

## **Nagovor predsednice vlade mag. Alenke Bratušek na investicijski konferenci v Oslu**

Oslo, 9. april 2014

Excellencies, Distinguished representatives of business and institutions, Ladies and Gentlemen!

I would like to thank the organizers for their efforts in bringing together high-level business and government representatives from Norway and Slovenia. After successfully organized investment conferences in Düsseldorf, Paris, Milan and Moscow I am very glad to be today in Oslo.

Before moving on to the main subject of the conference let me say a few words about the general political and economic situation in Slovenia.

Slovenia experienced rapid economic growth following independence (1991) and membership of the EU (2004). The main sectors driving growth have been finance, construction and car components for export. GDP declined by nearly 8% in 2009, one of the sharpest falls among OECD countries. The prolongation of the crisis has affected Slovenia. But after years of recession Slovenia managed to turn the corner. Since the appointment of my government one year ago, reforms have been put in place in order to restore the competitiveness and bring the economy back on track. Our most important priorities were the stabilization of banking sector, consolidation of public finances and improvement of the competitiveness of our economy. The banks have been successfully recapitalised and Bank Assets Management Company (BAMC) or so called "Bad Bank" is becoming more dynamic and pro-active. The banks are continuing to clean their portfolios and stable companies are again able to source finance. This has been translated into more stable and improved economic activity, which has also coincided with the gradual improvement in the broader euro area dynamics. Slovenia finished February with news that the economy in the fourth quarter of 2013 expanded by 2.1 per cent year-on-year.

It is the first three months of growth after eight consecutive quarterly declines. In 2015 and 2016 GDP growth will be steadily increasing amid the anticipated faster economic recovery in the international environment, a further stabilization of the banking system and fiscal consolidation, and the beginning of corporate restructuring. And last but not least, the pressure of international institutions and speculative financial markets has rapidly declined. One year ago, the interest rate on our ten-year bond was around the psychological limit of 7 per cent, while at the beginning of this month the interest rate was at 3.42%. This is the lowest figure since the country joined the Eurozone in 2007.

We are aware, that this is only the start and not the finish of our efforts to bring Slovenia back where it already was – among the most successful and developed countries in the world. Re-starting the economy remains a government top priority. While so far, crucial economic measures have ensured the resources to finance the economy and help companies in trouble, the Government is now focusing on re-structuring companies, which is decisive for re-starting economic growth.

Slovenia is an open, competitive and export oriented country, and one that considers cooperation with the outside world crucial. Our economy is highly dependent on exports, which amount to some 70% of GDP. Exports were in the past, and remain the underlying driving force of the country's sustainable and dynamic economic growth. Slovenia is a country of many successful individuals, companies and institutions. Some of these have excellent, innovative products and are active worldwide.

We are aware of the need to improve significantly the management of state ownership. Within this strategy, the government decided to privatize the non-strategic state-owned enterprises. The first privatization package at the moment comprises of 12 companies and 1

bank, seeing that Helios and Fotona, which were among the enterprises on the list, have already been sold. This is one more tangible proof that this government means seriously when we say, that privatization is one of the cornerstones of our economic recovery and that Slovenia is open for foreign investment (Slovenia currently hosts 11,7 billion EUR of FDI).

There are other companies on the list already in the process of finding new owners, for example Elan, Adria Airways, Telekom, Žito and others. The privatization is implemented through transparent public tenders. The priority is given to strategic partners who are interested in long-term presence and have a solid development plan for the company. Since my appointment as the prime minister, we have been working to attract quality foreign direct investments (FDI) to Slovenia. Our country's advantages as an FDI destination are: healthy industrial base, qualified local suppliers, well-developed infrastructure, easy access to the regional markets and hardworking, educated and talented workforce. We also offer tax relief and other financial incentives to investors. I am sure that there are many potential investors also in Norway and I would like to invite you to participate in this privatization process – you are very much welcome!

Let me also mention, that economic cooperation between Slovenia and Norway is good and positive; in 2013 mutual trade flows reached almost 97 million euro which is an increase of 11% from year 2012. Business sectors where we could be more proactive in order to enhance our cooperation are mainly in the high technology, renewable energy and green technology, wood-processing industry, pharmaceutical industry, design, tourism (especially medical tourism), innovations, construction and also food and fishing sector. Despite good cooperation we believe there is still a lot of potential for further development not only in field of trade but also in the field of services, capital flows and investments. Besides privatization, there are also other opportunities to invest in Slovenia. For example Slovene tourism (especially thermal spa) is searching for investors, automotive sector has great advantages in supplier area, innovative ICT sector is searching for strategic partners, and wood-processing industry has great natural possibilities. Almost one half of the FDI in Slovenia is in financial services offering great basis point for further expansion. Additionally possibilities and opportunities lay in greenfield investments, merges and acquisitions and other forms of investments.

Ladies and gentlemen, in today's changing world, the State must promote the generation of added value in our national economies on a wide front. By doing so, we can create growth, employment and well-being in our countries. I am convinced that today's meeting is an excellent opportunity to come up with new ideas and identify new business opportunities with a view to further strengthening economic ties between our two countries. I thank you for your attention and wish you very successful discussions.