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1. SMEs in Slovenia – a brief fact check:

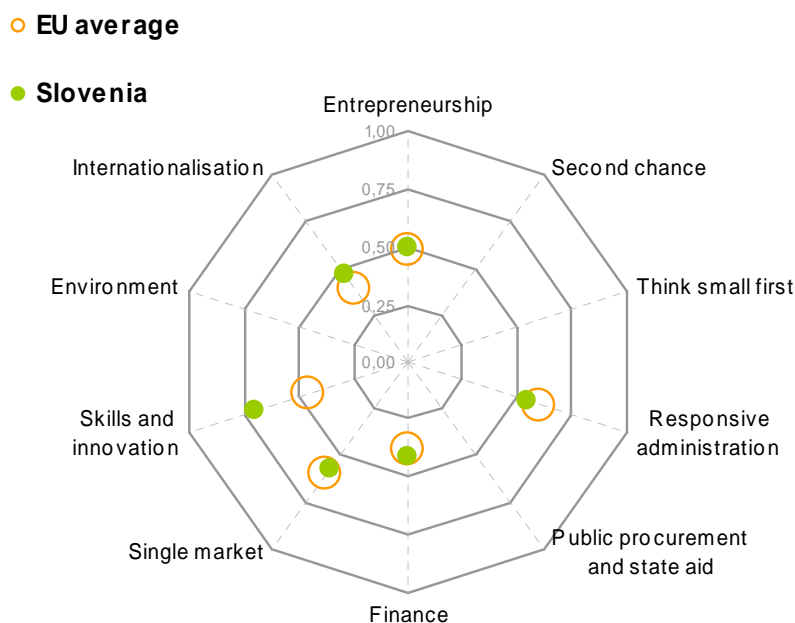
There are approximately 44 SMEs per 1000 inhabitants in Slovenia, exceeding the EU-27 average of almost 40. The relative importance of SMEs for the Slovenian economy equals more or less that of the EU-average. One striking feature is that their share in overall domestic value-added creation is higher than the EU-average.

	Number of enterprises			Number of persons employed			Value added (MEUR)		
	Value	%	EU-26 average	Value	%	EU-24 average	Value	%	EU-26 average
Micro	82.025	92,6%	91,8%	157.510	27,9%	29,6%	2.841	20,9%	21,1%
Small	5.183	5,8%	6,9%	99.530	17,6%	20,6%	2.579	19,0%	19,0%
Medium	1.132	1,3%	1,1%	113.449	20,1%	16,8%	2.797	20,6%	17,8%
SMEs	88.340	99,6%	99,8%	370.489	65,6%	67,1%	8.217	60,6%	57,9%
Large	278	0,3%	0,2%	193.784	34,3%	32,9%	5.348	39,4%	42,1%

Source: Eurostat SBS data base, 2004 and 2005 data.

2. Slovenia's SBA profile¹

Overall, Slovenia's SBA profile looks positive. In most areas the country surpasses or equals the EU average, with "Skills and Innovation" and "Internationalisation" being the most notable examples for this. There are, however, some marks for Slovenia suggesting that there is room for improvements in certain areas, as compared to the EU average. This is the case of "Public administration" as well as some indicators in the remaining four sections where no category-average could be calculated.



Source: European Commission, DG Enterprise

¹ It should be noted that the different dimensions of the radar correspond to the set of 10 principles foreseen in the European Commission's Small Business Act.



I. Entrepreneurship: Slovenia's performance in this category is in line with the EU average. Almost all areas pertaining to the issue of entrepreneurship showed an above-average performance. The degree to which schooling had an impact on developing an entrepreneurial attitude in Slovenia stands out (63% versus 50%), as well as the relatively high enterprise survival rate (83% to 73% for the EU). On the downside, there are only three indicators with sub-average scores vis-à-vis the EU. The one trailing furthest behind the EU-average is the prevalence rate of female entrepreneurial activity (5% versus 7,3% for the EU). For the other indicators the margins are much less significant.

II. Second chance: The figures on the only available indicator in this category – the degree of support for allowing a second chance – place Slovenia considerably below the EU average (61 to almost 80%).

III. Think small first: The two available indicators in this section – the time it takes to comply with administrative obligations and the share of support among SMEs - assign below-average marks to Slovenia. The former indicator comes with a particular unfavourable value: as it takes more than twice the time to deal with administrative issues in Slovenia than in the EU as a whole.

IV. Responsive administration: The overall results for Slovenia in this category are slightly below EU-average. The picture is rather heterogeneous when it comes to individual indicators. In general the indicators measuring administrative costs perform well above the EU-average. This includes costs for closing a business, registering property, enforcing contracts and social security costs incurred by the employer. In addition, the availability of e-government services is another area where Slovenia is among the top-performers in Europe. On the other hand, all indicators measuring the burden on business resulting from administrative processes show below-average marks. For example, Slovenia comes on the top of the list of the "difficulty of hiring index" within the EU. The time it takes to start a business (60 days) is the longest in Europe (although it should be noted that according to data from other Directorate General for Enterprise and Industry's sources, the time is no issue; also, more recent Worldbank data which could not – for technical reasons - be included in this exercise point to a significant improvement in this area).

V. Public procurement and State aid: On both indicators in this section, the share of SMEs in

public procurement contracts and the proportion of state aid devoted to SMEs, Slovenia's performance is significantly higher than the EU-average. In terms of public procurement Slovenia actually tops the list in Europe (78% of the contract volume going to SMEs as opposed to 42 per cent for the EU as a whole).

VI. Finance: The information available in this category puts Slovenia in line with the EU average. It has to be mentioned, that the average for Slovenia was based on less data than for other Member States. Available individual indicators draw a rather heterogeneous picture. Best performing indicators are the ones measuring the share of structural funds dedicated to SME-related issues. On both of those indicators Slovenia exceeds considerably the EU average. On the downside, the depth of credit information index deviates – in a negative sense – most clearly from the EU average (2 on a scale of 0 - 10, with an EU-average 4,6). Also the average share of Slovenian SMEs claiming to experience problems in accessing finance is slightly higher than the EU-average.

VII. Single market: The three indicators related to the implementation and transpositions of EU rules in national law provide a rather mixed picture. While two of them show above EU average scores, the third (average transposition delay of EU rules in national law) points in the other direction. In addition, the share of enterprises exporting to the EU market in all enterprises is behind the EU-average (2,1% to 2,8%).

VIII: Skills and innovation: Slovenia performs substantially better on this indicator than the EU average. This performance is replicated on the level of the individual indicators pertaining to this section (with a few exceptions). The strongest performances come from indicators measuring innovation. The indicators measuring SMEs with new products, and the share of SMEs turnover from new or significantly improved products, rank Slovenia first within the EU (78 to 63%). The performance on most education and skills-related indicators is equally strong. The indicators not following this positive trend are the ones measuring the use of the internet to both purchase or sell products, where figures for Slovenia are below the EU-average (e.g. only 20% of Slovenian SMEs had purchased inputs on-line over the past calendar year as opposed to 28% EU-wide).

IX: Environment: Data for this category does not allow for the calculation of a section average given



that only three indicators are available. It can only be stated that in general the performance was close or even higher than the EU-average. Strikingly, on the expenditures on environmental protection Slovenian SMEs are found to outspend substantially their average EU-counterparts. (ca €1.800 as opposed to almost €900 in 2004).

X: Internationalisation: The information gathered for this category also suggests that Slovenia outperforms the EU average. At the level of individual indicators the picture is more mixed. The

indicators directly measuring the degree to which Slovenian's SMEs have internationalised their operations show above-EU-averages (with one exception: the share of SMEs gaining income from subsidiaries or joint ventures abroad). On the share of SMEs exporting outside EU-27 in total SMEs Slovenia ranks first in the EU. In contrast to this, all the indicators measuring the complexity of importing or exporting procedures are below the EU-average. These results are similar to the findings on process indicators in the administration section.

Example for a good practice in SME policy

To illustrate the efforts of the Government to promote SMEs, the statistical information of the fact sheet is enriched by an example of a good practice in SME policy - as singled out in the European Commission's Communication on "Think small first – A Small Business Act for Europe":

Title of the Project: Implementation of support services for SMEs on local level through one-stop-shops

The objectives of this project are:

- to foster enterprise activities and rise of the enterprise culture in Slovenia;*
- to give high quality services and assure access to support services for the start-ups and for operation of enterprises;*
- to assure comprehensive support services in one place;*
- to give possibility to register an enterprise at one place (cheaper and faster);*
- to assure 35% of users per year within the target group;*

One-stop-shop (VEM) support services for potential and for existing entrepreneurs on local level.

- 1. Establishment of a quality network of local info points (VEM points), assuring coverage and access nationwide. So far, 32 VEM points have been established.*
- 2. Qualification of advisors to offer basic support services in different fields: diagnostic and general counselling, registration of sole proprietors' businesses as well as companies (in the future), change of status and informing activities.*
- 3. Performing of promotion activities of the enterprise culture and fostering enterprise activities on local level.*

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