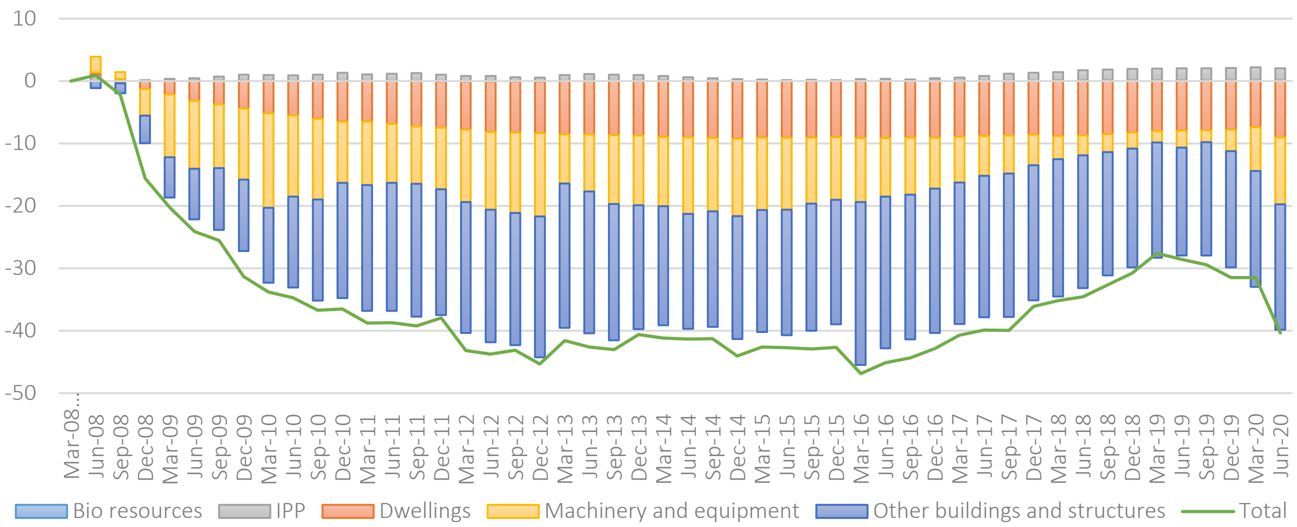
More than a half (56%) of firms in Slovenia have either already invested or plan to invest, in the next three years, in measures to tackle the impact of weather events and reduction in carbon emissions. Again, the share being lower than the EU average (67%).

Investment Dynamics

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

The slightly positive trend in investment, which started in 2016, was revoked by the pandemic, leaving investments 13% below the pre-COVID 2019 level.

Investment levels are currently about 40% below levels reached before the global financial crisis and investment gaps are building up.



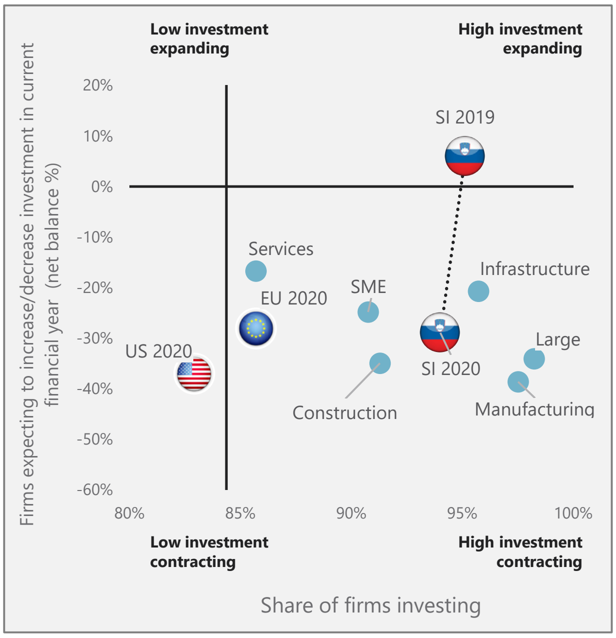
The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data has been indexed to equal 0 in 2008. Source: Eurostat.

INVESTMENT CYCLE

Slovenia has moved into the 'high investment contracting' quadrant on the investment cycle.

In comparison to EIBIS 2019, the net balance of firms expecting to increase rather than decrease investment in the current financial year has substantially declined.

Large firms and manufacturing firms continue to have the highest share of firms investing.



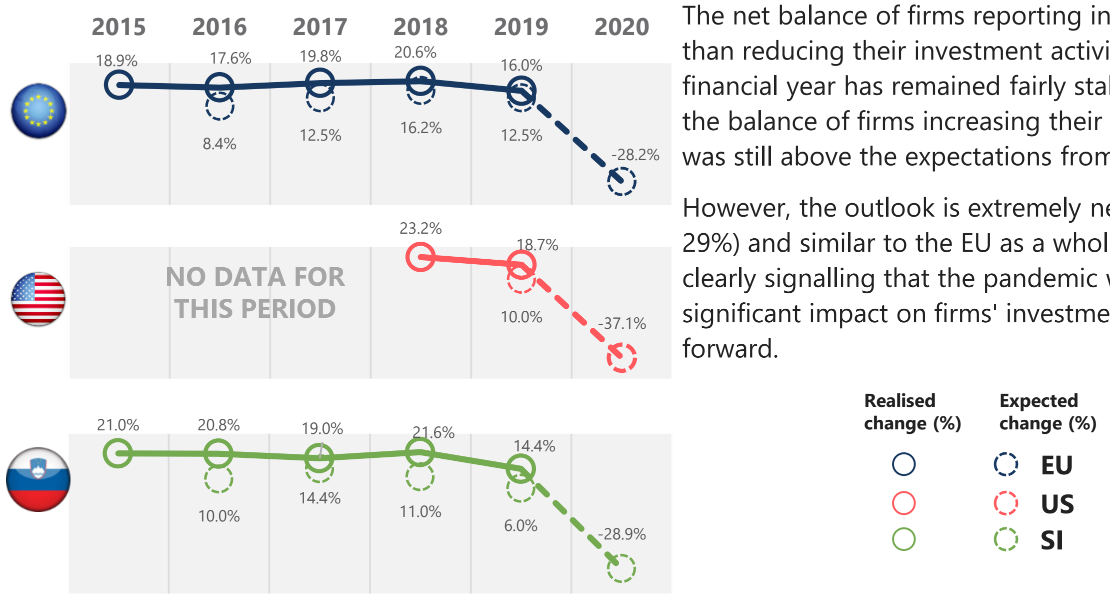
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

Base: All firms (excluding don't know/refused responses)

Investment Dynamics

EVOLUTION OF INVESTMENT EXPECTATIONS

Realised/expected change in investment



The net balance of firms reporting increasing rather than reducing their investment activities in the last financial year has remained fairly stable. However, the balance of firms increasing their investment was still above the expectations from EIBIS 2019.

However, the outlook is extremely negative (net -29%) and similar to the EU as a whole (net -28%), clearly signalling that the pandemic will have significant impact on firms' investment going forward.

'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

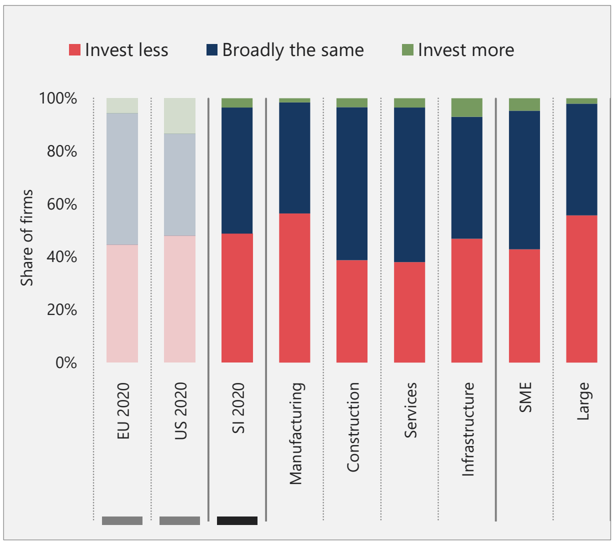
Base: All firms

IMPACT OF COVID-19 ON INVESTMENT

COVID-19 has affected firms' investment strategies for 2020 with nearly a half (49%) investing less than planned and only three per cent investing more. This is broadly in line with the EU average (45% and 6% respectively).

Firms in the manufacturing sector (56%) have invested less than planned compared to the construction and services sectors (39% and 38% respectively).

Consistent with the macroeconomic data, investments in machinery and equipment, the bulk of investment in Slovenia, started to contract substantially once the pandemic hit.



Q. Have your company's overall investment expectations for 2020 changed due to coronavirus?

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

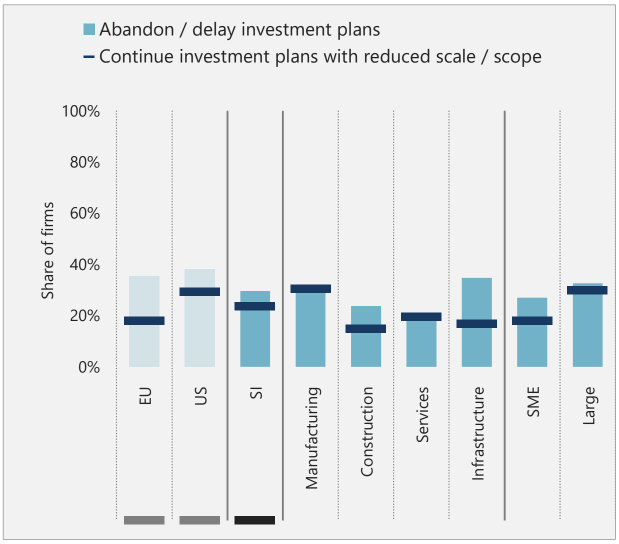
Investment Focus

ACTIONS AS A RESULT OF COVID-19

Three in ten (30%) firms, with investment plans for the current financial year, plan to abandon or delay at least some of their investments as a result of COVID-19, comparable to the EU average (35%).

While around a quarter (24%) of firms, with investment plans, report that they will continue at least some of their investment plans with a reduced scale/scope, this is broadly in line with the EU average (18%).

The share of firms reporting to take action as a result of COVID-19 is fairly similar across all sectors and size of firms.



Q. You said you will invest less due to coronavirus. Can I just check which of the following actions will your company undertake?

Please note some firms may be taking multiple actions i.e. abandoning/delaying some investment plans whilst continuing with other plans at a reduced scale or scope.

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

LONG TERM IMPACT OF COVID-19 BY SECTOR AND SIZE

	Your service or product portfolio	Your supply chain	The increased use of digital technologies	Permanent reduction in employment
Manufacturing	33	46	55	26
Construction	16	21	21	7
Services	31	27	47	21
Infrastructure	20	21	41	6
SME	31	35	44	15
Large	24	33	52	23

Across all sectors, the most frequently cited long term impact of COVID-19 is expected to be the increased use of digital technologies (47% on average). Around a third of firms expect a long term impact on their supply chains (33%) or their service or product portfolio (28%).

As a result of the pandemic, nearly one-fifth (19%) expect a permanent reduction in employment. This impact is cited more frequently by manufacturing and services firms (26% and 21% respectively).

Q. Do you expect the coronavirus outbreak to have a long-term impact on any of the following?

Base: All firms

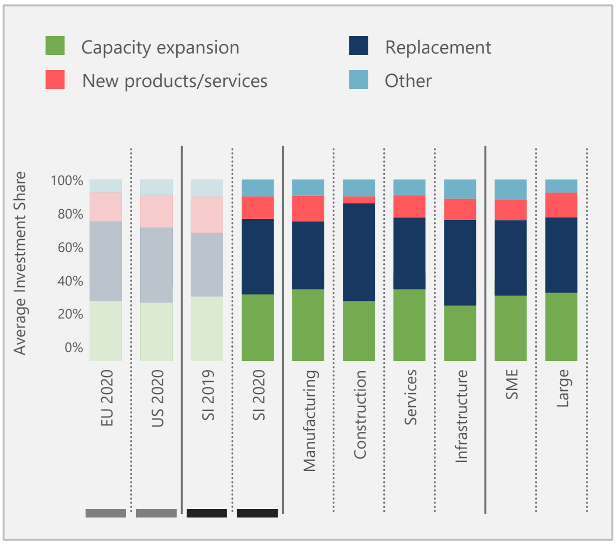
Investment Focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

Around two fifths firms' investment (45%) was utilized with the purpose of replacing buildings and equipment in the last financial year.

Replacement was followed by capacity expansion which made up around one-third (31%) of all investment, broadly in line with the EU average (27%).

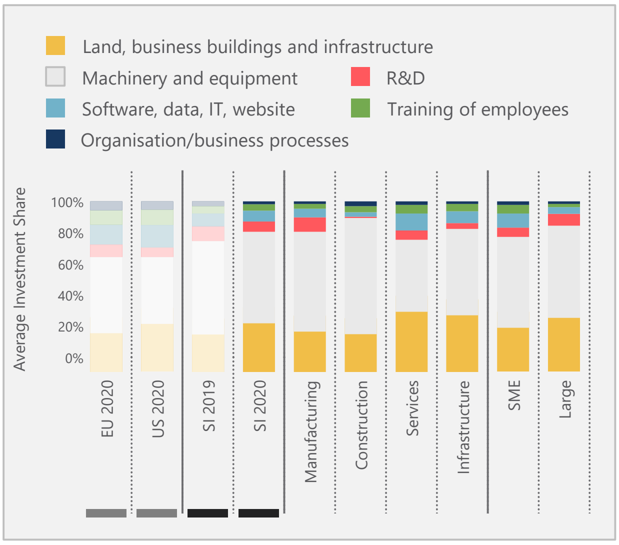
Construction firms were more likely to report a higher share of investment for replacing buildings and equipment than manufacturing and services firms (59% versus 41% and 43% respectively).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/ services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/ refused responses)

INVESTMENT AREAS



Out of the six investment areas considered, the highest share of investment in Slovenia was in machinery and equipment (59%), followed by land, business buildings and infrastructure (22%), software, Data, IT websites (7%) and research and development (7%). The pattern is broadly in line with the EIBIS 2019 findings, although the share of investment allocated to land business buildings and infrastructure has increased (22% up from 15%).

Construction firms tended to allocate a larger share of their investment to machinery and equipment than other sectors.

In comparison to the EU or the US peers, firms in Slovenia seem to have invested less in intangible assets, a finding consistent with previous EIBIS surveys.

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

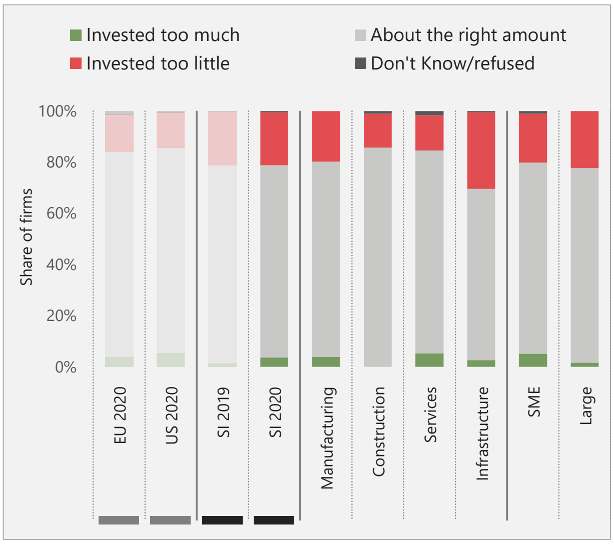
Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

Three quarters (75%) of firms believe their investment over the last three years was about the right amount, while four per cent report investing too much. These figures are in line with the EU average (80% and 4% respectively).

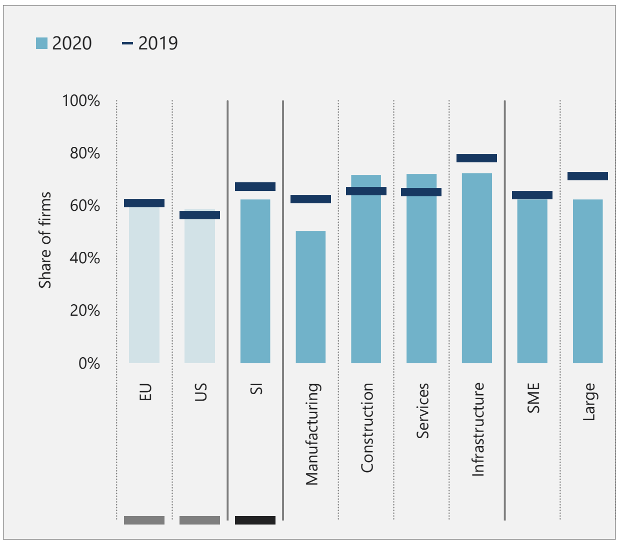
Around one-fifth (21%) of firms believe they invested too little. The share is higher than in the EU aggregate and it also increases to about 30% among infrastructure firms. This is consistent with the macroeconomic data, showing that investment in infrastructure (as a share of GDP) declined substantially in recent years.



Q, Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

Around three fifths (62%) were operating at or above full capacity in 2019, which is relatively unchanged from EIBIS 2019 (67%) and similar to the EU average (61%).

Firms in the manufacturing sector were the least likely to be operating at or above full capacity (50%, compared to 72% among firms in the other sectors).

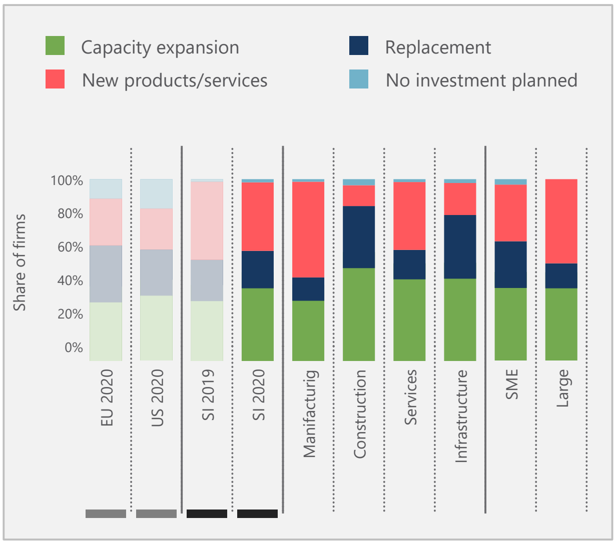
Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, developing and introducing new products, processes or services is the most commonly cited investment priority among firms (41%). This is similar to EIBIS 2019 (47%) but much higher than the EU average (28%).

Capacity expansion for existing products and services is the priority for around one-third (35%) of firms, followed by replacing buildings, machinery, equipment and IT (22%).

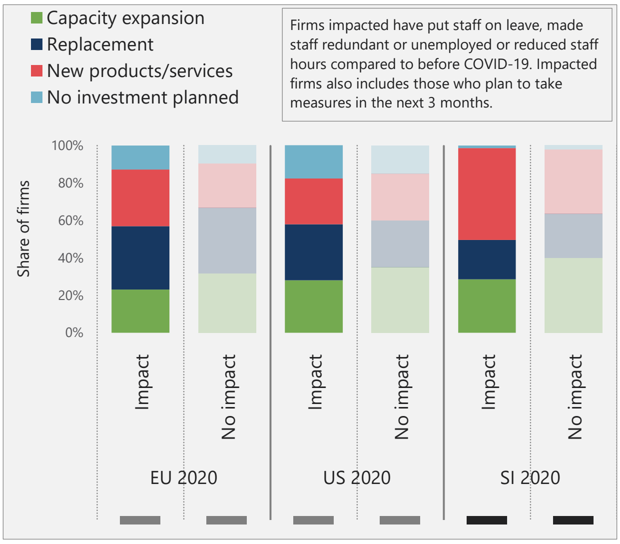
Manufacturing and services firms are more likely to be developing and introducing new products, processes or services than construction and infrastructure firms (57% and 41% versus 12% and 19% respectively).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/ refused responses)

COVID-19 IMPACT ON PRIORITIES



The share of firms investing in developing or introducing new products, processes or services is much higher among firms impacted by COVID-19 (49%) than the EU average (30%) and among firms who were not impacted within Slovenia (34%).

This finding supports the view that investment orientation of firms is shifting more rapidly towards developing new products/services due to the pandemic.

Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Q. Thinking about the impact of coronavirus, have you had to put staff temporarily on leave, make staff redundant or unemployed or reduce the number of hours they work compared to before the coronavirus pandemic?

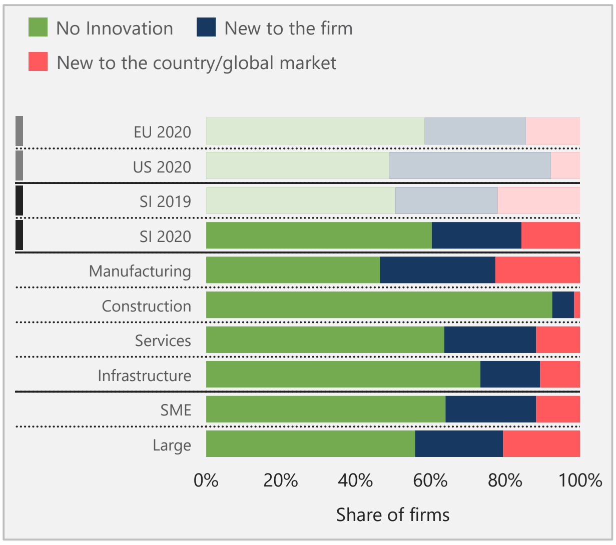
Base: All firms (excluding don't know/ refused responses)

Innovation Activities

INNOVATION ACTIVITY

Two-fifths of all firms (40%) developed or introduced new products, processes or services as part of their investment activities. Including, 16% of all firms claim to have undertaken innovation that is new to the country or world. Share of firms, innovating at the country/global level, remains favourable when comparing it to the EU aggregate.

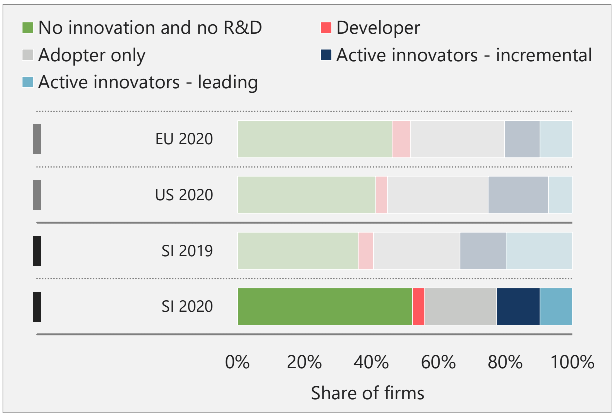
Manufacturing firms are the most likely to innovate (54%), which is consistent with relatively solid structure of Slovenian goods exports. On the other hand, only seven per cent of construction firms said they had invested in developing or introducing new products, processes or services in the last financial year.



Q, What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/ refused responses)

INNOVATION PROFILE



When firms' innovation and research and development behaviour is profiled more widely, 23% of firms in Slovenia are classified as 'active innovators', and a further 4% of firms are 'developers'.

This breakdown is lower than in EIBIS 2019 – 'active innovators (34%) and 'developers' (5%) and fairly close to the EU average - active innovators (20%) and 'developers' (6%)

Q. What proportion of total investment was for developing or introducing new products, processes, services?
Q. Were the products, processes or services new to the company, new to the country, new to the global market?
Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators' these are new to the country/world'.

Innovation Activities

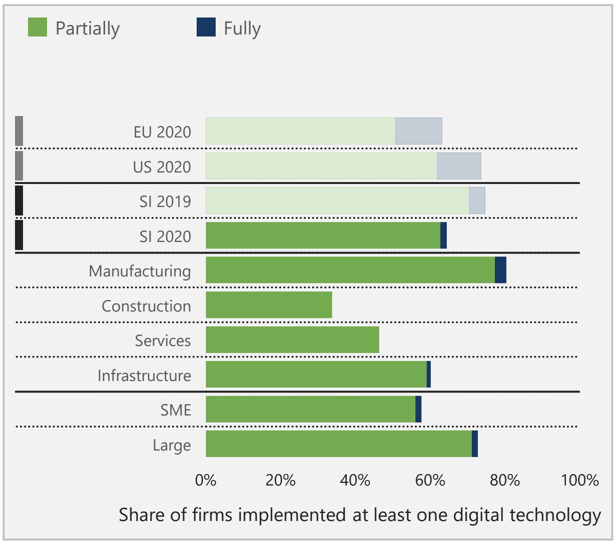
IMPLEMENTATION OF DIGITAL TECHNOLOGIES

Three in five firms (64%) have implemented, either fully or partially, the digital technologies they were asked about. This proportion of firms implementing digital technologies is in line with the EU average (63%).

Firms in the construction sector are the least likely to have implemented digital technologies, either fully or partially, within their business (34%).

Large firms are more likely than SMEs to have implemented at least one digital technology (73% versus 58%), confirming the general findings in the economic literature.

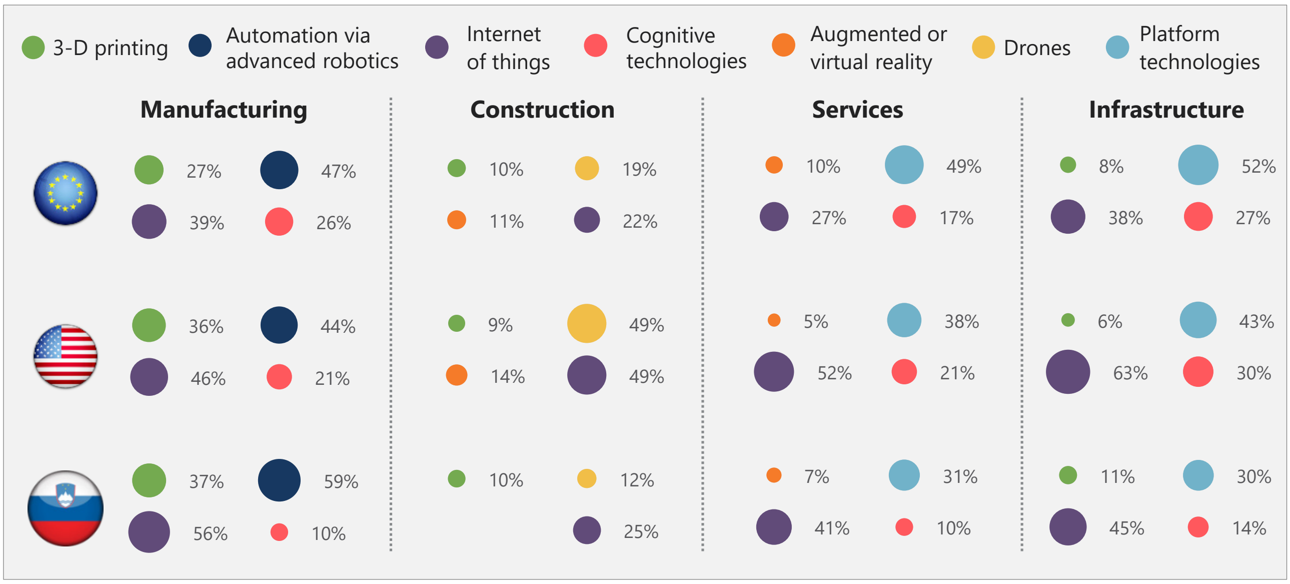
Slovenian manufacturing firms report relatively high take-up of 3D-printing, automation via advanced robotics and internet of things when compared with all EU manufacturers.



Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/ refused responses)

DIGITAL TECHNOLOGIES BY SECTOR



Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

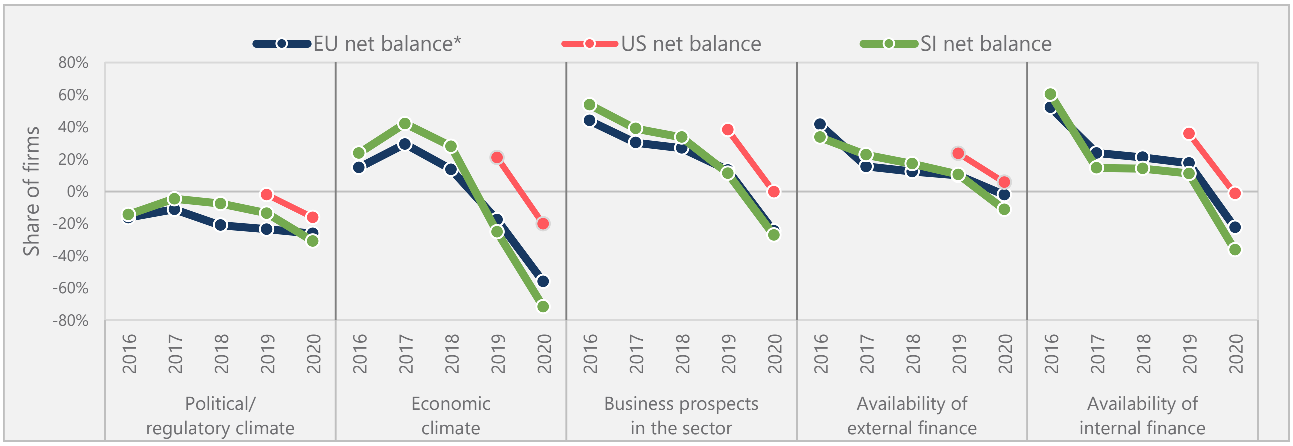
Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/refused responses)

Drivers And Constraints

SHORT TERM FIRM OUTLOOK

More firms in Slovenia expect a deterioration rather than an improvement of the business outlook in the next twelve months. Firms became most pessimistic about the overall economic climate compared to EIBIS 2019 (-71% versus -25%), with the net balance remaining below the EU average (-56%).

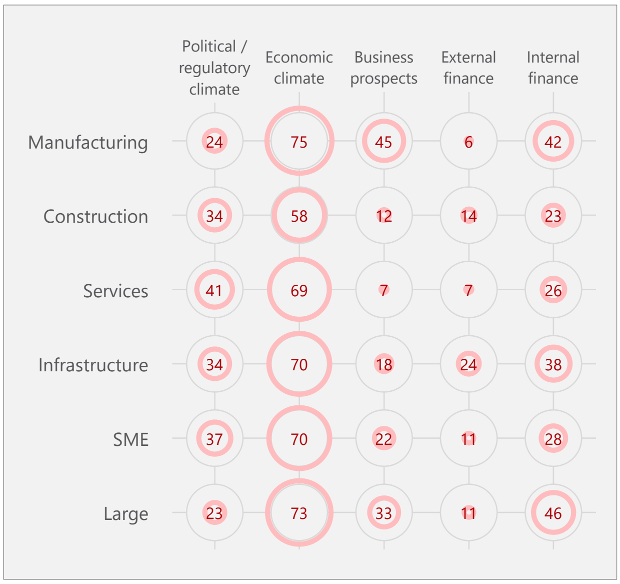


Q, Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

**Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration*

Base: All firms

SHORT TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: green figures are positive, red figures are negative

Across all sectors and sizes, firms are consistently more negative than positive about all short term outlook impediments.

Large firms and those in the manufacturing sector are most likely to be negative about the overall economic climate.

SMEs are more optimistic on balance about business prospects and the availability of internal finance, but less about external finance, compared with large firms.

Manufacturing firms are more negative than other sectors about their business prospects (45% versus other sectors ranging between 7% and 18%).

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

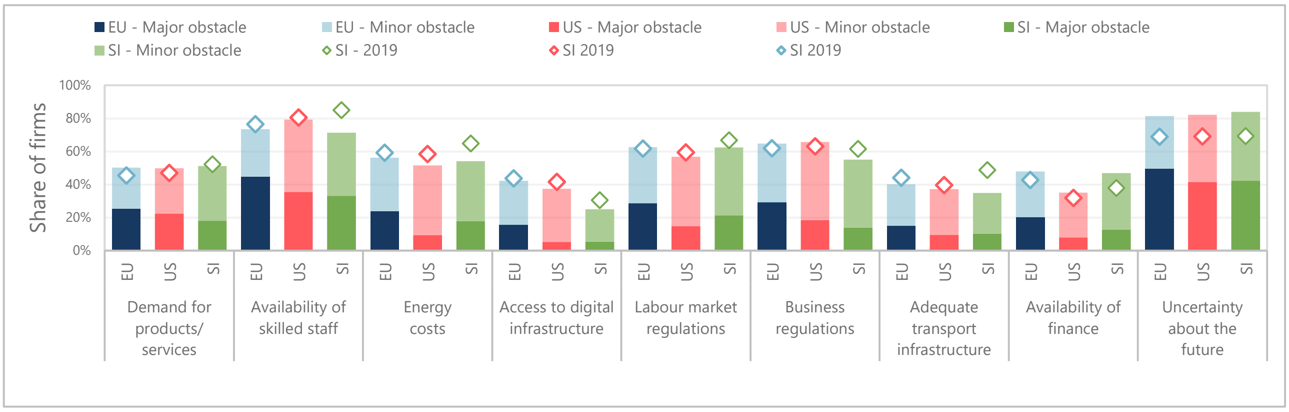
Base: All firms

Drivers And Constraints

LONG TERM BARRIERS TO INVESTMENT

Largely as a result of the pandemic, the most frequently cited long term barrier to investment was the uncertainty about the future and this has increased significantly since EIBIS 2019 (84% versus 69%).

Compared to EIBIS 2019, there has been a decline in the share of firms citing the availability of skilled staff (71% versus 85%) as an impediment, which nevertheless scores second.



Q. Thinking about your investment activities in Slovenia, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG TERM BARRIERS BY SECTOR AND SIZE

	Demand for products/ services	Availability of skilled staff	Energy costs	Digital infrastructure	Labour regulations	Business regulations	Transport infrastructure	Availability of finance	Uncertainty about the future
Manufacturing	60	78	61	30	64	57	43	47	87
Construction	38	83	49	23	57	55	31	50	70
Services	54	71	49	22	67	58	32	46	85
Infrastructure	36	57	46	20	56	50	25	47	81
SME	51	69	50	25	64	59	33	47	85
Large	52	74	60	25	60	51	37	47	83

Q. Thinking about your investment activities in Slovenia, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

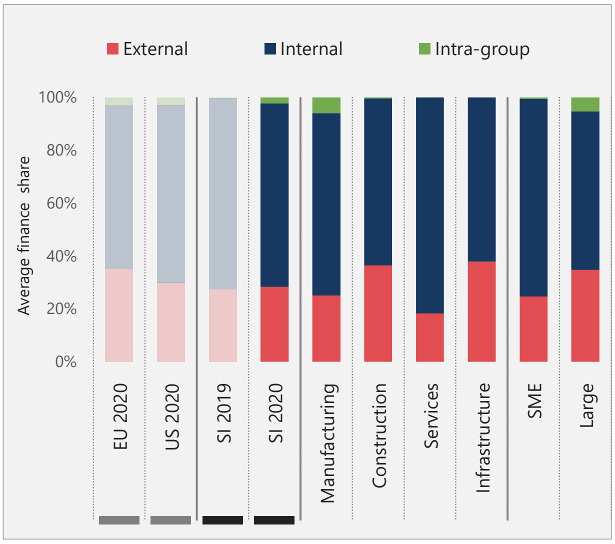
Investment Finance

SOURCE OF INVESTMENT FINANCE

Around two-thirds of investment activity in Slovenian firms was financed by internal sources (69%) in the past financial year. This is broadly in line with EIBIS 2019 (72%) but higher than the EU average (62%).

Conversely, external finance made up more than one-quarter of investment finance (28% share). This is below the EU average of 35%.

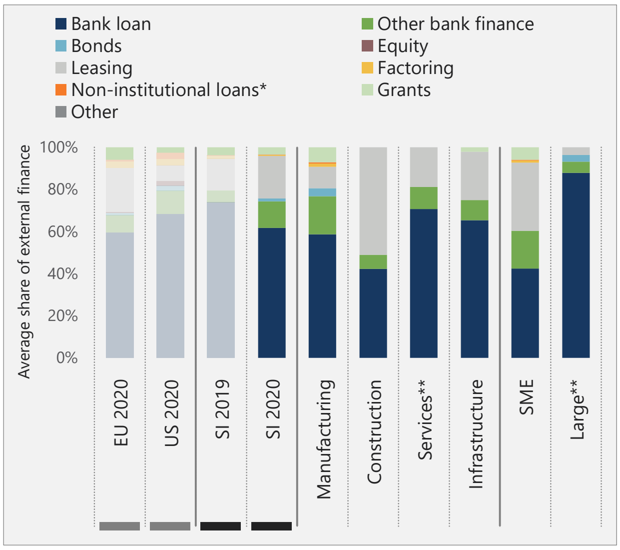
Firms in the services sector, which are SMEs to a large extent, had a higher share of investment financed by internal sources compared with other sectors (82% versus other sectors ranging between 62% and 69%).



Q, What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Q. Approximately what proportion of your external finance does each of the following represent?
**Loans from family, friends or business partners*

*Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses) **Caution base less than 30*

Bank loans continued to make up the highest share of external finance (62%), broadly in line with previous EIBIS surveys and the EU average (59%).

Leasing activity accounted for the second highest share of external finance (20%), similar to the EU average (21%).

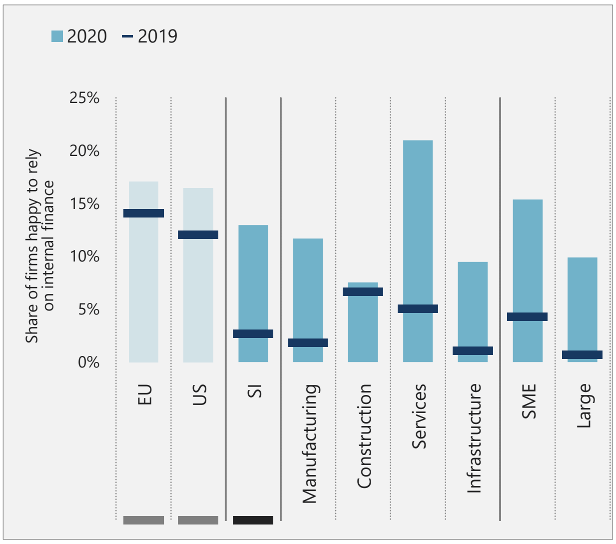
Firms in the construction sector reported the lowest share of external finance coming from bank loans (42%) and the highest share coming from leasing (51%).

Investment Finance

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Among all firms in Slovenia, around one in ten (13%) cite the main reason for not applying for external finance is because they were happy to use internal funds or did not see a need for external finance. This is broadly in line with the EU average (17%).

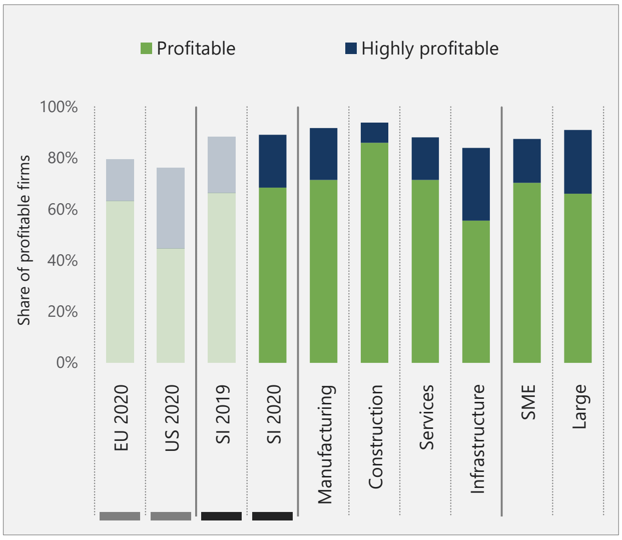
Services firms were more likely than construction firms to not be applying for external finance because they were happy to use internal funds or did not have a need for external finance (21% versus 8%).



Q, What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

SHARE OF PROFITABLE FIRMS



Nine in ten (89%) of firms report generating a profit in the last financial year, this is similar to EIBIS 2019 (88%) but higher than the EU average (80%)

Specifically, 21% of firms claim to be highly profitable, defined as generating a profit level at least 10% of firm turnover. This is similar to the EU average (16%).

The share of profitable firms is broadly comparable across all sectors and size of firms.

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

Base: All firms (excluding don't know/refused)

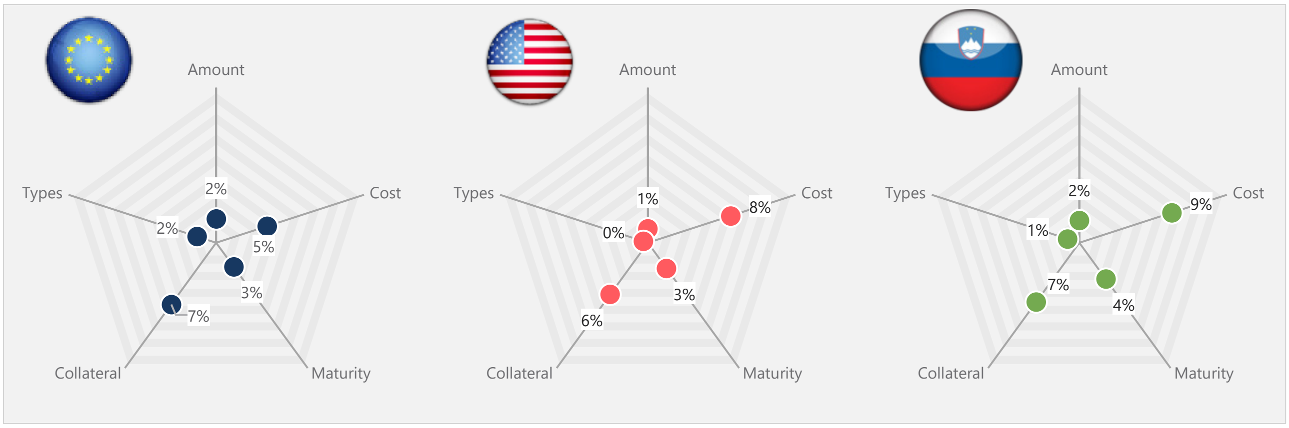
Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Comparable with the EU peers, firms using external finance in 2019 are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.

The highest levels of dissatisfaction recorded among firms in Slovenia is with the cost of finance (9%) and collateral requirements (7%).

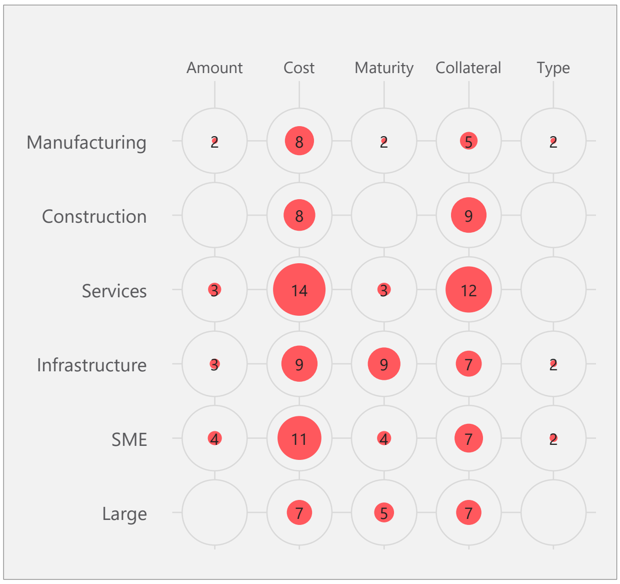
Share of dissatisfied firms



Q, How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (%)



The highest levels of dissatisfaction was mentioned regarding the cost of finance and the collateral requirements, which are similarly impacting all firms.

Q. How satisfied or dissatisfied are you with ...?

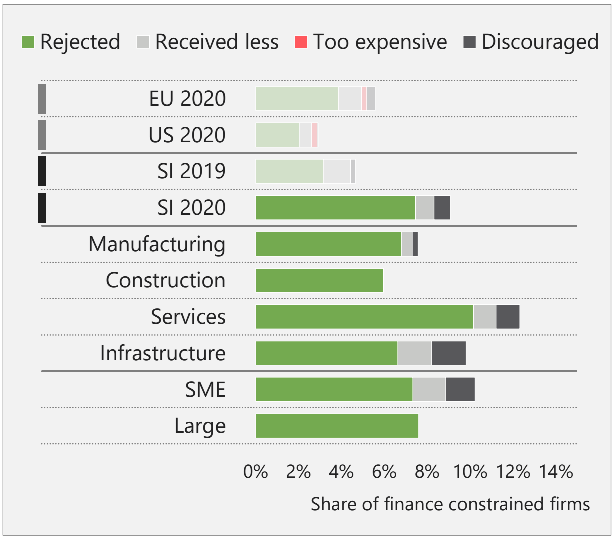
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses)

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

Nine per cent of all firms in Slovenia could be considered as external finance constrained in 2019, which is higher than the EU average of 6%.

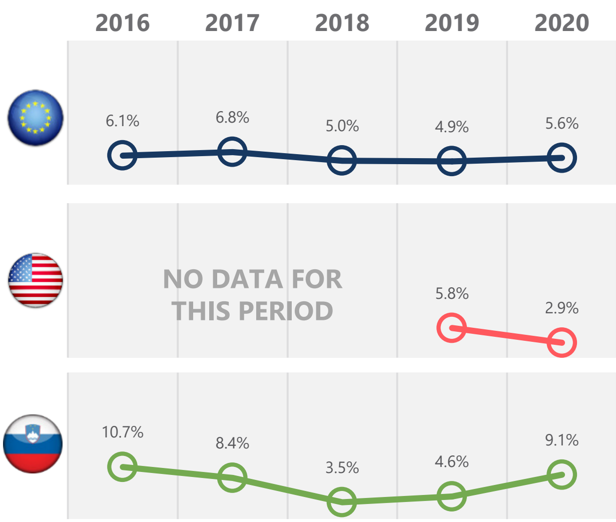
All the firms in the construction sector and large firms that were considered finance constrained due to rejection, while firms in other sectors and SMEs also reported receiving less than needed or being discouraged to apply.



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms

FINANCING CONSTRAINTS OVER TIME



The reported share of finance constrained firms in Slovenia has slightly increased since the last survey.

Firms in Slovenia are more likely to be finance constrained when compared to the current EU average.

Base: All firms

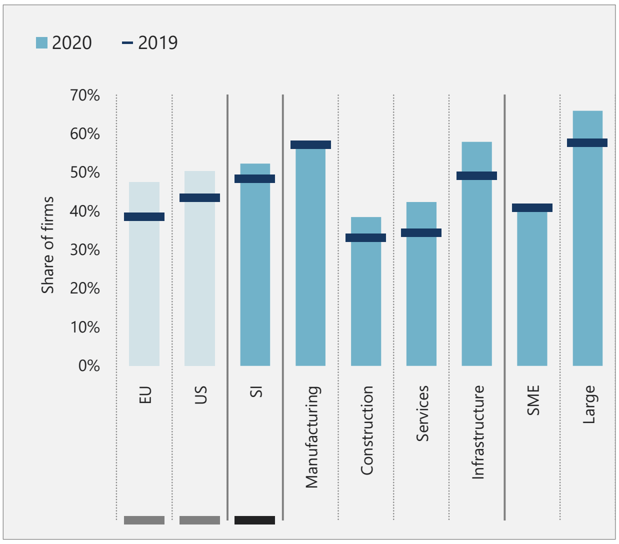
Energy Efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

More than half (52%) of firms have invested in measures to improve their energy efficiency, comparable with EIBIS 2019 and the EU average (48% and 47% respectively).

Across sectors, construction firms are the least likely to have invested in measures to improve energy efficiency (38%).

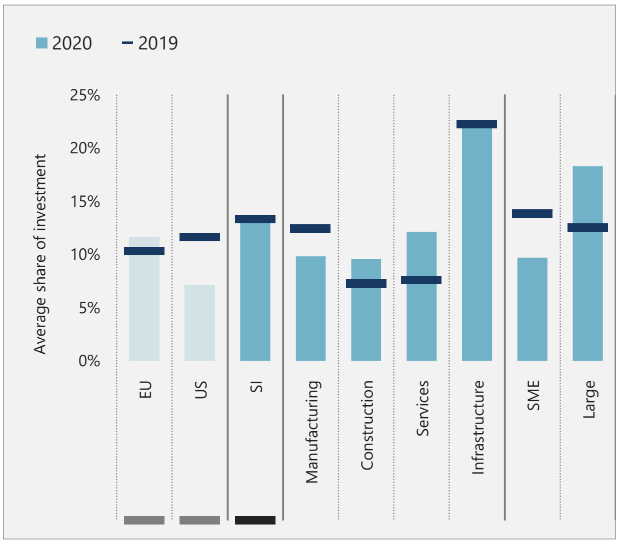
Similarly, large firms are also far more likely to invest than SMEs (66% versus 41%).



Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



The average share of investment in measures to improve energy efficiency by firms in Slovenia was 13% in the past financial year which is in line with results from EIBIS 2019 (13%) and close to the EU average (12%).

Firms in the infrastructure sector allocated a higher share of investment to improve energy efficiency.

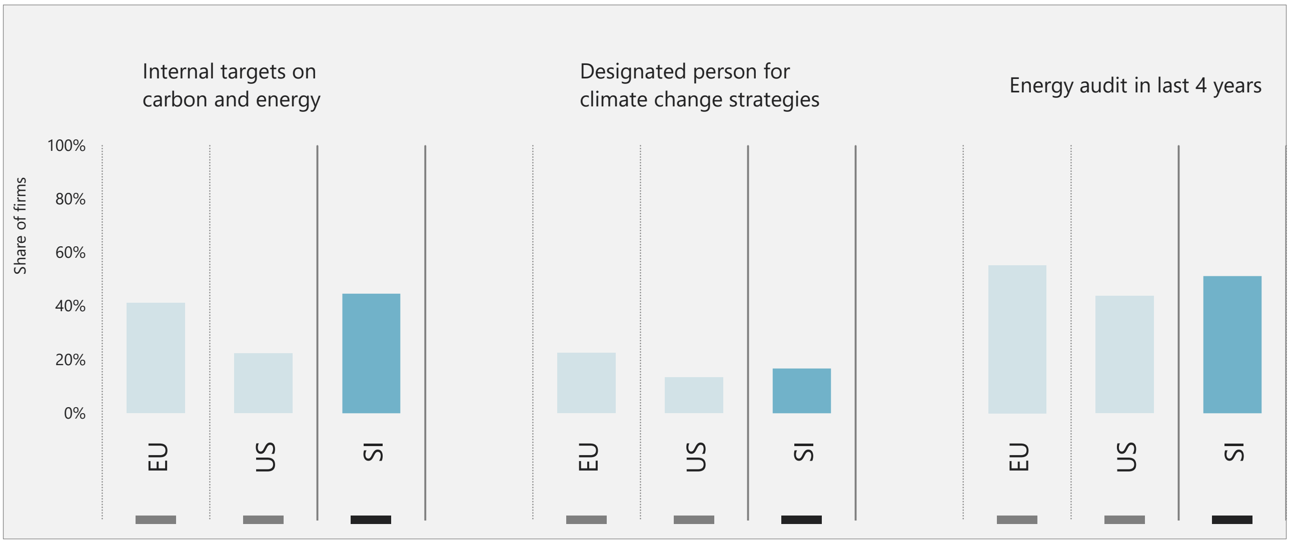
SMEs allocated a lower share of their investment to improve energy efficiency than larger firms (10% versus 18%).

Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who had invested in the last financial year (excluding don't know/refused responses)

Energy Efficiency

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT



Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?
Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?
Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT BY SECTOR AND SIZE

	Internal targets on carbon and energy	Designated person for climate change strategies	Energy audit in last 4 years
Manufacturing	60	25	65
Construction	21	5	24
Services	28	9	41
Infrastructure	38	11	42
SME	26	8	34
Large	68	28	73

Firms in Slovenia were at least as likely as EU firms to have set internal targets on carbon and energy (45% and 41% respectively) or to have designated a person to develop their climate change strategies (17% and 23% respectively).

More than half of all firms in Slovenia (51%) have had an energy audit in the past four years, which is similar to the EU average (55%).

Manufacturing and large firms are more likely than other sectors to have all three measures in place.

Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?
Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?
Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

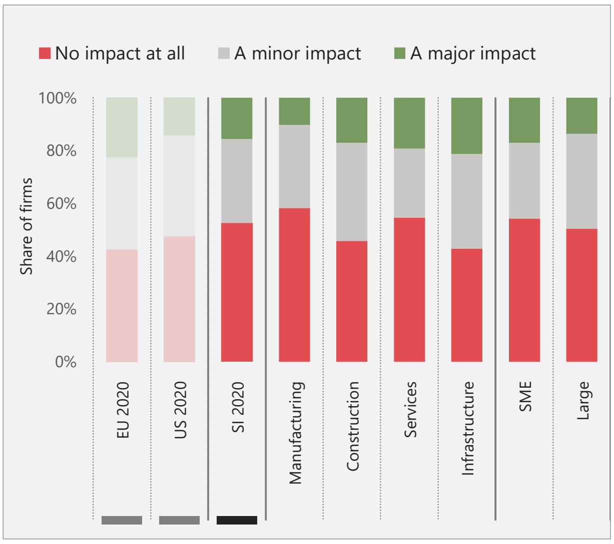
Base: All firms

Climate Change

CLIMATE CHANGE IMPACT

About half (47%) of all firms in Slovenia feel their business has been impacted by climate change and the related changes in weather patterns – including 16% who felt it had a major impact on their business. Nevertheless, this is lower than the EU average (58% and 23% respectively).

The share of firms impacted by climate change is broadly similar across all sectors and sizes.



Q, Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

Base: All firms (excluding don't know / refused responses)

REDUCTION IN CARBON EMISSIONS OVER NEXT FIVE YEARS BY SECTOR AND SIZE (NET IMPACT %)

	Market demand	Your supply chain	Your reputation
Manufacturing	8	6	24
Construction	1	3	8
Services	5	11	4
Infrastructure	2	9	19
SME	2	12	10
Large	5	2	26

Please note: green figures are positive, red figures are negative

Overall, more firms in Slovenia expect the transition to a low-carbon future to have a positive rather than a negative impact on their reputation (+17%) and on market demand (+3%) over the next five years. In contrast, more firms expect a negative rather than a positive impact on their supply chains (-7%).

Manufacturing and large firms are the most positive about the effect of this transition on their reputation over the next five years (+24% and +26% respectively).

Q. What impact will the transition to a reduction of carbon emissions have on the following aspects of your business over the next five years?

**Net balance is the share of firms seeing positive impact minus the share of firms seeing a negative impact*

Base: All firms

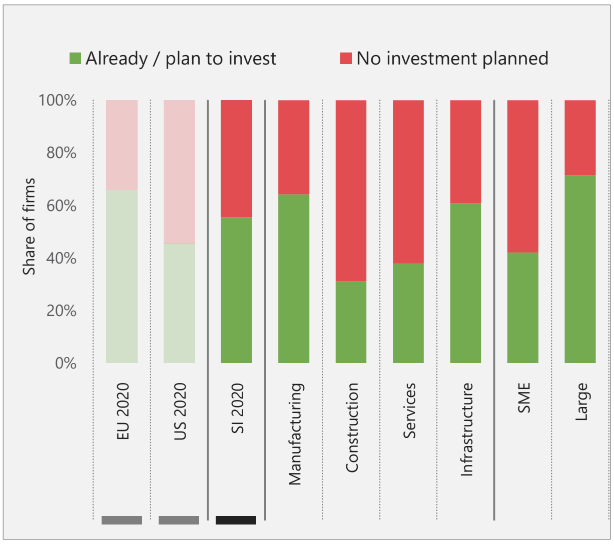
Climate Change

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

More than a half (56%) of firms in Slovenia have either already invested or plan to invest, in the next three years, in measures to tackle the impact of weather events and reduction in carbon emissions. This is lower than the EU average (67%).

Large firms are more likely to have either already invested or plan to invest than SMEs (73% versus 42%), while construction and services firms are more likely than manufacturing and infrastructure firms to have no investment plans (69% and 62% versus 36% and 41% respectively) in these measures.

The most frequently cited barriers to investing in activities to tackle climate change are uncertainty about the regulatory environment and taxation (64%) and cost of investment activities (60%).



Q, Now thinking about investments to tackle the impacts of weather events and reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

BARRIERS TO INVESTING IN ACTIVITIES TO TACKLE CLIMATE CHANGE BY SECTOR AND SIZE

	Cost of investment activities	Availability of finance	Uncertainty about climate change impacts	Uncertainty about regulatory environment and taxation	Uncertainty about new technologies to help tackle the impact	Availability of staff with the right skills to identify and implement investments related to climate change
Manufacturing	65	61	63	77	66	62
Construction	46	52	39	52	38	46
Services	52	48	47	51	48	48
Infrastructure	61	55	43	58	52	45
SME	55	55	49	61	50	49
Large	65	57	57	69	65	58

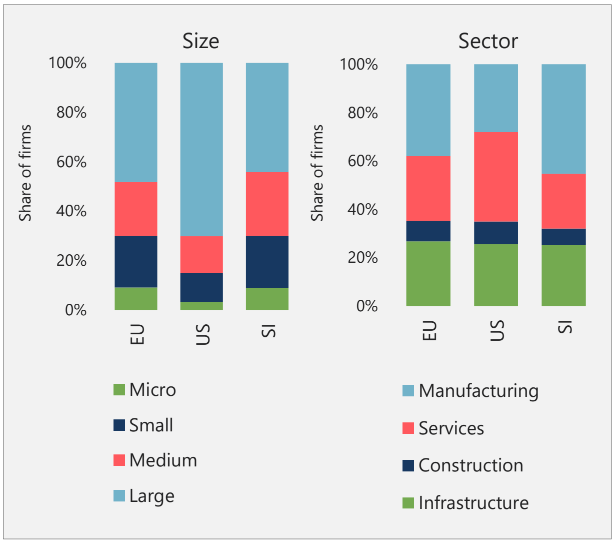
Q. To what extent is the following an obstacle to investing in activities to tackle weather events and emissions reduction? Is it a major obstacle, minor obstacle or not at obstacle at all?

Base: All firms (data not shown for those who said not at obstacle at all / don't know / refused)

Profile of Firms

CONTRIBUTION TO VALUE ADDED

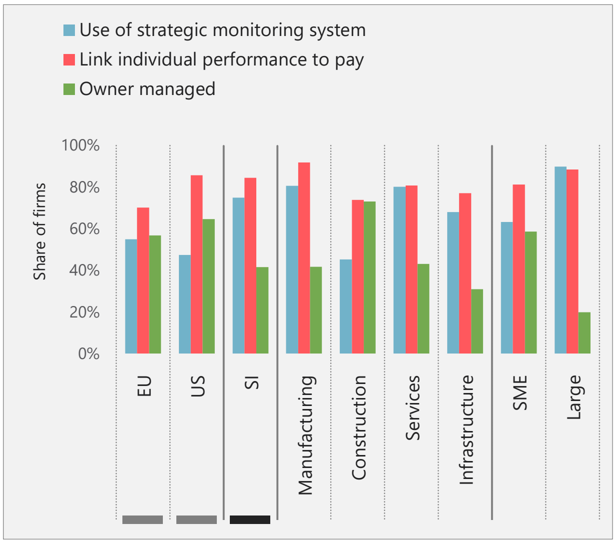
Large firms with 250+ employees and the manufacturing sector continue to account for an important share of value-added in Slovenia. These proportions are both above the EU average.



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered.
That is, all firms with 5 or more employees active in the sectors covered by the survey.
Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

FIRM MANAGEMENT



Firms in Slovenia are more likely than EU firms to report using a formal strategic monitoring system (75% versus 55%) and to link individual performance to pay (84% versus 70%).

They are less likely to be owner-managed than firms in the EU (41% versus 57%). Nevertheless, such enterprises tend to be more likely either SMEs (59%) or construction sector firms (73%)

Manufacturing firms are the most likely sector to link individual performance to pay (92% versus other sectors ranging between 74% to 81%).

Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?
Q Does the CEO/ company head of your firm own or control the firm, or have a family member that owns/controls it?

Base: All firms (excluding don't know/refused responses)

EIBIS 2020 – Country Technical Details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Slovenia, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	SI	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs SI	Manuf vs Constr	SME vs Large
	(11971)	(800)	(400)	(125)	(96)	(96)	(81)	(333)	(65)	(11971 vs 400)	(96 vs 125)	(335 vs 65)
10% or 90%	1.1%	3.5%	3.3%	5.2%	6.2%	6.0%	6.9%	3.0%	6.4%	3.4%	8.1%	7.0%
30% or 70%	1.7%	5.3%	5.0%	8.0%	9.5%	9.2%	10.5%	4.6%	9.7%	5.3%	12.4%	10.7%
50%	1.9%	5.8%	5.4%	8.7%	10.3%	10.0%	11.5%	5.0%	10.6%	5.7%	13.5%	11.7%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.
EIBIS 2019	The previous wave of the EIB Investment Survey, with interviews carried out between April-July 2019.
EIBIS 2020	The current wave of the EIB Investment Survey, with interviews carried out between May-August 2020.

Note : the EIBIS 2020 overview refers interchangeably to 'the past/last financial year' or to '2019'. Both refer to results collected in EIBIS 2020, where the question is referring to the past financial year, with the majority of the financial year in 2019 in case the financial year is not overlapping with the calendar year 2019.

EIBIS 2020 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 400 firms in Slovenia (carried out between May and August 2020).

BASE SIZES *(*Charts with more than one base; due to limited space, only the lowest base is shown)*

Base definition and page reference	EU 2020/2019	US 2020/2019	SI 2020/2019	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 6, p. 10, p.11, p. 13, p. 15, p. 16, p. 17, p. 18, p. 19, p. 20	11971/12071	800/803	400/401	125	96	96	81	335	65
All firms (excluding don't know/refused responses), p. 2	11634/11417	748/711	396/387	124	95	94	81	333	63
All firms with investment plans for the current financial year (excluding don't know/refused responses), p. 3	9606/NA	643/NA	353/NA	117	84	80	72	289	64
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10138/9716	682/624	357/329	113	87	80	76	299	58
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	9874/9506	683/620	364/339	118	85	83	76	303	61
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11949/12042	799/802	400/400	125	96	96	81	335	65
All firms (excluding don't know/refused responses), p. 7 (top)	11727/11757	787/775	394/389	125	95	92	80	331	63
All firms (excluding don't know/refused responses), p. 7 (bottom)	11608/0	780/0	391/0	123	95	91	80	328	63
All firms (excluding don't know/refused responses), p. 8 (top)	11720/11770	769/772	383/372	120	88	94	79	319	64
All firms (excluding don't know/refused responses), p. 8 (bottom)	9039/8380	600/516	336/274	107	78	77	73	280	56
All firms (excluding don't know/refused responses), p. 9	11938/11937	799/800	398/400	125	96	95	80	333	65
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9255/9008	648/587	321/328	92	81	73	74	280	41
All firms who used external finance in the last financial year (excluding don't know/ refused responses), p. 12	4354/4369	314/252	157/157	48	42	26	40	131	26
All firms (excluding don't know/refused responses), p. 13	10711/10490	637/605	373/368	124	83	88	76	309	64
All firms who used external finance in the last financial year (excluding don't know/refused responses) , p. 14*	4310/4292	314/245	158/156	48	42	27	40	132	26
All firms (excluding don't know/refused responses), p. 18	11898/NA	794/NA	394/NA	123	95	94	80	331	63
All firms (excluding don't know/refused responses), p. 19	11739/NA	772/NA	390/NA	124	92	92	80	326	64
All firms (excluding don't know/refused responses), p. 20*	11740/11627	777/762	394/375	123	93	95	79	331	63

European Investment Bank
The EU bank

Economics Department
economics@eib.org
www.eib.org/economics

Information Desk
+352 4379-22000
info@eib.org

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
+352 4379-1
www.eib.org

twitter.com/EIB
facebook.com/EuropeanInvestmentBank
youtube.com/EIBtheEUbank

print: ISBN 978-92-861-4741-8
PDF: ISBN 978-92-861-4740-1

Slovenia

Overview

EIB INVESTMENT SURVEY

2020