



Automotive
Industry

SLOVENIA

The Right Mix of Qualities



Quality Workforce

Road transport provides nearly half of all transport-related jobs in the EU, of which the automotive sector employs 12.7 million people or 5.8% of employed population. With 3 million high-skilled jobs, automotive manufacturing accounts for 10.3% of total manufacturing employment in the EU. Slovenia's share in direct automotive employment of 2.2 million people is around 14,000 jobs in some 230 companies.

Thanks to its long industrial tradition, skills development is seen in Slovenia as key in sustainable growth and ongoing investments in skills have produced a highly skilled workforce – exactly what automotive industry needs. Over 9,200 students in secondary schools for automotive and mechanical engineering (car-body maker, car service and sheet metal working) and 2,700 students are enrolled in undergraduate courses in mechanical engineering and there are over 2,000 registered researchers available to match their skills to the needs of enterprises. In addition, continuous workplace training and lifelong learning enable workers and enterprises to keep abreast of a rapid pace of change by early identification of skill needs and by build competencies for future needs.

As automakers continue to place emphasis on operating with lean organisations and increasing their productivity, dedicated and technically-savvy workforce found in Slovenia is capable of working to high professional and automotive standards such as QS 9000, VDA 6.1, EAQF and ISO TS 16949. Knowledge of one or more foreign languages and high interpersonal skills are an asset in an industry where only the best get to sell to original equipment manufacturers (OEM) and Slovenia has an enviable number of Tier 2 and 3 suppliers soon to qualify for the Tier 1 status.

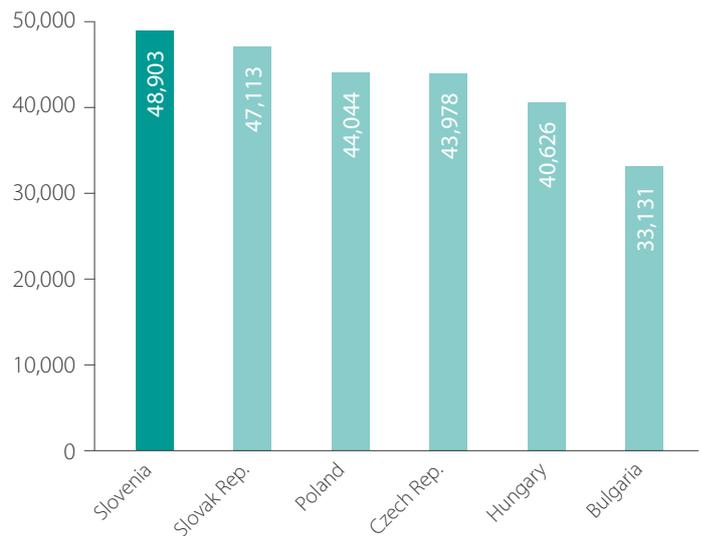
Vehicle manufacturers are a driving force for innovation in Europe, leading research and development into ever-safer, cleaner vehicles as well as improving manufacturing processes, logistics and mobility management. Today's cleaner and more efficient vehicles owe to past investment in R&D and speak of the innovation and skills of the European automotive industry. R&D is a costly and lengthy process and calls for partnership with stakeholders. Tier 1 suppliers need capital to carry out R&D and tests to deliver production-ready technologies. OEMs have to bring them to market, which means that lead-times to implement new technologies and the regulator's requirements are measured in years.

Production in Revoz - member of Renault Group



PRODUCTIVITY IN INDUSTRY, 2013

Related GDP (PPP) per person employed in industry (in €)



Source: IMD - World Competitiveness Yearbook, 2014



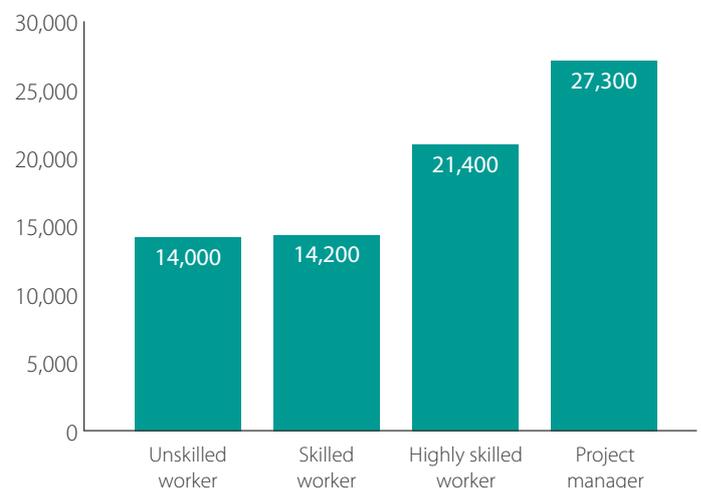
PRODUCTIVITY/VALUE ADDED PER EMPLOYEE, 2013

Company	Value-added per employee (in €)
TAB	58,367
Revoz	58,131
Sogefi Filtration	55,548
GKN Driveline Slovenija	43,730
Sumida Slovenija	36,930
SG Automotive	36,023
Rotis	34,338
Hella Saturnus Slovenija	33,967
TPV Johnson Controls	33,124
Odelo Slovenija	33,001
Letrika	32,834
TPV	31,463

Source: Bisnode 2014



ESTIMATED GROSS ANNUAL LABOUR COST IN AUTOMOTIVE INDUSTRY IN 2015 (in €)



Source: Adecco & own calculations, 2014

Quality Link to Regional Markets

Located between the Alps and the Mediterranean, the Pannonian Basin and the Western Balkans, Slovenia is a hub of regions and cultures, migration flows, infrastructure, environmental efforts and business.

Car manufacturers seek innovative solutions to make their operations profitable and comply with the latest requirements of green engineering including the reduction of CO₂ emissions, fuel consumption and waste while increasing safety. By setting up operations in countries such as Slovenia, allows OEMs to reduce development-related costs. Many leading players in the automotive industry have Slovenian firms as partners: Audi, BMW, Daimler, VW, as well as MAN and Ford in Germany, account for some 40% of car component exports from Slovenia followed by buyers in France, Italy, Austria, the UK, and the USA. The vehicles that roll off the assembly lines of Renault, PSA, Škoda and Fiat also incorporate components from Slovenia that comply with all EU green and safety requirements. In figures it means that Slovenia's automotive industry generates roughly one tenth of the country's GDP and accounts for 14% of its exports of goods. Revoz, one the most efficient plants of the French car maker Renault-Nissan, remains Slovenia's only car assembly plant and one of its largest exporters. Currently, the

plant employs 2,400 people, but in case demand for the new Twingo increases, more hands will be needed. About 30% of the parts for Twingo is manufactured in Novo Mesto. The Edison project which includes the production of the new Smart Forfour city car is worth €450m.

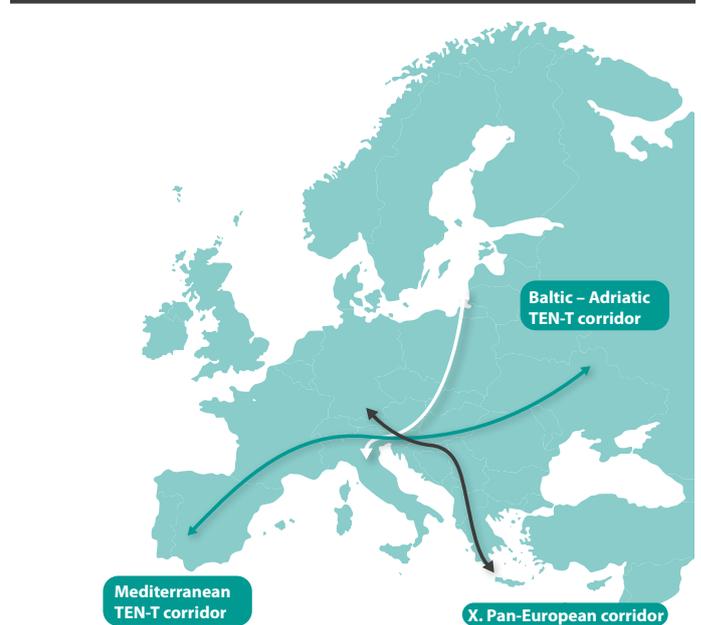
The EU funding for collaborative future-oriented automotive R&D and innovation offers new possibilities for collaboration within South-eastern Europe – a platform for exchanging best practices on improving market uptake of the new technologies between the European Commission, member states and other stakeholders. Since the European OEMs and CEMs invest some €32mn in R&D annually mostly on safety, environmental performance and connectivity, international investors will find Slovenia to be an excellent location to serve the markets in the Balkans and beyond by tapping local expertise and time-honoured business connections. Local staff can give an insider's perspective of the way the businesspeople in the region think and companies make decisions based on the decades of co-shaping the geopolitical architecture of the region. Slovenia's economic performance continues to build on the positive momentum of its leadership in business and technology best seen in robust export figures.



HOW FAR IS LJUBLJANA FROM OTHER MAJOR EUROPEAN CITIES?

Destination	Km*	Time*
Zagreb	145	1.5
Venice	240	2.5
Vienna	380	4
Munich	405	4.5
Budapest	460	4.5
Sarajevo	520	6
Belgrade	540	5

*Distances and approximate journey time by road from the capital of Slovenia



MAP OF SLOVENIA

Motorway
Railway



Quality of Life Testimonials

According to Lonely Planet's Best of Europe list of tourist destinations on 2014, Slovenia's capital Ljubljana and one of Europe's most liveable cities is placed second after Greece and recommended as the perfect base to explore the rest of the country, "which is as picture-perfect as Switzerland but much easier on the wallet" and it has an important 47 kilometres of the Adriatic coast with the medieval towns nested at the tip of the Slovenian Istria also known for olive oil and fine wines.

Generally perceived as a prosperous and welcoming country with architecturally grand, cultured cities, and lush pine-forested countryside, perfect for hiking and biking in summer and skiing in winter (roughguides.com), Slovenia has much to offer both to visitors and expats. Criss-crossed by a well-developed road network, fascinating sceneries, historical sites and sports facilities are a short drive away. Slovenia's climate is equally enjoyable in summer and winter to the delight of fans of adrenaline-fuelled activities to suit every age and taste in every corner of the country. Helpful and sociable local people with a "can do" attitude make visitors feel at home, the country's crime rate is very low, the atmosphere is relaxed even though the Habsburg heritage is alive, and food is great.

»Thanks to staff flexibility, their high level of skills and unsparing effort to make things work, we manage to achieve very good results. I am convinced that the staff is our greatest asset in ensuring the future of Revoz Novo mesto within the framework of the worldwide group Renault-Nissan.«

*Michel Bouton, Ex-President of the Management Board
Revoz
Renault*



»Encouraged by a decade of ongoing business relations with a Slovenian company, VOGT Electronic AG decided to invest in Slovenia in 1997. Confidence in Slovenia as suitable investment location was based on its qualified personnel, management flexibility and a drive to enter new markets,»

*Janez Ločniškar, Director
Sumida Slovenija
Sumida*



☆☆ QUALITY OF LIFE, 2014

Country	Index
Czech Rep.	7.56
Slovenia	5.64
Slovak Rep.	5.40
Croatia	5.10
Hungary	4.00
Poland	3.69
Romania	3.37
Bulgaria	2.57

Source: IMD - World Competitiveness Yearbook, 2014



Motorhome Coral Plus © Adria Mobil



© Akrapović

Quality Infrastructure

As precondition for economic prosperity and social activity, transport and mobility pose also significant challenges for sustainability. In the decades to come, automotive research will focus on areas such as transport rationalisation, improving road safety and focusing on the environmental impact of increased mobility needs. Against this backdrop, Slovenia's well-developed general and soft infrastructure will have a key place in making the right number of quality cars by introducing breakthrough technologies, keeping inventories low and production linked to demand. Its engineering and manufacturing industries and their partners from R&D institutions have a long tradition in delivering to discerning foreign buyers. As brand reputations depend on innovation and quality, compliance with recognised automotive standards and delivering parts used across multiple platforms and vehicles, most manufacturers apply the method of early involvement and close, long-term partnerships with individual suppliers, as well as single-sourcing. The Automotive Cluster of Slovenia (ACS) is the hub for Slovenian automotive suppliers in metal processing, mechanical, electrical and electronics, chemical, rubber, textile and transport equipment industries as well as partners from RTD institutions and support services.

Innovation centres, institutes for materials and technologies, knowledge academies – these are modern building blocks for the Slovenian companies that start with the evaluation of the technical feasibility of new ideas and technologies and follow through to mass development and production. Just take Hidria – a leading supplier of high-technology solutions for powertrains and steering systems in the European and global automotive industries – has come out with a new product that improves engine combustion control. Today Hidria's research and development-driven technology co-manages every tenth new car in Europe, and ignites every sixth new car equipped with a modern diesel engine in the world.

Slovenia is also proud of its niche companies such as Akrapovič, widely recognised as a highly innovative materials technology company boasting high-end exhaust systems for motorcycles and performance cars.



LEADING DOMESTIC AND FOREIGN-OWNED COMPANIES

Enterprise	Foreign Investor	Products
Adria Mobil		Coachwork for motor vehicles, trailers & semi-trailers
Agis zavore		Brake systems and parts
Akrapovic		Exhaust systems
Boxmark Leather	Unicut (Ch)	Sewn seat covers, leather wrapped parts and leather parts
Carthago	Carthago Reisemobilbau (De)	Motor homes
CECOMP	CECOMP (It)	Blanking from coils, cut-to-length, progressive dies stamping
Cimos		Turbo systems, powertrain, chassis and body components
Domel		Brushless EC motors, brushed DC motors, stepper motors and other components
Filc		Thermal insulation of car batteries, acoustic insulation materials for motor area and vehicle interiors...
GKN Driveline Slovenija	G.K.N. Industries (UK)	Ball, needle and roller bearings
Grammer Automotive Slovenija	Grammer (De)	Seats, seat frames and parts
Hella Saturnus Slovenija	Hella KGAA HUECK & Co. (De)	Motor vehicle electrical and electronic equipment
Hidria AET		Motor vehicle electrical and electronic equipment
KLS Ljubno		Starter ring gears for flywheels
Letrika	Mahle (De, At)	Starter motors and generators for internal combustion engines
Letrika Bovec	Letrika Laktaši (BiH)	Motor vehicle electrical and electronic equipment
LTH ulitki		Transmission and engine components, systems and components for steering and breaking
Mariborska livarna Maribor		Die-casting parts with machining
Novem Car Interior Design	Novem Car Interior Design (De)	Decorative components and functional elements for vehicle interiors
Odelo Slovenija	Odelo (De, Tr)	Parts & accessories for vehicles & engines
Resistec UPR	Krah Unternehmungsholding (De)	Resistors and rheostats
Revoz	Renault (Fr)	Passenger cars
Rotis		Bearings, gears, gearing and driving elements
SG Automotive		Electronic equipment and components for vehicles
Sogefi filtration	Sogefi (It)	Motor vehicle body components and engine components
Starkom	Daimler (De)	Assemblies for vehicle axles and structural components
Sumida Slovenija	Sumida AG (De, Jp)	Special parts for automotive industry
TAB		Batteries & accumulators
Talum		Foundry alloys, extrusion billets, slugs and discs, evaporators, width and narrow strip
TBP		Parts and accessories for motor vehicles and their engines
TPV		Components for automotive industry
TPV Johnson Controls	Johnson Controls International (NI)	Complete seat systems
TPV Prikolice	Böckmann Fahrzeugwerke (De)	Light trailers
Unior		Forgings for steering mechanisms, diverse chassis support parts, shafts for engines, transmission parts
Ydria Motors	EBM Papst Landshut (De)	Electric motors, generators & transformers



FACULTIES, RESEARCH INSTITUTIONS AND TRADE ASSOCIATIONS

University of Ljubljana, Faculty of Electrical Engineering	www.fe.uni-lj.si
University of Maribor, Faculty of Electrical Engineering and Computer Science	www.feri.uni-mb.si
University of Ljubljana, Faculty of Mechanical Engineering	www.fs.uni-lj.si
University of Maribor, Faculty of Mechanical Engineering	www.fs.uni-mb.si
ACS – Automotive cluster of Slovenia	www.acs-giz.si
TECOS - Slovenian Tool and Die Development Centre	www.tecos.si
Tool-making Cluster of Slovenia	www.toolscluster.net
Car industry institution RTC	www.rtc.si

