

Quality of Life

In slovenia business and pleasure go hand in hand. Business travellers soon come back as visitors, and many holidaymakers decide to relocate to slovenia. There is so much to see and enjoy, and so many national dishes and superb wines to taste.



Slovenia's landscape is a mosaic of the Alpine, Pannonian and Adriatic geological formations and climate. Such a variety offers ski slopes and sea bathing plus excellent golf courses and the great outdoors for practically all sport pursuits. In a nutshell, quality of life is high, health care system excellent, entertainment, art and cultural events to suit all tastes, and crime rate is very low. Slovenia's "can do" attitude is inspiring, people are friendly and hospitable, and atmosphere relaxed.

Testimonial:

»Few people have heard of Slovenia on the other side of the Atlantic, and American business partners see image-building activities as an absolute priority in efforts to put Slovenia on investors' map. General impression is that quality of life is high, people are nice and well educated. The country offers a variety of natural beauties, places worth visiting, and opportunities for sports and recreation. On top of that, cuisine is superb and wines are excellent.«

*Richard A. Johnson,
Managing Director and President of the Board
Sava Tires
Goodyear*



Quality of Life, 2008

Austria	9.64
Czechia	7.59
Slovenia	6.81
Slovakia	6.30
Greece	6.18
Portugal	6.12
Croatia	5.58
Hungary	5.25
Poland	4.26

Source: IMD - World Competitiveness Yearbook, 2008



Chemicals and Pharmaceuticals Industry in Slovenia

Facts and figures in 2007

Number of companies: 661
Number of employees: 27,424
Revenue (in €): 4,648 mn
Exports (in €): 3,267 mn

Key export markets: Albanian, Austria, Bosnia & Herzegovina, Croatia, Germany, Ireland, Italy, Macedonia, Montenegro, Poland, Romania, Russian Federation, Serbia, Slovakia, USA ...

Source: AJPES, 2008



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Ministry of the Economy



Key services:

- Base chemicals
- Pesticides and other agrochemical products
- Coatings, paints, varnishes, printing inks, putties, etc.
- Pharmaceuticals, soaps, cleansing agents, fragrances, etc.
- Other chemical products
- Man-made fibres
- Engineered rubber and plastic products
- Tires and air-tubes for vehicles

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At JAPTI we believe that Europe's economic landscape is changing faster than the political one, so we stand by enterprises with a vision helping investors to spend time and money to the best effect.

We have capacity to provide investors with information on investment opportunities and business operating conditions. This assistance aims to reduce investors' start-up costs associated with site selection and includes investmentspecific information and company counselling.

All services are free of charge and include critical information to develop foreign investment strategies, understand sector trends, assess locations, and make contact with authorities and supplier clusters.

Slovenia

The Right Mix of Qualities



Chemicals & Pharmaceuticals Industry



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Quality Workforce

Figures show that slovenia's pharmaceuticals and chemicals manufacturers head the list of the country's most successful companies. The initial growth based primarily on exploitation of natural raw materials evolved into human capital as the most significant element of success of pharmaceuticals and chemicals industry.

Innovative spirit and clever technical solutions are the qualities often found in Slovenian workforce. In the sector, there are over 27,000 employees in 660 companies. More than 6,000 students are enrolled in undergraduate courses in chemical technology, pharmacy, medicine and veterinary science. The number of students in secondary schools for chemistry, pharmacy and rubber processing is 7,000.

For continued strength in key markets, fluency in foreign languages is essential. According to international studies, Slovenians are at the European top. 91% of population can communicate in at least one world language with the English and German being most widespread (71% of population is able to communicate in at least two world languages). Nevertheless, language schools are still busy year round and companies encourage staff to brush up on their language skills on a regular basis.

Productivity/value added per employee, 2007

Company	Value-added per employee (in €)
Lek - Novartis	93,763
Krka	79,670
Istrabenz plini	75,651
Etol	56,038
Messer Slovenija	53,338
Juteks	52,207
Belinka-Belles	51,527
Helios	51,210

Source: iBon, 2008

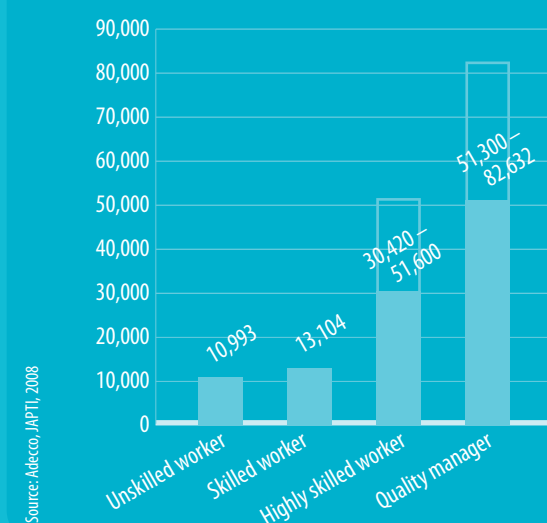
Productivity in industry, 2007

Related GDP (PPP) per person employed in industry (in US\$)



Source: IMD - World Competitiveness Yearbook, 2008

Estimated gross annual labour cost in chemicals & pharmaceuticals industry for 2009 (in €)



Source: Adeco, IPTI, 2008

Quality Link to Regional Markets

A central geopolitical position at the cross-roads of trade and transport routes gives slovenia a cutting edge and accounts for its historical, cultural and economic profile – the key elements of its national economy.

By definition, Slovenia is an export-oriented country, and its chemicals and pharmaceuticals industry is a vital element of the country's export mix with over 70% of sales earned in foreign markets. Pharmaceuticals are the backbone of the export mix of the chemicals industry, tires and inner tubes for vehicles come second followed by plastics. Pharmaceuticals and chemicals consumer products as well as tires from Slovenia are very popular on the markets of the new EU Member States, south eastern Europe and CIS countries.

In terms of international activity, performance and image-building, two pharmaceutical companies are at the forefront Lek from Novartis Group and Krka. Both are true trans-nationals and have a foothold in many key

markets. Lek, for example, manufactures its products in four different locations in Slovenia, as well as in Poland and Romania. Krka, in addition to its large plants at home, also manufactures in Croatia, Poland and Russia. Chemicals companies have been working on expanding into emerging markets of CEE, as well as acquiring enterprises in the territory of former Yugoslavia.

Thanks to its position and decades of fostering economic links with its neighbours, Slovenia is in a pole position to serve the markets in the region. The number of international companies setting up their regional hubs in Slovenia is rising attracted by the expertise of local managers, sales force and field engineers and their in-depth knowledge of the regional markets. They speak the language, they are familiar with legislation, they know their way around, and what's most important there are no cross-cultural barriers for them.

How far are major cities from Slovenia's capital

Destination	Km*	Time*
Zagreb	135	2
Venice	250	2
Vienna	385	4
Munich	440	4
Budapest	450	5
Sarajevo	500	6
Belgrade	550	5

*Distances and approximate journey time by road from Ljubljana



Quality Infrastructure

Slovenia lies at the intersection of the 5th and 10th Pan-European Transport Corridors for road and rail transport. Its transport and IT infrastructure is well-branched. The Adriatic Port of Koper is the shortest maritime connection for cargo arriving from Asia to landlocked countries of Central Europe through the Suez Canal.

Slovenia has a long industrial tradition in processing base chemicals in a variety of products. This line of business demands complex processing technologies and substantial investment to keep abreast of competitors. Flexibility and ability to provide customers with the right product on short notice are the qualities that make the difference. Renowned domestic and foreign companies in the chemicals sector specialise in the production of paints, varnishes, coatings, synthetic fibres and other chemical products. Household names are

Helios, Color, Jub, Cinkarna, Julon (Gruppo Bonazzi) and Henkel, Sava Tires is the only tire manufacturer in Slovenia, wholly owned by the Goodyear Tire & Rubber Company.

Judged by the scope of their operations and commercial success, pharmaceuticals companies are certainly the jewel in the crown of this particular sector. The top companies are Lek (Sandoz Group) and Krka with the combined 7,000-strong staff enjoying the reputation of leading producers of generic drugs in the region.

Leading domestic and foreign-owned companies

Enterprise	Products	Foreign Investor
Bayer Pharma	Drugs, anaesthetics, hormones	Bayer Healthcare AG
Belinka - Belles	Wood protection and decoration coatings	
Belinka Perkemija	Peroxide compounds, wood protection and decoration products	Solvay S.A.
Cinkarna Celje	Titanium dioxide, coatings PTFE	
Color	Covering paints, lacquers and similar coatings and putties	
Donit Tesnit	Synthetic fibres	
Ecolab	Cleaning and polishing preparations, soap and detergents	Ecolab Holding Europe
Etol	Flavourings and essential oils	
Goodyear EPE	Products for the transportation industry; tires, several lines of belts, hose...	Goodyear S.A.
Helios tovarna barv, lakov in umetnih smol	Covering paints, lacquers and similar coatings and putties	
Henkel Slovenija	Cosmetics, detergents, disinfectants	Henkel
Istrabenz plini	Industrial gases	S.I.A.D. Società Italiana Acetilene & Deriv
Jub	Paints, adhesives (acrylic)	
Julon	Polyamide fibre, carpet yarn	Gruppo Bonazzi
Juteks	Floor coverings	
Kemiplas	Maleic and phthalic anhydride for plasticisers	Kemokomplex M.B.H.
Krka	Pharmaceuticals, cosmetics	
Lek	Pharmaceuticals active ingredients	Sandoz (Novartis Pharma)
Messer Slovenija	Manufacture of industrial gases	Messer Belgium N.V.
Nafta Lendava	Methanol, formaldehyde, urea resins for wood industry	
Sava Tires	Tires and inner tubes	Goodyear Dunlop Tires Europe B.V
TKI Hrastnik	Sodium hydroxide, hypochlorite for cleaning agents, phosphates	

Faculties, research institutions, and associations

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University of Maribor, Faculty of Chemistry and Chemical Engineering <http://atom.uni-mb.si>
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National Chemicals Bureau www2.gov.si/mz/mz-splet.nsf
Chamber of Commerce and Industry of Slovenia - Chemical Industries Association www.sloveniapartner.com