European Investment Bank

Slovenia

Overview

EIB INVESTMENT SURVEY

2022

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Slovenia

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EIB Investment Survey Country Overview 2022: 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.

Main contributors to this publication
Alfredo Baldini, Julie Delanote, Francisca de Novais e Silva.

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EIBIS 2022 – Slovenia Overview

KEY RESULTS

Investment Dynamics and Focus
EIBIS 2022 shows that on average, at the time of interviews (April-July 2022), Slovenian firms were exiting from COVID-19 in a relatively better shape and had, on balance, a positive outlook. The overall investment picture for Slovenia is very stable. As in EIBIS 2021, 90% of Slovenian firms invested in 2021 while the balance expecting to increase rather than decrease investment also matches the last wave (net balance of 21% versus 22% in EIBIS 2021).

Investment Needs and Priorities
An investment gap may be emerging in Slovenia. While 73% of firms believe they invested the right amount over the past three years, a quarter (25%) think they invested too little. The proportion thinking they did not invest enough is higher than the EU average (14%). An equal proportion of Slovenian firms will prioritise investment in capacity expansion and new products or services over the next years (both 38%). Compared to firms across the EU, fewer Slovenian firms intend to prioritise investment in replacement (21% versus 35%).

Covid-19 Impact
In line with the EU average (57%), six in ten Slovenian firms expected their 2022 sales to be above those achieved prior to 2019 (62%). Relatively few (14%) expected sales to be lower.

Eight in ten (80%) Slovenian firms received some form of financial support as a response to COVID-19. This is above the EU average (60%) but is now coming to an end with only one in twenty Slovenian firms (5%) still receiving COVID-19 related financial support.

Firms' Transformation, Innovation and Digitalisation
Possibly helped by the support received, two-thirds of Slovenian firms (66%) have taken at least one action in response to COVID-19. The figure is similar to EIBIS 2021 (64%) and the EU average (63%). The main action taken was to become more digital (50%).

Overall, 83% of Slovenian firms are using at least one advanced digital technology, above the EU average (69%). The period of repeated shocks has not stopped Slovenia's firms from innovating with half (48%) developing or introducing new products, processes or services as part of their investment activities. This is above the current EU average (34%).

International Trade
Although lower than the EU average (87%), over three-quarters of Slovenian firms (77%) are facing disruptions associated with international trade, rising to 82% among Slovenia's traders. Matching the EU average, 57% of Slovenian firms, who are impacted by trade disruptions, are taking actions to mitigate the impact. Those experiencing disruption are more inclined to focus on increasing or diversifying trading partners, than on domestic suppliers or markets (42% versus 21%).

Drivers and Constraints
Compared to EIBIS 2021, Slovenian firms are generally more pessimistic about investment conditions over the next 12 months. There is less pessimism about the political climate (improving from -15% to -3%) but otherwise scores have deteriorated. Economic climate expectations have turned very negative in net terms (declining from +10% to -44%). Perceptions of the availability of external finance have also reversed their upward trend (declining from +18% to -12%).

EIBIS 2022 – Slovenia Overview

Investment Finance
The share of financially constrained firms in Slovenia (4.6)% is below the EU average (6.2%) and less than half that seen in EIBIS 2021 (11%). Rejection (4.4%) accounts for almost all of Slovenia's financially constrained firms. Against this, other data point to external finance possibly becoming harder to access. The proportion of Slovenian firms' investment financed from external sources is below EIBIS 2021 (20% versus 25%) and lower than the EU average (28%). While 80% of Slovenian firms using external finance received bank finance, only 12% obtained it on concessional terms (the EU average is 32%).

Climate Change and Energy Efficiency
The proportion of Slovenian firms facing losses due to climate events has increased from 49% to 55% since EIBIS 2021. This is very similar to the EU as a whole. Three in ten Slovenian firms (30%) have developed or invested in measures to build resilience to the physical risks caused by climate change.

More Slovenian firms regard the transition to stricter climate standards and regulations as a risk (31%) than an opportunity (19%) over the next five years, with the 'opportunity group' below the EU average (29%). Nevertheless, nine in ten (89%) Slovenian firms are taking actions to reduce Greenhouse Gas (GHG) Emissions but fewer than four in ten (36%) set and monitor targets for their own GHG emissions. Both figures are similar to the EU average (88% and 41% respectively). Only 5% of Slovenia's construction firms set and monitor GHG emissions targets.

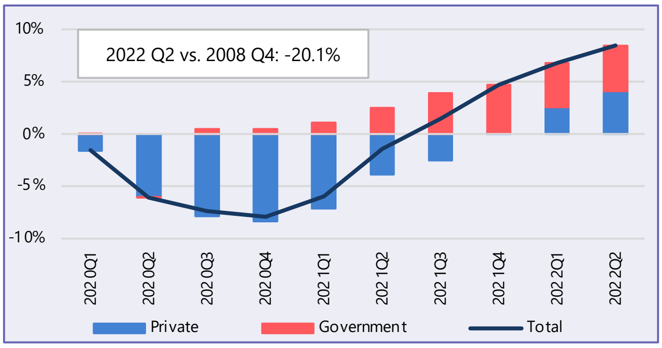
Over half (55%) of Slovenian firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. Many more plan to invest in the next three years (67%). This figure is far higher than the EU average (51%).

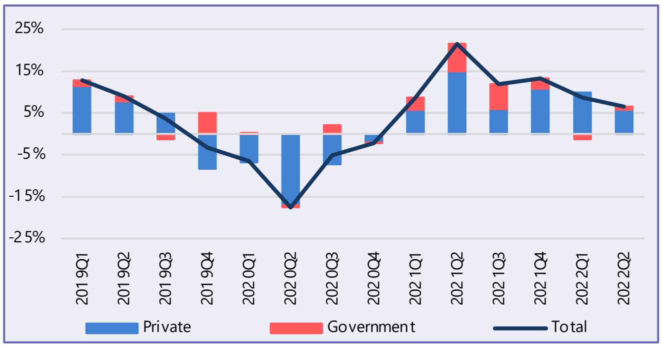
Firm Management, Gender Balance and Employment
Compared to the EU average (51%) and US (44%), a higher proportion of Slovenian firms (71%) is using a strategic monitoring system. The proportion striving to achieve gender balance in their business (60%) matches the EU (58%) and US 62%).

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- During the first year of the pandemic, aggregate real investment dropped sharply in Slovenia, with a trough close to -8% in Q4 2020 relative to Q4 2019.
- Between Q1 2021 and Q2 2022, aggregate real investment levels followed an upward trajectory, respect to Q4 2019. This strong rebound was driven by the recovery in private sector investment, together with the greater positive contribution from government investment to the overall level. In Q2 2022, aggregate investment stood at +8.5% relative to the level in Q4 2019.
- Total real investment growth peaked at 21% in Q2 2021 (y-o-y % change) and maintained growth rates above 5% through Q2 2022.

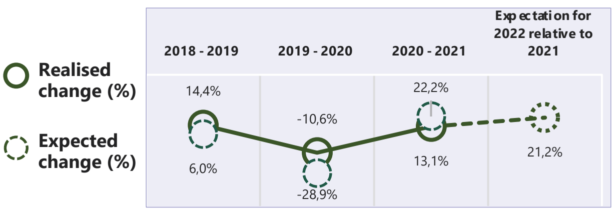




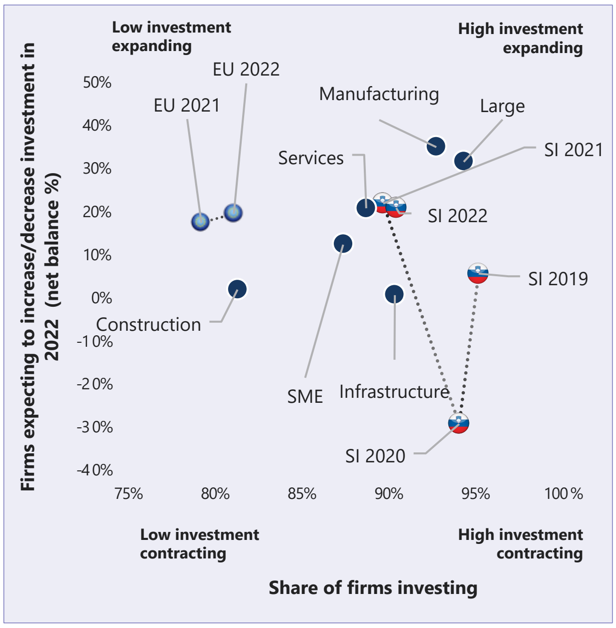
The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). 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

- As in EIBIS 2021, 90% of Slovenian firms invested. The net balance of firms expecting to increase rather than decrease investment also matches EIBIS 2021. The share of Slovenian firms that invested is slightly above the EU average (90% versus 81%), while the net balance of firms expecting to increase rather than decrease investment is at about the same (21% versus 20%).
- Large firms are more likely to have invested and have a brighter investment outlook than SMEs. At least 81% of firms in all sectors were investing, reaching 93% among manufacturers. Investment expectations are brightest among manufacturers (net balance of 35%), while a similar share of firms in infrastructure and construction is planning to increase and decrease investment (net balances of 1% and 2% respectively).



'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 for expected and realised change: All firms

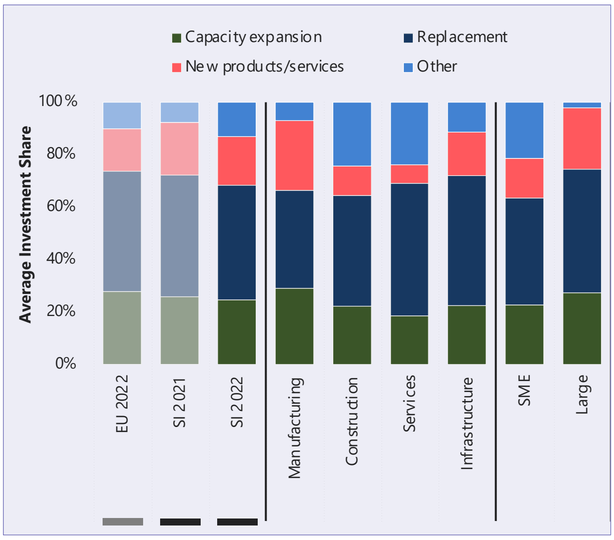


Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.
Base for share of firms investing: All firms (excluding don't know/refused responses)

Investment dynamics and focus

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

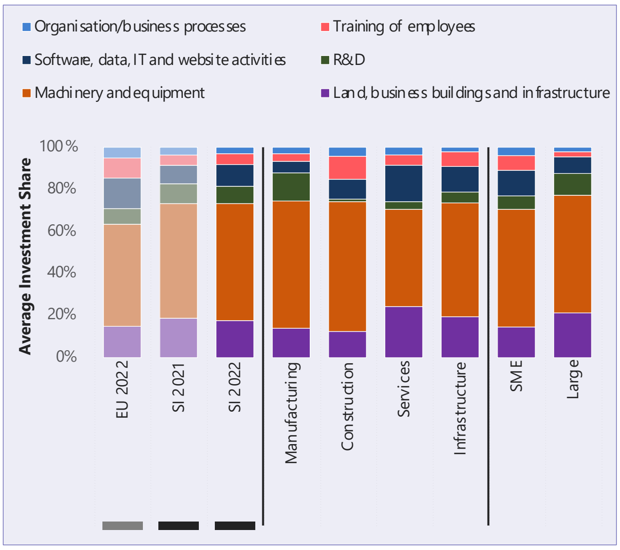
- Currently, over two-fifths of Slovenian firms' investment is directed towards replacement (44%) while 25% is focussed on capacity expansion and 19% on new products or services. These figures are very similar to EIBIS 2021 and generally match the EU average.
- While replacement receives the largest share of investment in all firms, it is a greater focus in the infrastructure and service sectors (both 50%). Manufacturers (27%) direct far more of their investment towards new products/services than those in construction (11%) or the services sectors (7%).
- The investment focus of Slovenia's SMEs and large firms is broadly the same, although there is more focus on new product and service development within the bigger firms (23% versus 15%).



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



- As in EIBIS 2021, the biggest proportion (56%) of the investment made by Slovenian firms was directed towards machinery and equipment.
- About a quarter (27%) of Slovenian firms' investment was in intangible assets (R&D, software, training and business processes) .This is the same as EIBIS 2021, but lower than the EU average (37%).
- All sectors are directing a similar proportion of their investment towards intangibles. It is 30% within services firms and around 26% in all other sectors.
- SMEs (30%) invested slightly more than large firms (23%) in their intangible assets.

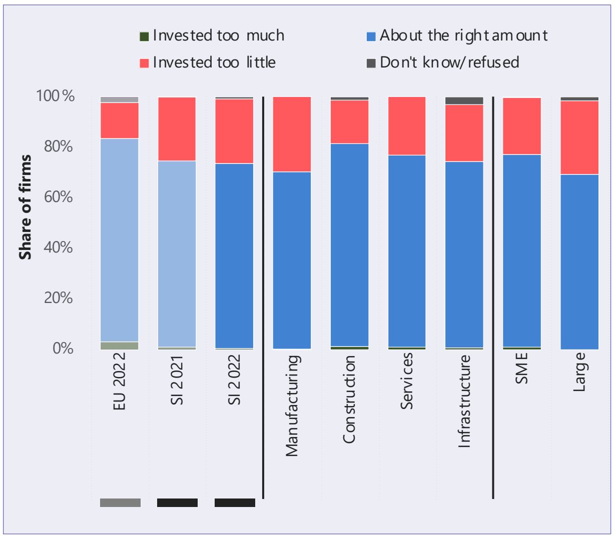
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

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

Investment needs and priorities

PERCEIVED INVESTMENT GAP

- While the large majority of Slovenian firms (73%) believe they invested the right amount over the past three years, a significant minority (25%) think they invested too little. The proportion saying they did not invest enough is unchanged since EIBIS 2021 (25%) but much higher than the EU average (14%).
- Three in ten manufacturers (30%) feel that they invested too little. This compares to 17% of construction firms.
- A higher proportion of large firms than SMEs believe they invested too little over the last three years (29% versus 23%).

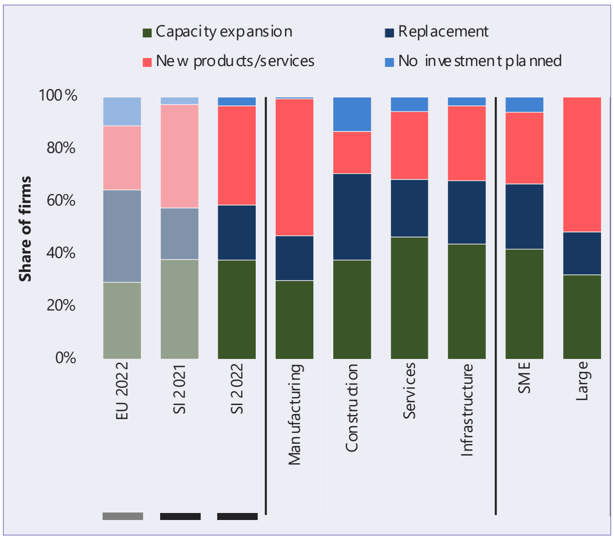


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

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

FUTURE INVESTMENT PRIORITIES

- On average, 38% of Slovenian firms will prioritise investment in either capacity expansion or new products or services over the next years. These figures are in line with EIBIS 2021 but above the EU average. Compared to firms across the EU, fewer Slovenian firms intend to prioritise investment in replacement (21% versus 35%).
- More than a half (52%) of manufacturers will make new products or services their investment priority. This is a much higher proportion than any other sector and three times the figure among construction firms (16%). Capacity expansion is a relatively greater priority for Slovenia's services and infrastructure firms (47% and 44% respectively).
- A half (51%) of large firms intend on making new products and services their investment priority. For SMEs capacity expansion (42%) is a relatively greater priority than anything else.

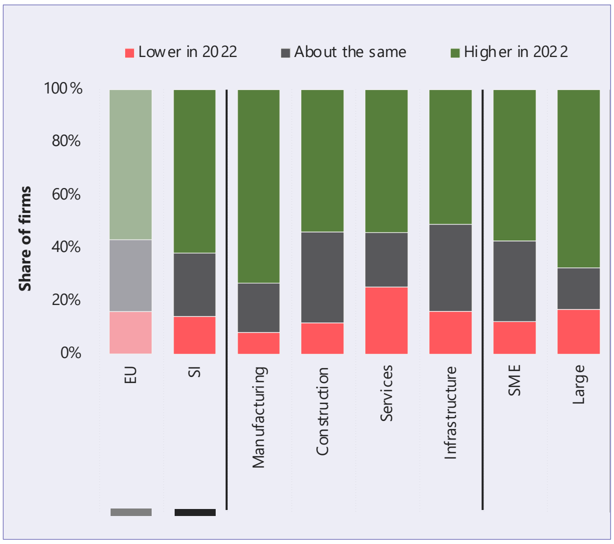


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

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

Impact of COVID-19

IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019

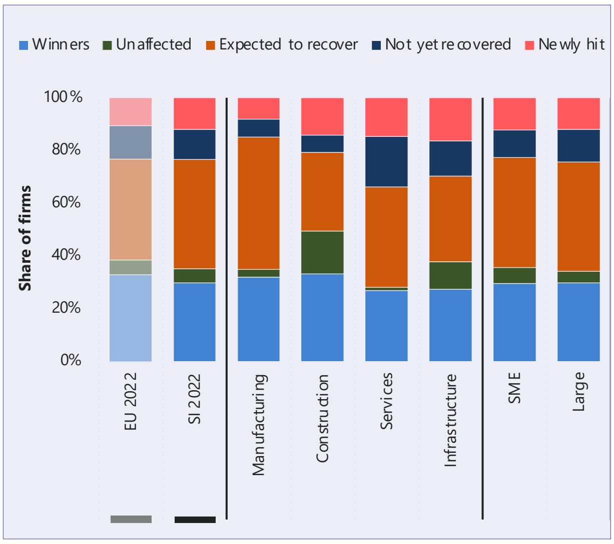


- Six in ten Slovenian firms expected their 2022 sales to be above those achieved in 2019 (62%) This is similar to the EU average (57%). Relatively few (14%) expected sales to be lower.
- A majority in all sectors said sales in 2022 would be higher than those achieved in 2019. It ranges from 73% among manufacturers to 51% of infrastructure firms. A quarter of services firms (25%) believed their 2022 sales to be lower than in 2019.
- Large firms had greater expectations than SMEs that sales in 2022 would be higher than pre-COVID-19 levels. (67% versus 57%).

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

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

IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY



- Around a half (53%) of Slovenian firms were negatively impacted by COVID-19. Nevertheless, four in ten either expected to recover (42%) – with 2022 sales coming back to, at least their 2019 levels.
- Almost a third (30%) can be classified as COVID-19 'winners', firms not experiencing a drop in sales in 2020-2021, but that were expecting higher sales in 2022 than before the pandemic.
- Service firms appear to have been the hardest hit with one in five (19%) classified as 'not yet recovered'. Manufacturing firms (50%) are more likely than those in other sectors to have expected sales to return to at least 2019 levels in 2022 and have the lowest share of 'newly hit' firms (i.e. firms who were only expecting a sales decline in 2022, but didn't have subdued sales in the years before).
- The impact of COVID-19 on the sales of SMEs and large firms has been broadly the same.

Q. Compared to 2019, before the pandemic started, did your company's sales and turnover in 2020 decline, increase or stay the same?
Q. Compared to 2020, did your company's sales and turnover in 2021 decline, increase or stay the same?

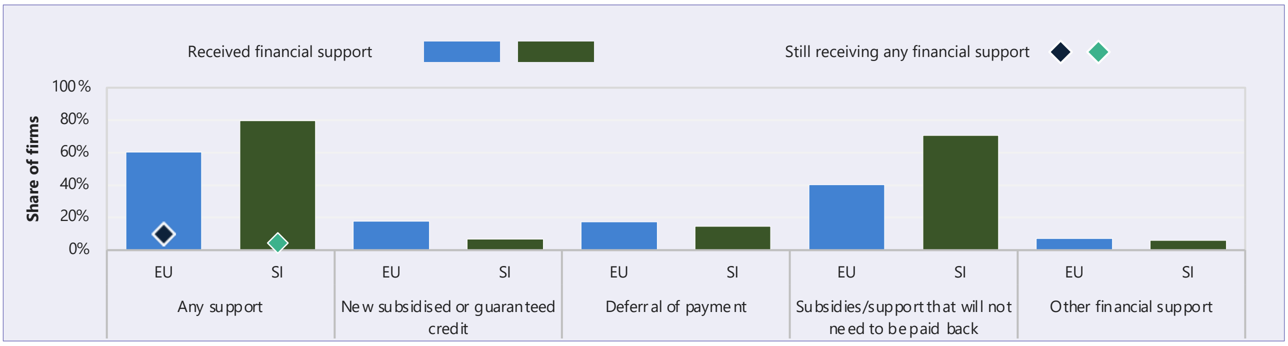
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

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

Impact of COVID-19

FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

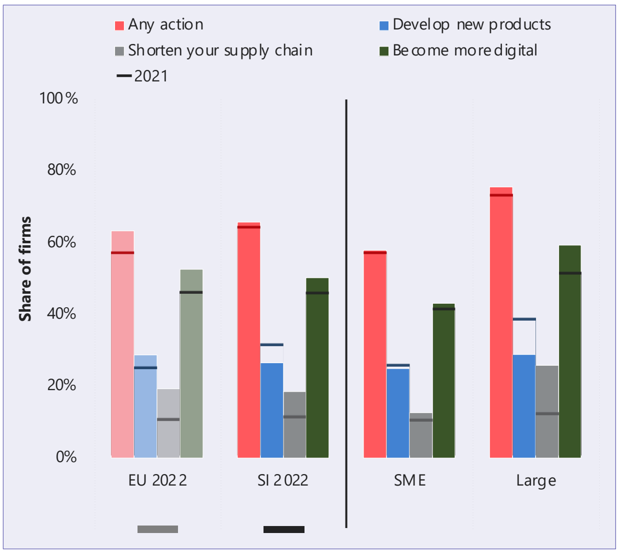
- Eight in ten (80%) Slovenian firms received some form of financial support as a response to COVID-19. This is well above the EU average (60%).
- Far more than any other type of assistance, seven in ten Slovenian firms were supported by subsidies/support that will not need to be paid back, against four in ten across the EU.
- Relatively few firms in Slovenia have been supported by deferrals of payment (15%) or to have benefitted from new subsidised or guaranteed credit (7%).
- Only one in twenty Slovenian firms (5%) are still receiving COVID-19 related financial support. Lower than the EU average (10%).



Q. Since the start of the pandemic, have you received any financial support?
Q. Are you still receiving (any of) this financial support?

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

ACTIONS AS A RESULT OF COVID-19



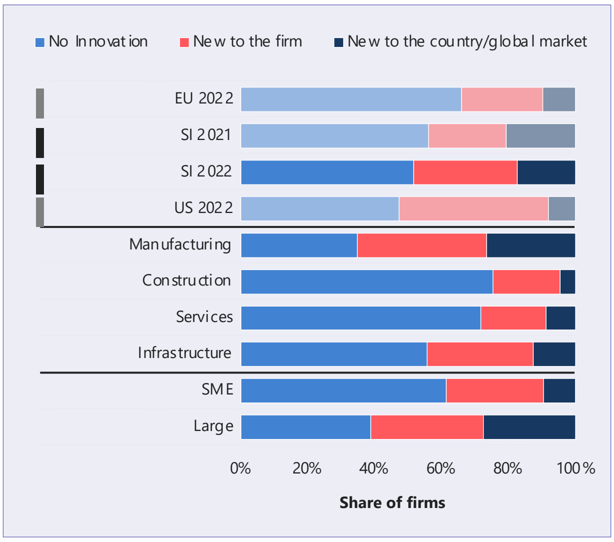
- Approximately two-thirds of Slovenian firms (66%) now say they have taken at least one action in response to COVID-19. The figure is almost unchanged from EIBIS 2021 (64%) and reflects the picture across the EU as a whole (63%).
- The most often cited area of action or investment is to become more digital, as reported by 50% of Slovenian firms. The proportion of firms that has transformed its supply chain has increased since EIBIS 2021, from 11% to 19%.
- Large firms are more likely than SMEs to have taken action of some kind (76% versus 58%). In particular they have responded by becoming a more digital business. While 59% of large firms now say they have taken steps such as moving to online service provision, less than half of SMEs (43%) have taken similar action.

Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

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

Innovation activities

INNOVATION ACTIVITY

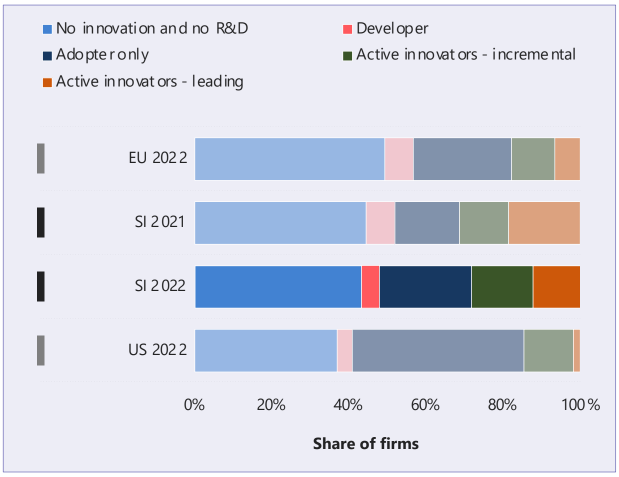


- Just under half (48%) of Slovenian firms developed or introduced new products, processes or services as part of their investment activities. This is similar to EIBIS 2021 (44%) but above the current EU average (34%). The proportion of innovating firms in Slovenia is close to that in the US (53%).
- While 65% of manufacturers are investing in innovation, over in seven in ten construction (75%) and services firms (72%) are not.
- In EIBIS 2022, 17% of Slovenian firms report the development/ introduction of products, processes or services that were new to either the country or global market. The proportion among manufacturers (26%) is far higher than for any other sector.
- Innovation activity is a greater feature of Slovenia's large firms than its SMEs (61% versus 39%). The former are almost three times as likely as SMEs to develop or introduce products, processes or services that are new to either the country or global market (27% versus 10%).

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



- Approximately three in ten Slovenian firms (28%) can be classified as active innovators — firms that invested significantly in research and development and introduced a new product, process or service. This is similar to EIBIS 2021 (31%) but higher than the EU average (18%).
- Compared to EIBIS 2021, there are now fewer leading innovators among Slovenia's firms (12% versus 19%).
- The proportion of Slovenian firms that did not innovate or invest in R&D in the last financial year is similar to EIBIS 2021 (43% versus 44%). The proportion of 'non-innovators' is below the EU average (49%).

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?

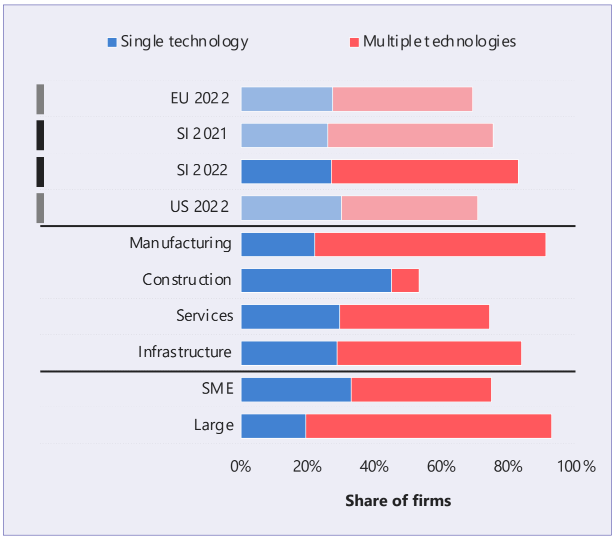
Base: All firms (excluding don't know/refused responses)

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

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 83% of Slovenian firms are using at least one advanced digital technology, above the EU average (69%).
- Construction has the lowest share of firms using digital technologies (53%). In other sectors the proportion of firms employing at least one digital technology ranges from 74% (services) to 91% (manufacturers).
- Large firms are more likely than SMEs to implement digital technologies (93% versus 75%) with nearly three-quarters of bigger firms utilising multiple technologies (73%).
- Slovenia’s firms are adopting the Internet of Things, Big Data / AI and automation via robotics to a greater extent than other EU firms. They are relatively less likely to be utilising platforms or drones.



EIBIS 2022
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?

EIBIS 2021
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?

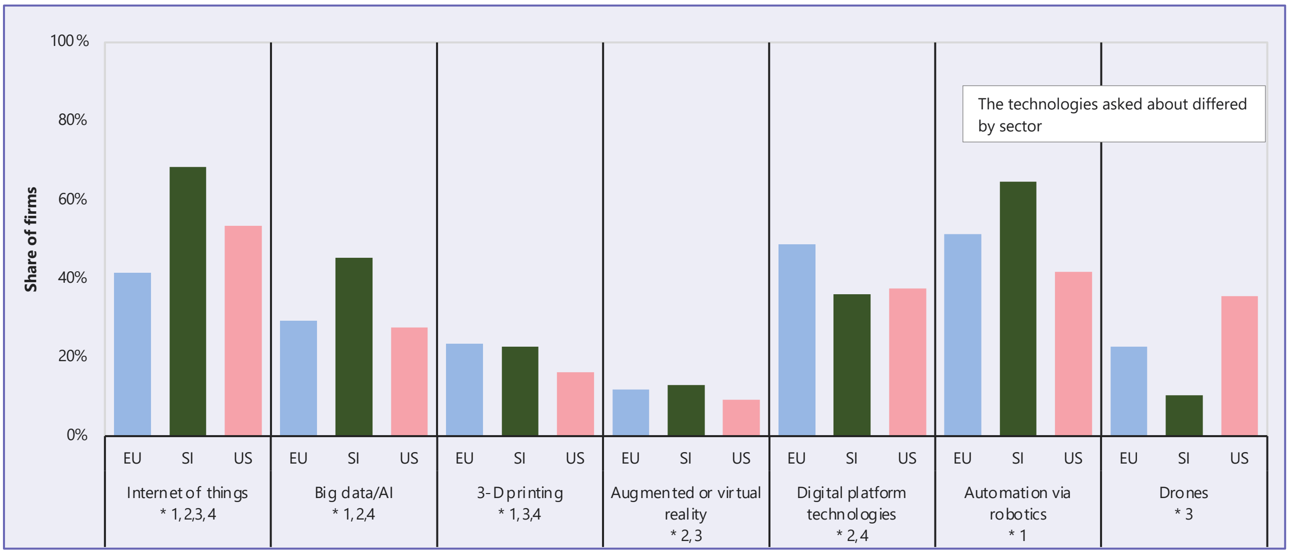
Base: All firms (excluding don’t know/refused responses)

Please note: question wording and definitions changed between 2021 and 2022, comparisons between the two waves should not be made.

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

ADVANCED DIGITAL TECHNOLOGIES



*** Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of Infrastructure firms**

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

Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

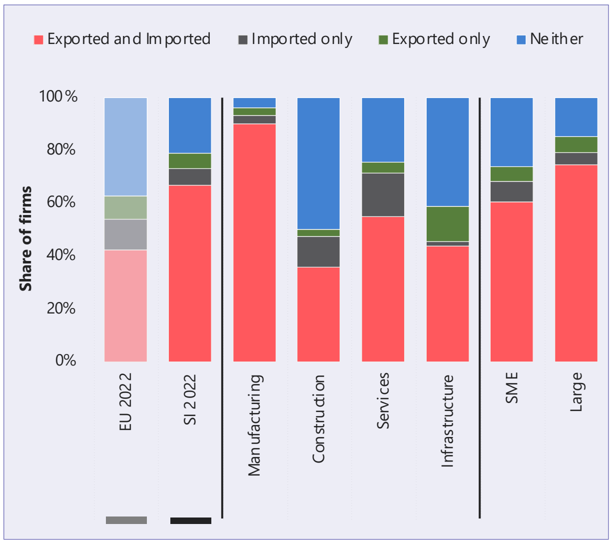
Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

Base: All firms (excluding don't know/refused responses);
Sample size SI: Manufacturing (142); Construction (76); Services (91); Infrastructure (92)

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Compared with the EU average, more Slovenian firms are engaged with international trade (79% versus 63%). Most of these traders are both exporters and importers (67%).
- While 96% of Slovenia's manufacturers and 76% of its service sector firms are engaged in international trade, relatively few construction firms (50%) trade outside their home market.
- In Slovenia, a higher proportion of large firms than SMEs are trading internationally (85% versus 74%). They are also more likely to be exporters (80% versus 66%).

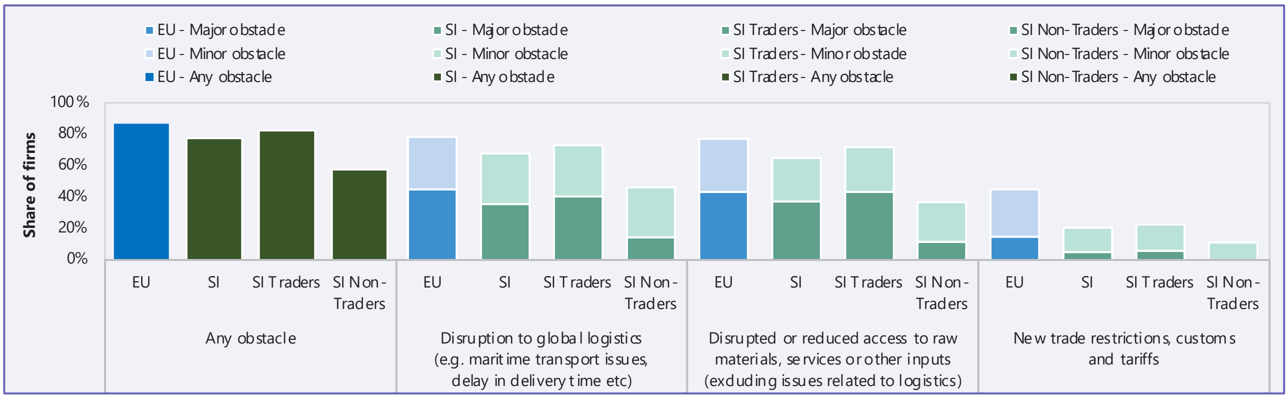


Q. In 2021, did your company export or import goods and/or services?

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

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- Over three-quarters of Slovenian firms (77%) are facing disruptions associated with international trade, rising to 82% among Slovenia's traders. The level of disruption in Slovenia is a bit lower than the EU average (77% versus 87%).
- Disruptions to global logistics (68%) and reduced access to raw materials, services or other inputs (65%) are the main trade-related obstacles for firms in Slovenia. Relatively few Slovenia firms have found trade restrictions, customs or tariffs to be an obstacle to their activities (20%).
- In each case the proportion of Slovenian firms finding these an obstacle to their business is lower than the EU average.



Any obstacle combines 'minor' and 'major' obstacles into one category

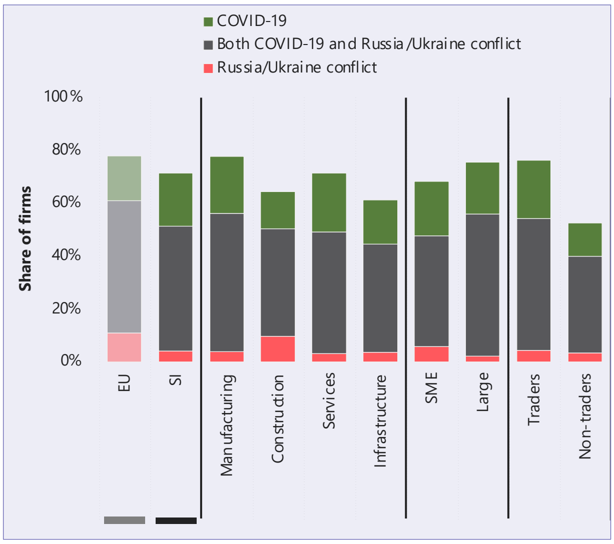
Q. Since 2021, did any of the following present an obstacle to your business's activities?

Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)
Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

International trade

EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

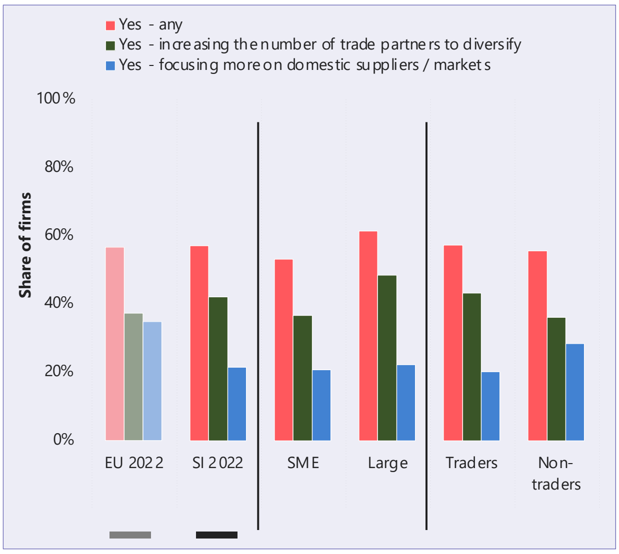
- Around three-quarters (72%) of Slovenian firms are impacted by at least one of the external factors disrupting international trade. Almost half (47%) are impacted by both the Russia-Ukraine conflict and COVID-19.
- COVID-19 alone is just as problematic for Slovenian firms (20%) as those across the EU (17%). Compared to the EU average, a very small proportion of Slovenian firms is impacted by the Russia-Ukraine conflict as a standalone obstacle (4% versus 11%).
- The infrastructure sector (61%) has the lowest share of firms impacted by the international obstacles mentioned. Manufacturing has the most (78%).
- More traders (76%) than non-traders (53%) are impacted by one or both of COVID-19 and the conflict.



Q. You have just said that you experienced {an obstacle/obstacles} to your business activities since 2021. Did Covid-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

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

ACTIONS TO MITIGATE INTERNATIONAL TRADE DISRUPTIONS



- Matching the EU average, 57% of Slovenian firms are taking action to mitigate the impact of the international trade disruptions.
- Overall firms in Slovenia are more inclined to focus on increasing or diversifying trading partners, than on domestic suppliers or markets (42% versus 21%).
- The overall level of action and the specific steps taken are very similar for SMEs, large firms, traders and non-traders.

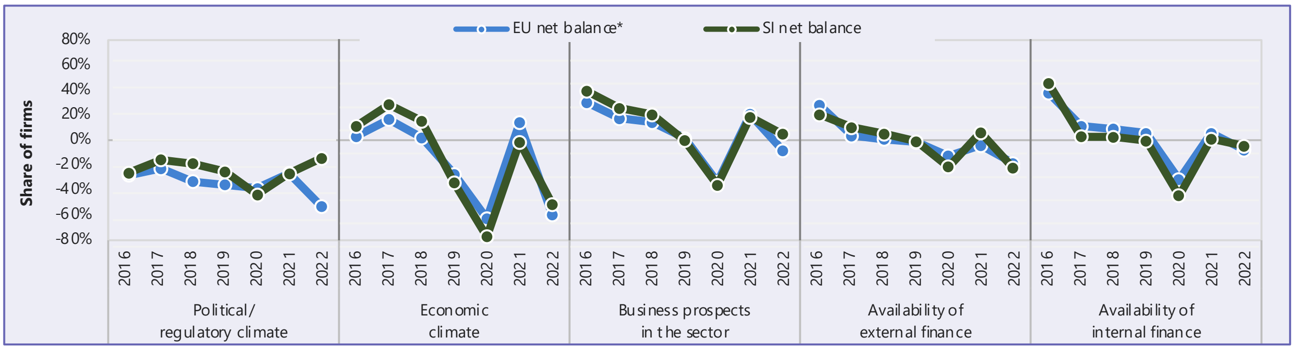
Q. Is your company taking any actions to mitigate the impact of these disruptions?

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

Drivers and constraints

SHORT-TERM FIRM OUTLOOK

- In line with EU trend, Slovenian firms are generally more pessimistic about the investment conditions for the next year. There is less pessimism about the political climate (improving from -15% to -3%) but otherwise scores have deteriorated.
- Economic climate expectations have turned negative in net terms (declining from +10% to -44%). The availability of external finance has also reversed its upward trend (declining from +18% to -12%).
- Sentiment for business prospects in the sector has declined (from +31%) but remains positive (+17%). A similar pattern is seen for the availability of internal finance (declining from +13% to +7%).
- Except for the political climate, both the downward trend in sentiment and actual level of optimism/pessimism in Slovenia reflects that seen across the EU.



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

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

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (net balance %)

	Political / regulatory climate	Economic climate	Business prospects	External finance	Internal finance
Slovenia	3%	44%	17%	12%	7%
Manufacturing	8%	40%	24%	9%	1%
Construction	4%	34%	1%	10%	4%
Services	6%	48%	5%	15%	15%
Infrastructure	7%	48%	19%	16%	11%
SME	3%	41%	13%	10%	9%
Large	4%	46%	22%	15%	4%

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

- Firms are consistently more negative than positive about the economic climate and the availability of external finance across different sectors and firm sizes.
- In spite of a more negative picture in EIBIS 2022, all types of company expect an improvement in business sector prospects.
- Sentiment is generally consistent across sectors, but with some exceptions. Manufacturers are more optimistic about business prospects (+24%) than construction (+1%) or service sector firms (+5%). Service sector (+15%) and infrastructure firms (+11%) are the most optimistic about the availability of internal finance.
- Large firms and SMEs have a generally similar outlook, although large businesses are more optimistic about prospects for their sector (+22% versus +13%).

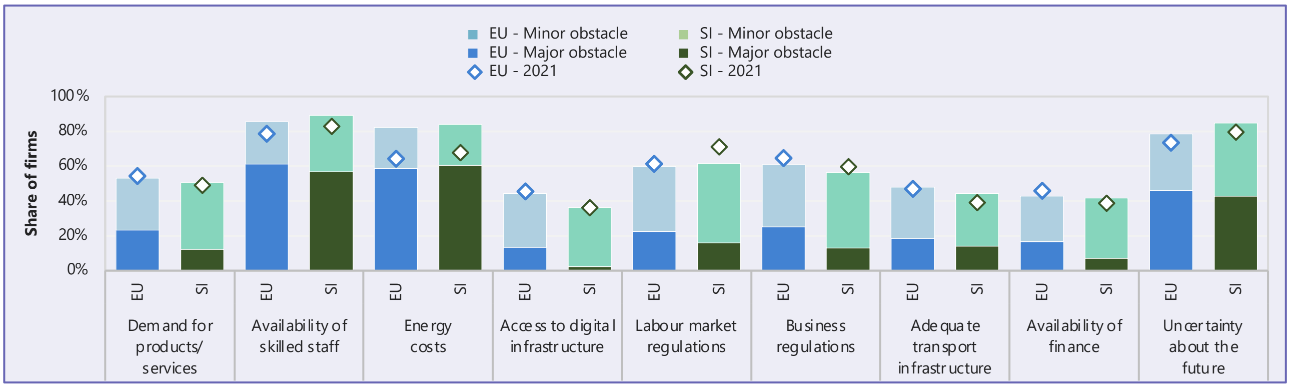
Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Drivers and constraints

LONG-TERM BARRIERS TO INVESTMENT

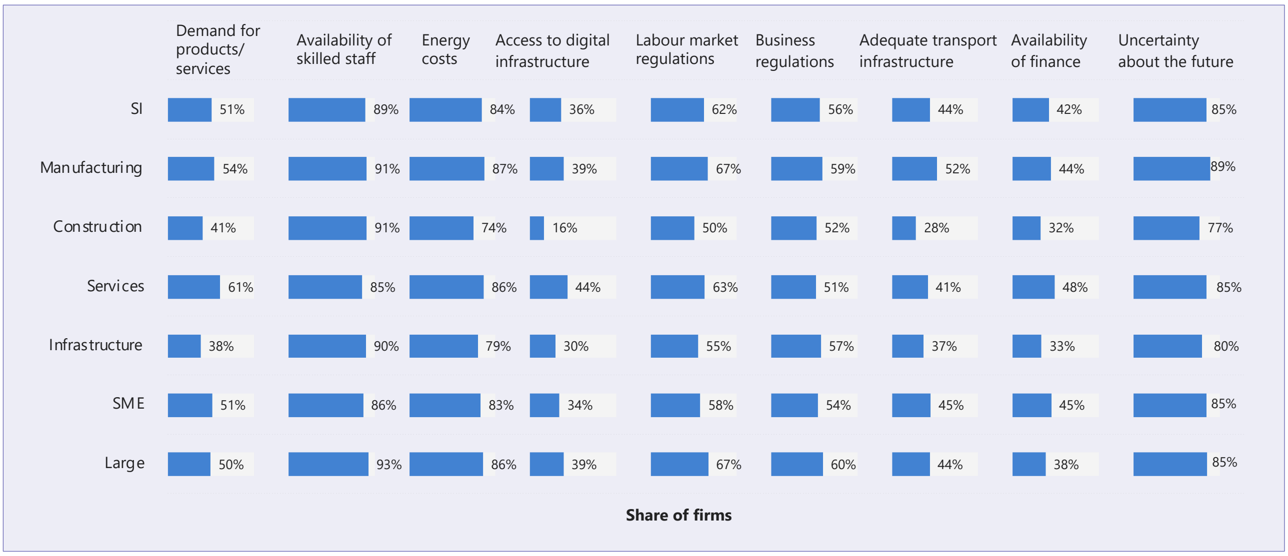
- The most frequently mentioned long-term barriers to investment in Slovenia are the availability of skilled staff (89%), uncertainty about the future (85%) and energy costs (84%). The cost of energy has become a barrier for an increasing number of Slovenian firms over the past year (84% versus 68% in EIBIS 2021). It is now a major obstacle for 61% of firms.
- Except for energy costs, the proportion of firms saying each factor is an obstacle to investment is broadly consistent with EIBIS 2021.
- Compared to the EU average, most of these obstacles are no more or any less of a barrier to Slovenian firms' investment. The exceptions are digital infrastructure which is less of an obstacle (36% versus 44%) and future uncertainty, which is more of a barrier (85% versus 78%).



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 who 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

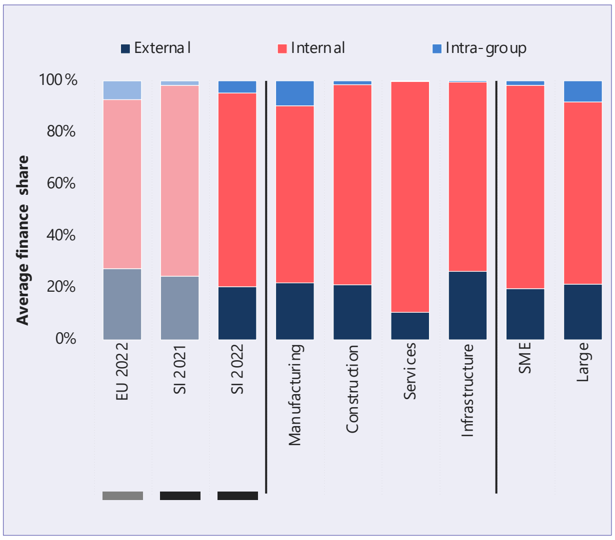
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

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

Access to finance

SOURCE OF INVESTMENT FINANCE

- As in EIBIS 2021 (74%), internal sources currently account for three-quarters of Slovenian firms' investment finance (75%). The proportion that is financed from external sources has dropped slightly since last year (from 25% to 20%) and is below the EU average (28%).
- In every sector at least 68% of investment is financed from internal sources. It rises to 89% among services firms.
- Although it accounts for the largest share of investment finance for both groups, SMEs have made more use than large firms of internal finance (79% versus 70%). 8% of large firms' investment has been financed by intra-group funds (SMEs = 2%).



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)

USE OF EXTERNAL FINANCE

- Four in ten (41%) Slovenian firms, who invested in the last financial year, financed at least some of their investment through external finance. This matches the EU average (45%) but is lower than in EIBIS 2021 (48%).
- As in EIBIS 2021, infrastructure firms (48%) are the most likely to have accessed external finance. However, this proportion is much lower than in EIBIS 2021 (60%). Manufacturing (44% versus 45%) is the only sector where use of external finance has not fallen to a significant degree.
- Large firms appear to have better access to, or more demand for external finance, than SMEs (46% versus 37%). In both cases the figure is lower than EIBIS 2021.

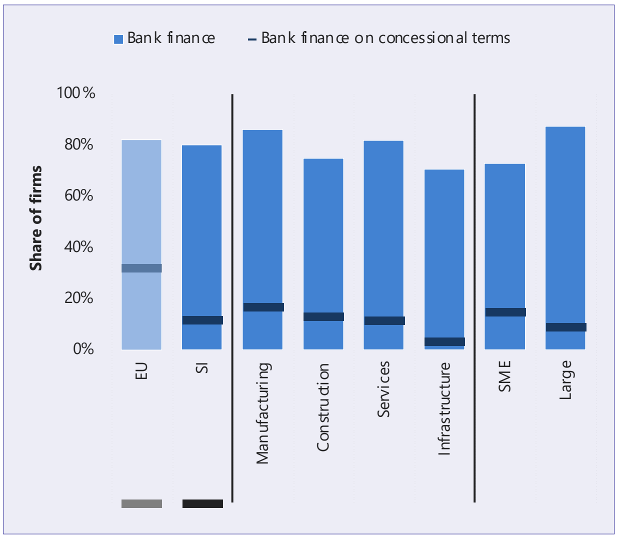
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

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

Access to finance

ACCESS TO BANK FINANCE AND CONDITIONS

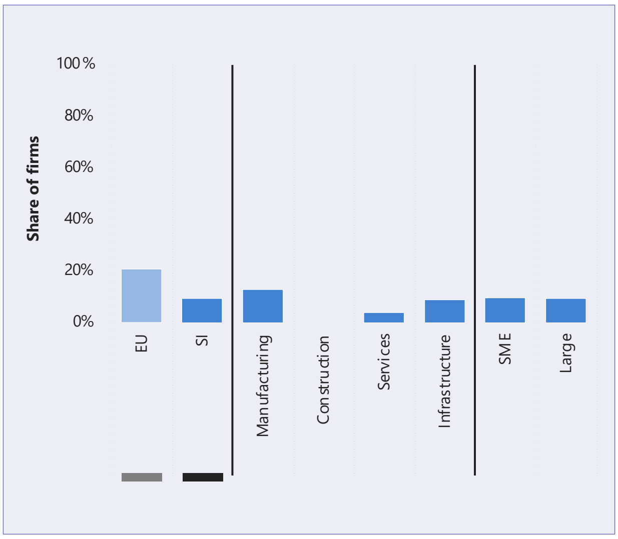
- Eight in ten (80%) Slovenian firms using external finance received bank finance, but only 12% obtained this on concessional terms. The proportion benefitting from concessional terms is much lower than the EU average (12% versus 32%).
- Manufacturing (86%) and service firms (82%) that used external finance are most likely to have received bank finance. With the exception of infrastructure (3%), the proportion obtaining bank finance on concessional terms is similar for all sectors.
- In Slovenia, large firms are more likely than SMEs to have received external finance from a bank (87% and 73% respectively). It is low for both groups, but SMEs were more likely than large firms to obtain bank finance on concessional terms (15% versus 9%).



Q. Which of the following types of external finance did you use for your investment activities in the last financial year?
Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)

SHARE OF FIRMS WITH FINANCE FROM GRANTS



- Fewer than one in ten Slovenian firms using external finance received grants, and this is less than half the EU average (9% versus 21%).
- No construction firms and only 4% of service sector firms using external finance received grants. It rises to 13% of manufacturers.
- An equal proportion of large firms and SMEs using external finance received grants (both 9%).

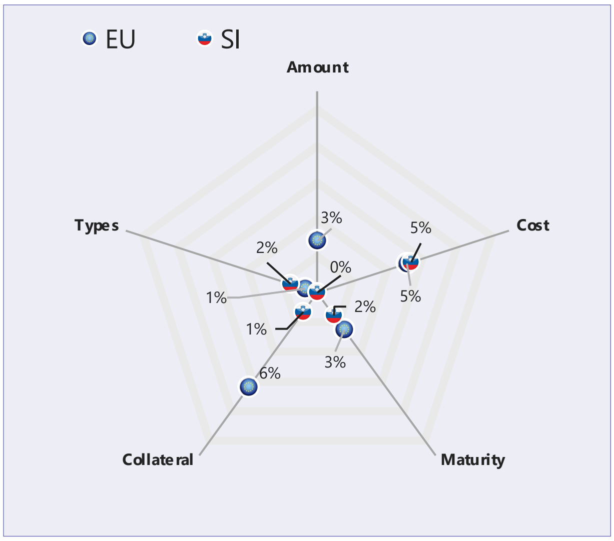
Q. What proportion of your total investment in your last financial year was financed by grants?

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

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Only a very small proportion of the Slovenian firms, who used external finance in the last financial year, are dissatisfied with the conditions received.
- The most cited dissatisfaction is with the cost (5% of firms), A figure that matches the EU average.



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 (% of firms)

	Amount	Cost	Maturity	Collateral	Type
SI	0%	5%	2%	1%	2%
Manufacturing	0%	6%	3%	0%	3%
Construction	0%	18%	0%	11%	0%
Services	0%	4%	0%	0%	0%
Infrastructure	0%	2%	0%	2%	0%
SME	0%	3%	0%	1%	0%
Large	0%	8%	3%	2%	3%

Across all sectors and size classes levels of dissatisfaction are extremely low for the amount, maturity and type of external finance received. However, a relatively large proportion of construction firms are dissatisfied with both cost (18%) and collateral requirements (11%).

Just under one in ten large firms (8%) are dissatisfied with cost of external finance.

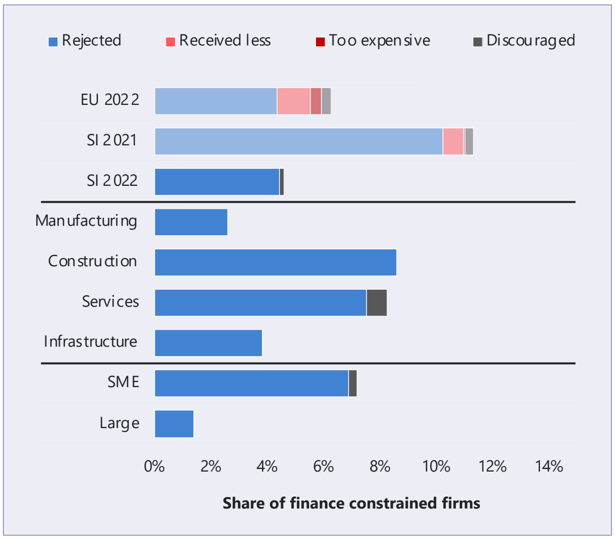
Q. How satisfied or dissatisfied are you with …?

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

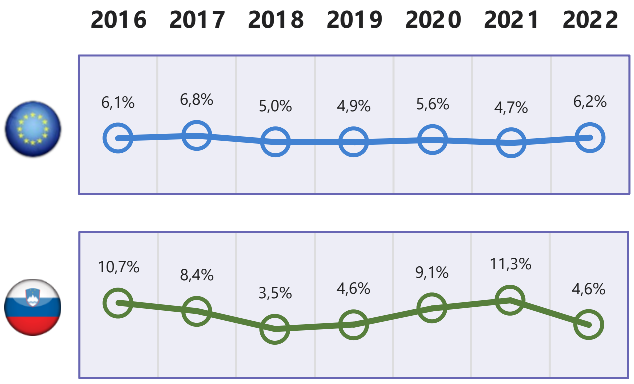
- The share of financially constrained firms in Slovenia (4.6)% is below the EU average (6.2%) and is less than half that reported in EIBIS 2021 (11.3%).
- Rejection (4.4%) accounts for almost all of Slovenia's financially constrained firms.
- Firms in Slovenia's construction (8.6%) and service sectors (8.2%) are the most finance constrained while this affects far more SMEs than large firms (7.2% versus 1.4% 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 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 (excluding don't know/refused responses)

SHARE OF FINANCE CONSTRAINED FIRMS OVER TIME



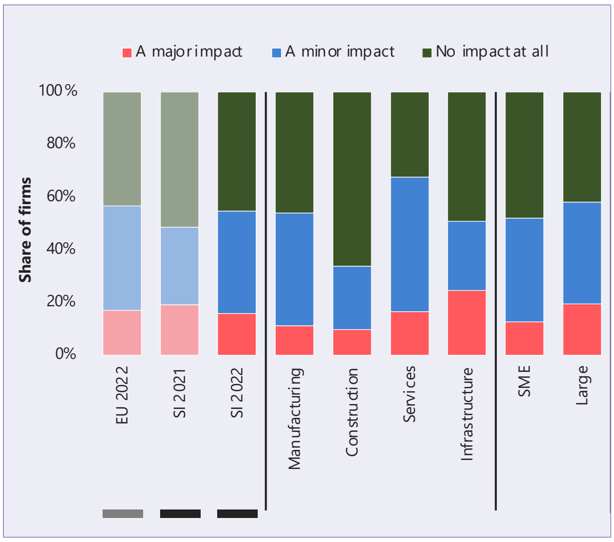
- The proportion of Slovenian firms who are finance constrained is much lower than in EIBIS 2021 and is the second lowest recorded across all previous waves of the study (2018 = 3.5%).
- Unlike EIBIS 2020 and 2021, when it was higher than the EU average, the level of finance constrained firms in Slovenia is now lower than that seen across the EU.

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

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- The proportion of Slovenian firms saying they face losses due to climate events etc. has increased from 49% to 55% since EIBIS 2021. 16% of firms say weather events are having a major impact. In this respect, the experience of Slovenian firms is very similar to those across the EU as a whole.
- A majority of firms in the services and manufacturing sectors say weather events are having a negative impact on their business (68% and 54% respectively). An experience shared by only a third of construction firms (34%).
- A small majority of both SMEs and large firms face losses due to climate events etc. (52% and 58% respectively).

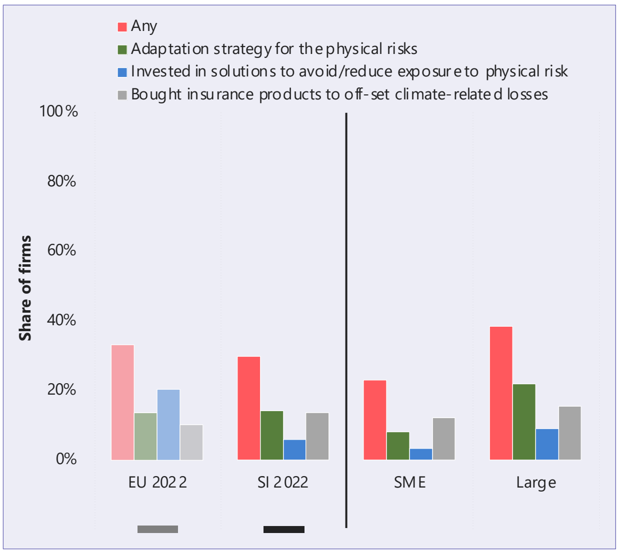


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this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

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

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

BUILDING RESILIENCE TO PHYSICAL RISK



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)

- Three in ten Slovenian firms (30%) have already developed or invested in measures to build resilience to the physical risks to their firm caused by climate change. This is similar to the EU average (33%).
- Across the EU the most common response has been to invest in solutions to avoid or reduce exposure to physical risk, but so far relatively few Slovenian firms have done this (6% versus 20%) .
- Large firms are far more likely than SMEs (39% versus 23% respectively) to have developed or invested in measures to build resilience to the physical risks to their firm. In particular, large firms have invested in an adaption strategy for the physical risks they face (22%).

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

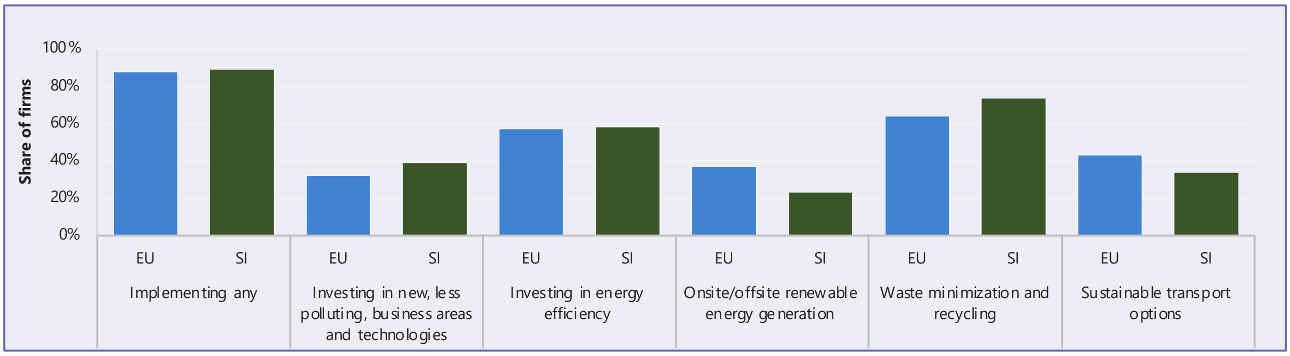
- More Slovenian firms regard the transition to stricter climate standards and regulations as a risk (31%) than an opportunity (19%) over the next five years. The proportion regarding this as an opportunity is below the EU average (19% versus 29%).
- Compared to EIBIS 2021, slightly more Slovenian firms now regard the transition to stricter climate standards and regulations as a risk (31% versus 26%).
- In the service (35%) and infrastructure (30%) sectors the balance of opinion is that the transition to stricter climate standards and regulations is a risk. In manufacturing and construction opinion is more evenly divided.
- The feeling of opportunity is much higher within large firms (28%) than among SMEs (12%).

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 GHG EMISSIONS

- In line with the EU average, 89% of Slovenian firms are taking actions to reduce Greenhouse Gas (GHG) Emissions (88% EU).
- The main actions taken in Slovenia are waste minimization and recycling (74%) and investments in energy efficiency (58%).
- Slovenian firms are more likely than others in the EU to be investing in waste minimization and recycling (74% versus 64%) or less polluting business areas and technologies (39% versus 32%). In contrast, Slovenian firms are making relatively less effort as regards renewable energy generation (23% versus 37%) or sustainable transport solutions (34% versus 43%).

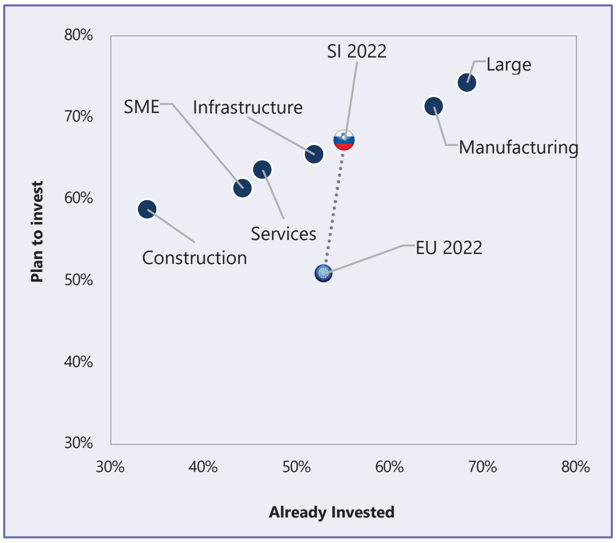


Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

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

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT



EIBIS 2022
Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

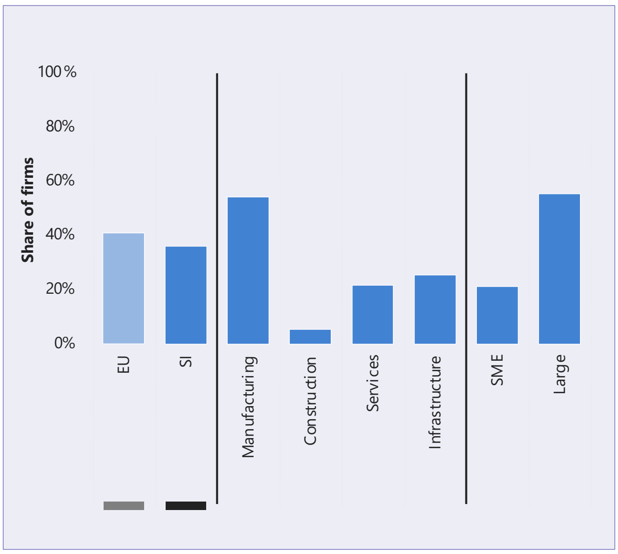
EIBIS 2021
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

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

- Over half (55%) of Slovenian firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions, with many more planning to invest in the next three years (67%). The future intentions figure is far higher than the EU average (51%).
- Manufacturers are far more likely than firms in other sectors to have already invested to help tackle the impact of weather events, and to have future investment planned (65% and 71%).
- A minority of services and construction firms have already invested in these areas (46% and 34% respectively), but around six in ten have future plans (64% and 59%).
- Large firms are the most likely to have already invested (68%), and to also have plans to invest over the next three years (74%). So far, only a minority of SMEs have invested to tackle the effects of climate change, but many more plan to do so (44% and 61% respectively).

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

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



Q. Does your company… set and monitor targets for its own Greenhouse Gas (GHG) emissions

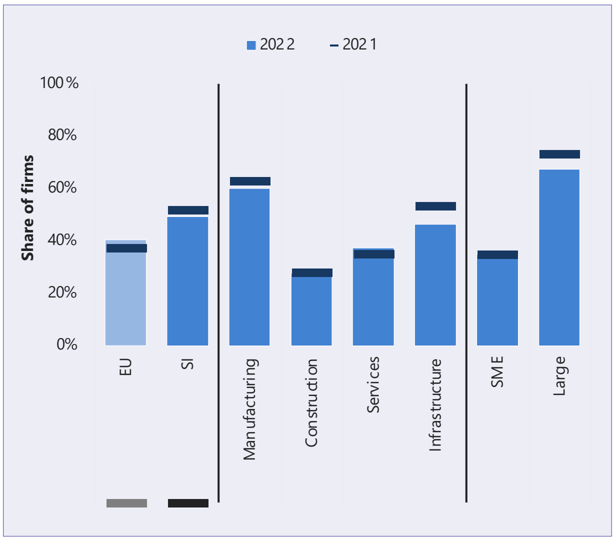
Base: All firms (excluding don't know/refused responses)

- Fewer than four in ten Slovenian firms (36%) report that they set and monitor targets for their own GHG emissions. This is similar to the proportion of firms reporting this across the EU (41%).
- Apart from manufacturing firms (54%), no more than three in ten firms in any sector sets and monitors these targets. It accounts for only 5% of Slovenia's construction firms.
- Large firms (55%) are far more likely than SMEs (21%) to be setting and monitoring targets for their own GHG emissions.

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

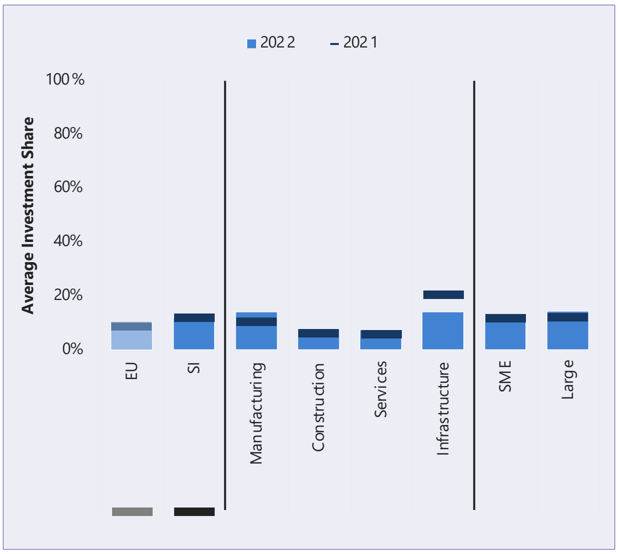
- The share of Slovenian firms investing in measures to improve energy efficiency (49%) is almost the same as in EIBIS 2021 (52%). The current level is higher than the EU average (40%).
- Firms in Slovenia's manufacturing sector (60%) and large firms (67%) were the most likely to be investing in energy efficiency. Construction firms (28%) and SMEs (35%) were the least likely.
- While a large minority of infrastructure firms were investing in measures to improve energy efficiency in 2021, this has dropped back (from 54% to 46%).



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



- Among Slovenian firms, the average share of total investment directed towards measures to improve energy efficiency is 12%. This is in line with both EIBIS 2021 (12%) and the current EU average (10%).
- The share of investment directed towards energy efficiency is higher among manufacturing and infrastructure firms (both 14%) than those in construction (8%) or service activities (7%).

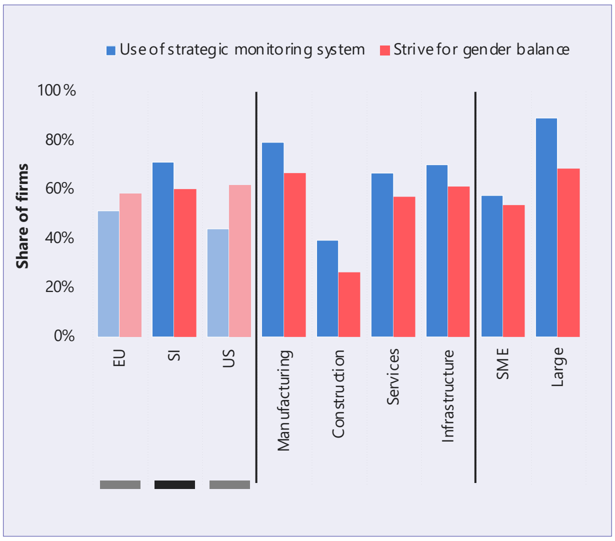
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

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

Firm management, gender balance and employment

FIRM MANAGEMENT AND GENDER BALANCE

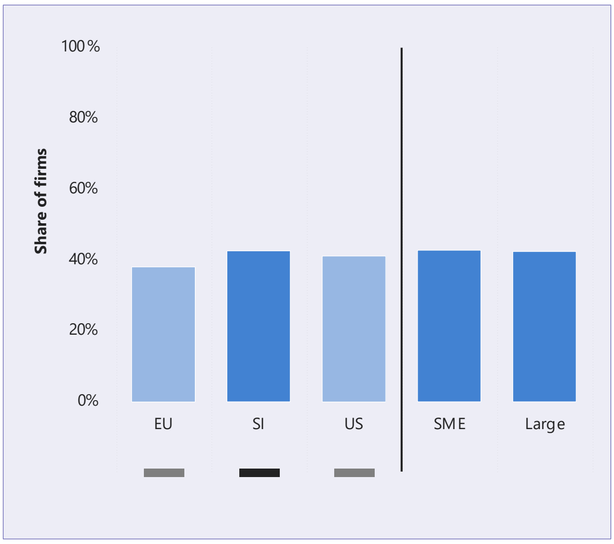
- Over seven in ten Slovenian firms (71%) use a strategic monitoring system. This is a higher proportion than the EU (51%) or in the US (44%) average.
- With respect to gender balance, a similar proportion of Slovenian firms (60%) are striving for this within their business than are those across the EU (58%) or in the United States (62%).
- Constructions firms are the least likely to use strategic monitoring systems or strive to achieve gender balance within their business (39% and 26% respectively). In other sectors at least 67% use strategic monitoring systems and a minimum of 57% are working to achieve gender balance.
- Large firms are more inclined than SMEs to have both implemented strategic monitoring systems (89% versus 58%) and to be striving to achieve gender balance within their business (69% versus 54%).



Q Does your company...?

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

FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019



- Over two-fifths (43%) of Slovenian firms have increased their employee numbers since 2019. This is similar to both the EU average (38%) and the US (41%).
- SMEs are equally as likely as large firms to have increased employee numbers since 2019 (43% and 42% respectively).

Q. How many people does your company employ either full or part time at all its locations, including yourself?
Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

EIBIS 2022 – 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	Constr vs Manuf	SME vs Large
	(12021)	(800)	(404)	(142)	(76)	(91)	(92)	(333)	(71)	(12021 vs 404)	(142 vs 76)	(333 vs 71)
10% or 90%	1.1%	4.1%	3.1%	4.9%	6.3%	5.9%	6.2%	2.8%	5.9%	3.2%	8.0%	6.5%
30% or 70%	1.7%	6.2%	4.7%	7.5%	9.7%	9.1%	9.5%	4.3%	9.0%	5.0%	12.2%	10.0%
50%	1.8%	6.8%	5.1%	8.1%	10.6%	9.9%	10.4%	4.7%	9.8%	5.4%	13.3%	10.9%

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 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 404 firms in Slovenia (carried out between April and July 2022).

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

Base definition and page reference	EU 2022/2021	US 2022	SI 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	404/401	142	76	91	92	333	71
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (top)	9704/9670	668	377/352	136	68	85	85	311	66
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (bottom)	9501/9523	668	379/353	134	69	86	87	315	64
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	387/361	134	75	90	85	321	66
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	399/397	140	74	91	91	330	69
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	398/NA	140	74	91	90	327	71
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	397/NA	139	74	91	90	327	70
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	402/401	142	76	90	91	331	71
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	404/401	142	76	91	92	333	71
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	387/361	134	75	90	85	321	66
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	354/300	125	65	84	77	296	58
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	404/NA	142	76	91	92	333	71
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	404/NA	142	76	91	92	333	71
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	379/NA	139	70	89	78	310	69
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	281/NA	113	45	70	51	225	56
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	282/NA	112	45	71	52	226	56
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	387/331	138	71	87	88	317	70
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	4107/4059	275	149/143	59	27	24	38	116	33
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	4155/4100	280	149/145	59	27	24	38	116	33
All firms who used external finance in the last financial year (excluding don't know/refused responses) , p. 16	3988/3964	270	145/141	56	27	24	38	114	31
All firms (excluding don't know/refused responses), p. 17	11504/11518	715	403/395	141	76	91	92	332	71
All firms (excluding don't know/refused responses), p. 18 (top)	11911/11849	790	400/397	141	75	89	92	329	71
All firms (excluding don't know/refused responses), p. 18 (bottom)	11909/NA	784	402/NA	141	76	91	91	332	70
All firms (excluding don't know/refused responses), p. 19 (top)	11172/11384	759	357/385	123	65	84	84	294	63
All firms (excluding don't know/refused responses), p. 19 (bottom)	11964/NA	794	403/NA	142	76	90	92	332	71
All firms (excluding don't know/refused responses), p. 20 (top)	11685/NA	763	376/NA	131	68	88	86	307	69
All firms (excluding don't know/refused responses), p. 20 (bottom)	11712/NA	783	389/NA	135	74	90	87	322	67
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	9752/9617	677	367/354	131	67	85	82	304	63
All firms (excluding don't know/refused responses) p. 22 (top)	11696/11616	785	397/393	140	74	90	90	327	70
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11662/11718	783	400/397	140	75	91	91	331	69

European Investment 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

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Slovenia

Overview

EIB INVESTMENT SURVEY

2022