



Machining
& Metalworking
Industry

SLOVENIA

The Right Mix of Qualities



Quality Workforce

Slovenia's machining and metalworking sector is ready to maximise opportunities as it continues to provide technologies, services and equipment to other industrial sectors. The machinery must be designed and constructed taking into account green engineering and the results of the risk assessment. Labour productivity is recognised as a "make-or-break" factor and major manufacturers are upgrading facilities and investing in new projects. At this point, experience and knowledge of employees give companies an edge through innovative solutions that translate to continuing improvements of manufacturing processes. The CE conformity marking affixed to the »Made in Slovenia« products relates to the design and production phases of the product and underlines a high level of metalworking technology, machine tools and precision engineering found in Slovenia. Car component manufacture and assembly is another sector's facet outlined in the brochure Automotive Industry.

The fact that over 50,000 people work in about 2,800 machining and tooling companies explains the progress in the development of modern technologies and their application to a lean-manufacturing environment. The bulk of workforce is employed in metal forming and metal fabrication, but in terms of value-added per employee, the companies specialising in car component manufacture and assembly post the best results. Staff training is highly important as less expensive, faster and more efficient process become the stepping stones to improved competitiveness thanks to research and innovation. Slovenian manufacturers are moving to the fore of the international supply chains as slow stamping-press speeds and frequent die crashes are regarded as not acceptable.

Different educational institutions create knowledge that enhances the productivity and competitiveness of the metals industry, and develop its human resource base. Currently some 2,700 students are enrolled in undergraduate courses for occupations in the machining and metalworking industry. The number of students in secondary schools for metallurgy and mechanical engineering is nearly 6,900.

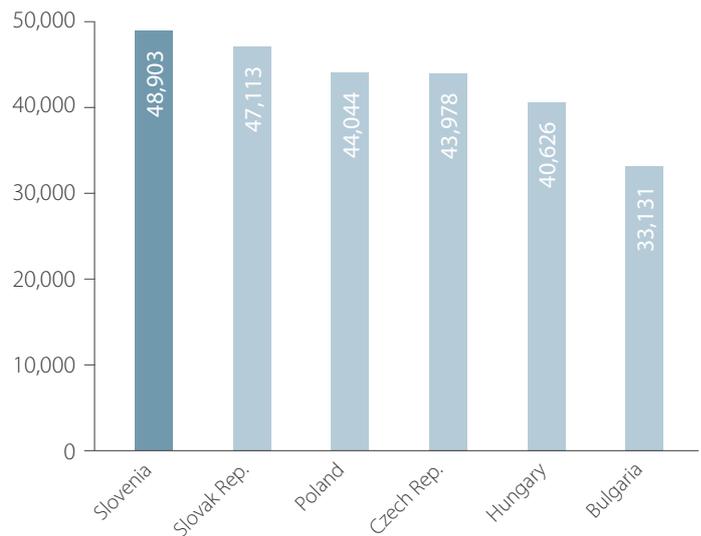
An integrated, results-oriented education system providing young people and adults with critical career information resources and the skills they need to make effective educational and career decisions is widely appreciated by employers. Learning foreign languages is not a hobby in Slovenia but a practical business skill playing a crucial role in securing a job and enhancing one's career. Most people can speak good English and there are many German and Italian speakers.

Blades for Kaplan turbine © Litostoj Steel Ltd.



PRODUCTIVITY IN INDUSTRY, 2013

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



Source: IMD - World Competitiveness Yearbook, 2014



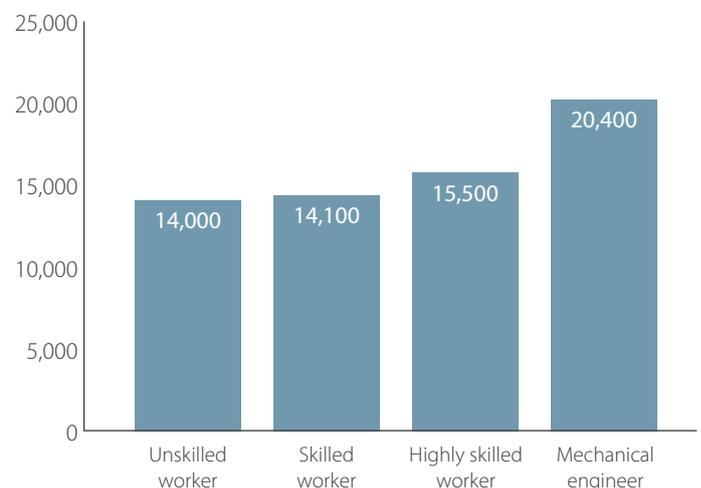
PRODUCTIVITY / VALUE-ADDED PER EMPLOYEE, 2014

Company	Value-added per employee (in €)
Danfoss Trata	99,006
Akers valji Ravne	59,223
Kovis	49,176
Lama okovja	49,068
LTH castings	46,685
Valji	46,518
Palfinger	45,489
GKN Driveline Slovenija	43,730
Niko	42,031
Yaskawa Ristro	40,496
Store steel	39,282
Livar	35,564

Source: Bisnode, 2014



ESTIMATED GROSS ANNUAL LABOUR COST IN MACHINING & METALWORKING INDUSTRY IN 2015 (in €)



Source: Adecco & own calculations, 2014

Quality Link to Regional Markets

When forming strategic partnerships, technology intensity coupled with a focus on innovation, a high degree of specialisation and functional flexibility, a strong position in high-end markets and the proximity to the fast-growing markets in Central and South-eastern Europe (CSEE) are Slovenia's strengths. With its cutting-edge technologies, a skilled workforce and high quality products, Slovenia is a hotbed of business opportunity for investors seeking to create a new paradigm in modern machining and tooling industry. The manufacture of all kinds of fabricated metal products and machined parts accounts for 60% of revenue earned in foreign markets and with 3.9 billion euros in exports in 2013, the sector generated 18% of total Slovenian exports of the manufacturing sector. The EU Member States remain Slovenia's biggest market and thanks to the decades of fostering economic links with its neighbours, Slovenia keeps expanding trade with the markets in the region. The leading Slovenian machining and tooling companies are among the most important foreign investors in the markets of South-Eastern Europe and it is a clear benefit for their international business partners.

Geographical proximity of supply chain and close relationships with customers make Slovenia a springboard for accessing key customers and many international companies use it for their regional hubs attracted by the expertise of local managers and engineers, and their in-depth knowledge of the regional markets. There is little need for compliance training and cultural integration, there are no language barriers and a culture of

transparency and accountability is at home in Slovenia. The skills or competencies commonly found in Slovenia and across the region include personal competencies such as integrity, flexibility, problem solving, workplace competency in teamwork and other qualities that open the door to the regional markets where so many Slovenian companies are at home.

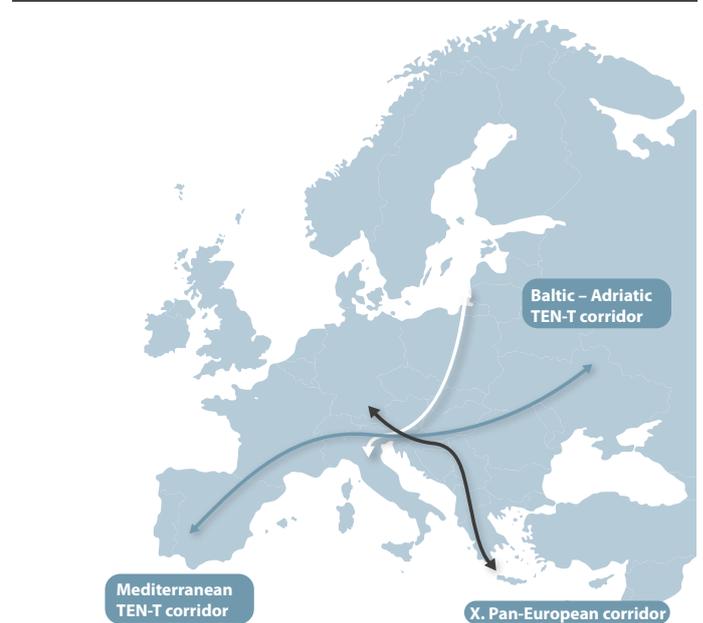
By partnering a company from Slovenia, a foreign investor gets an edge over domestic and regional competitors, shares cultural awareness and understanding of the regional marketplace, gets understanding of government regulation and compliance in Slovenia and across the CSEE, benefits from local technological skills, improves the ability to adapt and adjust supply chain to accommodate unexpected economic and environmental changes – the advantages necessary to be successful in new markets. Another advantage are refundable funds from Brussels in the 2014–2020 period. Under the government Operational Programme for the Implementation of European Cohesion policy, funding available is 3.2 billion euros for research and innovation, information and communication technologies, improving the competitiveness of SMEs, and for the shift to a low-carbon economy. The investments in supporting so-called soft topics, which ensure an appropriate combination of measures combining investments in human resources and their activation, in mobility, research, development and innovation and greater energy and resource efficiency, will benefit operators in the metalworking and fabricating industry.



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 Testimonial

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.

»Tradition, experience and knowledge, combined with that little extra, that each individual is giving in creating new products and offering the best service, are making us a competent partner to our global customers. It is nothing but profitable investment.«

Troels H. Petersen, President
Danfoss District Heating Controls
Danfoss

☆☆ 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



Lever arch mechanisms for files © Niko d.o.o.



Rear wheel swing arm for motorcycles © Talu Ulitki d.o.o.

Quality Infrastructure

Slovenia boasts a long industrial tradition in metalworking and fabricating technology and a well-developed machinery sector accounting for 10 to 13% of manufacturing output. Slovenia's metalworking companies can serve all sub-sectors and meet the needs for innovation or efficiency gains in the standardised automotive sector and in the quickly evolving specialist sectors such as windpower plant manufacturing.

The provision of efficient, reliable and affordable infrastructure services is crucial to economic growth and sustainable development and both companies and households in Slovenia benefit from the country's high level of infrastructure services. Investors stand to benefit from general infrastructure such as highways and railroads and soft infrastructure (political, institutional, and legal environment) and Slovenia's record of accomplishment is equally impressive in both fields. Slovenia is a location of choice for investors that want to offshore some or all

operations to a safe country with well-developed transport and IT infrastructure. The Adriatic Port of Koper is the shortest maritime connection for cargo arriving from Asia to landlocked countries of Central Europe through the Suez Canal.

Innovation networks and collaboration between companies working in the metal forming and metal fabrication industry exist in the form of clusters, professional associations, dedicated university departments and research institutes that support fundamental and applied research. Designers and manufacturers of tools have been at the forefront of the industry providing a platform for toolmaking companies with CAD/CAM/CAE designed and manufactured tooling. Other companies benefit from comprehensive hi-tech solutions to increase productivity and speed delivery. These are large, as well as medium and small enterprises, well-known in the EU working to specifications of leading manufacturers in the automotive and aviation industry, and non-metal industry sectors such as household appliances and IT.



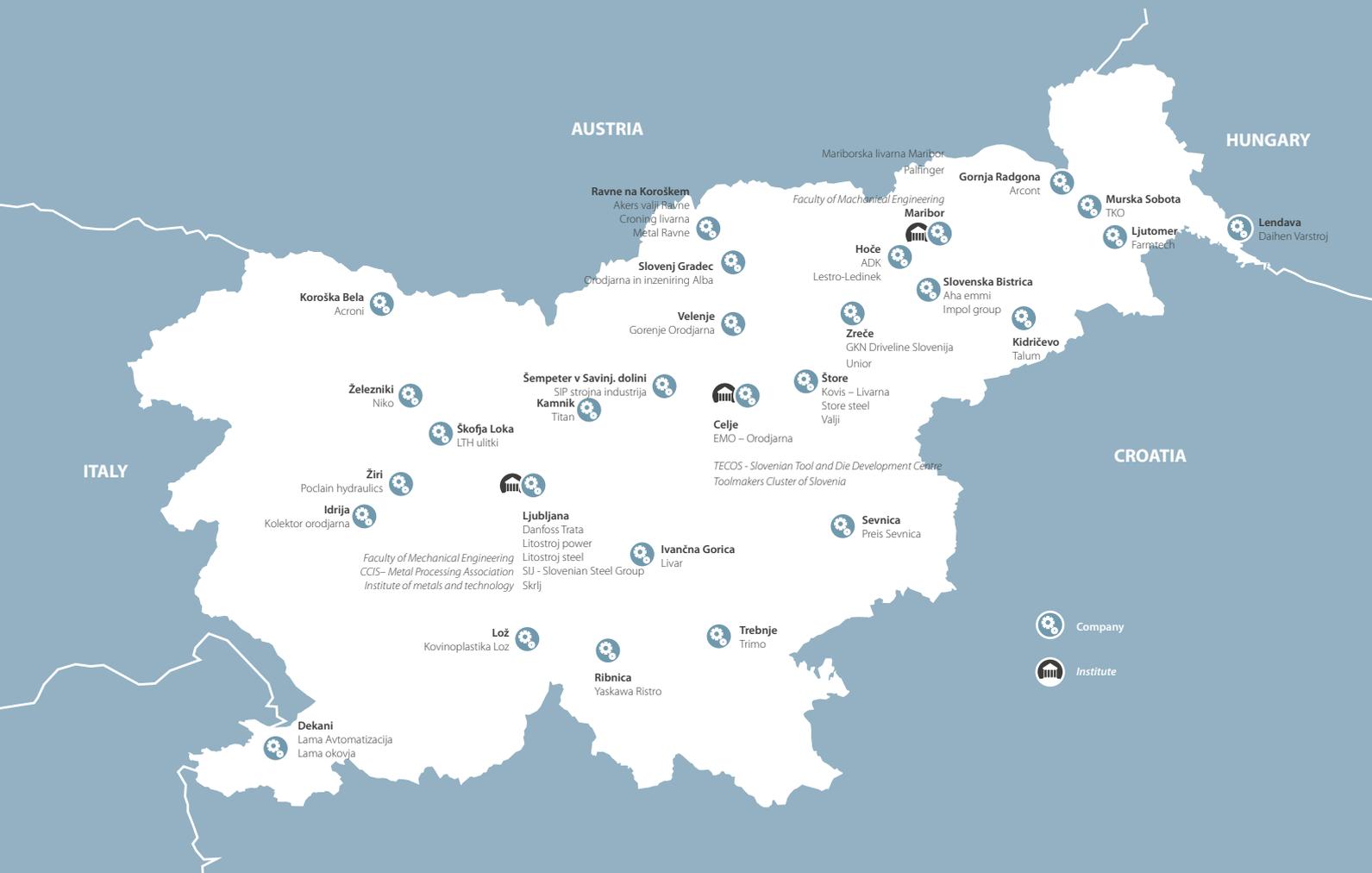
LEADING COMPANIES IN MACHINING & METALWORKING INDUSTRY

Company	Foreign Investor	Products
Acroni	OAOKoks (Rus)	Manufacture of basic iron, steel and ferro-alloys
ADK		Lifting & handling equipment
Aha emmi		Aluminium processing
Akers valji Ravne	Akers (S)	Manufacture of specialty tools
Arcont	Containex Container (At)	Metal structures
Croning livarna	Krombach International (De)	Cast steel production and machining
Daihen Varstroj	OTC Daihen (Jap)	Welding and thermal cutting machines
Danfoss Trata	Danfoss International (Dk)	Industrial machinery & equipment
Emo - Orodjarna		Tools for sheet metal fabrication, CAD/CAM/CAE designed tools
Farmtech	Komptech (At)	Agriculture & forestry machinery
GKN Driveline Slovenija	G.K.N. Industries (UK)	Ball, needle and roller bearings
Gorenje Orodjarna		Tools for sheet metal fabrication, plastics processing and CAD/CAM/CAE designed tools
Impol group		Aluminium and aluminium-alloy products
Kolektor orodjarna		Integral tooling services, development and production of production lines and machines
Kovinoplastika Loz		Metal fittings, tools for sheet metal fabrication, plastics processing and die casting
Kovis - Livarna		Railway locomotives and rolling stock
Lama Avtomatizacija	Titus Tool Company (USA)	Furniture fittings, prefabricated systems, tools
Lama okovja		Fittings, assembly systems, tools
Lestro-Ledinek	Ledinek Maschinen und Anlagen (At)	Woodworking machines
Litostroj power	Celveti estates (Cz)	Integrated solutions for hydro energy equipment
Litostroj steel		Casting of steel
Livar		Grey and nodular cast iron castings
LTH ulitki		Complex aluminium and magnesium high-pressure die-cast components and systems
Mariborska livarna Maribor		Copper, copper alloy and aluminium alloy products
Metal Ravne		Manufacture of basic iron, steel & ferro-alloys
Niko	Ring International (At)	Variety of metal products designed mainly for the paper and wood industry
Orodjarna in inzeniring Alba	Naue industries (At)	Machine tools
Palfinger	Palfinger (At)	Cranes, hoists and winches
Poclain hydraulics	Poclain Hydraulics (Fr)	Hydraulic valves
Preis Sevnica	Jägersberger (AT)	Metal tanks, reservoirs and containers
SIJ - Slovenian Steel Group	OAOKoks (Rus)	Flat and long steel products, forging steels
Skrlj	SK-Group (Lux)	Winemaking machinery and equipment
Store steel		Steel bars for applications in the forging, spring and engineering industries
Talum		Aluminium products (foundry alloys, extrusion ingots, evaporators, castings ...)
Titan	Securidev (Fr)	Locks & hinges
TKO	Dunes Limited (UAE)	Components for excavators, bulldozers and loaders
Trimo		Metal buildings, structures, façade panelling, roofs
Unior		Machine and hand tools, forgings and sintered parts
Valji		Production of rolls and castings
Yaskawa Ristro	Yaskawa Europe (Jap)	Wide range of robotic solutions for industrial application



FACULTIES, RESEARCH INSTITUTIONS AND TRADE ASSOCIATIONS

University of Ljubljana, Faculty of Mechanical Engineering	www.fs.uni-lj.si
University of Maribor, Faculty of Mechanical Engineering	www.fs.uni-mb.si
TECOS - Slovenian Tool and Die Development Centre	www.tecos.si
Toolmakers Cluster of Slovenia	www.toolscluster.net
Institute of Metals and Technology	www.imt.si



MACHINING & METALWORKING INDUSTRY IN SLOVENIA



FACTS AND FIGURES IN 2013

Number of companies: 2,809
 Number of employees: 50,771
 Revenue: € 6.5 billion
 Exports: € 3.9 billion



KEY PRODUCTS

Vehicles and auto parts • Metal fittings and components • Cast and fabricated metal elements • Water turbines and pumps • Various metal products • Metal tools • Truck lifts • HVAC systems



KEY EXPORT MARKETS

Australia, Austria, Croatia, Czech Re., France, Germany, Hungary, Ireland, Italy, Netherlands, Serbia, Spain, Switzerland, UK, USA

Source: AJPES 2014

INVEST SLOVENIA



SPiRiT Slovenija

Public Agency of the Republic of Slovenia for the Promotion of Entrepreneurship, Innovation, Development, Investment and Tourism

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 PUBLIC AGENCY OF THE REPUBLIC OF SLOVENIA



REPUBLIC OF SLOVENIA
 MINISTRY OF ECONOMIC DEVELOPMENT
 AND TECHNOLOGY

InvestSlovenia – your connection to business opportunities

InvestSlovenia's team, part of SPiRiT Slovenija, a public agency whose mission is to promote entrepreneurship, innovation, development, investment and tourism, provides services and business tools that allow companies to make informed decisions regarding foreign direct investment in Slovenia.

For an overview of one-stop-shop best practices related to services to investors, facilitating land acquisition for investment projects and coordination with potential business partners, suppliers and authorities, foreign investors just have to turn to InvestSlovenia Team to arrange a direct access to the business community and help reduce time associated with administrative and approval processes.

Global investors can count on the InvestSlovenia staff to expedite their business investment in Slovenia. Its committed experts provide coordination within the competent institutions with FDI-relevant operations and work in partnership with state, regional and local organisations to promote Slovenia's business attraction and investment retention.