European Investment Bank

Slovenia

Overview

EIB INVESTMENT SURVEY 2023

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EIB Investment Survey Country Overview 2023: Slovenia

About the EIB Investment Survey (EIBIS)
The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in 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, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Members States 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
These reports provide an overview of data collected for the 27 EU Member States and the United States. They 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 EIB
The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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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.

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EIBIS 2023 - Slovenia overview

KEY RESULTS

Investment dynamics and focus

Notwithstanding decelerating economic growth and tightening monetary policy, at the time of the interviews (April-July 2023), Slovenian firms remained relatively positive on their investment intentions for 2023 with 3% of firms confirming they invested in the previous year. This is similar to EIBIS 2022 (90%) and exceeds the EU average (85%). However, due to finance constraints, Slovenian firms' commitment to investment activity, may be weakening, as only a modest net balance of 10% of the surveyed firms are expecting to increase rather than decrease investment. This is close to the EU average (14% on balance) but half the level recorded in EIBIS 2022 (21% in net balance terms).

Investment needs and priorities

While most Slovenian firms (77%) believe they invested the right amount over the last three years, a fifth (20%) say they invested too little. The proportion saying 'too little' is above the EU average (13%). Future investment is expected to be evenly distributed between replacement (28%), capacity expansion (33%) and new products/services (34%). Compared to EIBIS 2022, more firms intend to focus on replacement (28% versus 21%) but this is lower than the EU average (34%). More than others in the whole EU, Slovenian firms prioritise investment in new products/services (34% versus 26%).

EIBIS 2023 shows that Slovenian firms are, on balance, more pessimistic about investment conditions than they were in EIBIS 2022 and have a similar outlook to firms across the EU. Although it has improved slightly the sentiment regarding the economic climate remains, on balance, negative; far more firms than in EIBIS 2022 expect the political and regulatory climate to worsen than improve (balance of -24% versus -3%). Expectations for availability of external finance have fallen sharply from +18% to -22%, in net balance terms, since EIBIS 2021.

Energy market developments

The energy crisis hit Slovenian firms hard, although not as much as in the overall EU. Energy prices are a concern for 91% of Slovenian firms and a major concern to 51%. Energy availability concerns 60% of Slovenian firms and is a major concern for 15%. The respective EU figures are 73% and 29%. As a response to energy shocks, almost every Slovenian firm (94%) reports adopting at least one of the strategies asked about. Most often they looked for energy savings/efficiencies (82%) and/or the renegotiation of their energy contract (71%). Two-thirds (67%) mention passing higher energy costs on to their customers as a strategy. Approximately a quarter report stopping or reducing production, similar to the overall EU (28% and 24%, respectively).

International trade

Almost every Slovenian firm (92%) faced some disruption linked to international trade, with access to commodities and raw materials (67%) and to components, semi-finished products, services or equipment (57%), being the biggest obstacles. They are relatively unaffected by restricted access to semiconductors and microchips (39%), recent changes to customs and tariffs (32%), or compliance with new regulations (28%). Except for access to commodities, Slovenian firms suffered less disruption than those across the EU.

More Slovenian firms than the EU average are changing or planning to change sourcing strategy in response to disruption linked to international trade (57% versus 49%). They are more likely than those across the EU to have invested or be planning to invest in digital inventory and inputs tracking (31% versus 20%) while a similar proportion is increasing their stocks and inventory or has plans to do so (30% versus 31%). Slovenian importers are as likely as others in the EU to have already reduced or be planning to reduce the share of goods or services they import from abroad (9% versus 10%) or diversifying or increasing the number of countries from which they import (28% versus 24%).

EIBIS 2023 - Slovenia overview

Climate change and energy efficiency
Climate change is a harsh reality for most Slovenian firms with 68% reporting weather events as having an adverse impact on their business. The figure is much higher than EIBIS 2022 (55%) and is now similar to the EU average (64%). Over four in ten Slovenian firms (44%) have developed or invested in measures to build resilience to the physical risks of climate change. This exceeds the EU average (36%). Slovenian firms were more likely to have bought insurance products to offset climate-related losses (28%) than to adapt their strategy for physical risks (23%). They were more inclined than other EU firms to buy insurance (28% versus 13%) and less likely to seek solutions that reduce exposure to physical risks (11% versus 20%).

More Slovenian firms say the transition to stricter climate standards and regulations is a risk rather than an opportunity (33% versus 19%). The proportion saying “opportunity” is lower than the EU average (29%). Almost every firm in Slovenia (96%) is taking action to reduce their Greenhouse Gas (GHG) emissions. However, only a third (34%) sets and monitors targets for their emissions and this trails the EU average (42%). The main initiatives taken by Slovenian firms are waste minimization and recycling activities (85%) and energy efficiency improvements (71%). Slovenian firms are generally more likely than others in the EU to be taking specific actions with the biggest ‘leads’ seen for investing in new, less polluting, business areas and technologies (53% versus 32%) and waste minimization and recycling activities (85% versus 67%).

Most Slovenian firms (57%) have invested to tackle the impacts of adverse weather events and reduce carbon emissions. Two-thirds (67%) plan to invest in these areas in the next three years. The ‘already invested’ figure is line with the current EU average (56%), while the ‘plan to invest’ figure is higher (54%).

Innovation activities
Almost half the firms in Slovenia (46%) developed or introduced new products, processes or services as part of their 2022 investment activity. This exceeds the EU average (39%) but is below the US (57%). Slovenian businesses were more likely to introduce products, processes or services new to the firm, rather than the country or global markets (29% versus 17%). Both figures are similar to EIBIS 2022.

Eight in ten Slovenian firms (78%) use at least one advanced digital technology. This is similar to EIBIS 2022 (83%) and exceeds the EU average (70%). Over six in ten are using automation via robotics (64%) or the Internet of Things (62%). Relatively few employ augmented or VR technology (18%) or drones (14%).

Investment impediments
The main long-term barriers to Slovenian firms’ investment are availability of skilled staff (88%), energy costs (85%) and future uncertainty (80%). Attracting skilled staff is a big issue, with 62% of firms saying it is a major obstacle. The impact of barriers is not easing with figures generally within five points of EIBIS 2022.

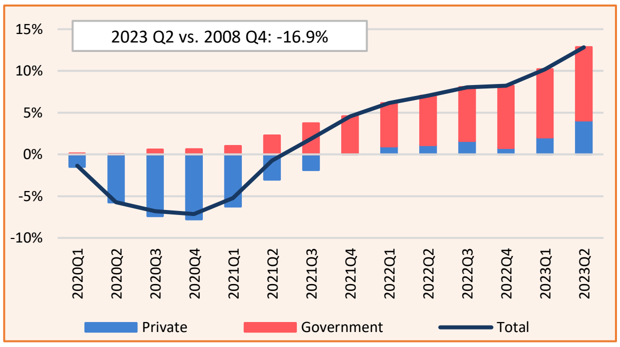
Access to finance
The proportion of finance constrained Slovenian firms has almost doubled since EIBIS 2022 (8.4% versus 4.6%). It is above the EU average (6.1%) whereas in EIBIS 2022 it was lower. As in the EU (12%) more than one in ten Slovenian firms (14%) is unhappy about the cost, otherwise there is little dissatisfaction with external finance.

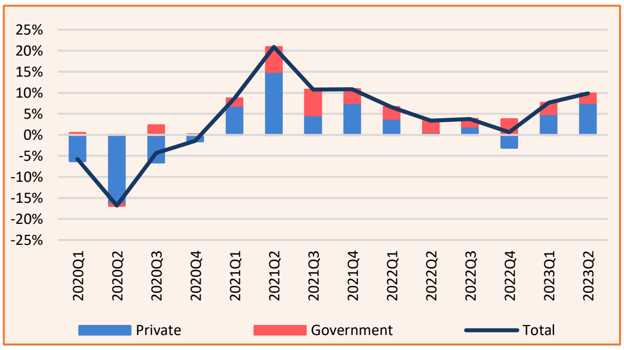
Note on how to read the results:
EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to “last financial year” (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- After the sharp fall of private sector investment during the pandemic, aggregate real investment rebounded strongly in Slovenia relative to Q4 2019, mostly driven by the government sector.
- After a slowdown in 2022, total real investment resumed growth in 2023 and peaked at 9.8% in Q2 2023 (y-o-y % change). The renewed growth was mainly driven by the private sector with 7.6% y-o-y % change.

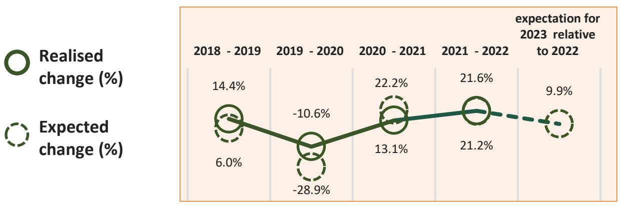




The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0.
The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data.
Source: Eurostat, authors' own calculations.

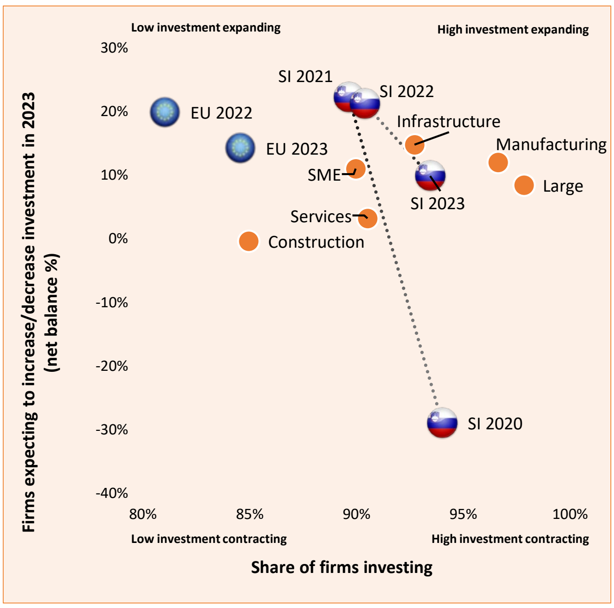
INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Compared to EIBIS 2021 and 2022 firms in Slovenia have a less optimistic investment outlook with a net balance of only 10% of firms expecting to increase rather than decrease investment in 2023. This is in line with the EU average (14% in net balance terms).
- Infrastructure (15%) and manufacturing firms (12%) have the strongest investment intention on balance, but as many construction firms expect to decrease rather than increase investment (0%). SMEs (11%) and large firms (8%) have similar intentions on balance.
- However, in line with EIBIS 2022 (90%) and EIBIS 2021 (89%) the share of Slovenian firms that invested in the previous year remains very high (93%) and is above the EU average (85%).



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

Base for expected and realised change: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than €500.

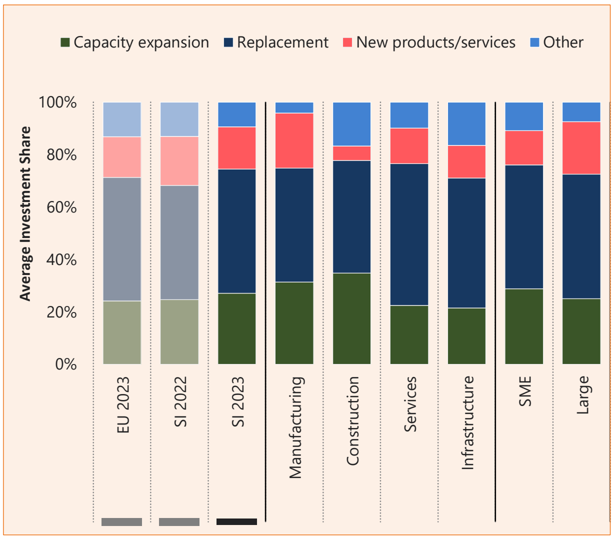
Base for share of firms investing: All firms (excluding don't know/refused responses)

Base for expected and realised change: All firms

Investment dynamics and focus

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

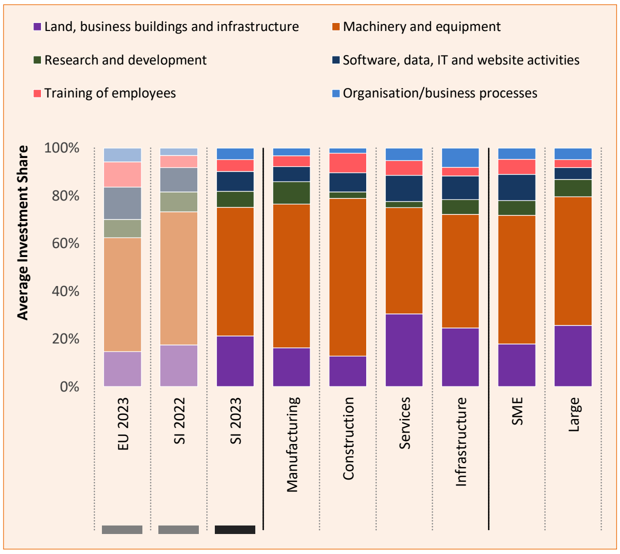
- In 2022, almost half of Slovenian firms' investment was directed towards replacement (47%). This is similar to 2021 the figure reported in EIBIS 2022 (44%) and matches the EU average (47%).
- Investment in capacity expansion accounted for over a quarter of total investment (27%). This is also similar to EIBIS 2022 (25%) and the EU average (24%).
- The purpose of investment varied by sector with services and infrastructure firms directing at least half towards replacement (54% and 50%, respectively). Approximately a fifth of investment made by manufacturers (21%) was for new products/services. In contrast, this represented only 6% of construction firms' investment.
- The investment activity of SMEs and large firms was broadly similar, although the bigger businesses had a greater focus on new products/services (20% versus 13%).



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

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

INVESTMENT AREAS



- In 2022, and as in EIBIS 2022 and 2021, Slovenian firms directed more than half their investment towards machinery and equipment (54%).
- Similarly, they directed a quarter (25%) of their investment towards intangible assets (R&D, software, training and business processes). This is much lower than the EU average (38%).
- The overall share of investment in intangibles is consistent across sectors, ranging from 21% in construction to 28% among infrastructure firms. However, construction and services firms focussed very little of their investment on R&D (3% and 2%, respectively), while manufacturers and infrastructure firms invested a small fraction on employee training (5% and 4%, respectively).
- Compared to large firms, SMEs directed more of their investment towards intangible assets (28% versus 20%). In particular, SMEs directed double the proportion seen among large firms towards software, data, IT and website activities (11% versus 5%).

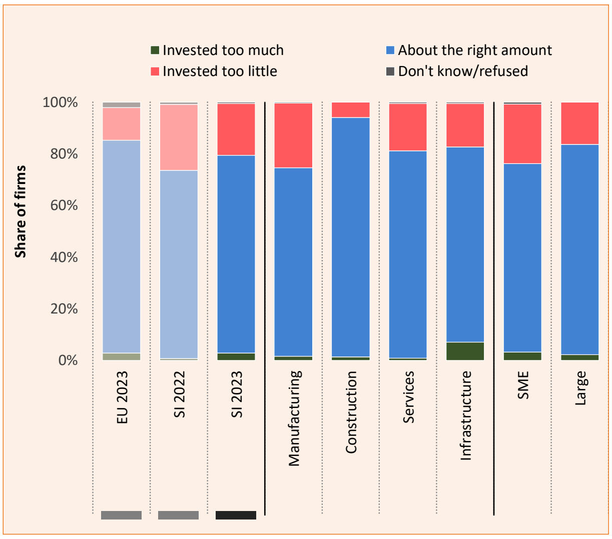
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

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

Investment needs and priorities

PERCEIVED INVESTMENT GAP

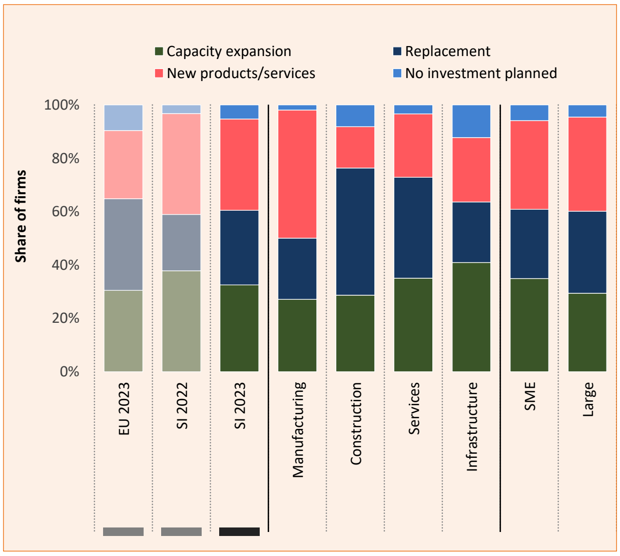
- Over three-quarters of firms in Slovenia (77%) believe they invested the right amount over the last three years and only a fifth (20%) thinks they may have invested too little. The proportion perceiving an 'investment deficit' is slightly lower than EIBIS 2022 (25%) but higher than the current EU average (13%).
- Almost all construction firms (93%) say they invested the right amount over the last three years. In other sectors the figure ranges from 73% (manufacturing) to 80% (services). One in four manufacturers (25%) believes they invested too little over the last three years.
- Over seven in ten SMEs (73%) say they invested the right amount over the last three years, but the proportion thinking they may have underinvested is higher than for large firms (23% versus 16%).



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

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

FUTURE INVESTMENT PRIORITIES



- Slovenian firms' investment priorities for the next three years are fairly evenly distributed between replacement (28%), capacity expansion (33%) and new products/services (34%). Compared to EIBIS 2022 more firms will focus on replacement (28% versus 21%).
- Slovenian firms' investment priorities differ slightly from those across the whole EU. Over the next three years they are more are inclined to prioritize investment in new products/services (34% versus 26%).
- Almost half of Slovenia's construction firms (48%) reports an intention to prioritize replacement, while manufacturing (48%) has by far the highest proportion intending to focus their investment on new products and services.
- Slovenia's SMEs' investment priorities are mainly capacity expansion (35%) and new products and services (33%), but in broad terms investment priorities do not vary by size of business.

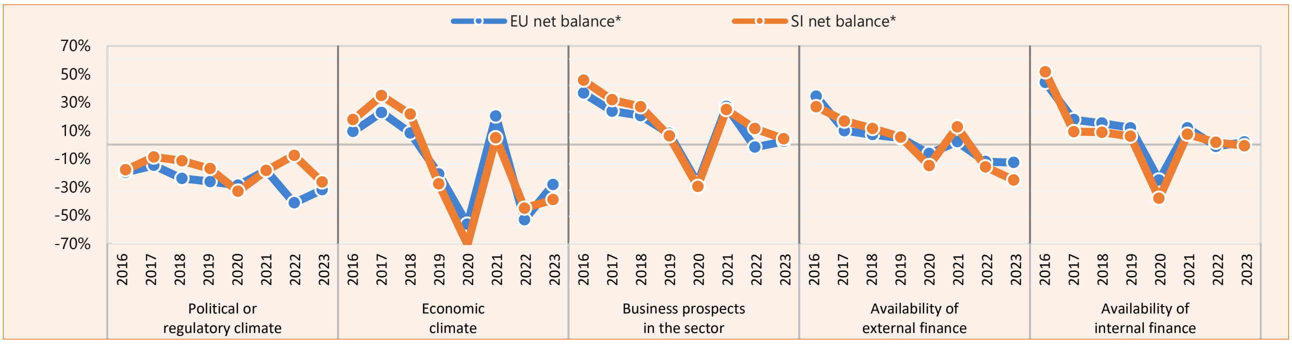
Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT); (b) expanding capacity for existing products/services; (c) developing or introducing new products or processes, services?

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

Investment needs and priorities

SHORT-TERM DRIVERS AND CONSTRAINTS

- Except for the economic climate, where the outlook is slightly less negative (-37% versus -44%), Slovenian firms are, on balance, more pessimistic about investment conditions than they were in EIBIS 2022.
- A net balance of -24% of Slovenian firms expect the political and regulatory climate to worsen rather than improve, versus only -3% in EIBIS 2022.
- The net balance of Slovenian firms expecting prospects in their sector to improve rather than worsen has fallen since EIBIS 2022 (9% versus 17%).
- Expectations for the availability of internal finance are deteriorating (4% versus 7%) but less sharply than those for external finance, which have fallen since EIBIS 2021 from a positive balance of +18% to a negative balance of -22%.



Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

**Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration.*

SHORT-TERM DRIVERS AND CONSTRAINTS BY SECTOR AND SIZE (net balance %)

	Political / regulatory climate	Economic climate	Business prospects	External finance	Internal finance
Slovenia	24%	37%	9%	22%	4%
Manufacturing	26%	47%	13%	32%	5%
Construction	30%	35%	8%	18%	5%
Services	30%	37%	9%	8%	5%
Infrastructure	11%	20%	25%	19%	11%
SME	27%	31%	7%	18%	5%
Large	20%	45%	13%	27%	2%

Please note: green figures represent a positive net balance, while red figures represent a negative net balance.

Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

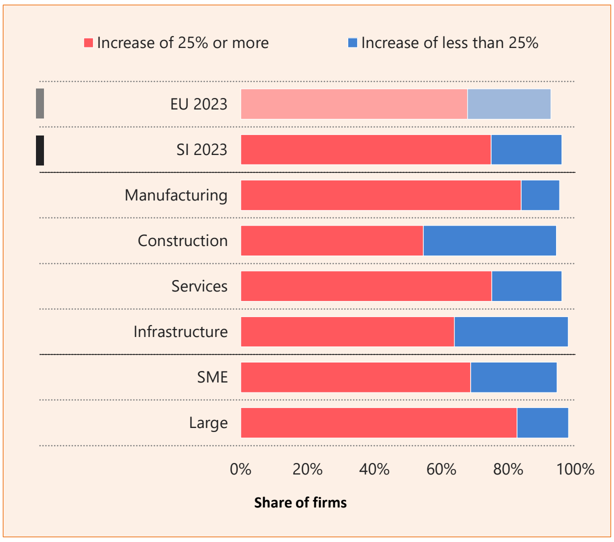
Base: All firms

- On balance firms in every sector and both SMEs and large businesses have a negative outlook on the prospects for Slovenia's political/regulatory and economic climate. Manufacturers (-47%) and large firms (-45%) in particular are, on balance, pessimistic about the economic climate.
- On balance, Slovenia's infrastructure firms (+25%) and manufacturers (+13%) have a positive outlook for prospects in their sector. In contrast, the balance of construction (-8%) and services firms (-9%) expect business prospects to deteriorate. Both SMEs and large firms believe business prospects are likely to improve over the next 12 months (positive net balance of +7% and +13%, respectively).
- Businesses in every sector and size category are, on balance, pessimistic about the availability of external finance. As with the economic climate, Slovenia's manufacturers (-32%) and large firms (-27%) are, on balance, the most pessimistic.
- Except in services (net negative of -5%), firms in all sectors are optimistic about the availability of internal finance.

Energy market developments

INCREASED SPENDING ON ENERGY

- As in the EU as a whole (93%), almost every Slovenian business has seen their energy costs increase since the start of 2022 (96%). Three-quarters (75%) report energy-related spending as having risen by at least 25%, which is higher than the EU average (68%).
- The proportion of Slovenian firms facing increased energy costs was broadly consistent across sectors, although manufacturers (84%) were more likely than others to have faced an increase of 25% or more. This compares to 55% within the construction sector.
- SMEs and large firms are equally as likely to have faced increases in energy costs (95% and 98% respectively). Over eight in ten large firms (83%) reported an increase of 25% or more in energy spending.



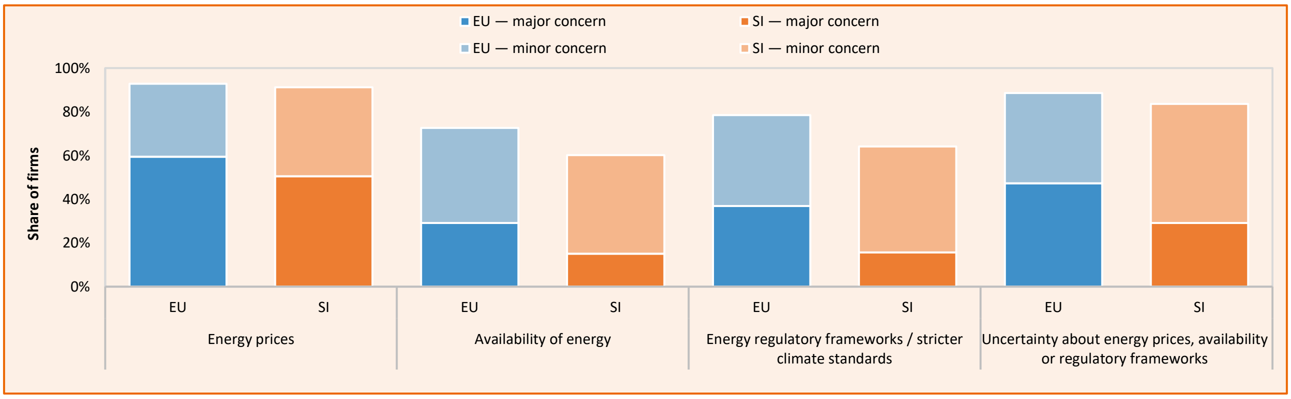
Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

Please note: Responses of 'spending on energy stayed about the same' and 'spending on energy decreased' not shown on chart.

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

IMPACT OF ENERGY SHOCK

- The energy crisis hit Slovenian firms hard, but in some respects not quite as much as those across the overall EU. Energy prices are a concern for over nine in ten Slovenian firms (91%) and a major concern to 51%. The respective EU figures are 93% and 59%.
- Although energy availability is a concern for six in ten Slovenian firms (60%), this is lower than the EU average (73%) and the proportion saying it is a major concern is almost half the level reported for the overall EU (15% versus 29%). A similar picture is seen for energy regulation and climate standards (64% versus 79% being concerned to some extent) and uncertainty (84% versus 89%).



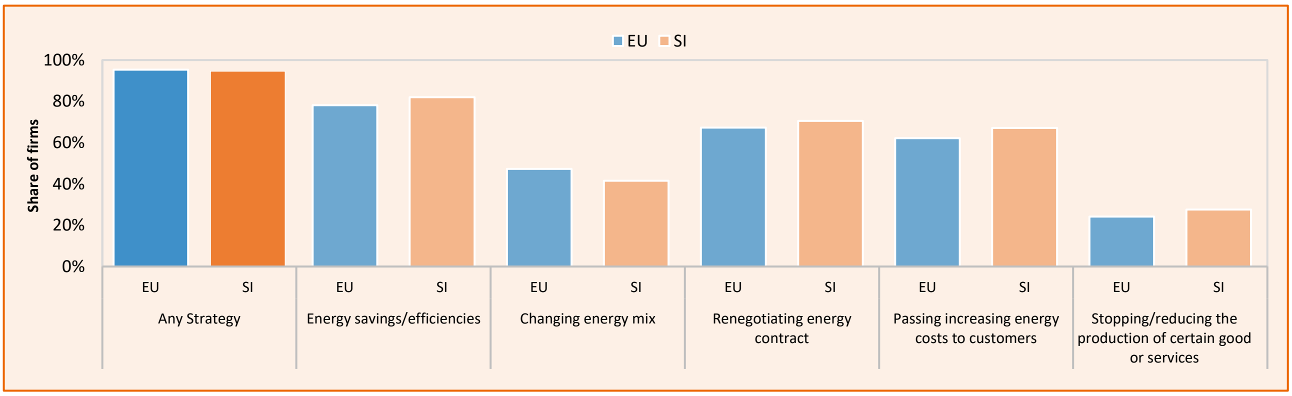
Q. Thinking about the energy shock, to what extent is your company concerned about …?

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

Energy market developments

STRATEGIES TO DEAL WITH THE ENERGY SHOCK

- Almost every Slovenian firm (94%) adopted at least one of the strategies to deal with recent energy market development that were asked about. Most frequently they looked for energy savings/efficiencies (82%) or renegotiating their energy contract (71%)
- Two-thirds (67%) of Slovenian firms say that passing on increased energy costs to their customers is a strategy and four in ten mention changing their energy mix (42%). Almost three in ten Slovenian firms (28%) mention stopping or reducing the production of certain goods or services as a strategy or priority. This is similar to firms across the EU as a whole (24%).

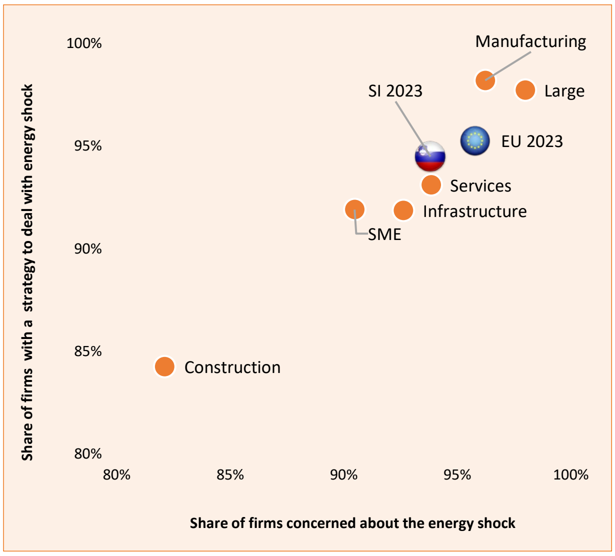


Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

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

IMPACT AND STRATEGIES TO DEAL WITH ENERGY SHOCK

- The proportion of Slovenian firms concerned about recent developments in the energy market mirrors the EU average (94% versus 96%). The share of firms adopting strategies to help deal with these developments also matches the EU average (94% versus 95%).
- Except for construction (82%), at least nine in ten firms in every sector in Slovenia is concerned about the energy shock. Large firms are even more concerned than SMEs (98% and 90%, respectively).
- In every sector the vast majority of firms has adopted strategies in response to energy market shocks. It ranges from 84% in construction to 98% of manufacturers. An extremely high proportion of both SMEs and large firms has adopted strategies to deal with energy market developments (92% and 98%, respectively).



Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

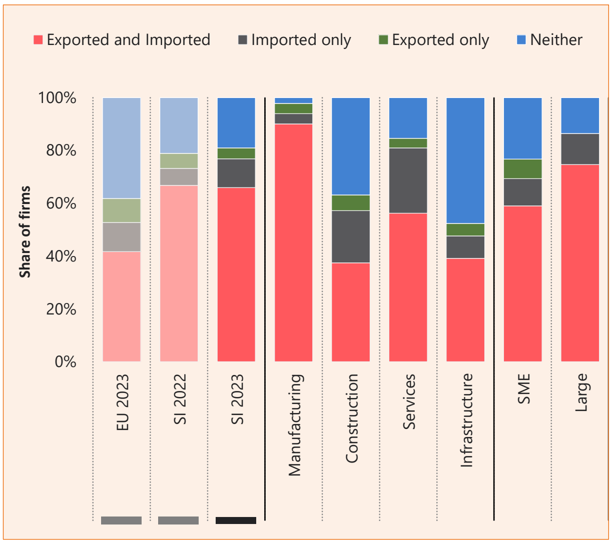
Q. Thinking about the energy shock, to what extent is your company concerned about …

Base: All firms for 'share of firms concerned about the energy shock'
Base: All firms (excluding don't know/refused responses) for 'share of firms with a strategy to deal with the energy shock'

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Eight in ten firms in Slovenia (81%) report being engaged in international trade in 2022. This figure is virtually unchanged from EIBIS 2022 (79%) and greatly exceeds the current EU average (62%).
- The majority of firms in every sector is trading internationally. Import/export activity is highest among manufacturers (98%) but relatively low within the infrastructure and construction sectors (53% and 63%, respectively). Only in the manufacturing and services sectors are the majority of firms both exporting and importing goods and/or services (90% and 56%, respectively).
- Large firms are more likely than SMEs to be engaged in international trade (86% versus 77%). Three-quarters (75%) of Slovenia's biggest enterprises are both exporting and importing goods and/or services.

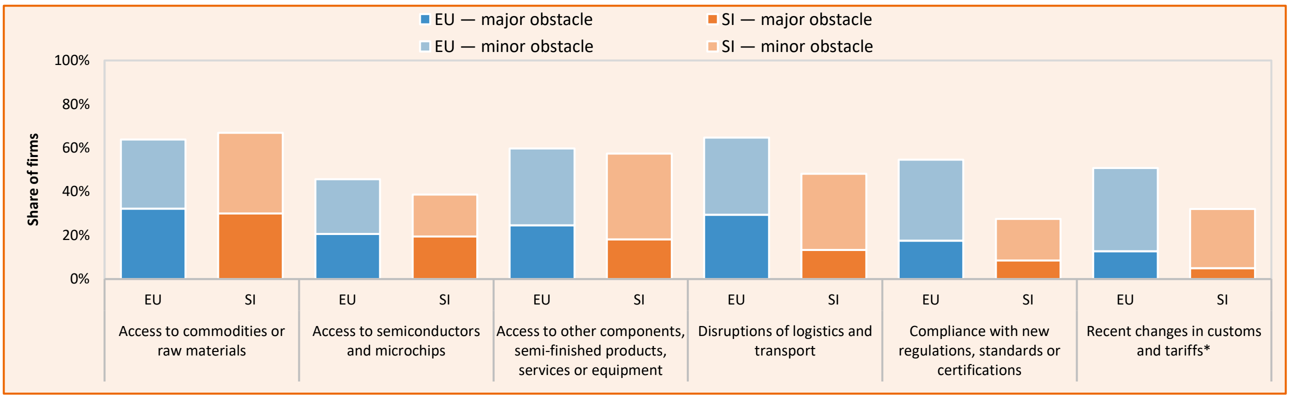


Q. In 2022, did your company export or import goods and/or services?

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

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- The greatest disruptions to Slovenia firms' activities have been access to commodities and raw materials (67%) and/or components other components, semi-finished products, services or equipment (57%). Slovenian firms have been relatively unaffected by restricted access to semiconductors and microchips (39%), recent changes to customs and tariffs (32%), or compliance with new regulations (28%).
- Except for access to commodities (67% versus 64%), Slovenian firms suffered less disruption than those across the EU. In relative terms, Slovenian firms have been much less disrupted by compliance with new regulations, standards or certifications (28% versus 55%), recent changes in customs and tariffs (32% versus 51%) or disruption to logistics and transport (48% versus 65%).



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

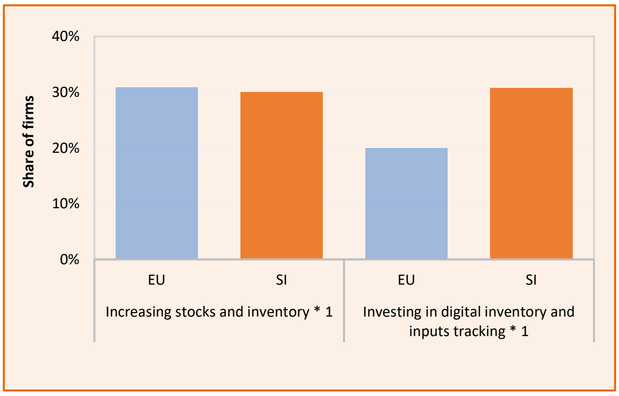
Base: All firms (excluding don't know/refused/not applicable responses)
**Base: All importers and exporters (excluding don't know/refused/not applicable responses)*

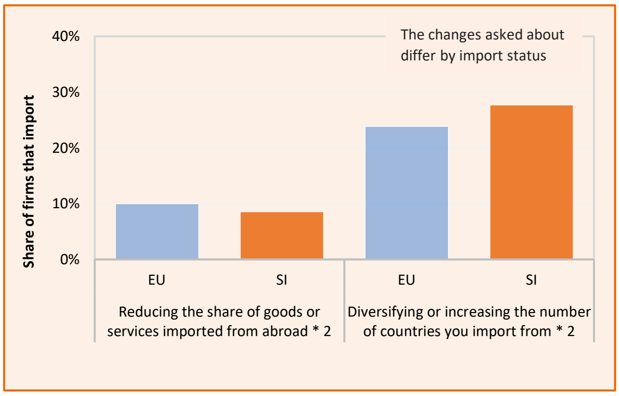
International trade

SOURCING STRATEGY

- Asked about potential changes to their sourcing strategy, firms in Slovenia are more likely than those across the EU to have invested or be planning to invest in digital inventory and inputs tracking (31% versus 20%). A similar proportion were increasing their stocks and inventory or have plans to do so (30% versus 31%).

- Compared to the EU average, a similar proportion of Slovenian importers has reduced or has plans to reduce the share of goods or services it imports from abroad (9% versus 10%). This is also true for diversifying / increasing the number of countries from which they import or planning to do so (28% versus 24%).





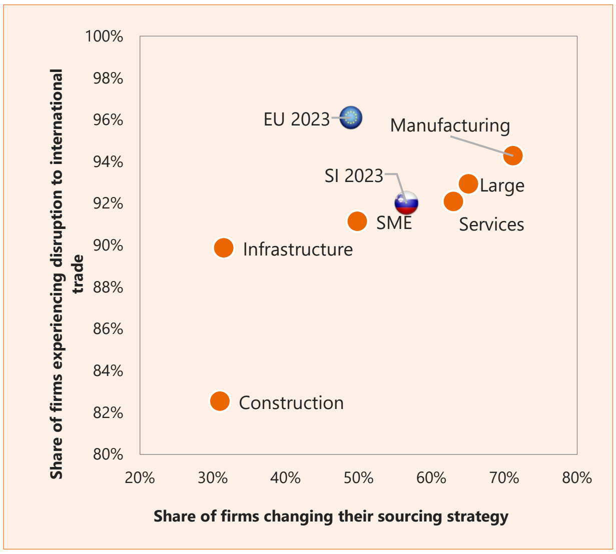
*** 1 = Asked to all, 2 = Asked to all importers**

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

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

DISRUPTIONS AND SOURCING STRATEGY

- Almost all firms in Slovenia faced at least one of the disruptions to international trade asked about (92%). Almost six in ten have changed their sourcing strategy or are planning to change it, which is higher than the EU average (57% versus 49%).
- Approximately three in ten construction and infrastructure firms (31% and 32%, respectively) have changed or have plans to change their sourcing strategy. This compares to over six in ten services and manufacturing firms (63% and 71%, respectively).
- Large firms are far more likely than SMEs to be changing their sourcing strategy (65% versus 50%).



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

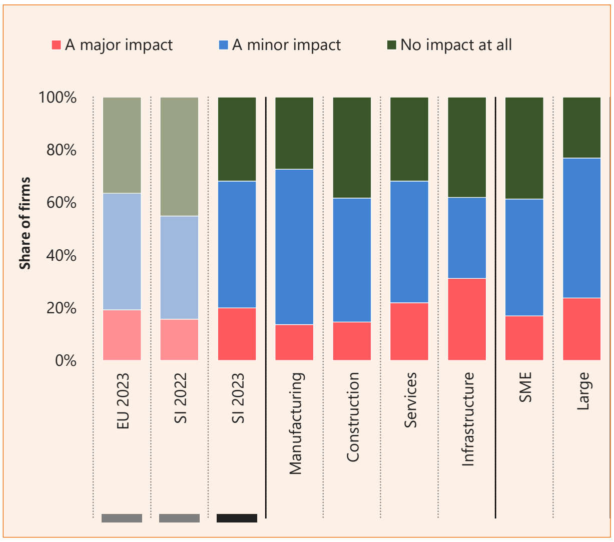
Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

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

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

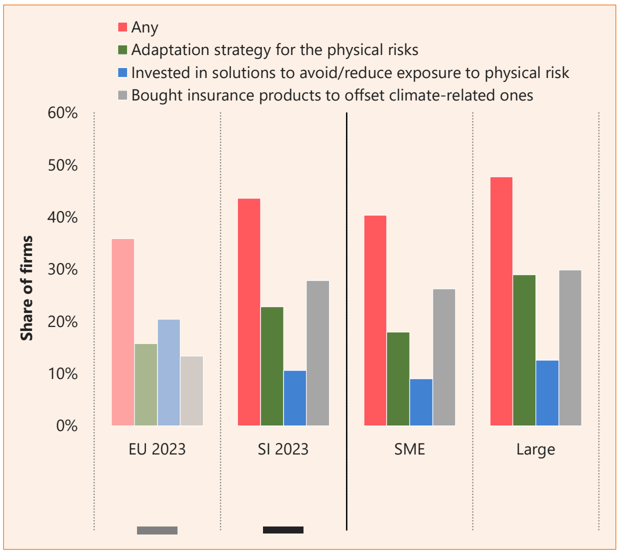
- Climate change is a reality for most firms in Slovenia with seven in ten (68%) reporting weather events as impacting their business to some degree. Possibly influenced by extreme hot weather and severe floods during summer 2023, the share is much higher than EIBIS 2022 (55%) and is now similar to the EU average (64%).
- The majority of firms in all sectors report weather events as impacting their company. It is highest among manufacturers (73%), while three in ten infrastructure firms (31%) say climate change is having a major impact on their activities.
- Over three-quarters of Slovenia's large firms (77%) say weather events have impacted their business. This compares to 61% of SMEs.



Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

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

BUILDING RESILIENCE TO PHYSICAL RISK



- Over four in ten Slovenian firms (44%) have developed or invested in measures to build resilience to the physical risks to their company caused by climate change. This exceeds the EU average (36%).
- Slovenian firms were more likely to have bought insurance products to offset climate-related losses (28%), than to have adapted their strategy for physical risks (23%). Relatively few firms were developing or investing in solutions to avoid exposure to the risk itself (11%).
- Compared to all EU firms, Slovenian firms were more inclined to buy relevant insurance products (28% versus 13%) and less likely to be investing in solutions that reduce exposure to physical risks (11% versus 20%).
- In Slovenia, large firms were more likely than SMEs to have developed or invested in measures that build resilience to the physical risks of climate change (48% versus 40%). In particular, large firms were more likely to be adapting their strategy for physical risks (29% versus 18%).

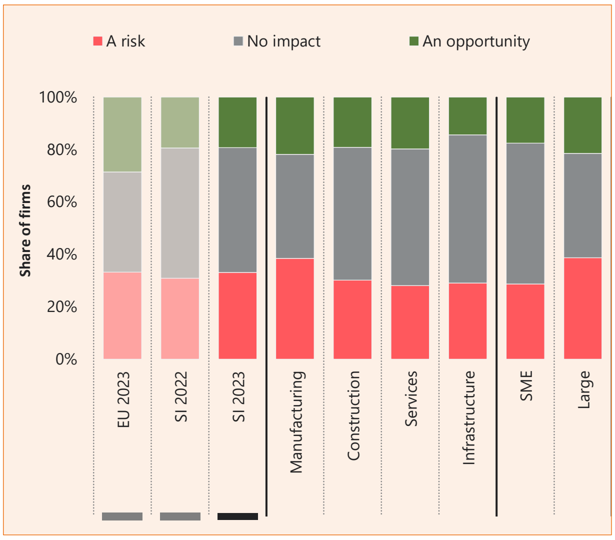
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

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

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- On balance, more Slovenian firms regard the transition to stricter climate standards and regulations as a risk rather than an opportunity (33% versus 19%). The figures are very similar to EIBIS 2022 and compared to the EU average, fewer Slovenian firms regard the transition to stricter climate standards and regulations as an opportunity (19% versus 29%).
- In all sectors except manufacturing the majority of firms is unsure of the impact the transition to stricter climate standards and regulations will have on their company. Where a definite opinion is offered, more firms in every sector considers the transition as a risk rather than an opportunity. Manufacturers most strongly believe that the transition to stricter climate standards and regulations is a risk (38%).
- Slovenia's large firms are more inclined than its SMEs to think the transition to stricter climate standards and regulations is a risk (39% versus 29%). Around a half of SMEs are unsure of the impact the transition will have on their company over the next five years (54%).

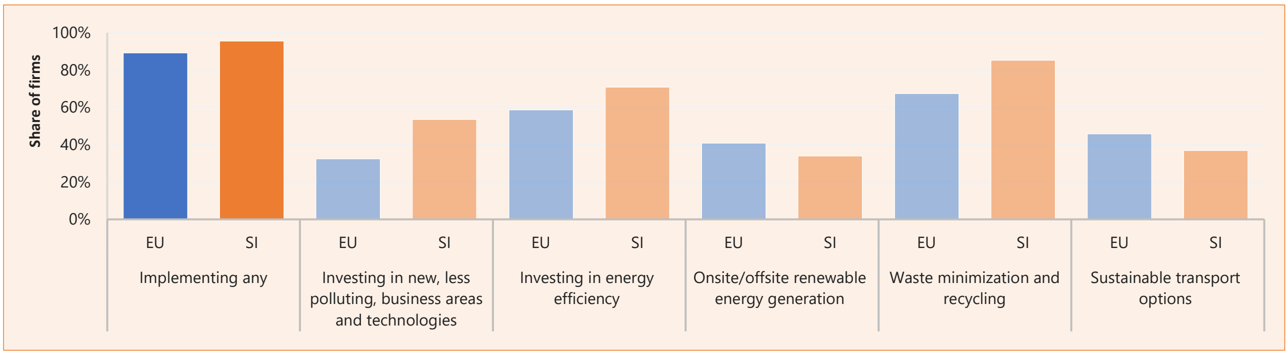


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

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

ACTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

- Almost every firm in Slovenia (96%) is taking action to reduce their Greenhouse Gas (GHG) emissions. This compares favourably to the share of 89% across the EU.
- The main actions taken by Slovenian firms are to invest in or implement waste minimization and recycling activities (85%) or energy efficiency initiatives (71%).
- Slovenian firms are more proactive than EU firms in investing in new, less polluting, business areas and technologies (53% versus 32%) and waste minimization and recycling activities (85% versus 67%). The areas where Slovenian firms are trailing behind the EU average are sustainable transport options (37% versus 46%) and renewable energy generation (34% versus 41%).



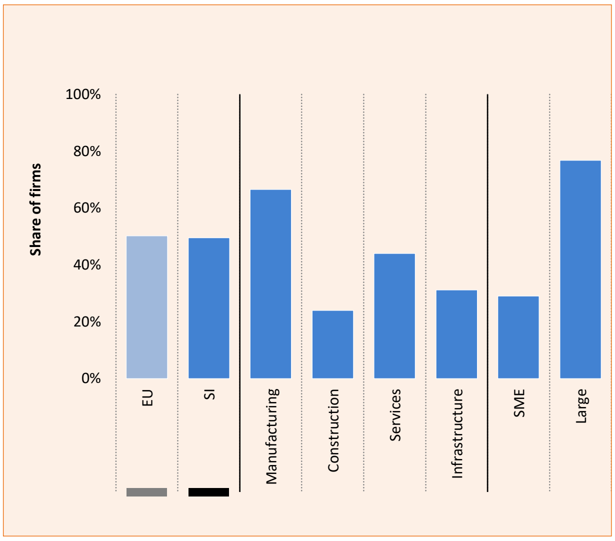
Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

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

Climate change and energy efficiency

ENERGY AUDIT

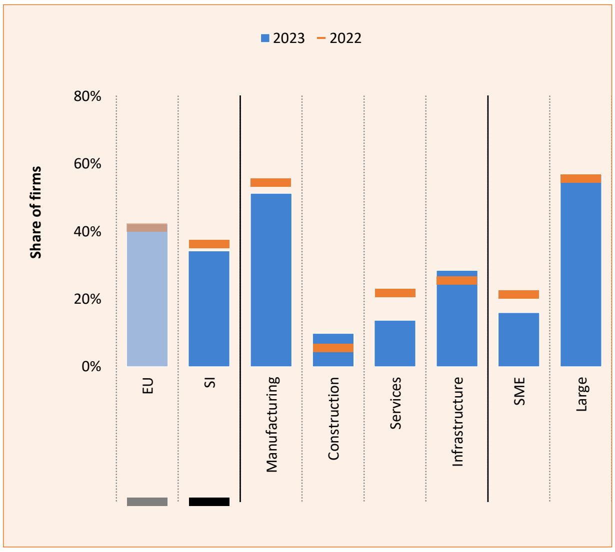
- Half of Slovenian firms (50%) have had an energy audit in the past three years. That is an assessment of the energy needs and efficiency of their company's building or buildings. This positions Slovenia exactly in line with the EU average (50%).
- Over two-thirds of manufactures (67%) have had an energy audit, but only a minority of other firms and relatively few construction businesses (24%) have taken this action.
- In Slovenia, large firms are more likely than SMEs to have had an energy audit in the past three years (77% versus 29%).



Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company's building or buildings?

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

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS



- Just over a third of firms in Slovenia (34%) set and monitor targets for their own GHG emissions. This is almost unchanged from EIBIS 2022 (36%) and lower than the current EU average (42%).
- As in EIBIS 2022, the majority of Slovenia's manufacturers (51%) are setting and monitoring GHG targets, but as with energy audits, only a minority of firms in other sectors are doing likewise. It accounts for almost three in ten infrastructure firms (28%) but very few services (14%) or construction firms (10%).
- Large firms are over three times more likely than SMEs to have set and monitored emissions targets (57% versus 16%).

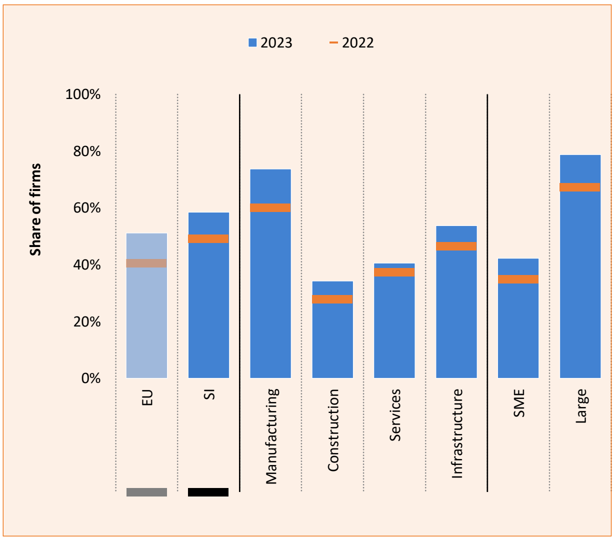
Q. Does your company… sets and monitors targets for its own greenhouse gas (GHG) emissions?

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

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- Almost six in ten Slovenian firms (58%) were investing in measures to improve energy efficiency. This is higher than EIBIS 2022 (49%) and the current EU average (51%).
- The majority of Slovenia's infrastructure (54%) and manufacturing firms (74%) were investing in energy efficiency, but this accounts for relatively few services (41%) or construction businesses (34%).
- Although the proportion of SMEs investing in measures to improve energy efficiency has increased slightly since EIBIS 2022 (from 35% to 42%), the proportion remains much lower than seen among large firms (79%).

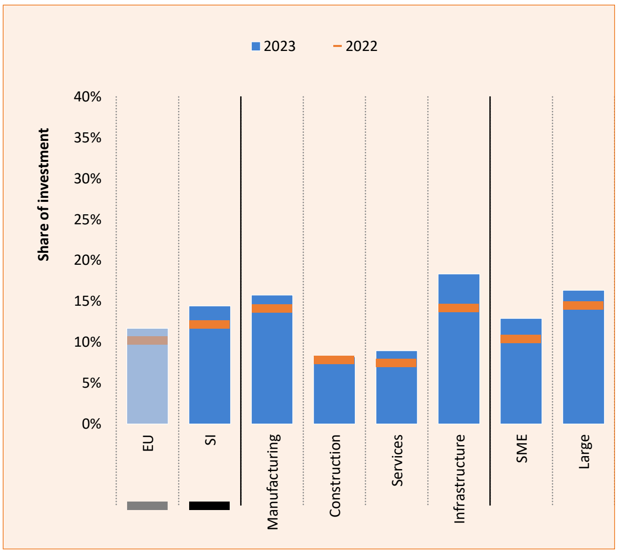


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- An average of 14% of the investment made by Slovenian firms was directed towards energy efficiency improvements. This is little changed since EIBIS 2022 (12%) and similar to the EU average (also 12%).
- Infrastructure firms (18%) were using the largest proportion of their total investment to improve energy efficiency. This accounts for 16% of manufacturers' investment but for only a minority of that made by services and construction firms (9% and 8%, respectively).
- SMEs and large firms were using a similar proportion of their total investment on improving energy efficiency (13% and 16%, respectively).

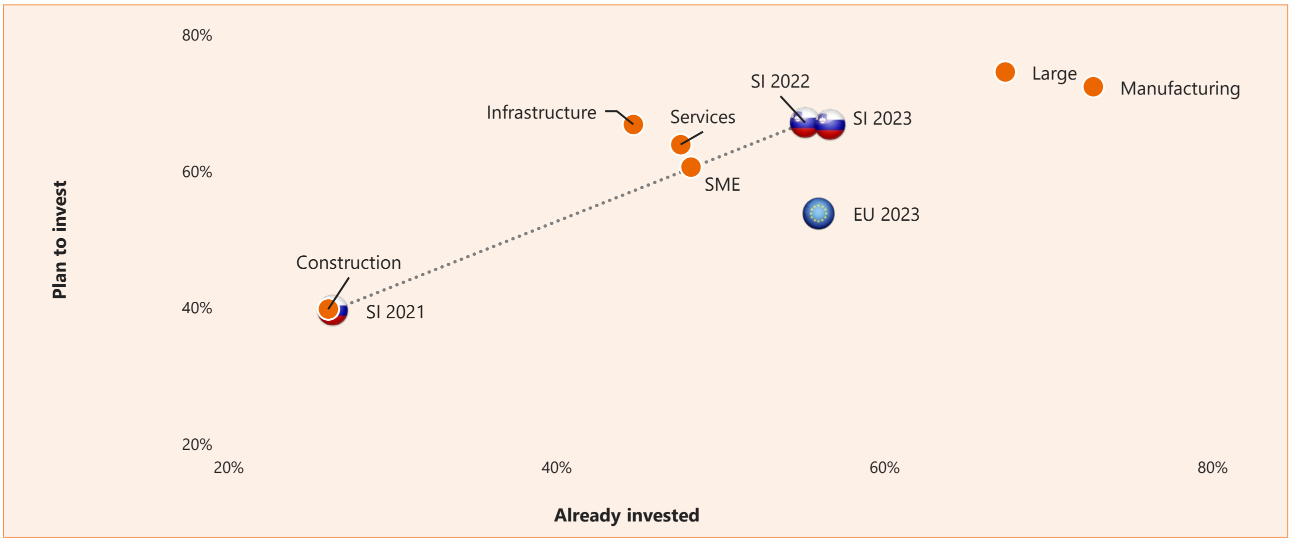


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

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

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT



EIBIS 2022/2023:
Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?
EIBIS 2021:
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

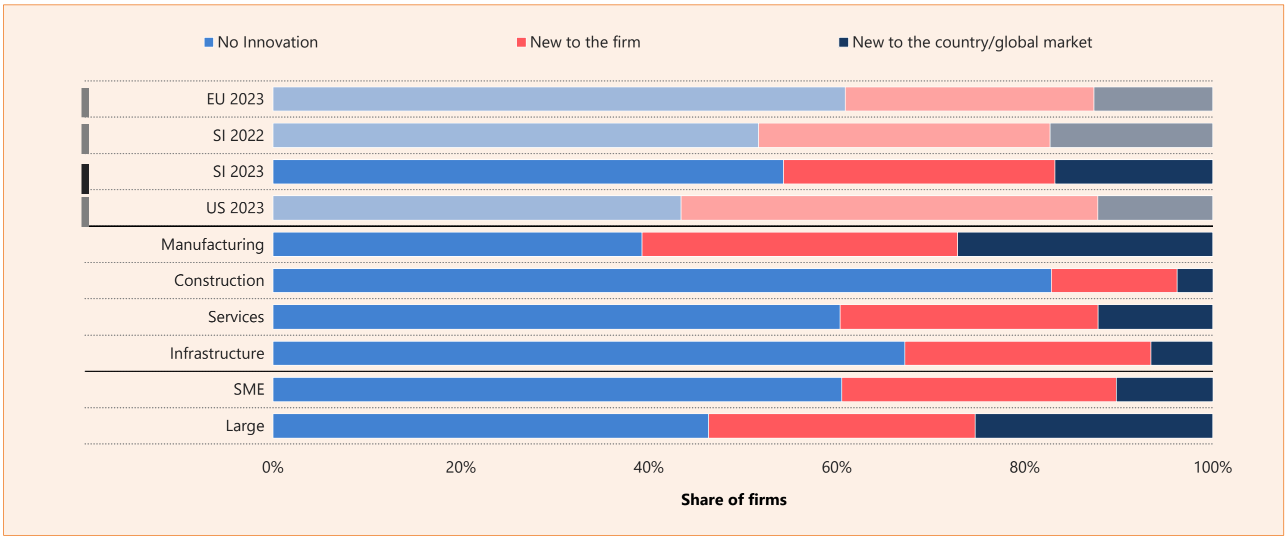
Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to 2021 with caution.

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

- Almost six in ten Slovenian firms (57%) have already invested to tackle the impacts of weather events and deal with the process of reducing carbon emissions. This is similar to EIBIS 2022 (55%) and in line with the current EU average (56%). Two-thirds of the firms in Slovenia (67%) have plans to invest in these areas in the next three years. This matches EIBIS 2022 (67%) and exceeds the EU average (54%).
- Construction firms (26%) are less likely than those in other sectors to have already invested to tackle the impacts of weather events. The figure is highest among manufacturing firms (73%).
- With the exception of construction firms (40%), at least 64% of firms in every sector say they intend to invest to tackle the impacts of weather events. Once again, the figure is highest among manufacturing firms (72%).
- Large firms are more likely than SMEs to have both already invested (67% versus 48%) and to have plans to invest (75% versus 61%).

Innovation activities

INNOVATION ACTIVITY



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

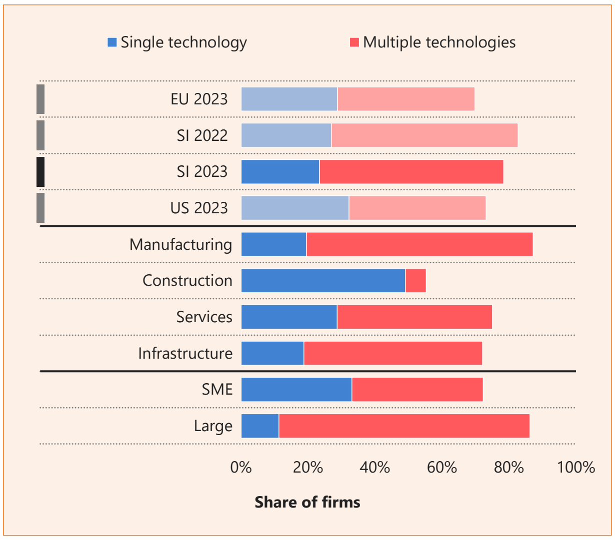
Base: All firms (excluding don't know/refused responses)

- As in EIBIS 2022 (48%), in the last financial year just under half the firms in Slovenia (46%) developed or introduced new products, processes or services as part of their investment activity. This exceeds the current EU average (39%) but is lower than the US (57%).
- Slovenian businesses were more likely to introduce products, processes or services new to the firm, rather than the country or global markets (29% versus 17%). Both figures are similar to EIBIS 2022.
- Manufacturing (61%) has the highest proportion of firms that invested in innovation, with 27% introducing innovations new to either Slovenia or global markets. Fewer than one in five construction firms (17%) were investing in innovation.
- More large firms than SMEs invested in innovation (54% versus 40%) with a quarter (25%) involved with products, processes or services new to either Slovenia or global markets.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Eight in ten Slovenian firms (78%) use at least one advanced digital technology. This is similar to EIBIS 2022 (83%) and exceeds the EU average (70%).
- Except for construction (55%), at least seven in ten firms in every sector is utilising one or more advanced digital technologies. The proportion is highest among manufacturers (87%).
- Large firms are more likely than SMEs to be using such technologies (86% versus 72%) and are more inclined to use multiple digital applications (75% versus 39%).
- Over six in ten Slovenian firms are using automation via robotics (64%) or the Internet of Things (62%). Both figures exceed the EU average (54% and 41%, respectively). Relatively few Slovenian businesses are employing augmented or virtual reality technology (18%) or drones (14%).
- Overall, Slovenian firms' use of specific technologies tends to match or exceed the EU average. However, firms in Slovenia are making comparatively less use of digital platform technologies (41% versus 50%) or drones (14% versus 24%). Except for drones (14% versus 60%) Slovenian firms' use of advanced technologies also matches or exceeds levels recorded in the US.



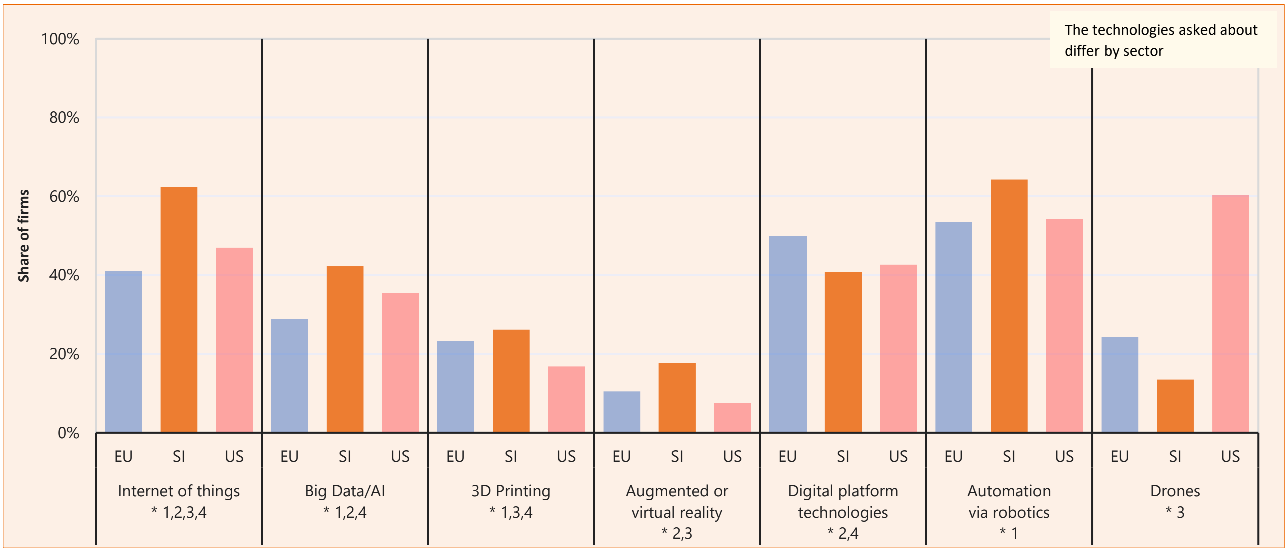
Reported shares combine "used" the technology "in parts of business" and "entire business organised around it."

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about.

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

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

ADVANCED DIGITAL TECHNOLOGIES



*** Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms**

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

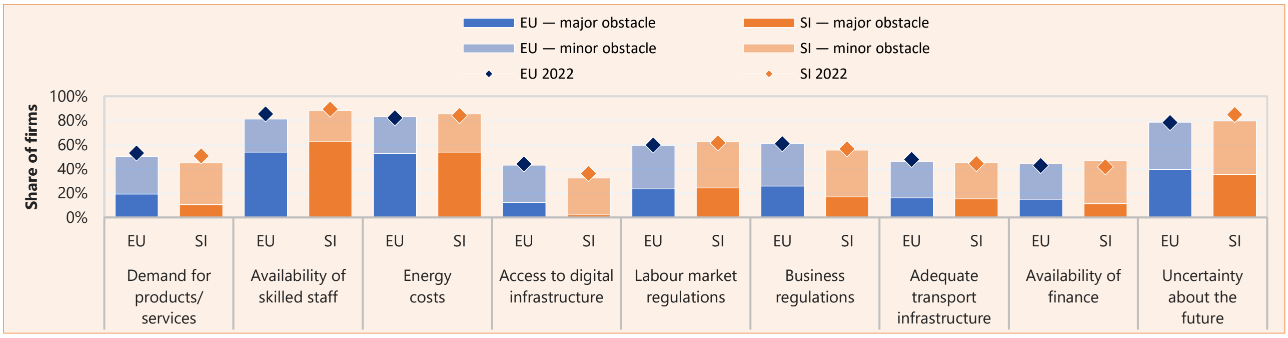
Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses);
Sample size SI: Manufacturing (140); Construction (69); Services (95); Infrastructure (90).

Investment impediments

LONG-TERM BARRIERS TO INVESTMENT

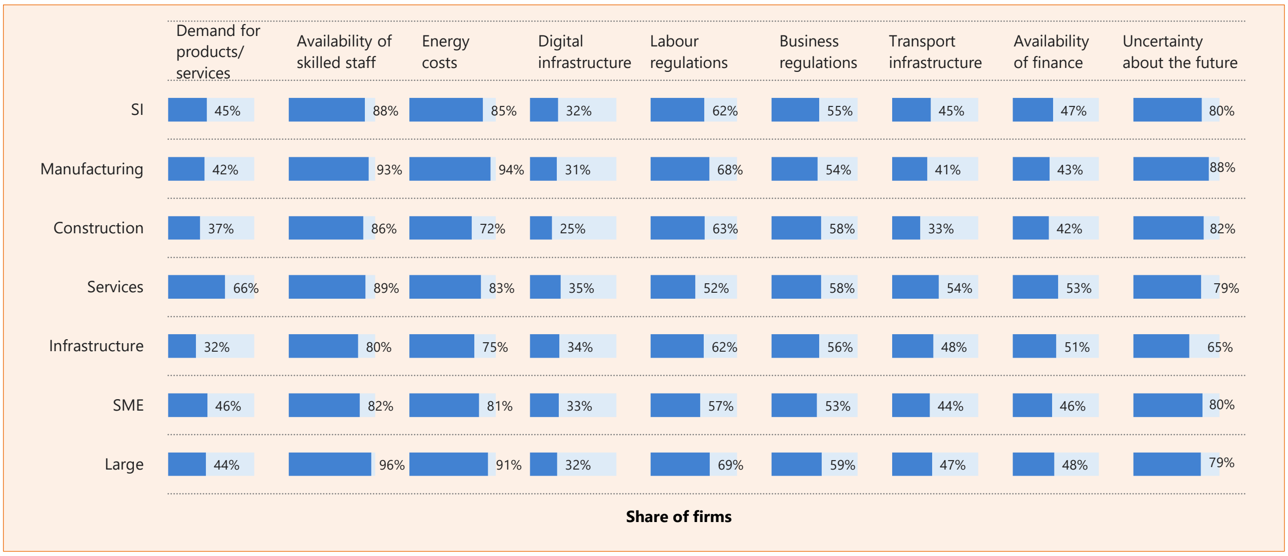
- As in the EU as a whole, the biggest long-term barriers to Slovenian firms' investment are the availability of skilled staff (88%), energy costs (85%) and future uncertainty (80%). Accessing skilled staff is a particular issue for Slovenian firms with 62% saying it is a major obstacle. The impact of these barriers is not easing and only the figure relating to demand is more than five percentage points lower than in EIBIS 2022 (45% versus 51%).
- Low demand (66%) is a bigger obstacle to services firms' investment than it is in other sectors . Transport and the availability of finance are also relatively large obstacles for service firms (54% and 53%, respectively). Availability of skilled staff and energy costs are significant barriers to large firms' investment (96% and 91%, respectively).
- Large firms are more likely than SMEs to consider skilled staff, energy costs and labour regulations as obstacles to investment.



Q. Thinking about your investment activities, 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 that said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



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

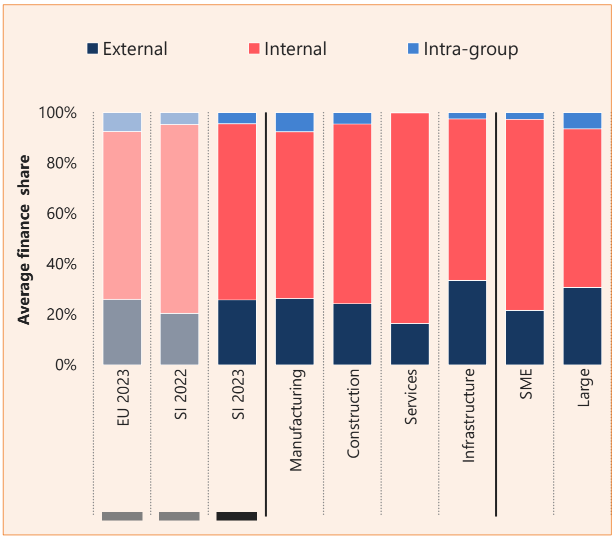
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

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

Access to finance

SOURCE OF INVESTMENT FINANCE

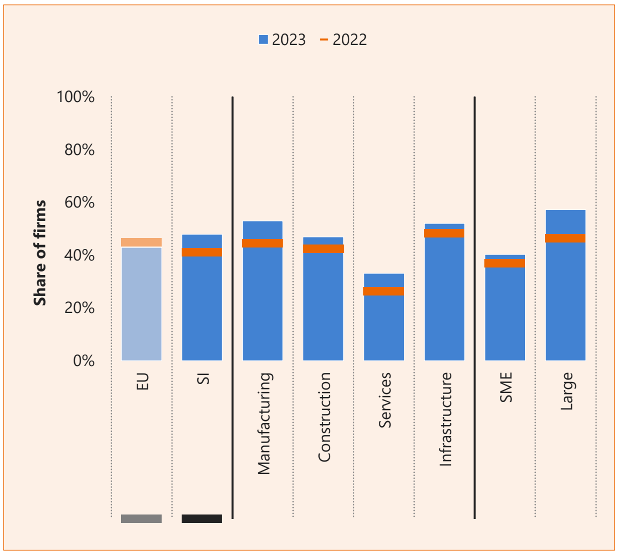
- Internal sources accounted for 70% of Slovenian firms' investment finance. A quarter came from external sources (26%) with relatively little from intra-group financing (4%). All proportions are similar to EIBIS 2022 and the EU average.
- In all sectors, a minimum of 64% of investment finance came from internal sources, rising to 84% among services firms. A third of infrastructure firms' investment finance (34%) was sourced from external providers.
- Sources of investment between SME and large firms are broadly similar.



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

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

USE OF EXTERNAL FINANCE



- Almost half the Slovenian firms that invested in the last financial year, funded some of this investment through external sources (48%). This is consistent with EIBIS 2022 (41%) and the current EU average (43%).
- Around a half of manufacturing and infrastructure firms used external sources to finance at least some of their investment in 2023 (53% and 52%, respectively). Only a third of services firms (33%) did this.
- Large firms were more likely than SMEs to be using external sources to finance some of their investment (57% versus 40%).

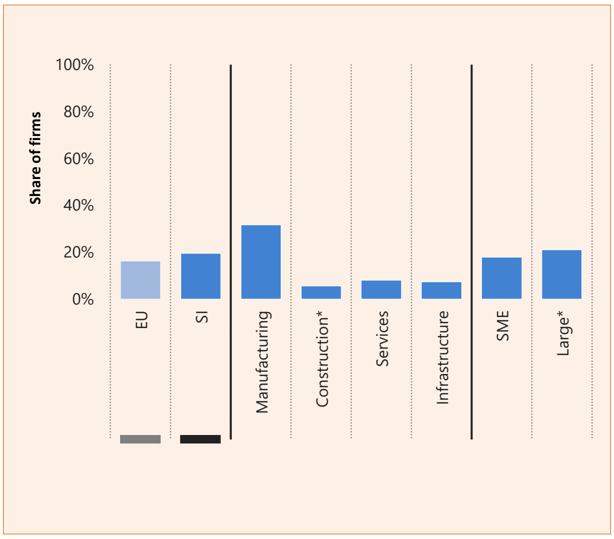
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

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

Access to finance

SHARE OF FIRMS WITH FINANCE FROM GRANTS

- In Slovenia, a fifth of firms using external finance received grants (20%). This is close to the EU average (16%).
- A third of manufacturing firms (32%) received some of their external finance in the form of grants . This figure far exceeds the proportion seen among construction, infrastructure and services firms 6%, 7% and 8%, respectively).
- A similar proportion of SMEs and large firms received grants (18% and 21%, respectively).

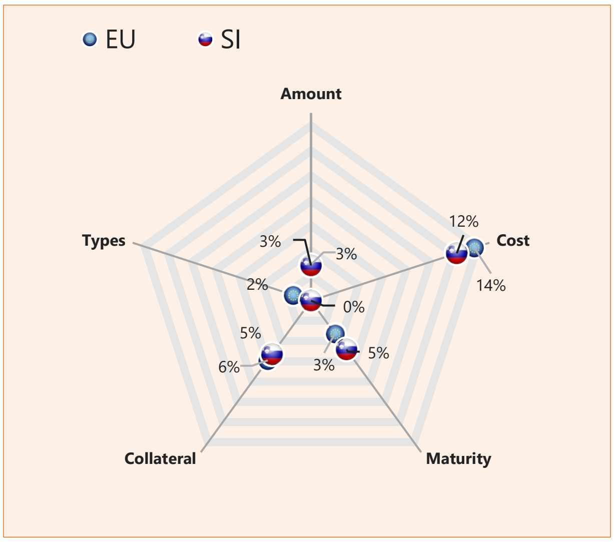


Q. What proportion of your total investment in the last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)
**Caution very small base size less than 30*

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Just over one in ten firms in Slovenia (12%) are dissatisfied with the the cost of external finance. There is very little dissatisfaction with any other aspect of the external finance that has been offered or received.
- In Slovenia, dissatisfaction with the cost of external finance is close to the EU average (12% versus 14%) and this is the case for all other aspects of external finance.



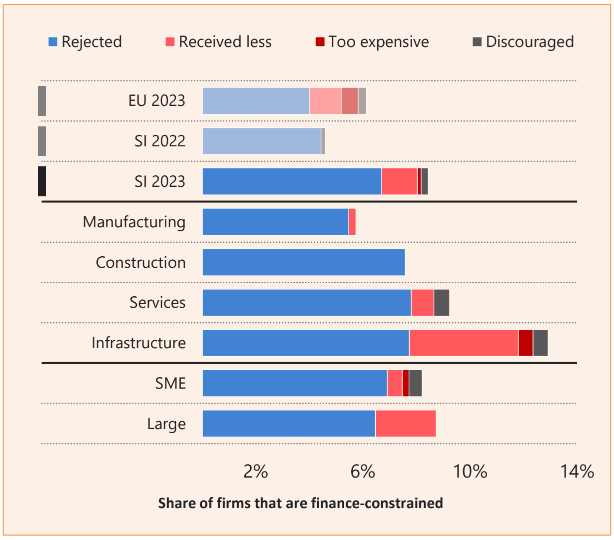
Q. How satisfied or dissatisfied are you with …?

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

Access to finance

SHARE OF FINANCE-CONSTRAINED FIRMS

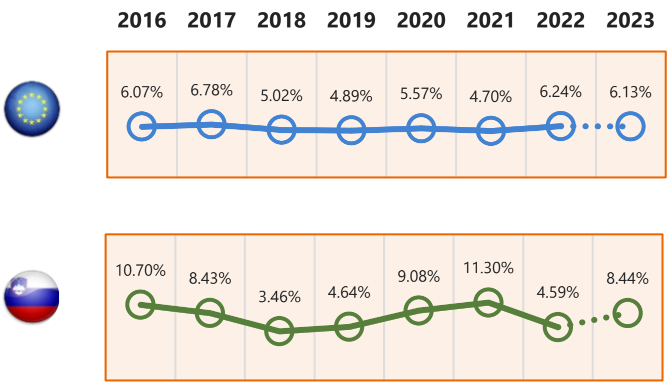
- The share of financially constrained firms in Slovenia (8.4%) increased in comparison to EIBIS 2022 (4.6%) and exceeds the current EU average (6.1%).
- The proportion of finance-constrained firms in infrastructure (12.9%) is more than double that seen within manufacturing (5.7%). In all sectors the primary reason for firms being finance constrained is the rejection of their application.
- A similar proportion of SMEs and large firms say they face constraints when seeking to secure external finance (8.2% and 8.7%, respectively).



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 that 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 (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME

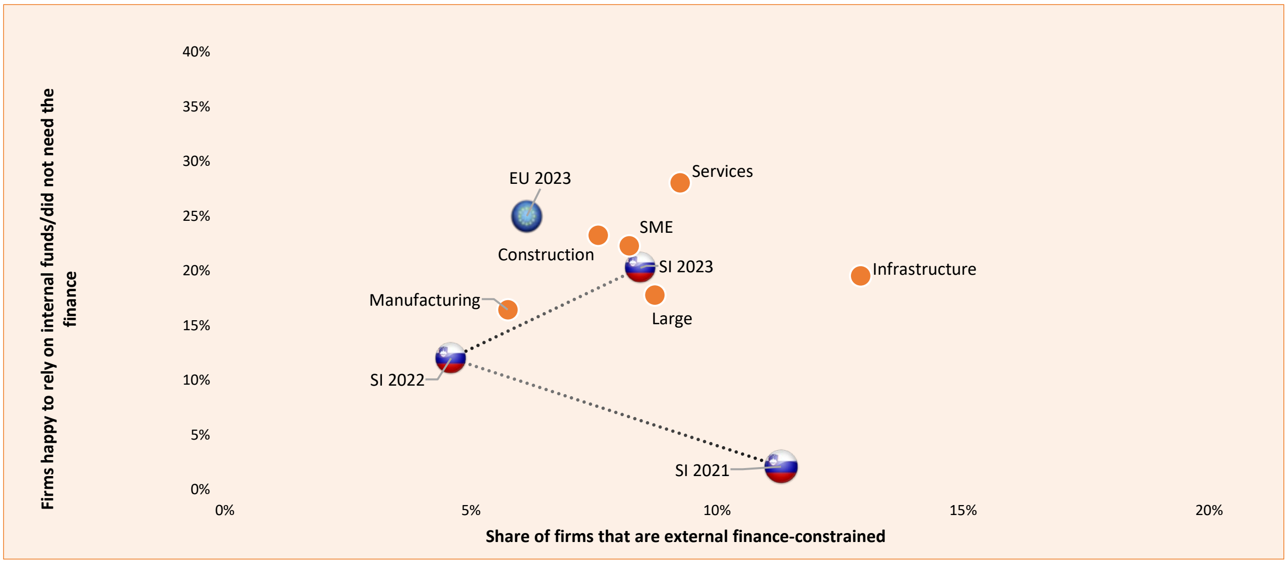


- The proportion of Slovenian firms that are finance constrained is almost double the share recorded in EIBIS 2022 (8.4% versus 4.6%) but remains below the levels seen during the pandemic.
- The proportion of finance constrained firms in Slovenia is higher than the EU average (8.4% versus 6.1%) whereas in EIBIS 2022 it was lower (4.6% versus 6.2%).

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

Access to finance

FINANCING CROSS



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

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

- Almost one in ten Slovenian firms are finance constrained while two in ten are happy to rely on internal finance (or do not actually need any external finance). The proportion of finance constrained firms is low but has almost doubled since EIBIS 2022 (8.4% versus 4.6%), while the proportion of Slovenian firms happy to rely on internal finance has also increased by a significant amount (20% versus 12%).
- Compared to the current EU average, a similar share of Slovenian firms are finance constrained (8.4% versus 6.1%) and are happy to rely on internal finance (20% versus 25%).
- Slovenia's infrastructure sector (12.9%) has the highest proportion of firms that are financially constrained. The services sector (28%) has the highest proportion of firms that is happy to rely on internal finance (28%). Manufacturing has the lowest proportion of financially constrained firms (5.7%) and these firms are the least happy to rely on internal finance (16%).
- A similar proportion of Slovenia's SMEs and large firms are financially constrained (8.2% versus 8.7%), and they are similarly content to rely on internal finance (22% versus 18%).

EIBIS 2023 – 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 2023	US	SI	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs SI	Manuf vs Constr	SME vs Large
	(12030)	(802)	(400)	(142)	(70)	(95)	(91)	(350)	(50)	(12030 vs 400)	(142 vs 70)	(350 vs 50)
10% or 90%	1.1%	3.9%	3.5%	5.6%	7.6%	6.7%	7.1%	2.8%	7.1%	3.7%	9.4%	7.6%
30% or 70%	1.8%	6.0%	5.3%	8.5%	11.6%	10.2%	10.8%	4.2%	10.8%	5.6%	14.4%	11.6%
50%	1.9%	6.5%	5.8%	9.3%	12.6%	11.1%	11.8%	4.6%	11.8%	6.1%	15.7%	12.6%

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.

Note: the EIBIS 2023 country overview refers interchangeably to 'the past/last financial year' or to '2022'. Both refer to results collected in EIBIS 2023, where the question is referring to the past financial year, with the majority of the financial year in 2022 in case the financial year is not overlapping with the calendar year 2022.

EIBIS 2023 – Country technical details

The country overview presents selected findings based on telephone interviews with 400 firms in Slovenia (carried out between April and July 2023).

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

Base definition and page reference	EU 2023/2022	US 2023	Slovenia 2023/2022	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 5 (bottom left), p. 8 (top), p. 8 (bottom), p. 16 (top)	12030/12021	802	400/404	142	70	95	91	350	50
All firms (excluding don't know/refused responses), p. 5 (bottom right)	11624/11682	776	399/402	142	70	94	91	349	50
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (top)	10147/9704	692	384/377	137	66	92	87	336	48
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (bottom)	9948/9501	704	389/379	138	67	92	90	341	48
All firms (excluding 'Company didn't exist three years ago' responses), p. 7 (top)	12015/12005	802	400/404	142	70	95	91	350	50
All firms (excluding don't know/refused responses), p. 7 (bottom)	11880/11814	794	399/399	141	70	95	91	350	49
All firms (excluding don't know/refused responses), p. 9 (top)	11812/NA	782	396/NA	142	68	93	91	347	49
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 9 (bottom)	12030/NA	802	400/NA	142	70	95	91	350	50
All firms (excluding don't know/refused responses), p. 10 (top)	11739/NA	786	393/NA	139	67	93	89	344	49
All firms (excluding don't know/refused responses), p. 10 (bottom)	11739/NA	786	393/NA	139	67	93	89	344	49
All firms (excluding don't know/refused responses) p. 11 (top)	11978/11975	800	400/404	142	70	95	91	350	50
All firms (excluding don't know/refused/not applicable responses), p. 11 (bottom)	6692/NA	284	152/NA	62	22	33	35	123	29
All firms (excluding Don't know/refused responses), p. 12 (top left)	11918/NA	797	400/NA	142	70	95	91	350	50
All firms that import (excluding don't know/refused responses), p. 12 (top right)	6151/NA	240	279/NA	126	31	72	48	235	44
All firms (excluding don't know/refused responses), p. 12 (bottom)	10139/NA	717	302/NA	119	49	70	63	258	44
All firms (excluding Don't know / refused responses) p. 13 (top)	11930/11911	797	400/400	142	70	95	91	350	50
All firms (excluding Don't know / refused responses), p. 13 (bottom)	11944/11909	789	397/402	141	70	93	91	348	49
All firms (excluding don't know/refused responses), p. 14 (top)	11433/11172	771	385/357	136	67	91	89	337	48
All firms (excluding don't know/refused responses), p. 14 (bottom)	11956/11964	800	400/403	142	70	95	91	350	50
All firms (excluding don't know/refused responses), p. 15 (top)	11549/NA	766	384/NA	134	66	93	89	338	46
All firms (excluding don't know/refused responses), p. 15 (bottom)	11836/11712	791	394/389	141	69	93	89	344	50
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 16 (bottom)	10210/9752	707	388/367	138	66	92	90	340	48
All firms (excluding don't know/refused responses), p. 17	11721/11685	770	393/376	140	69	93	89	344	49
All firms (excluding don't know/refused responses), p. 18	11738/11735	780	393/387	138	67	95	91	345	48
All firms (excluding don't know/refused responses), p. 19 (top)	12009/11980	801	400/404	142	70	95	91	350	50
All firms (excluding don't know/refused responses), p. 19 (bottom)	11916/11844	800	396/403	140	69	95	90	346	50
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (top)	12030/12021	802	400/404	142	70	95	91	350	50
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (bottom)	12030/12021	802	400/404	142	70	95	91	350	50
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (top)	10517/10051	697	389/387	139	67	92	89	339	50
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)	10517/10051	697	389/387	139	67	92	89	339	50
All firms using external finance (excluding don't know/refused responses), p. 22 (top)	4269/4107	265	163/149	66	26	31	38	134	29
All firms that used external finance in the last financial year (excluding don't know/refused responses), p. 22 (bottom)	4184/3988	264	162/145	66	26	30	37	133	29
All firms (excluding don't know/refused responses), p. 23 (top)	11544/11504	729	396/403	142	70	93	89	346	50
All firms (excluding don't know/refused responses), p. 23 (bottom)	11544/11504	729	396/403	142	70	93	89	346	50
All firms (excluding don't know/refused responses), p. 24	11544/11473	729	396/403	142	70	93	89	346	50

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Slovenia

Overview

EIB INVESTMENT SURVEY

2023