



Key points

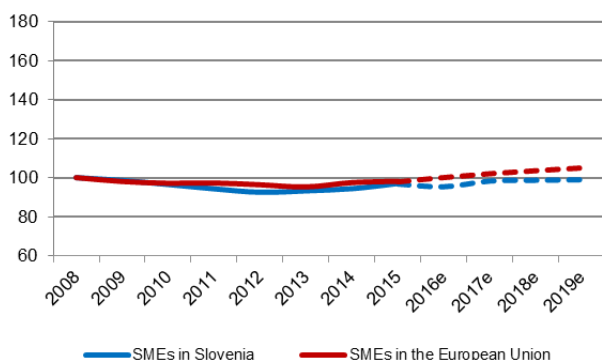
Past & future SME performance¹: Slovenian SMEs generate 65.1 % of value added and 73.4 % of employment in the ‘non-financial business economy’, exceeding the respective EU averages of 56.8 % and 66.4 %. Their annual productivity is, however, almost a quarter lower than the EU average. In 2013-2017, SMEs in Slovenia’s ‘non-financial business economy’ grew strongly: SME value added increased by 33.4 % and SME employment grew by 5.6 %, greatly exceeding the respective figures for large firms. SME value added growth in 2016-2017 was 8.8 %, the highest annual rise since the 2008 financial crisis. In 2016-2017, SME employment rose by 2.9 %, which is also the highest increase since 2008. The outlook for SMEs — and for the Slovenian ‘non-financial business economy’ as a whole — remains positive. SME value added is forecast to increase by 11.6 % in 2017-2019. Conversely, SME employment is projected to grow by 0.6 % in the same period.

Implementing the Small Business Act for Europe (SBA): Slovenia’s overall SBA profile is broadly in line with the EU average. As in the previous year, the strongest area remains ‘second chance’, with all other areas — except for ‘responsive administration’ and environment — falling in line with the EU average. Slovenia scored below average on ‘responsive administration’ and environment areas of the SBA.

SME policy priorities: The lack of a qualified workforce continues to be a dominant theme among SME stakeholders, with regard to policy areas in need of priority attention. Forging stronger links between the business and academic communities and institutions would therefore be helpful. Alternative sources of financing, in particular for innovative fast-growing companies, need to be further developed, together with other supporting measures that could boost the equity market. Despite progress on reducing the administrative burden, the ‘SME test’ and impact assessments for business competitiveness still do not play their expected role, and should be extended beyond primary legislation to cover the resulting regulations, too. The ‘once-only’ principle should also be better implemented. Transition towards a fully centralised e-procurement model needs to be accelerated, and SMEs given better access to public procurement.

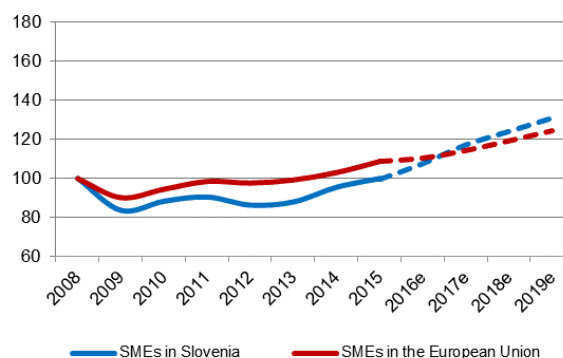
Number of persons employed in SMEs

(Index: 2008=100, estimates as from 2016 onwards)



Value added of SMEs

(Index: 2008=100, estimates as from 2016 onwards)



About the SBA fact sheets

The Small Business Act for Europe (SBA) is the EU’s flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and ‘responsive administration’ to internationalisation. To improve the governance of the SBA, the 2011 review of it called for better monitoring. The SBA fact sheets, published annually, aim to improve the understanding of recent trends and national policies affecting SMEs. Since 2011, each EU Member State has appointed a high-ranking government official as its national SME envoy. SME envoys spearhead the implementation of the SBA agenda in their countries.

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1. SMEs — basic figures

Class size	Number of enterprises			Number of persons employed			Value added		
	Slovenia		EU-28	Slovenia		EU-28	Slovenia		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	135 230	95.0 %	93.1 %	217 411	36.2 %	29.4 %	5.2	23.4 %	20.7 %
Small	5 776	4.1 %	5.8 %	110 012	18.3 %	20.0 %	4.5	19.9 %	17.8 %
Medium-sized	1 100	0.8 %	0.9 %	113 349	18.9 %	17.0 %	4.9	21.8 %	18.3 %
SMEs	142 106	99.8 %	99.8 %	440 772	73.4 %	66.4 %	14.6	65.1 %	56.8 %
Large	221	0.2 %	0.2 %	160 084	26.6 %	33.6 %	7.8	34.9 %	43.2 %
Total	142 327	100.0 %	100.0 %	600 856	100.0 %	100.0 %	22.4	100.0 %	100.0 %

These are estimates for 2017 produced by DIW Econ, based on 2008-2015 figures from the Structural Business Statistics Database (Eurostat). The data cover the 'non-financial business economy', which includes industry, construction, trade, and services (NACE Rev. 2 sections B to J, L, M and N), but not enterprises in agriculture, forestry and fisheries and the largely non-market service sectors such as education and health. The following size-class definitions are applied: micro firms (0-9 persons employed), small firms (10-49 persons employed), medium-sized firms (50-249 persons employed), and large firms (250+ persons employed). The advantage of using Eurostat data is that the statistics are harmonised and comparable across countries. The disadvantage is that for some countries the data may be different from those published by national authorities.

Slovenian SMEs generate 65.1 % of value added and 73.4 % of employment in the 'non-financial business economy', exceeding the respective EU averages of 56.8 % and 66.4 %. The average SME employs 3.1 people, lower than the EU average of 3.9. The annual productivity of SMEs is roughly EUR 33 100 per person, which is almost a quarter lower than the EU average. *Manufacturing* and *wholesale and retail trade* are the largest SME sectors, accounting for 51.7 % of total SME value added and 45.9 % of SME employment.

In 2013-2017, SMEs in Slovenia's 'non-financial business economy' grew strongly: SME value added increased by 33.4 %

and SME employment grew by 5.6 %, greatly exceeding the respective figures for large firms. SME value added growth in 2016-2017 was 8.8 %, the highest annual rise since the 2008 financial crisis. In 2016-2017, SME employment rose by 2.9 %, which is also the highest increase since 2008.

In *manufacturing*, Slovenian SMEs are responsible for 52.2 % of the sector's total value added, playing a bigger role than SMEs in the EU overall, where only 41.6 % of value added in manufacturing is generated by SMEs. Throughout 2013-2017, SMEs continued to lead growth in the sector, with an increase of 39.6 % in value added and 4.9 % in employment, outperforming

the growth of large firms. The main growth driver for *manufacturing* was an increase in foreign demand leading to a rise in exports. Extensive restructuring after the 2008 crisis resulted in rising exports of mid- and — especially — high-tech products, which create more value added than low-tech products, the main pre-crisis exports. Consequently, in 2017, high-tech products accounted for 20 % of total exports.² In addition, the manufacturing sector has improved in internationalisation and inclusion in global value chains³, and, because labour costs have grown slower than productivity, the cost competitiveness of Slovenian manufacturing firms has improved.⁴ However, SME employment in the sector is still 8.6 % below its pre-2008 level, as many of the SMEs in labour-intensive subsectors went bankrupt or were forced to reduce their business activities and workforce.^{5,6}

In the *transport and storage* sector, SME value added increased by 33.6 % in 2013-2017 and employment increased by 14.1 %, substantially outperforming the growth of large firms. These developments were mainly driven by the subsector *freight transport by land*. Firms in this sector benefit from two pan-European transport corridors (No V, linking Barcelona and Kiev, and No X from Salzburg to Thessalonica) which intersect at Ljubljana⁷. The reopening of traditional transport and trade routes has created an upswing in road and rail transport services^{8,9} and has resulted in Slovenia's ranking as one of the EU's top performers with regard to volume of road freight transport per capita¹⁰. Prior to 2005, the volume of freight transport by domestic hauliers (in tonne-kilometres per capita) was similar to the EU average; in 2015 it was 2.5 times higher¹¹. Reasons for this growth include rising domestic and international demand and an increasing focus on internationalisation among road haulage companies (supported by liberalisation of the sector in the EU¹²). Falling fuel prices since 2014 have also made road transport more competitive¹³. Furthermore, successful financial restructuring has cut down transport companies' indebtedness¹⁴. Better access to finance¹⁵ has allowed SMEs to increase investment and, combined with higher productivity¹⁶, to improve their competitiveness in the international market. In addition, in 2013-2015, the Slovenian Eco Fund boosted overall investment in the freight transport sector by providing financial support specifically for investment in eco-friendly transport vehicles¹⁷.

In recent years, the business dynamic in Slovenia has remained consistently positive, with company registrations consistently higher than liquidations. In 2016, 19 901 new firms were registered. Despite a slight decline of 2.2 % in registrations in

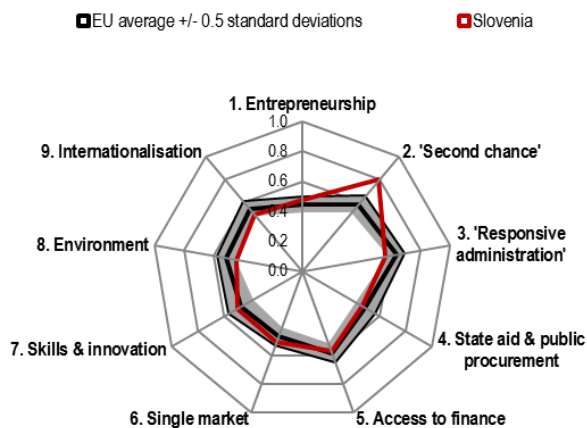
2015-2016, there was still a net gain of 8 612 new businesses in 2016. This stemmed from a strong fall (by 14.8 %) in deregistrations from the previous year. In total, there were 11 289 deregistrations in 2016¹⁸, and, for the third year in a row, Slovenia recorded net business growth, totalling more than 7 400 firms.

The business growth of recent years has been mainly the result of economic recovery¹⁹, a strong entrepreneurial infrastructure (university incubators, co-working spaces, one-stop shops, technology parks) and a well-established start-up ecosystem supported by the *Start-up Slovenia* initiative.²⁰ The following segment presents data that has been collected for the EU Startup Monitor and refers mainly to the population of online and technology based start-ups.²¹ The Slovenian start-up ecosystem has been actively developing over the past few years. The typical Slovenian founder holds a university degree (69.4 %). But at 27.8 %, against the EU average of 13.6 %, Slovenia also has significant proportion of start-up founders without university degrees. Start-ups in Slovenia come from many sectors, such as online service portals (11.1 % compared to a 3.6 % EU average), or consulting (11.1 %), with a top position in the EU for the educational sector (8.3 %, against the EU average of 3.5 %). Slovenian start-ups currently employ 5.4 people on average, which is lower than the EU average (12.8 employees per start-up), but they show ambition to grow both nationally and internationally. Slovenian start-ups plan to double in size by on average hiring 5.8 new employees within the next 12 months. Concerning internationalisation, 92.6 % are looking to grow within the euro area, and 22.2 % are also interested in expanding into the Middle East (against a 15.3 % EU average) and South Africa (against a 14.8 % EU average). 74.4 % of their revenue is generated through business-to-business sectors. The geographic start-up hub for Slovenia is Ljubljana, with a growing start-up community in Maribor.

In 2015, 627 Slovenian firms — 8.7 % of all firms in the 'business economy'²² with at least 10 employees — were high-growth firms.²³ This share is lower than the EU average of 9.9 %. High-growth firms are particularly prevalent in *administrative and support services*, with a share of 12.9 %, and in *transportation and storage*, at 12.0 %.

The outlook for SMEs — and for the Slovenian 'non-financial business economy' as a whole — remains positive. SME value added is forecast to rise by 11.6 % in 2017-2019. Conversely, SME employment is projected to grow by 0.6 % in the same period, resulting in 2 900 new SME jobs.

2. SBA profile²⁴



Slovenia's SBA profile remains broadly in line with the EU average. Slovenia's performance is average in all other areas except for 'responsive administration' and environment, where it scores below average.

Progress has been made in the implementation of the SBA since 2008 though several challenges remain for SMEs, including a significant administrative burden, the lack of qualified workforce and high labour costs.

In 2017 and the first quarter of 2018, the reference period for policy measures in this year's fact sheets, Slovenia implemented over 20 policy measures addressing 8 out of the 10 policy areas under the Small Business Act: entrepreneurship, 'Think Small First', 'responsive administration', state aid & public procurement, access to finance, single market, skills & innovation and internationalisation.

Overall, noteworthy progress has been made in implementing the SBA. Among stakeholders there is a consensus that the area with the most significant progress was 'responsive administration', in particular the setting-up of the Slovenian national business point (SPOT) and the network of local SPOTs providing a wide range of freely available services. This will provide SMEs and entrepreneurs with improved service under a single brand. In addition, several policy measures involving simplifying administrative procedures to reduce the administrative and regulatory burdens borne by SMEs were introduced in the reference period.

Significant progress has been made regarding the 'Think Small First' principle, in particular with the implementation of the 'SME test', which has been mandatory when drafting new laws since January 2017. Since February 2018, 'SME test' results have been available on the website eDemokracija, allowing SMEs and their representatives to respond to assessments of the likely

effects of legislation. In addition, in March 2018 the government adopted the action plan 'Slovenia — the land of innovative start-ups', which outlines obstacles for start-ups and measures to eliminate them; implementation of these measures is ongoing. Amendments to the Supportive Environment for Entrepreneurship Act were also adopted in May 2017, providing a public mandate for SME representatives (the Chamber of Commerce, the Chamber of Craft and Small Businesses of Slovenia) to record administrative barriers for SMEs and draft proposals to eliminate them, and to improve implementation of the relevant measures. Despite this progress, SME representatives claim that the mandatory SME test and impact assessments on business competitiveness need to be extended beyond legislation to include the resulting regulations.

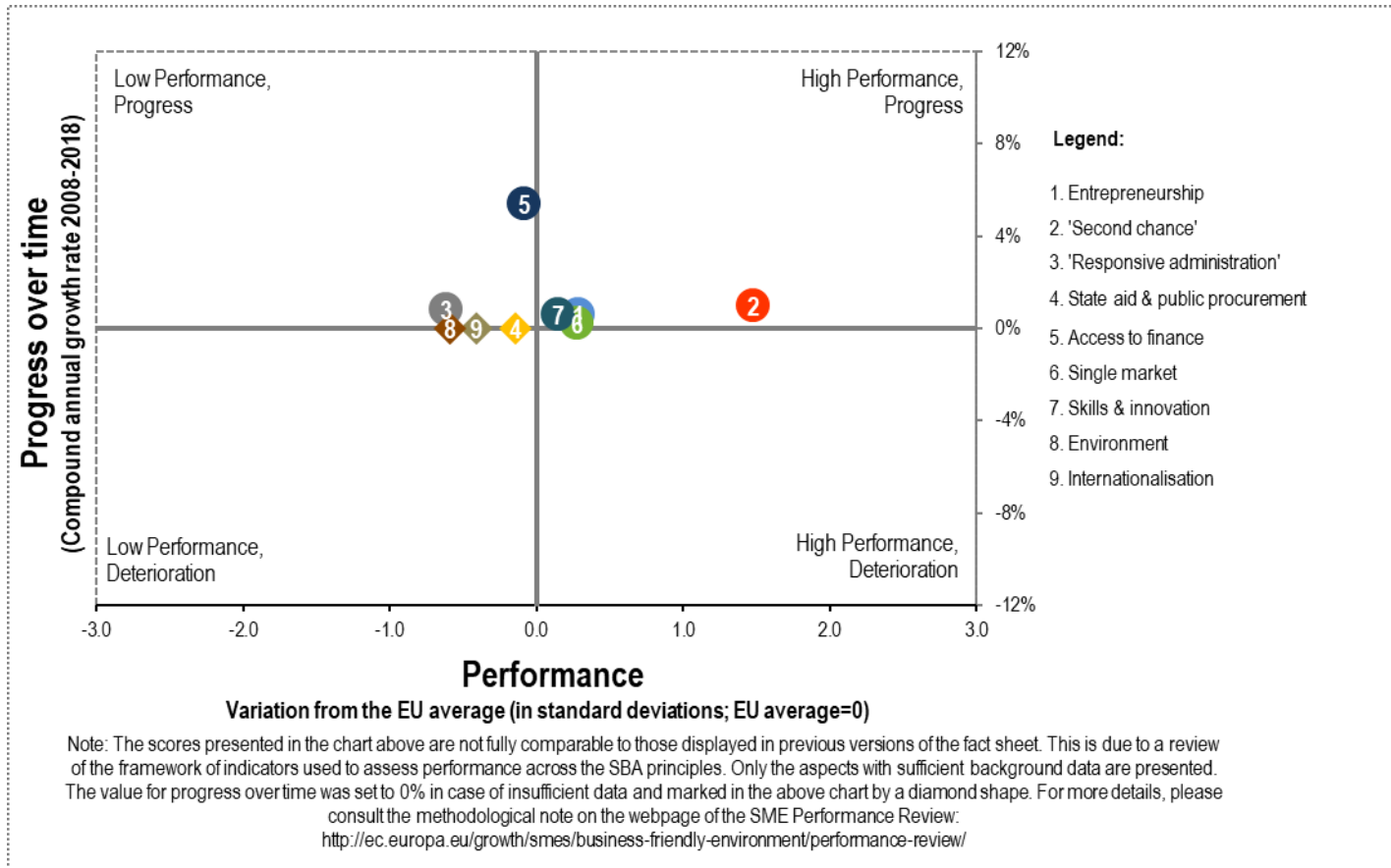
Concerning access to finance, further progress has been made to ensure more coordinated implementation of financial support with the various reforms implemented. In cooperation with and under the management of the European Investment Fund (EIF), Slovenia, together with some other Central European countries (Austria, the Czech Republic, Hungary and Slovakia), launched a Central European Fund of Funds (CEFoF) in late 2017 with the aim of raising equity investment in innovative SMEs. In late 2017, SID Bank, together with the EIF (managing the fund), also launched an equity investment programme for growing SMEs and midcaps²⁵. This fund is backed by an EFSI guarantee under the European Investment Plan (InvestEU). A new Act on Investment Incentives²⁶ was also adopted in February 2018 to encourage investment and to attract foreign investors. However, alternative sources of financing, in particular for innovative fast-growing companies, need to be further developed, together with other supporting measures that could boost the equity market.

Some progress has been made in skills & innovation, with a new measure to ensure better coordination between the output of the vocational education system and the needs of the labour market. In May 2017, the Apprenticeship Act was adopted and in the 2017/2018 school year apprenticeships were introduced in certain school programmes as a pilot project. A measure to encourage innovation activities in SMEs in cooperation with research institutions was also implemented. And the first public call for tender for incentives to support the digitalisation of SMEs was launched by SPIRIT Slovenia in September 2017, with a budget of EUR 2.5 million.

Moderate additional progress has been made on the entrepreneurship, single market and internationalisation principles, with the least progress in the 'second chance' and environment SBA principles, where no significant new measures were implemented or announced in the reference period. Progress on state aid & public procurement was also limited: SME representatives continue to find shortcomings in public procurement procedures. A new public procurement system has been announced but not yet fully implemented.

Better public services and an improved business environment, including reducing the burden of government regulations and the complexity of administrative procedures, remain the key areas where additional effort from the government is expected by SME stakeholders in the near future.

SBA performance of Slovenia: state of play and development from 2008 to 2018²⁷



3. SBA principles²⁸

3.0 'Think Small First'

The 'Think Small First' principle is meant to be a guiding principle for all policy- and law-making activities. It requires policymakers to take SMEs' interests into account at the early stages of the policymaking process. The principle also calls for newly designed legislation, administrative rules and procedures to be made simple and easy to apply.

Since 2008, Slovenia has made good progress on the 'Think Small First' principle. In 2014, the SBA implementation action plan was included in the 'Single Document' of measures for the realisation of a better regulatory and business environment, which is constantly updated with measures to improve the business environment, as proposed by SME stakeholders. According to the government's system for measuring implementation of the proposed improvements to legislative and administrative acts, 71.7 % of SBA-related measures have been fully implemented, and 26 % had been partially implemented by 2017²⁹. Savings for companies as a result of better legislation and regulations are estimated at EUR 250 million per year for 2009-2015^{30,31}. Other aspects of the Single Document are addressed in section 3.3, 'Responsive administration'.

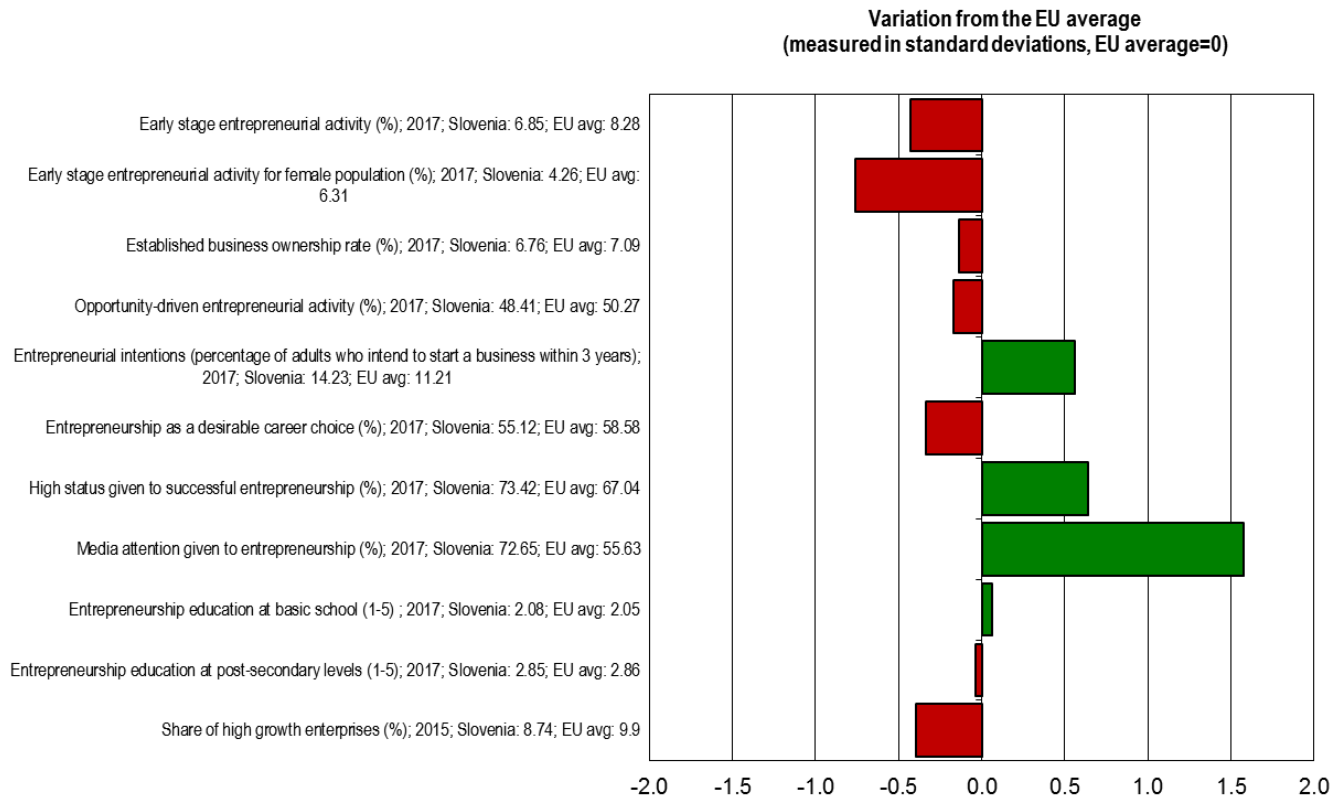
In 2017 and the first quarter of 2018, significant progress was made in implementing the 'SME test' to assess the impact on SMEs of proposed legislation. Since January 2017, the 'SME test' has been mandatory, whether laws are drafted using the regular or shortened procedure. Since February 2018, it has also been

available on the eDemokracija (e-Democracy) website³², allowing SMEs and their representatives to respond to the assessments.

The action plan 'Slovenija — the land of innovative start-ups' (*Akcijski načrt »Slovenija — dežela inovativnih zagonskih (startup) podjetij«*) was adopted by the government on 21 March 2018 in response to an overview of obstacles that start-ups encounter drafted by the 'Start:up Slovenia' initiative in September 2017 and promoted at the PODIM start-up conference³³. The action plan highlights 36 obstacles and measures to remove them, mostly by amending the legislation and/or reducing administrative barriers. Following action by the line ministries concerned, coordinated by the Prime Minister's Cabinet and the Ministry of Economic Development and Technology, 17 measures remained to be implemented and corresponding challenges resolved.³⁴

Despite recent progress, Slovenia still needs to address some fundamental aspects of the 'Think Small First' principle. SME representatives argue that the mandatory 'SME test' and impact assessments on business competitiveness need to be extended to implementing regulations, as currently the test is mandatory only for legislation but not for the regulations and rules which stem from it (i.e. administrative acts drafted by the authorities after a law is passed). So although a law may pass the 'SME test' and thus be perceived as acceptable to SMEs, the subsequent regulations and rules applying it may in fact have adverse effects on SMEs.

3.1 Entrepreneurship



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Slovenia’s performance on entrepreneurship is broadly in line with the EU average, having improved slowly and steadily since 2008. Media attention given to entrepreneurship (thus percentage of people who agree with the statement that they often see stories in the public media about successful new businesses) grew to 72.7 % in 2017 (up from 65.9 % in 2016), the second highest score among Member States, rising above the 2008 level of 67.4 % for the first time since then. The status given to successful entrepreneurs also increased, with 73.4 % of survey respondents saying that in Slovenia successful entrepreneurs receive high status, against previous year’s figure of 69 %. Perceptions of entrepreneurship as a desirable career choice nonetheless declined slightly, to 55.1 %, continuing the stagnation seen in this indicator over the past decade (this figure was 57.6 % in 2008, with relatively little variation in subsequent years). The score for total early-stage and opportunity-driven entrepreneurship also declined slightly. Indicators of entrepreneurship education remain below their 2008 levels despite some growth in 2016-2017.

Since 2008, Slovenia has introduced various policy measures promoting entrepreneurship. The government is building an effective start-up and scale-up ecosystem in which hundreds of new companies develop each year. Government’s important contribution to the start-up ecosystem is its participation in the

‘Start:up Slovenia’ initiative, an open platform that organises start-up weekends, national campaigns and international start-up and entrepreneurship events. ‘Start:up Slovenia’ is also active in proposing measures the government could adopt to create a better business environment. The initiative is supported by the Ministry of Economic Development and Technology, with a variety of financial incentives for entrepreneurship, such as grants, venture capital and seed capital. These are mainly available under the Slovenian Enterprise Fund’s Young Enterprises programme and Comprehensive Financial Support Programme. Non-financial support (coaching, mentoring, information, training, expert advice) and entrepreneurial infrastructure (university incubators, co-working spaces as well as technology parks and one-stop shops - Slovenia Business Points) are well established. They encourage start-ups and support the growth of SMEs³⁵.

In 2016, some progress was made on women’s entrepreneurship with the introduction of training programmes for unemployed women that include a subsidy to encourage self-employment. Recent results are promising, with 82 % of participants starting their own business in 2016 and 88 % in 2017³⁶. Progress has also been made in the field of family-business transfers by SPIRIT Slovenia, with regional meetings of family businesses organised to help owners overcome obstacles related to the

transfer of ownership and management to the next generation³⁷. Efforts to promote entrepreneurship in the school system are under way, with creativity, innovation and entrepreneurial skills actively encouraged by SPIRIT in primary and secondary schools³⁸. There have also been some improvements in terms of promoting entrepreneurial skills in primary schools and secondary schools thanks to activities arising from two corresponding public tenders (February and November 2017).

Despite the progress made, there is still room for improvement. Challenges remain, e.g. the inconsistent approach to the integration of entrepreneurship into educational curricula and the lack of cooperation between entrepreneurs and higher education institutions.

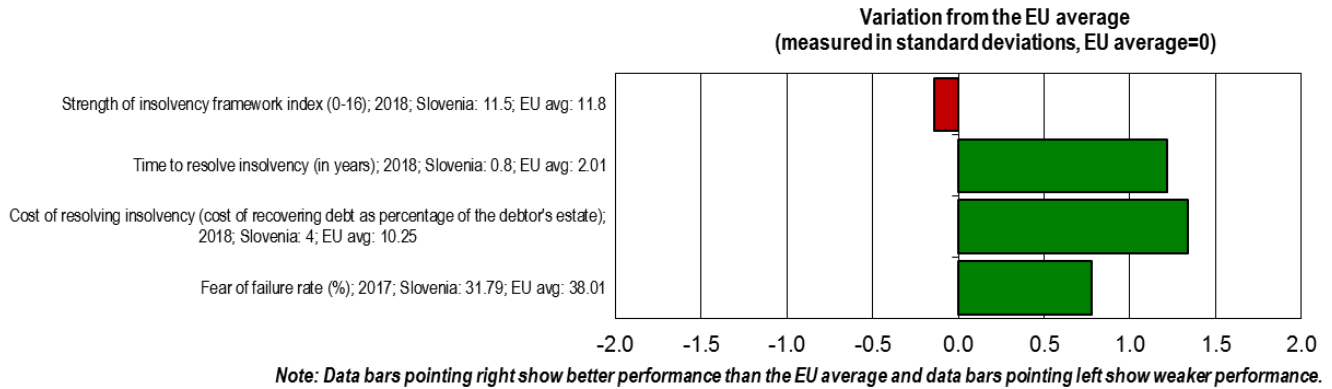
Some progress was made in 2017 and the first quarter of 2018 in the SBA area of entrepreneurship, in particular through the following measures:

- Amendments to the Supportive Environment for Entrepreneurship Act (*Novela Zakona o podpornem okolju za podjetništvo*), adopted by the Parliament in May 2017: these simplify the small incentive allocation procedure, and increase the volume of guarantees

issued by the Slovenian Enterprise Fund's own funds and other long-term resources. They also give SME representatives a public mandate to record administrative barriers to SMEs and draft proposals to remove them.

- A manual for founders and successors involved in transferring ownership and management of a family business (*Priročnik za ustanovitelje in naslednike pri prenosu lastništva in vodenja družinskega podjetja*)³⁹ was produced by SPIRIT Slovenia⁴⁰ in 2017.
- The Ministry for Education published a call for proposals for 'Strengthening entrepreneurial competences and promoting a flexible transition between education and the environment in secondary schools (*Krepitev kompetence podjetnosti in spodbujanje prožnega prehajanja med izobraževanjem in okoljem v gimnazijah*).
- The Ministry published a similar call for primary schools (*Krepitev kompetence podjetnosti in spodbujanje prožnega prehajanja med izobraževanjem in okoljem v osnovnih šolah*).

3.2 ‘Second chance’



‘Second chance’ refers to ensuring that honest entrepreneurs who have gone bankrupt get a second chance quickly. This remains Slovenia’s strongest SBA area. Despite falling from second to third place among Member States since last year, Slovenia has made steady progress since 2008. It has the second fastest time among Member States for dealing with insolvency, at 0.8 years (unchanged from last year), though its insolvency framework could be strengthened. The fear of failure rate fell to 31.8 % in 2017 from 33.8 % in 2016, but remains higher than the 25.4 % recorded for this indicator in 2008.

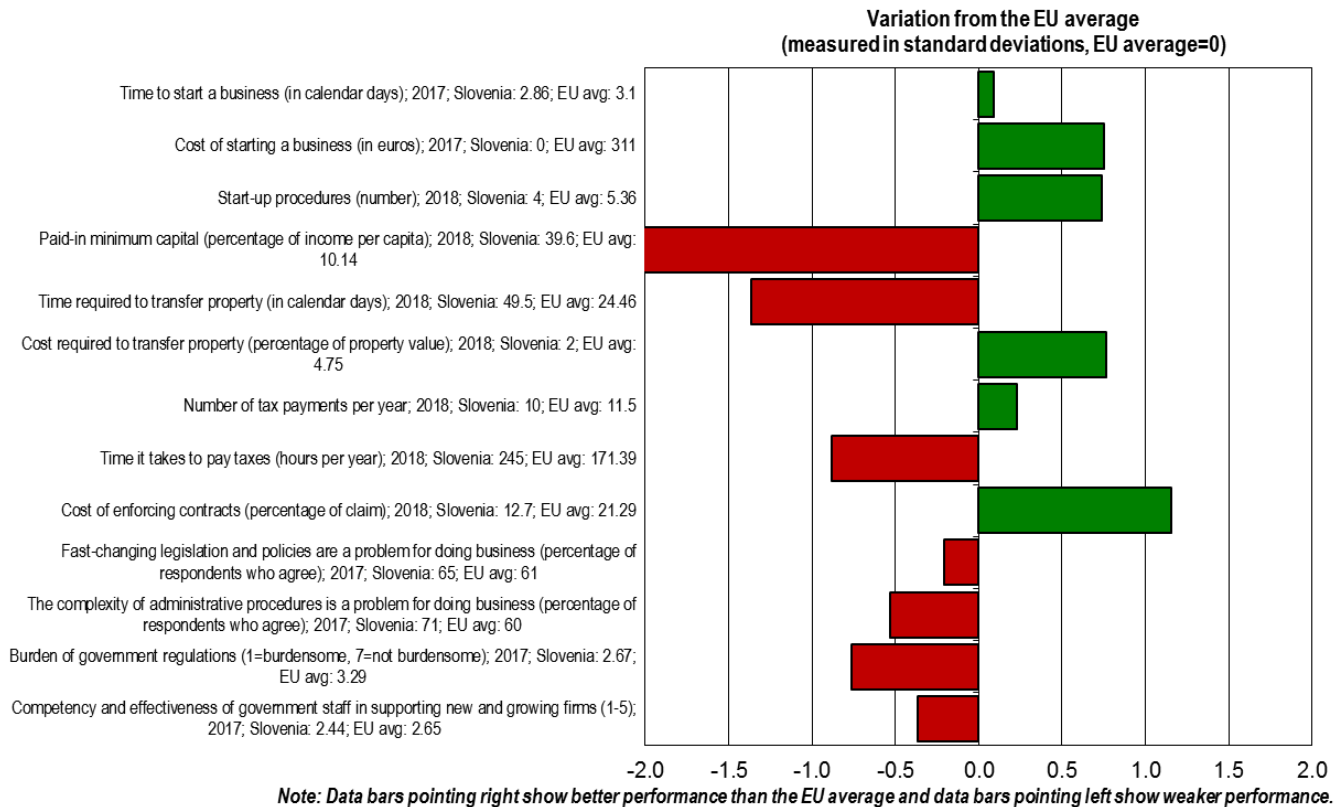
Since 2008, progress has been led by the adoption of a simplified compulsory settlement procedure and improvements made to the insolvency framework. However, SME stakeholders claim that since the introduction of amendments a few years ago the legislation on simplified compulsory settlement procedure is no longer suited to ordinary creditors (mostly SMEs) as it favours owners and the state, which is treated as a preferential creditor. This has resulted in a very low rate of repayment of ordinary creditors in simplified compulsory settlement proceedings (a quick and simple type of insolvency

procedure). The same outcome occurs if a legal entity is struck from the business register without going into liquidation⁴¹. Therefore, amendments to the Financial Operations, Insolvency Proceedings and Compulsory Winding-up Act (*Zakon o finančnem poslovanju, postopkih zaradi insolventnosti in prisilnem prenehanju*) would be welcome to ensure more equitable status for SMEs in these processes. However, firms that wish to proceed with more complex financial restructuring measures (with a view to saving the viable part of the business) may propose that the court begins a preventive restructuring procedure and compulsory settlement procedure. In these proceedings the ‘absolute priority rule’ is applied more strictly, but the process is more complex and costly for debtors.

In general, further efforts are needed to make it easier for ‘second chance’ entrepreneurs to get back on their feet and to eliminate the stigma of business failure.

No significant new policy measures in the area of ‘second chance’ were adopted or announced in 2017 or the first quarter of 2018.

3.3 'Responsive administration'



'Responsive administration' refers to public administration being responsive to the needs of SMEs. This remains Slovenia's weakest SBA area, despite slow progress having been made since 2008. Slovenia still has the second highest paid-in minimum capital requirements in the EU at 39.6 %, despite this share being the lowest recorded since 2008. There are no measures planned to change corresponding legislation on paid-in minimum capital. However, the cost of starting a business remains low and Slovenia scores highest in the EU on this indicator. It has the second best score for the cost of enforcing a contract, at 12.7 % of the value of the claim. 65 % of businesses agreed that fast-changing legislation and policies were a problem for doing business in Slovenia (down from 78 % in 2015), and 71 % thought similarly regarding the complexity of administrative procedures (down from 77 % in 2015). These improvements in perceptions of legislative and administrative complexity contrast with a slight worsening in perceptions of the burden of government regulation, though the latter have improved since 2008.

Over the last decade, Slovenia has introduced measures addressing most of the SBA recommendations in this area. The government's 'minus 25 %' action plan, which aimed to remove administrative barriers and reduce regulatory burdens by 25 % by 2012, was one of the major milestones in the effort to improve public administration in Slovenia. The action plan was

adopted by the government in 2009. From 2013, the renewed action plan was upgraded with the 'Single Document' of measures for the realisation of a better regulatory and business environment, which is continually updated with measures proposed by SME stakeholders. It lays down measures, commitments, proposed solutions, the ministries responsible for implementation and deadlines, making it the key administrative and regulatory burden reduction tool in Slovenia⁴². However, SME representatives claim that the measures adopted from the 'Single Document' do not always meet their expectations, despite the measures being reported as achieved.

Among the most important measures for SMEs were the establishment of business portals for domestic and foreign entrepreneurs (e-VEM and EUGO), a network of one-stop info points (VEM), e-invoicing, faster and easier establishment of a business, new simplified tax regulations for micro firms and a simpler system of payment of compulsory duties. There was systematic deregulation of craft activities (from 64 to 25 regulated crafts) and professions (from 322 to 242 regulated professions) and a simpler compulsory settlement procedure was introduced⁴³. Stakeholders indicate that institutional coordination between different government departments with regard to e-government has improved in the past year.

Despite the progress, there are still challenges for SMEs: e.g. the administrative burden is significant and the mechanism for

issuing licences and permits is inefficient⁴⁴. Furthermore, rapidly changing legislative and regulative environments mean that the business environment in Slovenia is still unstable and unpredictable⁴⁵. The 'once-only' principle also needs to be applied more widely⁴⁶, as currently businesses in general must still report the same information multiple times to different government authorities. Thus, better public services and an improved, stable and predictable business environment remain the key areas where additional effort from the government is expected in the near future.

Some progress was made in 2017 and the first quarter of 2018 in 'responsive administration', in particular with the establishment of the Slovenian National Business Point SPOT (*Vzpostavitev in delovanje nacionalne slovenske poslovne točke SPOT*), which will replace the existing system of e-VEM points. This will provide SMEs and entrepreneurs with an improved service offering under a single brand. It will include electronic communication with the public administration, business registration (with adviser assistance if required) and consulting services (information, training etc.), as well as SPOT Global, which will provide services related to internationalisation and foreign investment for exporters and investors⁴⁷.

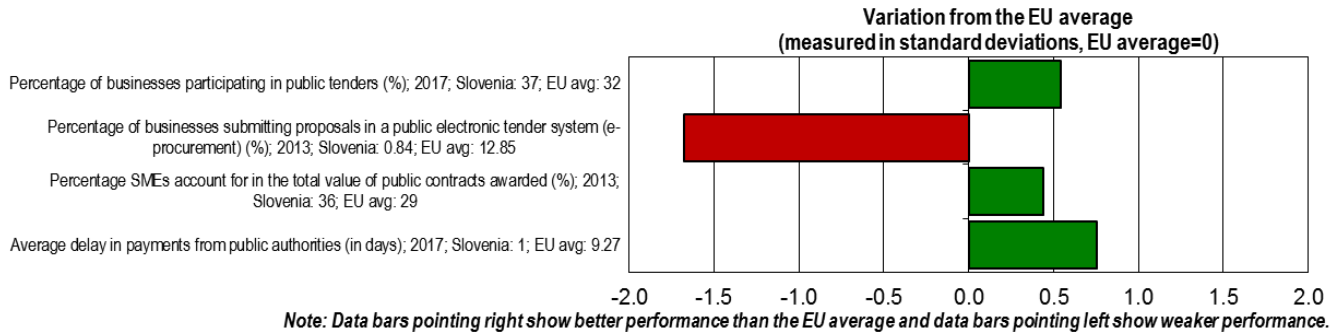
A public tender was issued in September 2017 for the financing and implementation of regional SPOT (Slovenian Business Point) centres⁴⁸. The managing authority for both measures is SPIRIT Slovenia. The budget for the implementation of the national SPOT is EUR 11.83 million and EUR 13.87 million for the regional SPOT. In addition, a number of policy measures to reduce administrative and regulatory burdens were implemented in 2017 and the first quarter of 2018:

- The order determining the occupations in which employment of foreigners is not tied to the labour market (*Odredba o določitvi poklicev, v katerih zaposlitev tujca ni vezana na trg dela*, issued by the Ministry of Labour, Family, Social Affairs and Equal Opportunities). This measure will enable companies to speed up recruitment of workers for professions where there are skills shortages, in particular: welders, truck drivers, toolmakers, electricians, masons, carpenters, cooks, electro-mechanics, information and communications technology sales professionals, software and applications developers and analysts, database and network professionals⁴⁹.
- To simplify employment procedures for non-EU nationals in companies with high added value and

start-ups, the new law on employment and work of foreigners provides for a faster procedure for issuing a single residence and work permit.

- Simplified minimum technical requirements and scope of services for hospitality operations (*Poenostavitev minimalnih tehničnih pogojev in obsega storitev za opravljanje gostinske dejavnosti*). The minimum standards have been updated, with criteria that were deemed 'unnecessary administrative barriers' (creating costs for companies without direct links to service quality) either simplified or removed completely⁵⁰.
- The Act Amending the Fiscal Validation of Receipts (effective 1 January 2018) simplifies the tax clearance of cash transaction accounts (*Odprava časovne omejitve za prosto odločitev zavezancev o načinu izvajanja postopka potrjevanja računov pri davčnem organu*). Taxable persons may choose to validate the accounts by using either an electronic invoicing device or 'linked accounts of accounts'⁵¹.
- Certification for sending workers abroad (form A1) through the e-VEM portal (*Poenostavitev postopkov pridobitve potrdila za napotitev delavcev v tujino (obrazec A1) preko portala e-VEM*) was simplified with the adoption of new rules on applying for A1 certificates, adopted on 13 October 2017⁵², with savings estimated at EUR 1.9 million per year.
- Tax enforcement costs were reduced by an average of 50 % with the adoption of amended rules on the implementation of the Tax Procedure Act by the Ministry of Finance (effective 1 January 2017)⁵³. Savings in 2017 are estimated at EUR 3.01 million⁵⁴.
- New provisions in the Personal Income Tax Act, effective from 1 January 2017 grant special tax relief for small-scale complementary activity on farms if it meets the conditions for the first stage of small-scale processing of the farm's agricultural products. In practice, this means it is exempt from income tax and from the requirement to keep accounts, so this also reduces the administrative burden. In 2017, 45 small entrepreneurs claimed the right to this exemption, and in 2018 more entrepreneurs started entering this system.

3.4 State aid & public procurement



Slovenia’s performance regarding state aid & public procurement is broadly in line with the EU average, with an improvement since the previous SBA fact sheet. This improvement is due to a significant change in the average delay in payments from public authorities (which grew from 5 days in 2015 to 10 days in 2016, but fell to 1 day in 2017). The proportion of businesses having taken part in a public procurement procedure fell by six percentage points, from 43 % in 2015 to 37 % in 2017.

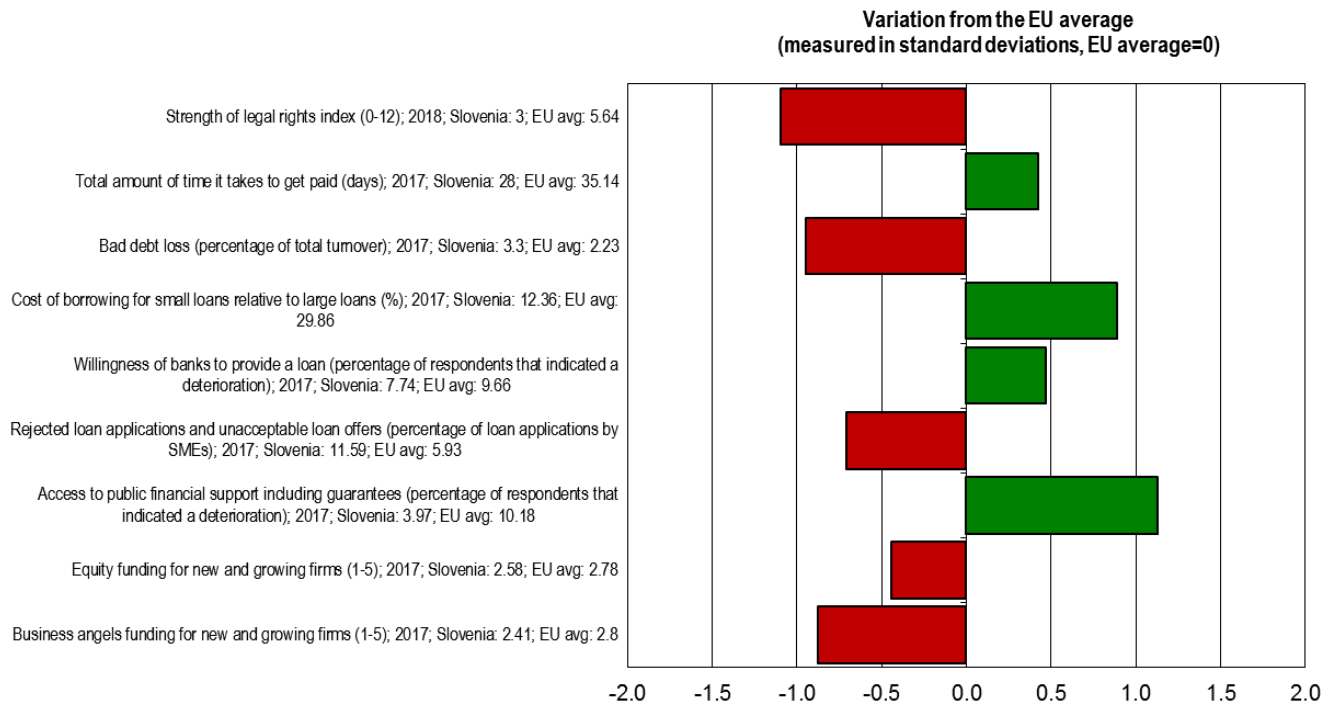
Since 2008, progress has been made on state aid & public procurement. The legal framework for public procurement has been continuously developed to simplify procedures, reduce costs and administrative requirements and make public procurement more transparent and accessible for SMEs. Over a decade ago, Slovenia introduced an online public procurement website where invitations to tenders are published. The website has been continuously developed and improved, and infrastructure is being upgraded to enable a full transition to e-procurement. Slovenia supports the goals and principles of the EU’s e-government action plan. By centralising the procurement of IT equipment and services and issuing guidelines on editing standards, Slovenia is increasing the interoperability of various e-public services.

However, additional efforts are required to speed up the transition to a fully centralised e-procurement model. Issues requiring attention include fostering a culture of central and joint public procurement and setting up proportionate qualification requirements for SMEs. SMEs often find it difficult to apply for

public tenders due to rigorous requirements and conditions in the tender documentation, which they deem to be too demanding for SMEs. Thus, SMEs often cannot meet the requirements for references, for high deposits and financial guarantees to prove their offer is serious. So SMEs are mostly able to cooperate only as subcontractors in public tenders⁵⁵. Furthermore, stakeholders note shortcomings in public procurement procedures because the public procurement system is still unfinished from the user perspective. Therefore, further simplification of public procurement procedures, the introduction of digital procedures throughout the entire public procurement cycle (without the obligation to attach written documentation), and consistent application of European standards, criteria and procedures are required to improve the quality of public procurement⁵⁶. In this respect, due attention needs to be paid to professionalisation and training of civil servants doing public procurement.

In 2017 and the first quarter of 2018, some progress was made, with the adoption of the Amendment to the Legal Protection in Public Procurement Procedures Act (*Zakon o pravnem varstvu v postopkih javnega naročanja*), effective from 26 November 2017. This law improves the efficiency of existing legal protection procedures with the establishment of an *e-Revizija* (e-Revision) website. This is designed to enable the electronic exchange of documents and information between stakeholders, such as contracting authorities, providers and the State Audit Commission, and thus reduce the cost and time required to resolve a complaint⁵⁷.

3.5 Access to finance



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Slovenia performs broadly in line with the EU average in access to finance, having recorded progress since 2008. The cost of borrowing for small loans relative to large ones is the third lowest in the EU at 12.4 % (though this is almost double the 6.3 % recorded in 2008), and only 4 % of respondents indicated a deterioration in access to public financial support. Both of these two indicators also improved in the period from 2016 to 2017, from 19.9 % and 8 % respectively. Rejected loan applications and unacceptable loan offers fell from 13.9 % in 2016 to 11.6 % in 2017, though conversely the share of respondents that indicated a deterioration in the willingness of banks to provide finance grew to 7.7 % (up from 4.8 % in 2016). Business angel and equity funding both remained largely unchanged — though equity funding improved slightly. However, scores on these both indicators remained below their 2008 levels. Bad debt loss grew from 2.9 % of total turnover in 2016 to 3.3 % in 2017. The score on the strength of legal rights index is low, mainly because insolvency and bankruptcy legislation is complex and unclear. In contrast, there was a reduction in the amount of time it takes to be paid, which fell from 33.3 days in 2016 to 28 in 2017.

Since 2008, efforts have been made to improve access to finance in Slovenia, with measures touching upon most of the SBA recommendations in this area. Financial incentives in the form of start-up grants, venture capital and seed capital have been made available, alongside other incentives such as the blending of grants and financial instruments, and non-financial

support like coaching, mentoring and information, and training. These measures are provided mostly by the Slovene Enterprise Fund, with additional instruments provided by the Slovenian Export and Development Bank (SID Bank) in the form of direct loans. However, various other bodies⁵⁸ have also launched measures to better utilise EU funds, provide favourable financing to SMEs in underdeveloped regions and support start-ups.

A survey on the availability of financial resources for companies indicated that access to finance in general was one of the less significant obstacles for SME development and growth for the third year in a row⁵⁹. Slovenian SMEs still rely mainly on internal resources, with bank loans being the most often utilised source of external finance. SMEs reported improved financing conditions in 2017, with the exception of guarantee requirements, which remain high⁶⁰. Crowdfunding is becoming more popular among Slovenian entrepreneurs, with over 300 SMEs having raised about USD 10 million over recent years, with Kickstarter being the most successful of the platforms used⁶¹. Interestingly, ICO (initial coin offering) — an alternative way of funding start-ups with global product solutions based on blockchain technology — is emerging in Slovenia⁶², though appropriate regulation for this kind of alternative financial instrument is still lacking in Slovenia, as well as elsewhere in the EU.

Despite the progress made, SME access to finance is still somewhat hindered by a lack of financial literacy and support in the process of applying for bank loans, public financial incentives

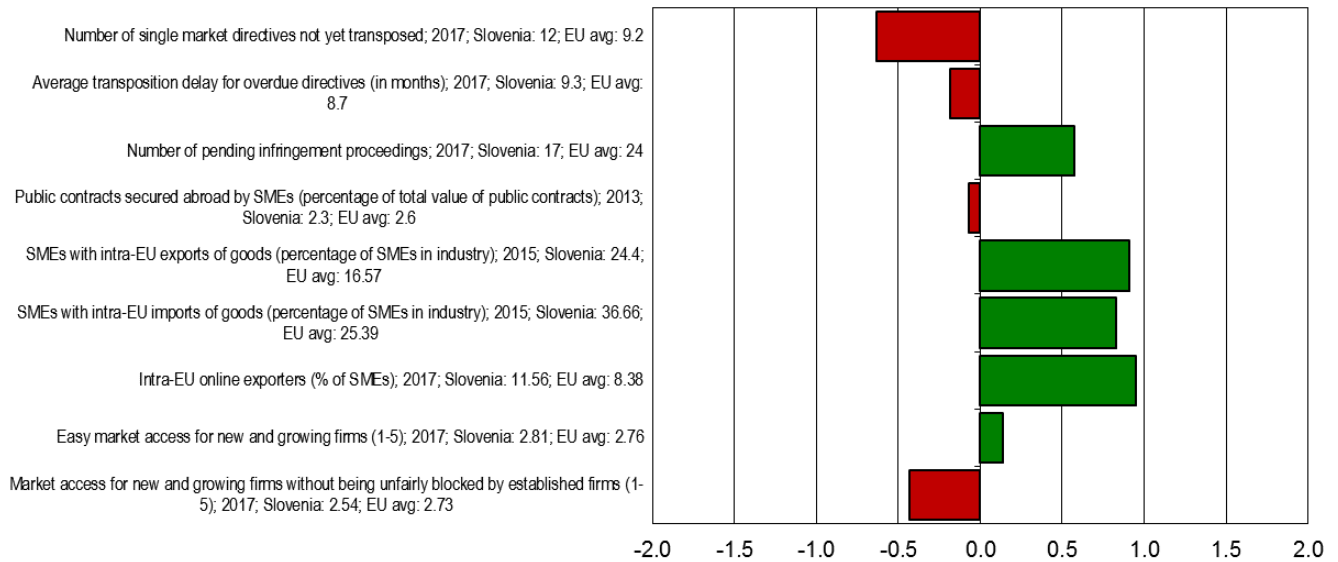
and emerging sources of alternative finance. According to a survey on the availability of financial resources for companies, public financial incentives and equity capital were the least used financial resources among SMEs in 2017⁶³. Besides complex application procedures, the limited funds available from the Slovene Enterprise Fund, SID Bank and other SME-supporting institutions mean that a number of quality projects still go unfunded. Alternative sources of financing, in particular for innovative fast-growing companies, need to be further developed, together with other supporting measures that could boost the equity market.

In 2017 and the first quarter of 2018, progress was made in improving SME access to finance and ensuring a more coordinated implementation of financial support, in particular through the following four measures:

- In June 2017, the government adopted a resolution approving the program 'Key elements of financial instruments in the 2014-2020 programme period'. Financial instruments will be used according to the principle of a 'fund of funds' (FoF). The holder/manager of the established FoF is the SID Bank. In November 2017, a EUR 253 million financing agreement was signed with the first instalment of EUR 63.25 million paid in December 2017⁶⁴. However, these funds had not yet been used in March 2018, as the SID Bank had not yet had corresponding calls.
- In cooperation with the EIF and some central European countries (Austria, the Czech Republic, Hungary and Slovakia), Slovenia created a Central European Fund of Funds (CEFoF) worth EUR 80 million, with the aim of raising equity investment in SMEs. The Slovene Enterprise Fund is investing EUR 8 million in the CEFoF⁶⁵.
- In late 2017, SID Bank together with the EIF (managing the fund) also launched an equity investment programme for growing SMEs and midcaps⁶⁶; this fund is backed by an EFSI guarantee under the European Investment Plan (InvestEU).
- Parliament adopted a new Investment Incentives Act in February 2018 that makes three main changes to investment promotion in Slovenia: it equalises incentives for domestic and foreign investors, sets out the procedure for supporting investments of strategic importance for the country, and prioritises sustainable investments⁶⁷.
- In December 2017 the Slovene Enterprise Fund launched a public call for microcredits for SMEs in underdeveloped regions, to fund growth and development, current operations and investments, with loans of between EUR 5 000 and EUR 25 000, at an interest rate of 1.1 %⁶⁸.

3.6 Single market

Variation from the EU average
(measured in standard deviations, EU average=0)



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

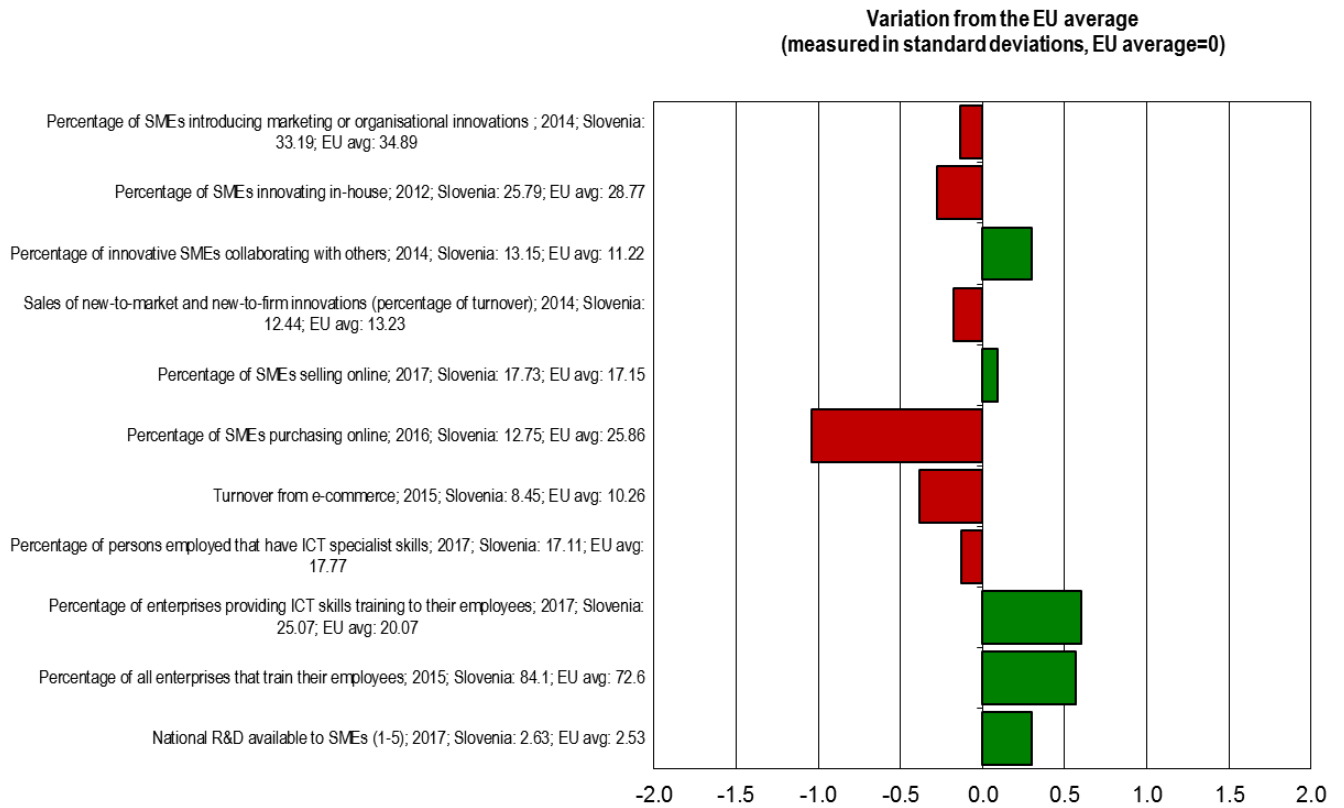
Slovenia’s performance as regards the single market remains in line with the EU average. While the number of outstanding single market directives fell from 17 in 2016 to 12 in 2017, the average transposition delay increased from 5.5 to 9.3 months, and the number of pending infringement proceedings grew from 15 to 17. The percentage of SMEs exporting online within the EU rose to 11.6 % in 2017 against 10.5 % in 2015.

Since 2008, Slovenia has adopted policy measures that address most of the SBA recommendations regarding the single market. Information on doing business in Slovenia is available through the SOLVIT Centre and the well-established EUGO business website. Moreover, EU national professional qualifications are starting to be recognised and Slovenian standards adjusted progressively to meet EU standards. The main challenge remains the ongoing upgrade of the EUGO business website

In 2017 and the first quarter of 2018 some progress was made by establishing the national node of the Business Registers

Interconnection System — BRIS (*Vzpostavitev nacionalnega vozlišča sistema povezovanja poslovnih registrov*) under Directive 2012/17/EU. This system is designed to connect the national business registries of European nations. Connecting the Slovenian Business Register (where companies and other legal entities are registered) with similar registries in other EU and EEA Member States provides fast and simple access to data and information on business entities based in other Member States, and to certain documents relating to their operations. Creating a single communications channel can accelerate the process of cross-border mergers and the establishment of new branches of foreign companies. The system was set up by the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) in close cooperation with the Ministry of Economic Development and Technology and the Ministry of Justice⁶⁹.

3.7 Skills & innovation



Note: Data bars pointing right show better performance than the EU average and data bars pointing left show weaker performance.

Slovenia performs in line with the EU average regarding skills & innovation, with slow but notable progress made overall since 2008. The percentage of SMEs selling online recovered in 2017 to 17.7 % after falling to 13.1 % in the previous year, restoring a general growth trajectory visible since 2008, when the figure was 7.7 %. The percentage of employees with specialist ICT skills declined by one percentage point to 17.1 % in 2017, with a slight decline also in the share of SMEs providing specialist ICT training to their employees.

Since 2008 Slovenia has made some progress on skills & innovation, having implemented policy measures that address most of the SBA recommendations in this area. These include R&D infrastructures like university incubators and technology parks, as well as grants, innovation vouchers, tax incentives and supportive coaching services. Between 2010 and 2015, competence centres for human resources development were established in 19 industry sectors, contributing to the improvement of workforce skills. In 2017 another 11 competence centres were established, where 240 companies employing over 35 800 employees are now involved⁷⁰. Recently, some measures aimed at strengthening entrepreneurial skills and facilitating flexible transitions between education and the working environment were implemented in schools, including the

introduction of apprenticeships into secondary vocational education.

Innovation processes in SMEs have benefited from a new strategic approach set out in the smart specialisation strategy. In 2016, nine strategic development and innovation partnerships (SRIP⁷¹) were established by 400 companies and 100 knowledge institutions. Action plans followed in 2017 for the implementation of common strategic goals in the fields of innovation, human resources development and internationalisation⁷². This new approach should lead to R&D policies being implemented more efficiently. Innovative companies would also benefit from more efficient public research, as it is currently hindered by difficulties in attracting domestic and foreign talent and a lack of performance-based funding.

The key issue to be addressed by policymakers — bearing in mind Slovenia’s forecast economic growth — is the lack of a qualified workforce. The main drivers of this issue are demographic trends, which are gradually reducing the supply of labour, and increasing emigration of qualified workers, especially those with tertiary education. The inadequate structure of enrolment in educational programmes in previous years, which

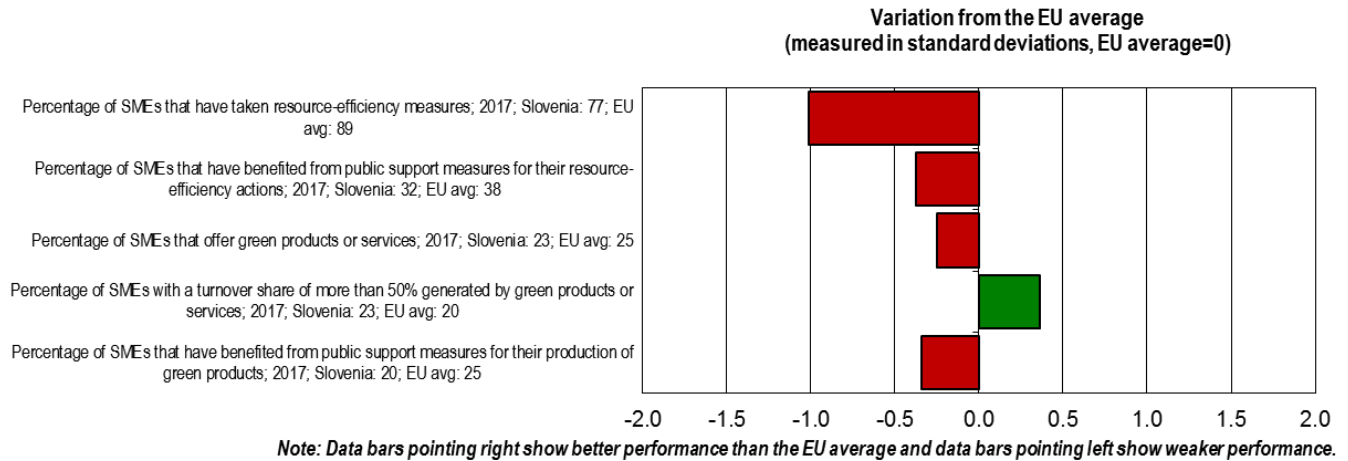
promoted the study of social, business and legal studies, also resulted in a lack of qualified workers in natural and technical sciences⁷³. According to the Employment Schedule 2017/II survey produced by the Employment Service, the greatest proportion of employers experiencing difficulties in finding qualified workers is in catering (67.7 %), followed by construction (58.4 %), other miscellaneous business activities (55.5 %), transport and storage (53.9 %) and manufacturing (52.7). Among the professions where employers face the main difficulty in finding suitable workers are workers for simple work in manufacturing, welders, articulated lorry drivers, storage and purchasing and sales officials, sellers, bricklayers, toolmakers, chefs and mechanics⁷⁴. ICT engineers and some specialists in the field of electronics and automation are also in short supply⁷⁵.

Special focus needs to be put on further improving the skills of the labour force, which is among the leading drivers of increasing SME productivity. Strengthening knowledge of digitalisation and e-commerce should be one of the priorities⁷⁶, and investment in R&D also needs to be increased.

In 2017 and the first quarter of 2018, some progress was made in this SBA area through the following policy measures:

- In September 2017, the first call for tender for 'Linking the vocational education system to the needs of the labour market' (*Povezava sistema poklicnega in strokovnega izobraževanja s potrebami trga dela*) was launched by the Institute for Vocational Education and Training. This aimed to provide incentives for employers to create learning places for both regular and vocational education students⁷⁷.
- From January 2018, incentives totalling EUR 45 million have been available for SMEs and research institutions engaging in research and development projects (*Spodbude za razvojno raziskovalne projekte, Technology Readiness Level — TRL 3-6*), focusing on building up knowledge and competencies, scientific and technological excellence, market potential in global networks and value chains⁷⁸.
- In September 2017, the first call for tender for incentives for digitalisation of SMEs (*Spodbude za digitalizacijo oz. elektronsko poslovanje MSP*) worth EUR 2.5 million was launched by SPIRIT Slovenia. Incentives of up to EUR 30 000 were available to promote digitalisation in SMEs and were awarded to 97 SMEs in 2017⁷⁹.
- Guidelines were drafted to encourage companies to apply for tax incentives for investment in research and development (*Smernice za zagotavljanje večje davčne gotovosti pri uveljavljanju davčnih olajšav za vlaganja v raziskave in razvoj*). The guidelines were designed by the tax authorities in close cooperation with the Ministry of Economic Development and Technology to support companies applying for tax relief related to investment in R&D activities⁸⁰.
- The second phase of the strategic development innovation partnerships (SRIPs) was confirmed with a budget of EUR 4.5 million.

3.8 Environment



Slovenia performs below the EU average regarding this SBA area. There were decreases in the scores of the indicators against the levels recorded in 2015. While the proportion of SMEs that have taken resource-efficiency measures fell only slightly — from 79 % in 2015 to 77 % in 2017 — other indicators saw more significant decreases. The percentage of SMEs offering green products or services fell from 33 % in 2015 to 23 % in 2017, and the percentage of SMEs generating more than 50 % of their turnover from these products fell from 31 % also to 23 % over the same period.

Since 2008, Slovenia has been introducing policy measures that promote environmentally friendly development, support the introduction of ecological standards in tourist establishments, and support expanding the use of EMAS, the EU eco-management and audit scheme. In 2015, Slovenia adopted a framework programme for the transition to a green economy, which, rather than introducing new policy measures, aims to improve coordination among various stakeholders.

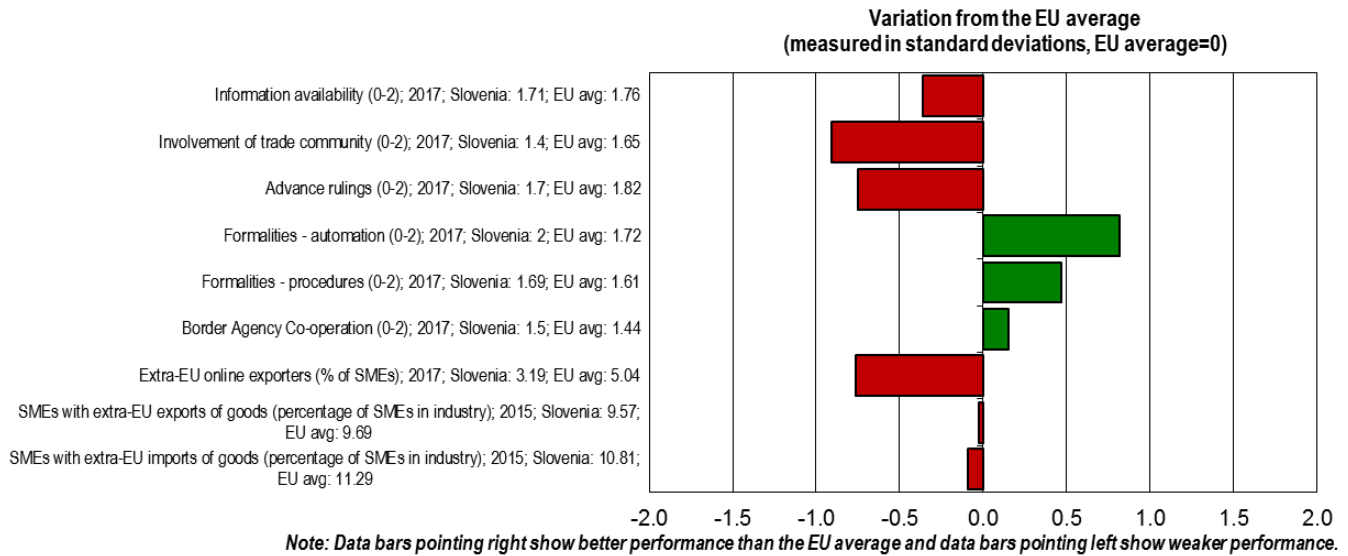
Main challenges in this area include the lack of policy measures geared towards ensuring energy efficiency and the use of renewables in SMEs, and the lack of an organisation specifically responsible for providing strategic support to SMEs in ensuring compliance with environmental and energy regulations.

However, significant progress has been made with the introduction of the Slovenian Tourism ‘Green Scheme’ in 2015. The main goal of the green scheme is to support tourist service providers and destinations in developing sustainable tourism practices. The scheme, which includes a certification programme developed and managed by the Slovenian Tourist Board (STO), sets guidelines and provides tools for monitoring sustainability progress. This is aimed at instilling a culture of continual improvement in the country’s tourism sector, with benefit to local communities, protection of cultural heritage, and the safeguarding of nature, including revitalising rural areas and creating authentic travel experiences for visitors. Since 2015 the STO has certified a total of 37 destinations, 19 accommodation providers (thus tripling their number since 2015), 3 natural parks and 2 agencies which comply with the green strategy and have obtained the Slovenia Green label⁸¹.

The implementation of Slovenia’s smart specialisation strategy through three strategic development innovation partnerships (SRIPs) contributes to promotion of energy efficiency, renewable resources and sustainable development.

In 2018, Slovenia adopted its roadmap for the circular economy, identifying a wide range of corresponding practices to boost activity in this area.

3.9 Internationalisation



Slovenia continues to perform in line with the EU average in this SBA policy area. Recent change was noticed in the form of a slight drop in the share of SMEs exporting online outside the EU to 3.2 % in 2017, down from a peak of 3.7 % in 2013.

Over the last decade, Slovenia has adopted policy measures to address most of the recommendations on internationalisation. Policy measures have been put in place to support SME participation in trade fairs, exhibitions and business missions, and to set up Slovenian business clubs abroad and grants for international marketing and market research. The SID Bank provides export loans and investment insurance to SMEs and the government has a 2015-2020 internationalisation programme that provides for two-year action plans. Besides building on previous policy measures, the programme and action plans include new measures, mainly focused on strengthening cooperation and networking among SMEs and improving access to international markets and global value chains.

Thus far, the implemented policy measures have yielded limited results, meaning there is still room for improvement. The main causal factors are limited availability of funds and lack of

business services provided by clusters and other accelerators, which would help align rising SME needs and expectations of international expansion.

Only moderate progress was made in this SBA area in 2017 and in the first quarter of 2018. Aside from the adoption of the Act on Investment Incentives (effective from 1 June 2018), which is to encourage investment and attract foreign investors, only one new policy measure has been introduced. This is the public call for the 'Promotion of partnerships for a more efficient presence in foreign markets 2018-2019' (*Spodbujanje partnerstev za učinkovitejši nastop na tujih trgih 2018 – 2019*) managed by SPIRIT Slovenia. The measure is designed to promote partnerships consisting of at least three SMEs cooperating with a view to exporting. The aim is to boost international activity and the exports of the SMEs involved and give them a more effective presence in foreign markets by linking competencies, capacity and the transfer of knowledge and experience. Incentives of up to EUR 250 000 or 50 % of the total eligible project costs are available to SME partnerships drafting business and marketing plans to launch products in foreign markets, acquire foreign agents or present products/services at international trade fairs.



Interesting initiative

Below is an example of an initiative from Slovenia to show what governments can do to support SMEs.

Building a start-up ecosystem from the bottom-up

The Start-up Slovenia initiative is a good example of bottom-up ecosystem building. Launched in 2011 by various partners in the business sector, the initiative was formed with the idea of creating a comprehensive support network for the building and launch of start-ups. This led to the production of the Slovenian Start-up Manifesto, which details various measures to boost start-ups. This, along with strong cooperation with the government (through the Slovene Enterprise Fund and Ministry of Economic Development and Technology) has enabled 40 start-ups per year to receive incentives of more than EUR 50 000 for finishing product development. Alongside financial assistance, selected start-ups also receive intensive training and mentorship from experienced entrepreneurs and experts. This coordinated action has already seen strong results, with more than 100 start-ups having been awarded subsidies and more than 40 investments of public seed capital into Slovenian start-ups.

As of 2015, Slovenian founders had raised almost USD 100 million worldwide, mostly in venture capital markets, but also supported by some crowdfunding and mezzanine financing efforts. By using a bottom-up, industry led approach, Start-up Slovenia has been able to get the main players in the Slovenian start-up ecosystem to work together toward a common goal. It organises several international start-up events and advocates for better support, in the hope that Slovenia can become a global start-up hotspot. A recent initiative was preparing an overview of obstacles encountered by start-ups which was presented to the prime minister at the 2017 PODIM Conference (one of the largest annual start-up conferences in the region). In response, on 21 March 2018 the government adopted the action plan 'Slovenia — the land of innovative start-ups', which includes measures to eliminate the obstacles for start-ups. This approach to connecting activities in the national start-up ecosystem is now expanding across the border: Start-up Slovenia has teamed up with partners in Austria and Italy to launch the initiative Start-up Alpe-Adria, which offers new opportunities for developing entrepreneurship on a broader, regional basis.

References:

Building a start-up ecosystem from the bottom up: <http://gemconsortium.org/country-profile/107>

Slovenian startup ecosystem overview 2016: <http://silicongardens.si/ecosystem2016/>

Important remarks

The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) produces the SBA fact sheets as part of the SME Performance Review (SPR), its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information. Produced annually, they help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member State policies. Rather, they should be regarded as an additional source of information to improve evidence-based policy-making. For example, they cite only policy measures national SME policy experts consider relevant. They do not and cannot reflect all measures the government has taken over the reference period. There is more policy information on a database accessible from the SPR website.

SME Performance Review:

<http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

grow-spr@ec.europa.eu

Small Business Act:

http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index_en.htm

Entrepreneurship and SMEs:

<https://ec.europa.eu/growth/smes>

Endnotes

¹ The two graphs below present the trend over time for the variables. They consist of index values for the years since 2008, with the base year 2008 set at a value of 100. As from 2016, the graphs show estimates of the development over time, produced by DIW Econ on the basis of 2008-2015 figures from Eurostat's Structural Business Statistics Database. The data cover the 'non-financial business economy', which includes industry, construction, trade and services (NACE Rev. 2 sections B to J, L, M and N). They do not cover enterprises in agriculture, forestry and fisheries or largely non-market service sectors such as education and health. A detailed methodology can be consulted at: <http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

² IMAD, *Development report 2018*, p. 16; http://www.umar.gov.si/fileadmin/user_upload/razvoj_slovenije/2018/POR_2018.pdf, last accessed on 5.6.2018.

³ Ibid, p. 17.

⁴ Ibid, p. 15.

⁵ IMAD, *Development report 2015*; http://www.umar.gov.si/fileadmin/user_upload/publikacije/pr/2015/PoR_2015.pdf, last accessed 5.6.2018.

⁶ IMAD, *Development report 2018*, p. 14; http://www.umar.gov.si/fileadmin/user_upload/razvoj_slovenije/2018/POR_2018.pdf, last accessed 5.6.2018.

⁷ <https://www.investslovenia.org/business-environment/infrastructure-utilities/transport-infrastructure/>, last accessed 6.6.2018.

⁸ Government Communication Office, http://www.ukom.gov.si/en/media_room/background_information/transport/slovenia_a_country_at_the_crossroads_of_transport_links/, last accessed 6.6.2018.

⁹ Statistical Office of the Republic of Slovenia, <http://www.stat.si/StatWeb/en/Field/Index/22>, last accessed 6.6.2018.

¹⁰ In fact, Slovenia ranks second after Luxembourg. The assessment refers to the volume of freight transport expressed in tonne kilometres, undertaken by freight vehicles registered in a given country. It measures carriage by domestic freight vehicles in the country of registration and abroad, and not the volume of transport within the territory of a given country. http://www.umar.gov.si/fileadmin/news_import/em1007.pdf, last accessed 6.6.2018.

¹¹ *Development report 2017*, p. 113.

http://www.umar.gov.si/fileadmin/user_upload/razvoj_slovenije/2017/Angleski_grafi_indikatorji/apor2017_splet.pdf, last accessed 6.6.2018.

¹² IMAD, *Development report 2018*, p. 119. http://www.umar.gov.si/fileadmin/user_upload/razvoj_slovenije/2018/POR_2018.pdf, last accessed 6.6.2018.

¹³ Chamber of Industry and Commerce. *Analiza: Transport 2016; Transport, glas gospodarstva, panožna številka*, August 2017.

¹⁴ Chamber of Industry and Commerce. *Poslovanje transporta v letu 2015*; https://www.gzs.si/Portals/SN-skep/Vsebine/novice-priponke/Pages%20from%20transport_2016_v3_31_60.pdf, last accessed on 6.6.2018.

¹⁵ IMAD, *Development report 2016*, http://www.umar.gov.si/fileadmin/user_upload/publikacije/pr/2016/POR_2016.pdf, last accessed 6.6.2018.

¹⁶ Chamber of Industry and Commerce. *Poslovanje transporta v letu 2015*; https://www.gzs.si/Portals/SN-skep/Vsebine/novice-priponke/Pages%20from%20transport_2016_v3_31_60.pdf, last accessed 6.6.2018.

¹⁷ Ministry of Finance, *Annual state aid report for the years 2013, 2014 and 2015; Letno poročilo o državnih pomočeh za leta 2013, 2014 in 2015*; http://www.mf.gov.si/fileadmin/mf.gov.si/pageuploads/nadz_pom/letna_poro%C4%8Dila/17_Letno_porocilo_o_DP_2013-2015.pdf, last accessed on 6.6.2018.

¹⁸ Bisnode — *Mikropregled gospodarstva — Slovenija*, February 2017.

<http://www.bisnode.si/novice/aktualno/mikro-pregled-gospodarstva-slovenija-februar-2017>, last accessed 6.6.2018.

¹⁹ IMAD, *Development report 2018*, p. 18. http://www.umar.gov.si/fileadmin/user_upload/razvoj_slovenije/2018/POR_2018.pdf, last accessed 6.6.2018.

²⁰ *Building a start-up ecosystem from the bottom up*, <http://gemconsortium.org/country-profile/107>, last accessed 6.6.2018.

²¹ The data presented were collected by the EU Startup Monitor project, www.startupmonitor.eu.

²² Due to data availability, the data on high-growth firms refer to the 'business economy' only, which covers sections B-N including section K (financial activities, except activities of holding companies). The 'non-financial business economy' excludes section K.

²³ In line with the Commission implementing regulation (EU) No 439/2014, high-growth enterprises are defined as firms with at least 10 employees in the beginning of their growth and average annualised growth in number of employees greater than 10 % per annum, over a 3-year period. The share of high-growth enterprises is the number of high growth enterprises divided by the number of active enterprises with at least 10 employees. Source of the data on high-growth enterprises is Eurostat (http://ec.europa.eu/eurostat/web/products-datasets/-/bd_9pm_r2, last accessed 13.04.2018).

²⁴ The 2018 SBA fact sheets benefited substantially from input from the European Commission's Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

²⁵ http://www.eif.org/what_we_do/equity/news/2017/efsi-sid-banka.htm

²⁶ <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2018-01-0542?sop=2018-01-0542> and <https://www.gzs.si/mediji/Novice/ArticleId/59744/slovenija-potrebuje-celostno-politiko-za-spodbujanje-investicij>

²⁷ The quadrant chart combines two sets of information. Firstly, it shows current performance based on data for the latest available years. This information is plotted along the X-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU-28. Secondly, it shows progress over time, i.e. the average annual growth rates from 2008 to 2018. These are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the EU average at a given point in time, but also about the extent of progress made between 2008 and 2018. All SBA principles, with the exception of the 'Think Small First' principle for which there is not enough statistical data available, are calculated as composite indicators following the OECD/JRC Handbook guide. A detailed methodology can be consulted at: <http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review/>

²⁸ The policy measures presented in this SBA fact sheet are only a selection of the measures the government took in 2017 and the first quarter of 2018. The national SME policy expert that PwC (DG GROW's lead contractor for the 2018 SBA fact sheets) contracted made the selection. The experts were asked to select only the measures they considered the most important, i.e. the ones expected to have the highest impact in the SBA area in question. The complete range of measures the experts compiled in

producing this year's fact sheets will be published alongside the fact sheets in the form of a policy database on the DG GROW website.

²⁹ Single Document. Tenth Report, March 2018, p. 15;

http://www.stopbirokraciji.gov.si/fileadmin/user_upload/mju/10_porocilo_o_realizaciji_ukrepov_iz_Enotne_zbirke_ukrepov

³⁰ *Znižanje zakonodajnih bremen v obdobju 2009–2015*, MJU (Estimated reduction of legislative burdens in the period 2009–2015, Ministry of Public Administration);

http://www.stopbirokraciji.gov.si/brosure/znizanje_zakonodajnih_bremen_2009_2015/#page/6

³¹ The total amount of savings given in the report is EUR 365 million per year. The amount of EUR 250 million includes only the savings relevant for companies.

³² <http://www.stopbirokraciji.gov.si/msp-test/>

³³ *PODIM Konferenca 2018, maj 2017* (PODIM Conference 2018, May 2018); <http://www.podim.org/sl-si/News/108>

³⁴ *MGRT, AKCIJSKI NAČRT »SLOVENIJA — DEŽELA INOVATIVNIH ZAGONSKIH (STARTUP) PODJETIJ«, Marec 2018* (Ministry of Economic Development and Technology, *Action plan 'Slovenia — the land of innovative start-ups'*, March 2018); http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/Stasa/akcijski_PRAVINACT_UREJENO.pdf

³⁵ *Building a start-up ecosystem from the bottom up*; <http://gemconsortium.org/country-profile/107>

³⁶ <https://www.podjetniski-portal.si/podjetnice/programi-podjetniskega-usposabljanja>

³⁷ *Program dela in finančni načrt za leti 2018 in 2019* (Work Programme and Financial Plan for the years 2018, 2019), SPIRIT, February 2018, p. 19; http://www.spiritslovenia.si/resources/files/2018/PDFN_2018-19_2018_12_4_2018.pdf

³⁸ SPIRIT; <http://www.spiritslovenia.si/razpisi/2017-05-26-Javni-razpis-za-podporo-izvajanju-dejavnosti-s-podrocja-spodbujanja-ustvarjalnosti-inovativnosti-in-podjetnosti-v-osnovnih-in-srednjih-sola>

³⁹ https://www.podjetniski-portal.si/resources/files/doc/Druinsko-podjetnitvo/Prirocnik_Druzinsko_podjetnistvo_2017.pdf

⁴⁰ SPIRIT: Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology.

⁴¹ *Zahteve slovenske obrti in podjetništva 2018* (Requirements of Slovenian craft and entrepreneurship 2018), Chamber of Craft and Small Businesses of Slovenia (OSZ), May 2018, p. 63;

http://www.ozs.si/Portals/0/Media/Dokumenti/OZS/Zahteve_OZS_%202018.pdf

⁴² *Znižanje zakonodajnih bremen v obdobju 2009 – 2015*, (Estimated reduction of legislative burdens in the period 2009–2015), Ministry of Public Administration (MJU); http://www.stopbirokraciji.gov.si/brosure/znizanje_zakonodajnih_bremen_2009_2015

⁴³ *Znižanje zakonodajnih bremen v obdobju 2009 – 2015* (Estimated reduction of legislative burdens in the period 2009–2015), Ministry of Public Administration (MJU); http://www.stopbirokraciji.gov.si/brosure/znizanje_zakonodajnih_bremen_2009_2015

⁴⁴ *Zahteve slovenske obrti in podjetništva 2017* (Requirements of Slovenian craft and entrepreneurship 2017), Chamber of Craft and Small Businesses of Slovenia (OZS), 2017;

www.ozs.si/Portals/0/Media/Dokumenti/OZS/OZS%20brosura%20vsebinska%20splet%20v1.pdf

⁴⁵ *Slovenija potrebuje celostno politiko za spodbujanje investicij* (Slovenia needs comprehensive investment promotion policy), Chamber of Commerce and Industry (GZS), 2017; <https://www.gzs.si/mediji/Novice/ArticleId/59744/slovenija-potrebuje-celostno-politiko-za-spodbujanje-investicij>

⁴⁶ The 'once-only' principle has been adopted for reporting in the tourism sector, where a register of accommodation facilities was set up in 2016 that allows tourist companies to report the number of tourist arrivals and tourist overnight stays using an online form, instead of reporting to three different authorities (the Statistical Office, the local police department and the local administration).

⁴⁷ http://www.mgrt.gov.si/si/medijsko_sredisce/novica/11489/

⁴⁸ <http://www.spiritslovenia.si/razpisi/2017-09-29-Javni-razpis-za-financiranje-izvajanja-celovitih-podpornih-storitev-za-potencialne-podjetnike-in-podjetja-v-okviru-Slovenskih-poslovnih-toc>

⁴⁹ <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ODRE2408>

⁵⁰ <https://www.klarinsvet.si/objavljen-nov-pravilnik-o-minimalnih-tehnicnih-pogojih-o-obsegu-storitev-za-opravljanje-gostinske-dejavnosti/> and <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2017-01-1930/pravilnik-o-minimalnih-tehnicnih-pogojih-in-o-obsegu-storitev-za-opravljanje-gostinske-dejavnosti>

- ⁵¹ <https://www.trinet.si/home/zakon-o-spremembah-in-dopolnitvah-zakona-o-davnem-potrjevanju-raunov>
- ⁵² <http://www.pisrs.si/Pis.web/pregledPredpisa?id=PRAV13179>
- ⁵³ Rules on the implementation of the Tax Procedure Act; <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2016-01-3704>
- ⁵⁴ Single Document. Tenth Report, March 2018, p. 5; http://www.stopbirokraciji.gov.si/fileadmin/user_upload/mju/10_porocilo_o_realizaciji_ukrepov_iz_Enotne_zbirke_ukrepov
- ⁵⁵ *Zahteve slovenske obrti in podjetništva 2018* (Requirements of Slovenian craft and entrepreneurship 2018), Chamber of Craft and Small Businesses of Slovenia (OZS), May 2018; http://www.ozs.si/Portals/0/Media/Dokumenti/OZS/Zahteve_OZS_%202018.pdf
- ⁵⁶ *Mala DigitAgenda 2017* (Small Digit Agenda 2017), Chamber of Commerce and Industry (GZS), May 2017; <https://vmg.gzs.si/vsebina/Mala-DigitAgenda-2017>
- ⁵⁷ *Zakon o pravnem varstvu v postopkih javnega naročanja* (Legal Protection in Public Procurement Procedures Act); <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAK05975> and <https://www.uradni-list.si/knjigarna/knjiga/napovedujemo/zakon-o-pravnem-varstvu-v-postopkih-javnega-narocanja-zvpjn-s-komentarjem>
- ⁵⁸ For example: the Slovenian Regional Development Fund — <http://www.regionalnisklad.si/english>; regional development agencies (RDAs), providing regional guarantee schemes (list of RDAs providing regional guarantee schemes available on: <http://www.regionalnisklad.si/razpisi/rgs>); SPIRIT Slovenia; <http://www.spiritslovenia.si>.
- ⁵⁹ Banka Slovenije, *Predstavitev raziskave o dostopnosti finančnih virov za podjetja 2017* (Presentation of a survey on the availability of financial resources for companies 2017), January 2018; https://bankaslovenije.blob.core.windows.net/publication-files/gdgfzgcHIZMfe_informacija-o-sme-za-svet-2017-zdr.pdf
- ⁶⁰ Banka Slovenije, *Predstavitev raziskave o dostopnosti finančnih virov za podjetja 2017* (Presentation of a survey on the availability of financial resources for companies 2017), January 2018; https://bankaslovenije.blob.core.windows.net/publication-files/gdgfzgcHIZMfe_informacija-o-sme-za-svet-2017-zdr.pdf.
- ⁶¹ Maja Fortuna, *Množično financiranje in Slovenci* (Crowdfunding and Slovenes), 1.3.2018; <https://mladipodjetnik.si/podjetniski-koticek/pridobivanje-sredstev/mnozicno-financiranje-in-slovenci>
- ⁶² *Slovenija je v svetovni špici* (Slovenia on the world top), #ICO#NetPRO, 30.3.2018; <https://translate.google.com/#sl/en/svetovna%20%C5%A1pica>.
- ⁶³ Banka Slovenije, *Predstavitev raziskave o dostopnosti finančnih virov za podjetja 2017* (Presentation of a survey on the availability of financial resources for companies 2017), January 2018, p. 4; https://bankaslovenije.blob.core.windows.net/publication-files/gdgfzgcHIZMfe_informacija-o-sme-za-svet-2017-zdr.pdf
- ⁶⁴ http://www.mgrt.gov.si/si/medijsko_sredisce/novica/11322/
- ⁶⁵ <http://www.podjetniskisklad.si/sl/novice-in-objave/novice/sporocila-za-javnost/470-evropski-investicijski-sklad-je-ustanovil-srednjeevropski-sklad-skladov-v-visini-80-mio-za-podporo-msp-jev-in-srednjih-podjetij-z-majhno-trzno-kapitalizacijo-v-sklad-skladov-je-financi-prispevek-vlozil-tudi-slovenski-podjetniski-sklad> and <https://www.podjetniski-portal.si/index.php?t=news&id=8521>
- ⁶⁶ http://www.eif.org/what_we_do/equity/news/2017/efsi-sid-banka.htm
- ⁶⁷ <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2018-01-0542?sop=2018-01-0542> and <https://www.gzs.si/mediji/Novice/ArticleId/59744/slovenija-potrebuje-celostno-politiko-za-spodbujanje-investicij>
- ⁶⁸ <http://www.podjetniskisklad.si/images/razpisi/2017/P7R2017/P7R-2017---Javni-razpis-1.pdf>
- ⁶⁹ *Letno poročilo AJ PES za leto 2017* (AJ PES 2017 Annual Report), 26.2.2018, p. 6; https://www.ajpes.si/Doc/AJPES/KIJZ/Letno_porocilo_AJPES_za_leto_2017.pdf.
- ⁷⁰ Slovene Human Resources Development and Scholarship Fund, 1.3.2017; <http://www.sklad-kadri.si/si/razpisi-in-objave/razpis/nisklad-je-podprl-11-kompetencnih-centrov-za-razvoj-kadrov/>.
- ⁷¹ SRIP — *Strateško razvojno inovacijsko partnerstvo* (Strategic development and innovation partnership).
- ⁷² (Government Office for Development and European Cohesion Policy (SVRK), *Strateška razvojno-inovacijska partnerstva — SRIP* (Strategic development and innovation partnership — SRIP); http://www.svrk.gov.si/en/media_room/news/6947/.

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⁷⁶ IMAD, *Development report 2017*, pp. 20, 28 and 29); http://www.umar.gov.si teme/konkurencnost/tema/news/porocilo-o-razvoju-2017-1/?tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=82b885320ab88071c0e23f9089408635

⁷⁷ http://www.sklad-kadri.si/fileadmin/dokumenti/Razpisi/251_JR_PUD/RD_2016-2017_2.0.pdf

⁷⁸ http://www.mizs.gov.si/si/javne_objave_in_razpisi/okroznice/arhiv_okroznic/okroznice_razpisi_in_javna_narocila/javni_razpisi/?tx_t3javnirazpis_pi1%5Bshow_single%5D=1585

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⁸⁰ http://www.fu.gov.si/fileadmin/Internet/Davki_in_druge_dajatve/Podrocja/Davek_od_dohodkov_pravnih_oseb/Opis/Podrobnejsi_opis_1_izdaja_Smernice_za_uveljavljanje_davcnih_olajsav_za_vlaganja_v_raziskave_izvoj.pdf

⁸¹ Slovenian Tourism 'Green Scheme'; <https://www.slovenia.info/en/business/green-scheme-of-slovenian-tourism>