



CHECK AGAINST DELIVERY

**Speech of the Prime Minister at FDI Summit, Faculty of Economics,
Ljubljana
17 September 2013**

Dear participants,

dear guests!

I would like to thank you for the invitation and express my firm belief that such meetings present an important step towards further changes in our society and towards the resolution of the challenges Slovenia, Europe and the world are facing.

It has been repeated too often that nothing has been done in the last six months since our Government took up the reins of the state. **But this is something I cannot agree with.** In the first six months of work, the Government of Slovenia completed the operational preparations for the dealing with the non-performing loans in Slovenian banks, revised the unrealistic budget for 2013, gained Europe's trust which was reflected in a positive evaluation of our reform programme, provided additional funds to support the economy, reduced unemployment, and agreed about the pay cuts in the public sector.

Let me be even more specific:

- 1. The unemployment decreased by 7,658 persons this year.** The number of unemployed persons in August was 116,000. This is still too many, but we managed to curb it. One of the reasons for this is the implementation of the active employment policy.
- 2. The export increased by 2.3 per cent this year.** As a small and open economy, Slovenia depends on the export and exporters. When our Government prepared first measures – you can call them a fire-fighting action as they had to be prepared practically in one month – this was

done with exporters in view. The increase in VAT rate did not affect this category of our economy. And this is a fact!

3. **The supplementary budget earmarked funds for measures targeted especially at small and medium-sized enterprises.** A contract with SID Bank was signed a few days ago; the Government (state budget) and SID Bank together earmarked 500 million euros of refundable funds for our economy. These will enable small and medium-sized enterprises to fund working capital, which is a major problem at the moment. 500 million euros is a considerable sum.
4. The greatest problem of our economy at the moment is very **high indebtedness**. Practically immediately after the Government's inauguration we undertook the preparation of the legislation that would provide a systematic solution to **corporate restructuring**. Additional changes are under preparation and should be adopted in the coming months.
5. **In August, the state budget showed a surplus.** Although minimal – 13 million euros – it was still a surplus. This is a direct consequence of the budget revision adopted in July that prevented uncontrolled spending and further deficit increase.

Despite these achievements further work is needed.

Since I took over the helm of the Slovenian Government, we have been working on improving the environment **to attract quality investments to the country and, in turn, create new jobs.**

We are aware that preconditions for FDI are sound economic basis and educated workforce.

I am proud to say that Slovenia delivers on these counts. **It has a healthy industrial base, well-developed infrastructure and educated, hardworking and talented people.**

In the future, we will use our advantages even more efficiently. Allow me to mention some of them:

- **Geostrategic position** in Central Europe and within the EU (proximity of most important European regions in Northern Italy, Germany, Austria and markets South Eastern Europe).

- **Natural resources** (wood, soil, water, energy) and other potentials for the transition to green economy (**knowledge, innovations, to-date investments and competences**).
- **Export-oriented** Slovenian economy.
- **Tax relief** (for research and development and investments).

But in order to fully take advantage of these good preconditions we also need growth friendly economic environment. This is why an improvement of the business environment, both for domestic and foreign investors, is one of the Government's main objectives.

During the first two months in office, the Government prepared the reform programme, the aim of which is to establish conditions for boosting the economic growth while undertaking necessary fiscal consolidation. In the coming weeks the government will present the budgets for 2014 and 2015.

We are also expecting the first transfers of non-performing bank assets to Bank Asset Management Companies to take place before the end of the year. **Also, a detailed time table for first 15 companies for privatisation is being prepared. It is expected to be ready by the end of September.** This is to name just a few most important measures that will bring better economic conditions for investing in our economy.

In the end let me stress once again, the Slovenian Government supports new foreign direct investment as an excellent tool for stimulating economic growth, economic stability, a reduction in unemployment, and improved well-being of the population and Slovenia's better integration in international trade.

Thank you for your attention and I wish you every success with the conference.