

QUOTESOF**THE**FORTNIGHT



Borut Pahor /SD President/: We want to formalise our informal cooperation in case we get the mandate

Ljubljana, 24 September: We /The presidents of the Social Democrats (SD) Borut Pahor, Zares (Gregor Golobič) and Liberal Democrats (LDS) (Katarina Kresal) - the trio expected to form a coalition with one other party/ want to formalise our informal cooperation in case we get the mandate. We have placed content above staffing solutions. I see Slovenia's biggest challenge in taking on successfully the period of economic uncertainty lying ahead. I beieve that certain structural reforms will be necessary to secure this, pointing out that dialogue, including with those who will end up in the opposition, is needed to carry out these reforms. The three of us are all in favour of a lively and successful debates with those on the other side of the opposition-coalition divide, because we cannot imagine success for Slovenia without this form of cooperation.



Žiga Turk /Development Minister/: Grand coalition is the only way for Slovenia to implement the reforms it needs to increase its prosperity

Ljubljana, 24 September: The Social Democrats (SD) won general election not because of their platform but because they managed to persuade people that they stood for a different style of governance. My party (SDS) offers a platform in which the advancement of the economy's competitive edge, welfare and care for the environment are well-balanced. The SDS was the only party that clearly stated in the election campaign that prosperity depended on economic growth and competitive companies, the left-leaning bloc had been very hostile to the planned reforms in 2005 and 2006. Slovenia should continue with the reforms the outgoing government started. Slovenia needs neoliberal reforms, which only a grand coalition can implement, under »Coalition for Reforms«. The upcoming term can be more favourable to such reforms, when Slovenia's hands are not tied with the takeover of euro or EU presidency, and when things can be done because they are good for the country, rather than in order to score political points.



Marko Kranjec / The governor of Banka Slovenije/: Financial Products Developing Too Fast

Ljubljana, 24 September: Banka Slovenije is not noticing any major problems in the Slovenian banking system, possibly because Slovenian banks had not followed the quick development seen abroad. Slovenian banks avoided problems because their operations were underpinned by real money. The events of the past year showed universal banking to be the type of banking most resistant to problems and lack of confidence of financial markets. This does not prevent globalisation, it does however put into question the continuing specialisation and expansion in the offer of financial products. I am a supporter of globalisation but it still ought to be run according to appropriate rules. I believe these rules will be seriously overhauled in the coming weeks and months. The development of bankings needs to be linked to technology, which has enabled globalisation in the first place.

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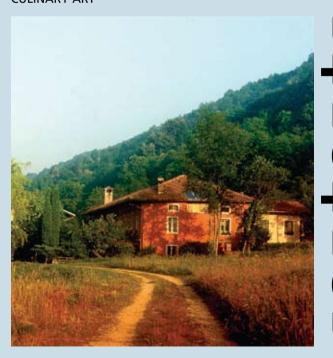
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A TIME FOR INTERPRETATION AND TIME TO RENDER ACCOUNTS

September was a special month for Slovenia. It began with the "import" of the Patria scandal from Finland. Then the preelection stampede grew louder and louder until the last few days of the election campaign, when substantial questions about the future of Slovenia began to be addressed.

The election Sunday represented a transition to the normal rhythm. The negative news mostly disappeared from the media, replaced by surmise on the future government coalition.

Due to the proportional voting system in Slovenia, months may pass before the new government takes matters into their own hands, which is not likely to happen any time before December. Read more on the election results, as well as an analysis of this year's election race in the following pages.

The conclusion of the 2004-2008 government mandate lead by Janez Janša is a good opportunity to unfold their achievements. In the last four years, GDP per capita has increased by 25%. Taxes have been reduced for the first time - corporate taxes by 5%, personal taxes by 7%. The average net basic salary has increased by 27% since 2004, while pensions have increased by a fifth. Economic growth has been stable throughout the term, hovering around 5.5%. Slovenia has created 40.000 new jobs. Unemployment has dropped to a record low of 4.2%; according to ILO, the number of unemployed people has decreased by 35%. Average inflation in Slovenia in the last four years has been the lowest in the history of Slovenia's independence. Slovenia has fulfilled all Maastricht criteria, and as the first among new EU Member States adopted the euro. For the first time in its history Slovenia has shown a budget surplus. Not to mention the successful presidency of the Council of the European Union.

In four years time, there will be another opportunity to render accounts. The results noted above have created conditions that enable good work in the interest of citizens to become a standard and a basis for the further development of Slovenia.

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PRESIDENT CALLS MAIDEN SESSION OF PARLIAMENT FOR 15 OCTOBER

President Danilo Türk on 3 October called the maiden session of the new sitting of the Slovenian National Assembly for 15 October. He took the opportunity to receive outgoing deputies and ministers at the presidential palace and thank them for the job done.

After the reception, the president was handed a report on the official results of the 21 September general election by a delegation of the National Electoral Commission, and then set the date of the maiden session.

Türk said that the maiden session of parliament ended the terms of the incumbent prime minister and other ministers in the government, who can only make technical decisions until a new government is appointed. The maiden plenary session is expected to endorse the terms of all deputies, at the proposal of the commission based on the election results.

The Parliament Speaker will also be elected in secret ballot by the majority of all deputies, that is at least 46 out of 90.

Within 30 days after the maiden session, Türk will have to put forward a prime-minister designate. The prime minister is elected by parliament in a secret ballot, with a majority of all deputies. Important tasks have been carried out during the term of the incumbent government, said Türk, adding that this foundation would help Slovenia strengthen its position of a modern country and a responsible member of the international community and the EU. "At the same time, the level of development and the international position of our country set high standards for the respect of human rights and strengthening of the rule of law for the benefit of all citizens," added the president.

PM JANŠA: RUSSIA'S RECOGNITION OF ABKHAZIA AND SOUTH OSSETIA A MISTAKE

The EU was firm in its support of Georgia in Brussels on 1 September, while at the same time not closing the door on Russia, Slovenian Prime Minister Janez Janša told the press after the bloc's emergency summit on Georgia. He added that the EU was insisting on implementation of the six-point ceasefire agreement between Georgia and Russia and that the fate of negotiations on a partnership agreement with Russia depended on the pace at which the ceasefire deal is implemented. Janša suggested that the make or break moment during the talks in Moscow could come with respect to the sixth point of the agreement.



"The sixth point says that a debate will begin in the international community on determining the final status or solution to the issues of Abhazia and South Ossetia. According to the Prime Minister, the withdrawal of the Russian military from the occupied territories, meaning a retreat to its position before 8 August, is meanwhile a key factor for peace and stability.

While expressing hope that the EU delegation headed for Moscow will help move things forward, Janša said that the EU would discuss the situation again in October and November.

As regards specific steps forward in relations with Georgia, Janša said that he expected a liberalisation of the visa system and that the EU would contribute its mission to securing stability and reestablishing trust in Georgia, also with the help of a donors conference. While the conference enjoys unanimous support, a date remains to be set.

Prime Minister Janša meanwhile backed Georgia's proposal for an international investigation of the events in the country that would determine who started the conflict.

It is obvious that the build-up of Russian forces in the region did not happen "over night". This could mean that someone decided on "a demonstration of power", Janša added after the meeting.

TÜRK CALLS FOR TRANSFORMATION IN UN GENERAL ASSEMBLY

Slovenian President Danilo Türk addressed the UN General Assembly on 24 September, saying that the world calls for »transformation« and presented his proposal for reforming the UN Security Council. Türk pointed out three fields where he thinks transformation is crucial: human rights, preservation of the natural environment and international peace and security. He praised the past achievements of the UN in human rights and international security and stressed that further transformational energy is needed in new efforts to better the world. »Obviously. violations of human rights persist,« he said and added that institutions of human rights like the International Criminal Court need to be strengthened and supported. Addressing the environment, he said that »incremental change will not do« and that »all must cooperate«. He gave the example of the EU's plan of activities to reduce the emission of greenhouse gases confirmed during the Slovenian EU Presidency. However, according to Türk, the environmental goals can only be reached if an »adequate partnership is established among the key economic and political players«.

The Slovenian president sees two sets of tasks needed for further progress in the field of security - development of partnerships to address the key security issues and transformation of the existing security structures. Arguing that »reform of the UN Security Council is long overdue«, he presented his views on how it could be expanded. Türk would add six new permanent members from all the regions of the world, with the non-permanent members divided into two groups - six members with a two-year rotation elected in accordance with a formula to be determined by the General Assembly and eight elected in accordance with the principle of equitable geographic distribution.

SLOVENIAN CONTINGENT IN KOSOVO HANDS OVER DUTIES TO HUNGARIANS

On 1 September, the Slovenian peacekeeping contingent Grof handed over its duty in the municipalities of Peč and Klina in western Kosovo to a Hungarian contingent. The ceremony took place at the Villagio Italia base near Peč and was attended by numerous top officials. During the ceremony, the commander of

the Multinational Task Force West, Brigadier General Agostino Biancafarina, handed over the banner from the commander of the Slovenian contingent, Lieutenant-Colonel Peter Zakrajšek, to Lieutenant-Colonel Laszlo Morucz, the commander of the Hungarian contingent Nimrod.

The ceremony was attended by the Kosovo Force (KFOR) commander, Lieutenant General Giuseppe Emilio Gay, Hungarian Defence Minister Imre Szekeres and the deputy commander of the central command of the Slovenian Armed Forces, Colonel Voiteh Mihevc.

In the six months of the operation, the Slovenian contingent inspected over 15,000 vehicles and 15,000 persons at 3,297 checkpoints and carried out 13,834 patrols, 38 escorts and 36 joint activities, primarily with the Kosovo border police.

For the next six months, two Slovenian companies with 266 soldiers will operate within the Hungarian contingent – one from the 18th battalion for protection against radiological, chemical and biological hazards and one from the 20th motorised battalion.

PRESIDENT TÜRK VISITS MONTENEGRO

On 2 September, Slovenian President Danilo Türk, during his state visit to Montenegro, met his counterpart Filip Vujanović, Prime Minister Milo Đukanović and parliamentary Speaker Ranko Krivokapić. The talks focused mainly on economic cooperation between the two countries.

Türk emphasised that relations between the countries were excellent. Đukanović showed interest in Slovenian investments in Montenegrin trekking tourism. Other important subjects in Türk's talks with high Montenegrin representatives were also related to economic development and the increase of investments between the two countries. Slovenia and Montenegro would especially like to boost cooperation in banking, insurance, construction and tourism.

President Türk also heard the Montenegrin analysis of the situation in Kosovo after the province broke away from Serbia and declared independence in February. He commended Montenegro for its contribution to peace and stability in the region.

The president reassured Montenegro of Slovenia's support for the country's accession to the EU and NATO. He also said that Slovenia had done everything in its power during its stint at the helm of the EU to enable progress for Western Balkan countries. They all made progress, Türk said. "The only remaining question is whether the progress met expectations."

Türk believes that candidates should enter the bloc individually once they meet the accession criteria and should not have to wait for other countries.

THE ACCESSION TO SCHENGEN BRINGS NEW OPPORTUNITIES FOR MINORITIES

The Council for Slovenians in Neighbouring Countries, a government advisory body established in 2006 as part of legislation relating to Slovenians abroad, addressed the status of the Slovenian minorities on 2 September at a session at Brdo pri Kranju. The Council also discussed future projects to strengthen minorities' links to Slovenia.

With Slovenia's accession to the Schengen zone, the borders between Slovenia, Austria, Italy and Hungary fell, reuniting the Slovenian cultural territory, Prime Minister Janez Jansa noted in a press release. "We are probably not even aware yet of all the opportunities that the fall of the borders in Europe brings for the Slovenian people," said Jansa, expressing the hope that these opportunities would be put to good use.

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Rudi Pavšič, the president of the body representing Slovenian minorities in the neighbouring countries (SLOMAK), said that plans for a revival of relations with Slovenia in the next decade should be more to the point. According to him, cross-boarder cooperation and relations with the neighbouring countries should especially be enhanced. Vladimir Smrtnik, the president of Unity List (EL), the only party representing the Slovenian minority in Austria, pointed to the Austrian parliamentary elections held on 28 September, in which Carinthian Slovenian Rudi Vouk will stand as candidate. "By entering the Austrian National Assembly, Carinthian Slovenians would be able to make progress on all open issues," he said. According to Smrtnik, the Austrian government has failed to resolve numerous issues regarding the Slovenian minority, including the issue of bilingual signs in the Austrian province of Carinthia. Smrtnik also called for more economic cooperation between Slovenia and Carinthia and added that in solving minority issues, Slovenia should strive for an agreement such as Austria had reached with Italy regarding the position of the Austrian minority in South Tirol.

GOV OFFICE PRESENTS HUNGARY-SLOVENIA COOPERATION PROGRAMME

In Maribor on 5 September, the Government Office for Local Self-Government and Regional Policy presented an operational programme for cross-border cooperation between Slovenia and Hungary in 2007–2013.

The programme aims at supporting sustainable and balanced regional and local development, and improving the quality of life in the area. It offers financial support for projects that strengthen cross-border cooperation and promote regional development.

Creating the same conditions and opportunities across the EU is one of the bloc's strategic aims, thus the EU allocated EUR 36m for the programme in 2007–2013. About EUR 14m were already offered in the first call for proposals on 27 June 2008.

Cross-border cooperation is especially important for the Slovenian minority in Hungary and the Hungarian minority in Slovenia, as it creates more opportunities for the preservation of their mother tongue and their cultural and national identity, the government's office said.

At the presentation, which was also attended by State Secretary at the Hungarian Ministry for National Development and Economy, Csaba Molnar, Local Government and Regional Affairs Minister Ivan Žagar highlighted not only the importance of economic and political collaboration between neighbouring countries, but also the importance of balanced regional development within Slovenia.

Slovenian-Hungarian cross-border cooperation started in 1995, when the key areas of cooperation covered tourism, culture, traffic, health security, environment, energy and regional development.

FOREIGN MINISTERS FOCUSED ON GEORGIAN-RUSSIAN CONFLICT

A mission to Georgia would cost the EU some EUR 500m over the next three years, Foreign Minister Dimitrij Rupel said in Avignon on 6 September. Rupel said that the EU foreign ministers meeting informally in Avignon had agreed that Georgia needed help, while the issue of relations with Russia still needed to be discussed.

"It is important that the EU speaks with one voice and regarding this mission, unity was complete," Rupel explained.



According to the European Commission's proposal, EUR 500m for the mission would come from the bloc's budget, while an additional EUR 500m would come from the Member States.

The ministers also decided to strengthen EU participation in the mission of the Organization for Security and Co-operation in Europe (OSCE), which is already in Georgia. Rupel said that Slovenia would contribute 8 people. The ministers also confirmed the demand that the Georgian and Russian troops return to their positions of 7 August, before the outbreak of fighting, on which EU leaders had agreed at the emergency EU summit on the Georgia crisis on 15 September.

Regarding relations with Russia, Rupel commented that there were "two schools of thought". "One provokes confrontation and thinks of Russia the way we used to think about the Soviet Union, and the other springs from the tradition of the OSCE and cooperation." Rupel noted that he preferred the second tradition, which he believes will get more support.

MARATHON CYCLIST SETS NEW 24-HOUR DISTANCE RECORD

On 8 September, Slovenian ultra-marathon cyclist Marko Baloh set a new world record in 24-hour distance cycling at a horse racing track in Lenart in Slovenia. Covering 890.205 km, he bettered the previous record, set by Michael Secrest of the US, by more than 30 kilometres.

Baloh completed 928 laps and 160 metres in 24 hours with an average speed 37.09 km/h, and also improved the previous best absolute road mark, set by Orlando Borini of Italy (869 km).

En route to the 24 hour mark the Slovenian cyclist broke three other world records – the fastest 100 miles and 200 miles outdoors and 12-hour distance (460.6 km), improving his best and the world record by 1.8 km, with an average speed of 38.39 km/h

The record-breaking ride took place under the rules and supervision of the Ultra Marathon Cycling Association.

"This world record has been on the top of my list of goals for quite a while. Besides winning the Race Across America (RAAM),

this must be the most prestigious goal of every ultra-marathon cyclist," Baloh said of his feat.

PARAOLYMPICS: THREE MEDALS FOR SLOVENIA

Shooter Franc Pinter secured Slovenia's first medal at the Beijing Paralympic Games on 8 September by taking third place in the men's 10-metre air rifle event (SH1). Pinter garnered the bronze with his final shot, finishing behind Sweden's Jonas Jacobsson and Germany's Norbert Gau. Pinter has won silver in the three previous Paralympic Games.

Slovenian table tennis player Mateja Pintar, the gold medalist from the 2004 Paralympic Games in Athens, came in third and won the bronze in the women's individual class 3 on 10 September. She beat the Italian Michela Brunelli for third place with 3:0. Gold went to the Chinese player Li Qian, who defeated Pintar 3:1 in the semifinals. In the finals, she beat the Slovak Alena Kanova by 3:0.

Athlete Jože Flere won the third medal for Slovenia at the Beijing Paralympic Games on 11 September. He came in second in the joint F32/F51 category of the men's discus throw, with a world



record in the F51 category. Flere got 10.99 metres and 1,119 points on the third attempt, falling short of the gold by just 13 points to Mourad Idoudi from Tunisia, who threw the discus 19.72 metres and got 1,132, bagging a new world record in the F32 category. Bronze went to Martin Zvolanek from the Czech Republic, who got 10.78 metres and 1,093 points. "I couldn't be more pleased," said Flere, who had to go through additional tests before competing, as the classifiers wanted to make sure he really belonged in this category. Flere started with athletics four years

ago after he was rehabilitated from an injury. Today's Paralympic silver is the biggest athletic achievement of the 40-year-old.

ITALY, SLOVENIA MINISTERIAL FOCUSES ON BURNING ISSUES

The coordinating committee of the Italian and Slovenian governments met on 8 September in Rome as part of reinforced cooperation that the two countries agreed on last year. Slovenian Foreign Minister Dimitrij Rupel said that the autumn was off to a very good start in Slovenian-Italian relations.

Apart from Rupel and his Italian counterpart, Franco Frattini, the session was attended by ministers or state secretaries from environment, development, agriculture, transport and higher education ministries.

The officials discussed infrastructure plans and environmental issues, including Italy's planned gas terminal in the Gulf of Trieste, as well as science research and cooperation between Slovenian and Italian universities. The talks furthermore touched on the protection of minorities, the return of works of art that Italy took from Slovenia before WWII, and international politics, foreign ministers Rupel and Frattini told the press after the meeting.

The ministers pointed out that Slovenia and Italy had shared views on most issues, whereas the topics on which they do not see eye to eye were being discussed in a friendly tone.

The countries demonstrated the initiative for enhanced cooperation in January 2007, when the then Italian Foreign Minister Massimo D'Alema visited Ljubljana. The agreement was formalised in Brussels on 14 May 2007 with a memorandum.

The coordinating committee was to convene a session once a year. The memorandum envisaged the possibility of extending activities to other areas, while devoting special attention to the ethnic minorities each nation has in the other country.

PHILIPPINE FOREIGN MINISTER IN SLOVENIA

Possibilities for boosting economic cooperation and intercultural dialogue were at the centre of talks between Foreign Minister Dimitrij Rupel and his visiting Philippine counterpart Alberto Gatmaitan Romulo on 10 September.

Romulo pointed out that the Philippines had abolished obligatory visas for Slovenian citizens and that the decision would enter into force within a few weeks. He took the opportunity to invite Slovenian investors and entrepreneurs, as well as travellers to visit his country.

Rupel said that economic cooperation topped the talks, since "it is rather modest at present". He added that opportunities were abundant, highlighting the Koper port as a potential spring board for Philippine products targeting the markets of Eastern Europe and the EU, including Slovenia.

Slovenia had already proposed the signing of a cooperation memorandum to the Philippines in 2005. While the signing is still outstanding, a Philippine business delegation visited Slovenia this year. A Koper port delegation is scheduled to visit the Philippines in 2009.

"We have many ideas regarding cooperation, whereas politically we find it easiest to find mutual agreement with regard to intercultural dialogue," Rupel said, remembering Slovenia's active role in this field during its EU presidency.

Rupel meanwhile described the Philippines as a promotor of interfaith dialogue, mentioning the conflict with the island of Mindanao, which he believes will be resolved shortly. Romulo backed Rupel's view, adding that he had participated in several

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conferences devoted to intercultural dialogue. According to him, intercultural or interfaith dialogue was also the attitude adopted in the peace process with the Muslim rebels on Mindanao.

The Tripartite Forum on Interfaith Cooperation for Peace, an initiative of the Philippines and the UN, was meanwhile the main international topic discussed on 10 September. Slovenia supports the initiative and will participate at the ministerial meeting scheduled at the end of the month in New York.

On 11 September, Parliament Speaker France Cukjati hosted the Philippine Foreign Minister, discussing with him potential ways to improve cooperation between the parliaments of the two countries, as well as economic cooperation. They also focused on the economic role of the Koper port. As during the meeting with his counterpart Dimitrij Rupel, Romulo pointed out that the Philippines were abolishing compulsory visas for Slovenian citizens. Cukjati expressed his conviction that relations between Slovenia and the Philippines, both economic and political, would be richer in the future. Romulo moreover congratulated Cukjati for Slovenia's successful stint at the helm of the EU in the first half of 2008.

SLOVENIA, CROATIA PRESENT CROSS-BORDER COOPERATION PROGRAMME

At Otočec on 15 September, Slovenian and Croatian ministers responsible for local government, Ivan Žagar and Petar Čobanković, presented the IPA operational programme for cross-border cooperation for the 2007–2013 period.

The countries are eligible for EUR 16m of EU funds for various projects, Žagar said, adding that they must contribute at least 15% of the projects' total worth.

The countries should carry out projects aimed at improving the lives of people on both sides of the border. Some projects are set to get under way this year.

The programme includes projects in areas such as business

and tourism, sustainable development and ecology. Žagar also highlighted projects concerning human resources and administration.

Žagar noted that the Government Office for Local Government and Regional Policy had allocated additional EUR 30m for the area on the Slovenian side of the border with the aim of boosting development and construction of infrastructure.

PRESIDENT TÜRK ADDRESSES PANEL ON DEMOCRACY

On 15 September, Slovenian President Danilo Türk delivered the keynote address at the International Day of Democracy panel of the Inter-Parliamentary Union in Geneva, Switzerland. He stressed that the transformational power of democracy could not be denied.

"Democracy comes from within and cannot be forced from outside, but it can be helped at the international level," Türk said in his speech. He stressed that democracy was a value, but warned that it was more than just procedures, it also needed to produce practical results. This was especially important for developing societies, Türk was quoted as saying by his office.

"Democracies depend on the rule of law and they must entail effective mechanisms to fight corruption," the president declared, adding that corruption should not be underestimated. The fight against corruption, he said, was one of the key tests of democracy's effectiveness. Furthermore, he pointed out that security threats such as terrorism were a danger to democracy. However, he warned that these threats should not be tackled with lower standards of human rights.

Democratic institutions are an important pillar in societies which have recently emerged from armed conflicts, as they prevent the reigniting of such conflicts.

Türk also met the United Nations High Commissioner for Human Rights, Navanethem Pillay.

FM SKEPTICAL ABOUT IMPLEMENTATION OF SERBIAN PRE-ACCESSION ACCORD

Foreign Minister Dimitrij Rupel said on 15 September that he did not believe the EU foreign ministers would take the decision to implement the trade part of the Stabilisation and Association Agreement with Serbia.

The debate focused on the situation in Georgia, but Minister Rupel told his counterparts that the EU should not forget about Serbia and, more broadly, the Western Balkans. "Serbia is our achievement, an achievement which has to be secured," he said, noting that the bloc's actions have had a direct impact on Serbia's actions. "Now it's the EU's turn to show something positive to Serbia."

Implementation of the accord has been made conditional on the capture of the top three war crimes fugitives, of whom only one, former Bosnian Serb leader Radovan Karadžić, has been arrested. The UN war crimes prosecutor, Serge Brammertz, also briefed the ministers about Serbia's efforts to capture generals Ratko Mladić and Goran Hadžić.

Although skeptical about the possibility of a decision being taken at the meeting of EU foreign ministers in Brussels, Rupel nevertheless said there were positive movements towards "granting Serbia's wish and moving forward"



The election campaign started normally, but was then for its major part overshadowed by Patria, which made difficult both a normal comparison of policies as well as of parties. The last week was obviously not long enough for deeper confrontations relating to contents, so the majority of election promises expressed by party representatives in their public appearances remained at the level of very general phrases, and it will be difficult to check their implementation. A certain particularity was a slightly larger share of negative campaigning, among others in the form of posters, which has not been common in parliamentary elections in Slovenia.

If we exclude the Patria problem, appropriate topics were at the forefront: development, the economy, social and health security issues which are relevant to people's lives. The campaign mainly avoided classic ideological issues linked to the past, and was in that sense very normal and comparable to other European democracies. But since almost half of the pre-election period was taken up with the affair relating to an allegation of corruption in the Patria matter, not enough time was left for normal campaigning.

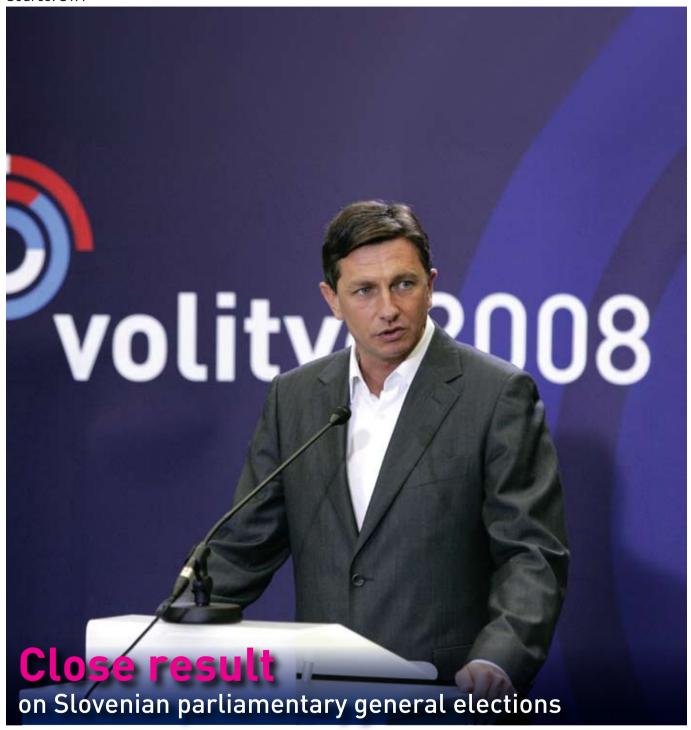
One feature which probably had an important impact on the final decision of the undecided, on the turnout of voters and consequently on the results of the elections was a distinctive mobilisation of voters of the current opposition - or the wing which is usually referred to as the left - in larger cities, especially in the capital Ljubljana and in the coastal region. The Mayor of Ljubljana, Zoran Janković took good advantage of his popularity in the last days before the elections and explicitly expressed support for the trio comprising the SD-Zares-LDS parties against the current government led by Janez Janša. The mayor was closely connected to these parties before, but probably for the more apolitical population and wavering voters this was perhaps a novelty, and it obviously had a strong impact on them. The mobilisation of the previously undecided electorate was apparently much more successful for the Social Democratic opposition party and it actually turned the election results to their benefit; namely, even just before the elections, the opinion polls consistently predicted victory of the governing Slovenian Democratic Party.

This effect is also evident from the fact that the turnout in Ljubljana and certain urban areas was relatively high. In general, turnout was normal - slightly higher than at the elections in 2004, but lower than in 2000

Confrontations on televison obviously did not have a decisive influence on the results. The Prime Minister Janša was in general more intelligible, concrete and proficient than the opposition leader Pahor. The latter was also strongly overshadowed by the leader of the second biggest opposition party Zares, Gregor Golobič, who also excelled in the confrontations. Despite that, SD won a victory over SDS, and the Zares party remained far behind both of them. How did this campaign differ from previous campaigns? Because of the reasons I already mentioned, the election campaign was much shorter. There was slightly more negative campaigning, and also some dirty campaigning. Perhaps the only truly worrying feature was the explicit partiality of the key media to political parties, based directly on the interests of the owners of such media. The serious and tabloid media owned by Pivovarna Laško, which had difficulties under the current government because of the problematic ownership transformation and concentration of capital, difficulties with supervisory institutions, strongly supported the opposition Social Democrats because a change in government is in the interests of their owner. At times these media were so much politically instrumentalised by capital that they even published stories which had been proved false. Because Pivovarna Laško has direct and indirect ownership control over the majority of the Slovenian printed media market, its influence on the election campaign was corresponding.

Although the final election result is tight, its consequences are clear. The government will be put together by the Social Democrats, no doubt in alliance with Zares and the Liberal Democracy of Slovenia. It is possible that they would invite the Slovene People's Party and the Democratic Pensioners Party to join the government. SDS, which now holds power, will definitely be in opposition.

Source: STA



The parliamentary election in Slovenia ended with a very tight result. No party alliances have won a majority in the Slovenian parliament, therefore a coalition government is needed

FINAL ELECTION RESULTS CONFIRM WIN FOR SOCDEMS

The final tally of overseas votes on 29 September confirmed a narrow win for the opposition Social Democrats (SD) in the 21 September general election. The gap to the runners-up, the ruling Slovenian Democrats (SDS), remained almost

the same after over 10,000 votes from abroad were added one week after polling day. The SD got 30.45% of the vote and 29 seats in the 90-member legislature according to final unofficial results released by the National Electoral Commission. The SDS got 29.26% and 28 seats.

Zares is in third with 9.37% (9 seats), followed by the pensioners' Party (DeSUS) with 7.45% (7 seats) and National Party with 5.4% (5 seats).

The alliance of the People's Party (SLS) and Youth Party (SMS) got the same share of the popular vote, 5.21% and the same number of seats, 5, as the Liberal Democrats (LDS).

The parties have three days to lodge complaints about the

outcome, whereupon the election results will become official and talks on a new coalition can start in earnest.

The centre-left trio of the SD, Zares and LDS, which formed a pre-election alliance, will probably form the core of the new governing coalition, but with three votes short of an outright majority they will need at least one coalition partner.

The DeSUS is being mentioned as the most likely candidate, but the SLS is not out of the loop yet. Analysts have speculated that both parties could actually join the coalition, leaving only the centre-right SDS and the far right SNS in the opposition.

However, SD leader Borut Pahor, the most likely prime ministerdesignate, has said on several occasions that he would be seeking to form an ideologically compatible rather than broad coalition.

TURNOUT EXCEEDS 62%

Just over 62% of registered voters cast their ballots in the general election on 21 September, the unofficial data from the National Electoral Commission showed after nearly all votes from Slovenia were in. The turnout is slightly higher than at the 2004 general election, when it stood at 60.64%, but well below that in 2000 and 1996, when it stood at over 70%.

The turnout also exceeded that of last November's presidential run-off, when 59% of voters turned out.

The highest turnout was seen in central Slovenia, with the electoral units Ljubljana-center and Ljubljana-Bezigrad seeing ballots cast by 68.24% and 66.34% of all eligible voters.

The turnout was the lowest in NE Slovenia, where the Maribor and Ptuj electoral units registered 56.58% and 58.22% voter turnout.

Turnout was expected to play an important role, with analysts speculating that anything above 65% would disproportionately benefit left-leaning parties. In the end it stood at 62.16%, 1.5 percentage points more than in 2004. President of the SDS party Janez Janša suggested in his reaction to the outcome that there had been an incredible mobilisation on the ideological basis on part of the transition left, including through the engagement of transition capital through its media. He pointed out that Slovenia's capital city, Ljubljana, saw the biggest turnout and the strongest support for SD.

The prime minister-designate is nominated by the president and put to a vote in parliament, where he needs to win an absolute majority of 46 votes.

The prime minister-designate in turn forms a cabinet which must undergo a renewed vote in the National Assembly.

CENTRE-LEFT TRIO HOLD FIRST POST-**ELECTION MEETING**

The presidents of the Social Democrats (SD), Zares and Liberal Democrats (LDS), the trio expected to form a coalition with one other party, met on 24 September to discuss future steps. SD president Borut Pahor said the three want to formalise their informal cooperation in case they get the mandate.

»We have placed content above staffing solutions,« Pahor told the press in Ljubljana and added: »I told my two colleagues that I see Slovenia's biggest challenge in taking on successfully the period of economic uncertainty lying ahead.« Pahor believes that certain structural reforms will be necessary to secure this, pointing out that dialogue, including with those who will end up in the opposition, is needed to carry out these reforms.

»The three of us are all in favour of a lively and successful debates with those on the other side of the opposition-coalition divide, because we cannot imagine success for Slovenia without this form of cooperation, « Pahor added.

According to him, these are the main points and they will be formalised after the official results of the election are in.



PAHOR PROMISES TO REFRAIN FROM POLITICAL STAFFING

The new government will not rush into appointing new people to top posts, the most likely prime minister-designate, Borut Pahor, said. Slovenia is currently politically divided and it needs an atmosphere of trust that the new government will not carry out a staffing tsunami among top officials, he said.

»This will not happen, « the leader of the Social Democrats (SD) said, adding that if people did their job well, he wanted them to remain in office.

At the beginning of July Pahor stated that in case the party won the general election, it would be tempted and pressured to continue with the old patterns.

But Pahor said that if this happened he would »bid farewell«, since this would not only mean that he had broken one of his promises but also that he could not push through with his

concept of leadership.

If a minister decides to replace a top official, he or she will need to have very good arguments for that, Pahor said. »People cannot be dismissed only because they are not politically loyal to the new government.«

Some reforms would be needed if the economic situation deteriorates as forecast. In his opinion, Slovenia will not be able to deal with the challenges without cooperation that will go beyond the government and the opposition.

The challenges include improving the lot of individuals and the community, and preserving social stability. The question of how the coalition will work with the opposition remains open, Pahor added.

The SD decided to start drafting a coalition agreement. Some might say this is a premature move, however it cannot be postponed because of deadlines set by the Constitution and the parliament's rules of procedure, Pahor said.



Source: STA Minister Bajuk and EBF convinced of the stability of the Slovenian and European banking systems

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The Slovenian banking system is stable and ensures stability of roles, is the opinion of the finance minister, Andrej Bajuk. He emphasises that the finance ministry will do everything to preserve that stability and that citizens' savings will remain safe. Meanwhile, the EBF emphasises that the banks in the EU and the banking system are safe.

The assessment of the European Banking Federation(EBF) for EU banking markets is the same. They don't see such difficulties on the European level as we are witnessing in the USA. The insecurity in financial markets started in the USA, so the EBF welcomes the measures of the American government to stabilise the markets. The European Banking Federation emphasises that the situation in the loans market which occurred in the USA could not be replicated in the EU, because the loans in the EU are insured, and those insurances are re-insured. EBF also welcomes the measures taken by European governments. Especially positive was the assessment of the measures taken by governments of the three Benelux countries in the case of Fortis financial group, when they $temporarily\,nationalised\,Fort is\,to\,avoid\,bank ruptcy.\,The\,association$ also assessed that the difficulties experienced by European banks are linked to the concept of 'fair value measurement of assets', which was susceptible to negative influences after the downfall of the American system of sub-prime mortgages. The EBF therefore recommends accounting standard-setters implement some reforms, especially in the sphere of measuring financial assets. The association also established that European banks are subject to more control than American banks, where numerous market regulators created confusion and could not reach agreement regarding control over subprime mortgages. The relations to these loans are, among other things, not regulated even by the Basel II banking standard, nor the provisions of the international accounting standard which the banks in the European Union have to comply with in their business operations.

ANALYSIS: RETAILERS BIGGEST INFLATION PROFITEERS

An analysis by the Economic Institute of the Ljubljana Law School (EIPF) suggests that food prices, one of the biggest generators of inflation, have been pushed up by soaring demand on the back of pay rises. Yet in the producer-to-consumer chain, it was retailers that made the biggest profits. Retailers increased their profits as margins remained the same in percentage terms, France Krizanic, the head of the EIPF, told the press as he presented the analysis commissioned by the Economy Ministry. »Usually they



[the retailers] can do that if they have a monopoly, but in this case it was due to growing demand, « Krizanic said. Economy Minister Andrej Vizjak, who has repeatedly criticised retailers for excessive margins, stressed that the analysis clearly showed who in the production chain got the biggest slice of the cake. Vizjak added that the overall volume of retailer's margins had grown due to the retail oligopoly. »Producer prices did not have a fundamental impact on the growth of the harmonised consumer price index, in fact, they even slowed down growth, « he said. »But retail prices, buoyed by growing margins, contributed to the beginning of the inflation spiral in a period of favourable economic growth last year, « Vizjak said. Krizanic said that inflation until the middle of this year was a consequence of growing food, oil and electricity prices. These prices were growing due to higher farm and producer prices, higher wages that pushed up demand, higher food prices on global markets and growing operating profits of retailers. However, the most important factor was the higher income of consumers and, whereas the effect of producer prices is smaller. The analysis included a period between the first half of 2007 and the first half of 2008. Krizanic said it provided crucial information on how pay raises affect inflation, living standard and inflationary pressure. Although prices are expected to continue increasing, Krizanic also expected some prices to drop, especially cars, other durable goods and real estate. He said that inflation would no longer be such a great problem. »Our main problems will become unemployment and competitiveness.«

IMAD RAISES SLOVENIA'S GDP, INFLATION FORECAST

The Institute of Macroeconomic Analysis and Development (IMAD), a government think-tank, has revised the economic growth and inflation forecasts for Slovenia. It expects the economy to expand 4.8% this year, up 0.4 points from its spring forecast, while year-on-year inflation is projected at 5.3%, up from 4%.

GDP growth is expected to ease to 3.1% next year largely

due to the global economic slowdown and lower investment spending. It should tick up again, to 4%, the following year, IMAD director Bostjan Vasle told the press Thursday as he presented the think-tank's Autumn Report. "The slowdown in the international environment will be deeper and longer than we expected in the spring," Vasle said. The latest forecasts show that growth in Slovenia's biggest trade partners will be only half that of last year, but it will remain high in new EU member states and in the Western Balkans.

Slovenia's economy will still expand two- to three-times faster than other eurozone members, but the figure could be lower if the fallout from the global financial crisis is bigger than currently thought, Vasle explained.

The international situation will also affect exports, which had seen double-digit growth in the last three years. Export growth is thus expected to top off at 6.6% this year and 5.2% in 2009. Import growth is projected to more than halve to 6.9% this year and 4% in 2009.

Similarly, the growth of investment spending is expected to slow down from 11.9% last year to 8.8% this year and as little as 1.3% in 2009. Vasle says investment in machinery as well as buildings has been dropping. Investment in road infrastructure will drop significantly next year, but it will gradually be replaced by spending on the rail network.

Household spending is projected to slow down marginally to 4.5% this year and 3.5% in 2009, whereas the growth in government spending is to accelerate by nearly a percentage point to 3.4% this year, but it is projected to drop to 2.2% in 2009.

Inflation is forecast at 3.6% in 2009 and 3.0% in 2010. Yet Vasle said it was more likely than not that the actual figures would be higher. The projections for the labour market are more favourable than in the spring, with registered unemployment expected to stand at 6.8% this year and next. Gross wages are to rise 2.3% and 3.7% this year and next, respectively.

This year will be the first time after several years that wage growth outpaces productivity gains. Next year wage growth in the private sector will slow down and approach productivity gains, but the public sector will still be far ahead of productivity.



Source: STA



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"The history of the Primorska region, infused with bitter experiences of fascism and later with joy when returning to its homeland, remains a permanent foundation of the Slovene nation. Despite the present political conditions and possible separations, we must know how to draw upon what connects us as a nation. If we learn to do so, we will face good times ahead, times of cooperation, which can be achieved by having united development powers. It is possible to build a bridge even to the farthest bank, and it is possible to find the right direction even on the most winding of paths. You, the people of the Primorska region, have managed this throughout your history. I am convinced that the unity of spirit of the Primorska region will pervade the Slovene nation even more intensely. When this happens, we shall manage to better appreciate our history, because it is our common history, and we shall love our country even more," stated the Prime Minister in his formal address in Koper, on the occasion of the national celebration of the return of the Primorska region to its homeland.

The Prime Minister emphasised that in spite of being separated from their homeland, the people of Primorska maintained their national awareness and their sense of belonging to the Slovene nation. Initially they responded to the fascist violence inflicted upon them with cultural contempt and then later with armed resistance. "The secret organisation TIGR, which had even been described by some people as a terrorist organisation only a few years ago, actually operated in the spirit of the Slovenian tradition of resistance. It was the first anti-fascist organisation in Slovenia and the first armed resistance against fascism in Europe. It fought solely for the survival of the Slovene people, Slovenian culture and democracy and the freedom of the people of the Primorska region," said the prime minister. In this regard he added that the united and long-lasting resistance of Primorska to national oppression, the resistance of the TIGR and partisans of the Primorska region, as well as the military victory within the context of the Allied Forces, created very favourable conditions for the restoration of the entire Slovenian national territory to its homeland. However, following World War II, a considerable portion of the Slovenian region of Primorska, including Trieste and Gorizia and over 100,000 Slovenes, remained part of the territory of the neighbouring country. "At the time international factors tailored our fate according to their and the then-Yugoslav dimensions. The Croatian territory annexed to Italy on the basis of the Rapallo Treaty was returned to Croatia. Neither an inch of their land nor a drop of their sea on their western border was lost. This is a historical fact of utmost importance. At that time Slovenia alone paid the price of the break-up. Slovenia will therefore persist in its argument that the unresolved issues regarding the sea border between Slovenia and Croatia should take into consideration both the state existing on 25

June 1991 and the principle of equity. We have been deprived too often in our history to give in on this point," said the Prime Minister. Prime Minister Janša noted that respect for the national awareness of Slovenes in the Primorska region, as well as other Slovenes from Venetian Slovenia to Rezija and the valley of Kanal, must remain an obligation, in addition to more concrete and intensive cooperation between the homeland and our fellow countrymen who preserve Slovene national awareness abroad. Within this context he mentioned that the elimination of EU borders has, after centuries. united the common Slovenian cultural space. We are still unaware of all the new opportunities created by the elimination of borders created within this common Slovenian cultural space. It is time for us to write a new chapter with special care," stressed the Prime Minister, who also recalled the establishment of the Euro-Mediterranean University as one of the most important projects of Slovenia's Presidency, as it places Slovenia at the academic intersection of all 39 countries of the Euro-Mediterranean partnership and has the potential to become an important messenger of intercultural dialogue.

In his address, the Prime Minister also touched upon the economic and developmental potential of the Primorska region and stated that in the past the Primorska region contributed numerous innovators and successful businessmen. New economic centres are being established in the Primorska region to meet the needs of creating innovative and technologically-oriented companies, in order to attract creative and dynamic individuals. These centres shall be the bearers of the future economic development of the region. "Luka Koper, with its further development, shall strengthen its competitiveness through the new highway and future railway connections. We shall also bring to the forefront efforts for the ecological protection of the Northern Adriatic and the Slovenian coast. The tourist offerings of the Primorska region will further improve its quality and increase its added value." In the words of the Prime Minister, the Primorska region is now already one of the most successful regions in Slovenia, based on its level of development and its low unemployment rate. In this vein he stressed that, according to all criteria, Slovenia can reach the European average in regard to the level of real wages and pensions by 2015. The Prime Minister explained that 10 years ago the purchasing power per inhabitant reached 78% of the European average, while that of neighbouring Italy reached 120%, a difference of 42 percentage points. A decade later this difference has been reduced to a mere 9 percentage points.

In his formal address, Prime Minister Janez Janša also expressed his thanks to the writer Boris Pahor and to all other individuals and important thinkers whose thoughts acted as guiding lights on the difficult path walked by Slovenia in the 20th century.

INTERVIEW



'Rooster's Breakfast' - the most viewed Slovenian movie of all time - is a movie about real and rather less real loves, about little people who wish to realise passionate desires. The movie, written and directed by Marko Naberšnik was a blockbuster last year. Naberšnik believes that for a movie to succeed, it should have a concrete story, which makes the movie watchable.

WHICH ELEMENTS MAKE THE MOVIE CONCRETE OR WATCHABLE?

Undeniably a good story, which is what all recent Slovenian movies prove: 'Grandma Goes South', 'Kaymak and Jam', 'Ode to Prešeren', 'Who Gives a Fuck', 'Last Dinner', 'Spare Parts', 'Outsider'...The further process depends on the personal approach of each director. My apparently easy direction hides a lot of deliberate and lucid approaches. All authors are aware of the fact that work on the script is the most important, since the spectator is mostly convinced by the story itself. Besides the script, the cast, good conditions for shooting and editing and good promotion are important. The question of the relation between the story and its movie version is not unknown to me, as I am aware that as a director, I should tell interesting stories using pictures and sound. I do not limit myself to intimate stories making part of the Slovenian work due to production conditions; big stories interest me as well. I am tempted to shoot a story on the Pohorje Battalion and on the Butale people; I am aware that the projects would require a strong production background.

THE STEREOTYPE ON UNWATCHABLE SLOVENIAN MOVIES IS THEREFORE BEING DEMOLISHED.

Obviously.

HOW DO YOU COMMENT ON

SUCH SUCCESS FOR SLOVENIAN CIRCUMSTANCES - IT WAS SEEN BY MORE THAN 180,000 PEOPLE IN 20 WEEKS, WHICH MAKES IT THE MOST VIEWED SLOVENIAN MOVIE OF ALL TIMES?

In the movie, there is a small group of people that we try to investigate and present as much as possible. We have to embrace all their essence and intimacy. You know, each director has his own poetics to tackle things. My own personal poetics always means creating from the feeling of being carried inside. All these things, namely my work and relation to the movie, do not have much connection with rationality. If they had, then I would probably work as an accountant.

My movie is a drama, love and comedy at the same time. I focused on the local story. A story typical of that place, not global, but pertaining to Prekmurje, in this case. Thereby, I used my own style. Each director performs according to his own style. Mine is a mixture of realism and comedy. I like a drama story with many humorous elements. So the motor mechanic in this movie makes a very humorous story out of his simple character. It is a fact that in his novel, Feri Lainšček described the environment he lived in, which he knew very well. The motor mechanic Gajaš and all those people really exist. Franc Matuš, the motor mechanic from Prekmurje, is a person from real life. I have seen the location described by the writer and which truly matches reality. All elements of male world realism are included, idealising women, music and certain hopes, such as domestic trellis-work for wines. These people really have a vital spark. When reading the novel, all the characters seem to be alive. After I read the book, I wrote the script, which took almost 2 years. A lot of work was put into this - the project was well prepared also by the producer - then I prepared a storyboard and all this good preparation can be seen in the movie. It goes smoothly. Preparation is always very important; however, that is not a recipe for further work, to know exactly what to do in the next movie.

HOW LONG DID IT TAKE TO MAKE, FROM THE FIRST IDEA TO THE FIRST PROJECTION?

The idea was born in 2003, when I got hold of the novel by Feri Lainšček of the same name. I became enthusiastic about the work, I was taken over by the story, which is simple and truly alive, a story I know, a story I have lived, and wanted for my first movie. I also liked that the story was local and very typical of places I know, places I grew up in. It describes life on the margins. I am convinced that Slovenians have a strong folklore or a very special sense of humour. I often hear many that Serbs have true humour, and that Slovenians do not, but I think this is not true. It is true, however, that we have a distinctive Slovenian humour. The performance of the singer Severina is also very typical of Slovenia, as there are many admirers of Croatian music in Slovenia. Slovenia used to be part of Yugoslavia, and this intertwining with the Balkans is still alive. The majority of favourable estimations were given to the movie's "reality" with the following words: this is exactly how it is here: this is exactly how we live and speak.

HOW DO YOU COMMENT ON THE FACT THAT THE DOMESTIC ART DEVOTES TOO MUCH ATTENTION TO MARGINAL AND ASSOCIATED TOPICS?

Literature, and the movie as well, which are created with the ambition of artistic excess, necessarily searches in marginal or border situations. Only there do heroes face situations demanding essential and total answers and decisions. In this sense, 'average' is not interesting, or if I speak freely, artists are really not interested in the average.

YOU SKILFULLY INVOLVED A CURRENT POP STAR WITHOUT HAVING A CHEAP EFFECT. TO WHAT EXTENT DID THAT AFFECT THE BETTER PROMOTION OF THE MOVIE?

Severina was a character already in the novel. Here I proceed from the realism, an actual living person liked Severina. The motor mechanic from Prekmurje adored her, and the intertwining of a certain generation and an area with roots in Yugoslavia still continues today. If musicians from former Yugoslav republics come, there are plenty of Slovenian fans. The relation of Slovenians with Balkan music is inside us. During this time, Severina became even more popular and thereby contributed to the actuality of the movie. I am glad, though, that she was only a part of the project in the movie and that she did not stand out.

THE ACTORS IN THE MOVIE WERE EXCEPTIONAL, AS WE HAVE PROBABLY NOT SEEN SUCH RELAXED AND SPONTANEOUS ACTING IN ANY SLOVENIAN MOVIE. WHAT ARE THE REASONS FOR THIS ACTING BREAKTHROUGH? DID THE ATMOSPHERE IN THE TEAM ENABLE THIS

SUCCESS?

The reading rehearsals certainly contributed a lot. Besides, there were good actors in the team, and, moreover, we established a good relationship. The relationship between director and actor is very important, because it defines the acting style. I am well aware that I have directed too few movies to speak of my own style, but I hope I will have a wider range of movies in a few years and then we will be able better to analyse this question. My cooperation with actors contributed a lot. It seems to me that it is good we included many small irregularities into the movie, which we otherwise do in life too. We also included sensations, which affect the interpretation dimensions. I am grateful to the actors, who were really good.

YOU ARE THE SLOVENIAN CANDIDATE FOR THE ACADEMY AWARD NOMINATION FOR THE BEST FOREIGN LANGUAGE MOVIE. THIS YEAR, FIVE MOVIES APPLIED FOR ACADEMY AWARD NOMINATION FOR BEST FOREIGN LANGUAGE MOVIE.

The movie aroused much enthusiasm in New York, which implies it has a note of dialogue which is up-to-date elsewhere as well. You now, I would not like readers to think that my movie stands out in Slovenian cinema by its success - no, successes happen all the time, other Slovenian directors have them too, but unfortunately, the movie industry is systemically at a standstill. The Film Fund is not capable of giving it the appropriate impetus. I dream of the environment where movie production would, undisturbed, produce some 7-8 movies per year to fully create the right production dynamics.

HOW IS YOUR MOVIE BEING DISTRIBUTED?

Distribution was officially finished in the summer this year - we finished with a total audience of 183,000. We have concrete proposals from three foreign distributors who wish to present the movie in their countries. Things are still open. Then, we will see what happens in internationally. However, a lot depends on the festivals; otherwise, I predict another year or two of life.

WHAT ABOUT YOUR FUTURE? A DIRECTOR WITH SUCH A MOVIE BECOMES A KIND OF



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INTERVIEW



INSTITUTION AND THE FUTURE OPENS UP IN A COMPLETELY DIFFERENT WAY. DO YOU FEEL THIS?

Through this movie, I got several opportunities for further work. I am currently preparing a new movie based on the Feri Lainšček novel 'The Untouchables' - the issue of the movie is how far the protagonist is prepared to follow his dreams, how much he is prepared to pledge. The story is set in Prekmurje from 1970-95, and is about a gipsy who starts to build his own village in the system that has enabled him to build illegally, and then it all goes bad with the disintegration of Yugoslavia.

YOU REMAIN REALISTIC, DESPITE THE GREAT SUCCESS.

How else should I be?! It is impossible to live off a movie in Slovenia. I work at the Academy of Theatre, Radio, Film and Television as assistant professor for direction. I also work at Radio-Television Slovenia, directing numerous broadcasts. I am not burdened with the question of whether I am a director who will get their next movie project in 10 years, but I will certainly be on the lookout for the next movie opportunity. I do not lack the inspiration. I have had it since I was small, so deciding what to study was not difficult.

AND SOMETHING ON YOUR MOVIE PLANS? ARE YOU ATTRACTED TO WORKING ABROAD?

My work is project work. I would consider a proposal from abroad

as such, as work on a project. When it is finished, you no longer have work. If someone proposed a project, I would of course accept it. I always get work on the basis of a concluded project. Conditions abroad would, of course, be better, and if I returned something to Slovenia in the form of work and new knowledge, I would also be very pleased.

At the Slovenian Film Festival in October last year in Portorož, 'Rooster's Breakfast Movie' received the Audience Award and the main Awards for Best Script and Direction (Marko Naberšnik), Leading Actor (Vlado Novak), while Pia Zemljič took the Stop Award for Best Actress of the Year. Director Marko Naberšnik also received the Stop Viktor Award for Special Achievement in 2007. In terms of ticket sales, the film beat Pirates of the Caribbean and Mr. Bean's Holiday, which were the only movies last year exceeding selling over 100,000, and it officially became the most viewed Slovenian movie, and rising to be the third most viewed movie in Slovenia, since the precise statistics of cinema-goers has been calculated - it outdid 'Harry Potter and the Philosopher's Stone' (173,999); ahead of 'Rooster's Breakfast' are Troy with 187,507, and 'Titanic' with 411,373.

Feri Lainšček: »I am absolutely enthusiastic about Naberšnik's approach. I have trusted him since the beginning, and now it shows that his apparently easy direction hides many deliberate and lucid approaches. The fact that the movie affects spectators as desired is primarily to the credit of successful direction strategies and tactics - in short, something still to be credited to Marko Naberšnik. I am satisfied with Naberšnik's script; it is even better than I could have done it myself. I am also enraptured with the excellent cast, and I am glad that after the novelistic story, a true story from Murska Sobota lived to see the movie format as well.«

The story is set in Gornja Radgona, where young Gjuro starts to work as an apprentice under master Gajaš, the elderly owner of a garage. Gajaš offers him a small room and Gjuro moves in. When she damages her car in a car accident, Bronja comes to the garage, who is married to Lepec, local ruffian, pimp and organiser of musical events in the area. Feelings arise between her and the young Gjuro and the hidden relationship soon takes its toll.

Meanwhile, master Gajaš dreams about Severina, a Croatian singer who is on tour in Slovenia and stops in Gornja Radgona. For him, Severina is a goddess, a dream woman embodying all his unfulfilled desires. The, at first innocent, play of fantasies becomes entangled with the real life of the main characters.

The term "rooster's breakfast" is a popular designation for morning sex. It is also used by the companionship of motor mechanic Gajaš who is the main hero of the Lainšček's novel. The story centres around the garage where the heroes dream about love, cars and friendship. One of the objects of desire in the book is the Croatian pop star, Severina, who is the ideal of woman's beauty for all "small heroes".

The leading roles are played by Primož Bezjak, Vlado Novak, Pia Zemljič, Dario Varga, Janez Škof, and Davor Janjić; Severina plays herself. The music is by Saša Lošić.

BUSINESS BUSINESS BUSINESS BUSINESS BUSINESS BUSINESS BUSINESS

ESTIMATE PUTS GENERAL GOVT SURPLUS AT EUR 177M IN 2007

Slovenia posted a general government surplus for the first time in 2007, in the amount of EUR 177m or 0.5% of GDP, according to a revised estimate from the national Statistics Office. The Finance Ministry meanwhile forecasts a deficit again for 2008, at EUR 13m or 0.04% of GDP. The office's March calculations showed a deficit estimate of EUR 24m or 0.1% of GDP for last year. However, a routine revision of the general government accounts for 2007 showed a surplus, chiefly on account of revised estimate of the corporate tax and a new income tax system, a Statistics Office official said. Andrej Flajs, who is responsible for national accounts, told a press conference in Ljubljana that the new estimate put the 2007 income from tax on profits to EUR 1.161bn, up EUR 190m from the March estimate. Flajs added that the new income tax system was much more fair and that tax deductions nearly matched the final tax assessments. The office did not revise debt figures. Consolidated Maastricht debt of the general government at the end of 2007 was estimated at EUR 8.071bn or 23.4% of GDP, down from EUR 8.289bn or 26.7% of GDP a year before. General government debt has been in decline in recent years, and the Finance Ministry projects it will stand at EUR 8.131bn or 21.6% of GDP by the end of this year. Flajs noted that this figure was extremely low indeed. The interests the state pays on the debt have been on the decrease too. Flajs added that the state had managed to restructure the debt, so that most of it was now in fixed interest rates, which the official said was good for the stability of public finances. Although the first half o this year saw revenues growing faster than expenditures, Flajs forecast an end to this favourable trend in the second half due to the new public sector wage system. The surplus, which stood at EUR 202m mid-year, will gradually shrink and the general government accounts are to show a deficit of EUR 13m by the end of 2008. Deficit in foreign transactions increased substantially in the first half of 2008, from EUR 237m or 1.4% of GDP in 2007 to EUR 947m or 5.2% of GDP in the first half of this year, Flajs said. The deficit was substantial in the first quarter, which Flajs attributed to a slowdown in the drawing of EU funds. »Last year we built the Schengen border, now we don't seem to have ideas how to draw European funds anymore.« The Statistics Office in addition highlighted that the introduction of motorway toll stickers on 1 July could change the market status of the national motorway company, DARS. The European statistical office treats half-year and annual vignettes as taxes, rather than payment for service. If Slovenia does not introduce short-time toll stickers, all state-guaranteed loans taken by DARS would have to be transferred into state debt as of 2009. Such loans currently stand at EUR 2.564bn. As of 2009, the general government sector will also include the national Housing Fund and public broadcaster RTV Slovenija. The RTV subscription fee too is treated as a tax, rather than as a payment. Fais said though that the inclusion of the two institutions would not bring about changes to the deficit or foreign debt.

GORENJE REMAINS MOST VALUABLE SLOVENIAN BRAND

An European brand study, carried out by the European Brand Institute from Vienna among 3,000 companies from 24 countries, shows that home appliance maker Gorenje remains the most valuable brand in Slovenia, estimated at EUR 445m. Gorenje increased its value by EUR 63m or 16.5% compared to the last year's study. According to the study, the total value of Slovenia's top 10 brands increased by 0.6%. Gorenje, which ranks 331st in Europe, said in a press release on 25 September that there was an important dividing line between eastern and western countries, where markets are dominated by

Text: DANILA GOLOB, Photo: STA

international corporative brands. The European Brand Institute pointed in this year's study that those brands which adjust to regional cultures, expectations and needs are the most successful brands. At the same time, strong brands make important contribution to boosting national, employment and economic growth, according to the institute.

SLOVENIA AND AUSTRIA LAUNCH EUR 79M WORTH REGIONAL PROGRAMME



Nearly 79 million euros are available for projects contributing to regional development in Slovenia and Austria as part of the operational programme for 2007-2013. The bulk of the funds, EUR 67m, come from the EU, the press was told on 29 August at a presentation in Maribor. Hosted by the Government Office for Local Government and Regional Policy, the presentation was attended by the relevant Slovenian and Austrian ministers, Ivan Žagar and Heidrun Silhavy. They voiced the expectation that the launch of the programme would give a further boost to cross-border cooperation, which they said has been successful thus far. The programme aims to improve economic and social cohesion with a view to encouraging balanced sustainable development. The Slovenian side issued a call for project applications on 18 July. The projects implemented in cross-border cooperation so far have included the construction of business hubs, projects introducing digitalisation to companies, tie-ups among them and joint penetration of third markets. There have also been projects that have created cross-border tourist destinations, as well as those aimed at preserving the environment and natural and cultural potentials that create the identity of the border areas. Minister Žagar highlighted a fund for small projects, which he said was considered to be one of the most successful cross-border initiatives. Aimed at increasing local and regional communities' capacity to develop and realise joint projects in the border region, the fund has supported more than 200 projects. The Austrian minister is happy that the amount of available funds has doubled. "We are also pleased with the funds' utilisation. We have made it a goal in our government programme not to leave a single euro in Brussels. We want to achieve the same in national and cross-border projects." The EU is allocating an increasing amount of money to cross-border cooperation schemes. Žagar noted that the new regulations governing the implementation of programmes in 2007–2013 envisaged close cooperation between the partner countries, both at the level of programmes and the projects themselves. Žagar highlighted the fact that Slovenia was successfully drawing EU funds, for one thing thanks to the good practices it had acquired in cooperation with Austria. The latest data from the European Commission put Slovenia at the top of EU Member States in the use of the money available in the European Regional Development Fund. Slovenia drew 95% of the money available in this fund for the programme through 2006. Slovenia

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has already put out calls or endorsed programmes in the amount of about EUR 1bn as part of three operative programmes out of the EUR 4.1bn available in cohesion and structural funds for the 2007–2013 financial period. Žagar thus expects Slovenia to be able to use all the funds available. Žagar noted that the EU had approved one big project for Slovenia as part of the operative programme for the development of environmental and transport infrastructure for 2007–2013: the motorway section between Beltinci and Lendava in the northeastern tip of the country.

LITOSTROJ POWER OPENS RESEARCH LAB IN CZECH REPUBLIC

On 29 August, Slovenian power plant engineering group Litostroj Power launched a new hydraulic research laboratory in the town of Blansko in the southern Czech Republic. The laboratory was opened by Slovenian Development Minister Žiga Turk and Czech Industry and Trade Minister Martin Riman. Technologies related to sustainable development must become a priority of all measures in the field of science and technology introduced at the state level, Turk said at the opening. He was pleased that Slovenia and the Czech Republic were continuing to find new opportunities in business cooperation, especially in the automotive industry, electronics and electrical engineering, in the IT sector and in the field of consumer products. Apart from research for Litostroj Power's five companies, the lab, with its 120 employees, will also offer its services to other companies. It will further the cooperation with the nearby Brno University of Technology and the University of Ljubljana in research projects. The Litostroj Power group, whose majority share is owned by Slovenian car parts maker Cimos, invested EUR 3.3m in the research centre in order to secure independent development and measurement of water turbine and pump models.

PM SAYS DEFLATION PORTENDS SPEEDY DEVELOPMENT

Prime Minister Janez Janša responded on 29 August to the release of favourable inflation figures, noting that a substantial drop in inflation and further decrease in unemployment augured well for a fast development tempo in the future. Likewise, Finance Minister Andrej Bajuk was upbeat about Slovenia's economic outlook. Consumer prices fell for a second month in a row in Slovenia in August, bringing the annual inflation rate 0.9 percentage points lower to 6%. Inflation in the euro area was meanwhile down 0.2 points to 3.8% at the annual level. Janša ascribed the decrease in inflation to the impact of oil prices, which is greater in Slovenia than in other eurozone countries, as well government anti-inflationary measures. Among these, Janša quoted cuts in excise duties, support of consumer protection NGOs and efforts to improve competition on the market, including measures by the Competition Protection Office to prevent collusion among retailers. "Three years into its term the government succeeded in bringing public debt down from 27.6% to 24.1% of GDP in 2007, or by 3.5 percentage points," Janša was quoted as saying in a press release from his office. He quoted plans for 2008 which envisage the general government deficit to drop to 23.4% of GDP, or by 4.2 percentage points in the 2004–2008 period. This puts Slovenia's general government deficit below all other EU Member States except Luxembourg. Janša also noted that the unemployment rate was down 0.9% in the second quarter of this year. According to the International Labour Organisation (ILO) and Eurostat standards, Slovenia's unemployment stands at 4.2%, which Jansa said was one of the lowest rates in the EU. Finance Minister Baiuk too noted in his comment on the latest inflation figures that a drop in unemployment accompanied the drop in

inflation last month, pointing out that unemployment had declined to its lowest since 1993. "The situation has stabilised, just as we planned," Bajuk said, noting that food and oil prices generated 80% of Slovenia's inflation last year, while the drop in global oil prices in July and particularly in August brought down inflation in Slovenia. Moreover, Bajuk rejected rumours of impending recession in Slovenia, noting that economic growth would slow down from 5.4% in Q2, but that "there are no signs of recession whatsoever".

JAPANESE CHARTER FLIGHT TOUCHES DOWN IN LJUBLJANA



Liubliana Jože Pučnik Airport welcomed a charter flight from Japan on 29 August. Japanese guests are becoming increasingly important for Slovenian tourism, while the charter link represents additional potential for Slovenia's entry to the markets of East Asia, a Slovenian tourist official told the press on the occasion of the flight. The representatives of Slovenian and Japanese partners labelled the event as a good foundation for further cooperation between Slovenia and Japan, not only in tourism but also in other fields. The event was attended by Economy Minister Andrej Vizjak, who said that Slovenia was becoming an increasingly important player in the Japanese market and that charter flights could open new opportunities for the future. For now, only two charter flights between Tokyo and Ljubljana have been agreed on – today's brought 350 Japanese guests, while the second is scheduled for 12 September. The minister and representatives of airport operator Aerodrom Ljubljana and the Slovenian Tourist Board (STO) expressed their hope that this link would become a regular one in the future. Executive director of Japanese partner JTB Business World Tokyo meanwhile said that the company would also make efforts to promote Slovenia as a tourist destination in Korea, Taiwan, China and other countries in the region. "It is of critical importance that the Japanese market be considered the most developed in Asia and that it is an example for other Asian markets," STO director Dimitrij Piciga told the press. Vizjak agreed with Piciga, adding that the Japanese market will be even more important for Slovenia in the future than it is today. "This is an exceptionally important transport link with Asia, as it is a springboard for the wider region," Vizjak declared.

CZECH PRIME MINISTER VISITS PORT OF KOPER

On 31 August, Czech Prime Minister Mirek Topolanek visited Luka Koper, the operator of Slovenia's sea port. The Czech Republic is among the most important markets for the port, as it has a great development potential, according to port operator Luka Koper. Topolanek, who was received by Luka Koper CEO Robert Časar, was

very interested in infrastructural projects in the port, such as the construction of a third pier, the extension of the existing two piers and construction of a multi-story parking lot. The Czech Republic receives the bulk of its imports through North European ports, which are overloaded with cargo transport. The North Adriatic basin is meanwhile well connected with the Czech Republic with railways and roads, the CEO of Luka Koper explained. Considering the ambitious plans of Luka Koper, which envisages a EUR 500m investment in port infrastructure over the next five years, Topolanek was also interested in the possibility of his country investing in the port. Časar told him that any strategic investments are interesting and welcome, especially ones which can ensure growth in transshipment. Luka Koper last year transshipped about 200,000 tonnes of goods for its business partners in the Czech Republic, primarily steel products destined for the auto industry.

POKLJUKA SKI RESORT WINS EUR 6.5 M IN EU FUNDS



The Education and Sport Ministry and the Slovenian Ski Association signed a EUR 10m contract on 2 September to fund the Pokljuka sports-recreational ski centre. Over EUR 6.5m of the investment will be funded by the EU. The Pokljuka ski centre was the best prepared and best assessed candidate for the EU funds, Education and Sport Minister Milan Zver said after the signing. Stane Valant, the chair of the Slovenian Ski Association, said the renovation was absolutely necessary if Pokljuka was to stay the host of the Biathlon World Cup competition, which is a great opportunity for the country's sports to attract additional funds. The renovation at Pokljuka, which should be finished by August of next year, is already under way. "We have a slight delay, as we wanted to finish most of the construction works this year, on time for the World Cup," Valant said, while the minister pointed to strict EU sanctions for not meeting the deadlines. The new ski resort at Pokljuka will be intended for a wide range of sports activities, not just biathlons. The main facility, with 55 to 60 beds, will include a restaurant, gym and other facilities needed for biathlon competitions, such as reporters' cabins and a press centre. The second phase of the project envisages a Pokljuka village with 24 cottages for the competitors, which would also serve as an additional offering for top-rated hotels in the area. The project will moreover include facilities for outdoor sports activities and the building of additional technical infrastructure, said the chairman of the World Cup organising committee, Borut Nunar.

TELEKOM MAKES ANOTHER ACQUISITION IN REPUBLIC OF SRPSKA

Telekom Slovenije said on 2 September that it had bought a small cable provider from the Republic of Srpska, Netkom, for EUR 1.3m, in what is its third acquisition in Bosnia-Herzegovina. Netkom, which has about 6,500 subscribers in its own network, was acquired through Telekom's subsidiary Aneks, a provider of fixed telephony. Telekom plans to fold Netkom into Aneks by the end of the year in order to provide a comprehensive set of telecom services that includes telephony, Internet and TV. "By acquiring Netkom, Aneks took the first step towards the expansion of its own network to end users, because it is aware that this is the only approach for competing in the telecommunication market of Republika Srpska," Telekom said. In the Republic of Srpska, Telekom is also the owner of ISP Blic.net. Elsewhere in the region Telekom has subsidiaries in Macedonia, Albania and Kosovo.

CROATIAN-SLOVENIAN COMMISSION SATISFIED WITH NEK PERFORMANCE



The Slovenian-Croatian commission for the mutually-owned power plant met in Krško on 3 September after a three-and-half-year break, satisfied with the operation and management of the Krško Nuclear Power Plant (NEK). It also welcomed Croatia's formation of a fund for the plant's decommissioning, which has raised EUR 49m so far. The commission, which oversees the implementation of the 2002 bilateral agreement on NEK, discussed a follow-up to the current five-year decommissioning scheme, which must be ready by the end of 2009. The economy ministers from both countries, Andrei Vizjak and Damir Polančec, who chaired the commission, said the session was successful, auguring well for the resolution of open issues in the future. The pair also commended the management and operation of the plant since the commission held its last meeting in March 2005. The commission also established the guidelines for the follow-up to the decommissioning programme, while it also appointed a task force, composed of six members from each side, to oversee the preparation of a revised programme. Since the last session, Croatia has set up a decommissioning fund, as required of both countries by the NEK agreement. It has so far paid more than EUR 49m into the fund, planning to add an additional EUR 5m every quarter, Polančec said. The Croatian minister added that his country would make up for the delay in payments into the fund by the end of 2010. Vizjak assessed this as important progress, saying that the Slovenian fund had so far raised over EUR 151m. The Croatian minister said that experts had been tasked with looking into the

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options for a radioactive waste depository. Under the agreement, radioactive waste can be deposited either in Slovenia, Croatia or exported. Polančec believes that a final solution for the location of the waste depository is still far ahead; nevertheless, he is confident that the countries will find an adequate solution. The ministers said they had not talked about arbitration over the compensation Croatia claims for Slovenia's failure to supply it with Krsko-generated electricity between July 2002 and April 2003. Vizjak said, though, that the pair would meet to discuss this topic and other open issues within two months.

RAIL OPERATOR POSTS PROFIT, GENERATES LOSS IN TRANSPORT

National railway operator Slovenske železnice ended the first half of 2008 in the black, however posted a loss in the transport division. The group's operating revenues stood at EUR 223.3m, while operating costs amounted to EUR 209.7m, putting operating profit at EUR 13.6m. The group's net profit amounted to some EUR 17m. Operating revenues of the parent company in the first six months of the year were EUR 191m, with operating expenses at EUR 178.1m. The company's operating profit amounted to some EUR 13m, while net profit stood at EUR 15.7m. The company's director general, Tomaž Schara, is satisfied with the growth in revenues, since both the group and the parent company increased revenues by 13%. However, Slovenske železnice also saw a rise in costs, the group a 17% increase and the parent company 20%. Schara believes that the increase in costs was caused by a number of necessary decisions from last year, the introduction of different labour costs and higher



costs of depreciation. The latter grew especially because of intense investing. "In half a year alone we invested EUR 36m from own resources," Schara said. The transport division meanwhile generated a loss. The operating loss in cargo transport amounted to EUR 1.7m, while the net loss stood at EUR 4.8m. However, despite a fall in the volume of cargo, operating revenues grew by 4.4% to EUR 75.4m. Operating expenses stood at EUR 77.2m. Passenger transport meanwhile generated an operating loss of EUR 1.9m and net loss of around EUR 5m, despite a 3.8% increase in passenger numbers in the same period last year. Operating revenues in passenger transport increased by 2.8% to EUR 38.1m, while expenses stood at EUR 40m. The reasons for this lie in investments and in higher energy prices. According to Schara, the loss in transport exceeded the planned figure, however the trend has been changing in the last months. Schara added that the supervisory board had already adopted the group's new strategy, which should be debated by the government at one of its next sessions.

SERBIAN BUSINESS EXECS VISIT SI OVENIA

Slovenian and Serbian business representatives met on 2 September in Ljubliana at a conference organised by the Slovenian Public Agency for Entrepreneurship and Foreign Investment (JAPTI) and the Chamber of Commerce and Industry (GZS) to discuss possibilities for cooperation and investment. The 20-member Serbian delegation representing energy, metalwork and similar industries met 40 Slovenian counterparts for talks on opportunities for cooperation and joint projects. Representatives of the Energy Chamber and the Engineering Association of the GZS presented the situation, capacities and plans for investment for its sectors and pointed to the possibilities for Serbian companies. They also explained the basic procedure of public contracting in Slovenia and presented the Slovenian legislation concerning civil engineering. JAPTI representatives elucidated the possibilities for Serbian investment in Slovenia and also the services that the agency provides for foreign investors. The delegation will visit several energy facilities and institutions in Velenie, Šoštani and on the Sava River on 3 September. Serbia is an important trade and investment partner for Slovenia. In 2007, trade surpassed the EUR 1bn mark, EUR 670m of which represented Slovenian exports to Serbia. Slovenia's direct investment in the Serbian economy topped EUR 1.2m, which makes Serbia the most attractive investment destination for Slovenian companies.

CELJE TO HOST WESTERN BALKANS DEVELOPMENT CENTRE

On 4 September, the Celje hi-tech hub, Tehnopolis, presented the European Centre for Western Balkans Development to assist the seven countries preparing to join the EU. The main problem of these countries is the low development ratings of their economies, Tehnopolis boss Boris Klančnik told the press. Klančnik noted that the gross domestic product per capita in Kosovo was just EUR 1,100 and reached EUR 9,000 in Croatia. "The European Centre for Western Balkans Development is one of the paths connecting the Balkans during accession to the EU. It is also one of the responses to the EU's expectations for South Eastern Europe and its expectations regarding the process of integration with the EU," Klančnik said. The centre will offer a platform or premises for representatives and institutions of the EU and the region and a demonstration centre, as well as strategic development projects up to the investment phase and an international investment centre. As such, the European Centre for Western Balkans Development will provide an environment for political, economic, technical, developmental and financial networking between the region and the EU. Klančnik called for

creating a system of financial centres in order to attract international investors to put their available excess funds into the Balkans and South Eastern Europe. Klančnik estimated the investment in the centre at EUR 60m. The facility will comprise 40,000 sq metre of premises, including a five-star hotel, convention centre, and financial and investment centre, among other things. The 170,000 m2 technological city in Celje, mid-northeast, integrates a technology park, European Centre for Western Balkans Development and International Financial and Investment Centre, Centre for the New Living Culture, Centre for Environmental and Energy Engineering, International University, and a student campus.

LUKA KOPER OFFICIALLY MANAGING KOPER PORT FOR ANOTHER 35 YEARS

The government and the management of port operator Luka Koper signed a concession agreement on 8 September for cargo port operations in the port of Koper. This agreement grants Luka Koper a license to manage the port for another 35 years. As Transport Minister Radovan Žerjav said after the signing, "the state and the economy are mutually dependent and interconnected in the development of transport and transport infrastructure". He added that the agreement finally resolves the legal relationship between Luka Koper and the state. "With the signing of the concession agreement we are bringing to an end a long transitional period with an unresolved legal situation, which had been dragging on from the ownership restructuring of the company in 1994 and also continued after the adoption of the maritime code in 2001," the minister explained. A Luka Koper spokesperson was quoted in a press release as saying that the 35-year management licence granted by the agreement gives the operator enough time to realise its development plans and secure the basis for their implementation. "For the company's shareholders, this period is meanwhile a quarantee that investing in the shares of the company is a good and safe investment." the press release also reads. The licence contract envisages a yearly concession fee equaling at least 3.5% of revenue. According to Žerjav, this means that Luka Koper – of which the state is the majority owner (67%) - will pay around EUR 3.5m in concession fees a year. Žerjav explained that after the government adopted the text of the contract in July half of the payment would go to the state and half to the Koper municipality, also a minor shareholder. The state is thus becoming the legal operator of the port. After the agreement runs out, it will become the owner of the entire infrastructure of the port, Žerjav also said in July.



BRITISH CHAMBER OF COMMERCE IN SLOVENIA LAUNCHED

The British Chamber of Commerce in Slovenia (BCCS) was officially launched on 9 September, with president Kevin Morrison telling those assembled at the ceremony that the main objective of the Ljubljana-based chamber was to present and support British business interests in Slovenia and do the same for Slovenian business interests in the UK. The BCCS is the first officially recognised bilateral chamber of commerce between the UK and Slovenia, according to a press release from the New Moment agency. The chamber plans to organise presentations of companies, seminars, business meetings and exhibitions, provide market and other information and give businesses the opportunity to promote themselves. It currently associates 18 Slovenian and British companies, but it is planning to expand its membership to 50 by the end of the year. The BCCS has been officially recognised by the British Embassy in Slovenia and the Council of British Chambers of Commerce in Continental Europe (COBCOE), which brings together more than 6.000 companies in 28 bilateral UK chambers of commerce in 26 countries. British Ambassador to Slovenia Tim Simmons has accepted the invitation to become the first honorary president of the BCCS.

ADRIA AIRWAYS HAPPY WITH RESULTS IN CURRENT YEAR

Slovenian flag carrier Adria Airways managed to offset the impact of rising fuel prices in the first seven months of this year, bringing its operating profit to just over EUR 1m, the company said on 10 September in a press release after a session of the supervisory board. The company reported EUR 122m in revenue between January and July, which is 20% more than in the same period last year. According to management, the higher revenues combined with operating cuts have helped offset the negative impact of rising kerosene prices. While net profit was around EUR 400,000 below the target, the fact that EUR 9m more has been spent on fuel than initially planned encouraged management to conclude that the carrier would break even at the end of 2008 and thereby meet its business plans. In the first eight months of the year, Adria Airways carried 907,761 passengers, which is an increase of 21% compared to last year. The number of flights was also up by 17%.

TÜRK SAYS CELJE TRADE FAIR ALSO A DISPLAY OF VALUES

The International Trade Fair in Celje is not only a display of economic achievement but also a show of values that provide for a better future, according to Slovenian President Danilo Türk, speaking at the



opening of the fair in Celje on 10 September. According to Türk, the fair should also be perceived as a reflection on entrepreneurship and an occasion to ask oneself if Slovenians are enterprising enough and capable of developing green technologies. Every autumn the Celje fairgrounds is a venue showcasing progress in entrepreneurship and innovation, the president said, adding that Slovenians are used to seeing themselves as hardworking people; however, this is not enough for progress nowadays. He noted that entrepreneurship and an enterprising spirit contributed to the necessary development. "Inclusion in the European space gave us opportunities, some of which we have already made good use of, while many still need to be exploited," Türk explained. Economy Minister Andrej Vizjak meanwhile said that the outgoing government had simplified tax procedures, introduced tax breaks and adopted a new law on chambers of commerce and industry which abolished mandatory membership of the Chamber of Commerce and allowed the creation of new chambers. "We increased funding for development and offered new opportunities for small enterpreneurs; we also adopted the law on venture capital," Vizjak noted. He added that Slovenia was facing new projects that would improve the situation of small businesses and craft in Slovenia, and called on entrepreneurs to propose measures they believe would improve their position. Miroslav Klun, the head of the Slovenian Chamber of Craft and Small Business, said that small enterprises accounted for over 98% of Slovenian businesses. He also called on the government to introduce certain changes to the tax legislation that would boost the competitiveness of small businesses and crafts. The 41st International Trade Fair in Celje, which will run until 17 September, features over 1,700 exhibitors from 33 countries. One of its focuses is energy efficiency.

SLOVENIAN INSURER OPENS SUBSIDIARY IN BELGRADE

AC Osiguranie, a subsidiary of the Slovenian insurance company Adriatic Slovenica, has launched operations in Belgrade. The company will offer property and health insurance, and aims at two percent of the Serbian market. Adriatic Slovenica obtained permission to establish a new property insurance company in Serbia at the beginning of 2008, and was the first foreign insurer to do so. The investment is worth EUR 5m, Adriatic Slovenica said in a press release on 10 September and added that the subsidiary in Serbia is the first and most important step in expanding to the markets of SE Europe. Serbia has 21 operating insurance companies, while the three largest insurers collect more than three quarters of the total insurance premiums paid. Gabrijel Škof, Adriatic Slovenica chief, said in the release that the Serbian market still has enough room for property and health insurance, as the rate of people who have insurance is low. The average premium per capita in Serbia stands at EUR 55, while it is at EUR 938 in Slovenia. The subsidiary plans to actively increase its market network in the first two years, starting in Novi Sad and Čačak, later also moving to other large regional centres. Matjaž Gantar, director of the KD Holding Group, the owner of Adriatic Slovenica, also attended the opening ceremony and announced the expansion to life insurance, which has already been made in Croatia, Slovakia, the Czech Republic, Romania, Ukraine and Bulgaria.

GREAT EXPECTATIONS FROM TRIGLAV LISTING

Zavarovalnica Triglav, Slovenia's largest insurance company, was listed on the stock excannge on 9 September. Whereas existing shareholders are expected to profit from greater transparency

in trading, the stock exchange operator sees the floatation as a welcome boost to liquidity. Triglav has been heavily traded on the unofficial market but in the future the trading and pricing will be much more transparent, asserted Marko Simoneti, head of stock exchange operator Ljubljanska Borza. The listing will be a big event for the 30,000 existing shareholders, but it will also make the Slovenian financial market more representative. Simoneti said in reference to the fact that this will be only the third financial company after the bank NKBM and reinsurer Sava Re to be listed in Ljubljana. Triglav chief executive Andrei Kocič meanwhile highlighted the insurer's business results. He said that despite the adverse impact of severe weather on the bottom line, Triglav was sticking to its plan to post gross premium revenues of EUR 1bn in 2008, with net profit at about the same level as last year, EUR 42m. A total of 22,735,148 ordinary Triglav shares with the code ZVTG were listed on 9 September. The securities were issued in dematerialised form and are transferable. The biggest shareholders are the Pension and Disability Insurance Institute (ZPIZ), which owns 34.47%, and the state-run Restitution Fund (SOD), which holds 28.4%.

TOURISM DIRECTORATE PLEASED WITH 2008 SEASON

The number of overnight stays in Slovenia in the first seven months of 2008 increased by 3% compared to the year before, head of the Tourism Directorate at the Economy Ministry Marjan Hribar said on 11 September at a presentation of this year's tourist season, which he characterised as successful. The same increase was recorded in the number of arrivals. Foreign guests constituted 57% of all overnight stays, most of them being Italians, Austrians and Germans, Hribar said at the International Trade Fair in Celje. A more than 10% rise in revenues and overnight stays was recorded in the first seven months from the markets of Benelux, Scandinavia and overseas markets, which have been increasingly targeted by Tourist Board (STO) marketing activities, he pointed out. The number of Japanese and Chinese guests increased by 73% and 43%, respectively, which is especially pleasing and inspiring, he said. In 2006, tourism gross output comprised 5.5% of the national GDP, which is an 11.3% rise compared to 2003. Plans for the 2007–2011 period envisage a 6% increase in the number of visitors and a 4% increase in overnight stays. The government Tourism Directorate will also enhance marketing activities to promote Slovenia within specific target groups, Hribar said. He pointed out that the Slovenian tourism industry should strive to be united, specialised, innovative, genuine, professional and offer high-quality services. "In tourism, the keys to success are quality of service and satisfied customers, which are also the primary goals of our development policy," Hribar explained. Hribar moreover highlighted that their 28 new projects will create 754 new jobs, 3,325 new accommodation capacities and 700,000 more overnight stays. In 2009, the Tourism Directorate will focus on the development of programmes for ecological management of beaches and marinas, upgrade other environment-related tourism programmes and key brand names of Slovenian tourism, as well as unify the categorisation of accommodation facilities.

MERCATOR RANKS 40TH IN CENTRAL EUROPE IN TERMS OF REVENUE

The largest Slovenian company in terms of 2007 revenue (EUR 2.4bn), retailer Mercator, has placed 40th on a list of the largest companies in 17 Central European countries, according to data from the auditing firm Deloitte. The second biggest Slovenian company is the energy group Petrol (EUR 2.1bn; 57th), Deloitte reported on 11 September. The top 10 Slovenian companies on the list also feature

home appliance maker Gorenje (111th), car maker Revoz (122nd), power producer HSE (183rd), hardware retailer Merkur (184th), drug maker Krka (215th), national telco Telekom Slovenije (216th) and Lek Pharmaceuticals (242nd). "The list is still dominated by companies from the energy sector, followed by the auto industry, which has made major investments in the countries of Central Europe recently," said Janez Škrubej from Deloitte's office in Ljubljana. The Central Europe Top 500 project also includes a review of the 100 largest banks and 50 largest insurance companies. Nova Ljubljanska Banka (NLB) placed 8th, which is a consequence of its active takeover policy in recent years and expansion to the markets of South Eastern Europe. Slovenia's second largest bank, NKBM, meanwhile focused on the home market and landed in 42nd position, said Škrubej. Active takeover policy and expansion to foreign markets meanwhile secured Slovenia's biggest insurer, Zavarovalnica Triglay, the 8th spot among the top 50, he added. According to Škrubej, "competitive products and services as a result of their know-how and development will enable Slovenian companies to further expand to foreign markets. They will also have to pay attention to opportunities for acquisitions in their target markets".

ADRIA MOBIL UPBEAT DESPITE DOWNTURN

The Novo Mesto-based caravan maker, Adria Mobil, says it is successfully coping with the worsened conditions in the market, expecting year-end operating results to be just slightly below last year's record figures. Last year, Adria Mobil generated EUR 274m in sales revenue and nearly EUR 14m in net profit. Moreover, one of the leading European makers of mobile homes, caravans and mobile houses sold nearly 13,500 vehicles. According to the European Caravan Federation, Adria was Europe's leading mobile home brand in 2007, with 4,772 newly-registered vehicles, followed by three German brands: Dethleffs, Hymer and Buerstner. Adria Mobil is part of the Adria Group, along with three other Slovenia-based subsidiaries and six subsidiaries operating abroad. The group is part of the Ljubljana-based ACH conglomerate. Adria Mobil said the company was feeling the impact of the current economic trends, but could not give any concrete projections as yet because of the busy fair period ahead, when the company is slated to present new products in its major markets. Despite hikes in the prices of oil and raw materials and the slowdown in consumption, the company is confident, saying it has invested heavily in the development of its products, brands and its business network in recent years. Adria Mobil sells about 97% of its products on the European market. It has recently been investing in the development of promising new markets, targeting Japanese, Australian and Russian markets, the company said.

MINISTER: WELFARE SHOULD NOT JEOPARDISE DEVELOPMENT

Economy Minister Andrej Vizjak told reporters in Celje on 15 September that welfare was important, but that it should not be at the expense of economic development. He also said that economic growth was a necessary but not sufficient condition for prosperity. Vizjak made the comments as he presented the achievements of his ministry in the past term at the International Trade Fair. He expressed satisfaction over the results achieved, noting that the Ministry of the Economy and the economy itself had created a joint story of development. He highlighted in particular the adoption of the law on workers' participation in profit. "Human potential needs to be cherished and invested in, and it is necessary to maintain good relations with trade unions." "Our goal at the start of the term was to

create better conditions for business. I wanted to introduce proactive cooperation with the economy," the minister noted, praising the introduction of government visits to regions and companies. The minister proposed that the next government should expand the responsibilities of the ministry to technology, information society and renewable energy sources, which are currently the responsibility of other ministries. "We are keen on good cooperation in the future as well. The 5.5% growth in the second quarter meanwhile shows that Slovenia does not share the fate of some other European countries that are in recession. Much can still be done by using potentials," Vizjak said.

EU REMAINS DIVIDED ON REDUCED VAT

EU finance ministers failed to find common ground on 13 September concerning lower VAT rates for labour-intensive services. "The debate did not bring any specific conclusions. The EU remains as divided as it has always been," related Slovenian Finance Ministry State Secretary Žiga Lavrič, who participated in a two-day informal meeting of EU finance ministers. European Commissioner for Taxation Laszlo Kovacs said there were two main schools of thought on this issue: one which advocates balanced budgets and the other which places emphasis on employment and social affairs. "But we did agree on two things: that no disturbances may occur on the EU's internal market and that Member States must have equal access to reduced VAT rates," he said. Lavrič, who is standing in for Minister Andrej Bajuk at the informal meeting in the French resort of Nice, said there were several issues surrounding reduced VAT rates, for example the problem of competition if reduced VAT is introduced by a neighbouring country. Moreover, companies may be tempted not to reduce prices if the Member States decide to reduce VAT rates, which would merely increase their profits. According to Lavrič, there was nothing new today on reduced VAT in restaurants, where reduced VAT is currently possible in 11 of the 27 Member States. Tax matters require consensus-based decisions, meaning that all 27 Member States must endorse them. "It will be tough," Lavrič assessed. The VAT debate follows an initiative by the European Commission, which in July proposed lower VAT rates on service industries such as hotels, restaurants and hairdressers. In addition to harmonising VAT rates across the bloc, the proposal aims to boost economic activity in labour-intensive sectors.

CONSTRUCTION OF LJUBLJANA PASSENGER TERMINAL KICKS OFF

With the acquisition of the building permit to pull down the existing buildings on the premises, the construction of the new passenger terminal called Emonika City Centre officially started in Ljubljana. The project proves Slovenia is open to foreign investment, while Emonika will also make public transport more attractive and revive the city centre, Transport Ministry State Secretary Peter Verlic pointed out. The Emonika project is the biggest foreign construction investment in Slovenia and it will help deepen the cooperation between Hungary and Slovenia. The project, which is scheduled for completion in 2010, will include a new railway and bus station, an office and a residential skyscraper, a business hotel and a convention centre, 3,700 new parking spaces and a shopping and entertainment centre. Trigranit and Slovenske zeleznice signed the contract on the construction of a passenger terminal in the centre of Ljubljana in October 2007. The project was assessed at EUR 220m. Slovenske zeleznice holds 3% of this joint venture with Trigranit after selling most of its stake in the venture (20.4%) to Trigranit in March.

Model of the new passenger centre Emonika City Centre.

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OUREXCELLENCE



The Slovene company BIA Separations, registered in neighbouring Austria, is a biotechnological company which succeeded in developing a new technology for purifying biomolecules for use in the pharmaceutical industry. Their monolithic purifying technology, named CIM (Convective Interaction Media), is unique in the world. It is based on high-performance monoliths or "smart filters", made of methacrylate polymers. The uniqueness of this technology is reflected in the fact that in the USA alone the technology is protected with four patents, as well as similar patents in other countries around the world.

The BIA Company employs 45 people, 9 of them with a Ph.D., and seven early stage researchers. Even though the company is small, they have achieved a breakthrough from a biotechnologically very poorly developed environment in a rigid market, not favourable towards technological changes, unless developed by a large and distinguished company. With their technology BIA Separations can proudly stand alongside biotechnological companies from far more advanced environments such as the United States, Germany and Switzerland.

SLOVENE SCIENTISTS ARE LEADING THE WAY IN THE WORLD PHARMACEUTICAL INDUSTRY

In the last ten years and with the help of Horizonte risk capital investors, a small group of Slovene scientists, Dr. Aleš Štrancar, Dr. Aleš Podgornik and Dr. Miloš Barut, have managed a breakthrough in the relentless world pharmaceutical market. With a few times lower investment input than the competition's, this Ljubljana company has managed to place itself on a market, known for its conservative principles when it comes to choosing

long-term business partners – suppliers. Due to its adaptability and excellent cooperation with buyers, the company has asserted itself as a developer, a producer and a seller of chromatographic equipment, successfully launching the trademark of CIM "smart filters", suitable for purifying and separating proteins, polynucleotides and starter cultures.

CHROMATOGRAPHY, THE MOST PROMINENT METHOD OF PHARMACEUTICAL ACTIVE INGREDIENT PURIFICATION

Chromatography is one of the key methods for purifying active pharmaceutical ingredients, especially where a high degree of purity is required. Ones of the most effective chromatographic materials are monoliths, porous polymers made of one single piece. Pores in the monoliths are interconnected flow-through channels, creating a net through which fluid can pass. This is the reason the transport between the mobile and stationary phases is much faster. Compared to traditional biomolecule separation and purification techniques, the CIM monoliths or "smart filters" enable extremely fast purification processes, better productivity and less product decomposition. Smart filters are used in the development and production of the biomedicines of the new generation in various fields: from gene therapy for cancer, viral infection treatment (flu, hepatitis, HIV,...) and the treatment of hereditary diseases, to the production of substitute medicines for ever less effective antibiotics.

The world's opinion leaders are enthusiastic about the Slovene smart filters and their opinions affect world partnerships between big and small corporations.

All of the above-mentioned remarkable features of CIM monoliths have been confirmed by all the main scientific opinion leaders. The big industries and other scientists and researchers eagerly follow them.

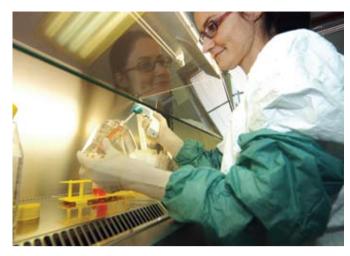
The excellence of the Slovene company was seen in 2001 in the signing of a contract with the multinational company Boehringer Ingelheim, one of the greatest biopharmaceutical companies in the world. Together they developed a purification process for plasmid DNA molecules (genetic medicines), which brought them a prestigious 2004 Frost & Sullivan Technology Leadership Award. Credit for the award goes mainly to the CIM technology developed by the Slovene company. In addition, BIA Separations have developed a partnership in consortiums entrusted by the European Commission to develop a vaccine for bird flu and flu (Fluvacc). Given the nature of the company's work, the quality is of extreme importance - it must suit the requirements of pharmaceutical regulations. The company has successfully passed the Good Laboratory Practice (GLP) and Food and Drug Administration (FDA) tests and in December 2003 acquired a quality certificate ISO 9001:2000.

MONOLITH SUMMER SYMPOSIUM 2008 (MSS2008) IN THE TOWN OF PORTOROŽ

One hundred and twenty researchers and scientists from academic and industry circles gathered at this year's third symposium. They came from more than twenty-five countries and cooperated in discussions with leading figures in the field of monolith technology, presenting unique achievements in biotechnological development and pharmacy. A young Slovene researcher received the MSS Young Researchers Corner Best Presentation Award.

MAGNIFICENT CELEBRATION OF THE TENTH ANNIVERSARY IN ZEMONO MANSION

The company, with its registered office in neighbouring Klagenfurt and a branch office in the United States of America, as well as more than twenty distributors around the world, is celebrating its tenth anniversary this year. The anniversary will



mark the beginning of the construction of a new production line and research laboratories in the Vipava valley, in the town of Ajdovščina. The company has set its goals high, but considering their experience, they are all realistically reachable. Besides their mid-term goal to reach the technological exchange in Great Britain or Switzerland, the company wishes to become a world leader in innovative liquid separation biochromatography by combining the power of their short monolithic column technology, experience in the development and validation of analytical methods and their accumulated knowledge in biomolecule purification processes to meet the diversified needs of their pharmaceutical and biotechnology customers.

BIA SEPARATIONS IS DEVOTED TO ITS CUSTOMERS

Along with offering purification solutions and quality products, exceptional customer service is the most important aspect of their business in the care for their business reputation. As they are introducing new technology to the market, they are aware of the need to provide the most accurate and honest answers to their customers in order to build long-lasting business relationships. Therefore, they are committed to handling all customer inquiries on the spot, or to providing a feasible answer within the following 24 hours.



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S O C I E T Y

Text: JOŽE OSTERMAN, Photo: STA



VILENICA HAS 'TAKEN OVER' KRAS

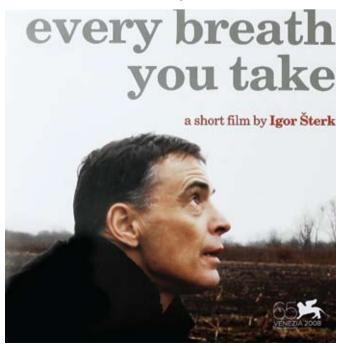
Every year at the beginning of September the greatest middle-European literary festival, Vilenica, takes place in Slovenia. This year, we celebrated the 23rd with an author as the subject of the festival's key theme – the man behind the literature, the only indispensable link in the chain of literary production. The motto of this year's festival was "Who is writing?" Literary readings hosted 25 readers, while the conferences focused on the position of the author in contemporary literature history and cultural industry. Approximately 70 writers, publishers, cultural managers and others connected with the publication of books attended the festival.

The central event was the presentation of the prize to the Polish writer, poet and critic Andrzej Stasiuk in Vilenica Cave, with Slovene president Dr. Danilo Türk as the keynote speaker. The reading of the first lady of Slovene poetry, Svetlana Makarovič, this year's "author in focus", also drew special attention.

Among others, the festival presented contemporary Lithuanian literature and the creativity of the people from the mysterious Slovene valley of Rezija (Val Resia), on the Italian side of the Slovene-Italian boarder, where the plains begin to rise to the Alps. Also an important event was the presentation of a Central European Initiative award to the young Croatian author Ivana Sajko. This special monetary award is presented to young authors from central and east European states by the CEI Fellowship, a foundation to which Central European Initiative member states contribute.

TWO SLOVENES AT THE VENICE FILM FESTIVAL

This year's Venice Film Festival, the only one that can be likened to the festival in Cannes, was very favourable to Slovenes. Two



S O C I E T Y

Slovene filmmakers lived to see their films premier at the festival: the director Vinko Mőderndorfer, with his movie 'Landscape no. 2' (Pokrajina št. 2), on which Sinfo already reported, and the director Igor Šterk with his short film 'Every Breath You Take'. Mőderndorfer's film competed for the Young Lion of the Future award and received interesting and commendable reviews, while Šterk's competed for the Corto Cortissimo award and made it to the central programme as one of 18 films selected from 1400 (!) applicants.

Šterk's film is very minimalistic, running for only about ten minutes. It focuses on a family tragedy after a traffic accident caused by a father, in which the mother is killed, while the son remains in a coma. The father and daughter are left alone, trying to get on with their lives the best they can.

THIS YEAR'S EX PONTO ON FAITH AND BELIEF



The theatre festival Ex Ponto has become a tradition in Ljubljana, attracting a lot of attention and undoubtedly performing its cultural mission well, as this year it is presented for the fifteenth time. The festival emerged immediately after the break-up of the former Yugoslavia as the only one able to amalgamate the huge theatrical energies of high quality from this area. Today its area of influence has extended further, encompassing most of southeast Europe. The festival's reputation as one of the heights of theatre creativity has won considerable attention from European theatre critics.

Damir Domitrović Kos, president of the B-52 association, which organises the festival, has accentuated their wish to present a

thematic trilogy of politics, faith and family. This year their attention is directed at faith and belief, which are most difficult to present. They do not mean faith in the sense of religion, but faith in love, happiness, life, and country also. Among the eight performances staged in Ljubljana, two theatre giants carry the greatest weight, Chekov and Brecht.

The festival started at the Slovene National Theatre Drama in Ljubljana with the Romanian director Silviu Purcarete's 'Pantagruel Sister-in-law' and ended with Brecht's 'Drums in the Night' by the Macedonian National Theatre Vojdan Černodrinski, directed by Martin Kočovski. Another performance should also be mentioned, 'Drunk Night 1918' by the Ulysses Theatre from the Brioni Islands, directed by Lenka Udovički, performed on the grand stage of Cankarjev dom. The accompanying program includes two exhibitions – one at the ŠKUC Gallery and the other by the multimedia artist Tanja Vujinovič at the Kapelica Gallery.

BETONTANC IN NETHERLANDS AND IN GERMANY

The well-known dance-theatre group 'Betontanc' performed at the Noorderzone Performing Arts Festival in Groningen, Netherlands, with their 'Show Your Face'. The show was directed by the famous group director Matjaž Pograjc in co-operation with the Latvian artists 'Umka LV', known as the "object theatre". The group 'Silence' and the Latvian saxophonist Ugis Vitins contributed the music of the show. The key theme of the piece are people without a face – those who were trampled over by history, who became powerless victims of aggression and who are not remembered by anybody.

At the end of August 'Betontanc' also performed at the Tanzmesse in Düsseldorf, Germany, with the performance 'Wrestling Dostoyevsky', about the individual existence. The performance attracted great attention and received good reviews from expert critics.

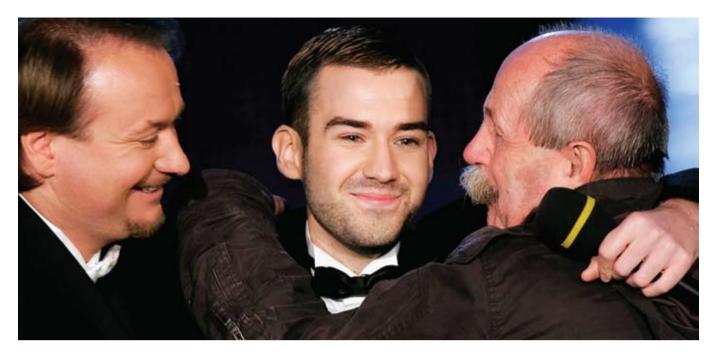
MIRA SARDOČ DIES

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The Slovene theatre lost another of its great ladies, the actress Mira Sardoč, who died at the beginning of September in Ljubljana. Ms. Sardoč was the bearer of the highest Slovene theatre award, the 'Borštnik' ring, and was a member of the Permanent Slovene Theatre in Trieste for many years. Born in 1930 in Šentilj, in the Slovenske gorice region, she was a child of Slovene parents from the vicinity of Trieste who were forced to move away from the violence of Italian fascism. In 1952 she accepted an engagement at the Slovene National Theatre Drama in Maribor, then moved to the Ljubljana City Theatre, and finally to the third station on her journey as an actress to Trieste, where here roots led her. She played a fascinating number of theatre, as well as television and film roles, and engraved herself in theatre history as an elegant and sophisticated lady of bourgeois salons, as well as a zealous partisan, fighting for the freedom of her nation.

'SLOVENSKA POPEVKA' 2008 – ANŽEJ DEŽAN WINS

This year's 'Slovenska popevka' song contest took place at the ceremonious 'Križanke' open theatre in Ljubljana. The young singer Anžej Dežan, known as the host of TV shows, as well as a contestant in the Eurovision song contest a few years ago,



convincingly won with his song 'Sopek maka' ('Poppy Bunch') and outshone all eleven other contestants. He received an expert jury award and two recognitions, while viewers chose the song 'Te ni' ('You're Not Here') by Marko Vozeli as their favourite.

The wining song 'Šopek maka' was composed by Patrik Greblo to the lyrics of renowned poet Milan Dekleva. Both the composer and the author of lyrics should almost guarantee a good result, which Dežan only confirmed.

THE 'LUTKE' FESTIVAL 2008 ENDS

The greatest Slovene puppet festival 'Lutke' 2008 ended with the presentation of awards. This year's award went to the performance 'Hiša Marije pomočnice' by the author Ivan Cankar, arranged, artistically designed and directed by Silvan Omerzu. The performance attracted a lot of attention from the

beginning, for it seemed that the theme and atmosphere of one of the most deeply moving and yet quite uncommunicative of Cankar's tales would be hard to translate into another artistic medium. Omerzu proved it possible to create a heartbreaking and attractive performance by a detailed study and careful following of Cankar's thoughts. His puppets created a new, broader sphere of their own existence. The audience's award as well as the originality award went to Moliere's 'The Miser' by the Spanish group 'Tabolla Rassa', directed by Miguel Gallard and Oliver Benoit. According to the expert jury, Shakespeare's 'Romeo and Juliet' by the German Kleine Bühne Naumburg theatre and Dumas' 'The Three Musketeers' by the Alfa theatre from Plzn in the Czech Republic, were the best from the animation and acting point of view.

OPERA AND BALLET PREPARING FOR THE NEW SEASON



The Slovene National Theatre Opera and Ballet Liubliana are announcing their first ballet premier in the new season, even though their main stage has been under construction for the last three years. All performances this year will be dedicated to the ninetieth anniversary of the Liubliana ballet ensemble and opera orchestra and will be held at the 'Cankarjev dom' hall.

For all ballet lovers the ballet ensemble of the Slovene National Theatre Liubliana is preparing a premier of the 'Tango for Rahmaninov' by Dutch choreographers. The ballet opening night will also represent an inaugural event of the Bilateral Focus '08, an annual event organized by the Republic of Slovenia and the Kingdom of the Netherlands intended to deepen cooperation between the two countries in the cultural-artistic, economic and political area.

A unique combination of the younger and the older generation of Dutch choreographers will offer the Slovene audience an unequaled opportunity to learn about the ballet of the twentieth century and its development from the point of view of one of the most influential ballet nations of today - the Netherlands.

To the music of Sergej Rahmaninov the Ljubljana ballet ensemble will premiere the choreography 'Rhapsody', staged by Ivo van Zwieten, a recognized Dutch choreographer of the new generation. The young choreographer had this to say about the Ljubljana ballet ensemble and his newest creation: »The dancers are splendid, and I hope to return to Ljubljana soon! The profoundness and passion of Rahmaninov's music inspire and motivate me as a choreographer to reach into the essence of the individual dancer's expressional interior and redesign it into exact forms, intensive allegros and passionate adagios. Well, in the end, it's all about love anyway.«

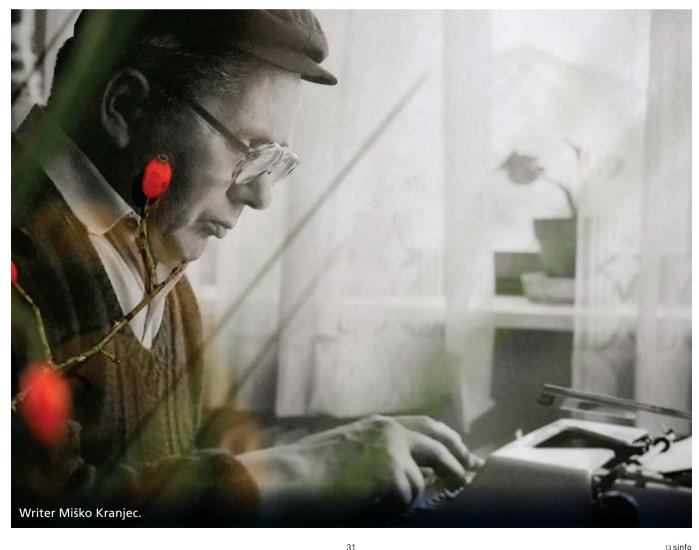
In the second part of the evening a ballet, 'Five Tangos', will follow, the most frequently repeated work by the world renowned choreographer Hans van Manen.

EXHIBITION TO MARK 100 YEARS OF WRITER MIŠKO KRANJEC'S BIRTH

An exhibition will mark the 100th anniversary of the birth of Slovenian writer Miško Kranjec (1908-1983). The exhibition, opening was on 4 September, showcase a selection of his works from the Manuscript Collection of the Ljubljana National and University Library.

Kranjec was one of the most prolific Slovenian authors, with over 50 works published, according to a leaflet on the exhibition. He mostly wrote novels and short stories. Kranjec received the Preseren Prize, the highest national award in arts and culture, twice, in 1964 and 1976. Author of the exhibition, Marijan Rupert, said that Slovenian literary critics and scholars were right when placing him among Slovenian classics.

The exhibition will be accompanied with a book of the author's portraits taken by Miško Kranjec Jr.



PEOPLE



Janoš Kern, for the last four years director of Imago Sloveniae, a project, started by the late Primož Lorenz for reviving live culture in the old Ljubljana city centre, has been connected with music all his life.

As a young boy he wrote articles for a music newspaper, in high school he prepared musical equipment for different performances, and although he studied economics, he remained connected with music: both as a DJ and with his own musical column on national radio. At the same time, he was working as an event organizer and entrepreneur. He knows how to use all this diverse knowledge as a business director, and this year a grand concert of opera arias marked the 20th anniversary of Imago. The project itself has expanded, and today it unites twenty Slovene municipalities – which is not a small piece of cake: more than one thousand concerts and almost one million visitors present Slovenia as a cultural capital even beyond our borders!

IMAGO SLOVENIAE, AN ALL-SLOVENIAN CULTURAL PROJECT, HAS TURNED TWENTY THIS YEAR. WHAT DOES THE RECORD SHOW?

More than one thousand concerts, more than ten thousand performers. But the number of visitors at all events in twenty years is so high, I almost do not dare to say it – close to one million.

WHAT IS THE PURPOSE AND ORIENTATION OF AN INSTITUTION WANTING TO BRING CULTURE INTO ALMOST EVERY CITY?

One of the most important goals is undoubtedly the expansion of top-level art into smaller towns around Slovenia and the knitting of a cultural network. The project also has a number of other goals, such as the popularization of serious musical genres, promoting musical creators and recreators, stimulating new musical production, international cooperation, intercultural dialog, etc. This is a very broad and complex project.

THE PROJECT OF AN OLD LJUBLJANA REVIVAL WITH LIVE CULTURE WAS THE IDEA AND WORK OF THE LATE PROFESSOR PRIMOŽ LORENZ. WHAT WAS AND IS THE PURPOSE OF THE SOCIETY?

The basic idea behind the 'Society for the Revival of the Cultural Image of the Old City Centre' established by Primož Lorenz twenty years ago was just that — to revive Old Ljubljana with high quality cultural events. A season of concerts called 'Summer in Old Ljubljana' and 'Nights in Old Ljubljana' have become an indispensable part of the summer cultural attractions in our city. All our concerts are free of charge and so available to the widest audience. In the last years an increasing number of tourists have been attending our concerts, which presents a great opportunity for the promotion of Slovene musical creators and recreators.

The Society also takes credit in other areas: preserving cultural heritage, spatial planning, introduction of pedestrian areas and coffee-shop, bar and restaurant open-air areas.

In future, we want to develop our projects even further, to increase their recognizability in a broader European area, and to contribute something to the development of cultural tourism.

WE STILL REMEMBER HOW THE PROFESSOR USED TO WALK THE OLD STREETS AND POINT TO MISTAKES. HE ALSO USED TO LIGHT CANDLES ON VISITOR'S TABLES. HE WAS THE SOUL OF

PEOPLE

THE OLD CITY CENTRE'S IMAGE. DO YOU ALSO DO THAT?

I do, but I am not that influential yet and I don't think of myself as the soul of the old city centre's image. But I do try to continue his work with dignity and develop the project further.

YOU HAVE BEEN THE DIRECTOR FOR THE LAST FOUR YEARS. HAS MR. LORENZ, SAD TO SAY DECEASED, SEEN A NEW, COMPETENT POWER IN YOU, WHO COULD GUIDE THE SOCIETY FORWARD? HOW DID YOUR COOPERATION BEGIN?

The cooperation began by coincidence. When I visited Prof. Lorenz regarding some other project, we realized we shared a very similar opinion on a number of things, even music, although we came from different musical worlds. I had always been attracted by art, so it wasn't difficult to persuade me to join the project and take over its business management.

YOU HAVE OBVIOUSLY BEEN SUCCESSFUL, BECAUSE THE SOCIETY HAS CLIMBED OUT OF THE RED. HOW DO YOU SOLVE YOUR FINANCIAL PROBLEMS, GIVEN THAT YOURS IS A NON-PROFIT ORGANISATION?

Most non-governmental cultural organisations have problems funding their projects. Our Institution and the Society are no exceptions, as they have been very poorly supported by official institutions. Most of our funds had to be acquired from sponsors and donors, which can be quite hard for cultural projects of this size. Creative people in their creative passion and desire for the highest quality events possible can quickly outgrow their financial plans and run out of money. That is the reason I started a serious rehabilitation and reorganization immediately after I arrived, which will be concluded this year. The rehabilitation of a non-profit organization can be quite strenuous and wouldn't be possible without the support and understanding of a number of artists and sponsors, to whom I would like to extend special thanks.

Our financial management has been stable for a number of years. I prepare a serious financial projection for every project and that is the basis for all planning. Our organisational structure is very rational, we have a very small full-time team and we include coworkers from outside when needed. There is also a lot of voluntary work done.

IMAGO UNITES TWENTY SLOVENE
MUNICIPALITIES AND THIS, TOO, MAKES
IT A BIG PIECE OF CAKE: CONCERTS
TAKE PLACE THROUGHOUT THE YEAR, A
NUMBER OF THEM IN THE SUMMER. HOW
DO YOU WORK?

Imago Sloveniae is a cultural network, ranging from Lendava to Nova Gorica and from Kranjska gora to Metlika. A number of projects run within this framework, most of them during the summer, because the majority of our concerts take place outside and in unconventional surroundings such as old city centres, squares, atriums, castles, museums, churches,...To name a few of our most extensive cycles: Imago Summer (around Slovenia), Summer in Old Ljubljana, a Cycle of Christmas Concerts and Imago Young Talents. We manage around a hundred and twenty concerts annually, with more than one thousand musicians, which points to bigger groups. This year our programs included seven symphonic orchestras, four from Slovenia and three from abroad. We also cooperated in the organisation of the concert commemorating the centennial of the Slovene Philharmonic on Kongresni trg square in Ljubljana, which reverberated across Ljubljana It often happens that there are a few concerts taking place at the same time in different towns around Slovenia and abroad.

This year's summer season was very successful - let me just mention two very interesting events: the concert by the Slovene Philharmonic Orchestra in Logarska valley, and a visit by the Ljubljana opera, soloists, choir and orchestra to Opatija, Croatia.

IT IS COMMENDABLE TO BRING TOP-CLASS MUSICIANS 'TO EVERY SLOVENE VILLAGE', AND IT IS ALSO A GREAT SUCCESS TO PERFORM ABROAD. BUT DO PEOPLE OUTSIDE OF THE BIGGER CONCERT CENTRES WANT SERIOUS MUSIC, DO THEY UNDERSTAND IT, ARE CONCERTS WELL ATTENDED?

I don't think we should ever underestimate the audience. Even uneducated people are convinced by art on the highest level, by the sincerity of performers. Our concerts, even the most demanding chamber music concerts, are very well attended. In small towns, even we are surprised some times over the number of visitors. One of these is undoubtedly Šentrupert in the Dolenjska region, which has a long tradition of classical music concerts (the mayor says even from medieval times).

'A CONSTANT CULTURAL INITIATIVE CREATES CULTURAL NEEDS' (MALINOWSKI). A WELL ATTENDED EVENT AND GOOD REACTION FROM THE PUBLIC IS SURELY THE GREATEST AWARD FOR THE ORGANIZERS. IN WHAT WAY CAN YOU BRING SERIOUS MUSIC TO PEOPLE WHO ARE BASICALLY NOT INTERESTED IN IT?

In the right way. Unobtrusively. The approaches are different, according to the target audience.

SO YOUR TASK IS ALSO TO EDUCATE PEOPLE, TO REVEAL NEW POSSIBILITIES, NEW DIMENSIONS OF MUSIC?

All serious musical projects must have an educational tendency, a tendency to raise the cultural level. This is one of the missions of Imago Sloveniae – to popularise and promote serious musical art.

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PEOPLE



ARE THE MUSIC AND CONCERTS YOU OFFER IN THE CAPITAL CITY MORE DEMANDING?

There is no reason for that. All around Slovenia the audience is extremely knowledgeable and there are many connoisseurs of serious music. Some very demanding concerts were most successful in smaller towns.

THIS YEAR THE 'SUMMER IN OLD LJUBLJANA' HAS BEEN TITLED 'THE SUMMER OF EUROPEAN CULTURE'. HAVE WE BECOME CULTURALLY MORE RECOGNISED BECAUSE OF THE PRESIDENCY OF THE EU? HAVE THESE SIX MONTHS OPENED THE DOOR FOR CULTURE?

This year a number of top level musicians from several European countries have performed in the Summer in Old Ljubljana. The aim of the project was to underline cultural diversity, and many foreign embassies, as well as the Office of the European Parliament in Slovenia, have supported this project. The presidency has undoubtedly influenced the increased recognisability of our country. But this is just a good start - we have to achieve a lot more to attain a solid identity. I see great potential (especially in art) in the numerous young artists. All they need is more large-scale, ambitious projects.

YOU ALSO ATTENDED 'A SCHOOL' FOR SERIOUS MUSIC, AS YOU WERE NOT SERIOUSLY INVOLVED IN IT, EVEN THOUGH YOU WERE CONNECTED WITH MUSIC ALL YOUR LIFE. WAS IT HARD?

I have always been interested in different musical genres, including classical music, so this leap was a great pleasure. But when you get involved in it more intensively, it can quickly become addictive. You become more critical towards other musical genres; but what started to bother me most of all was the incomplete interpretation, justified too many times by artistic freedom.

YOU HAVE BECOME A CONNOISSEUR BY NOW; OF COURSE, YOU HAVE TO BE. ARE YOU FOND OF MUSIC, DO YOU ATTEND CONCERTS AND VISIT EXHIBITIONS FOR YOUR OWN PLEASURE AS WELL?

It takes decades of systematic learning and work to become a real connoisseur of classical music, for the complete opus is almost infinite. For the last few years I have attended many concerts, I am a regular visitor at the majority of subscription concerts in Ljubljana all this is a great pleasure. I often visit exhibitions, but I rarely attend the theatre. There aren't any evenings left for anything else.

THE BUSINESS KNOWLEDGE YOU NEEDED AS AN ENTREPRENEUR IN THE MAJORITY OF YOUR LIFE, WHO ALMOST ALWAYS WORKED IN THE FIELD OF MUSIC, PROBABLY COMES IN VERY HANDY FOR THE SUCCESSFUL MANAGEMENT AND REHABILITATION OF THIS PROJECT.

You always need business knowledge for successful management, and cultural organisations are no exception, because business is organized in the same manner as in companies. In addition to a broad range of knowledge, one also requires years of experience.

A LOT OF ENTHUSIASM IS REQUIRED FOR THIS KIND OF WORK, A LOT OF KNOCKING ON DOORS TO FIND SUFFICIENT FUNDS TO KEEP THE PROJECT ALIVE.

Cultural events management is very stressful work and one cannot perform it for a long period of time without enthusiasm and faith in the project. The most unpleasant part is obtaining of funds. I believe the government should use tax relief to stimulate businesses into investing more in culture.

I SEE YOU AS A REALIST WHO DARES TO DREAM. HOW FAR DO YOUR WISHES REACH - DO YOU DARE, DO YOU WANT, ARE YOU ABLE TO REACH FOR THE STARS THAT SHINE ON ART AND MAKE THEM SHINE EVEN BRIGHTER?

I believe Slovene art has great potential and a lot of possibilities, and according to that, my ambition and desires are also great: more cooperation in the Slovene cultural scene, cooperation in the broader European scene, international co-production, promoting Slovene art beyond our borders, as many top level concerts as possible - but most of all, more funds for new projects.

GOODSLOVENIAN**INNS**



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'The Hiša Franko Casa is secluded, like a wise man, in the mountain range of Mt Stol of Kobarid. It steals from the past and offers to the future; it takes from the environment, where it lives, works, and creates a new culture', are the words that best describe the restaurant situated in Staro selo, on the way from Kobarid to the Robič border-crossing. Standing in the middle of the wonderful hills of Kobarid, the smell of the curative Natisone River (Nadiža) invites you closer, and the extraordinary friendliness of the local people fills you with peace of mind and warm satisfaction of the soul. Apart from all that has been said, the Hiša Franko Casa is not just another unique kitchen producing culinary art by combining herbs and various grasses from the nearby pastures with other condiments; it is also a story about the 'birth' of the Hiša Franko Casa, today an excellent restaurant.

The homestead, today enriched with the restaurant, rooms, and a magnificent store with an exceptional assortment of minerals, and handicrafts with precious and semi-precious stones, is visited by lovers of the beautiful from all over the world. The premises were built as early as 1863, and first served, thanks to its strategic position - at a crossroads of trade routes between Kobarid and the Soča Valley, and between Friuli, Venice, and the Natisone valleys - as an inn with lodgings, and stabling for horses. The beauty of boarding here was spoilt by World War I and the devastating Battles of Isonzo; the homestead was used as a hospital. Legend has it that a great lover of the beauties of the Soča River and the Natisone valleys, Ernest Hemingway, who spent a lot of time in this area, was also a patient here. When World War I ended, the homestead began to fall into ruins for a certain time, until father Franko bought it in the 70's, redecorated the house and re-opened the inn. The homely place, soon named the Franko Inn, prided itself, which it still does, on home-made salamis, delicious meat dishes and the 'struklji of Kobarid', which are still one of the specialties of the house. The inn has always been valued and regularly visited by foreign guests as well, mainly Italians, who appreciate homel cooking and friendly service which, besides the principle of excellence, the major have been the main guidelines from the very beginning at Franko's. The Franko parents later left the inn to their son Valter, who with his wife Ana, further developed the magnificent story and spiced it with a pinch of romanticism from fairy tales.

Valter Kramar, the owner - and a culinary genius - met his 'soulmate' when he was already in the restaurant business and knew exactly what he wanted to do. In Italy, he earned the highest degree of a wine connoisseur and became a wine expert, a sommelier. At that time, Ana Roš was still at the University of Gorizia, pursuing a degree in diplomatic studies, and had no idea that she would become an internationally recognised chef. They were both great enthusiasts of the variety and excellent taste of international cuisine, which they discovered together in first-class restaurants at home and around the world. ""We drove miles and miles just for a good supper," they fondly remember. Discovering various cuisines and talking to experienced culinary artists provided them with the necessary knowledge, at first just theoretical, but they soon began to experiment with tastes and thus discovered the immense possibilities of combining ingredients. It became obvious what they wanted to do in life. They redecorated the old house and turned it into a splendid homestead, which catches the eye of everyone driving down the magnificent avenue from Kobarid, inviting them to its embrace. The rooms in the reddish-brown house were decorated in light, sunny, and seductive colour themes, and each was given a special name. So guests can choose from the White Room, My Africa, Green Tea, the Little Prince, or Dream Room. In the first years of their work, the couple mainly learned a lot. They had to build a team, which is of utmost importance to make an excellent restaurant. All the effort put into the inn by the family and their colleagues pay off on a daily basis. A smile on the faces



GOODSI OVENJAN**INNS**



Terrine with pumpkin, horseradish, marinated salmon, and mayonnaise with pumpkin seed oil

of people leaving the Hiša Franko Casa guarantees they will return. And they do indeed.

Valter is not just somebody who loves wines, he is also a great wine connoisseur, specialising mainly in naturally produced wines. He is in love with a revolutionary idea of a group of Italian Slovenes with Joško Gravner, Edi Keber, Radikon and their students, winemakers Rencel, Batič, and Edi Simčič at the head, who are excellent at what they do. The list could go on forever. His selection of wines numbers about 350 of the wines, mainly Slovene, which you can try at professionally led tastings while taking a tour of the cellar. You can also buy these fine wines at a discount price. During a wine tasting, Valter serves some home-made cheese. Besides the wine treats, he can offer you a wealth of cheeses from the Tolmin area, which Valter ages himself, so that they develop their excellent taste. Apart from all of the above, guests will catch sight of jars of various home-made fruit preserves, which the Franko women cook from fruit freshly picked in the home or the neighbour's garden.

The second pillar of the Hiša Franko Casa is Ana, once an excellent skier and dancer, who still likes writing and sports. Today her sanctuary is the kitchen and the herb garden behind the house, tended by Valter's parents. At the same time, Ana is a first-class cook and mother of two wonderful children, whose cheerfulness will win the heart of every guest indulging in Franko's treats. With Ana's diligence and a wish to make a difference, her kitchen has developed into a place of culinary masterpieces. Franko's is a place where you can escape and hide from the hustle and bustle of city life and indulge in the dishes, producing a stunning harmony of taste and appearance.

They offer a wide variety of dishes, prepared to seduce the eye, which is why it is difficult to opt for one menu alone, or choose to present a single dish. Even though the summer is over, I just can't forget the summer spirit meals, so I decided to present three of their tasting meals that cover most of their specialties. It is very important to mention that at Hiša Franko they follow the seasons and traditions of their forbears in their selection of food. They are also very proud that in their cooking they use aromatic herbs from their garden, the organic and daily fresh vegetables and fruit from a neighbouring farm and water that comes from a spring just

behind the house. The first dish I chose is named "The garden and the flower". It consists of vegetable ravioli filled with mountain cottage cheese and potato, baby spinach and truffle foam. After the starter, come crispy lamb pockets, covered with spicy coffee sauce and a crust of toasted almonds. The tastes just keep mixing, but you want more. So they bring you bitter cacao noodles with game ragout, with a balsamic apple sauce. And for almost the last dish, roe buck filet, rhubarb chutney and traditional tarragon strukeli. For the sweet treat, there is the secret alder tree revolution. Besides this meal, I just can't forget the other two summer menus, "Easy summer" and "Collection sensations of summer 08". With the first, you are spoiled with English roast beef, preceded with Mediterranean tuna fish tartar, dressed with sesame seeds and argan oil, »gazpacho« of melon and frozen tomato. The dishes that follow are ravioli filled with aubergine taggiasche olives and Istrian tomato, cold mozzarella soup, pesto of curry and pine nuts. Besides the above there is fonda sea bass fillet baked on the skin side, Japanese dashi and parsley mayonnaise with fried bread. To conclude all the great tastes: fruit sorbet on a spoon. The dishes go on and on and the tastes never cease to inspire. (The most traditional dish is the 'struklji of Kobarid', which leaves you breathless.

The dishes above are also reasons why Hiša Franko has been invited to be the part of Krog, the organisation which comprises six best Slovene restaurants. As with the Pikol restaurant, described in an earlier edition of Sinfo, the Hiša Franko Casa was visited by Dr Tsukamota, a descendant of a famous samurai family and member of the Japanese aristocracy. His enthusiasm for the Slovene culinary masterpieces was demonstrated with an invitation to a 'sanctuary' of Japanese gastronomy, at the Mibu restaurant in Tokyo, where tables are booked even 30 years in advance. Ana Roš and the owner of the Pikol's presented Slovene cuisine and participated in a splendid culinary presentation.



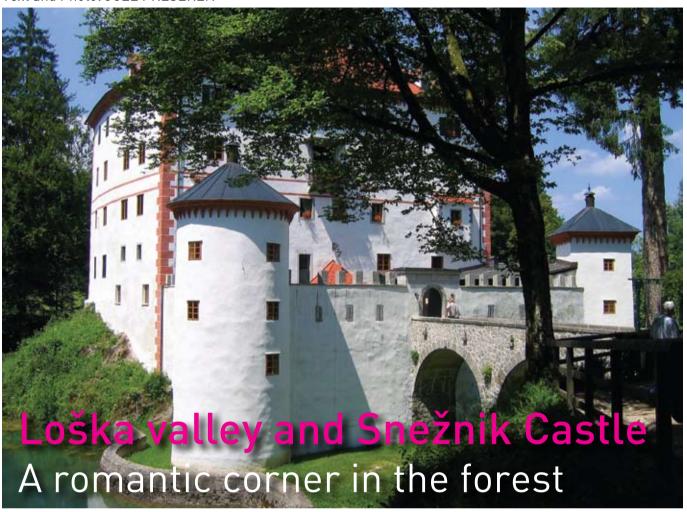
Venison steak tartar



Meringue with lavender, orange jelly, and crispy almond crust

NATURALTRAILS

Text and Photo: JOŽE PREŠEREN



Loška valley - named after Lož, the biggest town in the valley is a somehow secluded landscape in Notranjska region, south of Ljubljana, on the Croatian border. It is relatively small: 6 kilometres long and 4 kilometres wide, enclosed by the Bloke plateau (Bloška planota) to the north, the Snežnik mountains to the south, and Kočevje forest (Kočevski gozd) to the east. To the west, the valley flows into Cerknica field (Cerkniško polje). The valley lies at 590 metres above sea level and has a fairly moist and cold climate. The village of Babno polje in Loška valley is considered one of the coldest places in Slovenia, where each year Slovenia's record lowest winter temperature is measured. The Loška valley is relatively densely populated - over 4000 inhabitants permanently reside here, and a significant percentage of them are still farmers, mostly cattle farmers. Many of them are also employed in forestry and, of course, industry. The biggest industrial plant here is Kovinoplastika in the town of Lož, known for their stainless sinks and other products. A number of furniture factories can also be found here.

As for the majority of Slovene regions, one can say that the Loška valley too had been inhabited since prehistoric times, but the majority of today's settlements originate from the Middle Ages. Stari trg is considered the oldest settlement here — a pre-parish existed here already around 1160. The settlement was called Lož until 1341, when a new settlement began to develop, taking over the market rights and the name of the old settlement. The new Lož became a town in 1477, but the parish remained in Stari trg. The valley was often devastated by the Turks, at least three times in the 16th century. The peasants sought refuge behind the castle walls and then slowly began to rebuild the devastated homesteads. The

strongest defence fortress was in Lož, where there were granaries inside the castle. Churches also served as fortified defence buildings. As they do today after the rigours of the weather, the authorities compiled inventories of damage after each Turkish attack, finding out that many farms have been left deserted.

Snežnik Castle

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In feudal times the Loška valley was owned by various aristocratic families who owed allegiance to the Oglej patriarchy. In 1477 the town Lož gained the right from the Austrian emperor to build fortifications, and the inhabitants gained rights to hold a fair, to vote for judges, to fish in Lake Cerknica, to be excused certain taxes for a certain period (a striking similarity to decisions made by today's authorities after weather damage) and to be excused from socage labour.

But let's move into present day, although it still lives on account of the past.

One of the main tourist attractions of the Loška valley, attracting visitors from around Slovenia and from abroad, is Snežnik Castle. It is one of only a few in Slovenia that survived the Second World War and managed to preserve a majority of the interior decoration from the last noble owners.

Snežnik was probably built on the foundations of an older Roman fortress in the 11th century, when secular authority over the valley was taken over by the Oglej (Aquilea) patriarchs. By building this kind of castle their aim was to secure important trade routes from the Furlanija and Primorska regions to the Kranjska region.

NATURALTRAILS



Armed escorts, fresh horses and accommodation were available for travellers and merchants who travelled through these dense and dangerous forests.

The first mention of the castle in documents comes from the year 1269, and concerns one Majnard Snežniški. At the beginning of the 14th century the Snežniški family went into decline and by the end of the century the castle was divided among many owners. In 1393 a quarter of the castle and some attached farms were inherited by a relative of the Snežniški family, Viljem II Lamberg. His successors managed to acquire the complete castle in the following century and in the 16th century gave it a new, renaissance image we can (although somewhat altered) admire to this day.

VALUABLE FURNITURE FROM THE 19TH CENTURY

Through marriage the castle again changed owners, and in the 17th century the estate was sold to the Kočevje count Auersperg.

At the beginning of 18th century, a Lichtenberg family became the owners, but they too had to sell up in 1847 due to pauperization. The new owners, Mr. and Mrs. Karis of Vienna, soon went bankrupt and the estate was bought at auction by a German duke, Oton Viktor Schönburg-Waldenburg from Hermsdorf near Dresden. His son Jurij inherited the estate and turned the castle into a summer and hunting residence.

The architectural image of the building today is a product of many reconstructions and improvements, but in general it has preserved the image it had in the 16th century. The last owners added another floor, two towers, a basement under the terrace, raised the fortified walls and filled the interior with furniture and other equipment. They also built several outbuildings in the vicinity and laid out a park near the castle. Due to the fact that extensive woodlands were part of the estate, Duke Jurij hired the best experts in woodland management. He was also a patron of the first Slovene school of forestry, which operated on his estate from 1869 to 1875. He enabled the introduction of modern industry in the valley by introducing a steam saw. He reintroduced deer into the forests, trout into the streams, and also built numerous forest roads. He was succeeded by his son Herman in 1902, who served in the diplomatic corps. After the First World War the estate came under control of two countries - part came under Italy and part under the Kingdom of Serbs, Croatians and Slovenes, the later Yugoslavia. Due to the fact that the owner was a German citizen, state control (sequester) was proclaimed over the estate and revoked in 1924. Duke Herman died in 1943 at his family castle at Hermsdorf near Dresden. During the Second World War the custodian of the castle, Leon Schauta, dexterously saved the castle from looters, making it possible for us to admire most of the fixtures and artwork from the times of Schoenburg dukes.

Castle Snežnik has served as a Slovene protocol venue for a number of years and was completely renovated in 2008. Visitors can admire interesting architecture as well as the rich internal decor, and each floor and room can be enjoyed separately. Guides are available for any additional information and can tell you interesting details about the lives of former owners. There is a permanent exhibition of 19th century furniture, with numerous valuable pieces, and a special Egyptian room. Cultural events can be held in the castle, such as concerts and fine arts exhibitions, as well as weddings. In the farm nearby there is a hunting museum, explaining dormouse hunting, a type of hunting that has survived only in this part of Slovenia.



I FEEL SLOVENIA



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Each year in September the Vipava valley is traditionally in the midst of the grape picking, which lasts until the beginning of October, if only the weather permits. In Vipava, grapes are picked and pressed in grand style, with concerts, a farmer's market and firework displays. These events take place when most of the farmers are emptying their trellises, giving the name to the main event - the Vipava vintage.

This year the event started on the 11th of September, though many farmers in the Vipava valley and the Goriška brda region began to pick some varieties sooner – for example the blue pinot and chardonnay for champagne. Each year the Vipava vintage starts with a concert by the church choir 'Podnanos' in the parish church in Vipava, announcing the beginning of the celebrations. A day later the event officially starts with a ceremony in Vipava's main square, followed by concerts and shows by actors and imitators.

The event culminates on the last day, usually Sunday, when the town comes alive with the farmer's market and the craft and entrepreneurship fair. The main square is taken over by a colourful crowd of nearby farmers selling their produce, artisans, farmer's

wives, winemakers, cooks, craftsmen and those who just come to watch all this hustle and bustle.

And so the farmer's wives thrill the passers-by by making lace napkins, while stoneware products are made on the square and put on display. Next to them artisans are making small clay statues, others are carving wood and on the other side of the square winegrowers from the neighbouring villages are offering their wines for tasting.

One other event also takes place on the last day – the election of a wine queen, an event as traditional as the farmer's market.

Most winegrowers are optimistic about this year's crop. They say the grapes have not been devastated by drought, fire disease or other problems, so they are expecting a quality vintage year. Although some vineyards were hit by hail in the summer, there are not many of them.

The wine from the Vipava region is becoming world-famous and an always greater share of this wine is designated for export. This year some producers have sent their bottled wine all the way to China.

